

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

November 1, 2021

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

Re: Annual Update to the Generation Resource Recovery Rate 56 Tariff
Case No. PU-21-_____

Montana-Dakota Utilities Co. (Montana-Dakota) herewith submits for Commission approval an original and (7) copies of the Company's Application to update its Generation Resource Recovery Rate (GRRR) 56 tariff pursuant to the terms of Rate 56 tariff which states that "[t]he GRRR will be adjusted annually to reflect the Company's most recent projected capital costs and related expenses for projects determined to be recoverable under this schedule." Montana-Dakota requests approval of its 8th Revised Sheet No. 40.1 of its electric tariffs, provided herein as Exhibit 1, to be effective with service rendered on and after February 1, 2022.

Montana-Dakota is herein providing an update to its GRRR to illustrate projected costs through December 31, 2022 related to the Company's investment in the Lewis & Clark RICE units. The total projected 2022 costs as allocated to North Dakota are \$3,422,466. The projected 2022 GRRR rates also reflect a projected over-recovered balance of the current GRRR costs of \$32,871, for a total net cost of \$3,389,595. The total cost to be recovered through the rates represents a decrease of \$62,606 from the revenues currently being collected under the GRRR. All costs to be recovered through the GRRR rates are currently not being recovered through Montana-Dakota's North Dakota retail electric rates.

	Current Filing	Prior Filing	Variance
Revenue Requirement:	\$3,422,466	\$3,394,300	\$28,166
Under/(Over) Recovery Balance:	(32,871)	57,901	(90,772)
	\$3,389,595	\$3,452,201	(\$62,606)

A residential customer using 894 Kwh would see a total decrease of \$0.03 per month or \$0.36 per year from that currently authorized charge under Rate 56. This change will constitute a decrease of approximately 0.02% in a residential customer's total bill. The GRRR rates, as proposed, are shown below, along with the change from the current rates implemented February 1, 2021:

	Proposed Rate	Current Rate	Change
Residential / Small General Rate/Kwh	\$0.00185	\$0.00188	(\$0.00003)
Large General/KW	\$0.54680	\$0.55663	(\$0.00983)
Space Heating/KW	\$0.23976	\$0.24058	(\$0.00082)
Lighting/Kwh	\$0.00091	\$0.00084	\$0.00007

On August 5, 2020 the Commission approved the Modified Settlement Agreement in Case Nos. PU-19-306, PU-19-307, and PU-19-317 granting the inclusion of deferred accounting of costs related to the retirement of Lewis & Clark Unit 1 and Heskett Unit 1 and Unit 2 in its GRRR. Upon the closure of the coal units, the annual reduction in the revenue requirement resulting from the closure is to be offset (or credited against) the costs. The accelerated depreciation and decommissioning costs, net of the offset associated with the excess deferred income taxes, is to include a rate of return on the unamortized balance. Employee related costs are to be recovered without the application of a rate of return. All costs are to be included and evaluated in future GRRR filings until the revenue recovery is reflected in base rates in a general rate case. On March 2, 2021, Montana-Dakota filed an informational update to the GRRR for Lewis & Clark Unit 1 including the project 2021 recovery considering the plant ceased operation on March 31, 2021.

Montana-Dakota filed an Application for Rate Treatment of a Financial Incentive related to a Power Purchase Agreement on August 17, 2021 in Case No. PU-21-373. If approved, Montana-Dakota will include the \$13,330 and \$59,058 incentive for 2021 and 2022, respectively, in the GRRR – Rate 56 2022 true-up.

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:

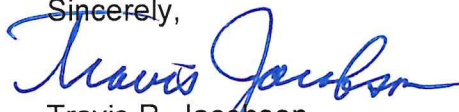
Ms. Allison Mann
Attorney
MDU Resources Group, Inc.
P.O. Box 5650
Bismarck, ND 58506-5650

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

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

Please contact me at 701.222.7855 or travis.jacobson@mdu.com with any questions.

Sincerely,



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 to Update its Generation Resource) Case No. PU-21-____
Recovery Rider Rate 56 Tariff)

I. Summary of Application

Montana-Dakota Utilities Co. (Montana-Dakota or Company) herewith submits this Application to provide an update of its Generation Resource Recovery Rate 56 projected costs through December 2022 related to the Company’s investment in the Lewis & Clark RICE units. Consistent with the March 2, 2021 filing, Montana-Dakota has also provided the informational update for deferred accounting treatment of costs related to the retirements of the Lewis & Clark Unit 1 and Heskett Unit 1 and Unit 2. Montana-Dakota respectfully requests approval of its Generation Resource Recovery Rate 56 tariff 8th Revised Sheet No. 40.1 to be effective with service rendered on and after February 1, 2022. In support of the Company’s Application, Montana-Dakota is providing the following Exhibits:

- Exhibit 1 – Generation Resource Recovery Rate 56 8th Revised Sheet No. 40.1
- Exhibit 2 – Generation Resource Recovery Rate Proposed Rates
- Exhibit 3 – Projected 2022 Lewis & Clark RICE Units Revenue Requirement
- Exhibit 4 – Balancing Account Summary with Carrying Charge Calculation, 2020 and 2021 Monthly Revenue Requirement Calculation
- Exhibit 5 – Lewis & Clark Unit 1 and Heskett Unit 1 and Unit 2 Regulatory Assets Recovery/Amortization
- Exhibit 6 – Customer Filing Notice

II. Description of Applicant

Montana-Dakota is a Delaware corporation duly authorized to do business in the State of North Dakota as a foreign corporation, and doing business in the State of North Dakota as a public utility subject to the jurisdiction of and regulation by the North Dakota Public Service Commission (Commission) under NDCC Title 49. Montana-Dakota's Certificate of Incorporation and amendments thereto have been previously filed with the Commission and such Certificate and Amendments are hereby incorporated by reference as though fully set forth herein. Montana-Dakota provides electric service to approximately 93,382 customers in North Dakota as of September 30, 2021.

III. Background of Generation Resource Recovery Rider Rate 56

On February 27, 2014, Montana-Dakota filed an application with the Commission for approval of a Generation Resource Recovery Rider (GRRR) tariff and proposed rates in Case Nos. PU-14-108 and PU-14-109 in order to recover North Dakota's share of the Company's investment in the Heskett III Combustion Turbine Station (Heskett III). On July 24, 2014, an amended Settlement Agreement was submitted to the Commission revising the administration of the rates to exclude the lighting rate schedules and special contract customers. On August 20, 2014, the Commission approved the amended Settlement Agreement. On November 14, 2014, Montana-Dakota filed its first GRRR rates under Rate 56. The Commission approved the GRRR rates on January 7, 2015 and they were implemented on January 9, 2015. Pursuant to the Settlement in Case No. PU-16-666 approved by the Commission on June 16, 2017, Lewis & Clark RICE units are recovered through the GRRR rider rates and were

effective with service rendered on and after August 7, 2017. Montana-Dakota's currently authorized GRRR rates reflect the projected 2021 revenue requirement for the Lewis & Clark RICE units and the amortization of the over collected balance in Case No. PU-20-436.

The Company is proposing the rates proposed herein be effective with service rendered on and after February 1, 2022.

IV. Calculation of the Proposed GRRR Rates

The following exhibits are included herein in support of the Company's proposed GRRR rates and in accordance with the Company's Rate 56 tariff:

- *Exhibit 2* shows the derivation of the proposed GRRR rates and the allocation of the total costs to each of the rate classes, including all special contracts. Total costs to be recovered, \$3,389,595, include the projected 2022 revenue requirement for the Lewis & Clark RICE units and the retirements of Lewis & Clark Unit 1 and Heskett Unit 1 and Unit 2 of \$3,422,466 and a projected over-recovered balance of \$32,871. Projected costs are then allocated to the rate classes based on the Company's Demand - 12 CP Factor No. 2. The Demand Factor No. 2 from Case No. PU-16-666 has previously been updated to reflect the inclusion of the special contract rate customers.
- *Exhibit 3* shows the projected monthly revenue requirements for the Lewis & Clark RICE units for the year ending December 2022. The revenue requirement is comprised of:
 - Average rate base of \$25,046,928.

- Return: reflective of the projected 2022 Capital Structure and a Return on Equity of 9.65% authorized in the Company’s last electric rate case (Case No. PU-16-666).
- Depreciation Expense: annual depreciation rate of 2.5% based on a 40-year life as authorized in Case No. PU-16-666.
- Taxes Other than Income: reflective of projected property taxes.
- Income Taxes: current federal and state income tax rates.
- *Exhibit 4* shows the projected GRRR Balancing Account (per Paragraph 2d of Rate 56) through January 2022. The over recovered balance includes a carrying charge based on the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.

V. Estimated Impact by Customer Class

As shown in Exhibit 2, Montana-Dakota’s projected 2022 costs to be recovered under the GRRR rates are \$3,389,595. A residential customer using 894 Kwh would see a decrease of \$0.03 per month, or \$0.36 annually. Montana-Dakota requests approval of the following GRRR rates to be effective February 1, 2022.

	Proposed Rate	Current Rate	Change
Residential / Small General Rate/Kwh	\$0.00185	\$0.00188	(\$0.00003)
Large General/KW	\$0.54680	\$0.55663	(\$0.00983)
Space Heating/KW	\$0.23976	\$0.24058	(\$0.00082)
Lighting/Kwh	\$0.00091	\$0.00084	\$0.00007

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

VI. Heskett and Lewis and Clark

On August 5, 2020, the Commission approved Montana-Dakota's application for deferred accounting treatment of costs related to the retirement of Lewis & Clark Unit 1 and Heskett Unit 1 and Unit 2 in Case Nos. PU-19-306, PU-19-307, and PU-19-317. The Agreement allows the Company to defer the costs associated with the accelerated depreciation, decommissioning, employee related costs, and an offset associated with excess deferred income taxes. Upon the closure of the coal units, the annual reduction in the revenue requirement resulting from the closure is to be offset by the costs discussed above. Lewis & Clark Unit 1 ceased operations on March 31, 2021 and Heskett Unit 1 and Unit 2 intends to cease operations on March 31, 2022. Section 5 shows the retirements of Lewis & Clark Unit 1 and Heskett Unit 1 and Unit 2 through the year ending December 2022.

VII. Conclusion

Montana-Dakota respectfully requests that the Commission approve this annual update to the Company's GRRR rates applicable under Generation Resource Recovery Rider Rate 56 tariff to be effective with service rendered on and after February 1, 2022.

Dated this 1st day of November 2021.



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

8th Revised Sheet No. 40.1

Canceling 7th Revised Sheet No. 40.1

Generation Resource Recovery Rider Rate 56

Page 2 of 2

2. Generation Resource Recovery Rider:

Residential & Small General	0.185¢ per Kwh
Large General	54.680¢ per KW
General Space Heating Rate 32	23.976¢ per KW
Lighting	0.091¢ per Kwh

Date Filed: November 1, 2021

Effective Date:

Issued By: Travis R. Jacobson
Director – Regulatory Affairs

Case No.:

Tariffs Reflecting Proposed Changes



Montana-Dakota Utilities Co.

A Subsidiary of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4

~~78~~⁷⁸th Revised Sheet No. 40.1

Canceling ~~67~~⁶⁷th Revised Sheet No. 40.1

Generation Resource Recovery Rider Rate 56

Page 2 of 2

2. Generation Resource Recovery Rider:

Residential & Small General	0.1880.185 ¢ per Kwh
Large General	55.66354.680 ¢ per KW
General Space Heating Rate 32	24.05823.976 ¢ per KW
Lighting	0.0840.091 ¢ per Kwh

Date Filed: ~~October 30, 2020~~November 1, 2021

Issued By: Travis R. Jacobson
Director – Regulatory Affairs

Effective Date: ~~Service rendered on and after February 1, 2021~~

Case No.: ~~PU-20-436~~

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Generation Resource Recovery Rider
Proposed 2022 Generation Rider Rates**

	<u>Total</u>
Projected 2022 Revenue Requirement 1/	\$3,422,466
Projected January 2022 (Over)/Under Collection 2/	(\$32,871)
Total Cost to be Recovered through GRRR Rates	<u>\$3,389,595</u>

<u>Allocation of Costs & Proposed Rates</u>	<u>Allocated GRRR Costs 3/</u>	<u>Projected Billing Determinants</u>	<u>Proposed GRRR Rates</u>
Residential & Small General	\$1,592,301	860,446,666 Kwh	\$0.00185 per Kwh
Large General	1,716,465	3,139,081 KW	\$0.54680 per KW
Space Heating Rate 32	65,057	271,337 KW	\$0.23976 per KW
Lighting	15,772	17,413,413 Kwh	\$0.00091 per Kwh
	<u>\$3,389,595</u>		

<u>Change in Rates</u>	<u>Proposed GRRR Rates</u>	<u>Current GRRR Rates 4/</u>	<u>Change in GRRR Rates</u>
Residential & Small General	\$0.00185	\$0.00188	(\$0.00003)
Large General	\$0.54680	\$0.55663	(\$0.00983)
Space Heating Rate 32	\$0.23976	\$0.24058	(\$0.00082)
Lighting	\$0.00091	\$0.00084	\$0.00007

1/ Exhibit 3

2/ Exhibit 4

3/ Demand Allocation Factor 2:

Residential & Small General	46.976176%	(Rates 10, 13, 16, 20, 25, 26, and 40)
Large General	50.639222%	(Rates 30, 31, 38, 48, and contracts)
Space Heating Rate 32	1.919302%	(Rate 32)
Lighting	0.465300%	(Rates 41, 52)
	<u>100.000000%</u>	

4/ Current GRRR rates effective February 1, 2021.

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Generation Resource Recovery Rider
Revenue Requirement - Lewis & Clark RICE
Projected Year End 2022

	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		
Rate Base														
Total Plant Balance	\$32,884,241	\$32,884,241	\$32,884,241	\$32,884,241	\$32,884,241	\$32,884,241	\$32,884,241	\$32,884,241	\$32,884,241	\$32,884,241	\$33,251,613	\$33,251,613	\$33,251,613	\$32,976,084
Total Accumulated Reserve	\$4,768,433	\$4,768,433	\$4,768,433	\$4,768,433	\$4,768,433	\$4,768,433	\$4,768,433	\$4,768,433	\$4,768,433	\$4,768,433	\$4,772,705	\$4,772,705	\$4,772,705	\$4,769,145
Net Plant in Service	\$28,115,808	\$28,115,808	\$28,115,808	\$28,115,808	\$28,115,808	\$28,115,808	\$28,115,808	\$28,115,808	\$28,115,808	\$28,115,808	\$28,483,180	\$28,478,908	\$28,478,908	\$28,206,939
Accum Def Income Taxes 1/	\$3,096,231	\$3,113,600	\$3,129,216	\$3,143,134	\$3,155,297	\$3,165,762	\$3,174,474	\$3,181,433	\$3,186,695	\$3,190,203	\$3,192,014	\$3,192,014	\$3,192,014	
Total Rate Base	\$25,019,577	\$25,002,208	\$24,986,592	\$24,972,674	\$24,960,511	\$24,950,046	\$24,941,334	\$24,934,375	\$24,929,113	\$25,292,977	\$25,286,894	\$25,286,838	\$25,286,838	\$25,046,928
Return on Rate Base 2/	\$147,928	\$147,826	\$147,733	\$147,651	\$147,579	\$147,517	\$147,466	\$147,424	\$147,393	\$149,545	\$149,509	\$149,508	\$149,508	\$1,777,079
Expenses														
Operating Expenses														Total
Total Depreciation	\$65,679	\$65,679	\$65,679	\$65,679	\$65,679	\$65,679	\$65,679	\$65,679	\$65,679	\$65,679	\$66,444	\$66,444	\$66,444	789,678
Property Tax	38,447	38,447	38,447	38,447	38,447	38,447	38,447	38,447	38,447	38,447	38,447	38,447	38,442	461,359
Total Expenses	\$104,126	\$104,126	\$104,126	\$104,126	\$104,126	\$104,126	\$104,126	\$104,126	\$104,126	\$104,126	\$104,891	\$104,886	\$104,886	\$1,251,037
Income before Taxes (EBIT)	(\$104,126)	(\$104,126)	(\$104,126)	(\$104,126)	(\$104,126)	(\$104,126)	(\$104,126)	(\$104,126)	(\$104,126)	(\$104,126)	(\$104,891)	(\$104,886)	(\$104,886)	(\$1,251,037)
Interest Expense 2/	44,994	44,962	44,934	44,909	44,887	44,868	44,853	44,840	44,831	45,485	45,474	45,474	45,474	540,511
AFUDC Equity Add Back	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,184	1,180	14,204
Taxable income	(\$147,936)	(\$147,904)	(\$147,876)	(\$147,851)	(\$147,829)	(\$147,810)	(\$147,795)	(\$147,782)	(\$147,773)	(\$148,427)	(\$149,181)	(\$149,180)	(\$149,180)	(\$1,777,344)
Income Taxes 3/	(\$36,104)	(\$36,096)	(\$36,089)	(\$36,083)	(\$36,078)	(\$36,073)	(\$36,069)	(\$36,066)	(\$36,064)	(\$36,223)	(\$36,407)	(\$36,407)	(\$36,407)	(\$433,759)
Less: ARAM Amortization	595	595	595	595	595	595	595	595	595	595	595	595	595	7,140
Net Income Taxes	(\$36,699)	(\$36,691)	(\$36,684)	(\$36,678)	(\$36,673)	(\$36,668)	(\$36,664)	(\$36,661)	(\$36,659)	(\$36,818)	(\$37,002)	(\$37,002)	(\$37,002)	(\$440,899)
Operating Income	(\$67,427)	(\$67,435)	(\$67,442)	(\$67,448)	(\$67,453)	(\$67,458)	(\$67,462)	(\$67,465)	(\$67,467)	(\$67,308)	(\$67,889)	(\$67,884)	(\$67,884)	(\$810,138)
Revenue Requirement	\$284,880	\$284,755	\$284,641	\$284,541	\$284,452	\$284,377	\$284,315	\$284,263	\$284,225	\$286,861	\$287,582	\$287,574	\$287,574	\$3,422,466

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 DIT activity 2022:	\$348,699										
ND Fac. #15:	<u>71.062334%</u>										
ND projected activity:	<u>\$247,794</u>										
Monthly:	\$20,650										
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%
\$18,953	\$17,369	\$15,616	\$13,918	\$12,163	\$10,465	\$8,712	\$6,959	\$5,262	\$3,508	\$1,811	\$56

2/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost	
Long Term Debt	47.152%	4.508%	2.126%
Short Term Debt	1.689%	1.909%	0.032%
Common Equity	51.159%	9.650%	4.937%
	100.000%		7.095%

3/ Income Tax Rate: 2022
Tax Rate 24.4049% (Federal Tax Rate = 21%, Tax Rate = 4.31%)
1- tax rate 75.5951%

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

	Cumulative								Grand Total (Over)/Under Collection
	Beginning Balance	Revenue Requirement 1/	Revenue Collections	Ending Balance 2/	Carrying Charge Calculation			Carrying Charge 3/	
					Deferred Income Tax	Net Balance	Rate 3/		
September 2020									\$29,655 4/
October	\$29,655	\$285,656	\$244,587	70,724	17,260	53,464	0.1000%	\$2	70,726
November	70,724	285,152	258,327	97,549	23,807	73,742	0.0900%	4	97,555
December	97,549	284,673	290,301	91,921	22,433	69,488	0.0900%	6	91,933
January 2021	91,921	279,939	300,458	71,402	17,426	53,976	0.0800%	5	71,419
February	71,402	279,349	307,257	43,494	10,615	32,879	0.0400%	2	43,513
March	43,494	278,771	315,523	6,742	1,645	5,097	0.0300%	1	6,762
April	6,742	278,206	265,119	19,829	4,839	14,990	0.0200%	0	19,849
May	19,829	277,653	243,222	54,260	13,242	41,018	0.0200%	0	54,280
June	54,260	277,112	279,196	52,176	12,734	39,442	0.0400%	1	52,197
July	52,176	276,584	296,191	32,569	7,948	24,621	0.0500%	2	32,592
August	32,569	276,280	320,918	(12,069)	-	(12,069)	0.0500%	1	(12,045)
September	(12,069)	283,283	279,333	(8,119)	-	(8,119)	0.0400%	0	(8,095)
October - Est.	(8,119)	282,793	263,386	11,288	2,755	8,533	0.0400%	0	11,312
November - Est.	11,288	282,316	268,837	24,767	6,044	18,723	0.0400%	0	24,791
December - Est.	24,767	281,846	300,199	6,414	1,565	4,849	0.0400%	1	6,439
January 2022 -Est.	6,414	284,880	324,190	(32,896)	-	(32,896)	0.0400%	0	(32,871)
Total		\$4,494,493	\$4,557,044					\$25	

1/ Monthly revenue requirement, see pages 2-3.

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

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

4/ Ending (Over)/Under balance per Case No. PU-20-436, Exhibit 4, page 1, submitted on October 30, 2020.

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

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Generation Resource Recovery Rider
Revenue Requirement - Lewis & Clark RICE
Actual Year End 2020

	Actual From Prior Filing									Actual			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													
Structures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,853,163	
Fuel Holders, Products & Acc.	306,671	306,671	300,784	300,784	300,784	300,784	300,784	300,784	300,784	300,784	300,784	2,118,922	
Generators	32,083,342	32,083,342	31,467,412	31,467,412	31,467,412	31,467,412	31,467,412	31,467,412	31,467,412	31,467,412	31,467,412	18,368,429	
Accessory Equipment	0	0	0	0	0	0	0	0	0	0	0	4,047,221	
Miscellaneous Equipment	2,102	2,102	2,062	2,062	2,062	2,062	2,062	2,062	2,062	2,062	2,062	1,681,705	
Station Equipment	0	0	0	0	0	0	0	0	0	0	0	700,818	
Total Plant Balance	\$32,392,115	\$32,392,115	\$31,770,258	\$31,770,258	\$31,770,258	\$31,770,258	\$31,770,258	\$31,770,258	\$31,770,258	\$31,770,258	\$31,770,258	\$31,770,258	\$31,873,901
Accumulated Reserve													
Structures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$622,766	
Fuel Holders, Products & Acc.	31,890	32,529	32,531	33,157	33,784	34,411	35,037	35,664	36,290	36,917	37,544	271,477	
Generators	3,278,880	3,345,720	3,347,046	3,412,604	3,478,161	3,543,718	3,609,275	3,674,832	3,740,389	3,805,946	3,871,503	2,256,177	
Accessory Equipment	0	0	0	0	0	0	0	0	0	0	0	519,346	
Miscellaneous Equipment	181	185	186	190	194	199	203	207	212	216	220	215,759	
Station Equipment	0	0	0	0	0	0	0	0	0	0	0	89,930	
Total Accumulated Reserve	\$3,310,951	\$3,378,434	\$3,379,763	\$3,445,951	\$3,512,139	\$3,578,328	\$3,644,515	\$3,710,703	\$3,776,891	\$3,843,079	\$3,909,267	\$3,975,455	\$3,622,123
Net Plant in Service	\$29,081,164	\$29,013,681	\$28,390,495	\$28,324,307	\$28,258,119	\$28,191,930	\$28,125,743	\$28,059,555	\$27,993,367	\$27,927,179	\$27,860,991	\$27,794,803	\$28,251,778
Accum Def Income Taxes 1/	\$2,527,587	\$2,548,189	\$2,566,711	\$2,583,220	\$2,597,647	\$2,610,061	\$2,620,395	\$2,628,649	\$2,634,890	\$2,642,310	\$2,646,140	\$2,646,258	\$2,604,338
Total Rate Base	\$26,553,577	\$26,465,492	\$25,823,784	\$25,741,087	\$25,660,472	\$25,581,869	\$25,505,348	\$25,430,906	\$25,358,477	\$25,284,869	\$25,214,851	\$25,148,545	\$25,647,440
Return on Rate Base 2/	\$156,755	\$156,235	\$152,446	\$151,958	\$151,482	\$151,018	\$150,567	\$150,127	\$149,700	\$149,265	\$148,852	\$148,460	\$1,816,865
Expenses													
Operating Expenses													Total
Fuel Holders, Products & Acc.	\$639	\$639	\$627	\$627	\$627	\$627	\$627	\$627	\$627	\$627	\$627	\$627	\$627
Generators	66,840	66,840	65,557	65,557	65,557	65,557	65,557	65,557	65,557	65,557	65,557	65,557	65,557
Miscellaneous Equipment	4	4	4	4	4	4	4	4	4	4	4	4	4
Depreciation	67,483	67,483	66,188	66,188	66,188	66,188	66,188	66,188	66,188	66,188	66,188	66,188	796,846
Property Tax 3/	41,927	41,927	41,927	41,927	41,927	41,927	41,927	41,927	41,927	40,268	40,268	40,268	498,147
Total Expenses	\$109,410	\$109,410	\$108,115	\$108,115	\$108,115	\$108,115	\$108,115	\$108,115	\$108,115	\$106,456	\$106,456	\$106,456	\$1,294,993
Income before Taxes (EBIT)	(\$109,410)	(\$109,410)	(\$108,115)	(\$108,115)	(\$108,115)	(\$108,115)	(\$108,115)	(\$108,115)	(\$108,115)	(\$106,456)	(\$106,456)	(\$106,456)	(\$1,294,993)
Interest Expense 2/	49,545	49,380	48,183	48,029	47,878	47,732	47,589	47,450	47,315	47,177	47,047	46,923	574,248
AFUDC Equity Add Back	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	(28)	(28)	(28)	10,122
Taxable income	(\$157,821)	(\$157,656)	(\$155,164)	(\$155,010)	(\$154,859)	(\$154,713)	(\$154,570)	(\$154,431)	(\$154,296)	(\$153,661)	(\$153,531)	(\$153,407)	(\$1,859,119)
Income Taxes 4/	(\$38,516)	(\$38,476)	(\$37,868)	(\$37,830)	(\$37,793)	(\$37,758)	(\$37,723)	(\$37,689)	(\$37,656)	(\$37,501)	(\$37,469)	(\$37,439)	(\$453,718)
Less: ARAM Amortization										2,278	2,278	2,278	6,834
Net Income Taxes	(\$38,516)	(\$38,476)	(\$37,868)	(\$37,830)	(\$37,793)	(\$37,758)	(\$37,723)	(\$37,689)	(\$37,656)	(\$39,779)	(\$39,747)	(\$39,717)	(\$460,552)
Operating Income	(\$70,894)	(\$70,934)	(\$70,247)	(\$70,285)	(\$70,322)	(\$70,357)	(\$70,392)	(\$70,426)	(\$70,459)	(\$66,677)	(\$66,709)	(\$66,739)	(\$834,441)
Revenue Requirement	\$301,143	\$300,508	\$294,587	\$293,991	\$293,411	\$292,843	\$292,293	\$291,756	\$291,234	\$285,656	\$285,152	\$284,673	\$3,507,247

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

1/ Monthly Deferred Income Tax activity, October - December updated to reflect year end DIT activity, prorated based on DIT proration methodology.

	October	November	December
ADIT Change for 2020:	\$495,086		
Allocated to ND (Fac. #15):	351,466	16.99%	8.77%
January - September (\$24,494 monthly):	220,446	\$7,420	\$3,830
Remainder for 2020:	\$131,020		\$118
Monthly (October - December):	\$43,673		

2/ Capital structure with authorized return on equity from most recent case.

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

3/ Property tax: October - December updated to reflect property tax total as of year end.

2020 Actual Property Tax:	\$498,147
January - September 2020:	377,343
Remaining 2020:	\$120,804
Monthly for October - December:	\$40,268

4/ Income Tax Rate: 2020
24.4049% (Federal Tax Rate = 21%, Tax Rate = 4.31%)
75.5951%

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Generation Resource Recovery Rider
Revenue Requirement - Lewis & Clark RICE
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													
Structures	\$4,858,042	\$4,858,042	\$4,858,042	\$4,858,042	\$4,858,042	\$4,858,042	\$4,858,042	\$4,887,811	\$5,940,067	\$5,940,067	\$5,940,067	\$5,940,067	
Fuel Holders, Products & Acc.	2,121,054	2,121,054	2,121,054	2,121,054	2,121,054	2,121,054	2,121,054	2,121,054	2,121,054	2,121,054	2,121,054	2,121,054	
Generators	18,386,907	18,386,907	18,386,907	18,386,907	18,386,907	18,386,907	18,386,907	18,386,907	18,386,907	18,386,907	18,386,907	18,386,907	
Accessory Equipment	4,051,293	4,051,293	4,051,293	4,051,293	4,051,293	4,051,293	4,051,293	4,051,293	4,051,293	4,051,293	4,051,293	4,051,293	
Miscellaneous Equipment	1,683,397	1,683,397	1,683,397	1,683,397	1,683,397	1,683,397	1,683,397	1,683,397	1,683,397	1,683,397	1,683,397	1,683,397	
Station Equipment	701,523	701,523	701,523	701,523	701,523	701,523	701,523	701,523	701,523	701,523	701,523	701,523	
Total Plant Balance	\$31,802,216	\$31,802,216	\$31,802,216	\$31,802,216	\$31,802,216	\$31,802,216	\$31,802,216	\$31,831,985	\$32,884,241	\$32,884,241	\$32,884,241	\$32,165,372	
Accumulated Reserve													
Structures	\$633,513	\$643,634	\$653,755	\$663,875	\$673,996	\$684,117	\$694,239	704,360	714,542	724,725	734,908	745,091	
Fuel Holders, Products & Acc.	276,173	280,592	285,011	289,430	293,848	298,267	302,686	307,105	311,524	315,943	320,362	324,781	
Generators	2,297,178	2,335,484	2,373,790	2,412,096	2,450,402	2,488,708	2,527,014	2,565,320	2,603,626	2,641,932	2,680,238	2,718,544	
Accessory Equipment	528,309	536,749	545,189	553,629	562,070	570,510	578,950	587,390	595,830	604,270	612,710	621,150	
Miscellaneous Equipment	219,483	222,990	226,497	230,005	233,512	237,019	240,526	244,033	247,540	251,047	254,554	258,061	
Station Equipment	90,944	91,868	92,792	93,715	94,639	95,563	96,486	97,410	98,334	99,158	99,982	100,806	
Total Accumulated Reserve	\$4,045,600	\$4,111,317	\$4,177,034	\$4,242,750	\$4,308,467	\$4,374,184	\$4,439,901	\$4,505,618	\$4,571,396	\$4,637,075	\$4,702,754	\$4,768,433	
Net Plant in Service	\$27,756,616	\$27,690,899	\$27,625,182	\$27,559,466	\$27,493,749	\$27,428,032	\$27,362,315	\$27,326,367	\$28,312,845	\$28,247,166	\$28,181,487	\$28,115,808	
Accum Def Income Taxes 1/	\$2,843,716	\$2,861,443	\$2,877,381	\$2,891,586	\$2,904,000	\$2,914,681	\$2,923,573	\$2,930,676	\$2,936,046	\$2,939,627	\$2,941,475	\$2,941,532	
Total Rate Base	\$24,912,900	\$24,829,456	\$24,747,801	\$24,667,880	\$24,589,749	\$24,513,351	\$24,438,742	\$24,395,691	\$25,376,799	\$25,307,539	\$25,240,012	\$25,174,276	
Return on Rate Base 2/	\$144,059	\$143,576	\$143,104	\$142,642	\$142,190	\$141,748	\$141,317	\$141,068	\$146,741	\$146,341	\$145,950	\$145,570	
Expenses													
Operating Expenses												Total	
Structures	\$10,121	\$10,121	\$10,121	\$10,121	\$10,121	\$10,121	\$10,121	\$10,121	\$10,183	\$10,183	\$10,183	\$10,183	
Fuel Holders, Products & Acc.	4,419	4,419	4,419	4,419	4,419	4,419	4,419	4,419	4,419	4,419	4,419	4,419	
Generators	38,306	38,306	38,306	38,306	38,306	38,306	38,306	38,306	38,306	38,306	38,306	38,306	
Accessory Equipment	8,440	8,440	8,440	8,440	8,440	8,440	8,440	8,440	8,440	8,440	8,440	8,440	
Miscellaneous Equipment	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507	3,507	
Station Equipment	824	824	824	824	824	824	824	824	824	824	824	824	
Depreciation	65,617	65,617	65,617	65,617	65,617	65,617	65,617	65,617	65,617	65,679	65,679	65,679	
Property Tax 3/	38,447	38,447	38,447	38,447	38,447	38,447	38,447	38,447	38,447	38,447	38,447	38,447	
Total Expenses	\$104,064	\$104,064	\$104,064	\$104,064	\$104,064	\$104,064	\$104,064	\$104,064	\$104,126	\$104,126	\$104,126	\$104,121	
Income before Taxes (EBIT)	(\$104,064)	(\$104,064)	(\$104,064)	(\$104,064)	(\$104,064)	(\$104,064)	(\$104,064)	(\$104,064)	(\$104,126)	(\$104,126)	(\$104,126)	(\$104,121)	
Interest Expense 2/	44,241	44,093	43,948	43,806	43,667	43,532	43,399	43,323	45,065	44,942	44,822	44,705	
AFUDC Equity Add Back	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,150	
Taxable income	(\$147,157)	(\$147,009)	(\$146,864)	(\$146,722)	(\$146,583)	(\$146,448)	(\$146,315)	(\$146,239)	(\$148,043)	(\$147,920)	(\$147,800)	(\$147,676)	
Income Taxes 4/	(\$35,914)	(\$35,877)	(\$35,842)	(\$35,807)	(\$35,773)	(\$35,740)	(\$35,708)	(\$35,689)	(\$36,130)	(\$36,100)	(\$36,070)	(\$36,040)	
Less: ARAM Amortization	589	589	589	589	589	589	589	589	589	589	589	589	
Net Income Taxes	(\$36,503)	(\$36,466)	(\$36,431)	(\$36,396)	(\$36,362)	(\$36,329)	(\$36,297)	(\$36,278)	(\$36,719)	(\$36,689)	(\$36,659)	(\$36,629)	
Operating Income	(\$67,561)	(\$67,598)	(\$67,633)	(\$67,668)	(\$67,702)	(\$67,735)	(\$67,767)	(\$67,786)	(\$67,407)	(\$67,437)	(\$67,467)	(\$67,492)	
Revenue Requirement	\$279,939	\$279,349	\$278,771	\$278,206	\$277,653	\$277,112	\$276,584	\$276,280	\$283,283	\$282,793	\$282,316	\$281,846	

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 DIT activity 2021: \$355,893
ND Fac. #15: 71.062334%
ND projected activity: \$252,906
Monthly: \$21,076

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%
\$19,344	\$17,727	\$15,938	\$14,205	\$12,414	\$10,681	\$8,892	\$7,103	\$5,370	\$3,581	\$1,848	\$57

2/ Projected Capital Structure with Authorized Return on Equity

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

3/ Property tax: October - December updated to reflect property tax total as of year end.

2021 Property Tax: \$649,232
ND Fac. #15: 71.062334%
ND Property Tax: \$461,359
Monthly: \$38,447

4/ Income Tax Rate:

2021
Tax Rate 24.4049% (Federal Tax Rate = 21%, Tax Rate = 4.31%)
1- tax rate 75.5951%

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Generation Resource Recovery Rider
Revenue Requirement - Regulatory Assets Recovery
Projected Year End 2022

	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	
Rate Base													
Net Reg Asset - L&C	28,323,479	27,410,400	27,037,461	26,605,940	26,159,194	25,691,837	25,196,721	24,732,344	24,293,028	23,839,873	25,434,294	24,957,461	
Net Reg Asset - Heskett	0	0	0	21,160,739	20,460,363	19,754,704	19,069,624	18,392,324	18,993,308	19,036,038	18,874,482	18,691,380	
Total Rate Base	\$28,323,479	\$27,410,400	\$27,037,461	\$47,766,679	\$46,619,557	\$45,446,541	\$44,266,345	\$43,124,668	\$43,286,336	\$42,875,911	\$44,308,776	\$43,648,841	\$40,342,916
Return on Rate Base 1/	\$167,463	\$162,064	\$159,859	\$282,421	\$275,638	\$268,703	\$261,725	\$254,975	\$255,931	\$253,504	\$261,975	\$258,074	\$2,862,332
Revenues in Base Rates	\$695,078	\$695,078	\$695,078	\$1,802,768	\$1,802,768	\$1,802,768	\$1,802,768	\$1,802,768	\$1,802,768	\$1,802,768	\$1,802,768	\$1,802,768	\$18,310,148
Expenses													Total
Amortization - L&C	489,996	496,608	499,307	502,432	505,667	509,051	512,635	515,999	519,179	522,461	510,916	514,371	6,098,622
Amortization - Heskett	0	0	0	954,471	959,543	964,652	969,613	974,516	970,165	969,855	971,026	972,351	8,706,192
Total Expenses	\$489,996	\$496,608	\$499,307	\$1,456,903	\$1,465,210	\$1,473,703	\$1,482,248	\$1,490,515	\$1,489,344	\$1,492,316	\$1,481,942	\$1,486,722	14,804,814
Income before Taxes (EBIT)	\$205,082	\$198,470	\$195,771	\$345,865	\$337,558	\$329,065	\$320,520	\$312,253	\$313,424	\$310,452	\$320,826	\$316,048	\$3,505,334
Interest Expense 1/	50,935	49,293	48,622	85,900	83,838	81,728	79,606	77,553	77,843	77,105	79,682	78,495	870,600
Taxable income	\$154,147	\$149,177	\$147,149	\$259,965	\$253,720	\$247,337	\$240,914	\$234,700	\$235,581	\$233,347	\$241,144	\$237,553	\$2,634,734
Income Taxes 2/	\$37,619	\$36,406	\$35,912	\$63,444	\$61,920	\$60,362	\$58,795	\$57,278	\$57,493	\$56,948	\$58,851	\$57,974	\$643,002
Net Income Taxes	\$37,619	\$36,406	\$35,912	\$63,444	\$61,920	\$60,362	\$58,795	\$57,278	\$57,493	\$56,948	\$58,851	\$57,974	\$643,002
Operating Income	\$167,463	\$162,064	\$159,859	\$282,421	\$275,638	\$268,703	\$261,725	\$254,975	\$255,931	\$253,504	\$261,975	\$258,074	\$2,862,332
Revenue Requirement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

1/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost	
Long Term Debt	47.152%	4.508%	2.126%
Short Term Debt	1.689%	1.909%	0.032%
Common Equity	51.159%	9.650%	4.937%
	100.000%		7.095%

2/ Income Tax Rate:

	2022
Tax Rate	24.4049% (Federal Tax Rate = 21%, Tax Rate = 4.31%)
1- tax rate	75.5951%

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Generation Resource Recovery Rider
Revenue Requirement - Lewis & Clark Regulatory Assets Recovery
Actual/Projected Year End 2021

	Actual									Projected			Average Balance
	Jan 2021	Feb 2021	Mar 2021	Apr 2021 3/	May 2021	June 2021	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	
Rate Base													
Deferred Depreciation Asset				\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587
Decommissioning				1,451,236	1,614,237	1,748,863	1,753,315	1,940,820	2,177,526	3,531,855	4,795,310	5,632,352	
Excess ADIT Amortization				(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)
Accumulated Amortization				0	(479,839)	(956,822)	(1,432,683)	(1,909,081)	(2,385,028)	(2,860,222)	(3,329,068)	(3,792,246)	
Total Regulatory Asset	\$0	\$0	\$0	\$27,581,379	\$27,264,541	\$26,922,184	\$26,450,775	\$26,161,882	\$25,922,641	\$26,801,776	\$27,596,385	\$27,970,249	\$26,963,535
Return on Rate Base 1/	\$0	\$0	\$0	\$159,489	\$157,657	\$155,678	\$152,952	\$151,281	\$149,898	\$154,981	\$159,576	\$161,738	\$1,403,250
L&C Revenue				\$695,078	\$695,078	\$695,078	\$695,078	\$695,078	\$695,078	\$695,078	\$695,078	\$695,078	\$6,255,702
Expenses													
Amortization - Deferred Asset				\$479,839	\$476,983	\$475,861	\$476,398	\$475,947	\$475,194	\$468,846	\$463,178	\$460,532	\$4,252,778
Amortization - Employee Related				18,070	23,168	26,712	29,511	32,007	34,452	34,580	34,625	34,625	267,750
Amortization - Other				2,003	2,003	2,003	2,003	2,003	2,003	2,003	2,003	2,003	18,027
Total Expenses	\$0	\$0	\$0	\$499,912	\$502,154	\$504,576	\$507,912	\$509,957	\$511,649	\$505,429	\$499,806	\$497,160	\$4,538,555
Income before Taxes (EBIT)	\$0	\$0	\$0	\$195,166	\$192,924	\$190,502	\$187,166	\$185,121	\$183,429	\$189,649	\$195,272	\$197,918	\$1,717,147
Interest Expense	0	0	0	48,980	48,417	47,809	46,972	46,459	46,034	47,595	49,007	49,671	430,944
Taxable income	\$0	\$0	\$0	\$146,186	\$144,507	\$142,693	\$140,194	\$138,662	\$137,395	\$142,054	\$146,265	\$148,247	\$1,286,203
Income Taxes 2/	\$0	\$0	\$0	\$35,677	\$35,267	\$34,824	\$34,214	\$33,840	\$33,531	\$34,668	\$35,696	\$36,180	\$313,897
Net Income Taxes	\$0	\$0	\$0	\$35,677	\$35,267	\$34,824	\$34,214	\$33,840	\$33,531	\$34,668	\$35,696	\$36,180	\$313,897
Operating Income	\$0	\$0	\$0	\$159,489	\$157,657	\$155,678	\$152,952	\$151,281	\$149,898	\$154,981	\$159,576	\$161,738	\$1,403,250
Revenue Requirement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

1/ Projected Capital Structure with Authorized Return on Equity:

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

2/ Income Tax Rate:

	2021
Tax Rate	24.4049% (Federal Tax Rate = 21%, Tax Rate = 4.31%)
1- tax rate	75.5951%

3/ Lewis & Clark Unit 1 ceased operations on March 31, 2021.

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Generation Resource Recovery Rider
Revenue Requirement - Lewis & Clark Regulatory Assets Recovery
Projected Year End 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	
Deferred Depreciation Asset	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587	\$27,831,587
Decommissioning	6,446,114	5,986,403	6,073,444	6,104,602	6,123,660	6,125,342	6,102,649	6,114,279	6,154,334	6,183,730	8,263,984	8,253,585	
Excess ADIT Amortization	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)	(1,701,444)
Accumulated Amortization	(4,252,778)	(4,706,146)	(5,166,126)	(5,628,805)	(6,094,609)	(6,563,648)	(7,036,071)	(7,512,078)	(7,991,449)	(8,474,000)	(8,959,833)	(9,426,267)	
Total Regulatory Asset	\$28,323,479	\$27,410,400	\$27,037,461	\$26,605,940	\$26,159,194	\$25,691,837	\$25,196,721	\$24,732,344	\$24,293,028	\$23,839,873	\$25,434,294	\$24,957,461	\$25,806,836
Return on Rate Base 1/	\$167,463	\$162,064	\$159,859	\$157,308	\$154,666	\$151,903	\$148,976	\$146,230	\$143,633	\$140,953	\$150,380	\$147,561	\$1,830,996
L&C Revenue	\$695,078	\$695,078	\$695,078	\$695,078	\$695,078	\$695,078	\$695,078	\$695,078	\$695,078	\$695,078	\$695,078	\$695,080	\$8,340,938
Expenses													
Amortization - Deferred Asset	\$453,368	\$459,980	\$462,679	\$465,804	\$469,039	\$472,423	\$476,007	\$479,371	\$482,551	\$485,833	\$466,434	\$469,700	\$5,643,189
Amortization - Employee Related	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	34,625	42,479	42,668	431,397
Amortization - Other	2,003	2,003	2,003	2,003	2,003	2,003	2,003	2,003	2,003	2,003	2,003	2,003	24,036
Total Expenses	\$489,996	\$496,608	\$499,307	\$502,432	\$505,667	\$509,051	\$512,635	\$515,999	\$519,179	\$522,461	\$510,916	\$514,371	\$6,098,622
Income before Taxes (EBIT)	\$205,082	\$198,470	\$195,771	\$192,646	\$189,411	\$186,027	\$182,443	\$179,079	\$175,899	\$172,617	\$184,162	\$180,709	\$2,242,316
Interest Expense	50,935	49,293	48,622	47,846	47,043	46,202	45,312	44,477	43,687	42,872	45,739	44,882	556,910
Taxable income	\$154,147	\$149,177	\$147,149	\$144,800	\$142,368	\$139,825	\$137,131	\$134,602	\$132,212	\$129,745	\$138,423	\$135,827	\$1,685,406
Income Taxes 2/	\$37,619	\$36,406	\$35,912	\$35,338	\$34,745	\$34,124	\$33,467	\$32,849	\$32,266	\$31,664	\$33,782	\$33,148	\$411,320
Net Income Taxes	\$37,619	\$36,406	\$35,912	\$35,338	\$34,745	\$34,124	\$33,467	\$32,849	\$32,266	\$31,664	\$33,782	\$33,148	\$411,320
Operating Income	\$167,463	\$162,064	\$159,859	\$157,308	\$154,666	\$151,903	\$148,976	\$146,230	\$143,633	\$140,953	\$150,380	\$147,561	\$1,830,996
Revenue Requirement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

1/ Projected Capital Structure with Authorized Return on Equity:

	Ratio	Cost	
Long Term Debt	47.152%	4.508%	2.126%
Short Term Debt	1.689%	1.909%	0.032%
Common Equity	51.159%	9.650%	4.937%
	100.000%		7.095%

2/ Income Tax Rate:

	2022
Tax Rate	24.4049% (Federal Tax Rate = 21%, Tax Rate = 4.31%)
1- tax rate	75.5951%

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Generation Resource Recovery Rider
Revenue Requirement - Heskett Regulatory Assets Recovery
Projected Year End 2022

Rate Base	Projected												Average Balance	
	Jan 2022	Feb 2022	Mar 2022	Apr 2022 3/	May 2022	June 2022	July 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022		
Deferred Depreciation Asset				\$22,751,110	\$22,751,110	\$22,751,110	\$22,751,110	\$22,751,110	\$22,751,110	\$22,751,110	\$22,751,110	\$22,751,110	\$22,751,110	
Decommissioning				550,402	775,813	1,000,938	1,251,675	1,502,579	3,036,344	4,007,168	4,773,047	5,518,281		
Excess ADIT Amortization				(2,140,773)	(2,140,773)	(2,140,773)	(2,140,773)	(2,140,773)	(2,140,773)	(2,140,773)	(2,140,773)	(2,140,773)		
Accumulated Amortization				0	(925,787)	(1,856,571)	(2,792,388)	(3,720,592)	(4,653,373)	(5,581,467)	(6,508,902)	(7,437,238)		
Total Regulatory Asset	\$0	\$0	\$0	\$21,160,739	\$20,460,363	\$19,754,704	\$19,069,624	\$18,392,324	\$18,993,308	\$19,036,038	\$18,874,482	\$18,691,380	\$19,381,440	
Return on Rate Base 1/	\$0	\$0	\$0	\$125,113	\$120,972	\$116,800	\$112,749	\$108,745	\$112,298	\$112,551	\$111,595	\$110,513	\$1,031,336	
Heskett Revenue				\$1,107,690	\$1,107,690	\$1,107,690	\$1,107,690	\$1,107,690	\$1,107,690	\$1,107,690	\$1,107,690	\$1,107,690	\$1,107,690	\$9,969,210
Expenses														
Amortization - Deferred Asset				\$925,787	\$930,784	\$935,817	\$928,204	\$932,781	\$928,094	\$927,435	\$928,336	\$929,380	\$8,366,618	
Amortization - Employee Related				28,684	28,759	28,835	41,409	41,735	42,071	42,420	42,690	42,971	339,574	
Amortization - Other				0	0	0	0	0	0	0	0	0	0	
Total Expenses	\$0	\$0	\$0	\$954,471	\$959,543	\$964,652	\$969,613	\$974,516	\$970,165	\$969,855	\$971,026	\$972,351	\$8,706,192	
Income before Taxes (EBIT)	\$0	\$0	\$0	\$153,219	\$148,147	\$143,038	\$138,077	\$133,174	\$137,525	\$137,835	\$136,664	\$135,339	\$1,263,018	
Interest Expense	0	0	0	38,054	36,795	35,526	34,294	33,076	34,156	34,233	33,943	33,613	313,690	
Taxable income	\$0	\$0	\$0	\$115,165	\$111,352	\$107,512	\$103,783	\$100,098	\$103,369	\$103,602	\$102,721	\$101,726	\$949,328	
Income Taxes 2/	\$0	\$0	\$0	\$28,106	\$27,175	\$26,238	\$25,328	\$24,429	\$25,227	\$25,284	\$25,069	\$24,826	\$231,682	
Net Income Taxes	\$0	\$0	\$0	\$28,106	\$27,175	\$26,238	\$25,328	\$24,429	\$25,227	\$25,284	\$25,069	\$24,826	\$231,682	
Operating Income	\$0	\$0	\$0	\$125,113	\$120,972	\$116,800	\$112,749	\$108,745	\$112,298	\$112,551	\$111,595	\$110,513	\$1,031,336	
Revenue Requirement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

1/ Projected Capital Structure with Authorized Return on Equity:

	Ratio	Cost	
Long Term Debt	47.152%	4.508%	2.126%
Short Term Debt	1.689%	1.909%	0.032%
Common Equity	51.159%	9.650%	4.937%
	100.000%		7.095%

2/ Income Tax Rate:

	2022
Tax Rate	24.4049% (Federal Tax Rate = 21%, Tax Rate = 4.31%)
1- tax rate	75.5951%

3/ Heskett Unit 1 and Unit 2 intend to cease operations on March 31, 2022.

Notice of Annual Update to the Generation Resource Recovery Rider with the North Dakota Public Service Commission

On November 1, 2021, Montana-Dakota Utilities Co. (Montana-Dakota) filed its application with the North Dakota Public Service Commission (Commission) to update its Generation Resource Recovery Rider (GRRR) rates in accordance with the Company's Generation Resource Recovery Rider Adjustment Rate 56 tariff that states the rates will be revised annually to reflect the most recent projected costs to be recovered.

The proposed GRRR rates include North Dakota's allocation of the Company's investment in its Reciprocating Internal Combustion Engines (RICE) units at its Lewis & Clark Generation Station that are not being recovered through the Company's electric rates.

Montana-Dakota has requested the proposed GRRR rates be effective with service rendered on and after February 1, 2022, subject to Commission review and approval. This change is only being proposed at this time and, if rates are suspended by the Commission, the new rates will not be effective until Commission action has been taken.

If approved, a typical residential customer using 894 Kwh will see a decrease of \$0.03 per month or a decrease of \$0.36 annually. The GRRR is shown as a separate line item on your bill.

		Residential & Small General
Applicable Rate Schedules		10, 13, 16, 20, 25, & 40
Current Rate		\$0.00188 per Kwh
Proposed Rate		\$0.00185 per Kwh
Change		(\$0.00003) per Kwh
		Large General
Applicable Rate Schedules		30, 31, 38, 48 and contracts
Current Rate		\$0.55663 per Kw
Proposed Rate		\$0.54680 per Kw
Change		(\$0.00983) per Kw
		Space Heating
Applicable Rate Schedule	32	
Current Rate		\$0.24058 per Kw
Proposed Rate		\$0.23976 per Kw
Change		(\$0.00082) per Kw
		Lighting
Applicable Rate Schedules	41 & 52	
Current Rate		\$0.00084 per Kwh
Proposed Rate		\$0.00091 per Kwh
Change		\$0.00007 per Kwh

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