



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

May 1, 2023

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

Re: Annual Reports

Montana-Dakota Utilities Co. (Montana-Dakota) herewith electronically submit its Electric and Gas Annual Reports for the year ended December 31, 2022 consisting of:

North Dakota Electric and Gas Annual Reports
North Dakota Electric and Gas Cost of Service Studies
Report of Independent Public Accountants

The gas report includes information for Montana-Dakota and its division, Great Plains Natural Gas Co.

As requested, Montana-Dakota has also electronically submitted a copy of the 2022 FERC Form No. 1.

The electric report includes information pursuant to the amended North Dakota Administrative Code 69-09-02-06, which was effective January 1, 2022. This amendment requires reliability statistics to be included in the Annual Report.

Montana-Dakota respectfully requests that this electronic filing be accepted as being in full compliance with the filing requirements of this Commission. Physical copies will be provided if specifically requested by the Commission.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

ANNUAL REPORT

STATE OF NORTH DAKOTA

ELECTRIC OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022



INDEX

- I. Intrastate Return on Equity**
- II. Capital Structure**
- III. Affiliated Transactions**
- IV. Miscellaneous Statistics**
- V. Reliability Indices**

**MONTANA-DAKOTA UTILITIES CO.
ANNUAL REPORT
TO THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION**

Line #	Description	(A)	(B)	(C)	(D)	(E)
		2022 Total Company	2022 North Dakota	ND % (B/A)	2021 North Dakota	Variance (B-D/D)
<u>Operating Revenues:</u>						
1	Residential	\$135,073,346	\$89,036,911	65.92%	\$80,544,296	10.54%
2	Small General	34,128,063	12,543,023	36.75%	11,690,901	7.29%
3	Large General 1/	158,051,225	113,202,988	71.62%	104,112,357	8.73%
4	Lighting Service	2,366,516	1,637,336	69.19%	1,542,760	6.13%
5	Municipal Pumping Service	4,444,598	3,714,184	83.57%	3,456,425	7.46%
6	Sales for Resale	1,949,879	1,366,689	70.09%	1,185,619	15.27%
7	Other Operating Revenues	46,902,276	19,805,644	42.23%	18,453,299	7.33%
8	Unbilled Revenue	(5,657,774)	(7,266,552)	128.43%	(7,350,507)	-1.14%
9	Reserve for Refunds	0	0	0.00%	(8)	-100.00%
10	Total Operating Revenues	<u>\$377,258,129</u>	<u>\$234,040,223</u>	62.04%	<u>\$213,635,142</u>	9.55%
<u>Operating Expenses:</u>						
11	Production Expense	\$121,283,519	\$76,602,994	63.16%	\$65,979,425	16.10%
12	Transmission Expense	37,971,500	26,606,994	70.07%	26,437,092	0.64%
13	Distribution Expense	16,854,598	9,807,085	58.19%	9,354,175	4.84%
14	Customer Accounts Expense	4,115,680	2,650,593	64.40%	2,540,494	4.33%
15	Customer Service & Info. Exp.	400,674	246,700	61.57%	229,260	7.61%
16	Sales Expense	158,975	101,156	63.63%	94,822	6.68%
17	Administration & General Exp.	29,510,421	19,140,321	64.86%	19,554,295	-2.12%
18	Depreciation Expense	67,574,084	45,351,042	67.11%	43,429,137	4.43%
19	Taxes Other than Income	16,893,689	7,557,482	44.74%	8,251,026	-8.41%
20	Total Operating Expenses	<u>\$294,763,140</u>	<u>\$188,064,367</u>	63.80%	<u>\$175,869,726</u>	6.93%
21	Net Operating Income					
22	before Income Taxes	\$82,494,989	\$45,975,856	55.73%	\$37,765,416	21.74%
<u>Income Tax Expense:</u>						
23	Investment Tax Credits					
24	Deferred Income Taxes	\$6,676,791	\$1,724,305	25.83%	\$3,272,107	-47.30%
25	Income Taxes	(11,642,328)	(7,592,950)	65.22%	(10,328,117)	-26.48%
26	Total Income Tax Expense	<u>(\$4,965,537)</u>	<u>(\$5,868,645)</u>	118.19%	<u>(\$7,056,010)</u>	-16.83%
27	Net Regulated Earnings	<u><u>\$87,460,526</u></u>	<u><u>\$51,844,501</u></u>	59.28%	<u><u>\$44,821,426</u></u>	15.67%

1/ The North Dakota contract revenue delta associated with this class is shown below. The contract revenue delta is the difference between the revenue collected under all contract rates and the revenue that would have been collected had these loads been charged the standard rate.

	2022	2021
Large General	<u><u>\$1,082,347</u></u>	<u><u>\$989,697</u></u>

I. INTRASTATE RETURN ON EQUITY

ELECTRIC UTILITY
PAGE 2 OF 2MONTANA-DAKOTA UTILITIES CO.
ANNUAL REPORT
TO THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION

Line #	Description	(A)	(B)	(C)	(D)	(E)
		2022 Total Company	2022 North Dakota	ND % (B/A)	2021 North Dakota	Variance (B-D/D)
Rate Base:						
1	Plant in Service	\$2,181,193,607	\$1,327,139,659	60.84%	\$1,377,133,981	-3.63%
2	Less: Accumulated Depreciation 1/	688,916,450	440,861,984	63.99%	473,523,143	-6.90%
3	Net Plant in Service	\$1,492,277,157	\$886,277,675	59.39%	\$903,610,838	-1.92%
Additions:						
4	Materials and Supplies 2/	\$23,914,302	\$14,894,859	62.28%	\$13,553,047	9.90%
5	Fuel Stocks 2/	4,193,915	2,938,967	70.08%	2,161,846	35.95%
6	Prepayments 2/	1,421,900	949,327	66.76%	888,993	6.79%
7	Unamortized Loss on Debt 3/	1,686,995	1,136,485	67.37%	1,454,509	-21.86%
8	Decommissioning of Retired Plants 3/	(18,574)	0	0.00%	(11,439)	-100.00%
9	Unamort. Redemption Cos of Pref. Stock 3/	351,798	228,630	64.99%	249,573	-8.39%
10	Gain/Loss on Buildings 3/	937,712	937,712	100.00%	999,806	-6.21%
11	Renewable Resource Rider 2/	(10,984,940)	(10,984,940)	100.00%	(5,346,640)	105.46%
12	Lewis & Clark Regulatory Asset 2/	25,046,056	18,371,390	73.35%	18,330,658	0.22%
13	Heskett Regulatory Asset 2/	16,774,793	12,278,362	73.20%	0	0.00%
14	Total Additions	\$63,323,957	\$40,750,792	64.35%	\$32,280,353	26.24%
Deductions:						
15	Accum. Deferred Income Taxes 3/	\$273,990,116	\$180,884,829	66.02%	\$173,974,968	3.97%
16	Accumulated Deferred ITCs 3/	7,307,258	6,502,134	88.98%	6,149,237	5.74%
17	Cust. Advances for Construct. 2/	3,941,986	1,219,415	30.93%	1,513,927	-19.45%
18	Total Deductions	\$285,239,360	\$188,606,378	66.12%	\$181,638,132	3.84%
19	Average Rate Base	\$1,270,361,754	\$738,422,089	58.13%	\$754,253,059	-2.10%
20	Rate of Return on Avg. Rate Base	6.885%	7.021%		5.942%	
21	Less: Weighted Cost of Debt	2.206%	2.206%		2.076%	
22	Weighted Return on Equity	4.679%	4.815%		3.866%	
23	% of Equity to Capital Structure	50.084%	50.084%		49.350%	
24	Return on Equity	9.342%	9.614%		7.834%	

1/ Excludes accelerated depreciation amounts for Total Company of \$41,172,700 and \$7,928,016 for 2021 and 2022, respectively.
Excludes accelerated depreciation amounts for North Dakota of \$33,907,053 and \$6,641,104 for 2021 and 2022, respectively.

2/ Thirteen month average.

3/ Beginning and ending year average.

II. AVERAGE CAPITAL STRUCTURE - TOTAL UTILITY

ELECTRIC UTILITY
PAGE 1 OF 2

MONTANA-DAKOTA UTILITIES CO.
ANNUAL REPORT
TO THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION

		(A)	(B)	(C)	(D)
Line #	Description	2022 Average (000's)	Ratio	Cost	Weighted Cost
1	Long-Term Debt 1/	\$855,382	46.628%	4.506%	2.101%
2	Short-Term Debt 2/	60,313	3.288%	3.197%	0.105%
3	Common Equity	<u>918,804</u>	<u>50.084%</u>	3/	<u>3/</u>
4	Total	<u>\$1,834,499</u>	<u>100.000%</u>		<u>3/</u>

- 1/ Includes additional other long-term debt and excludes \$7.0 million economic development loan for a North Dakota project.
- 2/ Reflects monthly average short-term debt.
- 3/ Return on equity is calculated in Section I, page 2 of 2.

II. CAPITAL STRUCTURE - TOTAL UTILITY

MONTANA-DAKOTA UTILITIES CO.
LONG-TERM DEBT CAPITAL
DECEMBER 31, 2022

Description	Date of Issuance	Date of Maturity	Interest Rate	Principal Amount of Issue	Gross Proceeds	Underwriters' Commission		Loss on Reacquirement Redemption and Issuance Expense	
						Amount	% Gross Proceeds	Amount	% Gross Proceeds
Unsecured Long-Term Debt									
5.98% - Senior Note	12/15/03	12/15/33	5.980%	\$30,000,000	\$30,000,000	\$624,465	2.082%	0	0.000%
6.33% - Senior Note	08/24/06	08/24/26	6.330%	100,000,000	100,000,000	344,061	0.344%	\$10,532,009	10.532%
5.18% - Senior Note	04/15/14	04/15/44	5.180%	50,000,000	50,000,000	239,178	0.478%	0	0.000%
4.24% - Senior Note	07/15/14	07/15/24	4.240%	60,000,000	60,000,000	291,263	0.485%	0	0.000%
4.34% - Senior Note	07/15/14	07/15/26	4.340%	40,000,000	40,000,000	197,042	0.493%	0	0.000%
3.78% - Senior Note	10/29/15	10/30/25	3.780%	87,000,000	87,000,000	471,997	0.543%	0	0.000%
4.87% - Senior Note	10/29/15	10/30/45	4.870%	11,000,000	11,000,000	59,461	0.541%	0	0.000%
4.03% - Senior Note	12/10/15	12/10/30	4.030%	52,000,000	52,000,000	286,355	0.551%	0	0.000%
4.15% - Senior Note	11/21/16	11/21/46	4.150%	40,000,000	40,000,000	226,084	0.565%	0	0.000%
3.73% - Senior Note	03/21/17	03/21/37	3.730%	40,000,000	40,000,000	173,637	0.434%	0	0.000%
3.36% - Senior Note	03/21/17	03/21/32	3.360%	20,000,000	20,000,000	86,071	0.430%	0	0.000%
2.00% - Senior Note	09/05/17	09/03/32	2.000%	7,000,000	7,000,000	6,029	0.062%	0	0.000%
3.66% - Senior Note	10/17/19	10/17/39	3.660%	50,000,000	50,000,000	234,202	0.468%	0	0.000%
3.98% - Senior Note	10/17/19	10/17/49	3.980%	50,000,000	50,000,000	234,202	0.468%	0	0.000%
4.08% - Senior Note	11/18/19	11/18/59	4.080%	100,000,000	100,000,000	435,969	0.436%	0	0.000%
3.21% - Senior Note	09/15/21	09/15/51	3.210%	55,000,000	55,000,000	265,095	0.482%	0	0.000%
3.31% - Senior Note	09/15/21	09/15/61	3.310%	20,000,000	20,000,000	96,432	0.482%	0	0.000%
3.21% - Senior Note	12/15/21	12/15/51	3.210%	50,000,000	50,000,000	215,015	0.430%	0	0.000%
Total Long-Term Debt Capital				<u>\$862,000,000</u>	<u>\$862,000,000</u>	<u>\$4,486,558</u>		<u>\$10,532,009</u>	

Description	Net Proceeds		Cost of Money1/	Principal Outstanding	Annual Cost	Embedded Cost
	Amount	Per Unit				
Unsecured Long-Term Debt						
5.98% - Senior Note	\$29,375,535	97.918%	6.210%	\$30,000,000	\$1,863,000	
6.33% - Senior Note	89,123,930	89.124%	7.514%	100,000,000	7,514,000	
5.18% - Senior Note	49,760,822	99.522%	5.280%	50,000,000	2,640,000	
4.24% - Senior Note	59,708,737	99.515%	4.346%	60,000,000	2,607,600	
4.34% - Senior Note	39,802,958	99.507%	4.442%	40,000,000	1,776,800	
3.78% - Senior Note	86,528,003	99.457%	3.883%	87,000,000	3,378,210	
4.87% - Senior Note	10,940,539	99.459%	4.964%	11,000,000	546,040	
4.03% - Senior Note	51,713,645	99.449%	4.122%	52,000,000	2,143,440	
4.15% - Senior Note	39,773,916	99.435%	4.228%	40,000,000	1,691,200	
3.73% - Senior Note	39,826,363	99.566%	3.797%	40,000,000	1,518,800	
3.36% - Senior Note	19,913,929	99.570%	3.425%	20,000,000	685,000	
2.00% - Senior Note	7,000,000	100.000%	2.000%	7,000,000	140,000	
3.66% - Senior Note	49,765,798	99.532%	3.728%	50,000,000	1,864,000	
3.98% - Senior Note	49,765,798	99.532%	4.046%	50,000,000	2,023,000	
4.08% - Senior Note	99,564,031	99.564%	4.144%	100,000,000	4,144,000	
3.21% - Senior Note	54,734,905	99.518%	3.262%	55,000,000	1,794,100	
3.31% - Senior Note	19,903,568	99.518%	3.360%	20,000,000	672,000	
3.21% - Senior Note	49,784,985	99.570%	3.258%	50,000,000	1,629,000	
Total Long-Term Debt Capital	<u>\$846,987,462</u>			<u>\$862,000,000</u>	<u>\$38,630,190</u>	<u>4.481%</u>

1/ Yield to maturity based upon the life, net proceeds, and semiannual compounding of stated interest rate.

**MONTANA-DAKOTA UTILITIES CO.
ANNUAL REPORT
TO THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION
MAJOR TRANSACTIONS 2022**

Line #	Affiliate's Name	General Description of Service Rendered and/or Supplied	Revenue or (Expense)	
			Total Company	Allocated to North Dakota
1	Knife River Corporation	Electric Sales	\$151,400	\$151,400
2		Natural Gas Sales	124,108	75,047
3	WBI Energy	Electric Sales	763,063	296,367
4		Natural Gas Pipeline Services	(60,141,420)	(26,225,812)
5		Natural Gas Sales	52,085	6,870
6	FutureSource	Electric Sales	193,614	193,614
7		Natural Gas Sales	22,709	22,709
8	JTL Group	Natural Gas Sales	18,189	0
	Total		<u>(\$58,816,252)</u>	<u>(\$25,479,805)</u>

IV. MISCELLANEOUS

MONTANA-DAKOTA UTILITIES CO.
ANNUAL REPORT TO THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION

Line #	Description	2022	2021	2020	2019	2018
	<u>Customer Related</u>					
1	Year End Customers - Residential	78,311	78,153	78,082	77,925	77,826
2	- Small General	10,286	10,209	10,245	10,055	10,020
3	- Large General	4,196	4,138	4,057	4,155	4,091
4	- Lighting Service	718	713	682	650	641
5	- Municipal Pumping	268	271	278	280	283
7	- Total	93,779	93,484	93,344	93,065	92,861
8	Kwh's Sold - Residential	785,846,687	745,873,642	765,297,187	769,845,298	784,678,165
9	- Small General	94,386,164	92,992,240	93,417,385	96,045,221	100,252,146
10	- Large General	1,189,504,488	1,173,455,374	1,131,489,245	1,173,840,153	1,175,826,338
11	- Lighting Service	16,688,245	17,204,024	18,615,882	22,397,675	25,706,732
12	- Municipal Pumping	45,238,349	45,866,583	45,402,033	45,208,408	47,081,398
13	- Total	2,131,663,933	2,075,391,863	2,054,221,732	2,107,336,755	2,133,544,779

MONTANA-DAKOTA UTILITIES CO.
ANNUAL REPORT TO THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION

2022 NORTH DAKOTA RELIABILITY INDICES 1/

Line
#

Reliability Index - Without Identified Storm Event(s)		2022	2021	2020	2019	2018
1	System Average Interruption Frequency Index (SAIFI)	0.601	0.475	0.615	0.545	0.739
2	System Average Interruption Duration Index (SAIDI) 2/	33.17	40.82	55.83	52.40	47.95
3	Customer Average Interruption Duration Index (CAIDI) 2/	55.17	85.91	90.85	96.17	64.88

Reliability Index - With All Identified Storm Event(s)		2022	2021	2020	2019	2018
4	System Average Interruption Frequency Index (SAIFI)	1.051	0.672	0.615	0.545	0.889
5	System Average Interruption Duration Index (SAIDI) 2/	319.54	65.15	55.83	52.40	66.91
6	Customer Average Interruption Duration Index (CAIDI) 2/	303.97	96.99	90.85	96.17	75.26

1/ All outages are reported but major events are excluded from indices. Refer to pages 3-4 for detailed breakdown of MED days.
2/ Reported in Minutes. Includes Distribution and Transmission.

Definitions

Major Event or Major Storm Event: When 10% or more circuits in multiple substation towns have sustained outages or 10% of Region's substation circuits has a sustained outage at the same time. See pages 3-4 for detail.

Storm Event: Weather event related that cause outages but does not require significant resources to restore the outage.

**MONTANA-DAKOTA UTILITIES CO.
ANNUAL REPORT TO THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION**

RELIABILITY INDICES WITHOUT IDENTIFIED ALL STORM EVENT(S)

		2022
1	Total Number of Customers Served	100,890
2	Sum of Customer Interruption Durations (Customer Minutes Sustained)	3,346,938
3	Total Number of Customers Interrupted (Sustained)	60,664
4	SAIFI= $\frac{\text{Total Number of Customers Interrupted (Sustained)}}{\text{Total Number of Customers Served}}$	0.601
5	SAIDI= $\frac{\text{Sum of Customer Interruption Durations (Customer Minutes Sustained)}}{\text{Total Number of Customers Served}}$	33.17
6	CAIDI= $\frac{\text{Sum of Customer Interruption Durations (Customer Minutes Sustained)}}{\text{Customer Hours Service Demand}}$	55.17

RELIABILITY INDICES WITH IDENTIFIED ALL STORM EVENT(S)

		2022
7	Total Number of Customers Served	100,890
8	Sum of Customer Interruption Durations (Customer Minutes Sustained)	32,238,371
9	Total Number of Customers Interrupted (Sustained)	106,057
10	SAIFI= $\frac{\text{Total Number of Customers Interrupted (Sustained)}}{\text{Total Number of Customers Served}}$	1.051
11	SAIDI= $\frac{\text{Sum of Customer Interruption Durations (Customer Minutes Sustained)}}{\text{Total Number of Customers Served}}$	319.54
12	CAIDI= $\frac{\text{Sum of Customer Interruption Durations (Customer Minutes Sustained)}}{\text{Customer Hours Service Demand}}$	303.97

MONTANA-DAKOTA UTILITIES CO.
ANNUAL REPORT TO THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION

2022 MED Days

Approximate Start Date: 4/23/2022
Approximate End Date: 4/30/2022

Summary: Major Spring Snow Storm affected western North Dakota with the biggest impact located in northwest North Dakota affecting the Montana-Dakota Utilities Williston Electric District. Several Montana-Dakota communities were without power for several hours or days due to damage to Montana-Dakota Transmission facilities. Localized Electric Distribution was also affected which caused prolong outages to isolated electric distribution customers. Following is a summary of the communities affected, approximate customer counts and outage duration.

Approx. Start	Approx. Duration	Substation	Community	Approx. # Customers
4/23/2022 18:00	9 Min	CORINTH (354DS01)	Corinth	7
4/23/2022 18:00	9 Min	ALAMO (302DS01)	Alamo	100
4/23/2022 18:00	23 Hr.	ALEXANDER (303DS01)	Alexander	593
4/23/2022 20:00	96.4 Hr.	CROSBY (359DS01)	Crosby	865
	144 Hr.		Ambrose	57
4/23/2022 20:00	49.6 Hr.	COLUMBUS (353DS01)	Columbus	194
4/23/2022 20:00	73.71 Hr.	LARSON (465DS02)	Larson	10
4/23/2022 20:00	73.71 Hr.	NOONAN (526DS04)	Noonan	197
4/23/2022 20:00	139 Hr.	ALAMO (302DS01)	Alamo	100
4/23/2022 20:00	139 Hr.	CORINTH (354DS01)	Corinth	7
4/23/2022 20:30	24.26 Hr.	LIGNITE (474DS01)	Lignite	214
	24.26 Hr.		Portal	154
	24.26 Hr.		Flaxton	109
4/23/2022 20:30	5.6 Hr.	BOWBELLS (328DS02)	Bowbells	366
4/23/2022 22:30	161 Hr.	ZAHL (660DS01)	Zahl	39
	161 Hr.		Hanks	13
	166.5 Hr.		Appam	11
4/23/2022 22:30	10.6 Hr.	GRENORA (415DS01)	Grenora	262
4/23/2022 22:30	10.6 Hr.	GRENORA-OIL (415DS02)	N/A	2
4/24/2022 2:15	14.1 Hr.	WILLISTON OASIS (642DS12)	Williston	287
4/24/2022 2:15	14.1 Hr.	WILL_WASTE_WATER_PLANT (642DS13)	Williston	1
4/24/2022 2:15	14.1 Hr.	WILLISTON-PLANT (642DS01)	Williston	1,385
4/24/2022 2:15	14.1 Hr.	WILLISTON_WATER_PLANT (642DS09)	Williston	1
4/24/2022 5:00	12 Hr.	WILL-HARV_HILLS (642DS10)	Williston	3,756
4/24/2022 5:00	12 Hr.	WILLISTON-NW_S (642DS05)	Williston	1,843
4/24/2022 5:00	12 Hr.	WILLISTON-NW_N (642DS06)	Williston	2,742
4/24/2022 6:15	10.8 Hr.	WILLISTON-NE (642DS04)	Williston	2,576
4/24/2022 6:15	10 Hr.	WILLISTON-SABIN (642DS07)	N/A	1
4/24/2022 6:15	10 Hr.	HALLIBURTON (642DS11)	Williston	56
4/24/2022 6:15	10 Hr.	WILLISTON-E_BDWY (642DS02)	Williston	1,841
4/24/2022 8:50	.4 Hr.	TIOGA-LNG (616DS08)	N/A	1
4/24/2022 8:50	.4 Hr.	TIOGA-EAST (616DS09)	Tioga	24
4/24/2022 8:50	.4 Hr.	TIOGA-NORTH (616DS03)	Tioga	897
4/24/2022 12:00	30.6 Hr.	KINCAID-BONSNESS (460DS03)	Bonsness	2
4/24/2022 13:00	7.5 Hr.	TIOGA-LIQUIDE (616DS06)	N/A	1
4/24/2022 13:00	7.5 Hr.	BATTLEVIEW (317DS02)	Battleview	119
	7.5 Hr.		Power Lake	316
	53 Hr.		McGregor	63
	57 Hr.		Hamlet	8
	7.5 Hr.		Wildrose	150
4/24/2022 13:00	7.5 Hr.	TIOGA-EAST (616DS09)	Tioga	24
4/24/2022 13:00	7.5 Hr.	TIOGA-LNG (616DS08)	N/A	1
4/24/2022 13:00	7.5 Hr.	TIOGA-AMERADA (616DS04)	Tioga	85
4/24/2022 13:00	7.5 Hr.	TIOGA-NORTH (616DS03)	Tioga	897
4/24/2022 13:00	7.5 Hr.	TIOGA-MAIN (616DS05)	Tioga	560
4/24/2022 13:00	8.5 Hr.	RAY (558DS01)	Ray	523
4/24/2022 13:00	53 Hr.	EPPING (384DS02)	Epping	122
	53 Hr.		Wheelock	28

MONTANA-DAKOTA UTILITIES CO.
ANNUAL REPORT TO THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION

Approx. Start	Approx. Duration	Substation	Community	Approx. # Customers
4/24/2022 13:00	7.6 Hr.	ROSS (568DS01)	Ross	137
4/24/2022 13:00	7.6 Hr.	STANLEY-ENBRIDGE (591DS03)	Stanley	55
4/24/2022 13:00	7.6 Hr.	STANLEY (591DS02)	Stanley	1,320
4/24/2022 13:00	7.6 Hr.	TEMPLE (612DS01)	Temple	3
4/24/2022 13:00	7 Hr.	TOLLEY (617DS01)	Tolley	270
4/24/2022 13:00	7 Hr.	MOHALL (507DS01)	Mohall	633
4/24/2022 13:00	7 Hr.	MOHALL_22KV (507DS02)		17
	7 Hr.		Sherwood	217
	7 Hr.		Loraine	5
4/24/2022 13:00	7 Hr.	KENMARE-EAST (458DS02)	Kenmare	253
4/24/2022 13:00	7 Hr.	KENMARE-WEST (458DS07)	Kenmare	585
4/24/2022 13:00	7 Hr.	BOWBELLS (328DS02)	Bowbells	366
4/24/2022 16:30	4.1 HR	GRENORA (415DS01)	Grenora	262
4/24/2022 16:30	4.1 HR	GRENORA-OIL (415DS02)	N/A	2
4/24/2022 18:00	1.7 HR	KENMARE-REFUGE (458DS05)	N/A	7
4/24/2022 18:00	1.7 HR	DONNYBROOK (371DS01)	Donnybrook	92
4/24/2022 18:00	1.7 HR	CARPIO (347DS01)	Carpio	131
4/24/2022 18:00	1.7 HR	COULEE (356DS01)	Coulee	16
4/24/2022 18:00	1.7 HR	COULEE-JOHNSN_FL (356DS03)	Johnson	3
4/24/2022 15:30	29.7 HR	BEACH (318DS03)	Beach	804
4/24/2022 15:30	29.0 HR	SENTINEL_BUTTE (583DS01)	Sentinel Butte	71
4/24/2022 15:30	29.0 HR	BEACH EAST (318DS04)	Beach	9
4/23/2022 22:30	17 Min	HETTINGER-SOUTH(432DS01)	Hettinger	801
4/23/2022 22:30	17 Min	HAYNES(428DS01)	Haynes	32
4/24/2022 3:30	5.5 Hr	HETTINGER-SOUTH(432DS01)	Hettinger	801
4/24/2022 3:30	5.5 Hr	HAYNES(428DS01)	Haynes	32

NORTH DAKOTA COST OF SERVICE STUDY

ELECTRIC OPERATIONS

2022

MONTANA-DAKOTA UTILITIES CO.
INCOME STATEMENT
ELECTRIC UTILITY
TWELVE MONTHS ENDED DECEMBER 31, 2022

	Total Company	North Dakota	Others
<u>Operating Revenues</u>			
Sales Revenues			
Residential	\$135,073,346	\$89,036,911	\$46,036,435
Small General	34,128,063	12,543,023	21,585,040
Large General	158,051,225	113,202,988	44,848,237
Lighting Service	2,366,516	1,637,336	729,180
Municipal Pumping Service	4,444,598	3,714,184	730,414
Sales for Resale	1,949,879	1,366,689	583,190
Unbilled Revenue	(5,657,774)	(7,266,552)	1,608,778
Reserve for Refunds	0	0	0
Total Sales Revenues	<u>330,355,853</u>	<u>214,234,579</u>	<u>116,121,274</u>
Other Operating Revenues	46,902,276	19,805,644	27,096,632
Total Operating Revenues	<u>\$377,258,129</u>	<u>\$234,040,223</u>	<u>\$143,217,906</u>
<u>Operating Expenses</u>			
Operation and Maintenance			
Cost of Fuel & Purchased Power	\$92,007,009	\$58,544,296	\$33,462,713
Production	29,276,510	18,058,698	11,217,812
Transmission	37,971,500	26,606,994	11,364,506
Distribution	16,854,598	9,807,085	7,047,513
Customer Accounts	4,115,680	2,650,593	1,465,087
Customer Service & Information	400,674	246,700	153,974
Sales	158,975	101,156	57,819
Administrative & General	29,510,421	19,140,321	10,370,100
Total O&M Expenses	<u>210,295,367</u>	<u>135,155,843</u>	<u>75,139,524</u>
Depreciation			
Production	27,896,978	17,948,814	9,948,164
Transmission	9,364,010	4,815,064	4,548,946
Distribution	11,444,179	7,245,815	4,198,364
General	684,631	446,136	238,495
Common	1,475,410	1,008,665	466,745
Amort. of Intangible Plant - General	1,368,423	896,330	472,093
Amort. of Intangible Plant - Common	2,257,695	1,486,633	771,062
Amort. of Retired Power Plants	(4,644)	0	(4,644)
Amort. of Unrecovered Plant - Electric	323,664	0	323,664
Amort. Gain/Loss on Buildings	62,095	62,095	0
Amort. of L & C	5,783,974	5,241,199	542,775
Amort. of Heskett	5,996,443	5,308,782	687,661
Amort. of Preferred Stock	32,225	20,943	11,282
Amort. Excess DIT	(404,362)	(287,470)	(116,892)
Generation Decommissioning	1,293,363	1,158,036	135,327
Total Depreciation Expense	<u>67,574,084</u>	<u>45,351,042</u>	<u>22,223,042</u>

MONTANA-DAKOTA UTILITIES CO.
INCOME STATEMENT
ELECTRIC UTILITY
TWELVE MONTHS ENDED DECEMBER 31, 2022

	Total Company	North Dakota	Others
Operating Expenses Con't.			
Taxes Other Than Income Taxes			
Ad Valorem Taxes			
Production	\$2,725,799	\$1,865,872	\$859,927
Transmission	3,955,783	1,574,490	2,381,293
Distribution	5,504,062	1,648,450	3,855,612
General	480,034	175,471	304,563
General Intangible	0	0	0
Common	373,812	170,964	202,848
Common Intangible	0	0	0
Total Ad Valorem Taxes	<u>13,039,490</u>	<u>5,435,247</u>	<u>7,604,243</u>
Other Taxes	<u>3,854,199</u>	<u>2,122,235</u>	<u>1,731,964</u>
Total Taxes Other Than Income Taxes	<u>16,893,689</u>	<u>7,557,482</u>	<u>9,336,207</u>
Current Income Taxes	(11,642,328)	(7,592,950)	(4,049,378)
Deferred Income Taxes	<u>6,676,791</u>	<u>1,724,305</u>	<u>4,952,486</u>
Total Operating Expenses	<u>\$289,797,603</u>	<u>\$182,195,722</u>	<u>\$107,601,881</u>
Operating Income	<u><u>\$87,460,526</u></u>	<u><u>\$51,844,501</u></u>	<u><u>\$35,616,025</u></u>
Year End Rate Base	<u><u>\$1,278,024,027</u></u>	<u><u>\$726,333,914</u></u>	<u><u>\$551,690,113</u></u>
Rate of Return	<u><u>6.84%</u></u>	<u><u>7.14%</u></u>	<u><u>6.46%</u></u>

MONTANA-DAKOTA UTILITIES CO.
YEAR END RATE BASE
ELECTRIC UTILITY
TWELVE MONTHS ENDED DECEMBER 31, 2022

	Total Company	North Dakota	Others
<u>Plant in Service</u>			
Electric Plant in Service			
Steam Production	\$358,998,514	\$206,291,299	\$152,707,215
Other Production	546,133,825	384,995,142	161,138,683
Total Production	<u>905,132,339</u>	<u>591,286,441</u>	<u>313,845,898</u>
Transmission	616,602,849	284,009,670	332,593,179
Distribution	489,338,613	318,452,683	170,885,930
General	36,943,915	23,910,138	13,033,777
Common	56,284,108	40,185,321	16,098,787
Intangible Plant - General	16,773,617	10,401,758	6,371,859
Intangible Plant - Common	29,410,273	19,351,680	10,058,593
Acquisition Adjustment	10,387,642	7,376,162	3,011,480
Total Electric Plant in Service	<u>2,160,873,356</u>	<u>1,294,973,853</u>	<u>865,899,503</u>
Accumulated Reserve for Depreciation			
Steam Production 1/	157,457,539	99,698,722	57,758,817
Other Production	152,981,193	106,680,152	46,301,041
Total Production	<u>310,438,732</u>	<u>206,378,874</u>	<u>104,059,858</u>
Transmission	108,676,948	66,097,599	42,579,349
Distribution	165,710,218	97,339,473	68,370,745
General	13,101,612	7,919,107	5,182,505
Common	19,261,588	13,298,924	5,962,664
Intangible Plant - General	7,154,941	4,691,084	2,463,857
Intangible Plant - Common	19,399,156	12,780,116	6,619,040
Acquisition Adjustment	10,387,642	7,375,642	3,012,000
Total Accum. Reserve for Depreciation	<u>654,130,837</u>	<u>415,880,819</u>	<u>238,250,018</u>
Net Electric Plant in Service	\$1,506,742,519	\$879,093,034	\$627,649,485
<u>Additions</u>			
Materials and Supplies	23,934,397	14,640,715	9,293,682
Fuel Stocks	4,674,474	3,276,384	1,398,090
Prepayments	347,290	234,226	113,064
Unamortized Loss on Debt	1,467,556	980,176	487,380
Decommissioning of Retired Plants	(16,252)	0	(16,252)
Unamort. Redemption Cost of Pref. Stock	335,685	218,158	117,527
Gain/Loss on Buildings	906,664	906,664	0
Renewable Resource Rider	(14,023,622)	(14,023,622)	0
Lewis & Clark Regulatory Asset	24,300,823	17,774,144	6,526,679
Heskett Regulatory Asset	21,167,565	15,504,475	5,663,090
Other	0	0	0
Total Additions	<u>63,094,580</u>	<u>39,511,320</u>	<u>23,583,260</u>
Total Before Deductions	\$1,569,837,099	\$918,604,354	\$651,232,745
<u>Deductions</u>			
Accumulated Deferred Income Taxes	280,273,720	184,463,367	95,810,353
Accumulated Investment Tax Credits	7,473,621	6,566,713	906,908
Customer Advances	4,065,731	1,240,360	2,825,371
Total Deductions	<u>291,813,072</u>	<u>192,270,440</u>	<u>99,542,632</u>
Year End Rate Base	<u><u>\$1,278,024,027</u></u>	<u><u>\$726,333,914</u></u>	<u><u>\$551,690,113</u></u>

1/ Excludes accelerated depreciation amounts of \$7,928,016 for Total Company and \$6,641,104 for North Dakota.

**REPORT OF INDEPENDENT
PUBLIC ACCOUNTANTS**

2022



Deloitte & Touche LLP
Suite 2800
50 South Sixth Street
Minneapolis, MN 55402-1538
USA
Tel: +1 612 397 4000
Fax: +1 612 397 4450
www.deloitte.com

INDEPENDENT ACCOUNTANT'S REPORT

To the Managing Committee of
Montana-Dakota Utilities Co.:

We have examined the accompanying schedules of the Cost of Gas per dk and Fuel and Purchased Power Cost per kWh (collectively, "the Schedules") of Montana-Dakota Utilities Co. (the "Company"), a wholly owned subsidiary of MDU Resources Group Inc., for the period from January 1, 2022 to December 31, 2022. The Company's management is responsible for the calculation of the cost of gas per dekatherm ("dk") and fuel and purchased power cost per kilowatt-hour ("kWh") in the Schedules in accordance with the criteria established by the North Dakota Public Service Commission (the "Commission") and based upon Chapters 69-09-01-30 and 69-09-02-39 of the North Dakota Administrative Code (the "Code") and Cost of Gas Rate 88 and Fuel and Purchased Power Adjustment Rate 58 (the "Tariffs") filed by the Company with the Commission. Our responsibility is to express an opinion on these Schedules based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedules are in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Schedules. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedules, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Schedules of the Cost of Gas per dk and Fuel and Purchased Power Cost per kWh of Montana-Dakota Utilities Co. for the period from January 1, 2022 to December 31, 2022, present the cost of gas per dk and the fuel and purchased power cost per kWh in accordance with Chapters 69-09-01-30 and 69-09-02-39 of the Code and the Tariff's filed by the Company, in all material respects.

This report is intended solely for the information and use of the Managing Committee of the Company and the Commission, and is not intended to be, and should not be, used by anyone other than these specified parties.

Deloitte & Touche LLP

April 5, 2023

MONTANA-DAKOTA UTILITIES CO.

SCHEDULE OF 2022 FUEL AND PURCHASED POWER COST PER kWh

Effective for the month of:	Primary (\$)	Secondary (\$)
January	0.02149	0.02293
February	0.02915	0.03068
March	0.03119	0.03250
April	0.03373	0.03507
May	0.03018	0.03136
June	0.02492	0.02606
July	0.02231	0.02355
August	0.01930	0.02057
September	0.02487	0.02635
October	0.02512	0.02654
November	0.02325	0.02465
December	0.02425	0.02569

MONTANA-DAKOTA UTILITIES CO.

SCHEDULE OF 2022 COST OF GAS PER DK

Effective for the Month of:	Residential and General Service (\$)	Small and Large Interruptible (\$)	Air Force Interruptible (\$)
January	5.819	4.446	4.594
February	5.819	4.446	4.594
March	5.819	4.446	4.594
April	5.819	4.446	4.594
May	8.036	5.295	5.440
June	9.481	6.762	6.900
July	10.267	7.548	7.683
August	8.949	6.231	6.371
September	10.293	7.549	7.684
October	10.095	9.277	9.316
November	7.494	6.664	6.714
December	7.117	6.304	6.356