



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

July 15, 2021

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

Re: Update to the Transmission Cost
Adjustment Rate 59 Tariff
Case No. PU-21-_____

Montana-Dakota Utilities Co. (Montana-Dakota) herewith electronically submits for Commission approval the Company's Application to update its Transmission Cost Adjustment (TCA) Rate 59 tariff pursuant to NDCC §49-05-04.3 and §49-05-06 and Paragraph 2c of the Company's Rate 59 tariff. Montana-Dakota requests approval of Transmission Cost Adjustment Rate 59 (10th Revised Sheet No. 43.1 of its electric service tariffs), provided herein as Exhibit 1, to be effective with service rendered on and after November 1, 2021.

The Company is requesting to update its TCA rates to reflect the projected charges for July 2021 through June 2022 assessed to Montana-Dakota for transmission-related services provided by Midcontinent Independent System Operator (MISO) and Southwest Power Pool (SPP), along with the projected revenues and/or credits received for that same period by Montana-Dakota for transmission-related services. In addition, the Company has included the projected revenue requirement associated with transmission capital projects approved in Case No. PU-20-344, as well as the projected revenue requirement associated with the proposed transmission capital projects. The projected net costs to be recovered through the TCA rates, proposed herein, are currently not being recovered through Montana-Dakota's North Dakota retail electric rates.

The total projected net transmission-related costs are shown in the table below and represent a decrease of approximately 6.9 percent from the net cost in current TCA rates. In Case No. PU-20-344, Montana-Dakota's rates were based on a two-year recovery of the applicable under collected balance with rates effective November 1, 2021. The under-collected balance is currently projected to be reduced from \$1,648,161 to \$668,839 by October 31, 2021. Additionally, the Net MISO/SPP Expense was largely reduced due to an increase in the SPP

Section 30.9 credits. Montana-Dakota was able to successfully negotiate the increase effective January 2021. The increase was due in part to the inclusion of the Dickinson Loop Line project that is included in the TCA and a change in the gross plant allocation calculation between SPP Section 30.9 and MISO facilities.

| | Current Filing | Prior Filing | Variance |
|-----------------------------------|---------------------|---------------------|----------------------|
| Net MISO/SPP Expense: | \$8,654,624 | \$10,535,910 | (\$1,881,286) |
| Transmission Projects - Approved: | 3,917,768 | 3,338,876 | 578,892 |
| Transmission Projects - Proposed: | 1,208,656 | 0 | 1,208,656 |
| Under/(Over) Recovery Balance: | 668,839 | 1,648,161 | (979,322) |
| | \$14,449,887 | \$15,522,947 | (\$1,073,060) |

A residential customer using 894 Kwh per month would see a decrease of \$0.03 under the proposed TCA rate or a decrease of \$0.36 annually. The proposed TCA rates are shown in the table below, along with the change from the current TCA rates implemented November 1, 2020:

| | | Proposed Rate/Kwh | Current Rate/Kwh | Change/Kwh |
|-----------------------------|---|----------------------|---------------------|-------------|
| Residential & Small General | (Rates 10, 13, 16, 20, 25 & 40) | \$0.00801 | \$0.00804 | (\$0.00003) |
| Large General & Contracts | (Rates 30, 31, 32, 38, & 48, Contracts) | \$0.00636 | \$0.00642 | (\$0.00006) |
| Lighting | (Rates 41 & 52) | \$0.00360 | \$0.00306 | \$0.00054 |

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:

Allison Mann
 Attorney
 MDU Resources Group, Inc.
 P.O. Box 5650
 Bismarck, ND 58506-5650
Allison.Mann@MDUResources.com

Montana-Dakota will separately submit a check for \$10,000 in accordance with North Dakota Century Code §49-05-04.3 noting the case number assigned and respectfully requests the Commission reduce the required \$100,000 filing fee pursuant to North Dakota Century Code §49-05-04.3.2.d which states the North Dakota Public Service Commission may waive or reduce the fee.

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: Allison Mann
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 Transmission) Case No. PU-21-____
Cost Adjustment Rate 59)
)

I. Summary of Application

Montana-Dakota Utilities Co. (Montana-Dakota) herewith electronically submits this Application for approval to update its Transmission Cost Adjustment (TCA) Rate 59 tariff pursuant to NDCC §49-05-04.3 and §49-05-06 and Paragraph 2c of the Company’s Rate 59 tariff to reflect projected transmission-related costs, revenues, and credits through June 2022, and the projected revenue requirement for transmission investments being placed into service through June 2022 and proposed to be recovered through the TCA mechanism. The Company requests approval of Transmission Cost Adjustment Rate 59 (10th Revised Sheet No. 43.1) to be effective with service rendered on and after November 1, 2021. In support of this Application, Montana-Dakota is providing the following exhibits:

- Exhibit 1 – Transmission Cost Adjustment Rate 59 10th Revised Sheet No. 43.1
- Exhibit 2 – Transmission Cost Adjustment Proposed Rates
- Exhibit 3 – Projected Summary of Revenue and Expenses, July 2021 – June 2022.
- Exhibit 4 – Projected 2021 and 2022 Revenue Requirement Schedules for Transmission Related Capital Projects
- Exhibit 5 – Transmission Cost Adjustment Balancing Account and Carrying Charge Calculation
- Exhibit 6 – Projected Revenue and Expenses by Schedule
- Exhibit 7 – 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 93,400 customers in North Dakota as of June 30, 2021.

III. Background of Transmission Cost Adjustment Rate 59

On October 11, 2011, Montana-Dakota filed a Transmission Cost Adjustment Rate 59 tariff and proposed TCA rates in Case Nos. PU-11-672 and PU-11-681, pursuant to NDCC §49-05-04.3, for the recovery of the North Dakota allocation of transmission related expenses assessed by the Midcontinent Independent System Operator (MISO), Western Area Power Administration (WAPA), and the revenue requirement for transmission facilities not currently recovered through the Company's North Dakota electric service rates. On May 16, 2012, the Commission approved Montana-Dakota's Transmission Cost Adjustment Rate 59 tariff. The first TCA rates were implemented effective with service rendered on and after June 1, 2012.

The Company's currently authorized TCA rates reflect the projected 2021 net transmission-related expenses and the revenue requirement for transmission facilities not currently recovered through the Company's North Dakota electric service rates as

authorized in Case No. PU-20-344 and implemented with service rendered on and after November 1, 2020.

IV. Calculation of the Proposed TCA Rates

The following exhibits are included herein in support of the Company's proposed TCA rates and in accordance with the Company's Transmission Cost Adjustment Rate 59 tariff:

- *Exhibit 2* shows the proposed TCA rates, along with the allocation of the total net projected expenses to each of the respective rate classes. The total projected cost to be recovered through the proposed TCA rates is \$14,449,887 which is comprised of July 2021 – June 2022 net projected transmission costs of \$8,654,624, the projected revenue requirement of \$5,126,424 related to transmission investments approved in the Company's most recent filing as well as additional proposed transmission projects being placed into service in 2021 and 2022, along with an under-recovered balance of the Company's current costs of \$668,839. The total costs are allocated to the respective rate classes based on the Company's transmission allocation factor (Demand Factor No. 2).

Allocated costs are then divided by the estimated billing determinants to derive the transmission revenue requirement rates. The Projected TCA revenue requirement, including the transmission investment revenue requirement, of \$14,449,887 reflects a decrease of \$1,073,060 from the \$15,522,947 TCA revenue requirement authorized in Case No. PU-20-344, Exhibit 2. A comparison of the current revenue requirement to the prior year is shown below:

| | Current Filing | Prior Filing | Variance |
|-----------------------------------|---------------------|---------------------|----------------------|
| Net MISO/SPP Expense: | \$8,654,624 | \$10,535,910 | (\$1,881,286) |
| Transmission Projects - Approved: | 3,917,768 | 3,338,876 | 578,892 |
| Transmission Projects - Proposed: | 1,208,656 | 0 | 1,208,656 |
| Under/(Over) Recovery Balance: | 668,839 | 1,648,161 | (979,322) |
| | \$14,449,887 | \$15,522,947 | (\$1,073,060) |

The main drivers of the decrease are attributable to an increase in SPP Section 30.9 Credits and a decrease in the under recovered balance, resulting in a lower net revenue requirement.

The increase in the revenue requirement on the Company's approved capital transmission projects is attributed to increases in cost estimates (primarily the Dickinson Loop Line project) and the assets approved in the prior year filing being in service for the entire year for the projected period, whereas the prior year's filing included partial year projections based on when the project was placed into service.

- *Exhibit 3* provides a summary of the projected transmission-related expenses assessed Montana-Dakota under MISO and SPP transmission schedules as well as the projected revenue and/or credits received by Montana-Dakota for transmission related services by schedule.
- *Exhibit 4* shows the projected monthly revenue requirements for currently approved projects and the investment in additional proposed transmission projects being placed into service through June 2022. A detailed schedule for each project for 2021 and 2022 is provided. The revenue requirement for the period July 2021 through June 2022 is reflected in the proposed revenue

requirement to be recovered through this proposed TCA. The revenue requirement is comprised of:

- Transmission investment allocated to North Dakota = \$53,024,963, \$16,399,429 of this amount represents new proposed capital projects not currently being recovered in the TCA as of June 2022 (as shown in Exhibit 4, page 5).
- Return on Rate Base: reflective of the authorized Capital Structure and the Return on Equity of 9.65% authorized in the Company's last electric rate case (Case No. PU-16-666).
- Depreciation Expense: annual depreciation rates for transmission related assets as authorized in Case No. PU-16-666.
- Taxes Other than Income: property tax based on the effective property tax rate for transmission property reflective of the location of the project.
- Income Taxes: current federal and state income tax rates.
- *Exhibit 5* shows the TCA Balancing Account (per Paragraph 2d of Rate 59) through October 2021. Any over or under recovery is assessed a carrying charge at the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.
- *Exhibit 6* provides the detail of the derivation of the projected transmission-related expenses, revenues and credits for the twelve months ended June 30, 2022.

V. Transmission Investments

Montana-Dakota is proposing to include costs related to transmission capital projects being placed into service in through June 2022, for new or modified electric transmission facilities as permitted by NDCC 49-05-04.3.

Previous filings included a variety of projects. Following is an explanation of those projects that varied from previous filings:

- Leola Substation Project – This project was included in PU-19-285 and in PU-20-344 with an anticipated in-service date of September 2020. The communication node went into service on April 2021 and the rest of the Leola Substation will go into service July 2021. This project had multiple items that led to the delay in the completion date:
 1. Soil conditions required a redesign of a portion of the transmission line;
 2. The redesign required larger poles and a new order of poles from the supplier;
 3. Right of way negotiations continued to delay construction through portions of the transmission line; and
 4. Abnormal weather in 2019 and 2020 reduced the construction season and made some areas inaccessible without tracked equipment and matting.

- Dickinson Loop Line Project – This project was included in PU-20-344 and was estimated at \$7.1 million. The project cost has increased to \$8.6 million due to:
 1. Right of way costs being higher than expected;
 2. Required use of self-supporting structures in areas where guys and anchors could not be used; and
 3. Schedule deadlines.
- Mobile Substation Project – This project was included in PU-20-344 and was anticipated to be in service August 2020. The project in service date was delayed, but was placed in service in June 2021 and remains on budget.
- Lightning Protection Project – In Case No. PU-19-285, this ongoing project was approved. Montana-Dakota will apply lightning protection by attaching a surge arrester to the top phase of the Beulah to Glen Ullin 41.6 kV transmission line. The project is estimated to cost approximately \$370,000 and scheduled to be in service October 2021.

Following is an explanation of the specific projects proposed to be recovered through the TCA:

- Lewis & Clark Control House – Lewis & Clark Generating Unit 1 ceased operation in March 2021 but Lewis & Clark Unit 2 will continue to operate. The protection and control equipment for the Lewis & Clark Transmission Substation is located within the Unit 1 control room. This control room is being demolished with the rest of the power plant. This required relocating that equipment to a new control building in the substation switchyard. The project is estimated to cost approximately \$4.2 million and scheduled to be in service July 2021. This is an

integrated electric system project and approximately \$2.9 million has been allocated to North Dakota.

- Mandan/Heskett Substation and Lines Project – Phase I for this project was included in PU-20-344 and was anticipated to be in service November 2020. Although the project estimate remains at \$1.8 million, the project has been delayed and was placed in service in June 2021 for the 115/69/41.6 kV substation Phase 1 and a planned completion of September 2021 for the 230 kV transmission line.

Phase II of this project involves constructing a new 115/69/41.6 kV substation (Mandan 38th Street Transmission Substation), constructing an addition to the Mandan Transmission Substation that was constructed in Phase I, and rerouting 10 transmission lines ranging in voltage from 41.6 kV to 230 kV. Phase 2 includes the addition of 115 kilovolt bus work at the Mandan Transmission Substation, relocating 115 kilovolt transmission lines that currently terminate at Heskett, and building a new 115/69/41.6 kilovolt substation. The Phase 1 approved costs are not included in Phase II proposed costs. This project is necessary due to the closure of Montana-Dakota's Heskett 1 & 2 Power Plants and the need to relocate equipment out of the power plant along with the age and condition of the existing Heskett substations.

| Project Descriptions | Completion Date | Cost Estimate | ND Allocation |
|---|-----------------|---------------|---------------|
| Lines TL039-1 | September 2021 | \$422,717 | \$300,393 |
| Lines TL129-1 | September 2021 | \$488,771 | \$347,332 |
| Heskett Substation Retirement | October 2021 | \$302,956 | \$215,288 |
| Lines TL158-1 | October 2021 | \$484,023 | \$343,958 |
| Replace Fence at Mandan Sub | December 2021 | \$900,000 | \$639,561 |
| 115/69/41.6 kV Substation at Mandan Substation site Phase II Addition | December 2021 | \$2,201,510 | \$1,564,444 |
| Mandan 38t St. Tran Sub – 115/69/41.6 kV | December 2021 | \$6,499,199 | \$6,499,199 |
| Lines TL098-1 | January 2022 | \$169,405 | \$169,405 |
| Lines TL403-1 | February 2022 | \$337,461 | \$337,461 |
| Lines TL133-1 | February 2022 | \$161,956 | \$161,956 |
| Lines TL405-1 | February 2022 | \$337,461 | \$337,461 |
| Lines TL157-1 | March 2022 | \$589,159 | \$418,670 |

- Tioga Line Project – The Tioga load is served from two 60 kV transmission tap lines along the north, east, and south sides of Tioga. This project will connect two transmission tap lines to create a loop by building approximately 3 miles of line. A loop line allows flexibility in operating the system and improves reliability by reducing outage restoration times. Two additional sections of the existing lines will be also be rebuilt as a part of this project, bringing the total to approximately 5 miles. The project is estimated to cost approximately \$2.1 million and schedule to be in service April 2022. This project is assigned directly to the North Dakota electric system.

VI. Estimated Impact by Customer Class

As shown in Exhibit 2, Montana-Dakota's projected costs to be recovered under the TCA rates as allocated to North Dakota are \$14,449,887. A residential customer using 894 Kwh a month would see a decrease of \$0.03 per month under the proposed TCA rates or a decrease of \$0.36 annually. Montana-Dakota requests approval of the following TCA rates to be effective November 1, 2021:

| | | Proposed Rate/Kwh | Current Rate/Kwh | Change/Kwh |
|-----------------------------|---|----------------------|---------------------|-------------|
| Residential & Small General | (Rates 10, 13, 16, 20, 25 & 40) | \$0.00801 | \$0.00804 | (\$0.00003) |
| Large General & Contracts | (Rates 30, 31, 32, 38, & 48, Contracts) | \$0.00636 | \$0.00642 | (\$0.00006) |
| Lighting | (Rates 41 & 52) | \$0.00360 | \$0.00306 | \$0.00054 |

Montana-Dakota has included as Exhibit 7 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 is submitting a check in the amount of \$10,000. Montana-Dakota respectfully requests the Commission reduce the required \$100,000 filing fee pursuant to NDCC §49-05-04.3.2d which states the North Dakota Public Service Commission may waive or reduce the fee.

VII. Conclusion

Montana-Dakota respectfully requests that the Commission approve this annual update to the Company's TCA rates to be effective with service rendered on and after November 1, 2021.

Dated this 15th day of July 2021

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Of Counsel:
Allison Mann
Attorney
MDU Resources Group, Inc.
P.O. Box 5650
Bismarck, ND 58506-5650

Exhibit 1



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
10th Revised Sheet No. 43.1
9th Revised Sheet No. 43.1

TRANSMISSION COST ADJUSTMENT Rate 59

Page 2 of 2

- d. The true-up will reflect any over or under collection of revenue under the Transmission Adjustment from the preceding twelve month 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. Transmission Cost Adjustment Rate by class:

| | |
|-----------------------------|----------------|
| Residential & Small General | 0.801¢ per Kwh |
| Large General | 0.636¢ per Kwh |
| Lighting | 0.360¢ per Kwh |

Date Filed: July 15, 2021

Effective Date:

Issued By: Travis R. Jacobson
Director - Regulatory Affairs

Case No.:

Tariff 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

~~910~~⁹¹⁰th Revised Sheet No. 43.1

~~89~~⁸⁹th Revised Sheet No. 43.1

TRANSMISSION COST ADJUSTMENT Rate 59

Page 2 of 2

- d. The true-up will reflect any over or under collection of revenue under the Transmission Adjustment from the preceding twelve month 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. Transmission Cost Adjustment Rate by class:

| | |
|-----------------------------|---|
| Residential & Small General | 0.80 <u>0.801</u> ¢ per Kwh |
| Large General | 0.642 <u>0.636</u> ¢ per Kwh |
| Lighting | 0.306 <u>0.360</u> ¢ per Kwh |

Date Filed: ~~October 29, 2020~~July 15, 2021

Effective Date: ~~Service rendered on and~~

~~after November 1, 2020~~

Issued By: Travis R. Jacobson
Director - Regulatory Affairs

Case No.: ~~PU-20-344~~

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Cost Adjustment
Proposed TCA Rates**

| | <u>Total</u> | <u>Residential & Small General</u> | <u>Large General & Contracts</u> | <u>Lighting</u> |
|---|---------------------|--|--|-------------------------|
| Projected Costs to be Recovered | | | | |
| Net Expense 1/ 2/ | \$8,654,624 | \$4,065,611 | \$4,548,743 | \$40,270 |
| Transmission Projects' Revenue Requirement 3/ | 5,126,424 | 2,408,198 | 2,694,373 | 23,853 |
| Under/(Over) Balance 4/ | 668,839 | 314,195 | 351,532 | 3,112 |
| Net Transmission Expense | <u>\$14,449,887</u> | <u>\$6,788,004</u> | <u>\$7,594,648</u> | <u>\$67,235</u> |
| Projected Kwh 5/ | 2,060,414,857 | 847,506,771 | 1,194,204,602 | 18,703,484 |
| Proposed TCA Rate per Kwh | | | | |
| Revenue Requirement per Kwh | | \$0.00764 | \$0.00607 | \$0.00343 |
| Amortization per Kwh | | <u>0.00037</u> | <u>0.00029</u> | <u>0.00017</u> |
| Proposed TCA Rate per Kwh | | 0.00801 | 0.00636 | 0.00360 |
| Current TCA Rate per Kwh 6/ | | | | |
| Revenue Requirement per Kwh | | \$0.00759 | \$0.00606 | \$0.00289 |
| Amortization per Kwh | | <u>0.00045</u> | <u>0.00036</u> | <u>0.00017</u> |
| Current TCA Rate per Kwh | | 0.00804 | 0.00642 | 0.00306 |
| Change in TCA Rate | | <u><u>(\$0.00003)</u></u> | <u><u>(\$0.00006)</u></u> | <u><u>\$0.00054</u></u> |

1/ Exhibit 3

2/ Demand Allocation Factor 2

| | | |
|-----------------------------|---------------------------|---|
| Residential & Small General | 46.976176% | (Rates 10, 13, 16, 20, 25, 26, and 40) |
| Large General & Contracts | 52.558524% | (Rates 30, 31, 32, 38, 48, and Contracts) |
| Lighting | <u>0.465300%</u> | (Rates 41, 52) |
| | <u><u>100.000000%</u></u> | |

3/ Exhibit 4

4/ Exhibit 5

5/ Projected Kwh sales.

6/ Current TCA rates effective November 1, 2020.

Montana-Dakota Utilities Co.
Transmission Cost Adjustment
Summary of Revenue and Expenses Allocated to North Dakota
Projected Twelve Months Ending June 2022

| | 2021 | | | | | | 2022 | | | | | | Total |
|----------------------------|----------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-------------|
| | July | August | September | October | November | December | January | February | March | April | May | June | |
| Facility Sharing Agreement | \$20,333 | \$20,333 | \$20,333 | \$20,333 | \$20,333 | \$20,337 | \$20,333 | \$20,333 | \$20,333 | \$20,333 | \$20,333 | \$20,333 | \$244,000 |
| MISO | | | | | | | | | | | | | |
| Revenue/Credits | | | | | | | | | | | | | |
| Schedule 1 | 8,453 | 8,453 | 8,453 | 8,453 | 8,453 | 8,453 | 8,453 | 8,453 | 8,453 | 8,453 | 8,453 | 8,457 | 101,440 |
| Schedule 2 | 25,855 | 25,855 | 25,855 | 25,855 | 25,855 | 25,855 | 25,855 | 25,855 | 25,855 | 25,855 | 25,855 | 25,851 | 310,256 |
| Schedule 7 | 64,899 | 64,899 | 64,899 | 64,899 | 64,899 | 64,899 | 64,899 | 64,899 | 64,899 | 64,899 | 64,899 | 64,903 | 778,792 |
| Schedule 8 | 13,001 | 13,001 | 13,001 | 13,001 | 13,001 | 13,001 | 13,001 | 13,001 | 13,001 | 13,001 | 13,001 | 13,003 | 156,014 |
| Schedule 9 | 289,233 | 289,233 | 289,233 | 289,233 | 289,233 | 289,233 | 289,233 | 289,233 | 289,233 | 289,233 | 289,233 | 289,232 | 3,470,795 |
| NITS Cust Rev Req. | (48,778) | (48,778) | (48,778) | (48,778) | (48,778) | (48,778) | (48,778) | (48,778) | (48,778) | (48,778) | (48,778) | (48,781) | (585,339) |
| Schedule 24 | 69,309 | 69,309 | 69,309 | 69,309 | 69,309 | 69,309 | 69,309 | 69,309 | 69,309 | 69,309 | 69,309 | 69,303 | 831,702 |
| Schedule 26 | 98,199 | 98,199 | 98,199 | 98,199 | 98,199 | 98,197 | 98,199 | 98,199 | 98,199 | 98,199 | 98,199 | 98,199 | 1,178,386 |
| | 520,171 | 520,171 | 520,171 | 520,171 | 520,171 | 520,169 | 520,171 | 520,171 | 520,171 | 520,171 | 520,171 | 520,167 | 6,242,046 |
| Charges | | | | | | | | | | | | | |
| Schedule 10 | | | | | | | | | | | | | |
| MISO - FERC Energy | 51,456 | 51,456 | 51,456 | 51,456 | 51,456 | 51,456 | 51,456 | 51,456 | 51,456 | 51,456 | 51,456 | 51,460 | 617,476 |
| MISO - FERC Demand | 3,748 | 3,748 | 3,748 | 3,748 | 3,748 | 3,748 | 3,748 | 3,748 | 3,748 | 3,748 | 3,748 | 3,753 | 44,981 |
| FERC Direct | 21,508 | 21,508 | 21,508 | 21,508 | 21,508 | 21,508 | 21,508 | 21,508 | 21,508 | 21,508 | 21,508 | 21,504 | 258,092 |
| | 76,712 | 76,712 | 76,712 | 76,712 | 76,712 | 76,712 | 76,712 | 76,712 | 76,712 | 76,712 | 76,712 | 76,717 | 920,549 |
| Schedule 26 | 195,523 | 195,523 | 195,523 | 195,523 | 195,523 | 195,523 | 217,657 | 217,657 | 217,657 | 217,657 | 217,657 | 217,657 | 2,479,080 |
| Schedule 26A | 523,909 | 488,565 | 473,012 | 452,306 | 514,592 | 576,287 | 564,295 | 542,500 | 499,247 | 449,813 | 443,891 | 436,984 | 5,965,401 |
| A&G Retail Rate Credit | (90,078) | (90,078) | (90,078) | (90,078) | (90,078) | (90,078) | (90,078) | (90,078) | (90,078) | (90,078) | (90,078) | (90,083) | (1,080,941) |
| | 706,066 | 670,722 | 655,169 | 634,463 | 696,749 | 758,444 | 768,586 | 746,791 | 703,538 | 654,104 | 648,182 | 641,275 | 8,284,089 |

Montana-Dakota Utilities Co.
Transmission Cost Adjustment
Summary of Revenue and Expenses Allocated to North Dakota
Projected Twelve Months Ending June 2022

| | 2021 | | | | | | 2022 | | | | | | Total |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| | July | August | September | October | November | December | January | February | March | April | May | June | |
| SPP | | | | | | | | | | | | | |
| Revenue/Credits | | | | | | | | | | | | | |
| Facility Credits | 911,730 | 911,730 | 911,730 | 911,730 | 911,730 | 911,724 | 911,730 | 911,730 | 911,730 | 911,730 | 911,730 | 911,730 | 10,940,754 |
| Charges | | | | | | | | | | | | | |
| Schedule 1 | 41,639 | 41,639 | 41,639 | 41,639 | 41,639 | 41,641 | 41,639 | 41,639 | 41,639 | 41,639 | 41,639 | 41,639 | 499,670 |
| Schedule 1a | 69,508 | 69,508 | 69,508 | 69,508 | 69,508 | 69,504 | 69,508 | 69,508 | 69,508 | 69,508 | 69,508 | 69,508 | 834,092 |
| Schedule 9 | 1,480,624 | 1,480,624 | 1,480,624 | 1,480,624 | 1,480,624 | 1,480,619 | 1,480,624 | 1,480,624 | 1,480,624 | 1,480,624 | 1,480,624 | 1,480,624 | 17,767,483 |
| Schedule 11 | 172,173 | 172,173 | 172,173 | 172,173 | 172,173 | 172,169 | 172,173 | 172,173 | 172,173 | 172,173 | 172,173 | 172,173 | 2,066,072 |
| Schedule 12 | 12,859 | 12,859 | 12,859 | 12,859 | 12,859 | 12,859 | 12,859 | 12,859 | 12,859 | 12,859 | 12,859 | 12,859 | 154,308 |
| | <u>1,776,803</u> | <u>1,776,803</u> | <u>1,776,803</u> | <u>1,776,803</u> | <u>1,776,803</u> | <u>1,776,792</u> | <u>1,776,803</u> | <u>1,776,803</u> | <u>1,776,803</u> | <u>1,776,803</u> | <u>1,776,803</u> | <u>1,776,803</u> | <u>21,321,625</u> |
| Total Company Revenue/Credits | | | | | | | | | | | | | |
| Facility Sharing | 20,333 | 20,333 | 20,333 | 20,333 | 20,333 | 20,337 | 20,333 | 20,333 | 20,333 | 20,333 | 20,333 | 20,333 | 244,000 |
| MISO | 520,171 | 520,171 | 520,171 | 520,171 | 520,171 | 520,169 | 520,171 | 520,171 | 520,171 | 520,171 | 520,171 | 520,167 | 6,242,046 |
| SPP | 911,730 | 911,730 | 911,730 | 911,730 | 911,730 | 911,724 | 911,730 | 911,730 | 911,730 | 911,730 | 911,730 | 911,730 | 10,940,754 |
| | <u>1,452,234</u> | <u>1,452,234</u> | <u>1,452,234</u> | <u>1,452,234</u> | <u>1,452,234</u> | <u>1,452,230</u> | <u>1,452,234</u> | <u>1,452,234</u> | <u>1,452,234</u> | <u>1,452,234</u> | <u>1,452,234</u> | <u>1,452,230</u> | <u>17,426,800</u> |
| Allocated to ND 1/ | 1,031,991 | 1,031,991 | 1,031,991 | 1,031,991 | 1,031,991 | 1,031,989 | 1,031,991 | 1,031,991 | 1,031,991 | 1,031,991 | 1,031,991 | 1,031,989 | 12,383,888 |
| Total Company Charges | | | | | | | | | | | | | |
| MISO | 706,066 | 670,722 | 655,169 | 634,463 | 696,749 | 758,444 | 768,586 | 746,791 | 703,538 | 654,104 | 648,182 | 641,275 | 8,284,089 |
| SPP | 1,776,803 | 1,776,803 | 1,776,803 | 1,776,803 | 1,776,803 | 1,776,792 | 1,776,803 | 1,776,803 | 1,776,803 | 1,776,803 | 1,776,803 | 1,776,803 | 21,321,625 |
| | <u>2,482,869</u> | <u>2,447,525</u> | <u>2,431,972</u> | <u>2,411,266</u> | <u>2,473,552</u> | <u>2,535,236</u> | <u>2,545,389</u> | <u>2,523,594</u> | <u>2,480,341</u> | <u>2,430,907</u> | <u>2,424,985</u> | <u>2,418,078</u> | <u>29,605,714</u> |
| Allocated to ND 1/ | 1,764,385 | 1,739,268 | 1,728,216 | 1,713,502 | 1,757,764 | 1,801,598 | 1,808,813 | 1,793,325 | 1,762,588 | 1,727,459 | 1,723,251 | 1,718,343 | 21,038,512 |
| Net ND Expense | <u>\$732,394</u> | <u>\$707,277</u> | <u>\$696,225</u> | <u>\$681,511</u> | <u>\$725,773</u> | <u>\$769,609</u> | <u>\$776,822</u> | <u>\$761,334</u> | <u>\$730,597</u> | <u>\$695,468</u> | <u>\$691,260</u> | <u>\$686,354</u> | <u>\$8,654,624</u> |

1/ Allocated to ND on Factor 15 Integrated System 12 Month Peak Demand: 71.062334%

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Recovery Rider
Revenue Requirement
Projected Period**

| | Projected | | | | | | Average Balance |
|-----------------------------------|--|------------------|------------------|------------------|------------------|------------------|--------------------|
| | Jan 2022 | Feb 2022 | Mar 2022 | Apr 2022 | May 2022 | June 2022 | |
| Rate Base | | | | | | | |
| Plant Balance: | \$49,682,415 | \$50,519,293 | \$50,937,963 | \$53,024,963 | \$53,024,963 | \$53,024,963 | |
| Accumulated Reserve | 1,046,628 | 1,119,451 | 1,193,690 | 1,268,637 | 1,347,115 | 1,425,593 | |
| Net Plant in Service | \$48,635,787 | \$49,399,842 | \$49,744,273 | \$51,756,326 | \$51,677,848 | \$51,599,370 | \$50,468,908 |
| Accum Def Income Taxes | \$908,479 | \$953,417 | \$993,819 | \$1,029,830 | \$1,061,299 | \$1,088,376 | |
| Total Plant in Service | \$47,727,308 | \$48,446,425 | \$48,750,454 | \$50,726,496 | \$50,616,549 | \$50,510,994 | \$49,463,038 |
| Return on Rate Base | \$292,886 | \$297,300 | \$299,165 | \$311,292 | \$310,617 | \$309,970 | \$1,821,230 |
| Expenses | | | | | | | |
| Operating Expenses | | | | | | | Year to Date |
| Depreciation | 72,536 | 72,823 | 74,239 | 74,947 | 78,478 | 78,478 | 451,501 |
| Property Tax | 21,138 | 21,138 | 21,138 | 21,138 | 21,138 | 21,138 | 126,828 |
| Total Expenses | \$93,674 | \$93,961 | \$95,377 | \$96,085 | \$99,616 | \$99,616 | \$578,329 |
| Income before Taxes (EBIT) | (\$93,674) | (\$93,961) | (\$95,377) | (\$96,085) | (\$99,616) | (\$99,616) | (\$578,329) |
| Interest Expense | 93,625 | 95,036 | 95,632 | 99,509 | 99,293 | 99,086 | 582,181 |
| Taxable income | (\$187,299) | (\$188,997) | (\$191,009) | (\$195,594) | (\$198,909) | (\$198,702) | (\$1,160,510) |
| Income Taxes | (\$45,710) | (\$46,125) | (\$46,616) | (\$47,734) | (\$48,544) | (\$48,493) | (\$283,222) |
| Operating Income | (\$47,964) | (\$47,836) | (\$48,761) | (\$48,351) | (\$51,072) | (\$51,123) | (\$295,107) |
| Revenue Requirement - 2021 | \$450,889 | \$456,559 | \$460,249 | \$475,749 | \$478,456 | \$477,668 | \$2,799,570 |
| | Approved Projects - July - December 2021 Revenue Requirement: | | | | | | \$1,965,397 |
| | Proposed Projects - 2021 Revenue Requirement: | | | | | | \$361,457 |
| | Total Projected Revenue Requirement: | | | | | | \$5,126,424 |

Projected Revenue Requirement from Approved Projects:

| | |
|---|--------------------|
| Proposed Projects - July - December 2021 Revenue Requirement: | \$1,965,397 |
| Proposed Projects - January - June 2022 Revenue Requirement: | 1,952,371 |
| | \$3,917,768 |

Projected Revenue Requirement from Proposed Projects:

| | |
|---|--------------------|
| Proposed Projects - July - December 2021 Revenue Requirement: | \$361,457 |
| Proposed Projects - January - June 2022 Revenue Requirement: | 847,199 |
| | \$1,208,656 |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Recovery Rider
Revenue Requirement - Approved Projects
Actual/Projected Year End 2021**

| | Actual | | | | | 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 | | | | | | | | | | | | | |
| Plant Balance: | | | | | | | | | | | | | |
| Bowdle | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | |
| Leola 8/ | 888,729 | 888,729 | 888,729 | 717,137 | 734,795 | 734,795 | 2,618,080 | 2,618,080 | 2,618,080 | 2,618,080 | 2,618,080 | 2,618,080 | |
| Dickinson | 8,521,367 | 8,568,328 | 8,121,633 | 8,099,077 | 8,592,421 | 8,592,421 | 8,592,421 | 8,592,421 | 8,592,421 | 8,592,421 | 8,592,421 | 8,592,421 | |
| Watford City | 15,500,502 | 15,616,033 | 15,617,819 | 15,618,560 | 15,618,083 | 15,618,083 | 15,618,083 | 15,618,083 | 15,618,083 | 15,618,083 | 15,618,083 | 15,618,083 | |
| Lightning Protection 7/ | 379,092 | 379,092 | 384,736 | 384,736 | 384,736 | 384,736 | 384,736 | 384,736 | 384,736 | 384,736 | 384,736 | 384,736 | |
| Richland | 633,465 | 542,495 | 542,570 | 542,570 | 542,570 | 542,570 | 542,570 | 542,570 | 542,570 | 542,570 | 542,570 | 542,570 | |
| Crosby | 1,169,694 | 1,169,694 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | |
| Bismarck | 997,558 | 1,007,105 | 1,029,702 | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 | |
| Mandan 5/ | 0 | 0 | 0 | 0 | 0 | 1,095,010 | 1,095,010 | 1,095,010 | 1,341,726 | 1,341,726 | 1,341,726 | 1,341,726 | |
| Mobile Sub 6/ | 0 | 0 | 0 | 0 | 0 | 2,673,995 | 2,673,995 | 2,673,995 | 2,673,995 | 2,673,995 | 2,673,995 | 2,673,995 | |
| Total Plant Balance | \$30,357,677 | \$30,438,746 | \$30,035,008 | \$29,846,003 | \$30,356,528 | \$34,125,533 | \$36,008,818 | \$36,008,818 | \$36,255,534 | \$36,625,534 | \$36,625,534 | \$36,625,534 | \$33,609,106 |
| Accumulated Reserve: | | | | | | | | | | | | | |
| Bowdle | \$60,052 | \$63,073 | \$66,094 | \$69,115 | \$72,136 | \$75,157 | \$78,178 | \$81,199 | \$84,220 | \$87,241 | \$90,262 | \$93,283 | |
| Leola 8/ | 17,603 | 18,776 | 19,949 | 21,123 | 22,069 | 23,039 | 24,009 | 27,459 | 30,909 | 34,359 | 37,809 | 41,259 | |
| Dickinson | 96,840 | 110,719 | 124,677 | 138,043 | 151,370 | 165,349 | 179,327 | 193,306 | 207,284 | 221,263 | 235,241 | 249,220 | |
| Watford City | 189,750 | 213,934 | 238,274 | 262,617 | 286,961 | 311,304 | 335,647 | 359,990 | 384,333 | 408,676 | 433,019 | 457,362 | |
| Lightning Protection | 6,016 | 6,502 | 6,987 | 7,479 | 7,972 | 8,464 | 8,957 | 9,449 | 9,942 | 10,434 | 11,398 | 12,362 | |
| Richland | 5,261 | 6,072 | 6,767 | 7,461 | 8,156 | 8,850 | 9,545 | 10,239 | 10,934 | 11,628 | 12,323 | 13,017 | |
| Crosby | 13,777 | 15,753 | 17,730 | 19,729 | 21,727 | 23,726 | 25,724 | 27,723 | 29,721 | 31,720 | 33,718 | 35,717 | |
| Bismarck | 1,298 | 2,615 | 3,944 | 5,303 | 6,668 | 8,033 | 9,398 | 10,763 | 12,128 | 13,493 | 14,858 | 16,223 | |
| Mandan 5/ | 0 | 0 | 0 | 0 | 0 | 0 | 1,442 | 2,884 | 4,326 | 6,185 | 8,044 | 9,903 | |
| Mobile Sub 6/ | 0 | 0 | 0 | 0 | 0 | 0 | 3,521 | 7,042 | 10,563 | 14,084 | 17,605 | 21,126 | |
| Total Accumulated Reserve | \$390,597 | \$437,444 | \$484,422 | \$530,870 | \$577,059 | \$623,922 | \$675,748 | \$730,054 | \$784,360 | \$839,083 | \$894,277 | \$949,472 | \$659,776 |
| Net Plant in Service | \$29,967,080 | \$30,001,302 | \$29,550,586 | \$29,315,133 | \$29,779,469 | \$33,501,611 | \$35,333,070 | \$35,278,764 | \$35,471,174 | \$35,786,451 | \$35,731,257 | \$35,676,062 | \$32,949,330 |
| Accum Def Income Taxes 1/ | \$335,260 | \$366,548 | \$394,678 | \$419,750 | \$441,660 | \$460,512 | \$476,206 | \$488,742 | \$498,220 | \$504,540 | \$507,802 | \$507,902 | |
| Total Plant in Service | \$29,631,820 | \$29,634,754 | \$29,155,908 | \$28,895,383 | \$29,337,809 | \$33,041,099 | \$34,856,864 | \$34,790,022 | \$34,972,954 | \$35,281,911 | \$35,223,455 | \$35,168,160 | \$32,499,178 |
| Return on Rate Base 2/ | \$181,841 | \$181,859 | \$178,920 | \$177,321 | \$180,036 | \$202,762 | \$213,905 | \$213,495 | \$214,617 | \$216,513 | \$216,155 | \$215,815 | \$2,393,239 |
| Expenses | | | | | | | | | | | | | |
| Operating Expenses | | | | | | | | | | | | | |
| Depreciation: | | | | | | | | | | | | | |
| Bowdle | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | |
| Leola 8/ | 1,173 | 1,173 | 1,173 | 1,173 | 947 | 970 | 970 | 3,450 | 3,450 | 3,450 | 3,450 | 3,450 | |
| Dickinson | 14,103 | 13,879 | 13,958 | 13,365 | 13,327 | 13,979 | 13,979 | 13,979 | 13,979 | 13,979 | 13,979 | 13,979 | |
| Watford City | 24,020 | 24,183 | 24,340 | 24,343 | 24,344 | 24,343 | 24,343 | 24,343 | 24,343 | 24,343 | 24,343 | 24,343 | |
| Lightning Protection 7/ | 486 | 485 | 485 | 492 | 492 | 492 | 492 | 492 | 492 | 492 | 964 | 964 | |
| Richland | 798 | 811 | 694 | 694 | 694 | 694 | 694 | 694 | 694 | 694 | 694 | 694 | |
| Crosby | 1,977 | 1,977 | 1,977 | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 | |
| Bismarck | 1,298 | 1,317 | 1,329 | 1,359 | 1,365 | 1,365 | 1,365 | 1,365 | 1,365 | 1,365 | 1,365 | 1,365 | |
| Mandan 5/ | 0 | 0 | 0 | 0 | 0 | 0 | 1,442 | 1,442 | 1,442 | 1,859 | 1,859 | 1,859 | |
| Mobile Sub 6/ | 0 | 0 | 0 | 0 | 0 | 0 | 3,521 | 3,521 | 3,521 | 3,521 | 3,521 | 3,521 | |
| Total Depreciation | 46,876 | 46,846 | 46,977 | 46,446 | 46,189 | 46,863 | 51,826 | 54,306 | 54,306 | 54,723 | 55,195 | 55,195 | 605,748 |
| Property Tax 3/ | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 | 10,983 | 131,807 |
| Total Expenses | \$57,860 | \$57,830 | \$57,961 | \$57,430 | \$57,173 | \$57,847 | \$62,810 | \$65,290 | \$65,290 | \$65,707 | \$66,179 | \$66,178 | \$737,555 |
| Income before Taxes (EBIT) | (\$57,860) | (\$57,830) | (\$57,961) | (\$57,430) | (\$57,173) | (\$57,847) | (\$62,810) | (\$65,290) | (\$65,290) | (\$65,707) | (\$66,179) | (\$66,178) | (\$737,555) |
| Interest Expense | 58,128 | 58,134 | 57,194 | 56,683 | 57,551 | 64,816 | 68,378 | 68,246 | 68,605 | 69,211 | 69,097 | 68,988 | 765,031 |
| Taxable income | (\$115,988) | (\$115,964) | (\$115,155) | (\$114,113) | (\$114,724) | (\$122,663) | (\$131,188) | (\$133,536) | (\$133,895) | (\$134,918) | (\$135,276) | (\$135,166) | (\$1,502,586) |
| Income Taxes 4/ | (\$28,307) | (\$28,301) | (\$28,103) | (\$27,849) | (\$27,998) | (\$29,936) | (\$32,016) | (\$32,589) | (\$32,677) | (\$32,927) | (\$33,014) | (\$32,987) | (\$366,704) |
| Operating Income | (\$29,553) | (\$29,529) | (\$29,858) | (\$29,581) | (\$29,175) | (\$27,911) | (\$30,794) | (\$32,701) | (\$32,613) | (\$32,780) | (\$33,165) | (\$33,191) | (\$370,851) |
| Revenue Requirement | \$279,640 | \$279,632 | \$276,179 | \$273,698 | \$276,752 | \$305,143 | \$323,697 | \$325,677 | \$327,045 | \$329,774 | \$329,810 | \$329,394 | \$3,656,441 |

July - December 2021 Revenue Requirement: \$1,965,397

Factor 15-Integrated Sys. 12
Month Peak Demand 71.062334%

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2021 DIT activity. Monthly activity prorated based on DIT proration methodology.

| Projected ND DIT activity 2021: | 446,389 | | | | | | | | | | |
|---------------------------------|----------|--------|--------|--------|--------|--------|--------|-----------|---------|----------|----------|
| Monthly: | 37,199 | | | | | | | | | | |
| January | February | March | April | May | June | July | August | September | October | November | December |
| 91.78% | 84.11% | 75.62% | 67.40% | 58.90% | 50.68% | 42.19% | 33.70% | 25.48% | 16.99% | 8.77% | 0.27% |
| 34,141 | 31,288 | 28,130 | 25,072 | 21,910 | 18,852 | 15,694 | 12,536 | 9,478 | 6,320 | 3,262 | 100 |

2/ Authorized capital structure with authorized return on equity from most recent rate case.

| | Ratio | Cost | |
|------------------|----------|--------|--------|
| Long Term Debt | 42.673% | 5.245% | 2.238% |
| Short Term Debt | 4.840% | 2.402% | 0.116% |
| Preferred Equity | 1.084% | 4.579% | 0.050% |
| Common Equity | 51.403% | 9.650% | 4.960% |
| | 100.000% | | 7.364% |

3/ Property tax:

| | |
|---|------------|
| Estimated Integrated 2021 Property Tax: | 183,710 |
| ND Fac. #15: | 71.062334% |
| Total ND Integrated 2021 Property Tax: | 130,549 |
| Estimated ND Direct 2021 Property Tax: | 1,258 |
| Total estimated ND Property Tax: | 131,807 |
| Monthly: | 10,984 |

4/ Income Tax Rate:

| | |
|-------------|---------|
| Tax Rate | 24.049% |
| 1- tax rate | 75.951% |

5/ See page 6. 7/ See page 8.

6/ See page 7. 8/ See page 9.

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Recovery Rider
Revenue Requirement - Approved Projects
Projected Year 2022**

| Rate Base | Projected | | | | | | | | | | | | Average Balance |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | Jan 2022 | Feb 2022 | Mar 2022 | Apr 2022 | May 2022 | June 2022 | July 2022 | Aug 2022 | Sept 2022 | Oct 2022 | Nov 2022 | Dec 2022 | |
| Plant Balance: | | | | | | | | | | | | | |
| Bowdle | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 | \$2,267,270 |
| Leola | 2,618,080 | 2,618,080 | 2,618,080 | 2,618,080 | 2,618,080 | 2,618,080 | 2,618,080 | 2,618,080 | 2,618,080 | 2,618,080 | 2,618,080 | 2,618,080 | 2,618,080 |
| Dickinson | 8,592,421 | 8,592,421 | 8,592,421 | 8,592,421 | 8,592,421 | 8,592,421 | 8,592,421 | 8,592,421 | 8,592,421 | 8,592,421 | 8,592,421 | 8,592,421 | 8,592,421 |
| Watford City | 15,618,083 | 15,618,083 | 15,618,083 | 15,618,083 | 15,618,083 | 15,618,083 | 15,618,083 | 15,618,083 | 15,618,083 | 15,618,083 | 15,618,083 | 15,618,083 | 15,618,083 |
| Lightning Protection | 754,736 | 754,736 | 754,736 | 754,736 | 754,736 | 754,736 | 754,736 | 754,736 | 754,736 | 754,736 | 754,736 | 754,736 | 754,736 |
| Richland | 542,570 | 542,570 | 542,570 | 542,570 | 542,570 | 542,570 | 542,570 | 542,570 | 542,570 | 542,570 | 542,570 | 542,570 | 542,570 |
| Crosby | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 | 1,182,549 |
| Bismarck | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 | 1,034,104 |
| Mandan | 1,341,726 | 1,341,726 | 1,341,726 | 1,341,726 | 1,341,726 | 1,341,726 | 1,341,726 | 1,341,726 | 1,341,726 | 1,341,726 | 1,341,726 | 1,341,726 | 1,341,726 |
| Mobile Sub | 2,673,995 | 2,673,995 | 2,673,995 | 2,673,995 | 2,673,995 | 2,673,995 | 2,673,995 | 2,673,995 | 2,673,995 | 2,673,995 | 2,673,995 | 2,673,995 | 2,673,995 |
| Total Plant Balance | \$36,625,534 | \$36,625,534 | \$36,625,534 | \$36,625,534 | \$36,625,534 | \$36,625,534 | \$36,625,534 | \$36,625,534 | \$36,625,534 | \$36,625,534 | \$36,625,534 | \$36,625,534 | \$36,625,534 |
| Accumulated Reserve: | | | | | | | | | | | | | |
| Bowdle | \$96,304 | \$99,325 | \$102,346 | \$105,367 | \$108,388 | \$111,409 | \$114,430 | \$117,451 | \$120,472 | \$123,493 | \$126,514 | \$129,535 | \$132,556 |
| Leola | 44,709 | 48,159 | 51,609 | 55,059 | 58,509 | 61,959 | 65,409 | 68,859 | 72,309 | 75,759 | 79,209 | 82,659 | 86,109 |
| Dickinson | 263,199 | 277,178 | 291,157 | 305,136 | 319,115 | 333,094 | 347,073 | 361,052 | 375,031 | 389,010 | 402,989 | 416,968 | 430,947 |
| Watford City | 481,705 | 506,048 | 530,391 | 554,734 | 579,077 | 603,420 | 627,763 | 652,106 | 676,449 | 700,792 | 725,135 | 749,478 | 773,821 |
| Lightning Protection | 13,326 | 14,290 | 15,254 | 16,218 | 17,182 | 18,146 | 19,110 | 20,074 | 21,038 | 22,002 | 22,966 | 23,930 | 24,894 |
| Richland | 13,711 | 14,405 | 15,099 | 15,793 | 16,487 | 17,181 | 17,875 | 18,569 | 19,263 | 19,957 | 20,651 | 21,345 | 22,039 |
| Crosby | 37,716 | 39,715 | 41,714 | 43,713 | 45,712 | 47,711 | 49,710 | 51,709 | 53,708 | 55,707 | 57,706 | 59,705 | 61,704 |
| Bismarck | 17,588 | 18,953 | 20,318 | 21,683 | 23,048 | 24,413 | 25,778 | 27,143 | 28,508 | 29,873 | 31,238 | 32,603 | 33,968 |
| Mandan | 11,762 | 13,621 | 15,480 | 17,339 | 19,198 | 21,057 | 22,916 | 24,775 | 26,634 | 28,493 | 30,352 | 32,211 | 34,070 |
| Mobile Sub | 24,647 | 28,168 | 31,689 | 35,210 | 38,731 | 42,252 | 45,773 | 49,294 | 52,815 | 56,336 | 59,857 | 63,378 | 66,899 |
| Total Accumulated Reserve | \$1,004,667 | \$1,059,862 | \$1,115,057 | \$1,170,252 | \$1,225,447 | \$1,280,642 | \$1,335,837 | \$1,391,032 | \$1,446,227 | \$1,501,422 | \$1,556,617 | \$1,611,812 | \$1,667,007 |
| Net Plant in Service | \$35,620,867 | \$35,565,672 | \$35,510,477 | \$35,455,282 | \$35,400,087 | \$35,344,892 | \$35,289,697 | \$35,234,502 | \$35,179,307 | \$35,124,112 | \$35,068,917 | \$35,013,722 | \$34,958,527 |
| Accum Def Income Taxes 1/ | \$781,574 | \$812,793 | \$840,861 | \$865,878 | \$887,740 | \$906,551 | \$922,211 | \$934,719 | \$944,176 | \$950,482 | \$953,737 | \$953,837 | \$953,837 |
| Total Plant in Service | \$34,839,293 | \$34,752,879 | \$34,669,616 | \$34,589,404 | \$34,512,347 | \$34,438,341 | \$34,367,486 | \$34,299,783 | \$34,235,131 | \$34,173,630 | \$34,115,180 | \$34,059,885 | \$34,001,354 |
| Return on Rate Base 2/ | \$213,797 | \$213,267 | \$212,756 | \$212,264 | \$211,791 | \$211,337 | \$210,902 | \$210,486 | \$210,090 | \$209,712 | \$209,353 | \$209,014 | \$208,675 |
| Expenses | | | | | | | | | | | | | |
| Operating Expenses | | | | | | | | | | | | | |
| Depreciation: | | | | | | | | | | | | | |
| Bowdle | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 |
| Leola | 3,450 | 3,450 | 3,450 | 3,450 | 3,450 | 3,450 | 3,450 | 3,450 | 3,450 | 3,450 | 3,450 | 3,450 | 3,450 |
| Dickinson | 13,979 | 13,979 | 13,979 | 13,979 | 13,979 | 13,979 | 13,979 | 13,979 | 13,979 | 13,979 | 13,979 | 13,979 | 13,979 |
| Watford City | 24,343 | 24,343 | 24,343 | 24,343 | 24,343 | 24,343 | 24,343 | 24,343 | 24,343 | 24,343 | 24,343 | 24,343 | 24,343 |
| Lightning Protection | 964 | 964 | 964 | 964 | 964 | 964 | 964 | 964 | 964 | 964 | 964 | 964 | 964 |
| Richland | 694 | 694 | 694 | 694 | 694 | 694 | 694 | 694 | 694 | 694 | 694 | 694 | 694 |
| Crosby | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 | 1,999 |
| Bismarck | 1,365 | 1,365 | 1,365 | 1,365 | 1,365 | 1,365 | 1,365 | 1,365 | 1,365 | 1,365 | 1,365 | 1,365 | 1,365 |
| Mandan | 1,859 | 1,859 | 1,859 | 1,859 | 1,859 | 1,859 | 1,859 | 1,859 | 1,859 | 1,859 | 1,859 | 1,859 | 1,859 |
| Mobile Sub | 3,521 | 3,521 | 3,521 | 3,521 | 3,521 | 3,521 | 3,521 | 3,521 | 3,521 | 3,521 | 3,521 | 3,521 | 3,521 |
| Total Depreciation | 55,195 | 55,195 | 55,195 | 55,195 | 55,195 | 55,195 | 55,195 | 55,195 | 55,195 | 55,195 | 55,195 | 55,195 | 55,195 |
| Property Tax 3/ | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 | 10,984 |
| Total Expenses | \$66,179 | \$66,179 | \$66,179 | \$66,179 | \$66,179 | \$66,179 | \$66,179 | \$66,179 | \$66,179 | \$66,179 | \$66,179 | \$66,178 | \$794,147 |
| Income before Taxes (EBIT) | (\$66,179) | (\$66,179) | (\$66,179) | (\$66,179) | (\$66,179) | (\$66,179) | (\$66,179) | (\$66,179) | (\$66,179) | (\$66,179) | (\$66,179) | (\$66,178) | (\$794,147) |
| Interest Expense | 68,343 | 68,174 | 68,010 | 67,853 | 67,702 | 67,557 | 67,418 | 67,285 | 67,158 | 67,037 | 66,923 | 66,814 | 810,274 |
| Taxable income | (\$134,522) | (\$134,353) | (\$134,189) | (\$134,032) | (\$133,881) | (\$133,736) | (\$133,597) | (\$133,464) | (\$133,337) | (\$133,216) | (\$133,102) | (\$132,992) | (\$1,604,421) |
| Income Taxes 4/ | (\$32,830) | (\$32,789) | (\$32,749) | (\$32,710) | (\$32,674) | (\$32,638) | (\$32,604) | (\$32,572) | (\$32,541) | (\$32,511) | (\$32,483) | (\$32,457) | (\$391,558) |
| Operating Income | (\$33,349) | (\$33,390) | (\$33,430) | (\$33,469) | (\$33,505) | (\$33,541) | (\$33,575) | (\$33,607) | (\$33,638) | (\$33,668) | (\$33,696) | (\$33,721) | (\$402,589) |
| Revenue Requirement | \$326,934 | \$326,287 | \$325,664 | \$325,065 | \$324,487 | \$323,934 | \$323,403 | \$322,895 | \$322,412 | \$321,952 | \$321,514 | \$321,099 | \$388,646 |

Factor 15-Integrated Sys. 12
Month Peak Demand 71.062334%

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2022 DIT activity. Monthly activity prorated based on DIT proration methodology.
Projected ND DIT activity 2022: 445,398
Monthly: 37,117

| January | February | March | April | May | June | July | August | September | October | November | December |
|---------|----------|--------|--------|--------|--------|--------|--------|-----------|---------|----------|----------|
| 91.78% | 84.11% | 75.62% | 67.40% | 58.90% | 50.68% | 42.19% | 33.70% | 25.48% | 16.99% | 8.77% | 0.27% |
| 34,066 | 31,219 | 28,068 | 25,017 | 21,862 | 18,811 | 15,660 | 12,508 | 9,457 | 6,306 | 3,255 | 100 |

2/ Authorized capital structure with authorized return on equity from most recent rate case.

| | Ratio | Cost | |
|------------------|----------|--------|--------|
| Long Term Debt | 42.673% | 5.245% | 2.238% |
| Short Term Debt | 4.840% | 2.402% | 0.116% |
| Preferred Equity | 1.084% | 4.579% | 0.050% |
| Common Equity | 51.403% | 9.650% | 4.960% |
| | 100.000% | | 7.364% |

3/ Property tax:

| | |
|---|------------|
| Estimated Integrated 2022 Property Tax: | 183,710 |
| ND Fac. #15: | 71.062334% |
| Total ND Integrated 2022 Property Tax: | 130,549 |
| Estimated ND Direct 2022 Property Tax: | 1,258 |
| Total estimated ND Property Tax: | 131,807 |
| Monthly: | 10,984 |

4/ Income Tax Rate:

| | |
|-------------|----------|
| Tax Rate | 24.0409% |
| 1- tax rate | 75.9591% |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Recovery Rider
Revenue Requirement - Proposed Projects
Projected Year End 2021**

| | Jan 2021 | Feb 2021 | Mar 2021 | Apr 2021 | May 2021 | June 2021 | July 2021 | Aug 2021 | Sept 2021 | Oct 2021 | Nov 2021 | Dec 2021 | Average Balance |
|-----------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|
| Rate Base | | | | | | | | | | | | | |
| <u>Plant Balance:</u> | | | | | | | | | | | | | |
| Lewis & Clark 5/ | 0 | 0 | 0 | 0 | 0 | 0 | 2,977,301 | 2,977,301 | 2,977,301 | 2,977,301 | 2,977,301 | 2,977,301 | 2,977,301 |
| Mandan 6/ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 647,725 | 1,206,971 | 1,206,971 | 9,910,175 | 9,910,175 |
| Total Plant Balance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,977,301 | \$2,977,301 | \$3,625,026 | \$4,184,272 | \$4,184,272 | \$12,887,476 | \$2,569,637 |
| <u>Accumulated Reserve:</u> | | | | | | | | | | | | | |
| Lewis & Clark | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,920 | 7,840 | 11,760 | 15,680 | 19,600 | 19,600 |
| Mandan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,096 | 3,058 | 5,020 | 5,020 | 5,020 |
| Total Accumulated Reserve | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,920 | \$7,840 | \$12,856 | \$18,738 | \$24,620 | \$5,665 |
| Net Plant in Service | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,977,301 | \$2,973,381 | \$3,617,186 | \$4,171,416 | \$4,165,534 | \$12,862,856 | \$2,563,973 |
| Accum Def Income Taxes 1/ | \$8,561 | \$16,407 | \$23,461 | \$29,748 | \$35,242 | \$39,969 | \$43,904 | \$47,048 | \$49,425 | \$51,010 | \$51,828 | \$51,853 | \$51,853 |
| Total Plant in Service | (\$8,561) | (\$16,407) | (\$23,461) | (\$29,748) | (\$35,242) | (\$39,969) | \$2,933,397 | \$2,926,333 | \$3,567,761 | \$4,120,406 | \$4,113,706 | \$12,811,003 | \$2,526,602 |
| Return on Rate Base 2/ | (\$53) | (\$101) | (\$144) | (\$183) | (\$216) | (\$245) | \$18,001 | \$17,958 | \$21,894 | \$25,286 | \$25,244 | \$78,617 | \$186,058 |
| Expenses | | | | | | | | | | | | | |
| <u>Operating Expenses</u> | | | | | | | | | | | | | |
| <u>Depreciation:</u> | | | | | | | | | | | | | Year End |
| Lewis & Clark 5/ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 19,600 |
| Mandan 6/ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,096 | 1,962 | 1,962 | 1,962 | 5,020 |
| Total Depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,920 | 3,920 | 5,016 | 5,882 | 5,882 | 24,620 |
| Property Tax 3/ | 9,159 | 9,159 | 9,159 | 9,159 | 9,159 | 9,159 | 9,159 | 9,159 | 9,159 | 9,159 | 9,159 | 9,164 | 109,913 |
| Total Expenses | \$9,159 | \$9,159 | \$9,159 | \$9,159 | \$9,159 | \$9,159 | \$9,159 | \$13,079 | \$13,079 | \$14,175 | \$15,041 | \$15,046 | \$134,533 |
| Income before Taxes (EBIT) | (\$9,159) | (\$9,159) | (\$9,159) | (\$9,159) | (\$9,159) | (\$9,159) | (\$9,159) | (\$13,079) | (\$13,079) | (\$14,175) | (\$15,041) | (\$15,046) | (\$134,533) |
| Interest Expense | (17) | (32) | (46) | (58) | (69) | (78) | 5,754 | 5,740 | 6,999 | 8,083 | 8,070 | 25,131 | 59,477 |
| Taxable income | (\$9,142) | (\$9,127) | (\$9,113) | (\$9,101) | (\$9,090) | (\$9,081) | (\$14,913) | (\$18,819) | (\$20,078) | (\$22,258) | (\$23,111) | (\$40,177) | (\$194,010) |
| Income Taxes 4/ | (\$2,231) | (\$2,227) | (\$2,224) | (\$2,221) | (\$2,218) | (\$2,216) | (\$3,640) | (\$4,593) | (\$4,900) | (\$5,432) | (\$5,640) | (\$9,805) | (\$47,347) |
| Operating Income | (\$6,928) | (\$6,932) | (\$6,935) | (\$6,938) | (\$6,941) | (\$6,943) | (\$5,519) | (\$8,486) | (\$8,179) | (\$8,743) | (\$9,401) | (\$5,241) | (\$87,186) |
| Revenue Requirement | \$9,095 | \$9,036 | \$8,983 | \$8,936 | \$8,896 | \$8,860 | \$31,113 | \$34,981 | \$39,782 | \$45,015 | \$45,830 | \$110,930 | \$361,457 |

Factor 15-Integrated Sys. 12 2021
Month Peak Demand 71.062334%

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2021 DIT activity. Monthly activity prorated based on DIT proration methodology.

Projected ND DIT activity 2021: 111,935
Monthly: 9,328

| | January | February | March | April | May | June | July | August | September | October | November | December |
|--|---------|----------|--------|--------|--------|--------|--------|--------|-----------|---------|----------|----------|
| | 91.78% | 84.11% | 75.62% | 67.40% | 58.90% | 50.68% | 42.19% | 33.70% | 25.48% | 16.99% | 8.77% | 0.27% |
| | 8,561 | 7,846 | 7,054 | 6,287 | 5,494 | 4,727 | 3,935 | 3,144 | 2,377 | 1,585 | 818 | 25 |

2/ Authorized capital structure with authorized return on equity from most recent rate case.

| | Ratio | Cost | |
|------------------|----------|--------|--------|
| Long Term Debt | 42.673% | 5.245% | 2.238% |
| Short Term Debt | 4.840% | 2.402% | 0.116% |
| Preferred Equity | 1.084% | 4.579% | 0.050% |
| Common Equity | 51.403% | 9.650% | 4.960% |
| | 100.000% | | 7.364% |

3/ Property tax:
Estimated Integrated 2021 Property Tax: 123,576
ND Fac. #15: 71.062334%
Total ND Integrated 2021 Property Tax: 87,816
Estimated ND Direct 2021 Property Tax: 22,097
Total estimated ND Property Tax: 109,913
Monthly: 9,159

4/ Income Tax Rate:
Tax Rate 24.4049%
1- tax rate 75.5951%

5/ See page 10.

6/ See page 13.

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Recovery Rider
Revenue Requirement - Proposed Projects
Projected Year End 2022**

| | Jan 2022 | Feb 2022 | Mar 2022 | Apr 2022 | May 2022 | June 2022 | July 2022 | Aug 2022 | Sept 2022 | Oct 2022 | Nov 2022 | Dec 2022 | Average Balance |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Rate Base | | | | | | | | | | | | | |
| <u>Plant Balance:</u> | | | | | | | | | | | | | |
| Lewis & Clark | 2,977,301 | 2,977,301 | 2,977,301 | 2,977,301 | 2,977,301 | 2,977,301 | 2,977,301 | 2,977,301 | 2,977,301 | 2,977,301 | 2,977,301 | 2,977,301 | |
| Mandan 5/ | 10,079,580 | 10,916,458 | 11,335,128 | 11,335,128 | 11,335,128 | 11,335,128 | 11,335,128 | 11,335,128 | 11,335,128 | 11,335,128 | 11,335,128 | 11,335,128 | |
| Tioga 6/ | 0 | 0 | 0 | 2,087,000 | 2,087,000 | 2,087,000 | 2,087,000 | 2,087,000 | 2,087,000 | 2,087,000 | 2,087,000 | 2,087,000 | |
| Total Plant Balance | 13,056,881 | 13,893,759 | 14,312,429 | 16,399,429 | 16,399,429 | 16,399,429 | 16,399,429 | 16,399,429 | 16,399,429 | 16,399,429 | 16,399,429 | 16,399,429 | \$15,738,161 |
| <u>Accumulated Reserve:</u> | | | | | | | | | | | | | |
| Lewis & Clark | 23,520 | 27,440 | 31,360 | 35,280 | 39,200 | 43,120 | 47,040 | 50,960 | 54,880 | 58,800 | 62,720 | 66,640 | |
| Mandan | 18,441 | 32,149 | 47,273 | 63,105 | 78,937 | 94,769 | 110,601 | 126,433 | 142,265 | 158,097 | 173,929 | 189,761 | |
| Tioga | 0 | 0 | 0 | 0 | 3,531 | 7,062 | 10,593 | 14,124 | 17,655 | 21,186 | 24,717 | 28,248 | |
| Total Accumulated Reserve | \$41,961 | \$59,589 | \$78,633 | \$98,385 | \$121,668 | \$144,951 | \$168,234 | \$191,517 | \$214,800 | \$238,083 | \$261,366 | \$284,649 | \$158,653 |
| Net Plant in Service | \$13,014,920 | \$13,834,170 | \$14,233,796 | \$16,301,044 | \$16,277,761 | \$16,254,478 | \$16,231,195 | \$16,207,912 | \$16,184,629 | \$16,161,346 | \$16,138,063 | \$16,114,780 | \$15,579,508 |
| Accum Def Income Taxes 1/ | \$126,905 | \$140,624 | \$152,958 | \$163,952 | \$173,559 | \$181,825 | \$188,707 | \$194,204 | \$198,360 | \$201,131 | \$202,561 | \$202,605 | |
| Total Plant in Service | \$12,888,015 | \$13,693,546 | \$14,080,838 | \$16,137,092 | \$16,104,202 | \$16,072,653 | \$16,042,488 | \$16,013,708 | \$15,986,269 | \$15,960,215 | \$15,935,502 | \$15,912,175 | \$15,402,225 |
| Return on Rate Base 2/ | \$79,089 | \$84,033 | \$86,409 | \$99,028 | \$98,826 | \$98,633 | \$98,447 | \$98,271 | \$98,102 | \$97,943 | \$97,791 | \$97,648 | \$1,134,220 |
| Expenses | | | | | | | | | | | | | |
| Operating Expenses | | | | | | | | | | | | | Year End |
| <u>Depreciation:</u> | | | | | | | | | | | | | |
| Lewis & Clark | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 3,920 | 47,040 |
| Mandan 5/ | 13,421 | 13,708 | 15,124 | 15,832 | 15,832 | 15,832 | 15,832 | 15,832 | 15,832 | 15,832 | 15,832 | 15,832 | 184,741 |
| Tioga 6/ | 0 | 0 | 0 | 0 | 3,531 | 3,531 | 3,531 | 3,531 | 3,531 | 3,531 | 3,531 | 3,531 | 28,248 |
| Total Depreciation | 17,341 | 17,628 | 19,044 | 19,752 | 23,283 | 23,283 | 23,283 | 23,283 | 23,283 | 23,283 | 23,283 | 23,283 | 260,029 |
| Property Tax 3/ | 10,154 | 10,154 | 10,154 | 10,154 | 10,154 | 10,154 | 10,154 | 10,154 | 10,154 | 10,154 | 10,154 | 10,159 | 121,853 |
| Total Expenses | \$27,495 | \$27,782 | \$29,198 | \$29,906 | \$33,437 | \$33,437 | \$33,437 | \$33,437 | \$33,437 | \$33,437 | \$33,437 | \$33,442 | \$381,882 |
| Income before Taxes (EBIT) | (\$27,495) | (\$27,782) | (\$29,198) | (\$29,906) | (\$33,437) | (\$33,437) | (\$33,437) | (\$33,437) | (\$33,437) | (\$33,437) | (\$33,437) | (\$33,442) | (\$381,882) |
| Interest Expense | 25,282 | 26,862 | 27,622 | 31,656 | 31,591 | 31,529 | 31,470 | 31,414 | 31,360 | 31,309 | 31,260 | 31,214 | 362,569 |
| Taxable income | (\$52,777) | (\$54,644) | (\$56,820) | (\$61,562) | (\$65,028) | (\$64,966) | (\$64,907) | (\$64,851) | (\$64,797) | (\$64,746) | (\$64,697) | (\$64,656) | (\$744,451) |
| Income Taxes 4/ | (\$12,880) | (\$13,336) | (\$13,867) | (\$15,024) | (\$15,870) | (\$15,855) | (\$15,840) | (\$15,827) | (\$15,814) | (\$15,801) | (\$15,789) | (\$15,779) | (\$181,682) |
| Operating Income | (\$14,615) | (\$14,446) | (\$15,331) | (\$14,882) | (\$17,567) | (\$17,582) | (\$17,597) | (\$17,610) | (\$17,623) | (\$17,636) | (\$17,648) | (\$17,663) | (\$200,200) |
| Revenue Requirement | \$123,955 | \$130,272 | \$134,585 | \$150,684 | \$153,969 | \$153,734 | \$153,507 | \$153,292 | \$153,085 | \$152,892 | \$152,707 | \$152,538 | \$1,765,220 |

Factor 15-Integrated Sys. 12 2021
Month Peak Demand 71.062334%

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2022 DIT activity. Monthly activity prorated based on DIT proration methodology.

Projected ND DIT activity 2022: 195,733
Monthly: 16,311

| January | February | March | April | May | June | July | August | September | October | November | December |
|---------|----------|--------|--------|--------|--------|--------|--------|-----------|---------|----------|----------|
| 91.78% | 84.11% | 75.62% | 67.40% | 58.90% | 50.68% | 42.19% | 33.70% | 25.48% | 16.99% | 8.77% | 0.27% |
| 14,970 | 13,719 | 12,334 | 10,994 | 9,607 | 8,266 | 6,882 | 5,497 | 4,156 | 2,771 | 1,430 | 44 |

2/ Authorized capital structure with authorized return on equity from most recent rate case.

| | Ratio | Cost | |
|------------------|----------|--------|--------|
| Long Term Debt | 42.673% | 5.245% | 2.238% |
| Short Term Debt | 4.840% | 2.402% | 0.116% |
| Preferred Equity | 1.084% | 4.579% | 0.050% |
| Common Equity | 51.403% | 9.650% | 4.960% |
| | 100.000% | | 7.364% |

3/ Property tax:

| | | | |
|---|------------|-------------|----------|
| Estimated Integrated 2022 Property Tax: | 125,579 | Tax Rate | 24.4049% |
| ND Fac. #15: | 71.062334% | 1- tax rate | 75.5951% |
| Total ND Integrated 2022 Property Tax: | 89,239 | | |
| Estimated ND Direct 2022 Property Tax: | 32,614 | | |
| Total estimated ND Property Tax: | 121,853 | | |
| Monthly: | 10,154 | | |

5/ See page 14.

6/ See page 21.

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Mandan Substation and Lines - Phase I
Approved Project**

Integrated System Project

ND Demand Allocation (15): 71.062334%

Plant in Service, estimated in service date June 2021. Depreciation expense starts July 2021.

| | Plant | | Depreciation |
|--------------------------------------|--------------|-----------------------|---------------------|
| 230/115 kV Transformer @ Substation: | \$1,540,915 | Plant (ND Alloc): | 1,095,010 |
| | \$1,540,915 | Depreciation Rate: | 1.58% |
| ND Demand Allocation (15): | 71.062334% | Annual Depreciation | \$17,301 |
| | \$1,095,010 | Monthly Depreciation: | \$1,442 |

Plant in Service, estimated in service date September 2021. Depreciation expense starts October 2021.

| | Plant | | Depreciation |
|----------------------------|--------------|-----------------------|---------------------|
| 230kV line terminal: | \$347,183 | Plant (ND Alloc): | 246,716 |
| | \$347,183 | Depreciation Rate: | 2.03% |
| ND Demand Allocation (15): | 71.062334% | Annual Depreciation | \$5,008 |
| | \$246,716 | Monthly Depreciation: | \$417 |

Deferred income tax, based on Half Year Convention, 20-year asset:

| | 2021 | | 2022 |
|-------------------------|-------------|-------------------------|-------------|
| Year end plant balance: | \$1,341,726 | Year end plant balance: | \$1,341,726 |
| Tax Depreciation Rate: | 3.750% | Tax Depreciation Rate: | 7.219% |
| Tax Depreciation: | 50,315 | Tax Depreciation: | 96,859 |
| Book Depreciation: | 9,903 | Book Depreciation: | 22,309 |
| Remainder: | 40,412 | Remainder: | 74,550 |
| Income Tax Rate: | 24.4049% | Income Tax Rate: | 24.4049% |
| Deferred Income Tax: | \$9,863 | Deferred Income Tax: | \$18,194 |

Property Tax:

| | ND - Integrated |
|-------------------------|-----------------------------------|
| Year End Plant Balance: | \$1,888,098 |
| Effective Rate: | 0.34% (Ad Valorem - Transmission) |
| Property Tax: | \$6,420 |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Mobile Substation
Approved Project**

Integrated System Project

ND Demand Allocation (15): 71.062334%

Plant in Service, estimated in service date June 2021. Depreciation expense starts July 2021.

| | Plant | | Depreciation |
|----------------------------|--------------|-----------------------|---------------------|
| Mobile Substation: | \$3,762,886 | Plant (ND Alloc): | 2,673,995 |
| | \$3,762,886 | Depreciation Rate: | 1.58% |
| ND Demand Allocation (15): | 71.062334% | Annual Depreciation | \$42,249 |
| | \$2,673,995 | Monthly Depreciation: | \$3,521 |

Deferred income tax, based on Half Year Convention, 20-year asset:

| | 2021 | | 2022 |
|-------------------------|-------------|-------------------------|-------------|
| Year end plant balance: | \$2,673,995 | Year end plant balance: | \$2,673,995 |
| Tax Depreciation Rate: | 3.750% | Tax Depreciation Rate: | 7.219% |
| Tax Depreciation: | 100,275 | Tax Depreciation: | 193,036 |
| Book Depreciation: | 21,126 | Book Depreciation: | 42,249 |
| Remainder: | 79,149 | Remainder: | 150,787 |
| Income Tax Rate: | 24.4049% | Income Tax Rate: | 24.4049% |
| Deferred Income Tax: | \$19,316 | Deferred Income Tax: | \$36,799 |

Property Tax:

| | ND - Integrated |
|-------------------------|-----------------------------------|
| Year End Plant Balance: | \$3,762,886 |
| Effective Rate: | 0.34% (Ad Valorem - Transmission) |
| Property Tax: | \$12,794 |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Lightning Protection Beulah to Glen Ullin
Approved Project**

Plant in Service, estimated in service date October 2021.
Depreciation expense starts November 2021.
Direct to North Dakota

| | Plant | | Depreciation |
|----------------------|--------------|-----------------------|---------------------|
| Lightning Arresters: | \$370,000 | Plant (ND Alloc): | 370,000 |
| | | Depreciation Rate: | 1.53% |
| | | Annual Depreciation | \$5,661 |
| | | Monthly Depreciation: | \$472 |

Deferred income tax, based on Half Year Convention, 20-year asset:

| | 2021 | | 2022 |
|-------------------------|-------------|-------------------------|-------------|
| Year end plant balance: | \$370,000 | Year end plant balance: | \$370,000 |
| Tax Depreciation Rate: | 3.750% | Tax Depreciation Rate: | 7.219% |
| Tax Depreciation: | 13,875 | Tax Depreciation: | 26,710 |
| Book Depreciation: | 944 | Book Depreciation: | 5,661 |
| Remainder: | 12,931 | Remainder: | 21,049 |
| Income Tax Rate: | 24.4049% | Income Tax Rate: | 24.4049% |
| Deferred Income Tax: | \$3,156 | Deferred Income Tax: | \$5,137 |

Property Tax:

| | ND - Direct |
|-------------------------|-----------------------------------|
| Year End Plant Balance: | \$370,000 |
| Effective Rate: | 0.34% (Ad Valorem - Transmission) |
| Property Tax: | \$1,258 |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Leola Substation
Approved Project**

Integrated System Project

ND Demand Allocation (15): 71.062334%

Plant in Service, estimated in service date July 2021. Depreciation expense starts August 2021.

| | Plant | | Depreciation |
|----------------------------|--------------|-----------------------|---------------------|
| Leola Substation: | \$2,650,187 | Plant (ND Alloc): | 1,883,285 |
| Total: | \$2,650,187 | Depreciation Rate: | 1.58% |
| ND Demand Allocation (15): | 71.062334% | Annual Depreciation | \$29,756 |
| | \$1,883,285 | Monthly Depreciation: | \$2,480 |

Deferred income tax, based on Half Year Convention, 20-year asset:

| | 2021 | | 2022 |
|-------------------------|-------------|-------------------------|-------------|
| Year end plant balance: | \$1,883,285 | Year end plant balance: | \$1,883,285 |
| Tax Depreciation Rate: | 3.750% | Tax Depreciation Rate: | 7.219% |
| Tax Depreciation: | 70,623 | Tax Depreciation: | 135,954 |
| Book Depreciation: | 12,400 | Book Depreciation: | 29,756 |
| Remainder: | 58,223 | Remainder: | 106,198 |
| Income Tax Rate: | 24.40% | Income Tax Rate: | 24.40% |
| Deferred Income Tax: | \$14,209 | Deferred Income Tax: | \$25,918 |

Property Tax:

| | SD - Integrated |
|-------------------------|-----------------------------------|
| Year End Plant Balance: | \$2,650,187 |
| Effective Rate: | 0.41% (Ad Valorem - Transmission) |
| Property Tax: | \$10,866 |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Lewis & Clark - Install New Control House
Proposed Project**

Integrated System Project

ND Demand Allocation (15): 71.062334%

Plant in Service, estimated in service date July 2021. Depreciation expense starts August 2021.

| | Plant | | Depreciation |
|--|--------------|-----------------------|---------------------|
| Lewis & Clark - Install New Control House: | \$4,189,703 | Plant (ND Alloc): | 2,977,301 |
| Total: | \$4,189,703 | Depreciation Rate: | 1.58% |
| ND Demand Allocation (15): | 71.062334% | Annual Depreciation | \$47,041 |
| | \$2,977,301 | Monthly Depreciation: | \$3,920 |

Deferred income tax, based on Half Year Convention, 20-year asset:

| | 2021 | | 2022 |
|-------------------------|-------------|-------------------------|-------------|
| Year end plant balance: | \$2,977,301 | Year end plant balance: | \$2,977,301 |
| Tax Depreciation Rate: | 3.750% | Tax Depreciation Rate: | 7.219% |
| Tax Depreciation: | 111,649 | Tax Depreciation: | 214,931 |
| Book Depreciation: | 19,600 | Book Depreciation: | 47,041 |
| Remainder: | 92,049 | Remainder: | 167,890 |
| Income Tax Rate: | 24.4049% | Income Tax Rate: | 24.4049% |
| Deferred Income Tax: | \$22,464 | Deferred Income Tax: | \$40,973 |

Property Tax:

| | MT - Integrated |
|-------------------------|-----------------------------------|
| Year End Plant Balance: | \$4,189,703 |
| Effective Rate: | 2.56% (Ad Valorem - Transmission) |
| Property Tax: | \$107,256 |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Lewis & Clark - Install New Control House
Project Details**

Project Description: Lewis & Clark Generating Unit 1 ceased operation in March 2021. The protection and control equipment for the Lewis & Clark Transmission Substation is located within the Unit 1 control room. This control room is being demolished with the rest of the power plant. This required relocating that equipment to a new control building in the substation switchyard. The project is estimated to cost approximately \$4.2 million and scheduled to be in service July 2021. This is an integrated electric system project; therefore, 71.062334 percent has been allocated to North Dakota based on the North Dakota demand allocator.

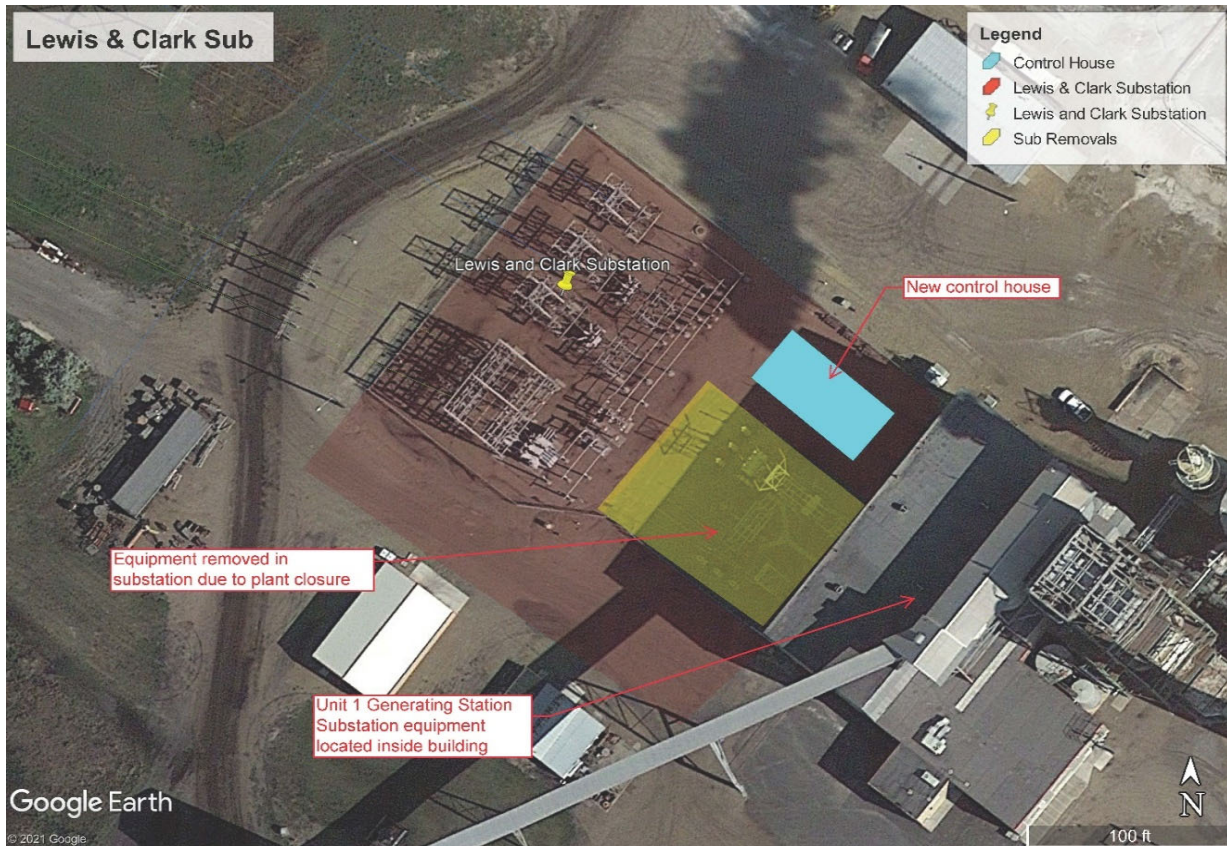
Alternatives: Montana-Dakota considered the following options: 1) installing a new control house in the substation switchyard (estimated cost of \$4.0 million) or 2) building a new substation (estimated cost of approximately \$9.0 million). Installing a new control house was determined to be the reasonable option.

Estimated Project Costs:

| Lewis and Clark Control House | |
|--------------------------------------|--------------------|
| | Total Costs |
| Consultant | 300,000 |
| Contractor | 1,705,000 |
| Fuses | 21,555 |
| 15kV CT's and PTs | 5,250 |
| Arresters | 14,400 |
| Breaker | 48,150 |
| Cable Trench | 22,900 |
| Insulators | 4,500 |
| SSVT | 31,600 |
| SSVT - Dist. | 2,300 |
| Steel | 61,650 |
| Switches | 66,900 |
| VTs | 55,200 |
| Equipment Enclosure | 980,298 |
| MDU Internal Costs | 600,000 |
| ES&GA | 270,000 |
| Total | 4,189,703 |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Lewis & Clark - Install New Control House
Project Details**

Detailed Map:



**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Mandan/Heskett Substation and Lines - Phase II
Proposed Project**

Plant in Service, estimated in service date September 2021. Depreciation expense starts October 2021.
Based on Integrated System.

| | <u>Plant</u> | | <u>Depreciation</u> |
|----------------------------|------------------|-----------------------|---------------------|
| Lines TL039-1: | \$422,717 | Plant (ND Alloc): | 647,725 |
| Lines TL129-1: | 488,771 | Depreciation Rate: | 2.03% |
| | <u>\$911,488</u> | Annual Depreciation | <u>\$13,149</u> |
| ND Demand Allocation (15): | 71.062334% | Monthly Depreciation: | \$1,096 |
| | <u>\$647,725</u> | | |

Plant in Service, estimated in service date October 2021. Depreciation expense starts November 2021.
Based on Integrated System.

| | <u>Plant</u> | | <u>Depreciation</u> | |
|--------------------------------|------------------|-----------------------|---------------------|----------------|
| | | | <u>Substation</u> | <u>Lines</u> |
| Heskett Substation Retirement: | \$302,956 | Plant (ND Alloc): | 215,288 | 343,958 |
| Lines TL158-1: | 484,023 | Depreciation Rate: | 1.58% | 2.03% |
| | <u>\$786,979</u> | Annual Depreciation | <u>\$3,402</u> | <u>\$6,982</u> |
| ND Demand Allocation (15): | 71.062334% | Monthly Depreciation: | \$284 | \$582 |
| | <u>\$559,246</u> | | | |

Plant in Service, estimated in service date December 2021. Depreciation expense starts January 2022.
Based on Integrated System.

| | <u>Plant</u> | | <u>Depreciation</u> |
|------------------------------------|--------------------|-----------------------|---------------------|
| Replace Fence: | \$900,000 | Plant (ND Alloc): | 2,204,005 |
| 115/69/41.6 kV Substation Phase 2: | 2,201,510 | Depreciation Rate: | 1.58% |
| Total: | <u>\$3,101,510</u> | Annual Depreciation | <u>\$34,823</u> |
| ND Demand Allocation (15): | 71.062334% | Monthly Depreciation: | \$2,902 |
| | <u>\$2,204,005</u> | | |

Plant in Service, estimated in service date December 2021. Depreciation expense starts January 2022.
Direct to North Dakota.

| | <u>Plant</u> | | <u>Depreciation</u> |
|--------------------------|--------------|-----------------------|---------------------|
| Mandan 38t St. Tran Sub: | \$6,499,199 | Plant (ND Alloc): | 6,499,199 |
| | | Depreciation Rate: | 1.58% |
| | | Annual Depreciation | <u>\$102,687</u> |
| | | Monthly Depreciation: | \$8,557 |

Deferred income tax, based on Half Year Convention, 20-year asset:

| | <u>2021</u> | | <u>2022</u> |
|-------------------------|-----------------|-------------------------|------------------|
| Year end plant balance: | \$9,910,175 | Year end plant balance: | \$9,910,175 |
| Tax Depreciation Rate: | 3.750% | Tax Depreciation Rate: | 7.219% |
| Tax Depreciation: | 371,632 | Tax Depreciation: | 715,416 |
| Book Depreciation: | 5,020 | Book Depreciation: | 161,043 |
| Remainder: | 366,612 | Remainder: | 554,373 |
| Income Tax Rate: | 24.4049% | Income Tax Rate: | 24.4049% |
| Deferred Income Tax: | <u>\$89,471</u> | Deferred Income Tax: | <u>\$135,294</u> |

Property Tax:

| | <u>ND - Integrated</u> |
|-------------------------|-----------------------------------|
| Year End Plant Balance: | \$4,799,977 |
| Effective Rate: | 0.34% (Ad Valorem - Transmission) |
| Property Tax: | <u>\$16,320</u> |
| | <u>ND - Direct</u> |
| Year End Plant Balance: | \$6,499,199 |
| Effective Rate: | 0.34% (Ad Valorem - Transmission) |
| Property Tax: | <u>\$22,097</u> |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Mandan/Heskett Substation and Lines - Phase II
Proposed Project**

ND Demand Allocation (15): 71.062334%

Plant in Service, estimated in service date January 2022.
Depreciation expense starts February 2022.
Direct to North Dakota.

| | <u>Plant</u> | | <u>Depreciation</u> |
|----------------|--------------|-----------------------|---------------------|
| Lines TL098-1: | \$169,405 | Plant (ND Alloc): | 169,405 |
| | | Depreciation Rate: | <u>2.03%</u> |
| | | Annual Depreciation | \$3,439 |
| | | Monthly Depreciation: | \$287 |

Plant in Service, estimated in service date February 2022.
Depreciation expense starts March 2022.
Direct to North Dakota.

| | <u>Plant</u> | | <u>Depreciation</u> |
|----------------|------------------|-----------------------|---------------------|
| Lines TL403-1: | \$337,461 | Plant (ND Alloc): | 836,878 |
| Lines TL133-1: | 161,956 | Depreciation Rate: | <u>2.03%</u> |
| Lines TL405-1: | 337,461 | Annual Depreciation | \$16,989 |
| | <u>\$836,878</u> | Monthly Depreciation: | \$1,416 |

Plant in Service, estimated in service date March 2022.
Depreciation expense starts April 2022.
Based on Integrated System.

| | <u>Plant</u> | | <u>Depreciation</u> |
|----------------------------|-------------------|-----------------------|---------------------|
| Lines TL157-1: | <u>\$589,159</u> | Plant (ND Alloc): | 418,670 |
| | \$589,159 | Depreciation Rate: | <u>2.03%</u> |
| ND Demand Allocation (15): | <u>71.062334%</u> | Annual Depreciation | \$8,499 |
| | <u>\$418,670</u> | Monthly Depreciation: | \$708 |

Deferred income tax, based on Half Year Convention, 20-year asset:

| | <u>2022</u> |
|-------------------------|-----------------|
| Year end plant balance: | \$1,424,953 |
| Tax Depreciation Rate: | <u>3.750%</u> |
| Tax Depreciation: | 53,436 |
| Book Depreciation: | <u>23,689</u> |
| Remainder: | 29,747 |
| Income Tax Rate: | <u>24.4049%</u> |
| Deferred Income Tax: | \$7,260 |

Property Tax:

| | <u>ND - Integrated</u> |
|-------------------------|--|
| Year End Plant Balance: | \$589,159 |
| Effective Rate: | <u>0.34%</u> (Ad Valorem - Transmission) |
| Property Tax: | \$2,003 |

| | <u>ND - Direct</u> |
|-------------------------|--|
| Year End Plant Balance: | \$1,006,283 |
| Effective Rate: | <u>0.34%</u> (Ad Valorem - Transmission) |
| Property Tax: | \$3,421 |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Mandan/Heskett Substation and Lines - Phase II
Project Details**

Project Description:

This project involves constructing a new 115/69/41.6 kV substation (Mandan 38th Street Transmission Substation), constructing an addition to the Mandan Transmission Substation, and rerouting 10 transmission lines ranging in voltage from 41.6 kV to 230 kV. This project is necessary due to the closure of Montana-Dakota's Heskett 1 & 2 Power Plants and the need to relocate equipment out of the power plant along with the age and condition of the existing Heskett substations. The TL039-1 and TL129-1 projects is estimated to cost approximately \$912,000 and scheduled to be in service September 2021. The Heskett Substation Retirement and TL158-1 projects is estimated to cost approximately \$787,000 and scheduled to be in service October 2021. The replace fence and Mandan Substation Phase 2 projects is estimated to cost approximately \$3.1 million and scheduled to be in service December 2021. These projects are an integrated electric system project; therefore, 71.062334 percent has been allocated to North Dakota based on the North Dakota demand allocator. The Mandan 38th St. Substation project is estimated to cost approximately \$6.5 million and scheduled to be in service December 2021. This project is assigned directly to the North Dakota electric system. The TL098-1 project is estimated to cost approximately \$170,000 and scheduled to be in service January 2022. The TL403-1, TL133-1, and TL405-1 projects is estimated to cost approximately \$837,000 and scheduled to be in service February 2022. These projects are assigned directly to the North Dakota electric system. The TL157-1 project is estimated to cost approximately \$590,000 and scheduled to be in service March 2022. This project is an integrated electric system project; therefore, 71.062334 percent has been allocated to North Dakota based on the North Dakota demand allocator.

Alternatives:

Montana-Dakota considered the following options: 1) Installing a new control house, fixing all foundation issues, replacing older equipment, and fixing the grading issues in the Heskett Switchyard Trans Sub (no estimate was completed due to site and environmental challenges) or 2) adding onto the Mandan Trans Sub (approximately \$3.1M), building a new Mandan 38th St Trans Sub (approximately \$6.5M), and rerouting all the transmission lines (approximately \$4.95M).

Estimated Project Costs:

| Mandan Project Summary - 2021 | | |
|--------------------------------------|----------------|-------------------------|
| Project Description | Voltage | Total Costs |
| TL039-1 Rebuild | 115kV | \$ 422,717.13 |
| TL129-1 Rebuild | 115kV | \$ 488,771.08 |
| Heskett 230kV Trans Sub Retirement | 230kV | \$ 302,955.56 |
| TL158-1 Rebuild | 115kV | \$ 484,023.43 |
| Replace Fence | | \$ 900,000.00 |
| Mandan Trans Sub 115kV Bay Addition | 115kV | \$ 2,201,509.78 |
| Mandan 38th St. Trans Sub | 115/69/41.6kV | \$ 6,499,199.45 |
| Total | | \$ 11,299,176.43 |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Mandan/Heskett Substation and Lines - Phase II
Project Details**

| Mandan Project Summary - 2022 | | |
|--------------------------------------|----------------|------------------------|
| Project Description | Voltage | Total Costs |
| TL098-1 Rebuild | 69kV | \$ 169,404.74 |
| TL403-1 Rebuild | 41.6kV | \$ 337,461.15 |
| TL133-1 Rebuild | 41.6kV | \$ 161,955.98 |
| TL405-1 Rebuild | 41.6kV | \$ 337,461.15 |
| TL157-1 Rebuild | 115kV | \$ 589,159.30 |
| Total | | \$ 1,595,442.31 |

| TL039-1 Rebuild | |
|----------------------------|----------------------|
| By: Daniel Albrecht | |
| Date: 6/24/2021 | |
| Category | Total Costs |
| Easement Cost | \$ 3,750.00 |
| Survey/LiDAR | \$ 5,000.00 |
| PLS Engineering | \$ 50,000.00 |
| Conductor Cost | \$ 41,790.00 |
| Pole/Hardware Cost | \$ 103,200.00 |
| Direct Labor | \$ 20,000.00 |
| Labor Load | \$ 10,000.00 |
| Contractor Cost | \$ 87,302.86 |
| ES&GA (15.5%) | \$ 49,761.64 |
| Taxes (14%) | \$ 51,912.63 |
| Total: | \$ 422,717.13 |

| TL129-1 Rebuild | |
|----------------------------|----------------------|
| By: Daniel Albrecht | |
| Date: 6/24/2021 | |
| Category | Total Costs |
| Easement Cost | \$ 4,300.00 |
| Survey/LiDAR | \$ 5,000.00 |
| PLS Engineering | \$ 50,000.00 |
| Conductor Cost | \$ 47,919.20 |
| Pole/Hardware Cost | \$ 126,816.00 |
| Direct Labor | \$ 20,000.00 |
| Labor Load | \$ 10,000.00 |
| Contractor Cost | \$ 107,173.94 |
| ES&GA (15.5%) | \$ 57,537.42 |
| Taxes (14%) | \$ 60,024.52 |
| Total: | \$ 488,771.08 |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Mandan/Heskett Substation and Lines - Phase II
Project Details**

| Heskett 230kV Trans Sub Retirement | |
|---|----------------------|
| By: Andrew Seeberg | |
| Date 06/24/2021 | |
| Category | TOTAL COST |
| Contractor Labor | \$ 212,069.20 |
| Site Grading | \$ 48,886.36 |
| MDU Internal Costs | \$ 30,000.00 |
| ES&GA | \$ 12,000.00 |
| TOTAL: | \$ 302,955.56 |

| TL158-1 Rebuild | |
|------------------------|----------------------|
| By: Daniel Albrecht | |
| Date: 6/24/2021 | |
| Category | Total Costs |
| Easement Cost | \$ 3,800.00 |
| Survey/LiDAR | \$ 5,000.00 |
| PLS Engineering | \$ 50,000.00 |
| Conductor Cost | \$ 42,347.20 |
| Pole/Hardware Cost | \$ 128,256.00 |
| Direct Labor | \$ 20,000.00 |
| Labor Load | \$ 10,000.00 |
| Contractor Cost | \$ 108,200.23 |
| ES&GA (15.5%) | \$ 56,978.53 |
| Taxes (14%) | \$ 59,441.47 |
| Total: | \$ 484,023.43 |

| Mandan Trans Sub 115kV Bay Addition/Replace Fence | |
|--|------------------------|
| By: Andrew Seeberg | |
| Date 06/24/2021 | |
| Category | TOTAL COST |
| Contractor Labor | \$ 370,220.79 |
| Contractor Material | \$ 327,818.60 |
| -Bus & Fittings | |
| -Grounding | |
| -Control Cable | |
| -Conduit -Etc. | |
| Arresters | \$ 7,326.25 |
| Breakers | \$ 486,864.38 |
| Cable Trench | \$ 21,954.00 |
| Insulators | \$ 11,308.11 |
| Steel | \$ 131,140.28 |
| Switches | \$ 154,323.54 |
| Equipment Enclosure | \$ 118,103.83 |
| CCVTs | \$ 52,250.00 |
| Fence | \$ 900,000.00 |
| MDU Internal Costs | \$ 300,000.00 |
| ES&GA | \$ 220,200.00 |
| TOTAL: | \$ 3,101,509.78 |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Mandan/Heskett Substation and Lines - Phase II
Project Details**

| Mandan 38th St. Trans Sub | |
|---|------------------------|
| By: Andrew Seeberg | |
| Date 06/22/2021 | |
| Category | TOTAL COST |
| Consultant | \$ 225,000.00 |
| Contractor Labor | \$ 977,692.75 |
| Contractor Material -Bus & Fittings -Grounding -Control Cable -Conduit -Etc. | \$ 752,410.87 |
| Arresters | \$ 8,916.00 |
| Breakers | \$ 500,050.00 |
| Cable Trench | \$ 37,347.00 |
| Fuse Disconnects | \$ 11,457.40 |
| Insulators | \$ 13,988.43 |
| Power Transformers | \$ 1,502,121.00 |
| SSVTs | \$ 66,941.00 |
| Steel | \$ 501,666.28 |
| Switches | \$ 225,532.63 |
| Equipment Enclosure | \$ 881,955.00 |
| Voltage Transformers | \$ 139,095.42 |
| Site Grading | \$ 159,102.93 |
| MDU Internal Costs | \$ 231,922.74 |
| ES&GA | \$ 264,000.00 |
| TOTAL: | \$ 6,499,199.45 |

| TL098-1 Rebuild | |
|------------------------|----------------------|
| By: Daniel Albrecht | |
| Date: 6/24/2021 | |
| Category | Total Costs |
| Easement Cost | \$ 750.00 |
| Survey/LiDAR | \$ 5,000.00 |
| PLS Engineering | \$ 30,000.00 |
| Conductor Cost | \$ 8,358.00 |
| Pole/Hardware Cost | \$ 39,840.00 |
| Direct Labor | \$ 7,500.00 |
| Labor Load | \$ 3,750.00 |
| Contractor Cost | \$ 33,460.57 |
| ES&GA (15.5%) | \$ 19,942.08 |
| Taxes (14%) | \$ 20,804.09 |
| Total: | \$ 169,404.74 |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Mandan/Heskett Substation and Lines - Phase II
Project Details**

| TL403-1 Rebuild | |
|----------------------------|----------------------|
| By: Daniel Albrecht | |
| Date: 6/24/2021 | |
| Category | Total Costs |
| Easement Cost | \$ 3,750.00 |
| Survey/LiDAR | \$ 2,500.00 |
| PLS Engineering | \$ 25,000.00 |
| Conductor Cost | \$ 41,790.00 |
| Pole/Hardware Cost | \$ 101,280.00 |
| Direct Labor | \$ 10,000.00 |
| Labor Load | \$ 2,500.00 |
| Contractor Cost | \$ 105,880.00 |
| ES&GA (15.5%) | \$ 22,684.25 |
| Taxes (14%) | \$ 22,076.90 |
| Total: | \$ 337,461.15 |

| TL133-1 Rebuild | |
|----------------------------|----------------------|
| By: Daniel Albrecht | |
| Date: 6/24/2021 | |
| Category | Total Costs |
| Easement Cost | \$ 750.00 |
| Survey/LiDAR | \$ 5,000.00 |
| PLS Engineering | \$ 30,000.00 |
| Conductor Cost | \$ 8,358.00 |
| Pole/Hardware Cost | \$ 34,182.86 |
| Direct Labor | \$ 7,500.00 |
| Labor Load | \$ 3,750.00 |
| Contractor Cost | \$ 33,460.57 |
| ES&GA (15.5%) | \$ 19,065.22 |
| Taxes (14%) | \$ 19,889.33 |
| Total: | \$ 161,955.98 |

| TL405-1 Rebuild | |
|----------------------------|----------------------|
| By: Daniel Albrecht | |
| Date: 6/24/2021 | |
| Category | Total Costs |
| Easement Cost | \$ 3,750.00 |
| Survey/LiDAR | \$ 2,500.00 |
| PLS Engineering | \$ 25,000.00 |
| Conductor Cost | \$ 41,790.00 |
| Pole/Hardware Cost | \$ 101,280.00 |
| Direct Labor | \$ 10,000.00 |
| Labor Load | \$ 2,500.00 |
| Contractor Cost | \$ 105,880.00 |
| ES&GA (15.5%) | \$ 22,684.25 |
| Taxes (14%) | \$ 22,076.90 |
| Total: | \$ 337,461.15 |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Mandan/Heskett Substation and Lines - Phase II
Project Details**

| TL157-1 Rebuild | |
|------------------------|----------------------|
| By: Daniel Albrecht | |
| Date: 6/24/2021 | |
| Category | Total Costs |
| Easement Cost | \$ 4,500.00 |
| Survey/LiDAR | \$ 5,000.00 |
| PLS Engineering | \$ 50,000.00 |
| Conductor Cost | \$ 50,148.00 |
| Pole/Hardware Cost | \$ 167,040.00 |
| Direct Labor | \$ 20,000.00 |
| Labor Load | \$ 10,000.00 |
| Contractor Cost | \$ 140,763.43 |
| ES&GA (15.5%) | \$ 69,354.97 |
| Taxes (14%) | \$ 72,352.90 |
| Total: | \$ 589,159.30 |

Detailed Map:



**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Tioga KV Line
Proposed Project**

Plant in Service, estimated in service date April 2022.
Depreciation expense starts May 2022.
Direct to North Dakota

| | Plant | | Depreciation |
|----------------------------------|--------------|-----------------------|---------------------|
| Construct Tioga 60 kV Loop Line: | \$983,000 | Plant (ND Alloc): | 2,087,000 |
| Rebuild TL006-6: | 874,000 | Depreciation Rate: | 2.03% |
| TL006-8 Tioga T-Line Move: | 230,000 | Annual Depreciation | \$42,366 |
| | \$2,087,000 | Monthly Depreciation: | \$3,531 |

Deferred income tax, based on Half Year Convention, 20-year asset:

| | 2022 |
|-------------------------|-------------|
| Year end plant balance: | \$2,087,000 |
| Tax Depreciation Rate: | 3.750% |
| Tax Depreciation: | 78,263 |
| Book Depreciation: | 28,248 |
| Remainder: | 50,015 |
| Income Tax Rate: | 24.4049% |
| Deferred Income Tax: | \$12,206 |

Property Tax:

| | ND - Direct |
|-------------------------|-----------------------------------|
| Year End Plant Balance: | \$2,087,000 |
| Effective Rate: | 0.34% (Ad Valorem - Transmission) |
| Property Tax: | \$7,096 |

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Tioga 60 kV Line
Project Details**

Project Description: The Tioga load is served from two 60 kV transmission tap lines along the north, east, and south sides of Tioga. This project would connect those two transmission tap lines to create a loop by building approximately 3 miles of line. A loop line allows flexibility in operating the system and improves reliability by reducing outage restoration times. Two additional sections of the existing lines will be also be rebuilt as a part of this project, bringing the total to approximately 5 miles. The project is estimated to cost approximately \$2.1 million and schedule to be in service April 2022. This project is assigned directly to the North Dakota electric system.

Alternatives: No alternatives were considered. The existing line was originally constructed in 1941. Parts of this line will be rebuilt with this loop line project.

Estimated Project Costs:

| Tioga 60 kV Line Projects | |
|----------------------------------|--------------------|
| | Total Costs |
| Contractor | 800,000 |
| Material | 730,000 |
| MDU Internal Costs | 260,000 |
| ES&GA | 297,000 |
| Total | 2,087,000 |

Detailed Map:



**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Cost Recovery Rider
Balancing Account and Carry Charge Calculation**

| | | Cumulative | | | | | | | | | |
|-----------|--------------|-------------------|----------------------|------------------------|----------------------|---------------------|-------------|-----------------------------|--------------------|-------------------------|-------------|
| | | Less: | | | Add: | | | Carrying Charge Calculation | | | Grand Total |
| Actuals | | Beginning Balance | Revenue Collected 1/ | Revenue Requirement 2/ | Ending Balance 3/ 5/ | Deferred Income Tax | Net Balance | Rate 4/ | Carrying Charge 4/ | (Over)/Under Collection | |
| | May 2020 | | | | 1,305,612 | 318,633 | 986,979 | | | 1,305,612 | |
| | June | 1,305,612 | 620,437 | 1,087,487 | 1,772,662 | 432,616 | 1,340,046 | 0.1600% | 132 | 1,772,794 | |
| | July | 1,772,662 | 752,229 | 930,644 | 1,951,077 | 476,158 | 1,474,919 | 0.1300% | 145 | 1,951,354 | |
| | August | 1,951,077 | 723,479 | 1,219,272 | 2,446,870 | 597,156 | 1,849,714 | 0.1000% | 123 | 2,447,270 | |
| | September | 2,446,870 | 725,127 | 952,370 | 2,674,113 | 652,615 | 2,021,498 | 0.1100% | 170 | 2,674,683 | |
| | October | 2,674,113 | 609,807 | 1,133,211 | 3,197,517 | 780,351 | 2,417,166 | 0.1000% | 168 | 3,198,255 | |
| | November | 3,197,517 | 776,395 | 923,482 | 3,344,604 | 816,247 | 2,528,357 | 0.0900% | 181 | 3,345,523 | |
| | December | 3,344,604 | 1,334,836 | 1,289,842 | 3,299,610 | 805,267 | 2,494,343 | 0.0900% | 190 | 3,300,719 | |
| | January 2021 | 3,299,610 | 1,366,388 | 1,207,903 | 3,141,125 | 766,588 | 2,374,537 | 0.0800% | 166 | 3,142,400 | |
| | February | 3,141,125 | 1,335,498 | 687,804 | 2,493,431 | 608,519 | 1,884,912 | 0.0400% | 79 | 2,494,785 | |
| | March | 2,493,431 | 1,430,768 | 725,870 | 1,788,533 | 436,490 | 1,352,043 | 0.0300% | 47 | 1,789,934 | |
| | April | 1,788,533 | 1,134,239 | 1,017,176 | 1,671,470 | 407,921 | 1,263,549 | 0.0200% | 23 | 1,672,894 | |
| | May | 1,671,470 | 974,813 | 830,670 | 1,527,327 | 372,743 | 1,154,584 | 0.0200% | 21 | 1,528,772 | |
| Projected | June | 1,527,327 | 1,155,743 | 859,061 | 1,230,645 | 300,338 | 930,307 | 0.0200% | 19 | 1,232,109 | |
| | July | 1,230,645 | 1,255,499 | 1,056,091 | 1,031,237 | 251,672 | 779,565 | 0.0200% | 16 | 1,032,717 | |
| | August | 1,031,237 | 1,207,144 | 1,032,954 | 857,047 | 209,161 | 647,886 | 0.0200% | 13 | 858,540 | |
| | September | 857,047 | 1,209,307 | 1,023,270 | 671,010 | 163,759 | 507,251 | 0.0200% | 11 | 672,514 | |
| | October | 671,010 | 1,014,968 | 1,011,285 | 667,327 | 162,860 | 504,467 | 0.0200% | 8 | 668,839 | |
| | Total | | \$17,626,677 | \$16,988,392 | | | | | \$1,512 | | |

1/ Revenue collected on actual sales volume through May 2021 at the approved rates authorized in Case No. PU-19-285, and updated rates effective November 1, 2020 authorized in Case No. PU-20-344.

2/ Total revenue requirement:

| | | MISO/SPP Revenue Requirement | Assets Revenue Requirement | Total Revenue Requirement |
|-----------|--------------|------------------------------|----------------------------|---------------------------|
| Actuals | June 2020 | \$906,973 | \$180,514 | \$1,087,487 |
| | July | 747,054 | 183,590 | 930,644 |
| | August | 1,035,707 | 183,565 | 1,219,272 |
| | September | 768,907 | 183,463 | 952,370 |
| | October | 949,915 | 183,296 | 1,133,211 |
| | November | 740,190 | 183,292 | 923,482 |
| | December | 1,026,661 | 263,181 | 1,289,842 |
| | January 2021 | 928,263 | 279,640 | 1,207,903 |
| | February | 408,172 | 279,632 | 687,804 |
| | March | 449,691 | 276,179 | 725,870 |
| | April | 743,478 | 273,698 | 1,017,176 |
| | May | 553,918 | 276,752 | 830,670 |
| Projected | June | 553,918 | 305,143 | 859,061 |
| | July | 732,394 | 323,697 | 1,056,091 |
| | August | 707,277 | 325,677 | 1,032,954 |
| | September | 696,225 | 327,045 | 1,023,270 |
| | October | 681,511 | 329,774 | 1,011,285 |
| | Total | \$12,630,254 | \$4,358,138 | \$16,988,392 |

3/ (Over)/Under collection on revenue requirement not including the carrying charge except for May 2020, 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/ Balance as of May 31, 2020 per Docket No. PU-20-344, Exhibit 5, page 1.

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Cost Recovery Rider
Summary of Revenue and Expenses Allocated to North Dakota
Twelve Months Ended June 30, 2021

| | Per Books | | | | | | | | | | | Projected | Total | |
|----------------------------|-----------|----------|----------|----------|----------|---------|-----------|----------|----------|----------|----------|-----------|-----------|-----------|
| | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | | |
| Facility Sharing Agreement | 20,333 | 20,333 | 20,333 | 20,333 | 20,333 | 20,337 | 20,333 | 20,333 | 20,333 | 20,333 | 20,333 | 20,333 | 20,333 | \$244,000 |
| MISO | | | | | | | | | | | | | | |
| Revenue/Credits | | | | | | | | | | | | | | |
| Schedule 1 | 8,588 | 8,995 | 7,757 | 8,279 | 8,432 | 8,528 | 8,910 | 10,519 | 8,134 | 8,049 | 7,868 | 7,868 | 101,927 | |
| Schedule 2 | 17,951 | 19,081 | 15,847 | 17,015 | 17,602 | 17,604 | 19,314 | 20,223 | 17,449 | 43,746 | 89,606 | 89,606 | 385,044 | |
| Schedule 7 | 64,403 | 51,804 | 65,107 | 62,977 | 57,069 | 59,135 | 74,510 | 74,068 | 68,162 | 68,523 | 70,929 | 70,929 | 787,616 | |
| Schedule 8 | 1,084 | 1,356 | 1,902 | 5,623 | 4,814 | 4,098 | 2,138 | 102,477 | 6,779 | 16,556 | 7,834 | 7,834 | 162,495 | |
| Schedule 9 | 289,162 | 279,317 | 246,529 | 255,006 | 282,831 | 267,934 | 374,173 | 393,740 | 309,805 | 282,244 | 288,544 | 288,544 | 3,557,829 | |
| Sch. 9 Pay to Basin | (53,152) | (53,152) | (53,152) | (53,152) | (53,152) | 0 | (106,304) | (53,152) | (53,152) | (53,415) | (53,152) | (53,152) | (638,087) | |
| Schedule 24 | 81,563 | 62,509 | 64,787 | 74,001 | 62,863 | 79,691 | 64,597 | 66,922 | 71,822 | 77,647 | 65,451 | 65,451 | 837,304 | |
| Schedule 26 | 95,952 | 83,733 | 75,753 | 64,303 | 64,579 | 70,889 | 89,024 | 86,286 | 86,156 | 79,575 | 101,480 | 101,480 | 999,210 | |
| Schedule 37 | 817 | 702 | 841 | 817 | 817 | 818 | 941 | 974 | 974 | 970 | 995 | 995 | 10,661 | |
| Schedule 38 | 1,013 | 858 | 1,045 | 1,013 | 1,013 | 1,016 | 1,169 | 1,223 | 1,222 | 1,216 | 1,259 | 1,259 | 13,306 | |
| | 507,381 | 455,203 | 426,416 | 435,882 | 446,868 | 509,713 | 528,472 | 703,280 | 517,351 | 525,111 | 580,814 | 580,814 | 6,217,305 | |
| Charges | | | | | | | | | | | | | | |
| Schedule 10 | | | | | | | | | | | | | | |
| Energy | 41,701 | 51,809 | 39,261 | 49,361 | 51,007 | 70,723 | 55,985 | 54,589 | 61,457 | 53,106 | 46,939 | 46,939 | 622,877 | |
| Demand | 3,038 | 3,774 | 2,860 | 3,596 | 3,716 | 5,151 | 4,078 | 3,977 | 4,477 | 3,869 | 3,419 | 3,419 | 45,374 | |
| FERC | 21,182 | 26,666 | 20,294 | 21,178 | 19,152 | 24,038 | 22,931 | 23,944 | 20,993 | 18,741 | 18,811 | 18,811 | 256,741 | |
| | 65,921 | 82,249 | 62,415 | 74,135 | 73,875 | 99,912 | 82,994 | 82,510 | 86,927 | 75,716 | 69,169 | 69,169 | 924,992 | |
| Schedule 11 - Misc | (12) | (3) | 0 | (4) | 0 | 64 | (2,057) | (95) | 23 | 4,600 | 6,934 | 6,934 | 16,384 | |
| Schedule 26 | 148,209 | 141,224 | 126,016 | 126,625 | 86,887 | 142,026 | 151,649 | 160,933 | 141,077 | 124,750 | 128,006 | 128,006 | 1,605,408 | |
| Schedule 26A | 392,947 | 402,883 | 375,767 | 408,892 | 461,552 | 461,854 | 483,161 | 477,971 | 429,860 | 356,281 | 340,771 | 340,771 | 4,932,710 | |
| Total MISO Charges | 607,065 | 626,353 | 564,198 | 609,648 | 622,314 | 703,856 | 715,747 | 721,319 | 657,887 | 561,347 | 544,880 | 544,880 | 7,479,494 | |

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Cost Recovery Rider
Summary of Revenue and Expenses Allocated to North Dakota
Twelve Months Ended June 30, 2021

| | Per Books | | | | | | | | | | | Projected | Total |
|-------------------------------|------------------|--------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | Feb-21 | Mar-21 | Apr-21 | May-21 | Jun-21 | |
| SPP | | | | | | | | | | | | | |
| Revenue/Credits | | | | | | | | | | | | | |
| Facility Credits | 698,866 | 698,866 | 698,866 | 698,866 | 698,866 | 698,861 | 698,866 | 1,124,593 | 911,730 | 911,730 | 911,730 | 911,730 | 9,663,570 |
| Charges | | | | | | | | | | | | | |
| Schedule 1 | 73,029 | 58,162 | 74,203 | 37,783 | 54,391 | 57,324 | 62,965 | 59,120 | (214,730) | 176,184 | 35,589 | 35,589 | 509,609 |
| Schedule 1a | 91,574 | 101,046 | 97,889 | 91,573 | 101,197 | 91,761 | 100,915 | (33,813) | 25,836 | 35,053 | 30,014 | 30,014 | 763,059 |
| Schedule 2 | (1,794) | 571 | (129,682) | 84,562 | (10,886) | 1,040 | (204) | 347 | (678) | 1,411 | (229) | (229) | (55,771) |
| Schedule 8 | 0 | 0 | 0 | 0 | 2,294 | (1,146) | (2) | 1 | 0 | 0 | 0 | 0 | 1,147 |
| Schedule 9 | 1,330,546 | 1,656,329 | 1,434,464 | 1,488,746 | 1,381,944 | 1,557,228 | 1,511,250 | 1,448,143 | 1,411,491 | 1,533,741 | 1,484,122 | 1,484,122 | 17,722,126 |
| Schedule 11 | 166,123 | 175,444 | 173,305 | 171,839 | 43,118 | 249,294 | 147,089 | 211,766 | 186,058 | 188,755 | 188,668 | 188,668 | 2,090,127 |
| Schedule 12 | 12,359 | 15,426 | 14,345 | 9,010 | 14,350 | 15,740 | 16,176 | 15,708 | 16,362 | 6,917 | 9,315 | 9,315 | 155,023 |
| Total SPP Charges | 1,671,837 | 2,006,978 | 1,664,524 | 1,883,513 | 1,586,408 | 1,971,241 | 1,838,189 | 1,701,272 | 1,424,339 | 1,942,061 | 1,747,479 | 1,747,479 | 21,185,320 |
| Total Revenue/Credits: | | | | | | | | | | | | | |
| Facility Sharing | 20,333 | 20,333 | 20,333 | 20,333 | 20,333 | 20,337 | 20,333 | 20,333 | 20,333 | 20,333 | 20,333 | 20,333 | 244,000 |
| MISO | 507,381 | 455,203 | 426,416 | 435,882 | 446,868 | 509,713 | 528,472 | 703,280 | 517,351 | 525,111 | 580,814 | 580,814 | 6,217,305 |
| SPP | 698,866 | 698,866 | 698,866 | 698,866 | 698,866 | 698,861 | 698,866 | 1,124,593 | 911,730 | 911,730 | 911,730 | 911,730 | 9,663,570 |
| Allocated to ND 1/ | 1,226,580 | 1,174,402 | 1,145,615 | 1,155,081 | 1,166,067 | 1,228,911 | 1,247,671 | 1,848,206 | 1,449,414 | 1,457,174 | 1,512,877 | 1,512,877 | 16,124,875 |
| Allocated to ND 1/ | 870,760 | 833,719 | 813,283 | 820,003 | 827,802 | 872,415 | 886,624 | 1,313,378 | 1,029,987 | 1,035,502 | 1,075,086 | 1,075,086 | 11,453,645 |
| Total Charges: | | | | | | | | | | | | | |
| MISO | 607,065 | 626,353 | 564,198 | 609,648 | 622,314 | 703,856 | 715,747 | 721,319 | 657,887 | 561,347 | 544,880 | 544,880 | 7,479,494 |
| SPP | 1,671,837 | 2,006,978 | 1,664,524 | 1,883,513 | 1,586,408 | 1,971,241 | 1,838,189 | 1,701,272 | 1,424,339 | 1,942,061 | 1,747,479 | 1,747,479 | 21,185,320 |
| Allocated to ND 1/ | 2,278,902 | 2,633,331 | 2,228,722 | 2,493,161 | 2,208,722 | 2,675,097 | 2,553,936 | 2,422,591 | 2,082,226 | 2,503,408 | 2,292,359 | 2,292,359 | 28,664,814 |
| Allocated to ND 1/ | 1,617,814 | 1,869,426 | 1,582,190 | 1,769,918 | 1,567,992 | 1,899,076 | 1,814,887 | 1,721,550 | 1,479,678 | 1,778,980 | 1,629,004 | 1,629,004 | 20,359,519 |
| Net Expense - ND | \$747,054 | \$1,035,707 | \$768,907 | \$949,915 | \$740,190 | \$1,026,661 | \$928,263 | \$408,172 | \$449,691 | \$743,478 | \$553,918 | \$553,918 | \$8,905,874 |

1/ Allocated to ND on Factor 15 Integrated System 12 Month Peak Demand:

2020
70.990922%

2021
71.062334%

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Recovery Rider
Revenue Requirement
Actual Year End 2020**

| | Actual from Prior Filing | | | | | Actuals | | | | | | | 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 | | | | | | | | | | | | | |
| Plant Balance: | | | | | | | | | | | | | |
| Bowdle | \$2,258,858 | \$2,258,858 | \$2,267,072 | \$2,267,072 | \$2,267,103 | \$2,267,103 | \$2,267,103 | \$2,267,103 | \$2,267,103 | \$2,267,103 | \$2,267,103 | \$2,267,400 | |
| Leola | 887,516 | 887,516 | 887,516 | 888,103 | 888,103 | 888,103 | 888,596 | 888,596 | 888,714 | 888,714 | 888,714 | 888,741 | |
| Dickinson | 0 | 0 | 5,762,485 | 5,764,519 | 5,750,117 | 5,754,646 | 5,768,395 | 5,783,417 | 5,787,184 | 5,793,001 | 5,788,956 | 8,678,655 | |
| Watford City | 1,825,922 | 8,451,153 | 8,478,064 | 8,520,633 | 8,527,215 | 8,531,020 | 8,552,922 | 8,554,418 | 8,568,003 | 8,568,393 | 8,569,179 | 15,377,686 | |
| Lightning Protection | 346,978 | 346,978 | 346,989 | 346,989 | 346,989 | 346,989 | 378,175 | 378,369 | 378,369 | 378,677 | 378,677 | 379,413 | |
| Richland | 0 | 0 | 0 | 0 | 0 | 554,441 | 577,868 | 579,189 | 580,100 | 581,521 | 613,681 | 623,711 | |
| Crosby | 0 | 0 | 0 | 0 | 0 | 1,162,472 | 1,163,809 | 1,163,809 | 1,163,809 | 1,163,809 | 1,164,253 | 1,169,804 | |
| Bismarck | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 983,214 | |
| Total Plant Balance | \$5,319,274 | \$11,944,505 | \$17,742,126 | \$17,787,316 | \$17,779,527 | \$19,504,774 | \$19,596,868 | \$19,614,901 | \$19,633,282 | \$19,641,218 | \$19,670,563 | \$30,368,624 | \$18,216,915 |
| Accumulated Reserve: | | | | | | | | | | | | | |
| Bowdle | \$23,831 | \$26,838 | \$29,845 | \$32,866 | \$35,886 | \$38,907 | \$41,928 | \$44,948 | \$47,969 | \$50,990 | \$54,010 | \$57,031 | |
| Leola | 3,533 | 4,705 | 5,876 | 7,048 | 8,220 | 9,393 | 10,565 | 11,738 | 12,911 | 14,084 | 15,257 | 16,430 | |
| Dickinson | 0 | 0 | 0 | 9,177 | 18,358 | 27,513 | 36,677 | 45,863 | 55,074 | 64,291 | 73,517 | 82,737 | |
| Watford City | 37,417 | 41,035 | 53,398 | 65,796 | 78,250 | 90,713 | 103,181 | 115,678 | 128,178 | 140,694 | 153,212 | 165,730 | |
| Lightning Protection | 444 | 888 | 1,332 | 1,776 | 2,220 | 2,665 | 3,109 | 3,593 | 4,077 | 4,561 | 5,046 | 5,531 | |
| Richland | 0 | 0 | 0 | 0 | 0 | 0 | 710 | 1,449 | 2,191 | 2,933 | 3,678 | 4,463 | |
| Crosby | 0 | 0 | 0 | 0 | 0 | 0 | 1,965 | 3,931 | 5,898 | 7,865 | 9,832 | 11,800 | |
| Bismarck | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Accumulated Reserve | \$65,225 | \$73,466 | \$90,451 | \$116,663 | \$142,934 | \$169,191 | \$198,135 | \$227,200 | \$256,298 | \$285,418 | \$314,552 | \$343,722 | \$190,271 |
| Net Plant in Service | \$5,254,049 | \$11,871,039 | \$17,651,675 | \$17,670,653 | \$17,636,593 | \$19,335,583 | \$19,398,733 | \$19,387,701 | \$19,376,984 | \$19,355,800 | \$19,356,011 | \$30,024,902 | \$18,026,644 |
| Accum Def Income Taxes 1/ | \$55,504 | \$67,692 | \$78,649 | \$88,415 | \$96,950 | \$110,450 | \$121,688 | \$130,665 | \$137,452 | \$141,978 | \$144,314 | \$144,386 | |
| Total Plant in Service | \$5,198,545 | \$11,803,347 | \$17,573,026 | \$17,582,238 | \$17,539,643 | \$19,225,133 | \$19,277,045 | \$19,257,036 | \$19,239,532 | \$19,213,822 | \$19,211,697 | \$29,880,516 | \$17,916,798 |
| Return on Rate Base 2/ | \$31,902 | \$72,433 | \$107,840 | \$107,896 | \$107,635 | \$117,978 | \$118,297 | \$118,174 | \$118,067 | \$117,909 | \$117,896 | \$183,367 | \$1,319,394 |
| Expenses | | | | | | | | | | | | | |
| Operating Expenses | | | | | | | | | | | | | |
| Depreciation: | | | | | | | | | | | | | Year End |
| Bowdle | \$2,996 | \$3,007 | \$3,007 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | \$3,021 | |
| Leola | 1,172 | 1,172 | 1,172 | 1,172 | 1,172 | 1,172 | 1,172 | 1,173 | 1,173 | 1,173 | 1,173 | 1,173 | |
| Dickinson | 0 | 0 | 0 | 9,177 | 9,180 | 9,156 | 9,163 | 9,186 | 9,211 | 9,217 | 9,227 | 9,220 | |
| Watford City | 3,604 | 3,617 | 12,363 | 12,398 | 12,454 | 12,463 | 12,468 | 12,497 | 12,499 | 12,517 | 12,517 | 12,519 | |
| Lightning Protection | 444 | 444 | 444 | 444 | 444 | 444 | 444 | 484 | 484 | 484 | 485 | 485 | |
| Richland | 0 | 0 | 0 | 0 | 0 | 0 | 710 | 740 | 741 | 743 | 744 | 786 | |
| Crosby | 0 | 0 | 0 | 0 | 0 | 0 | 1,965 | 1,967 | 1,967 | 1,967 | 1,967 | 1,968 | |
| Bismarck | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Depreciation | 8,216.00 | 8,240.00 | 16,986.00 | 26,212.00 | 26,271.00 | 26,256.00 | 28,943.00 | 29,068.00 | 29,096.00 | 29,122.00 | 29,134.00 | 29,172.00 | 286,716 |
| Property Tax 3/ | 7,357 | 7,357 | 7,357 | 7,357 | 7,357 | 10,368 | 10,368 | 10,368 | 10,368 | 10,368 | 10,368 | 10,368 | 109,361 |
| Total Expenses | \$15,573 | \$15,597 | \$24,343 | \$33,569 | \$33,628 | \$36,624 | \$39,311 | \$39,436 | \$39,464 | \$39,490 | \$39,502 | \$39,540 | \$396,077 |
| Income before Taxes (EBIT) | (\$15,573) | (\$15,597) | (\$24,343) | (\$33,569) | (\$33,628) | (\$36,624) | (\$39,311) | (\$39,436) | (\$39,464) | (\$39,490) | (\$39,502) | (\$39,540) | (\$396,077) |
| Interest Expense | 10,198 | 23,154 | 34,472 | 34,490 | 34,407 | 37,713 | 37,815 | 37,776 | 37,742 | 37,691 | 37,687 | 58,616 | 421,761 |
| Taxable income | (\$25,771) | (\$38,751) | (\$58,815) | (\$68,059) | (\$68,035) | (\$74,337) | (\$77,126) | (\$77,212) | (\$77,206) | (\$77,181) | (\$77,189) | (\$98,156) | (\$817,838) |
| Income Taxes 4/ | (\$6,289) | (\$9,457) | (\$14,354) | (\$16,610) | (\$16,604) | (\$18,142) | (\$18,823) | (\$18,844) | (\$18,842) | (\$18,836) | (\$18,838) | (\$23,955) | (\$199,594) |
| Operating Income | (\$9,284) | (\$6,140) | (\$9,989) | (\$16,959) | (\$17,024) | (\$18,482) | (\$20,488) | (\$20,592) | (\$20,622) | (\$20,654) | (\$20,664) | (\$15,585) | (\$196,483) |
| Revenue Requirement | \$54,482 | \$103,939 | \$155,869 | \$165,163 | \$164,904 | \$180,514 | \$183,590 | \$183,565 | \$183,463 | \$183,296 | \$183,292 | \$263,181 | \$2,005,258 |

Factor 15-Integrated Sys. 12 2020
Month Peak Demand 70.990922%

1/ Monthly Deferred Income Tax activity is 1/12 of 2020 DIT activity. Monthly activity prorated based on DIT proration methodology
 ND DIT activity 2020: 258,914
 Estimated Jan. - May from prior filing 72,450
 Remaining DIT: June - Dec. 186,464
 Monthly: 26,638

| | June | July | August | September | October | November | December |
|--------|--------|--------|--------|-----------|---------|----------|----------|
| 50.68% | 42.19% | 33.70% | 25.48% | 16.99% | 8.77% | 0.27% | |
| 13,500 | 11,238 | 8,977 | 6,787 | 4,526 | 2,336 | 72 | |

3/ Property tax:
 2020 Property Tax: 154,048
 Estimated Jan - May from prior filing 51,816
 Remaining Property Tax: June - Dec 102,232
 ND Fac. #15: 70.990922%
 ND Property Tax: 72,575
 Monthly: 10,368

2/ Authorized capital structure with authorized return on equity from most recent rate case

| | Ratio | Cost | |
|------------------|----------|--------|--------|
| Long Term Debt | 42.673% | 5.245% | 2.238% |
| Short Term Debt | 4.840% | 2.402% | 0.116% |
| Preferred Equity | 1.084% | 4.579% | 0.050% |
| Common Equity | 51.403% | 9.650% | 4.960% |
| | 100.000% | | 7.364% |

4/ Income Tax Rate:

| | |
|-------------|----------|
| Tax Rate | 24.4049% |
| 1- tax rate | 75.5951% |

Summary of MISO and SPP Revenues, Credits, and Charges

Revenue or Credits Received by Montana-Dakota

| | |
|-----------------------------|---|
| Facility Sharing Agreement: | Revenue received from Basin Electric Power Cooperative (BEPC) for the use of Montana-Dakota's facilities to serve BEPC member cooperative loads. |
| MISO Schedule 1: | Revenue received for Montana-Dakota's scheduling and administration of moving power through MISO. |
| MISO Schedule 2: | Revenue received for Montana-Dakota's maintenance of voltage on the system. |
| MISO Schedule 7: | Revenue received by Montana-Dakota for Firm Point to Point Transmission Service. |
| MISO Schedule 8: | Revenue received by Montana-Dakota for Non-Firm Point to Point Transmission Service. |
| MISO Schedule 9: | Revenue received by Montana-Dakota for Network Integration Transmission Service (NITS). This revenue is then offset to reflect the revenue requirements of BEPC member cooperatives received by Montana-Dakota from MISO for transmission service in Montana-Dakota's pricing zone that are in turn paid to BEPC. |
| MISO Schedule 24: | Revenue received by Montana-Dakota as a Load Balancing Authority which it receives for services provided to others in MISO. |
| MISO Schedule 26: | <p>Reflects Montana-Dakota's projected 2021 MISO Attachment GG revenue requirement for MISO Transmission Expansion Plan (MTEP) projects 1355 (Heskett Substation), 15304 (Twin Brooks substation) and 16825 (Twin Brooks substation). The Heskett Substation was deemed a baseline reliability projected under MISO's 2009 MTEP. The Twin Brooks Substation projects were deemed generation interconnection projects under MISO's 2019 MTEP.</p> <p>Montana-Dakota does not include the projected revenue for MISO Schedules 37 and 38 as MISO does not provide a separate forecast for those revenues. The revenues received under these schedules represent Montana-Dakota's share of the Schedule 26 cost allocation assigned to former MISO transmission owners that have withdrawn from MISO but have an obligation to pay for MISO Schedule 26 projects due to their prior MISO membership. The actual revenues received by</p> |

| | |
|--|---|
| | Montana-Dakota for MISO Schedules 37 and 38 are identified as such and therefore are included separately in Attachment C. |
|--|---|

Expenses Paid by Montana-Dakota

| | |
|--------------------|--|
| MISO Schedule 10: | Charges paid by Montana-Dakota for MISO Schedule 10 charges and direct FERC assessments. As transmission providers, both MISO, on behalf of Montana-Dakota, and Montana-Dakota are assessed annual charges by the FERC in accordance with FERC regulations. |
| MISO Schedule 26: | Reflects MISO's 2021 and 2022 indicative charges for Pricing Zone for Approved Baseline Reliability Projects, Generation Interconnection Projects, and Market Efficiency Projects. The Schedule 26 charges reflect Montana-Dakota's share of costs for projects that qualify for regional cost allocation under the MISO tariff. |
| MISO Schedule 26A: | Reflect Montana-Dakota's forecasted load at the indicative charge with Montana-Dakota's share of the Big Stone South to Ellendale (BSSE) retail revenue requirement stated separately. Montana-Dakota's share of the BSSE retail revenue requirement reflects the estimated retail portion of the BSSE project using Montana-Dakota's load share within the MISO footprint and the Company's projected MISO Attachment MM revenue requirement for MTEP Project 2220 (BSSE MVP Project). The BSSE MVP project is one of seventeen MVPs approved by MISO as part of the MTEP 2011 report. Schedule 26A is charged equally to all MISO load for recovery of MISO's MVP portfolio. |
| SPP Schedule 1: | Charges paid by Montana-Dakota to SPP for the scheduling and administration of power through SPP. |
| SPP Schedule 1a: | Charges paid by Montana-Dakota to SPP for SPP's administration of the market and transmission system. |
| SPP Schedule 9: | Charges paid by Montana-Dakota for Network Integration Transmission Service. Also reflected are the payments (SPP Section 30.9 Facility Credits) made for SPP's use of Montana-Dakota's transmission facilities. |

| | |
|------------------|---|
| SPP Schedule 11: | Charges paid by Montana-Dakota associated with Highway Byway cost allocated network upgrades. A network customer's firm network transmission charge is a combination of Schedules 9 and 11. |
| SPP Schedule 12: | The FERC assessments to SPP associated with Montana-Dakota's loads on the SPP system, similar to MISO's Schedule 10 charges. |

Montana-Dakota Utilities Co.
Electric Utility
MISO Revenue Schedules 1, 2, 7, 8, and 24
Projected Twelve Months Ending June 2022

| | <u>Schedule 1 1/</u> | <u>Schedule 2 1/</u> | <u>Schedule 7 1/</u> | <u>Schedule 8 1/</u> | <u>Schedule 24 1/</u> |
|--------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| July 2021 | \$8,453 | \$25,855 | \$64,899 | \$13,001 | \$69,309 |
| August | 8,453 | 25,855 | 64,899 | 13,001 | 69,309 |
| September | 8,453 | 25,855 | 64,899 | 13,001 | 69,309 |
| October | 8,453 | 25,855 | 64,899 | 13,001 | 69,309 |
| November | 8,453 | 25,855 | 64,899 | 13,001 | 69,309 |
| December | 8,453 | 25,855 | 64,899 | 13,001 | 69,309 |
| January 2022 | 8,453 | 25,855 | 64,899 | 13,001 | 69,309 |
| February | 8,453 | 25,855 | 64,899 | 13,001 | 69,309 |
| March | 8,453 | 25,855 | 64,899 | 13,001 | 69,309 |
| April | 8,453 | 25,855 | 64,899 | 13,001 | 69,309 |
| May | 8,453 | 25,855 | 64,899 | 13,001 | 69,309 |
| June | 8,457 | 25,851 | 64,903 | 13,003 | 69,303 |
| Total | <u>\$101,440</u> | <u>\$310,256</u> | <u>\$778,792</u> | <u>\$156,014</u> | <u>\$831,702</u> |

1/ Reflects twelve months ended May 31, 2021 per books.

**Montana-Dakota Utilities Co.
Electric Utility
MISO Schedule 10 Expenses
Projected Twelve Months Ending June 2022**

| | Schedule 10 1/ | | | |
|--------------|-------------------------|------------------------|-------------------------|-------------------------|
| | <u>MISO - Energy</u> | <u>MISO - Demand</u> | <u>FERC - Direct</u> | <u>Total</u> |
| July 2021 | \$51,456 | \$3,748 | \$21,508 | \$76,712 |
| August | 51,456 | 3,748 | 21,508 | 76,712 |
| September | 51,456 | 3,748 | 21,508 | 76,712 |
| October | 51,456 | 3,748 | 21,508 | 76,712 |
| November | 51,456 | 3,748 | 21,508 | 76,712 |
| December | 51,456 | 3,748 | 21,508 | 76,712 |
| January 2022 | 51,456 | 3,748 | 21,508 | 76,712 |
| February | 51,456 | 3,748 | 21,508 | 76,712 |
| March | 51,456 | 3,748 | 21,508 | 76,712 |
| April | 51,456 | 3,748 | 21,508 | 76,712 |
| May | 51,456 | 3,748 | 21,508 | 76,712 |
| June | 51,460 | 3,753 | 21,504 | 76,717 |
| Total | <u><u>\$617,476</u></u> | <u><u>\$44,981</u></u> | <u><u>\$258,092</u></u> | <u><u>\$920,549</u></u> |

1/ Reflects twelve months ended May 31, 2021 per books.

**Montana-Dakota Utilities Co.
Electric Utility
MISO Schedule 26 Expense
Projected Twelve Months Ending June 2022**

| | <u>Charges 1/</u> | <u>Revenue 2/</u> |
|--------------|--------------------|--------------------|
| July 2021 | \$195,523 | \$98,199 |
| August | 195,523 | 98,199 |
| September | 195,523 | 98,199 |
| October | 195,523 | 98,199 |
| November | 195,523 | 98,199 |
| December | 195,523 | 98,197 |
| January 2022 | 217,657 | 98,199 |
| February | 217,657 | 98,199 |
| March | 217,657 | 98,199 |
| April | 217,657 | 98,199 |
| May | 217,657 | 98,199 |
| June | 217,657 | 98,199 |
| Total | <u>\$2,479,080</u> | <u>\$1,178,386</u> |

1/ Schedule 26 indicative costs posted by MISO as of July 9, 2021:

2021 Indicative Charge \$2,346,279

2022 Indicative Charge \$2,611,883

2/ Montana-Dakota's projected 2021 revenue requirement recovered under Schedule 26.

\$1,178,386

**Montana-Dakota Utilities Co.
Electric Utility
MISO Schedule 26A Expenses
Projected Twelve Months Ending June 2022**

| | BSSE MVP Project | | All Other MVP Projects | | Total Schedule 26A Expenses | A&G Revenue Credit 5/ |
|--------------|------------------------|---|--------------------------------------|--|-----------------------------|-----------------------|
| | Revenue Requirement 1/ | Integrated System Retail Revenue Requirement 2/ | Total Integrated Requirements MWH 3/ | Total MVP Charges (excl. BSSE Retail Rev. Req.) 4/ | | |
| July 2021 | \$1,075,961 | \$8,177 | 313,718 | \$515,732 | \$523,909 | \$90,078 |
| August | 1,075,961 | 8,177 | 292,554 | 480,388 | 488,565 | 90,078 |
| September | 1,075,961 | 8,177 | 283,241 | 464,835 | 473,012 | 90,078 |
| October | 1,075,961 | 8,177 | 270,842 | 444,129 | 452,306 | 90,078 |
| November | 1,075,961 | 8,177 | 308,139 | 506,415 | 514,592 | 90,078 |
| December | 1,075,961 | 8,177 | 345,082 | 568,110 | 576,287 | 90,078 |
| January 2022 | 1,075,961 | 8,177 | 341,997 | 556,118 | 564,295 | 90,078 |
| February | 1,075,961 | 8,177 | 328,788 | 534,323 | 542,500 | 90,078 |
| March | 1,075,961 | 8,177 | 302,574 | 491,070 | 499,247 | 90,078 |
| April | 1,075,961 | 8,177 | 272,614 | 441,636 | 449,813 | 90,078 |
| May | 1,075,961 | 8,177 | 269,025 | 435,714 | 443,891 | 90,078 |
| June | 1,075,960 | 8,181 | 264,839 | 428,803 | 436,984 | 90,083 |
| Total | <u>\$12,911,531</u> | <u>\$98,128</u> | <u>3,593,413</u> | <u>\$5,867,273</u> | <u>\$5,965,401</u> | <u>\$1,080,941</u> |

1/ Montana-Dakota's Projected 2021 Revenue Requirement (Attachment MM) for the BSSE MVP projected to be recovered under Schedule 26A. \$12,911,531

2/ Montana-Dakota's estimated retail portion of its BSSE project based on Montana-Dakota's load ratio share in the MISO footprint: 0.76% 6/

3/ 2021-2022 Electric Load Forecast.

4/ Montana-Dakota's Indicative Annual MVP Charges for Approved MVPs as of July 8, 2021:

| | | |
|------------------------|--------|----------------------------|
| 2021 Indicative Charge | \$1.67 | July through December 2021 |
| 2022 Indicative Charge | \$1.65 | January through June 2022 |

5/ Revenue credit for administrative and general O&M expenses recovered through MISO Attachment MM

| | |
|--|----------------------|
| Montana-Dakota's Projected 2021 Attachment MM's Other O&M Expense, Line 4b | 0.87% |
| Projected Gross Plant in Service from Attachment MM | <u>\$124,246,146</u> |
| Annual A&G Retail Credit | <u>\$1,080,941</u> |

6/ Montana-Dakota's total MVP charges including the BSSE project.

| | |
|--|-------------|
| MDU Projected 2022 MWh Withdrawals - 7/8/2021 update | 3,406,903 |
| Total MISO MWh Withdrawals | 449,224,096 |
| Montana-Dakota's load share in MISO footprint | 0.76% |

**Montana-Dakota Utilities Co.
Electric Utility
MISO Schedule 9 Revenue, BEPC Payments & Credits, and
Facility Sharing Agreement Revenue
Projected Twelve Months Ending June 2022**

| | MISO Sch 9 Revenue 1/ | Payments to Basin 2/ | Basin Facility Sharing Agreements 3/ |
|--------------|--------------------------|-------------------------|--|
| July 2021 | \$289,233 | (\$48,778) | \$20,333 |
| August | 289,233 | (\$48,778) | 20,333 |
| September | 289,233 | (\$48,778) | 20,333 |
| October | 289,233 | (\$48,778) | 20,333 |
| November | 289,233 | (\$48,778) | 20,333 |
| December | 289,233 | (\$48,778) | 20,337 |
| January 2022 | 289,233 | (\$48,778) | 20,333 |
| February | 289,233 | (\$48,778) | 20,333 |
| March | 289,233 | (\$48,778) | 20,333 |
| April | 289,233 | (\$48,778) | 20,333 |
| May | 289,233 | (\$48,778) | 20,333 |
| June | 289,232 | (\$48,781) | 20,333 |
| Total | <u>\$3,470,795</u> | <u>(\$585,339)</u> | <u>\$244,000</u> |

1/ Reflects twelve months ended May 31, 2021 per books.

2/ NITS Customer Revenue Requirements included in Projected 2021 Attachment O as of February 2021.

3/ Annual Facility Sharing Agreement revenue of \$244,000.

**Montana-Dakota Utilities Co.
Electric Utility
SPP Revenue and Expenses
Projected Twelve Months Ending June 2022**

| | SPP Sch 1 1/ | SPP Sch 1a 1/ | Sch 9 NITS 1/ | Sch 9 Fac. Credit 2/ | SPP Sch 11 1/ | SPP Sch 12 1/ |
|--------------|-------------------------|-------------------------|----------------------------|------------------------------|---------------------------|-------------------------|
| July 2021 | \$41,639 | \$69,508 | \$1,480,624 | (\$911,730) | \$172,173 | \$12,859 |
| August | 41,639 | 69,508 | 1,480,624 | (911,730) | 172,173 | 12,859 |
| September | 41,639 | 69,508 | 1,480,624 | (911,730) | 172,173 | 12,859 |
| October | 41,639 | 69,508 | 1,480,624 | (911,730) | 172,173 | 12,859 |
| November | 41,639 | 69,508 | 1,480,624 | (911,730) | 172,173 | 12,859 |
| December | 41,641 | 69,504 | 1,480,619 | (911,724) | 172,169 | 12,859 |
| January 2022 | 41,639 | 69,508 | 1,480,624 | (911,730) | 172,173 | 12,859 |
| February | 41,639 | 69,508 | 1,480,624 | (911,730) | 172,173 | 12,859 |
| March | 41,639 | 69,508 | 1,480,624 | (911,730) | 172,173 | 12,859 |
| April | 41,639 | 69,508 | 1,480,624 | (911,730) | 172,173 | 12,859 |
| May | 41,639 | 69,508 | 1,480,624 | (911,730) | 172,173 | 12,859 |
| June | 41,639 | 69,508 | 1,480,624 | (911,730) | 172,173 | 12,859 |
| Total | <u>\$499,670</u> | <u>\$834,092</u> | <u>\$17,767,483</u> | <u>(\$10,940,754)</u> | <u>\$2,066,072</u> | <u>\$154,308</u> |

1/ Reflects twelve months ended May 31, 2021 per books.

2/ SPP Section 30.9 Facility Credits for 2021.

Notice of Annual Update to the Transmission Cost Adjustment Filed with the North Dakota Public Service Commission

On July 15, 2021, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the North Dakota Public Service Commission (Commission) to update its Transmission Cost Adjustment (TCA) rates in accordance with the Company's Transmission Cost Adjustment Rate 59 tariff that states the rates will be revised annually to reflect the current level of costs to be recovered.

The proposed TCA rates include North Dakota's allocation of transmission related net expenses assessed by both the Midcontinent Independent System Operator (MISO) and the Southwest Power Pool (SPP) for transmission-related services currently not being recovered through the Company's electric service rates, the inclusion of specified transmission related capital projects, and a projected under-recovery of the deferred TCA balance.

Montana-Dakota has requested the proposed TCA rates be effective with service rendered on and after November 1, 2021, subject to Commission review and approval. The changes are 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 residential customer using 894 Kwh will see a decrease of \$0.03 per month or a decrease of \$0.36 annually. The TCA is shown as a separate line item on your bill.

| | <u>Residential & Small General</u> |
|---------------------------|--|
| Applicable Rate Schedules | 10, 13, 16, 20, 25, & 40 |
| Proposed Rate | \$0.00801 per Kwh |
| Current Rate | \$0.00804 per Kwh |
| Change | (\$0.00003) per Kwh |
| | <u>Large General & Contracts</u> |
| Applicable Rate Schedules | 30, 31, 32, 38, & 48 |
| Proposed Rate | \$0.00636 per Kwh |
| Current Rate | \$0.00642 per Kwh |
| Change | (\$0.00006) per Kwh |
| | <u>Lighting</u> |
| Applicable Rate Schedules | 41 & 52 |
| Proposed Rate | \$0.00360 per Kwh |
| Current Rate | \$0.00306 per Kwh |
| Change | \$0.00054 per Kwh |

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