



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

November 1, 2022

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

Re: Annual Update to the Renewable Resource Cost Adjustment Rate 55
Tariff
Case No. PU-22-____

Montana-Dakota Utilities Co. (Montana-Dakota) submits for Commission approval an original and (7) copies of the Company's Application to update its Renewable Resource Cost Adjustment (RRCA) Rate 55 tariff pursuant to the terms of Rate 55 tariff which states that "[t]he RRCA will be adjusted annually to reflect the Company's most recent projected capital costs and related expenses for projects determined to be recoverable under this schedule." Montana-Dakota requests approval of 7th Revised Sheet No. 39 of its electric tariff, provided herein as Exhibit 1, to be effective with service rendered on and after February 1, 2023.

Montana-Dakota is requesting to update its RRCA rates to reflect the projected costs through December 31, 2023 related to the Company's investment in the Thunder Spirit Wind Project, Cedar Hills Wind Project, and Diamond Willow Wind Facilities.

Included in the projected revenue requirement are Production Tax Credits (PTCs) related to the repowering of the original 13 wind turbines (Phase 1) at the Diamond Willow Wind Facility. These turbines are eligible for PTCs at the full value of \$0.026 per Kwh generated at the completion of the repowering project.

The projected costs also include an update to the depreciation rates related to the production assets of the wind facilities. These depreciation rates reflect the most recent depreciation study related to the Company's electric utility assets, which have also been included in Case No. PU-22-194. Exhibit 5, pages 11-12 reflect the depreciation rates included in the depreciation study with updates to reflect the Diamond Willow Phase 1 Repower project.

A comparison of the total proposed costs to be recovered in this filing and the approved costs to be recovered in Case No. PU-21-420 is outlined below:

	Current Filing	Prior Filing	Variance
Revenue Requirement	\$10,889,845	\$12,360,329	(\$1,470,484)
Levelization	7,764,537	6,298,380	1,466,157
Over Recovered Balance	(770,904)	(647,906)	(122,998)
	<u>\$17,883,478</u>	<u>\$18,010,803</u>	<u>(\$127,325)</u>

The total projected 2023 revenue requirement, as allocated to North Dakota, is \$10,889,845 and is detailed in Exhibit 3. The levelization of the revenue requirement includes \$7,337,347 for the Thunder Spirit Wind facility pursuant to the Orders in Case Nos. PU-19-355 and PU-20-440, and \$427,190 for the Diamond Willow Repower Project pursuant to the Order in Case No. PU-21-420. The projected 2023 RRCA rates also reflect a projected over-recovered balance of the current RRCA costs of \$770,904 for a total cost of \$17,883,478 to be collected through the proposed RRCA rates. The total costs to be recovered through the proposed rates represent a decrease of \$127,325, or a 0.71 percent decrease, from the revenues currently being collected under the RRCA.

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

A residential customer using 894 Kwh would see a total decrease of \$0.04 per month from the currently authorized charge under Rate 55, representing a decrease of \$0.48 annually. This change will constitute a decrease of approximately 0.03% in a residential customer's total bill. The proposed Renewable Resource Cost Adjustments (RRCA) rates are shown below, along with the change from the current RRCA rates implemented February 1, 2022:

	Proposed Rate	Current Rate	Change
Residential & Small General Rate/Kwh	\$0.00895	\$0.00899	(\$0.00004)
Large General/Kwh	\$0.00815	\$0.00838	(\$0.00023)
Lighting/Kwh	\$0.01161	\$0.01161	\$0.00000

Pursuant to the Commission's Orders in Case Nos. PU-19-355, PU-20-440 and PU-21-420, the above rates reflect the levelization of the revenue requirement for Thunder Spirit Wind Project and Diamond Willow Repower Project.

Please refer all inquiries regarding this filing to:

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

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

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

Montana-Dakota's request will result in a decrease in rates; therefore, a fee of \$50 via ACH will be submitted following this filing. 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 at Travis.Jacobson@mdu.com with any questions regarding this filing.

Sincerely,



Travis R. Jacobson
Director of Regulatory Affairs

Attachments

cc: Allison Waldon
Garret Senger

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

In the Matter of the Application of)
MONTANA-DAKOTA UTILITIES CO. for)
Approval its Annual Update to Renewable) Case No. PU-22-____
Resource Cost Adjustment Rate 55)

I. Summary of Application

Montana-Dakota Utilities Co. (Montana-Dakota or Company) herewith submits this Application to update the rates applicable under its Renewable Resource Cost Adjustment (RRCA) Rate 55 tariff pursuant to the terms of Rate 55 to reflect projected costs through December 2023 related to the Company’s investment in its existing renewable generation resources; namely the Thunder Spirit Wind Facility, Cedar Hills Wind Facility, and Diamond Willow Wind Facility. Montana-Dakota respectfully requests approval of its Renewable Resource Cost Adjustment Rate 55 tariff, 7th Revised Sheet No. 39, to be effective with service rendered on and after February 1, 2023. In support of the Company’s Application, Montana-Dakota is providing the following Exhibits:

- Exhibit 1 - Renewable Resource Cost Adjustment Rate 55 7th Revised Sheet No. 39
- Exhibit 2 - Derivation of Proposed Rates
- Exhibit 3 - Projected 2023 Revenue Requirement
- Exhibit 4 - Balancing Account Summary, 2021 and 2022 Monthly Revenue Requirement Calculation
- Exhibit 5 - Revenue Requirement - Detail Schedule by Wind Facility
- Exhibit 6 - Customer Notice of Filing

II. Description of Applicant

Montana-Dakota is a Delaware corporation duly authorized to do business in the State of North Dakota as a foreign corporation, and doing business in the State of North Dakota as a public utility subject to the jurisdiction of and regulation by the North Dakota Public Service Commission (Commission) under North Dakota Century Code (N.D.C.C.) 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 93,621 customers in North Dakota as of September 30, 2022.

III. Background of Renewable Resource Recovery Rider Rate 55

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

and the AARP, authorizing the recovery of the Company's existing wind facilities (Cedar Hills, Diamond Willow, and Thunder Spirit) through the Rate 55 tariff, as well as a true up of the over collected balance through December 31, 2016. The current RRCA rates were implemented effective with service rendered on and after February 1, 2022 in Case No. PU-21-420.

On May 16, 2022, the Company filed a general rate case with the Commission in Case No. PU-22-194. As part of this general rate case, all aspects of the existing wind facilities were excluded from the revenue requirement in that rate case. Montana-Dakota intends to continue to recover the revenue requirement related to existing wind facilities in the RRCA.

Montana-Dakota is now requesting to update its RRCA rates to reflect projected costs through December 2023 for all existing wind facilities (Cedar Hills, Diamond Willow and Thunder Spirit) and to include the projected over collected balance as of January 2023. Pursuant to the Commission's Orders in Case Nos. PU-19-355, PU-20-440 and PU-21-420, a levelization component has been included in the requested recovery. The Company is proposing the rates proposed herein be effective with service rendered on and after February 1, 2023.

IV. Calculation of the Proposed RRCA Rates

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

- *Exhibit 2* shows the proposed RRCA rates and the allocation of the total costs to each of the rate classes, including all special contracts. The total costs to be recovered include the projected RRCA over collected balance of \$770,904 as of

January 31, 2023, the projected 2023 revenue requirement of \$10,889,845 associated with Thunder Spirit, Cedar Hill, and Diamond Willows wind facilities and the projected levelization adjustment of \$7,764,537 reflective of the Commission's Orders in Case Nos. PU-19-355, PU-20-440, and PU-21-420. Projected costs are then allocated to the rate classes based on the Company's Demand/Energy Factor No. 3, and divided by the forecasted billing determinants. A comparison of the current revenue requirement to the prior year is outlined below:

	Current Filing	Prior Filing	Variance
Revenue Requirement	\$10,889,845	\$12,360,329	(\$1,470,484)
Levelization	7,764,537	6,298,380	1,466,157
Over Recovered Balance	(770,904)	(647,906)	(122,998)
	<u>\$17,883,478</u>	<u>\$18,010,803</u>	<u>(\$127,325)</u>

As outlined above, the levelization amount that is being projected for the 2023 period is increasing. This is to better match the revenue requirement, exclusive of Production Tax Credits (PTCs) for 2023 with a typical asset life and spread the value of PTCs over the expected life of the wind assets. The current year levelization adjustment is outlined on Exhibit 5, page 10. The prior period Over Recovered balance has increased slightly from the prior filing Over Recovered Balance. Further explanation of the Over Recovered balance is explained in Exhibit 4.

- *Exhibit 3* shows the projected monthly revenue requirements for Montana-Dakota's wind projects for the year ending December 2023. The projected revenue requirement for the twelve months ending December 31, 2023 as

allocated to North Dakota is \$10,889,845 as shown in Exhibit 3. This represents a decrease of \$1,470,484 from the revenue requirement authorized in Case No. PU 21-420. The revenue requirement is comprised of:

- Average rate base of \$122,681,414. Capital additions of \$900,419 have been included in rate base during 2023 to reflect the gearbox replacements at Cedar Hills and Diamond Willow Phase 2 turbines, and a Pitch System upgrade at the Diamond Willow Phase 2 turbines. Also included in rate base is a regulatory liability accruing the Thunder Spirit Levelizing adjustment as ordered in Case No. PU-20-440 and the Diamond Willow Phase 1 Repower Levelizing adjustment as ordered in Case No. PU-21-420.
- Continued amortization of the decommissioning costs authorized in Case No. PU-16-666, updated for the most recent decommissioning estimate to include the decommissioning estimate related to the Expansion of the Thunder Spirit facility.
- Federal Production Tax Credits (PTCs): reflects a credit of 2.6 cents per Kwh of production from the Thunder Spirit Wind Facility and Diamond Willow Wind Facility Phase 1 Repower. In the prior year filing, it was assumed the Diamond Willow Repowering would qualify for PTC credits at 80% of the full value. Based on benefits defined in the Inflation Reduction Act of 2022, Montana-Dakota now expects that these credits will be accrued at the full value of 2.6 cents per Kwh as well. The available PTCs are included as a reduction to taxes, but also as an addition to rate base

as appropriate.

- Return: reflective of the projected 2023 Capital Structure and the Return on Equity of 9.65% authorized in the Company's last electric rate case (Case No. PU-16-666). The Company is currently in a general rate case, Case No. PU-22-194, to update its Electric base rates and the return on equity from this general rate case will be implemented in the next annual true-up.
- O&M: reflects the annual operating costs and the annual easement payments for each facility. O&M costs are recorded separately for each wind facility.
- Depreciation Expense: annual depreciation rates for production and transmission related assets, based on a 25-year life for all wind facilities. Current depreciation rates were authorized in Case No. PU-16-666. The Company is proposing in this filing to update depreciation rates related to the Production assets of the Thunder Spirit Wind Facility, Diamond Willow Wind Facility, and Cedar Hills wind facility to reflect an updated depreciation study as outlined on Exhibit 5, pages 11 – 12. This depreciation study is based on the same time frame and methods as being submitted in Company's general rate case, Case No. PU-22-194. Further discussion on the depreciation rates update is on page 9. Transmission asset depreciation rates were not updated as those depreciation rates are being reviewed in the general rate case and will be implemented, if approved, in the next annual true-up.

- Taxes Other than Income: reflective of the production tax rate applicable under N.D.C.C. 57-33.2.04: Wind Generation Taxation.
- Income Taxes: current federal and state income tax rates.
- ARAM Reversal: The Tax Cuts and Jobs Act of 2017 required re-measurement of the accumulated deferred income tax balance to determine the amount of excess deferred income tax to be returned to customers over the remaining life of the asset. The excess deferred income taxes on the Cedar Hills, Diamond Willow, and Thunder Spirit assets results in a projected annual amortization of \$826,506 for 2023, which is a reduction to deferred income tax expense.
- The facilities located in North Dakota are eligible for the North Dakota income tax credit (ITC) for installation of wind energy devices under N.D.C.C. Section 57-38-30. The Facilities are projected to have a carry forward credit of approximately \$7.6 million available at the end of 2022, and it is projected that \$1,138,089 of the credit will be utilized in 2023. Since the credit allowed under the statute may not exceed the liability for tax, the excess will be carried forward for future use. Deferred tax is only established when the credit is utilized, and the deferred tax benefit is then amortized over the life of the assets. Based on the projected credit utilization, the deferred tax balance at the end of 2023 is projected to be approximately \$8.8 million.
- *Exhibit 4* shows the projected RRCA Balancing Account (per Paragraph 2d of Rate 55) through January 2022. The monthly over or under collected balance

includes a carrying charge based on the three-month Treasury Bill rate as published monthly by the Federal Reserve Board. Finally, the levelization adjustment is presented as a component of total revenue collected and that revenue will be held by the Company to offset the revenue requirement in future periods. The difference between the levelizing adjustment and actual per unit revenue collected is represented as an adjustment to the revenue included in the balancing account as shown in Exhibit 4, page 2.

- *Exhibit 5* shows the projected monthly revenue requirements in detail for each of the three existing wind projects, including the expansion to Thunder Spirit and the repowering of the Phase 1 Diamond Willow, for the years ending December 2022 and December 2023.

V. Plant Additions to Wind Facility Projects

The Company is proposing to include the additions outlined on Exhibit 5, page 9 in the proposed rates. The additions include a provision for gearbox replacements at the Diamond Willow facility for Phase 2 turbines and Cedar Hills facility, and a Pitch System Upgrade at the Diamond Willow Phase 2 turbines. The Pitch System Upgrade project will replace the turbine pitch system on the Diamond Willow Phase 2 turbines to align these components with those installed on the Phase 1 turbines after the Phase 1 Repower project. The upgrade will result in improved functionality, as the newer system has less components and communicates better with the control system. Total additions being included in the projected 2023 revenue requirement allocated to North Dakota are \$900,419.

The proposed rates also include the cost of the Diamond Willow Phase 1

Repower project and the Thunder Spirit Lighting Mitigation projects as discussed and approved in Case No. PU-21-420. The estimated costs from the prior filing and estimated costs included in the current filing are outlined below.

Project Description	Prior Proj.Cost	Current Proj. Cost
Thunder Spirit Lighting Mitigation	\$1,276,583	\$931,138
Diamond Willow Phase 1 Repower	\$10,947,751	\$10,574,919

The reduction in cost for the Lighting Mitigation project is due to the Company finding savings in contractor costs. The reduction in cost for the Diamond Willow Phase 1 Repower project is due to a reduction in the built-in contingency for unknown costs as the project progressed. The projected revenue requirement also includes an estimated retirement adjustment to projected plant in service and reserve related to the repower project. The retirement adjustment is a reduction to plant in service and reserve for Diamond Willow assets in October 2022, as well as an adjustment to depreciation expense starting in November 2022. These projects and associated costs are identified in Exhibit 5, page 4.

VI. Updated Depreciation Rates

The Company is proposing to update the depreciation rates of the production related assets of the Thunder Spirit Wind Facility, Diamond Willow Wind Facility, and Cedar Hills Wind Facility to reflect the updated depreciation rates. The updated depreciation rates are from a depreciation study prepared for Montana-Dakota by Consentric Advisors, ULC, based on plant in service as of December 31, 2020. The rate for the Diamond Willow Wind Facility account 344 assets was adjusted to account for the Phase 1 Repower project. See Exhibit 5, pages 11 – 12 for detail on the

updated depreciation rates. The Company is proposing to include depreciation expense at the revised rates as of January 1, 2023. The revised depreciation monthly expense is outlined on Exhibit 5, page 8. On this page, the plant in service as of December 2022 is shown with the updated depreciation rates to calculate an updated monthly expense. The updated monthly expense is reflected in the projected 2023 revenue requirement on Exhibit 3, page 1. The updated depreciation rates result in an annual increase in costs of \$989,556 over the current depreciation rates which is primarily driven by the Thunder Spirit Wind Facility.

VII. Update to Diamond Willow Phase 1 Repower Levelization

The Company proposed a PTC levelization method for the estimated total PTC value for the Diamond Willow Phase 1 turbines following the Repower project in Case No. PU-21-420. The proposed levelization was consistent with the approved method for the Thunder Spirit Wind Facility levelization, which is a Levelized Return method with the estimated PTC's being estimated at 80% of the full value. On January 26, 2022, Montana-Dakota provided full levelized PTC adjustment percentage for years 2022 through 2035 for the full Levelized PTC method below:

2022	2023	2024	2025	2026	2027	2028
1.8%	7.6%	7.6%	7.5%	7.6%	7.5%	7.6%
2029	2030	2031	2032	2033	2034	2035
7.5%	7.6%	7.5%	7.6%	7.5%	7.6%	7.5%

The Commission's Order outlined that the levelization method for the Diamond Willow Phase 1 Repower PTC's will be a full Levelized PTC method. In the current filing, the Company is adjusting the total estimated PTC value to reflect the credits at

the full current value of \$0.026 per Kwh, which results in an estimated lifetime PTC value of \$11,641,630. In the prior filing, the estimated PTC value was calculated at \$0.02 per Kwh, which is 80% of the full value of PTC's at the time of \$0.025 per Kwh and resulted in an estimated lifetime PTC value of \$8,955,100. Reflecting this change on the total estimated PTC value for the life of the project will be more reflective of the expected actual PTC's to be accrued in the coming years. See Exhibit 5, page 10 for the updated total estimated PTC values and projected levelizing adjustment.

VII. Estimated Impact by Customer Class

As shown in Exhibit 2, Montana-Dakota's projected 2023 costs to be recovered under the RRCA rates are \$17,883,478 which includes the projected over-recovered balance of \$770,904. A residential customer using 894 Kwh would see a decrease of \$0.04 per month, or \$0.48 annually.

Montana-Dakota requests approval of the following RRCA rates to be effective February 1, 2023:

	Proposed Rate	Current Rate	Change
Residential & Small General Rate/Kwh	\$0.00895	\$0.00899	(\$0.00004)
Large General/Kwh	\$0.00815	\$0.00838	(\$0.00023)
Lighting/Kwh	\$0.01161	\$0.01161	\$0.00000

Montana-Dakota has included as Exhibit 6 a Customer Notice to be included with customer's bills starting thirty days from date of filing in accordance with N.D.C.C. § 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's request will result in a decrease in rates; therefore, a fee of \$50 via ACH will be submitted following this filing. In the event the Commission deems an additional deposit is required, Montana-Dakota will submit the required fees.

VI. Conclusion

Montana-Dakota respectfully requests that the Commission approve this annual update to the Company's RRCA rates applicable under Renewable Resource Cost Adjustment Rate 55 tariff to be effective with service rendered on and after February 1, 2023.

Dated this 1st day of November 2022.



Travis R. Jacobson
Director of Regulatory Affairs

Of Counsel:

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

Exhibit 1



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
7th Revised Sheet No. 39
Canceling 6th Revised Sheet No. 39

Renewable Resource Cost Adjustment Rate 55

Page 1 of 1

1. Applicability:

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

2. Renewable Resource Cost Adjustment:

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

3. Renewable Resource Cost Adjustment:

Residential & Small General	0.895¢ per Kwh
Large General	0.815¢ per Kwh
Lighting	1.161¢ per Kwh

Date Filed: November 1, 2022

Effective Date:

Issued By: Travis R. Jacobson
Director – Regulatory Affairs

Case No.: PU-22-____

Tariff Reflecting Proposed Changes



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4

~~67~~⁶⁷th Revised Sheet No. 39

Canceling ~~56~~⁵⁶th Revised Sheet No. 39

Renewable Resource Cost Adjustment Rate 55

Page 1 of 1

1. **Applicability:**

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

2. **Renewable Resource Cost Adjustment:**

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

3. **Renewable Resource Cost Adjustment:**

Residential & Small General	0.8990 ^{0.8990} ⁸⁹⁵ ¢ per Kwh
Large General	0.8380 ^{0.8380} ⁸¹⁵ ¢ per Kwh
Lighting	1.161¢ per Kwh

Date Filed: November 1, 2021~~2~~

Effective Date: ~~Service rendered on and after February 1, 2022~~

Issued By: Travis R. Jacobson
Director – Regulatory Affairs

Case No.: PU-21-42922-___

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Proposed 2023 Renewable Rider Rates**

	<u>Total</u>
Revenue Requirement 1/	\$10,889,845
Levelization 1/	7,764,537
Over Recovery 2/	<u>(770,904)</u>
Total Cost to be Recovered through RRCA Rates	<u><u>\$17,883,478</u></u>

	<u>Allocated</u>	<u>Projected Billing</u>	<u>Proposed</u>
<u>Allocation of Costs & Proposed Rates</u>	<u>RRCA Costs 3/</u>	<u>Determinants</u>	<u>RRCA Rates</u>
Residential & Small General	\$7,683,280	858,418,977 Kwh	\$0.00895 per Kwh
Large General	9,999,403	1,226,560,126 Kwh	\$0.00815 per Kwh
Lighting	<u>200,795</u>	17,300,497 Kwh	\$0.01161 per Kwh
	<u><u>\$17,883,478</u></u>		

	<u>Proposed</u>	<u>Current</u>	<u>Change in</u>
<u>Change in Rates</u>	<u>RRCA Rates</u>	<u>RRCA Rates 4/</u>	<u>RRCA Rates</u>
Residential & Small General	\$0.00895	\$0.00899	(\$0.00004)
Large General	\$0.00815	\$0.00838	(\$0.00023)
Lighting	\$0.01161	\$0.01161	\$0.00000

1/ Exhibit 3, page 1.

2/ Exhibit 4, page 1.

3/ Demand/Energy for Wind Allocation Factor 3

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

4/ Current RRCA rates effective February 1, 2022.

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Actual/Projected Year End 2023**

	Projected												Average Balance	
	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023	July 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023		
Rate Base														
Total Plant Balance	\$279,172,480	\$279,172,480	\$279,172,480	\$279,172,480	\$279,172,480	\$279,172,480	\$279,764,543	\$279,764,543	\$279,764,543	\$280,072,899	\$280,072,899	\$280,072,899	\$279,545,601	
Total Accumulated Reserve	76,919,903	77,968,450	79,016,997	80,065,544	81,114,091	82,162,638	83,211,185	84,261,751	85,312,317	86,362,883	87,414,585	88,466,287		
Net Plant in Service	\$202,252,577	\$201,204,030	\$200,155,483	\$199,106,936	\$198,058,389	\$197,009,842	\$196,553,358	\$195,502,792	\$194,452,226	\$193,710,016	\$192,658,314	\$191,606,612	196,855,881	
Less: Deferred Taxes	\$48,864,160	\$48,581,411	\$48,281,844	\$48,034,539	\$47,809,265	\$47,587,944	\$47,367,432	\$47,122,647	\$46,903,514	\$46,718,959	\$46,543,294	\$46,339,696		
Less: Investment Tax Credit	7,762,952	7,857,793	7,952,634	8,047,475	8,142,316	8,237,157	8,331,998	8,426,839	8,521,680	8,616,521	8,711,362	8,806,203		
Less: Levelization Reg Liability	14,836,405	15,522,794	16,311,266	16,917,713	17,467,097	18,032,406	18,627,574	19,355,377	20,010,190	20,556,495	21,098,494	21,788,159		
Total Rate Base	\$130,789,060	\$129,242,032	\$127,609,739	\$126,107,209	\$124,639,711	\$123,152,335	\$122,226,354	\$120,597,929	\$119,016,842	\$117,818,041	\$116,305,164	\$114,672,554	122,681,414	
Return on Rate Base 1/	\$771,764	\$762,636	\$753,004	\$744,138	\$735,478	\$726,701	\$721,237	\$711,628	\$702,299	\$695,225	\$686,297	\$676,664	\$8,687,071	
Expenses														
Operating Expenses													Total	
Total O&M	\$275,316	\$275,316	\$275,316	\$275,316	\$275,316	\$275,316	\$275,316	\$275,316	\$275,316	\$275,316	\$275,316	\$275,316	\$881,142	\$3,909,618
Total Depreciation	1,048,547	1,048,547	1,048,547	1,048,547	1,048,547	1,048,547	1,048,547	1,050,566	1,050,566	1,050,566	1,051,702	1,051,702	12,594,931	
Property taxes	64,112	64,112	64,112	64,112	64,112	64,112	64,112	64,112	64,112	64,112	64,112	64,112	769,344	
Payroll taxes	3,265	3,265	3,265	3,265	3,265	3,265	3,265	3,265	3,265	3,265	3,265	3,265	39,180	
Total Expenses	\$1,391,240	\$1,391,240	\$1,391,240	\$1,391,240	\$1,391,240	\$1,391,240	\$1,391,240	\$1,393,259	\$1,393,259	\$1,393,259	\$1,394,395	\$2,000,221	\$17,313,073	
Income before Taxes (EBIT)	(\$1,391,240)	(\$1,391,240)	(\$1,391,240)	(\$1,391,240)	(\$1,391,240)	(\$1,391,240)	(\$1,391,240)	(\$1,393,259)	(\$1,393,259)	(\$1,393,259)	(\$1,394,395)	(\$2,000,221)	(\$17,313,073)	
Interest Expense	237,382	234,574	231,612	228,885	226,221	223,521	221,841	218,885	216,016	213,840	211,094	208,131	2,672,002	
AFUDC Equity Add Back	25,034	25,034	25,034	25,034	25,034	25,034	25,034	25,034	25,034	25,034	25,034	25,031	300,405	
Taxable income	(\$1,603,588)	(\$1,600,780)	(\$1,597,818)	(\$1,595,091)	(\$1,592,427)	(\$1,589,727)	(\$1,588,047)	(\$1,587,110)	(\$1,584,241)	(\$1,582,065)	(\$1,580,455)	(\$2,183,321)	(\$19,684,670)	
Income Taxes 2/	(\$391,354)	(\$390,669)	(\$389,946)	(\$389,280)	(\$388,630)	(\$387,971)	(\$387,561)	(\$387,333)	(\$386,632)	(\$386,101)	(\$385,708)	(\$532,837)	(\$4,804,022)	
Less: ARAM Amortization	68,876	68,876	68,876	68,876	68,876	68,876	68,876	68,876	68,876	68,876	68,876	68,870	826,506	
Production Tax Credit	1,357,491	903,739	991,333	821,445	949,454	855,759	846,148	672,990	824,442	1,334,469	1,114,902	1,465,255	12,137,427	
Net Income Taxes	(\$1,817,721)	(\$1,363,284)	(\$1,450,155)	(\$1,279,601)	(\$1,406,960)	(\$1,312,606)	(\$1,302,585)	(\$1,129,199)	(\$1,279,950)	(\$1,789,446)	(\$1,569,486)	(\$2,066,962)	(\$17,767,955)	
Operating Income	\$426,481	(\$27,956)	\$58,915	(\$111,639)	\$15,720	(\$78,634)	(\$88,655)	(\$264,060)	(\$113,309)	\$396,187	\$175,091	\$66,741	\$454,882	
Revenue Requirement	\$456,753	\$1,045,824	\$918,167	\$1,132,054	\$952,123	\$1,065,327	\$1,071,355	\$1,290,676	\$1,078,916	\$395,579	\$676,242	\$806,829	\$10,889,845	
														Thunder Spirit PTC Levelization, grossed up: 7,337,347 3/
														Diamond Willow PTC Levelization, grossed up: 427,190 3/
														Total Projected 2023: \$18,654,382

1/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost	
Long Term Debt:	44.587%	4.503%	2.008%
Short Term Debt:	4.603%	3.684%	0.170%
Common Equity:	50.810%	9.650%	4.903%
	100.000%		7.081%

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

3/ Exhibit 5, page 10.

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

	Cumulative								
	Beginning Balance	Revenue Requirement 1/	Revenue Collected 2/	Ending Balance 3/	Carrying Charge Calculation			Carrying Charge 4/	Grand Total (Over)/Under Collection
Deferred Income Tax					Net Balance	Rate 4/			
September 2021								\$1,286,510	5/
October	\$1,286,510	\$826,827	\$1,143,231	970,106	236,753	733,353	0.05%	\$40	970,146
November	970,106	937,759	1,099,273	808,592	197,336	611,256	0.05%	31	808,663
December	808,592	1,599,843	1,406,002	1,002,433	244,643	757,790	0.06%	31	1,002,535
January 2022	1,002,433	500,730	1,557,275	(54,112)	-	(54,112)	0.15%	95	(53,915)
February	(54,112)	680,661	1,234,161	(607,612)	-	(607,612)	0.33%	(15)	(607,430)
March	(607,612)	760,908	1,219,818	(1,066,522)	-	(1,066,522)	0.44%	(223)	(1,066,563)
April	(1,066,522)	778,339	932,633	(1,220,816)	-	(1,220,816)	0.76%	(675)	(1,221,532)
May	(1,220,816)	975,972	844,519	(1,089,363)	-	(1,089,363)	0.98%	(997)	(1,091,076)
June	(1,089,363)	1,311,014	865,089	(643,438)	-	(643,438)	1.49%	(1,353)	(646,504)
July	(643,438)	1,428,276	915,049	(130,211)	-	(130,211)	2.23%	(1,196)	(134,473)
August	(130,211)	1,349,087	1,119,941	98,935	24,145	74,790	2.63%	(285)	94,388
September	98,935	1,226,249	1,005,405	319,779	78,042	241,737	3.13%	195	315,427
October - Est.	319,779	602,911	836,011	86,679	21,154	65,525	3.13%	631	82,958
November - Est.	86,679	688,859	832,916	(57,378)	-	(57,378)	3.13%	171	(60,928)
December - Est.	(57,378)	876,143	1,062,702	(243,937)	-	(243,937)	3.13%	(150)	(247,637)
January 2023 - Est.	(243,937)	456,753	980,749	(767,933)	-	(767,933)	3.13%	(636)	(772,269)
Total		\$15,000,331	\$17,054,774					(\$4,336)	

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

2/ Reflects revenues collected at established rates net of additional revenue collected for levelization. Additional revenues for levelization effective February 1, 2021 in Case No. PU-20-440 and effective February 1, 2022 in Case No. PU-21-420.

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

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

5/ September 2021 (Over)/Under balance per Case No. PU-21-420, Exhibit 4, page 1.

**North Dakota Renewable Rider
Revenue Breakdown**

	Total Revenue Collected	Levelizing Adjustment in Rates 1/	Net Revenue Collected
October 2021	<u>\$1,505,127</u>	<u>\$361,896</u>	<u>\$1,143,231</u>
November	1,446,498	347,225	1,099,273
December	<u>1,848,829</u>	<u>442,827</u>	<u>1,406,002</u>
	<u>\$4,800,454</u>	<u>\$1,151,948</u>	<u>\$3,648,506</u>
January 2022	\$2,216,582	\$659,307	\$1,557,275
February	1,790,941	556,780	1,234,161
March	1,859,405	639,587	1,219,818
April	1,424,567	491,934	932,633
May	1,290,164	445,645	844,519
June	1,323,652	458,563	865,089
July	1,397,833	482,784	915,049
August	1,710,315	590,374	1,119,941
September	1,536,572	531,167	1,005,405
October - Est.	1,279,159	443,148	836,011
November - Est.	1,272,571	439,655	832,916
December - Est.	<u>1,622,138</u>	<u>559,436</u>	<u>1,062,702</u>
	<u>\$18,723,899</u>	<u>\$6,298,380</u>	<u>\$12,425,519</u>
January 2023 - Est.	\$1,793,532	\$812,783	\$980,749
February - Est.		686,389	
March - Est.		788,472	
April - Est.		606,447	
May - Est.		549,384	
June - Est.		565,309	
July - Est.		595,168	
August - Est.		727,803	
September - Est.		654,813	
October - Est.		546,305	
November - Est.		541,999	
December - Est.		<u>689,665</u>	
		<u>\$7,764,537</u>	

1/ Levelization adjustment is amount included in established rates.

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

	Actual from Prior Filing									Actual			Average Balance
	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	June 2021	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	
Rate Base													
Total Plant Balance	\$280,633,059	\$280,635,979	\$280,446,286	\$280,471,311	\$280,459,818	\$280,459,818	\$280,462,544	\$280,455,528	\$280,455,694	\$280,494,115	\$280,494,779	\$280,541,112	\$280,500,837
Total Accumulated Reserve	67,321,872	68,346,372	68,987,132	69,943,306	70,909,272	71,880,094	72,850,756	73,821,576	74,792,452	75,730,089	76,701,091	77,678,780	
Net Plant in Service	\$213,311,187	\$212,289,607	\$211,459,154	\$210,528,005	\$209,550,546	\$208,579,724	\$207,611,788	\$206,633,952	\$205,663,242	\$204,764,026	\$203,793,688	\$202,862,332	208,087,271
Less: Deferred Taxes	\$55,396,896	\$55,150,750	\$54,907,433	\$54,697,794	\$54,511,826	\$54,322,473	\$54,134,751	\$53,947,782	\$53,790,631	\$53,644,815	\$53,606,252	\$53,467,861	
Less: Investment Tax Credit	5,939,809	6,018,701	6,097,592	6,176,483	6,255,374	6,334,265	6,413,157	6,492,048	6,570,939	6,649,830	6,358,664	6,437,555	
Less: Levelization Reg Liability	3,335,575	3,767,753	4,234,153	4,606,928	4,928,589	5,308,494	5,727,540	6,189,321	6,573,294	6,935,190	7,282,415	7,725,242	
Total Rate Base	\$148,638,907	\$147,352,403	\$146,219,976	\$145,046,800	\$143,854,757	\$142,614,492	\$141,336,340	\$140,004,801	\$138,728,378	\$137,534,191	\$136,546,357	\$135,231,674	141,925,756
Return on Rate Base 1/	\$859,504	\$852,065	\$845,517	\$838,733	\$831,840	\$824,668	\$817,277	\$809,578	\$802,197	\$795,291	\$789,579	\$781,977	\$9,848,226
Expenses													
Operating Expenses													Total
Total O&M	\$248,924	\$249,468	\$287,096	\$286,591	\$280,329	\$280,536	\$279,459	\$279,362	\$301,683	\$281,273	\$266,907	\$930,393	\$3,972,021
Total Depreciation	971,757	971,454	971,465	970,841	970,928	970,889	970,888	970,899	970,876	970,876	971,000	971,001	11,652,874
Property taxes	62,631	62,631	62,631	62,631	62,631	62,631	62,631	62,631	62,631	64,575	64,575	64,575	757,404
Payroll taxes	4,129	3,243	3,847	3,652	3,566	3,784	3,594	3,572	3,721	3,137	2,648	3,937	42,830
Total Expenses	\$1,287,441	\$1,286,796	\$1,325,039	\$1,323,715	\$1,317,454	\$1,317,840	\$1,316,572	\$1,316,464	\$1,338,911	\$1,319,861	\$1,305,130	\$1,969,906	\$16,425,129
Income before Taxes (EBIT)	(\$1,287,441)	(\$1,286,796)	(\$1,325,039)	(\$1,323,715)	(\$1,317,454)	(\$1,317,840)	(\$1,316,572)	(\$1,316,464)	(\$1,338,911)	(\$1,319,861)	(\$1,305,130)	(\$1,969,906)	(\$16,425,129)
Interest Expense	263,958	261,673	259,662	257,579	255,462	253,260	250,990	248,625	246,358	244,238	242,484	240,149	3,024,438
AFUDC Equity Add Back	25,404	25,404	25,404	25,404	25,404	25,404	25,404	25,404	25,404	17,611	17,611	17,610	281,468
Taxable income	(\$1,525,995)	(\$1,523,065)	(\$1,559,297)	(\$1,555,890)	(\$1,547,512)	(\$1,545,696)	(\$1,542,158)	(\$1,539,685)	(\$1,559,865)	(\$1,546,488)	(\$1,530,003)	(\$2,192,445)	(\$19,168,099)
Income Taxes 2/	(\$372,418)	(\$371,702)	(\$380,545)	(\$379,713)	(\$377,669)	(\$377,226)	(\$376,362)	(\$375,759)	(\$380,683)	(\$377,419)	(\$373,396)	(\$535,064)	(\$4,677,956)
Less: ARAM Amortization	68,665	68,665	68,665	68,665	68,665	68,665	68,665	68,665	68,665	54,844	54,844	54,845	782,518
Production Tax Credit	883,346	859,850	822,747	789,940	720,995	637,917	656,013	711,772	708,616	1,057,848	957,569	952,571	9,759,184
Net Income Taxes	(\$1,324,429)	(\$1,300,217)	(\$1,271,957)	(\$1,238,318)	(\$1,167,329)	(\$1,083,808)	(\$1,101,040)	(\$1,156,196)	(\$1,157,964)	(\$1,490,111)	(\$1,385,809)	(\$1,542,480)	(\$15,219,658)
Operating Income	\$36,988	\$13,421	(\$53,082)	(\$85,397)	(\$150,125)	(\$234,032)	(\$215,532)	(\$160,268)	(\$180,947)	\$170,250	\$80,679	(\$427,426)	(\$1,205,471)
Revenue Requirement	\$1,088,055	\$1,109,389	\$1,188,700	\$1,222,473	\$1,298,980	\$1,400,488	\$1,366,238	\$1,282,948	\$1,300,539	\$826,827	\$937,759	\$1,599,843	\$14,622,239

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%	2.131%
Common Equity:	49.819%	9.650%	4.808%	
	100.000%		6.939%	

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

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Actual/Projected Year End 2022**

	Actual									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	\$281,109,021	\$281,113,926	\$281,052,354	\$281,033,615	\$281,046,996	\$281,030,231	\$281,055,717	\$280,970,810	\$280,987,673	\$279,172,480	\$279,172,480	\$279,172,480	\$280,576,482
Total Accumulated Reserve	78,726,201	79,699,235	80,607,168	81,627,825	82,600,608	83,556,480	84,532,920	85,315,444	86,288,000	73,939,306	74,905,331	75,871,356	
Net Plant in Service	\$202,382,820	\$201,414,691	\$200,445,186	\$199,405,790	\$198,446,388	\$197,473,751	\$196,522,797	\$195,655,366	\$194,699,673	\$205,233,174	\$204,267,149	\$203,301,124	199,937,326
Less: Deferred Taxes	\$52,268,604	\$51,997,256	\$51,715,774	\$51,480,081	\$51,265,774	\$51,058,067	\$50,854,524	\$50,634,800	\$50,439,280	\$50,275,316	\$50,121,959	\$49,949,457	
Less: Investment Tax Credit	6,540,101	6,642,648	6,745,194	6,847,740	6,950,287	7,052,833	7,155,379	7,257,926	7,360,472	7,463,018	7,565,564	7,668,111	
Less: Levelization Reg Liability	8,384,549	8,941,329	9,580,916	10,072,850	10,518,495	10,977,058	11,459,842	12,050,216	12,581,383	13,024,531	13,464,186	14,023,622	
Total Rate Base	\$135,189,566	\$133,833,458	\$132,403,302	\$131,005,119	\$129,711,832	\$128,385,793	\$127,053,052	\$125,712,424	\$124,318,538	\$134,470,309	\$133,115,440	\$131,659,934	130,571,564
Return on Rate Base 1/	\$797,956	\$789,952	\$781,510	\$773,258	\$765,624	\$757,797	\$749,931	\$742,018	\$733,790	\$793,711	\$785,714	\$777,123	\$9,248,384
Expenses													
Operating Expenses													Total
Total O&M	\$292,781	\$260,491	\$265,772	\$269,683	\$261,177	\$273,566	\$262,566	\$276,695	\$259,878	\$259,878	\$259,878	\$921,125	\$3,863,490
Total Depreciation	972,962	973,035	973,051	972,846	972,783	972,829	972,768	972,855	972,556	972,556	966,025	966,025	11,660,291
Property taxes	64,112	64,112	64,112	64,112	64,112	64,112	64,112	64,112	64,112	64,112	64,112	64,112	769,344
Payroll taxes	4,054	4,233	3,345	3,213	2,916	3,340	2,912	2,961	2,906	3,100	3,100	3,100	39,180
Total Expenses	\$1,333,909	\$1,301,871	\$1,306,280	\$1,309,854	\$1,300,988	\$1,313,847	\$1,302,358	\$1,316,623	\$1,299,452	\$1,299,646	\$1,293,115	\$1,954,362	\$16,332,305
Income before Taxes (EBIT)	(\$1,333,909)	(\$1,301,871)	(\$1,306,280)	(\$1,309,854)	(\$1,300,988)	(\$1,313,847)	(\$1,302,358)	(\$1,316,623)	(\$1,299,452)	(\$1,299,646)	(\$1,293,115)	(\$1,954,362)	(\$16,332,305)
Interest Expense	245,820	243,354	240,753	238,211	235,859	233,448	231,025	228,587	226,053	244,512	242,048	239,402	2,849,072
AFUDC Equity Add Back	10,851	10,851	10,851	10,851	10,851	10,851	10,851	10,851	10,851	10,851	10,851	10,849	130,210
Taxable income	(\$1,568,878)	(\$1,534,374)	(\$1,536,182)	(\$1,537,214)	(\$1,525,996)	(\$1,536,444)	(\$1,522,532)	(\$1,534,359)	(\$1,514,654)	(\$1,533,307)	(\$1,524,312)	(\$2,182,915)	(\$19,051,167)
Income Taxes 2/	(\$382,883)	(\$374,462)	(\$374,904)	(\$375,156)	(\$372,418)	(\$374,968)	(\$371,572)	(\$374,459)	(\$369,650)	(\$374,202)	(\$372,007)	(\$532,738)	(\$4,649,419)
Less: ARAM Amortization	71,176	71,176	71,176	71,176	71,176	71,176	71,176	71,176	71,176	71,176	71,176	71,171	854,107
Production Tax Credit	1,299,279	1,131,639	1,066,501	1,048,394	885,231	634,438	529,834	593,162	665,432	1,192,208	1,114,902	1,465,255	11,626,275
Net Income Taxes	(\$1,753,338)	(\$1,577,277)	(\$1,512,581)	(\$1,494,726)	(\$1,328,825)	(\$1,080,582)	(\$972,582)	(\$1,038,797)	(\$1,106,258)	(\$1,637,586)	(\$1,558,085)	(\$2,069,164)	(\$17,129,801)
Operating Income	\$419,429	\$275,406	\$206,301	\$184,872	\$27,837	(\$233,265)	(\$329,776)	(\$277,826)	(\$193,194)	\$337,940	\$264,970	\$114,802	\$797,496
Revenue Requirement	\$500,730	\$680,661	\$760,908	\$778,339	\$975,972	\$1,311,014	\$1,428,276	\$1,349,087	\$1,226,249	\$602,911	\$688,859	\$876,143	\$11,179,149

1/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost	
Long Term Debt:	46.688%	4.506%	2.104%
Short Term Debt:	2.525%	3.079%	0.078%
Common Equity:	50.787%	9.650%	4.901%
	100.000%		7.083%

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

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Actual/Projected Year End 2022

	Actual					
	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022
Rate Base						
Plant Balance						
Thunder Spirit Production	\$140,265,946	\$140,265,946	\$140,200,829	\$140,200,829	\$140,208,621	\$140,208,703
Thunder Spirit Transmission	5,609,797	5,609,797	5,609,797	5,609,797	5,609,797	5,609,797
Thunder Spirit Expansion	59,686,676	59,686,676	59,686,676	59,686,676	59,686,676	59,686,676
Cedar Hills Production	31,025,944	31,027,085	31,030,630	31,017,765	31,017,765	31,017,765
Diamond Willow Production	42,160,269	42,164,033	42,164,033	42,158,159	42,163,748	42,146,901
Diamond Willow Transmission	2,360,389	2,360,389	2,360,389	2,360,389	2,360,389	2,360,389
Total Plant Balance	281,109,021	281,113,926	281,052,354	281,033,615	281,046,996	281,030,231
Accumulated Reserve						
Thunder Spirit Production	\$30,407,126	\$30,874,679	\$31,277,114	\$31,811,706	\$32,279,042	\$32,746,405
Thunder Spirit Transmission	521,547	528,955	536,362	543,770	551,178	558,586
Thunder Spirit Expansion	7,751,535	7,950,491	8,149,447	8,348,402	8,547,358	8,746,313
Cedar Hills Production	15,190,024	15,289,581	15,389,143	15,475,413	15,574,943	15,674,474
Diamond Willow Production	21,974,091	22,121,858	22,269,637	22,411,276	22,559,036	22,689,857
Diamond Willow Transmission	562,873	565,979	569,086	572,192	575,298	578,405
Decommissioning Balance	2,319,005	2,367,692	2,416,379	2,465,066	2,513,753	2,562,440
Total Accumulated Reserve	78,726,201	79,699,235	80,607,168	81,627,825	82,600,608	83,556,480
Net Plant in Service	\$202,382,820	\$201,414,691	\$200,445,186	\$199,405,790	\$198,446,388	\$197,473,751
Adds:						
Def. Tax on ND Invest. Tax Credit	\$1,780,256	\$1,804,026	\$1,827,796	\$1,851,566	\$1,875,335	\$1,899,105
Def. Tax on Wind Decommissioning	587,988	599,870	611,752	623,634	635,516	647,398
Deferred Tax on Levelization Reg Liability	2,046,241	2,182,122	2,338,213	2,458,269	2,567,028	2,678,940
Less:						
Accum DIT - Thunder Spirit 1/	\$43,903,392	\$43,833,880	\$43,771,385	\$43,715,683	\$43,667,006	\$43,625,122
Accum DIT - Cedar/Diamond 1/	12,779,697	12,749,394	12,722,150	12,697,867	12,676,647	12,658,388
Levelization Regulatory Liability	8,384,549	8,941,329	9,580,916	10,072,850	10,518,495	10,977,058
Accum. Def. Invest. Tax Credit	6,540,101	6,642,648	6,745,194	6,847,740	6,950,287	7,052,833
Total Rate Base	\$135,189,566	\$133,833,458	\$132,403,302	\$131,005,119	\$129,711,832	\$128,385,793
Return on Rate Base 2/	\$797,956	\$789,952	\$781,510	\$773,258	\$765,624	\$757,797
Expenses						
Operating Expenses						
O&M - Thunder Spirit	\$239,175	\$194,443	\$215,591	\$214,979	\$215,005	\$218,881
O&M - Cedar Hills	27,661	26,595	30,854	31,596	27,831	31,435
O&M - Diamond Willow	25,945	39,453	19,327	23,108	18,341	23,250
Total O&M	292,781	260,491	265,772	269,683	261,177	273,566
Depreciation Expense						
Thunder Spirit Production	\$467,278	\$467,553	\$467,553	\$467,336	\$467,336	\$467,362
Thunder Spirit Transmission	7,408	7,408	7,408	7,408	7,408	7,408
Thunder Spirit Expansion	198,949	198,956	198,956	198,956	198,956	198,956
Cedar Hills Production	99,783	99,558	99,561	99,573	99,531	99,531
Diamond Willow Production	147,751	147,767	147,780	147,780	147,759	147,779
Diamond Willow Transmission	3,106	3,106	3,106	3,106	3,106	3,106
Wind Decommissioning	48,687	48,687	48,687	48,687	48,687	48,687
Total Depreciation	972,962	973,035	973,051	972,846	972,783	972,829
Property taxes 3/	64,112	64,112	64,112	64,112	64,112	64,112
Payroll taxes	4,054	4,233	3,345	3,213	2,916	3,340
Total Expenses	\$1,333,909	\$1,301,871	\$1,306,280	\$1,309,854	\$1,300,988	\$1,313,847
Income before Taxes (EBIT)	(\$1,333,909)	(\$1,301,871)	(\$1,306,280)	(\$1,309,854)	(\$1,300,988)	(\$1,313,847)
Interest Expense 2/	245,820	243,354	240,753	238,211	235,859	233,448
AFUDC Equity Add Back	10,851	10,851	10,851	10,851	10,851	10,851
Taxable income	(\$1,568,878)	(\$1,534,374)	(\$1,536,182)	(\$1,537,214)	(\$1,525,996)	(\$1,536,444)
Income Taxes 4/	(\$382,883)	(\$374,462)	(\$374,904)	(\$375,156)	(\$372,418)	(\$374,968)
Less: ARAM Amortization	71,176	71,176	71,176	71,176	71,176	71,176
Production Tax Credit 5/	1,299,279	1,131,639	1,066,501	1,048,394	885,231	634,438
Net Income Taxes	(\$1,753,338)	(\$1,577,277)	(\$1,512,581)	(\$1,494,726)	(\$1,328,825)	(\$1,080,582)
Operating Income	\$419,429	\$275,406	\$206,301	\$184,872	\$27,837	(\$233,265)
Revenue Requirement	\$500,730	\$680,661	\$760,908	\$778,339	\$975,972	\$1,311,014

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Actual/Projected Year End 2022

	Actual		Sept 2022	Oct 2022	Projected		Average Balance
	July 2022	Aug 2022			Nov 2022	Dec 2022	
Rate Base							
Plant Balance							
Thunder Spirit Production	\$140,234,189	\$140,234,189	\$140,235,636	\$140,914,262	\$140,914,262	\$140,914,262	
Thunder Spirit Transmission	5,609,797	5,609,797	5,609,797	5,609,797	5,609,797	5,609,797	
Thunder Spirit Expansion	59,686,676	59,686,676	59,686,676	59,939,188	59,939,188	59,939,188	
Cedar Hills Production	31,017,765	31,017,765	31,017,765	31,017,765	31,017,765	31,017,765	
Diamond Willow Production	42,146,901	42,061,994	42,077,410	39,331,079	39,331,079	39,331,079	
Diamond Willow Transmission	2,360,389	2,360,389	2,360,389	2,360,389	2,360,389	2,360,389	
Total Plant Balance	281,055,717	280,970,810	280,987,673	279,172,480	279,172,480	279,172,480	280,576,482
Accumulated Reserve							
Thunder Spirit Production	\$33,218,558	\$33,686,005	\$34,153,453	\$34,620,900	\$35,090,609	\$35,560,318	
Thunder Spirit Transmission	565,993	573,401	580,809	588,217	595,625	603,033	
Thunder Spirit Expansion	8,945,269	9,144,225	9,343,180	9,542,136	9,741,934	9,941,732	
Cedar Hills Production	15,774,004	15,873,535	15,973,065	16,072,596	16,172,127	16,271,658	
Diamond Willow Production	22,836,458	22,793,847	22,941,269	9,767,440	9,905,226	10,043,012	
Diamond Willow Transmission	581,511	584,617	587,723	590,829	593,935	597,041	
Decommissioning Balance	2,611,127	2,659,814	2,708,501	2,757,188	2,805,875	2,854,562	
Total Accumulated Reserve	84,532,920	85,315,444	86,288,000	73,939,306	74,905,331	75,871,356	
Net Plant in Service	\$196,522,797	\$195,655,366	\$194,699,673	\$205,233,174	\$204,267,149	\$203,301,124	199,937,326
<u>Adds:</u>							
Def. Tax on ND Invest. Tax Credit	\$1,922,875	\$1,946,645	\$1,970,414	\$1,994,184	\$2,017,954	\$2,041,724	
Def. Tax on Wind Decommissioning	659,280	671,162	683,044	694,926	706,808	718,690	
Deferred Tax on Levelization Reg Liability	2,796,763	2,940,843	3,070,474	3,178,624	3,285,921	3,422,451	
<u>Less:</u>							
Accum DIT - Thunder Spirit 1/	\$43,590,254	\$43,562,403	\$43,541,345	\$43,527,304	\$43,520,056	\$43,519,833	
Accum DIT - Cedar/Diamond 1/	12,643,188	12,631,047	12,621,867	12,615,746	12,612,586	12,612,489	
Levelization Regulatory Liability	11,459,842	12,050,216	12,581,383	13,024,531	13,464,186	14,023,622	
Accum. Def. Invest. Tax Credit	7,155,379	7,257,926	7,360,472	7,463,018	7,565,564	7,668,111	
Total Rate Base	\$127,053,052	\$125,712,424	\$124,318,538	\$134,470,309	\$133,115,440	\$131,659,934	130,571,564
Return on Rate Base 2/	\$749,931	\$742,018	\$733,790	\$793,711	\$785,714	\$777,123	\$9,248,384
Expenses							
Operating Expenses							Total
O&M - Thunder Spirit	\$214,061	\$222,558	\$216,671	\$216,671	\$216,671	\$768,326	\$3,153,032
O&M - Cedar Hills	28,834	34,263	27,871	27,871	27,871	74,216	396,898
O&M - Diamond Willow	19,671	19,874	15,336	15,336	15,336	78,583	313,560
Total O&M	262,566	276,695	259,878	259,878	259,878	921,125	3,863,490
Depreciation Expense							
Thunder Spirit Production	\$467,360	\$467,447	\$467,447	\$467,447	\$469,709	\$469,709	
Thunder Spirit Transmission	7,408	7,408	7,408	7,408	7,408	7,408	
Thunder Spirit Expansion	198,956	198,956	198,956	198,956	199,798	199,798	
Cedar Hills Production	99,531	99,531	99,531	99,531	99,531	99,531	
Diamond Willow Production	147,720	147,720	147,421	147,421	137,786	137,786	
Diamond Willow Transmission	3,106	3,106	3,106	3,106	3,106	3,106	
Wind Decommissioning	48,687	48,687	48,687	48,687	48,687	48,687	
Total Depreciation	972,768	972,855	972,556	972,556	966,025	966,025	11,660,291
Property taxes 3/	64,112	64,112	64,112	64,112	64,112	64,112	769,344
Payroll taxes	2,912	2,961	2,906	3,100	3,100	3,100	39,180
Total Expenses	\$1,302,358	\$1,316,623	\$1,299,452	\$1,299,646	\$1,293,115	\$1,954,362	\$16,332,305
Income before Taxes (EBIT)	(\$1,302,358)	(\$1,316,623)	(\$1,299,452)	(\$1,299,646)	(\$1,293,115)	(\$1,954,362)	(\$16,332,305)
Interest Expense 2/	231,025	228,587	226,053	244,512	242,048	239,402	2,849,072
AFUDC Equity Add Back	10,851	10,851	10,851	10,851	10,851	10,849	130,210
Taxable income	(\$1,522,532)	(\$1,534,359)	(\$1,514,654)	(\$1,533,307)	(\$1,524,312)	(\$2,182,915)	(\$19,051,167)
Income Taxes 4/	(\$371,572)	(\$374,459)	(\$369,650)	(\$374,202)	(\$372,007)	(\$532,738)	(\$4,649,419)
Less: ARAM Amortization	71,176	71,176	71,176	71,176	71,176	71,171	854,107
Production Tax Credit 5/	529,834	593,162	665,432	1,192,208	1,114,902	1,465,255	11,626,275
Net Income Taxes	(\$972,582)	(\$1,038,797)	(\$1,106,258)	(\$1,637,586)	(\$1,558,085)	(\$2,069,164)	(\$17,129,801)
Operating Income	(\$329,776)	(\$277,826)	(\$193,194)	\$337,940	\$264,970	\$114,802	\$797,496
Revenue Requirement	\$1,428,276	\$1,349,087	\$1,226,249	\$602,911	\$688,859	\$876,143	\$11,179,149

2022 Footnotes:

Factor 271 - Integrated Peak and Energy

2022: 70.274582%

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2022 DIT activity.

	Thunder Spirit I & Expand	Cedar Hills / Diamond Willow				
Projected DIT activity 2022:	(\$1,411,225)	(\$615,213)				
ND Fac. #271:	70.274582%	70.274582%				
ND projected activity:	(\$991,732)	(\$432,338)				
Monthly:	(\$82,644)	(\$36,028)				
	January	February	March	April	May	June
	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%
Thunder Spirit:	(\$75,851)	(\$69,512)	(\$62,495)	(\$55,702)	(\$48,677)	(\$41,884)
Cedar/Diamond:	(\$33,066)	(\$30,303)	(\$27,244)	(\$24,283)	(\$21,220)	(\$18,259)
	July	August	September	October	November	December
	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
Thunder Spirit:	(\$34,868)	(\$27,851)	(\$21,058)	(\$14,041)	(\$7,248)	(\$223)
Cedar/Diamond:	(\$15,200)	(\$12,141)	(\$9,180)	(\$6,121)	(\$3,160)	(\$97)

2/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost		
Long Term Debt:	46.688%	4.506%	2.104%	
Short Term Debt:	2.525%	3.079%	0.078%	2.182%
Common Equity:	50.787%	9.650%	4.901%	
	100.000%		7.083%	

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

Thunder Spirit - Generation:	\$709,964
Cedar Hills:	34,731
Diamond Willow:	350,074
	\$1,094,769
ND Fac. #271:	70.274582%
Total North Dakota:	769,344
Monthly:	64,112

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

5/ Production Tax Credit. Actual through September 2022, projected October - December.

Diamond Willow Repower PTC projected at full value of \$0.026 per Kwh.

	January	February	March	April	May	June
Thunder Spirit:	71,110,000	61,935,000	58,370,000	57,379,000	48,449,000	34,723,000
Projected PTC (rate \$.026/Kwh):	\$1,848,860	\$1,610,310	\$1,517,620	\$1,491,854	\$1,259,674	\$902,798
Projected ND PTC (Fac. #271):	\$1,299,279	\$1,131,639	\$1,066,501	\$1,048,394	\$885,231	\$634,438
	July	August	September	October	November	December
Thunder Spirit:	28,998,000	32,464,000	36,419,330	65,250,000	55,240,000	71,360,000
Projected PTC (rate \$.026/Kwh):	\$753,948	\$844,064	\$946,903	\$1,696,500	\$1,436,240	\$1,855,360
Projected ND PTC (Fac. #271):	\$529,834	\$593,162	\$665,432	\$1,192,208	\$1,009,312	\$1,303,846
				November	December	
Diamond Willow (Eligible for PTC):				5,779,000	8,834,000	
Projected PTC (rate \$.026/Kwh):				\$150,254	\$229,684	
Projected ND PTC (Fac. #271):				\$105,590	\$161,409	

**MONTANA-DAKOTA UTILITIES CO.
PLANT / DEPRECIATION ADDITIONS - 2022
NORTH DAKOTA RENEWABLE RIDER
PROJECTED YEAR 2022**

Thunder Spirit Additions:

FP-319675 Light Mitigation:

Plant Additions:	\$1,325,000	
Thunder Spirit I additions:	\$965,678	
Thunder Spirit Expansion additions:	\$359,322	
<u>Thunder Spirit I:</u>		
Plant:	\$965,678	
ND Fac. #271:	70.274582%	
ND Plant:	\$678,626 1/	
Depreciation rate:	4.00%	
Annual ND Depreciation:	\$27,145	
Monthly Depreciation:	\$2,262 1/	
<u>Thunder Spirit II:</u>		
Plant:	\$359,322	
ND Fac. #271:	70.274582%	
ND Plant:	\$252,512 1/	
Depreciation rate:	4.00%	
Annual ND Depreciation:	\$10,100	
Monthly Depreciation:	\$842 1/	

1/ Plant balance estimated in service October 2022.
Depreciation expense begins November 2022.

Diamond Willow Additions:

FP-319115 - Phase 1 Repower:

Plant:	\$15,048,000	
ND Fac. #271:	70.274582%	
ND Plant:	\$10,574,919 2/	
Depreciation rate:	4.21%	
Annual ND Depreciation:	\$445,204	
Monthly Depreciation:	\$37,100 2/	

2/ Plant balance estimated in service October 2022.
Depreciation expense begins November 2022.

Diamond Willow Retirement Adjustment:

Book Plant Retirement:	\$18,956,000	
ND Fac. #271:	70.274582%	
Reduction to ND Plant and Reserve:	\$13,321,250 3/	
Depreciation rate:	4.21%	
Annual Reduction to ND Depr Expense:	\$560,825	
Monthly Reduction to ND Depr Expense:	\$46,735 3/	

3/ Reduction to the Diamond Willow Production plant and reserve balance in October 2022. The reduction to depreciation expense begins in November 2022.

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Projected Year End 2023

	Projected					
	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023
Rate Base						
Plant Balance						
Thunder Spirit Production	\$140,914,262	\$140,914,262	\$140,914,262	\$140,914,262	\$140,914,262	\$140,914,262
Thunder Spirit Transmission	5,609,797	5,609,797	5,609,797	5,609,797	5,609,797	5,609,797
Thunder Spirit Expansion	59,939,188	59,939,188	59,939,188	59,939,188	59,939,188	59,939,188
Cedar Hills Production	31,017,765	31,017,765	31,017,765	31,017,765	31,017,765	31,017,765
Diamond Willow Production	39,331,079	39,331,079	39,331,079	39,331,079	39,331,079	39,331,079
Diamond Willow Transmission	2,360,389	2,360,389	2,360,389	2,360,389	2,360,389	2,360,389
Total Plant Balance	279,172,480	279,172,480	279,172,480	279,172,480	279,172,480	279,172,480
Accumulated Reserve						
Thunder Spirit Production	\$36,090,398	\$36,620,478	\$37,150,558	\$37,680,638	\$38,210,718	\$38,740,798
Thunder Spirit Transmission	610,441	617,849	625,257	632,665	640,073	647,481
Thunder Spirit Expansion	10,151,774	10,361,816	10,571,858	10,781,900	10,991,942	11,201,984
Cedar Hills Production	16,375,488	16,479,318	16,583,148	16,686,978	16,790,808	16,894,638
Diamond Willow Production	10,188,406	10,333,800	10,479,194	10,624,588	10,769,982	10,915,376
Diamond Willow Transmission	600,147	603,253	606,359	609,465	612,571	615,677
Decommissioning Balance	2,903,249	2,951,936	3,000,623	3,049,310	3,097,997	3,146,684
Total Accumulated Reserve	76,919,903	77,968,450	79,016,997	80,065,544	81,114,091	82,162,638
Net Plant in Service	\$202,252,577	\$201,204,030	\$200,155,483	\$199,106,936	\$198,058,389	\$197,009,842
Adds:						
Def. Tax on ND Invest. Tax Credit 1/	\$2,064,870	\$2,088,016	\$2,111,162	\$2,134,308	\$2,157,454	\$2,180,600
Def. Tax on Wind Decommissioning	730,572	742,454	754,336	766,218	778,100	789,982
Deferred Tax on Levelization Reg Liability	3,620,810	3,788,322	3,980,748	4,128,751	4,262,828	4,400,791
Less:						
Accum DIT - Thunder Spirit 2/	\$42,895,416	\$42,811,018	\$42,735,139	\$42,667,508	\$42,608,406	\$42,557,552
Accum DIT - Cedar/Diamond 2/	12,384,996	12,389,185	12,392,951	12,396,308	12,399,241	12,401,765
Levelization Regulatory Liability	14,836,405	15,522,794	16,311,266	16,917,713	17,467,097	18,032,406
Accum. Def. Invest. Tax Credit 1/	7,762,952	7,857,793	7,952,634	8,047,475	8,142,316	8,237,157
Total Rate Base	\$130,789,060	\$129,242,032	\$127,609,739	\$126,107,209	\$124,639,711	\$123,152,335
Return on Rate Base 3/	\$771,764	\$762,636	\$753,004	\$744,138	\$735,478	\$726,701
Expenses						
Operating Expenses 4/						
O&M - Thunder Spirit	\$221,090	\$221,090	\$221,090	\$221,090	\$221,090	\$221,090
O&M - Cedar Hills	24,675	24,675	24,675	24,675	24,675	24,675
O&M - Diamond Willow	29,551	29,551	29,551	29,551	29,551	29,551
Total O&M	275,316	275,316	275,316	275,316	275,316	275,316
Depreciation Expense						
Thunder Spirit Production	\$530,080	\$530,080	\$530,080	\$530,080	\$530,080	\$530,080
Thunder Spirit Transmission	7,408	7,408	7,408	7,408	7,408	7,408
Thunder Spirit Expansion	210,042	210,042	210,042	210,042	210,042	210,042
Cedar Hills Production	103,830	103,830	103,830	103,830	103,830	103,830
Diamond Willow Production	145,394	145,394	145,394	145,394	145,394	145,394
Diamond Willow Transmission	3,106	3,106	3,106	3,106	3,106	3,106
Wind Decommissioning	48,687	48,687	48,687	48,687	48,687	48,687
Total Depreciation	1,048,547	1,048,547	1,048,547	1,048,547	1,048,547	1,048,547
Property taxes	64,112	64,112	64,112	64,112	64,112	64,112
Payroll taxes	3,265	3,265	3,265	3,265	3,265	3,265
Total Expenses	\$1,391,240	\$1,391,240	\$1,391,240	\$1,391,240	\$1,391,240	\$1,391,240
Income before Taxes (EBIT)	(\$1,391,240)	(\$1,391,240)	(\$1,391,240)	(\$1,391,240)	(\$1,391,240)	(\$1,391,240)
Interest Expense 3/	237,382	234,574	231,612	228,885	226,221	223,521
AFUDC Equity Add Back	25,034	25,034	25,034	25,034	25,034	25,034
Taxable income	(\$1,603,588)	(\$1,600,780)	(\$1,597,818)	(\$1,595,091)	(\$1,592,427)	(\$1,589,727)
Income Taxes 5/	(\$391,354)	(\$390,669)	(\$389,946)	(\$389,280)	(\$388,630)	(\$387,971)
Less: ARAM Amortization	68,876	68,876	68,876	68,876	68,876	68,876
Production Tax Credit 6/	1,357,491	903,739	991,333	821,445	949,454	855,759
Net Income Taxes	(\$1,817,721)	(\$1,363,284)	(\$1,450,155)	(\$1,279,601)	(\$1,406,960)	(\$1,312,606)
Operating Income	\$426,481	(\$27,956)	\$58,915	(\$111,639)	\$15,720	(\$78,634)
Revenue Requirement	\$456,753	\$1,045,824	\$918,167	\$1,132,054	\$952,123	\$1,065,327

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Projected Year End 2023**

	Projected						Average Balance
	July 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023	
Rate Base							
Plant Balance							
Thunder Spirit Production	\$140,914,262	\$140,914,262	\$140,914,262	\$140,914,262	\$140,914,262	\$140,914,262	
Thunder Spirit Transmission	5,609,797	5,609,797	5,609,797	5,609,797	5,609,797	5,609,797	
Thunder Spirit Expansion	59,939,188	59,939,188	59,939,188	59,939,188	59,939,188	59,939,188	
Cedar Hills Production	31,363,867	31,363,867	31,363,867	31,363,867	31,363,867	31,363,867	
Diamond Willow Production	39,577,040	39,577,040	39,577,040	39,885,396	39,885,396	39,885,396	
Diamond Willow Transmission	2,360,389	2,360,389	2,360,389	2,360,389	2,360,389	2,360,389	
Total Plant Balance	279,764,543	279,764,543	279,764,543	280,072,899	280,072,899	280,072,899	279,545,601
Accumulated Reserve							
Thunder Spirit Production	\$39,270,878	\$39,800,958	\$40,331,038	\$40,861,118	\$41,391,198	\$41,921,278	
Thunder Spirit Transmission	654,889	662,297	669,705	677,113	684,521	691,929	
Thunder Spirit Expansion	11,412,026	11,622,068	11,832,110	12,042,152	12,252,194	12,462,236	
Cedar Hills Production	16,998,468	17,103,411	17,208,354	17,313,297	17,418,240	17,523,183	
Diamond Willow Production	11,060,770	11,207,070	11,353,370	11,499,670	11,647,106	11,794,542	
Diamond Willow Transmission	618,783	621,889	624,995	628,101	631,207	634,313	
Decommissioning Balance	3,195,371	3,244,058	3,292,745	3,341,432	3,390,119	3,438,806	
Total Accumulated Reserve	83,211,185	84,261,751	85,312,317	86,362,883	87,414,585	88,466,287	
Net Plant in Service	\$196,553,358	\$195,502,792	\$194,452,226	\$193,710,016	\$192,658,314	\$191,606,612	196,855,881
Adds:							
Def. Tax on ND Invest. Tax Credit 1/	\$2,203,746	\$2,226,892	\$2,250,038	\$2,273,184	\$2,296,330	\$2,319,476	
Def. Tax on Wind Decommissioning	801,864	813,746	825,628	837,510	849,392	861,274	
Deferred Tax on Levelization Reg Liability	4,546,041	4,723,660	4,883,467	5,016,792	5,149,066	5,317,378	
Less:							
Accum DIT - Thunder Spirit 2/	\$42,515,217	\$42,481,401	\$42,455,834	\$42,438,786	\$42,429,986	\$42,429,715	
Accum DIT - Cedar/Diamond 2/	12,403,866	12,405,544	12,406,813	12,407,659	12,408,096	12,408,109	
Levelization Regulatory Liability	18,627,574	19,355,377	20,010,190	20,556,495	21,098,494	21,788,159	
Accum. Def. Invest. Tax Credit 1/	8,331,998	8,426,839	8,521,680	8,616,521	8,711,362	8,806,203	
Total Rate Base	\$122,226,354	\$120,597,929	\$119,016,842	\$117,818,041	\$116,305,164	\$114,672,554	122,681,414
Return on Rate Base 3/	\$721,237	\$711,628	\$702,299	\$695,225	\$686,297	\$676,664	\$8,687,071
Expenses							
Operating Expenses 4/							Total
O&M - Thunder Spirit	\$221,090	\$221,090	\$221,090	\$221,090	\$221,090	\$717,324	
O&M - Cedar Hills	24,675	24,675	24,675	24,675	24,675	71,020	
O&M - Diamond Willow	29,551	29,551	29,551	29,551	29,551	92,798	
Total O&M	275,316	275,316	275,316	275,316	275,316	881,142	3,909,618
Depreciation Expense							
Thunder Spirit Production	\$530,080	\$530,080	\$530,080	\$530,080	\$530,080	\$530,080	
Thunder Spirit Transmission	7,408	7,408	7,408	7,408	7,408	7,408	
Thunder Spirit Expansion	210,042	210,042	210,042	210,042	210,042	210,042	
Cedar Hills Production	103,830	104,943	104,943	104,943	104,943	104,943	
Diamond Willow Production	145,394	146,300	146,300	146,300	147,436	147,436	
Diamond Willow Transmission	3,106	3,106	3,106	3,106	3,106	3,106	
Wind Decommissioning	48,687	48,687	48,687	48,687	48,687	48,687	
Total Depreciation	1,048,547	1,050,566	1,050,566	1,050,566	1,051,702	1,051,702	12,594,931
Property taxes	64,112	64,112	64,112	64,112	64,112	64,112	769,344
Payroll taxes	3,265	3,265	3,265	3,265	3,265	3,265	39,180
Total Expenses	\$1,391,240	\$1,393,259	\$1,393,259	\$1,393,259	\$1,394,395	\$2,000,221	\$17,313,073
Income before Taxes (EBIT)	(\$1,391,240)	(\$1,393,259)	(\$1,393,259)	(\$1,393,259)	(\$1,394,395)	(\$2,000,221)	(\$17,313,073)
Interest Expense 3/	221,841	218,885	216,016	213,840	211,094	208,131	2,672,002
AFUDC Equity Add Back	25,034	25,034	25,034	25,034	25,034	25,031	300,405
Taxable income	(\$1,588,047)	(\$1,587,110)	(\$1,584,241)	(\$1,582,065)	(\$1,580,455)	(\$2,183,321)	(\$19,684,670)
Income Taxes 5/	(\$387,561)	(\$387,333)	(\$386,632)	(\$386,101)	(\$385,708)	(\$532,837)	(\$4,804,022)
Less: ARAM Amortization	68,876	68,876	68,876	68,876	68,876	68,870	826,506
Production Tax Credit 6/	846,148	672,990	824,442	1,334,469	1,114,902	1,465,255	12,137,427
Net Income Taxes	(\$1,302,585)	(\$1,129,199)	(\$1,279,950)	(\$1,789,446)	(\$1,569,486)	(\$2,066,962)	(\$17,767,955)
Operating Income	(\$88,655)	(\$264,060)	(\$113,309)	\$396,187	\$175,091	\$66,741	\$454,882
Revenue Requirement	\$1,071,355	\$1,290,676	\$1,078,916	\$395,579	\$676,242	\$806,829	\$10,889,845

2023 Footnotes:

Factor 271 - Integrated Peak and Energy
2022: 70.274582%

1/ Investment Tax Credit:
Projected 2023 Activity: 1,138,089
Monthly Amortization: 94,841
Monthly Deferred Tax Amortization: 23,146

2/ Monthly Deferred Income Tax activity is 1/12 of projected 2023 DIT activity.

	Thunder Spirit I & Expand	Cedar Hills / Diamond Willow				
Projected DIT activity 2023:	(\$1,713,440)	\$85,039				
ND Fac. #271:	70.274582%	70.274582%				
ND projected activity:	(\$1,204,113)	\$59,761				
Monthly:	(\$100,343)	\$4,980				
	January	February	March	April	May	June
Thunder Spirit:	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%
Cedar/Diamond:	(\$92,095)	(\$84,398)	(\$75,879)	(\$67,631)	(\$59,102)	(\$50,854)
	\$4,571	\$4,189	\$3,766	\$3,357	\$2,933	\$2,524
	July	August	September	October	November	December
Thunder Spirit:	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
Cedar/Diamond:	(\$42,335)	(\$33,816)	(\$25,567)	(\$17,048)	(\$8,800)	(\$271)
	\$2,101	\$1,678	\$1,269	\$846	\$437	\$13

3/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost	
Long Term Debt:	44.587%	4.503%	2.008%
Short Term Debt:	4.603%	3.684%	0.170%
Common Equity:	50.810%	9.650%	4.903%
	100.000%		7.081%

2.178%

4/ Projected O&M - 2023

	Thunder Spirit	Cedar Hills	Diamond Willow
Projected O&M:	\$3,775,300	\$421,351	\$504,610
ND Factor #271:	70.274582%	70.274582%	70.274582%
Budgeted ND O&M:	\$2,653,076	\$296,103	\$354,613
Monthly Budgeted O&M:	\$221,090	\$24,675	\$29,551
Annual Easement (ND Allocated):	496,234	46,345	63,247
December O&M:	\$717,324	\$71,020	\$92,798

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

6/ Production Tax Credit. For 2023, Thunder Spirit is eligible for PTCs at full rate. Diamond Willow Phase 1 turbines eligible for PTCs at full full rate. See Exhibit 7 for levelization adjustment.

	January	February	March	April	May	June
Thunder Spirit:	67,910,000	44,200,000	48,670,000	40,220,000	47,150,000	41,760,000
Projected PTC (rate \$.026/Kwh):	\$1,765,660	\$1,149,200	\$1,265,420	\$1,045,720	\$1,225,900	\$1,085,760
Projected ND PTC (Fac. #271):	\$1,240,810	\$807,595	\$889,269	\$734,875	\$861,496	\$763,013
	July	August	September	October	November	December
Thunder Spirit:	41,910,000	33,240,000	41,150,000	65,250,000	55,240,000	71,360,000
Projected PTC (rate \$.026/Kwh):	\$1,089,660	\$864,240	\$1,069,900	\$1,696,500	\$1,436,240	\$1,855,360
Projected ND PTC (Fac. #271):	\$765,754	\$607,341	\$751,868	\$1,192,208	\$1,009,312	\$1,303,846
	January	February	March	April	May	June
Diamond Willow (Eligible for PTC):	6,386,000	5,262,000	5,586,000	4,738,000	4,814,000	5,076,000
Projected PTC (rate \$.026/Kwh):	\$166,036	\$136,812	\$145,236	\$123,188	\$125,164	\$131,976
Projected ND PTC (Fac. #271):	\$116,681	\$96,144	\$102,064	\$86,570	\$87,958	\$92,746
	July	August	September	October	November	December
Diamond Willow (Eligible for PTC):	4,400,000	3,593,000	3,972,000	7,786,000	5,779,000	8,834,000
Projected PTC (rate \$.026/Kwh):	\$114,400	\$93,418	\$103,272	\$202,436	\$150,254	\$229,684
Projected ND PTC (Fac. #271):	\$80,394	\$65,649	\$72,574	\$142,261	\$105,590	\$161,409

**MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF UPDATED DEPRECIATION EXPENSE
NORTH DAKOTA RENEWABLE RIDER
PROJECTED YEAR 2023**

Thunder Spirit Assets:

<u>Production Assets:</u>			Monthly
	Depreciation Base	Depreciation Rate	Depreciation Expense
Account 341:	\$19,337,299	4.90%	\$78,961
Account 344:	99,492,345	3.96%	328,325
Account 345:	21,698,726	6.70%	121,151
Account 346:	385,892	5.11%	1,643
Total:	\$140,914,262		\$530,080

Thunder Spirit Expansion Assets:

<u>Production Assets:</u>			Monthly
	Depreciation Base	Depreciation Rate	Depreciation Expense
Account 341:	\$5,960,058	4.66%	\$23,145
Account 344:	49,297,350	4.03%	165,557
Account 345:	4,681,204	5.47%	21,338
Account 346:	576	5.14%	2
Total:	\$59,939,188		\$210,042

Cedar Hills Assets:

<u>Production Assets:</u>			Monthly
	Depreciation Base	Depreciation Rate	Depreciation Expense
Account 341:	\$2,087,802	3.91%	\$6,803
Account 344:	24,604,608	3.86%	79,145
Account 345:	4,220,266	4.94%	17,373
Account 346:	105,089	5.81%	509
Total:	\$31,017,765		\$103,830

Diamond Willow Assets:

<u>Production Assets:</u>			Monthly
	Depreciation Base	Depreciation Rate	Depreciation Expense
Account 341:	\$2,544,942	3.39%	\$7,189
Account 344:	31,079,504	4.42%	114,476
Account 345:	5,469,822	5.02%	22,882
Account 346:	236,811	4.29%	847
Total:	\$39,331,079		\$145,394

**MONTANA-DAKOTA UTILITIES CO.
PLANT / DEPRECIATION ADDITIONS - 2023
NORTH DAKOTA RENEWABLE RIDER
PROJECTED YEAR 2023**

Cedar Hills:

FP-317085 Gearbox Replacements:

Plant:	\$492,500
ND Fac. #271:	70.274582%
ND Plant:	\$346,102 1/
Depreciation rate:	3.86%
Annual ND Depreciation:	\$13,360
Monthly Depreciation:	\$1,113 1/

1/ Plant balance estimated in service July 2023.
Depreciation expense begins August 2023.

Diamond Willow:

FP-317088 Gearbox Replacements:

Plant:	\$350,000
ND Fac. #271:	70.274582%
ND Plant:	\$245,961 2/
Depreciation rate:	4.42%
Annual ND Depreciation:	\$10,871
Monthly Depreciation:	\$906 2/

2/ Plant balance estimated in service July 2023.
Depreciation expense begins August 2023.

FP-323026 Upgrade Pitch System:

Plant:	\$438,787
ND Fac. #271:	70.274582%
ND Plant:	\$308,356 3/
Depreciation rate:	4.42%
Annual ND Depreciation:	\$13,629
Monthly Depreciation:	\$1,136 3/

3/ Plant balance estimated in service October 2023.
Depreciation expense begins November 2023.

**REVENUE REQUIREMENT LEVELIZATION ADJUSTMENT
NORTH DAKOTA RENEWABLE RIDER**

<u>Thunder Spirit:</u>			<u>Diamond Willow:</u>		
<u>Estimated total PTC value, 2020 - 2028</u>			<u>Estimated total PTC value, 2022 - 2032</u>		
Year	PTC Total		Year	PTC Total	
2020	\$10,454,846	1/	2022	\$266,999	1/
2021	9,759,184	1/	2023	1,210,040	2/
2022	11,359,276	1/	2024	1,164,163	3/
2023	10,927,387	2/	2025	1,164,163	3/
2024	10,417,805	3/	2026	1,164,163	3/
2025	10,417,805	3/	2027	1,164,163	3/
2026	3,125,342	3/	2028	1,164,163	3/
2027	3,125,342	3/	2029	1,164,163	3/
2028	3,125,342	3/	2030	1,164,163	3/
Total Thunder Spirit PTC Value:		\$72,712,329	2031	1,164,163	3/
		7.4% 4/	2032	882,086	3/
		\$5,380,712	Total Diamond Willow PTC Value:		\$11,672,429
					7.6% 5/
Difference, 2023 Projected to 2023 Levelized:		\$5,546,675	Difference, 2023 Projected to 2023 Levelized:		\$887,105
2023 Levelized - Grossed Up for Tax:		\$7,337,347	Difference, 2023 Projected to 2023 Levelized:		\$322,935
			2023 Levelized - Grossed Up for Tax:		\$427,190

1/ Reflects actual PTC through September 2022, projected October - December 2022.
2/ Reflects updated projected PTC for 2023.
3/ Estimated annual PTCs.
4/ 2023 Thunder Spirit levelization factor per Commission's Order in Case No. PU-19-355.
5/ 2023 Diamond Willow levelization factor approved per Commission's Order in Case No. PU-21-420.

Montana-Dakota Utilities Co. - Electric Division - Generation Plant

TABLE 4. ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AS OF DECEMBER 31, 2020 - TOTAL

Account	Location	Depreciable Plant	Survivor Curve	Net Salvage	Truncation Date	Original Cost at Dec 31, 2020	Book Depreciation Reserve	Future Accruals	Calculated Annual Accrual Amount	Calculated Annual Accrual Rate	Composite Remaining Life
STEAM PLANT											
311.00		Structures and Improvements									
		Heskett Common Station	68-R3	-		9,556,243.25	5,773,921	3,782,323	61,014	0.64	54.5
		Lewis & Clark Common Station	68-R3	-		4,899,289.52	392,969	4,506,320	69,411	1.42	63.8
	8300	Coyote Generating Station	68-R3	-	2041	29,775,617.47	22,251,079	7,524,539	388,451	1.30	18.8
	8610	Big Stone Generating Station	68-R3	-	2046	33,163,446.92	8,713,452	24,449,995	1,000,759	3.02	24.1
	8720	Wygen III Generating Station	68-R3	-	2060	3,719,020.11	708,921	3,010,099	80,095	2.15	37.6
		Total Structures and Improvements				81,113,617.27	37,840,342	43,273,275	1,599,729		
312.00		Boiler Plant Equipment									
		Heskett Common Station	50-R1	-		939,193.88	578,061	361,133	8,657	0.92	40.4
		Lewis & Clark Common Station	50-R1	-		298,181.67	103,148	195,034	4,209	1.41	44.4
	8300	Coyote Generating Station	50-R1	-	2041	81,965,766.43	56,012,330	25,953,437	1,464,728	1.79	16.9
	8610	Big Stone Generating Station	50-R1	-	2046	85,685,287.65	16,448,927	69,236,361	3,038,043	3.55	22.7
	8720	Wygen III Generating Station	50-R1	-	2060	29,131,574.00	5,391,690	23,739,884	736,758	2.53	32.2
		Total Boiler Plant Equipment				198,020,003.63	78,534,155	119,485,848	5,252,395		
314.00		Turbogenerator Units									
		Heskett Common Station	50-R0.5	-		1,062,175.62	982,446	79,730	1,716	0.16	18.6
		Lewis & Clark Common Station	50-R0.5	-		237,574.36	90,104	147,471	3,293	1.39	41.9
	8300	Coyote Generating Station	50-R0.5	-	2041	18,314,529.41	10,016,941	8,297,589	463,376	2.53	17.5
	8610	Big Stone Generating Station	50-R0.5	-	2046	13,525,236.19	8,941,985	4,583,252	209,242	1.55	20.8
	8720	Wygen III Generating Station	50-R0.5	-	2060	29,936,764.37	4,294,907	25,641,857	813,066	2.72	31.5
		Total Turbogenerator Units				63,076,279.95	24,326,382	38,749,898	1,490,694		
315.00		Accessory Electric Equipment									
	8300	Coyote Generating Station	50-R2.5	-	2041	8,916,346.70	6,759,094	2,157,252	127,318	1.43	15.7
	8610	Big Stone Generating Station	50-R2.5	-	2046	8,947,155.15	3,435,766	5,511,389	251,879	2.82	20.7
	8720	Wygen III Generating Station	50-R2.5	-	2060	3,000,361.58	(399,337)	3,399,698	100,025	3.33	34.0
		Total Accessory Electric Equipment				20,863,863.43	9,795,524	11,068,340	479,222		
316.00		Miscellaneous Power Plant Equipment									
		Heskett Common Station	30-R0.5	-		2,508,360.55	683,452	1,824,909	68,382	2.73	25.8
		Lewis & Clark Common Station	30-R0.5	-		1,300,001.27	498,180	801,821	28,661	2.20	25.7
	8300	Coyote Generating Station	30-R0.5	-	2041	3,776,499.87	1,511,638	2,264,862	145,199	3.84	14.9
	8610	Big Stone Generating Station	30-R0.5	-	2046	1,649,259.12	774,901	874,358	45,604	2.77	16.4
	8720	Wygen III Generating Station	30-R0.5	-	2060	1,630,059.93	11,820	1,518,239	5,812	3.57	26.0
		Total Miscellaneous Power Plant Equipment				9,397,126.74	3,479,990	5,917,136	293,657		
		TOTAL STEAM PRODUCTION PLANT				372,470,891.02	153,976,394	218,494,497	9,115,697		
OTHER PRODUCTION PLANT											
341.10		Structures and Improvements									
		Heskett Turbine	70-R1	-	2057	7,104,332.12	126,719	6,977,613	211,098	2.97	33.1
		Glendive Turbine Common	70-R1	-	2046	2,413,718.75	872,750	1,540,969	64,559	2.67	23.8
		Miles City Turbine	70-R1	-	2033	223,817.35	195,239	28,578	2,356	1.05	12.1
		Lewis & Clark RICE	70-R1	-	2045	6,836,313.57	877,247	5,959,066	258,294	3.78	23.1
		Total Structures and Improvements				16,578,181.79	2,071,956	14,506,226	536,307		
341.20		Structures and Improvements - Wind Farm									
		Diamond Willow Wind Farm	70-R1	-	2035	3,621,426.04	1,908,197	1,713,229	122,645	3.39	14.0
		Thunder Spirit Wind Farm II	70-R1	-	2043	8,482,596.26	28,527	8,454,069	395,472	4.66	21.4
		Cedar Hills Wind Farm	70-R1	-	2035	2,970,920.55	1,347,079	1,623,841	116,135	3.91	14.0
		Thunder Spirit Wind Farm I	70-R1	-	2040	27,471,978.25	2,391,634	25,080,344	1,347,080	4.90	18.6
		Total Structures and Improvements				42,546,921.10	5,675,437	36,871,484	1,981,332		
341.50		Structures and Improvements - Generators									
	341.51	Portable Generators	70-R1	-	2047	169,459.16	42,894	126,565	5,132	3.03	24.7
	341.71	Ormat Generation Facility	70-R1	-	2034	701,334.45	400,365	300,969	23,084	3.29	13.3
		Total Structures and Improvements - Generators				870,793.61	443,260	427,534	28,216		
342.00		Fuel Holders, Producers and Accessories									
		Glendive Turbine - Common	40-R4	-	2046	1,257,109.34	710,772	546,338	25,357	2.02	21.1

Montana-Dakota Utilities Co. - Electric Division - Generation Plant

TABLE 4. ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AS OF DECEMBER 31, 2020 - TOTAL

Account	Location	Depreciable Plant	Survivor Curve	Net Salvage	Truncation Date	Original Cost at Dec 31, 2020	Book Depreciation Reserve	Future Accruals	Calculated Annual Accrual Amount	Calculated Annual Accrual Rate	Composite Remaining Life
		Lewis & Clark RICE	40-R4	-	2045	2,984,778.90	383,769	2,601,010	109,106	3.66	23.8
		Miles City Turbine	40-R4	-	2033	161,610.88	92,130	69,481	8,664	5.36	8.0
		Portable Generators	40-R4	-	2047	135,973.35	33,942	102,032	4,087	3.01	25.0
		Heskett Turbine	40-R4	-	2057	1,100,965.28	19,197	1,081,769	34,125	3.10	31.7
Total Fuel Holders, Producers, And Accessories						5,640,437.75	1,239,808.93	4,400,629	181,339		
344.10		Generators									
	8510	Glendive Turbine 1	55-R3	-	2033	6,830,097.08	6,598,436	231,662	18,712	0.27	11.2
	8512	Glendive Turbine 2	55-R3	-	2046	16,508,744.93	5,648,406	10,860,339	454,730	2.75	23.9
		Miles City Turbine	55-R3	-	2033	3,687,157.84	2,663,648	1,023,510	82,541	2.24	11.1
		Lewis & Clark RICE	55-R3	-	2045	25,874,335.21	3,320,238	22,554,097	941,492	3.64	24.0
		Portable Generators	55-R3	-	2047	1,206,071.50	264,192	941,879	36,818	3.05	25.6
		Ormat Generating Facility	55-R3	-	2034	12,174,693.92	6,677,480	5,497,214	412,896	3.39	13.3
		Heskett Turbine	55-R3	-	2057	37,396,433.64	7,703,607	29,692,827	864,706	2.31	34.3
Total Generators						103,677,534.12	32,876,006	70,801,528	2,811,895		
344.20		Generators - Wind Farm									
		Diamond Willow Wind Farm	55-R3	-	2035	62,745,085.83	23,011,969	39,733,117	2,773,965	4.42	14.3
		Thunder Spirit Wind Farm II	55-R3	-	2043	69,802,607.62	7,337,837	62,464,771	2,814,556	4.03	22.2
		Cedar Hills Wind Farm	55-R3	-	2035	35,044,708.58	15,715,304	19,329,404	1,351,947	3.86	14.3
		Thunder Spirit Wind Farm I	55-R3	-	2040	141,075,525.60	33,617,141	107,458,384	5,589,878	3.96	19.2
Total Generators - Wind Farm						308,667,927.63	79,682,252	228,985,676	12,530,346		
345.10		Accessory Electric Equipment									
	8510	Glendive Turbine - Common	25-L2	-	2046	1,713,112.75	-	1,713,113	123,969	7.24	14.8
	8520	Glendive Turbine 2	25-L2	-	2046	472,685.81	131,729	340,957	17,033	3.60	20.0
		Miles City Turbine	25-L2	-	2033	1,006,677.50	25,453	981,224	83,248	8.27	11.8
		Lewis & Clark RICE	25-L2	-	2045	5,701,040.81	731,567	4,969,474	288,843	5.07	17.2
		Portable Generators	25-L2	-	2047	532,801.74	187,391	345,410	22,400	4.20	15.4
		Ormat Generation Facility	25-L2	-	2034	2,207,374.62	1,250,666	956,709	93,488	4.24	10.2
		Heskett Turbine	25-L2	-	2057	6,230,797.05	(135,552)	6,366,349	341,153	5.48	18.7
Total Accessory Electric Equipment						17,864,490.28	2,191,254	15,673,236	970,133		
345.20		Accessory Electric Equipment - Wind Farm									
		Diamond Willow Wind Farm	25-L2	-	2035	7,841,019.30	3,605,143	4,235,877	393,657	5.02	10.7
		Thunder Spirit Wind Farm II	25-L2	-	2043	6,659,678.51	22,397	6,637,282	364,390	5.47	18.2
		Cedar Hills Wind Farm	25-L2	-	2035	6,024,098.89	2,719,916	3,304,183	297,532	4.94	11.1
		Thunder Spirit Wind Farm I	25-L2	-	2040	30,877,016.70	(913,610)	31,790,627	2,068,721	6.70	15.4
Total Accessory Electric Equipment - Wind Farm						51,401,813.40	5,433,845	45,967,969	3,124,300		
346.10		Miscellaneous Power Plant Equipment									
		Glendive Turbine - Common	28-S1	-	2046	234,220.26	114,727	119,493	6,546	2.79	17.0
		Miles City Turbine	28-S1	-	2033	57,866.62	30,081	27,786	2,376	4.11	10.7
		Lewis & Clark RICE	28-S1	-	2045	2,368,901.74	303,958	2,064,944	107,838	4.55	19.1
		Heskett Turbine	28-S1	-	2057	1,568,497.52	175,046	1,393,451	59,761	3.81	23.4
Total Miscellaneous Power Plant Equipment						4,229,486.14	623,813	3,605,673	176,522		
346.20		Miscellaneous Power Plant Equipment - Wind Farm									
		Diamond Willow Wind Farm	28-S1	-	2035	74,569.00	35,276	39,293	3,198	4.29	12.1
		Thunder Spirit Wind Farm II	28-S1	-	2043	819.71	3	817	42	5.14	19.4
		Cedar Hills Wind Farm	28-S1	-	2035	146,776.28	34,877	111,900	8,527	5.81	13.1
		Thunder Spirit Wind Farm I	28-S1	-	2040	438,349.99	57,576	380,774	22,421	5.11	17.0
Total Miscellaneous Power Plant Equipment - Wind Farm						660,514.98	127,731	532,784	34,188		
TOTAL OTHER PRODUCTION PLANT						552,138,100.80	130,365,362	421,772,739	22,374,580		
TOTAL DEPRECIABLE PLANT						924,608,991.82	284,341,755	640,267,236	31,490,277	3.41	

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

On November 1, 2022, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the North Dakota Public Service Commission (Commission) to update its Renewable Resource Cost Adjustment (RRCA) rates in accordance with the Company's Renewable Resource Cost Adjustment Rate 55 tariff that states the rates will be revised annually to reflect the most recent projected level of costs to be recovered.

The proposed Renewable Resource Cost Adjustment rates reflect North Dakota's allocation of the Company's investments in its three wind facilities (Diamond Willow, Cedar Hills, and Thunder Spirit) currently not being recovered through the Company's electric service rates and the amortization of the over-recovered RRCA balance through January 2023.

Montana-Dakota has requested the proposed RRCA rates be effective with service rendered on and after February 1, 2023, 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 \$0.04 per month, or \$0.48 annually. The RRCA is shown as a separate line item on your bill.

	Residential & Small General
Applicable Rate Schedules	10, 13, 16, 20, 25, & 40
Current Rate	\$0.00899 per Kwh
Proposed Rate	\$0.00895 per Kwh
Change	(\$0.00004) per Kwh
	Large General
Applicable Rate Schedules	30, 31, 32, 38, 48, and contracts
Current Rate	\$0.00838 per Kwh
Proposed Rate	\$0.00815 per Kwh
Change	(\$0.00023) per Kwh
	Lighting
Applicable Rate Schedules	41 & 52
Current Rate	\$0.01161 per Kwh
Proposed Rate	\$0.01161 per Kwh
Change	(\$0.00000) per Kwh

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