



MONTANA-DAKOTA
UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

November 2, 2020

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

Re: Annual Update to the Renewable Resource Cost Adjustment Rate 55
Tariff
Case No. PU-20-____

Montana-Dakota Utilities Co. (Montana-Dakota) electronically submits for Commission approval to update its Renewable Resource Cost Adjustment (RRCA) Rate 55 tariff pursuant to the terms of Rate 55 tariff which states that “[t]he RRCA will be adjusted annually to reflect the Company’s most recent projected capital costs and related expenses for projects determined to be recoverable under this schedule.” Montana-Dakota requests approval of 5th Revised Sheet No. 39 of its electric tariff, provided herein as Exhibit 1, to be effective with service rendered on and after February 1, 2021.

Montana-Dakota is requesting to update its RRCA rates to reflect the projected costs through December 31, 2021 related to the Company’s investment in the Thunder Spirit Wind Project, Cedar Hills Wind Project, and Diamond Willow Wind Project. A comparison of the total proposed costs to be recovered in this filing and the approved costs to be recovered in Case No. PU-19-355 is outlined below.

	Current Filing	Prior Filing	Variance
Revenue Requirement:	\$14,391,968	\$14,714,968	(\$323,000)
Levelization:	4,833,422	3,470,187	1,363,235
Under Recovered Balance:	1,570,240	2,840,713	(1,270,473)
	\$20,795,630	\$21,025,868	(\$230,238)

The total projected 2021 revenue requirement, as allocated to North Dakota, is \$14,391,968 and is detailed in Exhibit 3. The levelization of the revenue requirement, exclusive of the Production Tax Credits (PTCs), for the Thunder Spirit Wind Project, is \$4,833,422 pursuant to the Order in Case No. PU-19-355. The projected 2021 RRCA rates also reflect a projected under-recovered balance

of the current RRCA costs of \$1,570,240 for a total cost of \$20,795,630 to be collected through the proposed RRCA rates. The total costs to be recovered through the proposed rates represent a decrease of \$230,238, or a 1.1 percent decrease, from the revenues currently being collected under the RRCA. While total costs have decreased, the projected volumes have decreased due to lower projected demand resulting in a slight increase in the per unit charge.

All costs to be recovered through the RRCA rates are currently not being recovered through Montana-Dakota's North Dakota retail electric rates.

A residential customer using 894 Kwh would see a total increase of \$0.02 per month from the currently authorized charge under Rate 55, representing an increase of \$0.24 annually. This change will constitute an increase of approximately 0.02% in a residential customer's total bill. The proposed Renewable Resource Cost Adjustments (RRCA) rates are shown below, along with the change from the current RRCA rates implemented March 1, 2020:

	Proposed Rate	Current Rate	Change
Residential & Small General Rate/Kwh	\$0.01033	\$0.01031	\$0.00002
Large General/Kwh	\$0.00976	\$0.00937	\$0.00039
Lighting/Kwh	\$0.01221	\$0.00991	\$0.00230

Pursuant to the Commission's Order in Case No. PU-19-355, the above rates reflect the levelization of the revenue requirement, for Thunder Spirit Wind Project.

Please refer all inquiries regarding this filing to:

Travis R. Jacobson
Director of Regulatory Affairs
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501
Travis.Jacobson@mdu.com

Also, please send copies of all written inquiries, correspondence, and pleadings to:

Karl Liepitz
Assistant General Counsel
MDU Resources Group, Inc.
P.O. Box 5650
Bismarck, ND 58506-5650
Karl.Liepitz@MDUResources.com

Montana-Dakota will separately submit a check in the amount of \$10,000 for the filing fees in this case. In the event the Commission deems an additional deposit is required, Montana-Dakota will submit the required fees.

Montana-Dakota respectfully requests this electronic filing, in lieu of an original and seven (7) physical copies, be accepted as being in full compliance with the filing requirements of this Commission.

Please contact me at (701) 222-7855 or at Travis.Jacobson@mdu.com with any questions regarding this filing.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Attachments

cc: Karl Liepitz
Garret Senger

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

In the Matter of the Application of)
MONTANA-DAKOTA UTILITIES CO. for)
Approval its Annual Update to Renewable) Case No. PU-20-____
Resource Cost Adjustment Rate 55)

I. Summary of Application

Montana-Dakota Utilities Co. (Montana-Dakota or Applicant) herewith submits this Application to update the rates applicable under its Renewable Resource Cost Adjustment Rate 55 tariff pursuant to the terms of Rate 55 to reflect projected costs through December 2021 related to the Company's investment in its existing renewable generation resources; namely the Thunder Spirit Wind Project, Cedar Hills Wind Project, and Diamond Willow Wind Project. Montana-Dakota respectfully requests approval of its Renewable Resource Cost Adjustment Rate 55 tariff, 5th Revised Sheet No. 39, to be effective with service rendered on and after February 1, 2021. In support of the Company's Application, Montana-Dakota is providing the following Exhibits:

- Exhibit 1 - Renewable Resource Cost Adjustment Rate 55 5th Revised Sheet No. 39
- Exhibit 2 - Derivation of Proposed Rates
- Exhibit 3 - Projected 2021 Revenue Requirement
- Exhibit 4 - Balancing Account Summary, 2019 and 2020 Monthly Revenue Requirement Calculation
- Exhibit 5 - Revenue Requirement - Detail Schedule by Wind Project
- Exhibit 6 - Customer Notice of Filing

II. Description of Applicant

Montana-Dakota is a Delaware corporation duly authorized to do business in the State of North Dakota as a foreign corporation, and doing business in the State of North Dakota as a public utility subject to the jurisdiction of and regulation by the North Dakota Public Service Commission (Commission) under NDCC Title 49. Montana-Dakota's Certificate of Incorporation and amendments thereto have been previously filed with the Commission and such Certificate and Amendments are hereby incorporated by reference as though fully set forth herein. Montana-Dakota provides electric service to approximately 93,382 customers in North Dakota as of September 30, 2020.

III. Background of Renewable Resource Recovery Rider Rate 55

On October 26, 2015, Montana-Dakota filed an application and notice to implement a Renewable Resource Cost Adjustment (RRCA) tariff and rates for purposes of recovering its investment in renewable generation resources, specifically the Thunder Spirit Wind Project ("TSW"), a 107.5 MW generation project located near Hettinger, North Dakota in Case No. PU-15-703. On January 5, 2016, the Commission approved a Settlement Agreement between Montana-Dakota and the Commission Advocacy Staff thereby authorizing the Company's RRCA Rate 55 tariff effective with service rendered on and after January 7, 2016 on an interim basis pending the outcome of a general electric rate case to be filed by the Company. On October 14, 2016, Montana-Dakota filed an application and notice to increase its electric service rates in Case No. PU-16-666, which included an update to the RRCA rates. On June 16, 2017, the Commission approved the Settlement Agreement entered into between Montana-Dakota, the Commission Advocacy Staff, and the AARP, authorizing the recovery of the

Company's existing wind facilities (Cedar Hills, Diamond Willow, and Thunder Spirit) through the Rate 55 tariff, as well as a true up of the over collected balance through December 31, 2016. The current RRCA rates were implemented effective with service rendered on and after March 1, 2020 in Case No. PU-19-355.

Montana-Dakota is now requesting to update its RRCA rates to reflect projected costs through December 2021 for all existing wind facilities (Cedar Hills, Diamond Willow and Thunder Spirit) and to include the projected under collected balance as of December 2020. In addition, pursuant to the Commission's Order in Case No. PU-19-355, a levelization revenue component has been included in the requested recovery. The Company is proposing the rates proposed herein be effective with service rendered on and after February 1, 2021.

IV. Calculation of the Proposed RRCA Rates

The following exhibits are included herein in support of the Company's proposed RRCA rates and in accordance with the Company's Rate 55 tariff:

- *Exhibit 2* shows the proposed RRCA rates and the allocation of the total costs to each of the rate classes, including all special contracts. The total costs to be recovered include the projected RRCA under collected balance of \$1,570,240 as of December 31, 2020, the projected 2021 revenue requirement of \$14,391,968 associated with Thunder Spirit, Cedar Hill, and Diamond Willows wind projects and the projected levelization adjustment of \$4,833,422 reflective of the Commission's Order in Case No. PU-19-355. Projected costs are then allocated to the rate classes based on the Company's Demand/Energy Factor No. 3, and divided by the forecasted billing determinants. A comparison of the current

revenue requirement to the prior year is outlined below:

	Current Filing	Prior Filing	Variance
Revenue Requirement:	\$14,391,968	\$14,714,968	(\$323,000)
Levelization:	4,833,422	3,470,187	1,363,235
Under Recovered Balance:	1,570,240	2,840,713	(1,270,473)
	<u>\$20,795,630</u>	<u>\$21,025,868</u>	<u>(\$230,238)</u>

As outlined above, the levelization amount that is being projected for the 2021 period is increasing. This is to better match the revenue requirement, exclusive of Production Tax Credits (PTCs) for 2021 with a typical asset life, and spread the value of PTCs over the expected life of the wind assets. The current year levelization is outlined on Exhibit 5, page 7. The Under Recovered balance is showing a decrease from the prior filing. Further explanation of the under recovered balance is explained in Exhibit 4.

- *Exhibit 3* shows the projected monthly revenue requirements for Montana-Dakota's wind projects for the year ending December 2021. The projected revenue requirement for the twelve months ending December 31, 2021 as allocated to North Dakota is \$14,391,968 as shown in Exhibit 3. This represents a decrease of \$323,000 from the revenue requirement authorized in Case No. PU 19-355. The revenue requirement is comprised of:
 - Average rate base of \$144,750,620. Capital additions of \$872,000 have been included in rate base during 2021 to reflect the addition of light mitigation technology.
 - Continued amortization of the decommissioning costs authorized in Case No. PU-16-666, updated for the most recent decommissioning estimate to

include the decommissioning estimate related to the Thunder Spirit Expansion Project.

- Federal Production Tax Credits (PTCs): reflects a credit of 2.5 cents per Kwh of production from each of the facilities taking into account the expiration of PTCs related to the twenty Diamond Willow turbines that went into service starting in December 2007 and June 2010, as well as the expiration of PTCs related to the thirteen Cedar Hills turbines that went into service starting May and June of 2010. The remainder of the Cedar Hills and Diamond Willow turbines are no longer eligible for PTCs effective June of 2020. The PTCs for the projects are included as a reduction to taxes, but also as an addition to rate base as Montana-Dakota in 2020. Over the course of the 2020 year, the remaining PTCs carried forward are expected to be utilized by year end. The Company does not project any carryforward balance in year 2021.
- Return: reflective of the projected 2021 Capital Structure and the Return on Equity of 9.65% authorized in the Company's last electric rate case (Case No. PU-16-666).
- O&M: reflects the annual operating costs and the annual easement payments for each facility. O&M costs are recorded separately for each wind facility.
- Depreciation Expense: annual depreciation rates for production and transmission related assets, based on a 25-year life for all wind facilities, as authorized in Case No. PU-16-666.

- Taxes Other than Income: reflective of the production tax rate applicable under North Dakota Century Code Chapter 57-33.2.04: Wind Generation Taxation.
- Income Taxes: current federal and state income tax rates.
- ARAM Reversal: The Tax Cuts and Jobs Act of 2017 required re-measurement of the accumulated deferred income tax balance to determine the amount of excess deferred income tax to be returned to customers over the remaining life of the asset. The excess deferred income taxes on the Cedar Hills and Diamond Willow assets results in a projected annual amortization of \$323,040 for 2021, which is a reduction to deferred tax expense. Excess deferred income taxes on the Thunder Spirit assets were calculated as of December 31, 2017, however, tax depreciation still exceeds book depreciation. Therefore, the amortization of the excess deferred income tax balance related to Thunder Spirit will take place in future periods when book depreciation exceeds tax depreciation.
- The facilities located in North Dakota are eligible for the North Dakota income tax credit (ITC) for installation of wind energy devices under N.D.C.C. Section 57-38-30. The Facilities are projected to have a carry forward credit of approximately \$5.66 million available at the end of 2020, and it is projected that \$534,000 of the credit will be utilized in 2021. Since the credit allowed under the statute may not exceed the liability for tax, the excess will be carried forward for future use. Deferred tax is only

established when the credit is utilized, and the deferred tax benefit is then amortized over the life of the assets. Based on the projected credit utilization, the deferred tax balance at the end of 2021 is projected to be approximately \$7.1 million.

- *Exhibit 4* shows the projected RRCA Balancing Account (per Paragraph 2d of Rate 55) through December 2020. The under recovered balance carried forward from the prior year includes a carrying charge due from customers based on the three-month Treasury Bill rate as published monthly by the Federal Reserve Board. The under recovered balance in the last filing was intended to be recovered over the period of February 2020 through January 2021. Rates were not implemented until March 2020 and sales were slightly less than projected. In addition, the projected 2019 revenue requirement was higher by approximately \$671,000 due to higher O&M and lower PTCs. Finally, the levelization revenue is presented as a component of total revenue collected and that revenue will be held by the Company to offset the revenue requirement in future periods. See Exhibit 4, page 2.
- *Exhibit 5* shows the projected monthly revenue requirements in detail for each of the three existing wind projects, including the expansion to Thunder Spirit, for the years ending December 2020 and December 2021.

V. Estimated Impact by Customer Class

As shown in Exhibit 2, Montana-Dakota's projected 2021 costs to be recovered under the RRCA rates are \$20,795,630, which includes the projected under-recovered balance of \$1,570,240. A residential customer using 894 Kwh would see an increase of \$0.02 per month, or \$0.24 annually.

Montana-Dakota requests approval of the following RRCA rates to be effective February 1, 2021:

	<u>Proposed Rate</u>	<u>Current Rate</u>	<u>Change</u>
Residential & Small General Rate/Kwh	\$0.01033	\$0.01031	\$0.00002
Large General/Kwh	\$0.00976	\$0.00937	\$0.00039
Lighting/Kwh	\$0.01221	\$0.00991	\$0.00230

Montana-Dakota has included as Exhibit 6 a Customer Notice to be included with customer's bills starting thirty days from date of filing in accordance with NDCC § 69-09-02-02.1 requiring a notice to be provided to customers, within thirty days after filing, informing customers of the Company's request to update rates.

Montana-Dakota will separately submit a check in the amount of \$10,000 for the filing fees in this case. In the event the Commission deems an additional deposit is required, Montana-Dakota will submit the required fees.

VI. Conclusion

Montana-Dakota respectfully requests that the Commission approve this annual update to the Company's RRCA rates applicable under Renewable Resource Cost Adjustment Rate 55 tariff to be effective with service rendered on and after February 1, 2021.

Dated this 2nd day of November 2020.

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Of Counsel:

Karl Liepitz
Assistant General Counsel
MDU Resources Group, Inc.
P.O. Box 5650
Bismarck, ND 58506-5650

Exhibit 1



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
5th Revised Sheet No. 39
Canceling 4th Revised Sheet No. 39

Renewable Resource Cost Adjustment Rate 55

Page 1 of 1

1. Applicability:

This rate schedule represents a Renewable Resource Cost Adjustment (RRCA) and specifies the procedure to be utilized to recover the jurisdictional costs associated with renewable generation resource modifications or additions approved by the Commission, but not recovered through retail rates. Costs to be recovered may include operation and maintenance expenditures, depreciation, taxes, and a current return on the project costs.

2. Renewable Resource Cost Adjustment:

- a. An adjustment per Kwh will be calculated using the projected capital costs and related expenses, along with the forecasted Kwh sales, to determine a North Dakota jurisdictional revenue requirement to be recovered through the RRCA rates. The return component of the revenue requirement calculation will include the return on equity established in the Company’s most recent rate case.
- b. The RRCA is applicable to all retail customers for electric energy sold, except those served under special contract, where the contract does not express RRCA applicability, and are allocated amongst the rate classes based on the Company’s Demand/Energy Factor No. 3 established in the Company’s most recent general rate case.
- c. The RRCA will be adjusted annually (or other period authorized by the Commission) to reflect the Company’s most recent projected capital costs and related expenses for projects determined to be recoverable under this schedule.
- d. A true-up will reflect any over or under collection of revenue under the RRCA based on actual expenditures from the preceding twelve month recovery period plus carrying charges or credits accrued at a rate equal to the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.

3. Renewable Resource Cost Adjustment:

Residential & Small General	1.033¢ per Kwh
Large General	0.976¢ per Kwh
Lighting	1.221¢ per Kwh

Date Filed: November 2, 2020

Effective Date:

Issued By: Travis R. Jacobson
Director – Regulatory Affairs

Case No.:

Tariffs Reflecting Proposed Changes



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4

~~3rd~~ ^{4⁵}th Revised Sheet No. 39

Canceling ~~3rd~~ ^{4⁵}th Revised Sheet No. 39

Renewable Resource Cost Adjustment Rate 55

Page 1 of 1

1. **Applicability:**

This rate schedule represents a Renewable Resource Cost Adjustment (RRCA) and specifies the procedure to be utilized to recover the jurisdictional costs associated with renewable generation resource modifications or additions approved by the Commission, but not recovered through retail rates. Costs to be recovered may include operation and maintenance expenditures, depreciation, taxes, and a current return on the project costs.

2. **Renewable Resource Cost Adjustment:**

- a. An adjustment per Kwh will be calculated using the projected capital costs and related expenses, along with the forecasted Kwh sales, to determine a North Dakota jurisdictional revenue requirement to be recovered through the RRCA rates. The return component of the revenue requirement calculation will include the return on equity established in the Company's most recent rate case.
- b. The RRCA is applicable to all retail customers for electric energy sold, except those served under special contract, where the contract does not express RRCA applicability, and are allocated amongst the rate classes based on the Company's Demand/Energy Factor No. 3 established in the Company's most recent general rate case.
- c. The RRCA will be adjusted annually (or other period authorized by the Commission) to reflect the Company's most recent projected capital costs and related expenses for projects determined to be recoverable under this schedule.
- d. A true-up will reflect any over or under collection of revenue under the RRCA based on actual expenditures from the preceding twelve month recovery period plus carrying charges or credits accrued at a rate equal to the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.

3. **Renewable Resource Cost Adjustment:**

Residential & Small General	1.034 ^{1.033} ¢ per Kwh
Large General	0.937 ^{0.976} ¢ per Kwh
Lighting	0.994 ^{1.221} ¢ per Kwh

Date Filed: ~~February 24~~^{November 2,}
2020

Effective Date: ~~Service rendered on and~~
~~after March 1, 2020~~

Issued By: ~~Tamie A. Aberle~~^{Travis R.}
~~Jacobson~~
Director – Regulatory Affairs

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

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Proposed RRCA Rates**

	<u>Total</u>	<u>Residential & Small General</u>	<u>Large General</u>	<u>Lighting</u>
Revenue Requirement 1/ 2/	\$14,391,968	\$6,183,222	\$8,047,153	\$161,593
Levelization 1/ 2/	4,833,422	2,076,583	2,702,569	54,270
Prior (Over)/Under Recovery 2/ 3/	1,570,240	674,622	877,987	17,631
Net to be Recovered	<u>20,795,630</u>	<u>8,934,427</u>	<u>11,627,709</u>	<u>233,494</u>
Projected Kwh Sales	2,075,497,316	864,798,670	1,191,573,098	19,125,548
Proposed RRCA Rate per Kwh		\$0.01033	\$0.00976	\$0.01221
Current RRCA Rate per Kwh 4/		\$0.01031	\$0.00937	\$0.00991
Increase in RRCA Rate		<u>\$0.00002</u>	<u>\$0.00039</u>	<u>\$0.00230</u>

1/ Exhibit 3, page 1.

2/ Demand/Energy for Wind Allocation Factor 3

Residential & Small General	42.963008%	(Rates 10, 13, 16, 20, 25, 26, and 40)
Large General	55.914195%	(Rates 30, 31, 32, 38, 48 and contracts)
Lighting	1.122797%	(Rates 41, 52)
	<u>100.000000%</u>	

3/ Exhibit 4, page 1.

4/ Current RRCA rates effective March 1, 2020.

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Projected Year End 2021**

	Projected												Average Balance	
	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	June 2021	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021		
Rate Base														
Total Plant Balance	\$278,597,703	\$278,597,703	\$278,597,703	\$278,597,703	\$278,597,703	\$278,945,835	\$279,328,780	\$279,328,780	\$279,328,780	\$279,935,922	\$279,935,922	\$279,935,922	\$279,144,038	
Total Accumulated Reserve	67,045,370	68,010,359	68,975,348	69,940,337	70,905,326	71,870,315	72,836,468	73,803,837	74,771,206	75,738,575	76,707,946	77,677,317		
Net Plant in Service	\$211,552,333	\$210,587,344	\$209,622,355	\$208,657,366	\$207,692,377	\$207,075,520	\$206,492,312	\$205,524,943	\$204,557,574	\$204,197,347	\$203,227,976	\$202,258,605	206,787,171	
Add: PTC Carryforward	0	0	0	0	0	0	0	0	0	0	0	0	0	
Less: Deferred Taxes	56,088,581	55,970,168	55,859,499	55,756,327	55,660,907	55,572,984	55,492,806	55,420,371	55,355,433	55,298,239	55,248,542	55,206,598		
Less: Investment Tax Credit	5,787,067	5,909,239	6,031,411	6,153,583	6,275,755	6,397,927	6,520,099	6,642,271	6,764,443	6,886,615	7,008,787	7,130,959		
Total Rate Base	\$149,676,685	\$148,707,937	\$147,731,445	\$146,747,456	\$145,755,715	\$145,104,609	\$144,479,407	\$143,462,301	\$142,437,698	\$142,012,493	\$140,970,647	\$139,921,048	144,750,620	
Return on Rate Base 1/	\$865,505	\$859,904	\$854,257	\$848,567	\$842,832	\$839,067	\$835,452	\$829,571	\$823,646	\$821,187	\$815,163	\$809,093	\$10,044,244	
Expenses														
Operating Expenses													Total	
Total O&M	\$270,077	\$270,077	\$270,077	\$270,077	\$270,077	\$270,077	\$270,077	\$270,077	\$270,077	\$270,077	\$270,077	\$270,077	\$847,737	\$3,818,584
Total Depreciation	964,989	964,989	964,989	964,989	964,989	964,989	966,153	967,369	967,369	967,369	969,371	969,371	969,371	11,596,936
Property taxes	62,294	62,294	62,294	62,294	62,294	62,294	62,294	62,294	62,294	62,294	62,294	62,297	62,297	747,531
Payroll taxes	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,148	3,148	37,798
Total Expenses	\$1,300,510	\$1,300,510	\$1,300,510	\$1,300,510	\$1,300,510	\$1,300,510	\$1,301,674	\$1,302,890	\$1,302,890	\$1,302,890	\$1,304,892	\$1,882,553	\$16,200,849	
Income before Taxes (EBIT)	(\$1,300,510)	(\$1,300,510)	(\$1,300,510)	(\$1,300,510)	(\$1,300,510)	(\$1,300,510)	(\$1,301,674)	(\$1,302,890)	(\$1,302,890)	(\$1,302,890)	(\$1,304,892)	(\$1,882,553)	(\$16,200,849)	
Interest Expense	265,801	264,081	262,346	260,599	258,838	257,682	256,571	254,765	252,946	252,191	250,340	248,476	3,084,636	
AFUDC Equity Add Back	25,413	25,413	25,413	25,413	25,413	25,413	25,413	25,413	25,413	25,413	25,413	25,413	304,956	
Taxable income	(\$1,540,898)	(\$1,539,178)	(\$1,537,443)	(\$1,535,696)	(\$1,533,935)	(\$1,532,779)	(\$1,532,832)	(\$1,532,242)	(\$1,530,423)	(\$1,529,668)	(\$1,529,819)	(\$2,105,616)	(\$18,980,529)	
Income Taxes 2/	(\$376,055)	(\$375,635)	(\$375,211)	(\$374,785)	(\$374,355)	(\$374,073)	(\$374,086)	(\$373,942)	(\$373,498)	(\$373,314)	(\$373,351)	(\$513,873)	(\$4,632,178)	
Less: ARAM Amortization	26,920	26,920	26,920	26,920	26,920	26,920	26,920	26,920	26,920	26,920	26,920	26,920	323,040	
Production Tax Credit	1,182,081	769,423	847,178	700,006	820,703	726,829	729,580	578,664	716,333	1,135,867	961,540	1,242,047	10,410,251	
Net Income Taxes	(\$1,585,056)	(\$1,171,978)	(\$1,249,309)	(\$1,101,711)	(\$1,221,978)	(\$1,127,822)	(\$1,130,586)	(\$979,526)	(\$1,116,751)	(\$1,536,101)	(\$1,361,811)	(\$1,782,840)	(\$15,365,469)	
Operating Income	\$284,546	(\$128,532)	(\$51,201)	(\$198,799)	(\$78,532)	(\$172,688)	(\$171,088)	(\$323,364)	(\$186,139)	\$233,211	\$56,919	(\$99,713)	(\$835,380)	
Revenue Requirement	\$768,514	\$1,307,540	\$1,197,773	\$1,385,495	\$1,218,814	\$1,338,387	\$1,331,488	\$1,525,145	\$1,335,781	\$777,796	\$1,003,033	\$1,202,202	\$14,391,968	
													PTC Levelization, grossed up:	4,833,422 3/
														Total Projected 2021: \$19,225,390

1/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost	
Long Term Debt:	43.871%	4.647%	2.039%
Short Term Debt:	6.310%	1.463%	0.092%
Common Equity:	49.819%	9.650%	4.808%
	100.000%		6.939%

2/ Tax Rate 24.4049% (Federal Tax Rate = 21%, Tax Rate = 4.31%)
1- tax rate 75.5951%

3/ Exhibit 5, page 7.

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Balancing Account and Carry Charge Calculation**

	Cumulative								Grand Total (Over)/Under Collection
	Beginning Balance	Revenue Requirement 1/	Revenue Collected 2/	Ending Balance 3/	Carrying Charge Calculation			Carrying Charge 4/	
					Deferred Income Tax	Net Balance	Rate 4/		
September 2019									\$4,287,436 5/
October	\$4,287,436	\$681,507	\$1,251,687	3,717,256	907,193	2,810,063	1.6500%	\$4,432	3,721,688
November	3,717,256	1,099,812	1,206,184	3,610,884	881,233	2,729,651	1.5400%	3,606	3,618,922
December	3,610,884	1,667,239	1,453,937	3,824,186	933,289	2,890,897	1.5400%	3,503	3,835,727
January 2020	3,824,186	974,620	1,698,811	3,099,995	756,551	2,343,444	1.5200%	3,662	3,115,198
February	3,099,995	1,078,116	1,416,415	2,761,696	673,989	2,087,707	1.5200%	2,968	2,779,867
March	2,761,696	1,099,426	1,507,055	2,354,067	574,508	1,779,559	0.2900%	505	2,372,743
April	2,354,067	976,639	1,389,978	1,940,728	473,633	1,467,095	0.1400%	208	1,959,612
May	1,940,728	1,056,316	1,085,028	1,912,016	466,626	1,445,390	0.1300%	159	1,931,059
June	1,912,016	1,441,697	1,197,325	2,156,388	526,264	1,630,124	0.1600%	193	2,175,624
July	2,156,388	1,654,439	1,445,505	2,365,322	577,254	1,788,068	0.1300%	177	2,384,735
August	2,365,322	1,455,897	1,391,343	2,429,876	593,009	1,836,867	0.1000%	149	2,449,438
September	2,429,876	1,195,932	1,396,886	2,228,922	543,966	1,684,956	0.1100%	168	2,248,652
October - Est.	2,228,922	742,937	1,334,432	1,637,427	399,612	1,237,815	0.1100%	154	1,657,311
November - Est.	1,637,427	1,094,437	1,289,483	1,442,381	352,012	1,090,369	0.1100%	113	1,462,378
December - Est.	1,442,381	1,663,571	1,555,809	1,550,143	378,311	1,171,832	0.1100%	100	1,570,240
Total		\$17,882,585	\$20,619,878					\$20,097	

1/ Monthly revenue requirement, see pages 3-4.

2/ Reflects revenues collected at established rates net of additional revenue collected for levelization . Additional revenues for levelization effective March 1, 2020 in Case No. PU-19-355.

3/ (Over)/Under collection on revenue requirement not including the carrying charge, for use in calculating the carrying charge.

4/ Carrying charges calculated based on the three-month Treasury Bill rate, based on prior month ending balance.

5/ Ending Over/Under balance per Case No. PU-19-355, Exhibit 4, page 1.

**North Dakota Renewable Rider
Revenue Breakdown**

Month	Revenue Requirement Revenue	Under Collection Revenue	Subtotal Collections	Additional Levelization Revenue	Total Collections
October 2019	\$1,185,310	\$66,377	\$1,251,687		\$1,251,687
November	1,142,213	63,971	1,206,184		1,206,184
December	1,376,828	77,109	1,453,937		1,453,937
January	1,608,796	90,015	1,698,811		1,698,811
February	1,341,457	74,958	1,416,415		1,416,415
March	1,362,651	144,404	1,507,055	116,881	1,623,936
April	1,164,723	225,255	1,389,978	274,215	1,664,193
May	909,399	175,629	1,085,028	213,781	1,298,809
June	1,003,525	193,800	1,197,325	235,874	1,433,199
July	1,211,541	233,964	1,445,505	284,840	1,730,345
August	1,166,145	225,198	1,391,343	274,142	1,665,485
September	1,170,779	226,107	1,396,886	275,225	1,672,111
October - Est.	1,118,388	216,044	1,334,432	262,877	1,597,309
November - Est.	1,080,754	208,729	1,289,483	254,060	1,543,543
December - Est.	1,303,985	251,824	1,555,809	306,549	1,862,358
	<u>\$18,146,494</u>	<u>\$2,473,384</u>	<u>\$20,619,878</u>	<u>\$2,498,444</u>	<u>\$23,118,322</u>

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Actual Year End 2019

	Actual from Prior Filing									Actual			Average Balance
	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	June 2019	July 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	
Rate Base													
Total Plant Balance	\$281,645,429	\$281,632,677	\$281,595,281	\$281,589,781	\$281,557,136	\$277,212,434	\$277,401,212	\$277,416,704	\$277,496,789	\$277,574,100	\$277,375,998	\$277,399,456	\$279,158,083
Total Accumulated Reserve	48,829,037	49,781,441	50,715,378	51,669,482	52,613,758	49,212,864	50,152,252	51,095,203	52,048,825	52,995,623	53,723,770	54,662,213	
Net Plant in Service	\$232,816,392	\$231,851,236	\$230,879,903	\$229,920,299	\$228,943,378	\$227,999,570	\$227,248,960	\$226,321,501	\$225,447,964	\$224,578,477	\$223,652,228	\$222,737,243	227,699,763
Adds:													
Add: PTC Carryforward	5,519,634	5,519,634	6,611,356	4,958,517	4,958,517	3,305,678	3,305,678	3,305,678	1,991,995	1,991,995	4,593,566	3,680,081	
Less: Deferred Taxes	48,841,589	49,153,202	49,430,965	49,675,959	49,887,063	50,065,395	50,243,311	50,358,723	50,441,363	50,525,980	50,694,724	50,498,487	
Less: Investment Tax Credit	3,439,112	3,500,335	3,561,558	3,622,780	3,684,003	3,745,226	3,669,454	3,711,106	3,752,758	3,794,410	3,286,040	4,060,897	
Total Rate Base	\$186,055,325	\$184,717,334	\$184,498,736	\$181,580,077	\$180,330,829	\$177,494,628	\$176,641,873	\$175,557,350	\$173,245,838	\$172,250,082	\$174,265,030	\$171,857,940	178,207,920
Return on Rate Base 1/	\$1,102,688	\$1,094,758	\$1,093,463	\$1,076,165	\$1,068,761	\$1,051,951	\$1,046,897	\$1,040,470	\$1,026,770	\$1,020,869	\$1,032,811	\$1,018,545	\$12,674,148
Expenses													
Operating Expenses													Total
Total O&M	\$213,870	\$190,692	\$207,000	\$222,775	\$247,673	\$215,228	\$221,991	\$220,595	\$209,650	\$243,975	\$257,338	\$812,239	\$3,263,026
Total Depreciation	967,686	966,977	967,573	967,230	966,640	967,099	952,977	942,949	953,623	948,136	953,371	952,127	11,506,388
Property taxes	56,421	56,421	56,421	56,421	56,421	56,421	56,421	56,421	56,421	56,273	56,273	56,273	676,608
Payroll taxes	3,156	2,513	2,780	2,755	3,204	2,747	2,985	2,929	2,933	3,087	2,943	3,412	35,444
Total Expenses	\$1,241,133	\$1,216,603	\$1,233,774	\$1,249,181	\$1,273,938	\$1,241,495	\$1,234,374	\$1,222,894	\$1,222,627	\$1,251,471	\$1,269,925	\$1,824,051	\$15,481,466
Income before Taxes (EBIT)	(\$1,241,133)	(\$1,216,603)	(\$1,233,774)	(\$1,249,181)	(\$1,273,938)	(\$1,241,495)	(\$1,234,374)	(\$1,222,894)	(\$1,222,627)	(\$1,251,471)	(\$1,269,925)	(\$1,824,051)	(\$15,481,466)
Interest Expense	365,909	363,277	362,848	357,107	354,651	349,073	347,396	345,263	340,717	338,758	342,721	337,987	4,205,707
AFUDC Equity Add Back	29,100	29,100	29,100	29,100	29,100	29,100	29,100	29,100	29,100	1,987	1,987	1,987	267,861
Taxable income	(\$1,577,942)	(\$1,550,780)	(\$1,567,522)	(\$1,577,188)	(\$1,599,489)	(\$1,561,468)	(\$1,552,670)	(\$1,539,057)	(\$1,534,244)	(\$1,588,242)	(\$1,610,659)	(\$2,160,051)	(\$19,419,312)
Income Taxes 2/	(\$385,095)	(\$378,466)	(\$382,552)	(\$384,911)	(\$390,354)	(\$381,075)	(\$378,928)	(\$375,605)	(\$374,431)	(\$387,609)	(\$393,080)	(\$527,158)	(\$4,739,264)
Less: ARAM Amortization	27,031	27,031	27,031	27,031	27,031	27,031	27,031	27,031	27,031	5,360	5,360	5,361	259,360
Production Tax Credit	990,534	702,831	996,630	1,030,997	889,988	684,850	578,049	703,268	917,185	1,364,185	1,072,892	1,049,726	10,981,135
Net Income Taxes	(\$1,402,660)	(\$1,108,328)	(\$1,406,213)	(\$1,442,939)	(\$1,307,373)	(\$1,092,956)	(\$984,008)	(\$1,105,904)	(\$1,318,647)	(\$1,757,154)	(\$1,471,332)	(\$1,582,245)	(\$15,979,759)
Operating Income	\$161,527	(\$108,275)	\$172,439	\$193,758	\$33,435	(\$148,539)	(\$250,366)	(\$116,990)	\$96,020	\$505,683	\$201,407	(\$241,806)	\$498,293
Revenue Requirement	\$1,245,003	\$1,591,417	\$1,218,365	\$1,167,281	\$1,369,568	\$1,588,053	\$1,716,068	\$1,531,131	\$1,231,231	\$681,507	\$1,099,812	\$1,667,239	\$16,106,675

Factor 271 - Integrated Peak and Energy
2019: 69.311563%

1/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost		
Long Term Debt:	45.611%	4.819%	2.198%	
Short Term Debt:	5.142%	3.147%	0.162%	2.360%
Common Equity:	49.247%	9.650%	4.752%	
	100.000%		7.112%	

2/ Tax Rate
1- tax rate 24.4049% (Federal Tax Rate = 21%, Tax Rate = 4.31%)
75.5951%

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Actual/Projected Year End 2020**

	Actual									Projected			Average Balance
	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020	July 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	
Rate Base													
Total Plant Balance	\$279,762,187	\$279,761,057	\$278,666,981	\$278,582,078	\$278,555,062	\$278,756,541	\$278,634,228	\$278,595,400	\$278,597,703	\$278,597,703	\$278,597,703	\$278,597,703	\$278,808,696
Total Accumulated Reserve	56,063,155	56,983,512	57,717,299	58,635,678	59,555,883	60,513,207	61,345,241	62,264,187	63,208,103	64,165,529	65,122,955	66,080,381	
Net Plant in Service	\$223,699,032	\$222,777,545	\$220,949,682	\$219,946,400	\$218,999,179	\$218,243,334	\$217,288,987	\$216,331,213	\$215,389,600	\$214,432,174	\$213,474,748	\$212,517,322	217,837,435
Add: PTC Carryforward	3,680,081	3,680,081	3,680,081	3,680,081	3,680,081	3,680,081	1,840,041	1,840,041	920,021	920,021	920,021	0	
Less: Deferred Taxes	53,748,833	53,930,187	54,090,016	54,229,004	54,346,442	54,443,041	54,499,091	54,533,617	54,547,302	54,539,463	54,510,785	54,460,557	
Less: Investment Tax Credit	4,155,585	4,250,273	4,344,961	4,439,649	4,534,337	4,629,025	4,801,670	4,974,315	5,146,960	5,319,605	5,492,250	5,664,895	
Total Rate Base	\$169,474,695	\$168,277,166	\$166,194,786	\$164,957,828	\$163,798,481	\$162,851,349	\$159,828,267	\$158,663,322	\$156,615,359	\$155,493,127	\$154,391,734	\$152,391,870	161,078,165
Return on Rate Base 1/	\$1,000,466	\$993,396	\$981,103	\$973,801	\$966,957	\$961,366	\$943,520	\$936,642	\$924,553	\$917,928	\$911,426	\$899,620	\$11,410,778
Expenses													
Operating Expenses													Total
Total O&M	\$218,434	\$204,042	\$218,581	\$239,121	\$205,169	\$225,019	\$223,145	\$230,846	\$235,706	\$222,229	\$222,229	\$810,494	\$3,255,015
Total Depreciation	962,328	961,115	956,830	957,707	957,063	957,324	957,968	950,629	957,426	957,426	957,426	957,426	11,490,668
Property taxes	62,294	62,294	62,294	62,294	62,294	62,294	62,294	62,294	62,294	62,294	62,294	62,297	747,531
Payroll taxes	3,353	2,920	2,958	3,209	2,960	3,200	3,644	3,171	2,933	3,150	3,150	3,150	37,798
Total Expenses	\$1,246,409	\$1,230,371	\$1,240,663	\$1,262,331	\$1,227,486	\$1,247,837	\$1,247,051	\$1,246,940	\$1,258,359	\$1,245,099	\$1,245,099	\$1,833,367	\$15,531,012
Income before Taxes (EBIT)	(\$1,246,409)	(\$1,230,371)	(\$1,240,663)	(\$1,262,331)	(\$1,227,486)	(\$1,247,837)	(\$1,247,051)	(\$1,246,940)	(\$1,258,359)	(\$1,245,099)	(\$1,245,099)	(\$1,833,367)	(\$15,531,012)
Interest Expense	316,212	313,977	310,092	307,784	305,621	303,853	298,213	296,039	292,218	290,124	288,069	284,338	3,606,540
AFUDC Equity Add Back	25,413	25,413	25,413	25,413	25,413	25,413	25,413	25,413	25,413	25,413	25,413	25,413	304,956
Taxable income	(\$1,537,208)	(\$1,518,935)	(\$1,525,342)	(\$1,544,702)	(\$1,507,694)	(\$1,526,277)	(\$1,519,851)	(\$1,517,566)	(\$1,525,164)	(\$1,509,810)	(\$1,507,755)	(\$2,092,292)	(\$18,832,596)
Income Taxes 2/	(\$375,154)	(\$370,695)	(\$372,258)	(\$376,983)	(\$367,951)	(\$372,486)	(\$370,918)	(\$370,360)	(\$372,215)	(\$368,468)	(\$367,966)	(\$510,622)	(\$4,596,076)
Less: ARAM Amortization	26,920	26,920	26,920	26,920	26,920	26,920	26,920	26,920	26,920	26,920	26,920	26,920	323,040
Production Tax Credit	1,108,036	1,011,149	991,476	1,093,938	1,001,049	719,945	542,058	685,715	879,711	1,206,015	934,298	937,867	11,111,257
Net Income Taxes	(\$1,510,110)	(\$1,408,764)	(\$1,390,654)	(\$1,497,841)	(\$1,395,920)	(\$1,119,351)	(\$939,896)	(\$1,082,995)	(\$1,278,846)	(\$1,601,403)	(\$1,329,184)	(\$1,475,409)	(\$16,030,373)
Operating Income	\$263,701	\$178,393	\$149,991	\$235,510	\$168,434	(\$128,486)	(\$307,155)	(\$163,945)	\$20,487	\$356,304	\$84,085	(\$357,958)	\$499,361
Revenue Requirement	\$974,620	\$1,078,116	\$1,099,426	\$976,639	\$1,056,316	\$1,441,697	\$1,654,439	\$1,455,897	\$1,195,932	\$742,937	\$1,094,437	\$1,663,571	\$14,434,027

1/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost	
Long Term Debt:	44.718%	4.718%	2.110%
Short Term Debt:	5.072%	2.548%	0.129%
Common Equity:	50.210%	9.650%	4.845%
	100.000%		7.084%

2/ Tax Rate 24.4049% (Federal Tax Rate = 21%, Tax Rate = 4.31%)
1- tax rate 75.5951%

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Actual/Projected Year End 2020

	Actual					
	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020
Rate Base						
Plant Balance						
Thunder Spirit Production	\$139,802,506	\$139,794,632	\$139,238,869	\$139,175,565	\$139,175,695	\$139,171,978
Thunder Spirit Transmission	5,516,808	5,516,808	5,494,876	5,494,876	5,494,876	5,494,876
Thunder Spirit Expansion	59,380,431	59,380,431	59,144,578	59,144,578	59,144,578	59,144,578
Cedar Hills Production	30,718,023	30,744,593	30,636,777	30,635,151	30,635,151	30,828,780
Diamond Willow Production	41,996,479	41,976,653	41,813,271	41,793,298	41,766,152	41,777,719
Diamond Willow Transmission	2,347,940	2,347,940	2,338,610	2,338,610	2,338,610	2,338,610
Total Plant Balance	279,762,187	279,761,057	278,666,981	278,582,078	278,555,062	278,756,541
Accumulated Reserve						
Thunder Spirit Production	\$19,402,234	\$19,860,439	\$20,245,612	\$20,696,614	\$21,160,533	\$21,624,452
Thunder Spirit Transmission	342,277	349,646	355,595	362,935	370,274	377,613
Thunder Spirit Expansion	2,959,769	3,157,704	3,342,298	3,539,446	3,736,595	3,933,744
Cedar Hills Production	12,922,932	13,021,509	13,067,912	13,164,600	13,262,799	13,361,109
Diamond Willow Production	18,716,272	18,830,329	18,899,740	19,021,739	19,131,138	19,277,543
Diamond Willow Transmission	485,959	489,049	490,182	493,260	496,337	499,415
Decommissioning Balance	1,233,712	1,274,836	1,315,960	1,357,084	1,398,207	1,439,331
Total Accumulated Reserve	56,063,155	56,983,512	57,717,299	58,635,678	59,555,883	60,513,207
Net Plant in Service	\$223,699,032	\$222,777,545	\$220,949,682	\$219,946,400	\$218,999,179	\$218,243,334
Adds:						
PTC Carryforward - Thunder Spirit	3,680,081	3,680,081	3,680,081	3,680,081	3,680,081	3,680,081
Def. Tax on ND Invest. Tax Credit	1,228,473	1,250,325	1,272,177	1,294,030	1,315,882	1,337,734
Def. Tax on Wind Decommissioning	313,087	323,123	333,159	343,195	353,232	363,268
Less:						
Accum DIT - Thunder Spirit 1/	\$40,942,111	\$41,219,230	\$41,468,377	\$41,690,441	\$41,884,500	\$42,051,476
Accum DIT - Cedar/Diamond 1/	14,348,282	14,284,405	14,226,975	14,175,788	14,131,056	14,092,567
Accum. Def. Invest. Tax Credit	4,155,585	4,250,273	4,344,961	4,439,649	4,534,337	4,629,025
Total Rate Base	\$169,474,695	\$168,277,166	\$166,194,786	\$164,957,828	\$163,798,481	\$162,851,349
Return on Rate Base 2/	\$1,000,466	\$993,396	\$981,103	\$973,801	\$966,957	\$961,366
Expenses						
Operating Expenses						
O&M - Thunder Spirit	\$158,179	\$155,244	\$162,107	\$156,607	\$157,524	\$172,702
O&M - Cedar Hills	33,083	23,352	29,726	24,183	23,285	21,820
O&M - Diamond Willow	27,172	25,446	26,748	58,331	24,360	30,497
Total O&M	218,434	204,042	218,581	239,121	205,169	225,019
Depreciation Expense						
Thunder Spirit Production	\$465,987	\$466,008	\$464,130	\$464,130	\$463,919	\$463,919
Thunder Spirit Transmission	7,369	7,369	7,339	7,339	7,339	7,339
Thunder Spirit Expansion	197,935	197,935	197,148	197,149	197,149	197,149
Cedar Hills Production	99,599	98,577	98,269	98,315	98,199	98,310
Diamond Willow Production	147,224	147,012	145,742	146,572	146,255	146,405
Diamond Willow Transmission	3,090	3,090	3,078	3,078	3,078	3,078
Wind Decommissioning	41,124	41,124	41,124	41,124	41,124	41,124
Total Depreciation	962,328	961,115	956,830	957,707	957,063	957,324
Property taxes 3/	62,294	62,294	62,294	62,294	62,294	62,294
Payroll taxes	3,353	2,920	2,958	3,209	2,960	3,200
Total Expenses	\$1,246,409	\$1,230,371	\$1,240,663	\$1,262,331	\$1,227,486	\$1,247,837
Income before Taxes (EBIT)	(\$1,246,409)	(\$1,230,371)	(\$1,240,663)	(\$1,262,331)	(\$1,227,486)	(\$1,247,837)
Interest Expense	316,212	313,977	310,092	307,784	305,621	303,853
AFUDC Equity Add Back	25,413	25,413	25,413	25,413	25,413	25,413
Taxable income	(\$1,537,208)	(\$1,518,935)	(\$1,525,342)	(\$1,544,702)	(\$1,507,694)	(\$1,526,277)
Income Taxes 4/	(\$375,154)	(\$370,695)	(\$372,258)	(\$376,983)	(\$367,951)	(\$372,486)
Less: ARAM Amortization	26,920	26,920	26,920	26,920	26,920	26,920
Production Tax Credit 5/	1,108,036	1,011,149	991,476	1,093,938	1,001,049	719,945
Net Income Taxes	(\$1,510,110)	(\$1,408,764)	(\$1,390,654)	(\$1,497,841)	(\$1,395,920)	(\$1,119,351)
Operating Income	\$263,701	\$178,393	\$149,991	\$235,510	\$168,434	(\$128,486)
Revenue Requirement	\$974,620	\$1,078,116	\$1,099,426	\$976,639	\$1,056,316	\$1,441,697

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Actual/Projected Year End 2020**

	July 2020	Aug 2020	Sept 2020	Projected			Average Balance
				Oct 2020	Nov 2020	Dec 2020	
Rate Base							
Plant Balance							
Thunder Spirit Production	\$139,153,084	\$139,153,084	\$139,153,084	\$139,153,084	\$139,153,084	\$139,153,084	
Thunder Spirit Transmission	5,494,876	5,494,876	5,494,876	5,494,876	5,494,876	5,494,876	
Thunder Spirit Expansion	59,144,578	59,144,578	59,144,578	59,144,578	59,144,578	59,144,578	
Cedar Hills Production	30,801,462	30,761,047	30,761,047	30,761,047	30,761,047	30,761,047	
Diamond Willow Production	41,701,618	41,703,205	41,705,508	41,705,508	41,705,508	41,705,508	
Diamond Willow Transmission	2,338,610	2,338,610	2,338,610	2,338,610	2,338,610	2,338,610	
Total Plant Balance	278,634,228	278,595,400	278,597,703	278,597,703	278,597,703	278,597,703	278,808,696
Accumulated Reserve							
Thunder Spirit Production	\$22,069,464	\$22,542,290	\$23,006,133	\$23,469,977	\$23,933,821	\$24,397,665	
Thunder Spirit Transmission	384,953	392,292	399,631	406,970	414,309	421,648	
Thunder Spirit Expansion	4,130,892	4,328,041	4,525,189	4,722,338	4,919,487	5,116,636	
Cedar Hills Production	13,429,678	13,484,695	13,583,403	13,682,111	13,780,819	13,879,527	
Diamond Willow Production	19,347,306	19,489,720	19,622,397	19,768,581	19,914,765	20,060,949	
Diamond Willow Transmission	502,493	505,570	508,648	511,726	514,804	517,882	
Decommissioning Balance	1,480,455	1,521,579	1,562,702	1,603,826	1,644,950	1,686,074	
Total Accumulated Reserve	61,345,241	62,264,187	63,208,103	64,165,529	65,122,955	66,080,381	
Net Plant in Service	\$217,288,987	\$216,331,213	\$215,389,600	\$214,432,174	\$213,474,748	\$212,517,322	217,837,435
<u>Adds:</u>							
PTC Carryforward - Thunder Spirit	1,840,041	1,840,041	920,021	920,021	920,021	0	
Def. Tax on ND Invest. Tax Credit	1,378,611	1,419,488	1,460,365	1,501,242	1,542,119	1,582,996	
Def. Tax on Wind Decommissioning	373,304	383,340	393,376	403,412	413,448	423,484	
<u>Less:</u>							
Accum DIT - Thunder Spirit 1/	\$42,190,480	\$42,301,512	\$42,385,461	\$42,441,438	\$42,470,333	\$42,471,223	
Accum DIT - Cedar/Diamond 1/	14,060,526	14,034,933	14,015,582	14,002,679	13,996,019	13,995,814	
Accum. Def. Invest. Tax Credit	4,801,670	4,974,315	5,146,960	5,319,605	5,492,250	5,664,895	
Total Rate Base	\$159,828,267	\$158,663,322	\$156,615,359	\$155,493,127	\$154,391,734	\$152,391,870	161,078,165
Return on Rate Base 2/	\$943,520	\$936,642	\$924,553	\$917,928	\$911,426	\$899,620	\$11,410,778
Expenses							
Operating Expenses							<u>Total</u>
O&M - Thunder Spirit	\$165,026	\$170,177	\$183,350	\$164,546	\$164,546	\$646,012	
O&M - Cedar Hills	25,711	28,190	24,262	25,957	25,957	70,092	
O&M - Diamond Willow	32,408	32,479	28,094	31,726	31,726	94,390	
Total O&M	223,145	230,846	235,706	222,229	222,229	810,494	3,255,015
Depreciation Expense							
Thunder Spirit Production	\$463,907	\$463,844	\$463,844	\$463,844	\$463,844	\$463,844	
Thunder Spirit Transmission	7,339	7,339	7,339	7,339	7,339	7,339	
Thunder Spirit Expansion	197,149	197,149	197,149	197,149	197,149	197,149	
Cedar Hills Production	98,925	95,682	98,708	98,708	98,708	98,708	
Diamond Willow Production	146,446	142,413	146,184	146,184	146,184	146,184	
Diamond Willow Transmission	3,078	3,078	3,078	3,078	3,078	3,078	
Wind Decommissioning	41,124	41,124	41,124	41,124	41,124	41,124	
Total Depreciation	957,968	950,629	957,426	957,426	957,426	957,426	11,490,668
Property taxes 3/	62,294	62,294	62,294	62,294	62,294	62,297	747,531
Payroll taxes	3,644	3,171	2,933	3,150	3,150	3,150	37,798
Total Expenses	\$1,247,051	\$1,246,940	\$1,258,359	\$1,245,099	\$1,245,099	\$1,833,367	\$15,531,012
Income before Taxes (EBIT)	(\$1,247,051)	(\$1,246,940)	(\$1,258,359)	(\$1,245,099)	(\$1,245,099)	(\$1,833,367)	(\$15,531,012)
Interest Expense	298,213	296,039	292,218	290,124	288,069	284,338	3,606,540
AFUDC Equity Add Back	25,413	25,413	25,413	25,413	25,413	25,413	304,956
Taxable income	(\$1,519,851)	(\$1,517,566)	(\$1,525,164)	(\$1,509,810)	(\$1,507,755)	(\$2,092,292)	(\$18,832,596)
Income Taxes 4/	(\$370,918)	(\$370,360)	(\$372,215)	(\$368,468)	(\$367,966)	(\$510,622)	(\$4,596,076)
Less: ARAM Amortization	26,920	26,920	26,920	26,920	26,920	26,920	323,040
Production Tax Credit 5/	542,058	685,715	879,711	1,206,015	934,298	937,867	11,111,257
Net Income Taxes	(\$939,896)	(\$1,082,995)	(\$1,278,846)	(\$1,601,403)	(\$1,329,184)	(\$1,475,409)	(\$16,030,373)
Operating Income	(\$307,155)	(\$163,945)	\$20,487	\$356,304	\$84,085	(\$357,958)	\$499,361
Revenue Requirement	\$1,654,439	\$1,455,897	\$1,195,932	\$742,937	\$1,094,437	\$1,663,571	\$14,434,027

2020 Footnotes:

Factor 271 - Integrated Peak and Energy

2020: 69.626334%

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2020 DIT activity.

	Thunder Spirit I & Expand	Cedar Hills / Diamond Willow				
Projected DIT activity 2020:	5,678,409	(1,308,898)				
ND Fac. #271:	69.626334%	69.626334%				
ND projected activity:	3,953,668	(911,338)				
Monthly:	329,472	(75,945)				
	January	February	March	April	May	June
	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%
Thunder Spirit:	302,389	277,119	249,147	222,064	194,059	166,976
Cedar/Diamond:	(69,702)	(63,877)	(57,430)	(51,187)	(44,732)	(38,489)
	July	August	September	October	November	December
	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
Thunder Spirit:	139,004	111,032	83,949	55,977	28,895	890
Cedar/Diamond:	(32,041)	(25,593)	(19,351)	(12,903)	(6,660)	(205)

2/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost		
Long Term Debt:	44.718%	4.718%	2.110%	
Short Term Debt:	5.072%	2.548%	0.129%	2.239%
Common Equity:	50.210%	9.650%	4.845%	
	100.000%		7.084%	

3/ Property tax (Thunder Spirit accrues generation taxes in lieu of ad valorem taxes for production)

	2020 Estimated
Thunder Spirit - Generation:	676,335
Cedar Hills:	34,420
Diamond Willow:	362,878
	1,073,633
ND Fac. #271:	69.626334%
Total North Dakota:	747,531
Monthly:	62,294

4/ Tax Rate

24.4049% (Federal Tax Rate = 21%, Tax Rate = 4.31%)

1- tax rate

75.5951%

5/ Production Tax Credit. Current year, Diamond Willow and Cedar Hills turbines are no longer eligible for PTC's in June.

	January	February	March	April	May	June
Thunder Spirit:	54,945,000	51,497,000	49,859,000	55,200,000	49,678,000	39,492,000
Diamond (eligible for PTC):	3,956,430	3,166,150	3,125,980	3,046,460	2,703,670	1,963,750
Cedar (eligible for PTC):	4,754,730	3,426,880	3,974,830	4,599,760	5,128,140	(95,280)
Total Generation:	63,656,160	58,090,030	56,959,810	62,846,220	57,509,810	41,360,470
Projected PTC (rate \$.025/Kwh):	1,591,404	1,452,251	1,423,995	1,571,156	1,437,745	1,034,012
Projected ND PTC (Fac. #271):	1,108,036	1,011,149	991,476	1,093,938	1,001,049	719,945
	July	August	September	October	November	December
Thunder Spirit:	31,141,000	39,394,000	50,539,000	69,285,000	53,675,000	53,880,000
Projected PTC (rate \$.025/Kwh):	778,525	984,850	1,263,475	1,732,125	1,341,875	1,347,000
Projected ND PTC (Fac. #271):	542,058	685,715	879,711	1,206,015	934,298	937,867

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Projected Year End 2021**

	Projected					
	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	June 2021
Rate Base						
Plant Balance						
Thunder Spirit Production	\$139,153,084	\$139,153,084	\$139,153,084	\$139,153,084	\$139,153,084	\$139,153,084
Thunder Spirit Transmission	5,494,876	5,494,876	5,494,876	5,494,876	5,494,876	5,494,876
Thunder Spirit Expansion	59,144,578	59,144,578	59,144,578	59,144,578	59,144,578	59,144,578
Cedar Hills Production	30,761,047	30,761,047	30,761,047	30,761,047	30,761,047	30,935,113
Diamond Willow Production	41,705,508	41,705,508	41,705,508	41,705,508	41,705,508	41,879,574
Diamond Willow Transmission	2,338,610	2,338,610	2,338,610	2,338,610	2,338,610	2,338,610
Total Plant Balance	278,597,703	278,597,703	278,597,703	278,597,703	278,597,703	278,945,835
Accumulated Reserve						
Thunder Spirit Production	\$24,861,509	\$25,325,353	\$25,789,197	\$26,253,041	\$26,716,885	\$27,180,729
Thunder Spirit Transmission	428,987	436,326	443,665	451,004	458,343	465,682
Thunder Spirit Expansion	5,313,785	5,510,934	5,708,083	5,905,232	6,102,381	6,299,530
Cedar Hills Production	13,978,235	14,076,943	14,175,651	14,274,359	14,373,067	14,471,775
Diamond Willow Production	20,207,133	20,353,317	20,499,501	20,645,685	20,791,869	20,938,053
Diamond Willow Transmission	520,960	524,038	527,116	530,194	533,272	536,350
Decommissioning Balance	1,734,761	1,783,448	1,832,135	1,880,822	1,929,509	1,978,196
Total Accumulated Reserve	67,045,370	68,010,359	68,975,348	69,940,337	70,905,326	71,870,315
Net Plant in Service	\$211,552,333	\$210,587,344	\$209,622,355	\$208,657,366	\$207,692,377	\$207,075,520
<u>Adds:</u>						
PTC Carryforward - Thunder Spirit	0	0	0	0	0	0
Def. Tax on ND Invest. Tax Credit 1/	1,612,812	1,642,628	1,672,444	1,702,260	1,732,076	1,761,892
Def. Tax on Wind Decommissioning	314,933	326,815	338,697	350,579	362,461	374,343
<u>Less:</u>						
Accum DIT - Thunder Spirit 2/	\$44,579,000	\$44,565,812	\$44,553,955	\$44,543,387	\$44,534,151	\$44,526,204
Accum DIT - Cedar/Diamond 2/	13,437,326	13,373,799	13,316,685	13,265,779	13,221,293	13,183,015
Accum. Def. Invest. Tax Credit 1/	5,787,067	5,909,239	6,031,411	6,153,583	6,275,755	6,397,927
Total Rate Base	\$149,676,685	\$148,707,937	\$147,731,445	\$146,747,456	\$145,755,715	\$145,104,609
Return on Rate Base 3/	\$865,505	\$859,904	\$854,257	\$848,567	\$842,832	\$839,067
Expenses						
Operating Expenses 4/						
O&M - Thunder Spirit	\$207,310	\$207,310	\$207,310	\$207,310	\$207,310	\$207,310
O&M - Cedar Hills	27,092	27,092	27,092	27,092	27,092	27,092
O&M - Diamond Willow	35,675	35,675	35,675	35,675	35,675	35,675
Total O&M	270,077	270,077	270,077	270,077	270,077	270,077
Depreciation Expense						
Thunder Spirit Production	\$463,844	\$463,844	\$463,844	\$463,844	\$463,844	\$463,844
Thunder Spirit Transmission	7,339	7,339	7,339	7,339	7,339	7,339
Thunder Spirit Expansion	197,149	197,149	197,149	197,149	197,149	197,149
Cedar Hills Production	98,708	98,708	98,708	98,708	98,708	98,708
Diamond Willow Production	146,184	146,184	146,184	146,184	146,184	146,184
Diamond Willow Transmission	3,078	3,078	3,078	3,078	3,078	3,078
Wind Decommissioning	48,687	48,687	48,687	48,687	48,687	48,687
Total Depreciation	964,989	964,989	964,989	964,989	964,989	964,989
Property taxes	62,294	62,294	62,294	62,294	62,294	62,294
Payroll taxes	3,150	3,150	3,150	3,150	3,150	3,150
Total Expenses	\$1,300,510	\$1,300,510	\$1,300,510	\$1,300,510	\$1,300,510	\$1,300,510
Income before Taxes (EBIT)	(\$1,300,510)	(\$1,300,510)	(\$1,300,510)	(\$1,300,510)	(\$1,300,510)	(\$1,300,510)
Interest Expense	265,801	264,081	262,346	260,599	258,838	257,682
AFUDC Equity Add Back	25,413	25,413	25,413	25,413	25,413	25,413
Taxable income	(\$1,540,898)	(\$1,539,178)	(\$1,537,443)	(\$1,535,696)	(\$1,533,935)	(\$1,532,779)
Income Taxes 5/	(\$376,055)	(\$375,635)	(\$375,211)	(\$374,785)	(\$374,355)	(\$374,073)
Less: ARAM Amortization	26,920	26,920	26,920	26,920	26,920	26,920
Production Tax Credit 6/	1,182,081	769,423	847,178	700,006	820,703	726,829
Net Income Taxes	(\$1,585,056)	(\$1,171,978)	(\$1,249,309)	(\$1,101,711)	(\$1,221,978)	(\$1,127,822)
Operating Income	\$284,546	(\$128,532)	(\$51,201)	(\$198,799)	(\$78,532)	(\$172,688)
Revenue Requirement	\$768,514	\$1,307,540	\$1,197,773	\$1,385,495	\$1,218,814	\$1,338,387

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Projected Year End 2021

	Projected						Average Balance
	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	
Rate Base							
Plant Balance							
Thunder Spirit Production	\$139,153,084	\$139,153,084	\$139,153,084	\$139,620,973	\$139,620,973	\$139,620,973	
Thunder Spirit Transmission	5,494,876	5,494,876	5,494,876	5,494,876	5,494,876	5,494,876	
Thunder Spirit Expansion	59,144,578	59,144,578	59,144,578	59,144,578	59,144,578	59,144,578	
Cedar Hills Production	31,318,058	31,318,058	31,318,058	31,457,311	31,457,311	31,457,311	
Diamond Willow Production	41,879,574	41,879,574	41,879,574	41,879,574	41,879,574	41,879,574	
Diamond Willow Transmission	2,338,610	2,338,610	2,338,610	2,338,610	2,338,610	2,338,610	
Total Plant Balance	279,328,780	279,328,780	279,328,780	279,935,922	279,935,922	279,935,922	279,144,038
Accumulated Reserve							
Thunder Spirit Production	\$27,644,573	\$28,108,417	\$28,572,261	\$29,036,105	\$29,501,509	\$29,966,913	
Thunder Spirit Transmission	473,021	480,360	487,699	495,038	502,377	509,716	
Thunder Spirit Expansion	6,496,679	6,693,828	6,890,977	7,088,126	7,285,275	7,482,424	
Cedar Hills Production	14,571,036	14,671,513	14,771,990	14,872,467	14,973,386	15,074,305	
Diamond Willow Production	21,084,848	21,231,643	21,378,438	21,525,233	21,672,028	21,818,823	
Diamond Willow Transmission	539,428	542,506	545,584	548,662	551,740	554,818	
Decommissioning Balance	2,026,883	2,075,570	2,124,257	2,172,944	2,221,631	2,270,318	
Total Accumulated Reserve	72,836,468	73,803,837	74,771,206	75,738,575	76,707,946	77,677,317	
Net Plant in Service	\$206,492,312	\$205,524,943	\$204,557,574	\$204,197,347	\$203,227,976	\$202,258,605	206,787,171
Adds:							
PTC Carryforward - Thunder Spirit	0	0	0	0	0	0	
Def. Tax on ND Invest. Tax Credit 1/	1,791,708	1,821,524	1,851,340	1,881,156	1,910,972	1,940,788	
Def. Tax on Wind Decommissioning	386,225	398,107	409,989	421,871	433,753	445,635	
Less:							
Accum DIT - Thunder Spirit 2/	\$44,519,589	\$44,514,305	\$44,510,310	\$44,507,646	\$44,506,271	\$44,506,229	
Accum DIT - Cedar/Diamond 2/	13,151,150	13,125,697	13,106,452	13,093,620	13,086,996	13,086,792	
Accum. Def. Invest. Tax Credit 1/	6,520,099	6,642,271	6,764,443	6,886,615	7,008,787	7,130,959	
Total Rate Base	\$144,479,407	\$143,462,301	\$142,437,698	\$142,012,493	\$140,970,647	\$139,921,048	144,750,620
Return on Rate Base 3/	\$835,452	\$829,571	\$823,646	\$821,187	\$815,163	\$809,093	\$10,044,244
Expenses							
Operating Expenses 4/							Total
O&M - Thunder Spirit	\$207,310	\$207,310	\$207,310	\$207,310	\$207,310	\$677,288	
O&M - Cedar Hills	27,092	27,092	27,092	27,092	27,092	72,110	
O&M - Diamond Willow	35,675	35,675	35,675	35,675	35,675	98,339	
Total O&M	270,077	270,077	270,077	270,077	270,077	847,737	3,818,584
Depreciation Expense							
Thunder Spirit Production	\$463,844	\$463,844	\$463,844	\$463,844	\$465,404	\$465,404	
Thunder Spirit Transmission	7,339	7,339	7,339	7,339	7,339	7,339	
Thunder Spirit Expansion	197,149	197,149	197,149	197,149	197,149	197,149	
Cedar Hills Production	99,261	100,477	100,477	100,477	100,919	100,919	
Diamond Willow Production	146,795	146,795	146,795	146,795	146,795	146,795	
Diamond Willow Transmission	3,078	3,078	3,078	3,078	3,078	3,078	
Wind Decommissioning	48,687	48,687	48,687	48,687	48,687	48,687	
Total Depreciation	966,153	967,369	967,369	967,369	969,371	969,371	11,596,936
Property taxes	62,294	62,294	62,294	62,294	62,294	62,297	747,531
Payroll taxes	3,150	3,150	3,150	3,150	3,150	3,148	37,798
Total Expenses	\$1,301,674	\$1,302,890	\$1,302,890	\$1,302,890	\$1,304,892	\$1,882,553	\$16,200,849
Income before Taxes (EBIT)	(\$1,301,674)	(\$1,302,890)	(\$1,302,890)	(\$1,302,890)	(\$1,304,892)	(\$1,882,553)	(\$16,200,849)
Interest Expense	256,571	254,765	252,946	252,191	250,340	248,476	3,084,636
AFUDC Equity Add Back	25,413	25,413	25,413	25,413	25,413	25,413	304,956
Taxable income	(\$1,532,832)	(\$1,532,242)	(\$1,530,423)	(\$1,529,668)	(\$1,529,819)	(\$2,105,616)	(\$18,980,529)
Income Taxes 5/	(\$374,086)	(\$373,942)	(\$373,498)	(\$373,314)	(\$373,351)	(\$513,873)	(\$4,632,178)
Less: ARAM Amortization	26,920	26,920	26,920	26,920	26,920	26,920	323,040
Production Tax Credit 6/	729,580	578,664	716,333	1,135,867	961,540	1,242,047	10,410,251
Net Income Taxes	(\$1,130,586)	(\$979,526)	(\$1,116,751)	(\$1,536,101)	(\$1,361,811)	(\$1,782,840)	(\$15,365,469)
Operating Income	(\$171,088)	(\$323,364)	(\$186,139)	\$233,211	\$56,919	(\$99,713)	(\$835,380)
Revenue Requirement	\$1,331,488	\$1,525,145	\$1,335,781	\$777,796	\$1,003,033	\$1,202,202	\$14,391,968

2021 Footnotes:

Factor 271 - Integrated Peak and Energy

2020: 69.626334%

1/ Investment tax credit: Cedar Hills

Projected 2021 Activity: 1,466,066

Monthly Amortization: 122,172

Monthly Deferred Tax Amortization: 29,816

2/ Monthly Deferred Income Tax activity is 1/12 of projected 2021 DIT activity.

	Thunder Spirit I & Expand	Cedar Hills / Diamond Willow				
Projected DIT activity 2020:	(270,243)	(1,301,718)				
ND Fac. #271:	69.626334%	69.626334%				
ND projected activity:	(188,160)	(906,339)				
Monthly:	(15,680)	(75,528)				
	January	February	March	April	May	June
	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%
Thunder Spirit:	(14,391)	(13,188)	(11,857)	(10,568)	(9,236)	(7,947)
Cedar/Diamond:	(69,320)	(63,527)	(57,114)	(50,906)	(44,486)	(38,278)
	July	August	September	October	November	December
	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
Thunder Spirit:	(6,615)	(5,284)	(3,995)	(2,664)	(1,375)	(42)
Cedar/Diamond:	(31,865)	(25,453)	(19,245)	(12,832)	(6,624)	(204)

3/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost		
Long Term Debt:	43.871%	4.647%	2.039%	
Short Term Debt:	6.310%	1.463%	0.092%	2.131%
Common Equity:	49.819%	9.650%	4.808%	
	100.000%		6.939%	

4/ Projected O&M - 2021

	Resp. # 859 Thunder Spirit	Resp. # 858 Cedar Hills	Resp. # 856 Diamond Willow
Budgeted O&M:	3,572,953	466,930	614,858
ND Factor #271:	69.626334%	69.626334%	69.626334%
Budgeted ND O&M:	2,487,716	325,106	428,103
Monthly Budgeted ND O&M:	207,310	27,092	35,675
Annual Easement (ND Allocated):	469,978	45,018	62,664
December O&M:	677,288	72,110	98,339

5/ Tax Rate

1- tax rate

24.4049% (Federal Tax Rate = 21%, Tax Rate = 4.31%)
75.5951%

6/ Production Tax Credit. For 2021, only Thunder Spirit is eligible for PTCs.

	Projected					
	January	February	March	April	May	June
Thunder Spirit:	67,910,000	44,203,000	48,670,000	40,215,000	47,149,000	41,756,000
Projected PTC (rate \$.025/Kwh):	1,697,750	1,105,075	1,216,750	1,005,375	1,178,725	1,043,900
Projected ND PTC (Fac. #271):	1,182,081	769,423	847,178	700,006	820,703	726,829
	Projected					
	July	August	September	October	November	December
Thunder Spirit:	41,914,000	33,244,000	41,153,000	65,255,000	55,240,000	71,355,000
Projected PTC (rate \$.025/Kwh):	1,047,850	831,100	1,028,825	1,631,375	1,381,000	1,783,875
Projected ND PTC (Fac. #271):	729,580	578,664	716,333	1,135,867	961,540	1,242,047

**THUNDER SPIRIT PTC LEVELIZATION
NORTH DAKOTA RENEWABLE RIDER**

Estimated total PTC value, 2020 - 2028

Year	PTC Total	
2020	10,419,319	1/
2021	10,410,251	2/
2022	10,417,805	3/
2023	10,417,805	3/
2024	10,417,805	3/
2025	10,417,805	3/
2026	3,125,342	3/
2027	3,125,342	3/
2028	3,125,342	3/
Total Thunder Spirit PTC Value:	71,876,816	
	9.4% 4/	
	6,756,421	

Difference, 2021 Projected to 2021 Levelized: 3,653,830
 2021 Levelized - Grossed Up for Tax: 4,833,422

1/ Reflects actual PTC through September 2020, projected October - December 2020.

2/ Reflects updated projected PTC for 2021.

3/ Estimated annual PTCs.

4/ 2021 levelization factor per Commission's Order in Case No. PU-19-355.

Notice of Annual Update to the Renewable Resource Cost Adjustment with the North Dakota Public Service Commission

On November 2, 2020, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the North Dakota Public Service Commission (Commission) to update its Renewable Resource Cost Adjustment (RRCA) rates in accordance with the Company's Renewable Resource Cost Adjustment Rate 55 tariff that states the rates will be revised annually to reflect the most recent projected level of costs to be recovered.

The proposed Renewable Resource Cost Adjustment rates reflect North Dakota's allocation of the Company's investments in its three wind facilities (Diamond Willow, Cedar Hills, and Thunder Spirit) currently not being recovered through the Company's electric service rates and the amortization of the under-recovered RRCA balance through 2020.

Montana-Dakota has requested the proposed RRCA rates be effective with service rendered on and after February 1, 2021, subject to Commission review and approval. This change is only being proposed at this time and, if rates are suspended by the Commission, the new rates will not be effective until Commission action has been taken.

If approved, a typical residential customer using 894 Kwh will see an increase of \$0.02 per month, or \$0.24 annually. The RRCA is shown as a separate line item on your bill.

	Residential & Small General
Applicable Rate Schedules	10, 13, 16, 20, 25, & 40
Current Rate	\$0.01031 per Kwh
Proposed Rate	\$0.01033 per Kwh
Change	\$0.00002 per Kwh
	Large General
Applicable Rate Schedules	30, 31, 32, 38, 48, and contracts
Current Rate	\$0.00937 per Kwh
Proposed Rate	\$0.00976 per Kwh
Change	\$0.00039 per Kwh
	Lighting
Applicable Rate Schedules	41 & 52
Current Rate	\$0.00991 per Kwh
Proposed Rate	\$0.01221 per Kwh
Change	\$0.00230 per Kwh

For more information, please contact a Montana-Dakota representative at 1-800-638-3278.