

400 North Fourth Street
Bismarck, ND 58501
701-222-7900

October 16, 2020

Executive Secretary
North Dakota Public Service Commission
State Capitol Building
Bismarck, ND 58505-0480

Re: Case No. PU-20- _____
2021 Avoided Cost Rate Update

Montana-Dakota Utilities Co. (Montana-Dakota) herewith electronically submits for Commission approval revisions to its Occasional Power Purchase Non-Time Differentiated Rate 95 and Parallel Generation Peaking Facility Purchase Rate 96 Time Differentiated tariff sheets. This filing is made in compliance with the Order in Case No. 10,000 and in accordance with the Cogeneration and Small Power Producer Rules, Section 69-09-07-09 of the North Dakota Administrative Code.

Montana-Dakota requests approval of the following revised tariff sheets:

- 21st Revised Sheet No. 44
- 17th Revised Sheet No. 44.1
- 21st Revised Sheet No. 45
- 19th Revised Sheet No. 45.1.

The methodology used to develop the proposed energy payments is consistent with the approved avoided cost rates. The proposed energy payments for Rates 95 and 96 were generated using Montana-Dakota's production costing model PLEXOS[®] for Power Systems (PLEXOS), reflecting a test year of calendar year 2021. The proposed energy payments under Rates 95 and 96 reflect a decrease in the energy payment per Kwh attributable to a decrease in the forecasted Midcontinent Independent System Operator, Inc.'s (MISO) market prices from those included in the currently approved energy payments. The proposed energy payments are shown on Attachment A.

Montana-Dakota has adequate capacity through 2027 with minimal purchases required through 2030 that can be met with purchases through the MISO capacity auction. Montana-Dakota's Integrated Resource Plan (IRP) submitted on July 1, 2019 (Case

PU-19-221) identified a short-term capacity deficiency beginning in 2022 with the retirement of the Lewis & Clark and Heskett coal fired generating units and the addition of an 88 MW natural gas fired Simple Cycle Combustion Turbine to be online in 2023. The IRP also identified an action plan that included monitoring the availability and price of energy and short-term capacity in the MISO market or through bi-lateral arrangements. Montana-Dakota has secured a bi-lateral arrangement for 30 Zonal Resource Credits annually for three consecutive planning years beginning on June 1, 2023 and ending May 31, 2026. In addition, Montana-Dakota has entered into an agreement with CPower to expand the current Demand Response Agreement for a five-year period (through May 31, 2027) and expanding the program to 50 MW. As noted above the minimal capacity purchases required through 2030 can be met with purchases through the MISO capacity auction. As such, the capacity payment rate included in the Rate 96 tariff is the MISO capacity auction price for Zone 1, the pricing zone for Montana-Dakota, through 2030. The current MISO clearing price is \$0.152 per Kw.

Montana-Dakota has reviewed the metering charges applicable under Rates 95 and 96 and has determined no change in the daily metering charges is necessary in this annual update.

Montana-Dakota currently serves eleven customers under Rate 95 as of September 30, 2020. Assuming the same customer loads and generation as the past twelve months, customers would experience a decrease in their energy payments resulting in a proposed total decrease in annual energy payments of \$19. A monthly history of the energy purchased under Rate 95 is included as Attachment C.

Included herein is a second set of the affected tariffs on which Montana-Dakota has indicated the revisions requested by lining through the existing language which the Company proposes to delete and clearly highlighting the new language proposed.

Montana-Dakota respectfully requests that the rate schedules set forth herein be approved with an effective date of service rendered on and after January 1, 2021.

Montana-Dakota submitted a check for \$600.00 on March 19, 2020. This payment will cover the filing fee associated with this Avoided Cost Rate Update in accordance with North Dakota Century Code Section 49-05-05.

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

If you have any questions regarding this filing, please contact me at (701) 222-7855 or travis.jacobson@mdu.com.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Attachments



Montana-Dakota Utilities Co.

A Subsidiary of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
21st Revised Sheet No. 44
Canceling 20th Revised Sheet No. 44

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 1 of 2

Availability:

To any qualifying cogeneration and small power production facilities for the purpose of generating occasional electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a design capacity of 100 Kw or less, that are Qualifying Facilities (QF) as defined under 18 CFR, Part 292.

Rate:

Metering charge for single phase service: \$0.05 per day
With instrument transformers: \$0.19 per day

Metering charge for three phase service: \$0.12 per day
With instrument transformers: \$0.33 per day

Energy delivered to and accepted by Company by a QF shall be paid for by Company in accordance with one of the following two options, elected by the QF:

1. Simultaneous Purchase and Sale:

Energy sales to QF - Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

Energy purchases by Company:

Energy Payment = 2.267¢ per Kwh

2. Net Billing:

Energy generated will be compensated on a net billing basis. The Company will install a meter to measure the energy generated by the QF. The Company will also install a meter to measure the energy consumed by the QF. Metered generation will be subtracted from the metered consumption for the billing period.

Date Filed: October 16, 2020

Effective Date:

Issued By: Travis R. Jacobson
Director of Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Subsidiary of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
17th Revised Sheet No. 44.1
Canceling 16th Revised Sheet No. 44.1

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 2 of 2

If metered generation is less than metered consumption, the QF will be billed the applicable retail rate. If metered generation is greater than the metered consumption, the QF will be paid for each Kwh at an amount equal to:
2.267¢ per Kwh

General Terms and Conditions:

1. Change of Rates: This schedule shall be reviewed annually, updated if necessary, and revised upon the Commission's approval.
2. The Company shall install appropriate metering facilities to record all flows of energy necessary to bill and pay in accordance with the charges and payments contained in this rate schedule.
3. The customer shall, with prior written consent of the Company, furnish, install and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by the Company to properly meter usage and sales to the Company.
4. A written contract with the Company shall be signed stipulating the terms and conditions of the interconnection and sale of the electricity to the Company. The term of the contract hereunder shall be at least one year but less than five years.
5. In order to qualify for the net billing option, the generating equipment and the load of the facility must be located at the same "physical site". "Physical site" shall mean on the same tract of land and the generator output must be physically connected to the load service entrance.
6. For general terms and conditions covering QF's, see Rate 140.
7. All services provided by the Company under this and all other schedules are governed by the rules and regulations approved by the North Dakota Public Service Commission. Rates charged hereunder may be modified by Company at any time by making a unilateral rate application with the North Dakota Public Service Commission or its successor. The new rates shall be effective upon approval by the Commission.

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Montana-Dakota Utilities Co.

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400 N 4th Street
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State of North Dakota Electric Rate Schedule

NDPSC Volume 4
21st Revised Sheet No. 45
Canceling 20th Revised Sheet No. 45

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 1 of 3

Availability:

To any qualifying cogeneration and small power production facilities for the purpose of generating electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a design capacity of 1000 Kw or less, that operate as a peaking facility (defined below), and are Qualifying Facilities (QF) as defined under 18 CFR, Part 292.

Rate:

Metering charge for single phase service: \$ 0.16 per day
With instrument transformers: \$ 0.30 per day

Metering charge for three phase service: \$ 0.18 per day
With instrument transformers: \$ 0.38 per day

1. Capacity delivered to the Company:

Monthly capacity payments for a QF (not registered as a MISO generator) shall be assigned by Montana-Dakota based upon the amount of qualifying capacity assigned to an eligible resource under BPM-011 Resource Adequacy of the MISO tariff subject to adjustment annually in accordance with BPM-011.

Monthly capacity payments for a MISO-registered QF shall be based on the capacity credits assigned by MISO on an annual basis.

Monthly capacity payment shall be the MISO capacity auction clearing price for Zone 1. The capacity payment is subject to change annually through the year 2030. Effective in 2031 the monthly capacity payment shall be \$9.819 per Kw applicable for the remainder of the term of the contact.

Capacity payments will be paid in the subsequent billing period.

Date Filed: October 16, 2020

Effective Date:

Issued By: Travis R. Jacobson
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Subsidiary of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
19th Revised Sheet No. 45.1
Canceling 18th Revised Sheet No. 45.1

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 2 of 3

2. Energy Payment:

ON-PEAK

2.194¢ per Kwh

OFF-PEAK

2.267¢ per Kwh

Peak Periods: The On-Peak Period is defined as those hours between 12 p.m. and 8 p.m. local time, Monday through Friday in the months of June through September. The Off-Peak Period is defined as all other hours. Definitions of On-Peak and Off-Peak periods are subject to change with change in the Company's system operating characteristics.

Energy Sales to Qualifying Facilities:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

General Terms and Conditions:

1. Change of Rates: This schedule shall be reviewed annually, updated if necessary, and revised upon the Commission's approval.
2. Service under this schedule shall be on a simultaneous purchase and sale basis only.
3. The Company shall install appropriate metering facilities to record all flows of energy necessary to bill and pay in accordance with the charges and payments contained in this rate schedule.
4. The customer shall, with prior written consent of the Company, furnish, install and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by the Company to properly meter usage and sales to the Company.
5. A written contract with the Company shall be signed stipulating the terms and conditions of the interconnection and sale of the electricity to the Company. The term of the contract hereunder shall be five years or more.

Date Filed: October 16, 2020

Effective Date:

Issued By: Travis R. Jacobson
Director – Regulatory Affairs

Case No.:

Tariffs Reflecting Proposed Changes



Montana-Dakota Utilities Co.

A Subsidiary of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4

~~20th~~-21st Revised Sheet No. 44

Canceling ~~1920th~~ Revised Sheet No. 44

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 1 of 2

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1. Simultaneous Purchase and Sale:

Energy sales to QF - Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

Energy purchases by Company:

Energy Payment = ~~2.4722.267~~¢ per Kwh

2. Net Billing:

Energy generated will be compensated on a net billing basis. The Company will install a meter to measure the energy generated by the QF. The Company will also install a meter to measure the energy consumed by the QF. Metered generation will be subtracted from the metered consumption for the billing period.

Date Filed: ~~November 6, 2019~~ October 16, 2020

Effective Date: ~~Service rendered on and after January 23, 2020~~

Issued By: ~~Tamie A. Aberle~~ Travis R. Jacobson
Director of Regulatory Affairs

Case No.: PU-19-355



Montana-Dakota Utilities Co.

A Subsidiary of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4

~~4617~~¹⁷th Revised Sheet No. 44.1

Canceling ~~4516~~¹⁶th Revised Sheet No. 44.1

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 2 of 2

If metered generation is less than metered consumption, the QF will be billed the applicable retail rate. If metered generation is greater than the metered consumption, the QF will be paid for each Kwh at an amount equal to:

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5. In order to qualify for the net billing option, the generating equipment and the load of the facility must be located at the same "physical site". "Physical site" shall mean on the same tract of land and the generator output must be physically connected to the load service entrance.
6. For general terms and conditions covering QF's, see Rate 140.
7. All services provided by the Company under this and all other schedules are governed by the rules and regulations approved by the North Dakota Public Service Commission. Rates charged hereunder may be modified by Company at any time by making a unilateral rate application with the North Dakota Public Service Commission or its successor. The new rates shall be effective upon approval by the Commission.

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Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4

~~20th~~-21st Revised Sheet No. 45

Canceling ~~1920th~~ Revised Sheet No. 45

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 1 of 3

Availability:

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Monthly capacity payments for a MISO-registered QF shall be based on the capacity credits assigned by MISO on an annual basis.

Monthly capacity payment shall be the MISO capacity auction clearing price for Zone 1. The capacity payment is subject to change annually through the year ~~2021~~2030. Effective in ~~2022~~2031 the monthly capacity payment shall be ~~\$7.8939~~.819 per Kw applicable for the remainder of the term of the contact.

Capacity payments will be paid in the subsequent billing period.

Date Filed: ~~November 6, 2019~~October 16, 2020

Effective Date: ~~Service rendered on and after January 23, 2020~~

Issued By: ~~Tamie A. Aberle~~Travis R. Jacobson
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Case No.: PU-19-355



Montana-Dakota Utilities Co.

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400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4

~~18~~19th Revised Sheet No. 45.1

Canceling ~~17~~18th Revised Sheet No. 45.1

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 2 of 3

2. Energy Payment:

ON-PEAK

~~2.444~~2.194¢ per Kwh

OFF-PEAK

~~2.464~~2.267¢ per Kwh

Peak Periods: The On-Peak Period is defined as those hours between 12 p.m. and 8 p.m. local time, Monday through Friday in the months of June through September. The Off-Peak Period is defined as all other hours. Definitions of On-Peak and Off-Peak periods are subject to change with change in the Company's system operating characteristics.

Energy Sales to Qualifying Facilities:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

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Director – Regulatory Affairs

Case No.: ~~PU-19-355~~

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Lambda
2021**

Month	Year	Lambda		
		On-Peak \$/MWh	Off-Peak \$/MWh	Total \$/MWh
January	2021		\$28.07	\$28.07
February	2021		23.59	23.59
March	2021		20.25	20.25
April	2021		20.18	20.18
May	2021		17.47	17.47
June	2021	\$19.30	19.29	19.29
July	2021	23.01	22.94	22.96
August	2021	23.10	23.03	23.05
September	2021	22.36	22.35	22.36
October	2021		23.75	23.75
November	2021		26.09	26.09
December	2021		24.99	24.99
Average		\$21.94	\$22.67	\$22.67

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Calculation of Capacity Payment
2031**

Rate 96

Capital cost of combustion turbine	\$1,252	1/
Levelized Fixed Charge	9.413%	2/
Monthly Capacity Payments:	<u>\$9.819</u>	\$/kW-Month 3.

- 1/ Cost of combustion turbine based on projected cost of a GE 7EA simple cycle unit in 2019 dollars of \$878 escalated at a rate of 3.0% per year to 2031.
- 2/ See Attachment B pages 2-4.
- 3/ Rate 96 Capacity Payment formula: = $\$878 \times 1.030^{(2031-2019)} \times .09413 / 12$

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
2021 Avoided Cost Rate Update
Levelized Fixed Charge Rate - CT

Year	(1) Net Investment	(2) Return	(3) Book Depr.	(4) O&M	(5) Ad Valorem Tax	(6) Total Charge	(7) Present Value Factor	(8) Present Value	(9) Accum. Present Value	(10) LFCR	(11) Tax Depr. Accel.	(12) Deferred Income Tax
1	1.000	0.08595	0.02500	0.01000	0.00401	0.12496	0.93433	0.11675	0.11675	0.12496	0.05000	0.00610
2	0.969	0.08328	0.02500	0.01000	0.00401	0.12229	0.87298	0.10675	0.22351	0.12367	0.09500	0.01708
3	0.927	0.07966	0.02500	0.01000	0.00401	0.11867	0.81566	0.09679	0.32030	0.12211	0.08550	0.01476
4	0.887	0.07624	0.02500	0.01000	0.00401	0.11525	0.76210	0.08783	0.40814	0.12057	0.07700	0.01269
5	0.849	0.07300	0.02500	0.01000	0.00401	0.11201	0.71205	0.07976	0.48789	0.11908	0.06930	0.01081
6	0.814	0.06992	0.02500	0.01000	0.00401	0.10893	0.66530	0.07247	0.56037	0.11766	0.06230	0.00910
7	0.779	0.06699	0.02500	0.01000	0.00401	0.10600	0.62161	0.06589	0.62626	0.11632	0.05900	0.00830
8	0.746	0.06413	0.02500	0.01000	0.00401	0.10314	0.58079	0.05990	0.68616	0.11504	0.05900	0.00830
9	0.713	0.06127	0.02500	0.01000	0.00401	0.10028	0.54265	0.05442	0.74058	0.11380	0.05910	0.00832
10	0.680	0.05841	0.02500	0.01000	0.00401	0.09742	0.50702	0.04939	0.78997	0.11262	0.05900	0.00830
11	0.646	0.05554	0.02500	0.01000	0.00401	0.09455	0.47373	0.04479	0.83477	0.11148	0.05910	0.00832
12	0.613	0.05268	0.02500	0.01000	0.00401	0.09169	0.44262	0.04058	0.87535	0.11037	0.05900	0.00830
13	0.580	0.04982	0.02500	0.01000	0.00401	0.08883	0.41356	0.03674	0.91209	0.10931	0.05910	0.00832
14	0.546	0.04695	0.02500	0.01000	0.00401	0.08596	0.38640	0.03322	0.94530	0.10827	0.05900	0.00830
15	0.513	0.04409	0.02500	0.01000	0.00401	0.08310	0.36103	0.03000	0.97530	0.10727	0.05910	0.00832
16	0.480	0.04123	0.02500	0.01000	0.00401	0.08024	0.33732	0.02707	1.00237	0.10631	0.02950	0.00110

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
2021 Avoided Cost Rate Update
Levelized Fixed Charge Rate - CT

Year	(1) Net Investment	(2) Return	(3) Book Depr.	(4) O&M	(5) Ad Valorem Tax	(6) Total Charge	(7) Present Value Factor	(8) Present Value	(9) Accum. Present Value	(10) LFCR	(11) Tax Depr. Accel.	(12) Deferred Income Tax
17	0.454	0.03898	0.02500	0.01000	0.00401	0.07799	0.31517	0.02458	1.02695	0.10539	0.00000	(0.00610)
18	0.435	0.03736	0.02500	0.01000	0.00401	0.07637	0.29447	0.02249	1.04944	0.10454	0.00000	(0.00610)
19	0.416	0.03574	0.02500	0.01000	0.00401	0.07475	0.27514	0.02057	1.07000	0.10374	0.00000	(0.00610)
20	0.397	0.03411	0.02500	0.01000	0.00401	0.07312	0.25707	0.01880	1.08880	0.10300	0.00000	(0.00610)
21	0.378	0.03249	0.02500	0.01000	0.00401	0.07150	0.24019	0.01717	1.10597	0.10230	0.00000	(0.00610)
22	0.359	0.03086	0.02500	0.01000	0.00401	0.06987	0.22442	0.01568	1.12166	0.10164	0.00000	(0.00610)
23	0.340	0.02924	0.02500	0.01000	0.00401	0.06825	0.20968	0.01431	1.13597	0.10102	0.00000	(0.00610)
24	0.321	0.02761	0.02500	0.01000	0.00401	0.06662	0.19591	0.01305	1.14902	0.10043	0.00000	(0.00610)
25	0.302	0.02599	0.02500	0.01000	0.00401	0.06500	0.18305	0.01190	1.16092	0.09987	0.00000	(0.00610)
26	0.283	0.02437	0.02500	0.01000	0.00401	0.06338	0.17103	0.01084	1.17176	0.09934	0.00000	(0.00610)
27	0.265	0.02274	0.02500	0.01000	0.00401	0.06175	0.15980	0.00987	1.18162	0.09884	0.00000	(0.00610)
28	0.246	0.02112	0.02500	0.01000	0.00401	0.06013	0.14930	0.00898	1.19060	0.09836	0.00000	(0.00610)
29	0.227	0.01949	0.02500	0.01000	0.00401	0.05850	0.13950	0.00816	1.19876	0.09791	0.00000	(0.00610)
30	0.208	0.01787	0.02500	0.01000	0.00401	0.05688	0.13034	0.00741	1.20617	0.09747	0.00000	(0.00610)
31	0.189	0.01624	0.02500	0.01000	0.00401	0.05525	0.12178	0.00673	1.21290	0.09706	0.00000	(0.00610)
32	0.170	0.01462	0.02500	0.01000	0.00401	0.05363	0.11378	0.00610	1.21901	0.09667	0.00000	(0.00610)
33	0.151	0.01299	0.02500	0.01000	0.00401	0.05200	0.10631	0.00553	1.22453	0.09630	0.00000	(0.00610)
34	0.132	0.01137	0.02500	0.01000	0.00401	0.05038	0.09933	0.00500	1.22954	0.09594	0.00000	(0.00610)
35	0.113	0.00975	0.02500	0.01000	0.00401	0.04876	0.09281	0.00453	1.23406	0.09560	0.00000	(0.00610)
36	0.094	0.00812	0.02500	0.01000	0.00401	0.04713	0.08671	0.00409	1.23815	0.09528	0.00000	(0.00610)
37	0.076	0.00650	0.02500	0.01000	0.00401	0.04551	0.08102	0.00369	1.24184	0.09497	0.00000	(0.00610)
38	0.057	0.00487	0.02500	0.01000	0.00401	0.04388	0.07570	0.00332	1.24516	0.09468	0.00000	(0.00610)
39	0.038	0.00325	0.02500	0.01000	0.00401	0.04226	0.07073	0.00299	1.24815	0.09440	0.00000	(0.00610)
40	0.019	0.00162	0.02500	0.01000	0.00401	0.04063	0.06609	0.00269	1.25083	0.09413	0.00000	(0.00610)

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
2021 Avoided Cost Rate Update
Levelized Fixed Charge Rate - CT

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Year	Net Investment	Return	Book Depr.	O&M	Ad Valorem Tax	Total Charge	Present Value Factor	Present Value	LFCR	Tax Depr. Accel.	Deferred Income Tax

- (1) Prior year's Net investment - Book Depreciation - Deferred Income Tax.
- (2) Return (adjusted for taxes) x Net Investment.
- (3) Depreciation rate based on the life of the investment.
- (4) Distribution O&M expense as percent of distribution plant.
- (5) Ad valorem tax rate on distribution plant.
- (6) Sum of return, depreciation, O&M and ad valorem taxes.
- (7) Present value factor reflecting overall rate of return.
- (8) Present value factor x total charge.
- (9) Accumulated present value.
- (10) Levelized fixed charge rate = accumulated present value x $((1+ROR)^{\wedge}book\ life)/((1+ROR)^{\wedge}book\ life-1)$
- (11) Tax depreciation rates for a CT uses a 15 year tax life.
- (12) (Tax life - book life) x tax rate.

Assumptions	
ROR	7.028%
ROR with taxes	8.595%
Federal Tax Rate	21.000%
State Tax Rate	4.310%
Combined Federal/State Tax Rate	24.4049%
1 - Tax Rate	75.5951%
Service Life of Asset (in years)	40
Tax Life (in years - 5, 7, 10, 15, 20 , or 39)	15
Property Tax Rate	0.401%

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Summary of Billed Use & Purchased Energy - Rate 95 Customers
Twelve Months Ended September 30, 2020**

	Kwh Billed Customer 1/	Kwh Purchased under Rate 95
October 2019	28,745	7
November	37,069	2
December	47,024	1
January 2020	56,928	3
February	40,876	5
March	32,748	14
April	24,742	1,091
May	15,610	1,135
June	10,463	2,221
July	13,899	1,820
August	13,043	2,442
September	14,394	518
	<u>335,541</u>	<u>9,259</u>

1/ Kwh billed to customer under customer's otherwise applicable tariff.