



A Subsidiary of MDU Resources Group, Inc.

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October 31, 2023

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-23-____

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 1st Revised Sheet No. 39 of its electric tariff, provided herein as Exhibit 1, to be effective with service rendered on and after February 1, 2024.

Montana-Dakota is requesting to update its RRCA rates to reflect the projected costs through December 31, 2024 related to the Company's investment in the Thunder Spirit, Cedar Hills, and Diamond Willow Wind Facilities.

Included in the projected revenue requirement are updated depreciation rates as well as the approved return on equity in Case No. PU-22-194. These updates are reflected in the revenue requirement effective July 2023.

A comparison of the total proposed costs to be recovered in this filing and the approved costs to be recovered in Case No. PU-22-401 is outlined below:

	Current Filing	Prior Filing	Variance
Revenue Requirement	\$9,525,721	\$10,044,663	(\$518,942)
Levelization	8,563,018	7,764,537	798,481
(Over)/Under Recovered Balance	2,958,382	(2,450,129)	5,408,511
	<u>\$21,047,121</u>	<u>\$15,359,071</u>	<u>\$5,688,050</u>

The total projected 2024 revenue requirement, as allocated to North Dakota, is \$9,525,721 and is detailed in Exhibit 3. The levelization of the revenue requirement

includes \$8,127,111 for the Thunder Spirit Wind facility pursuant to the Orders in Case Nos. PU-19-355 and PU-20-440, and \$435,907 for the Diamond Willow Repower Project pursuant to the Order in Case No. PU-21-420. The projected 2024 RRCA rates also reflect a projected under-recovered balance of the current RRCA costs of \$2,958,382 for a total cost of \$21,047,121 to be collected through the proposed RRCA rates. The total costs to be recovered through the proposed rates represent an increase of \$5,688,050 from the revenues currently being collected under the RRCA. The main driver for the increase is the under-collected balance. The under-collected balance was driven by lower than projected PTCs, partially driven by curtailments, and higher than projected O&M and depreciation expenses.

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 800 kWh would see a total increase of \$1.30 per month from the currently authorized charge under Rate 55, representing a increase of \$15.60 annually. This change will constitute an increase of approximately 1.33% in a residential customer’s total bill. The proposed Renewable Resource Cost Adjustments (RRCA) rates are shown below, along with the change from the current RRCA rates implemented March 1, 2023:

	Proposed Rate	Current Rate	Change
Residential & Small General Rate/kWh	\$0.01007	\$0.00844	\$0.00163
Large General/kWh	\$0.00969	\$0.00768	\$0.00201
Lighting/kWh	\$0.00938	\$0.01094	(\$0.00156)

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:

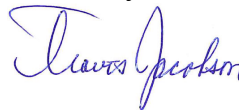
Allison Waldon
Attorney
MDU Resources Group, Inc.
P.O. Box 5650
Bismarck, ND 58506-5650
Allison.Waldon@mduresources.com

Montana-Dakota includes a check for \$10,000 for the filing fees in this case. In the event the Commission determines 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

**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-23-____
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 2024 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, 1st Revised Sheet No. 39, to be effective with service rendered on and after February 1, 2024. In support of the Company’s Application, Montana-Dakota is providing the following Exhibits:

- Exhibit 1 - Renewable Resource Cost Adjustment Rate 55 1st Revised Sheet No. 39
- Exhibit 2 - Derivation of Proposed Rates
- Exhibit 3 - Projected 2024 Revenue Requirement
- Exhibit 4 - Balancing Account Summary, 2022 and 2023 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 93,936 customers in North Dakota as of September 30, 2023.

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 March 1, 2023 in Case No. PU-22-401.

Montana-Dakota is now requesting to update its RRCA rates to reflect projected costs through December 2024 for all existing wind facilities (Cedar Hills, Diamond Willow and Thunder Spirit) and to include the projected under collected balance as of January 2024. The revenue requirement includes updated depreciation expense and the approved return on equity, effective July 2023, as approved in Case No. PU-22-194. 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, 2024.

IV. Calculation of the Proposed RRCA Rates

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

- *Exhibit 2* shows the proposed RRCA rates and the allocation of the total costs to each of the rate classes, including all special contracts. The total costs to be recovered include the projected RRCA under collected balance of \$2,958,382 as of January 31, 2024, the projected 2024 revenue requirement of \$9,525,721 associated with Thunder Spirit, Cedar Hill, and Diamond Willows wind facilities and the projected levelization adjustment of \$8,563,018 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, approved in Case No. PU-22-194, 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	\$9,525,721	\$10,044,663	(\$518,942)
Levelization	8,563,018	7,764,537	798,481
(Over)/Under Recovered Balance	2,958,382	(2,450,129)	5,408,511
	<u>\$21,047,121</u>	<u>\$15,359,071</u>	<u>\$5,688,050</u>

As outlined above, the levelization amount that is being projected for the 2024 period is increasing. This is to better match the revenue requirement, exclusive of Production Tax Credits (PTCs) for 2024 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 7. The prior period Over Recovered balance has reversed to an Under Recovered balance. The main drivers for the under-collected balance are actual PTCs being less than what was forecasted in the prior filing and actual O&M and depreciation expenses being greater than what was forecasted in the prior filing.

- *Exhibit 3* shows the projected monthly revenue requirements for Montana-Dakota’s wind projects for the year ending December 2024. The projected revenue requirement for the twelve months ending December 31, 2024 as allocated to North Dakota is \$9,525,721 as shown in Exhibit 3. This represents a decrease of \$518,942 from the revenue requirement authorized in Case No. PU-

22-401. The revenue requirement is comprised of:

- Average rate base of \$106,270,641. 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 2.8 cents per kWh of production from the Thunder Spirit Wind Facility and 2.75 cents per kWh of production from the Diamond Willow Wind Facility Phase 1 Repower. The available PTCs are included as a reduction to taxes.
- Return: reflective of the projected 2024 Capital Structure and the Return on Equity of 9.75% authorized in the Company's last electric rate case (Case No. PU-22-194).
- 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-22-194.
- Taxes Other than Income: reflective of the production tax rate applicable

under N.D.C.C. 57-33.2.04: Wind Generation Taxation, and assessed property taxes as applicable.

- 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 \$899,102 for 2024, 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 \$7.1 million available at the end of 2023, and it is projected that \$425,066 of the credit will be utilized in 2024. 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 2024 is projected to be approximately \$7.5 million.
- *Exhibit 4* shows the projected RRCA Balancing Account (per Paragraph 2d of Rate 55) through January 2024. 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. 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 2023 and December 2024.

V. Updates from the Prior Year filing - Case No. PU-22-401

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, Montana-Dakota proposed to continue to recover the revenue requirement related to existing wind facilities in the RRCA. Pursuant to the Commission's Findings of Fact, Conclusions of Law and Order issued June 6, 2023 (Commission's Order), the depreciation rates applicable to the production assets of Thunder Spirit, Diamond Willow, and Cedar Hills were updated effective July 2023. The depreciation rates for the transmission assets included in the RRCA revenue requirement were also updated effective July 2023. Also pursuant to the Commission's Order, the authorized return on equity of 9.75% was included in the RRCA revenue requirement. The updated depreciation expense and return on equity are reflected in the revenue requirements on Exhibit 3, page 1, and Exhibit 4, page 4.

In the prior year filing, the Company proposed the addition of an Upgraded Pitch System to Diamond Willow in the proposed 2023 revenue requirement. During 2023, the Company began reviewing potential future projects that will affect the Diamond Willow facility and it was determined that the Upgraded Pitch System project will be postponed until a determination is made on the potential future projects for Diamond Willow. The Pitch System Upgrade involves a large contractor mobilization cost and by postponing the project, the Company can make the upgrades with any other future projects for the facility and will avoid incurring the cost related to a larger mobilization on two separate occasions.

VI. Estimated Impact by Customer Class

As shown in Exhibit 2, Montana-Dakota’s projected 2024 costs to be recovered under the RRCA rates are \$21,047,121 which includes the projected under-recovered balance of \$2,958,382. A residential customer using 800 kWh would see an increase of \$1.30 per month, or \$15.60 annually.

Montana-Dakota requests approval of the following RRCA rates to be effective February 1, 2024:

	Proposed Rate	Current Rate	Change
Residential & Small General Rate/kWh	\$0.01007	\$0.00844	\$0.00163
Large General/kWh	\$0.00969	\$0.00768	\$0.00201
Lighting/kWh	\$0.00938	\$0.01094	(\$0.00156)

The main driver for the increase is the under-collected balance. As previously explained, the under-collected balance was driven by lower than forecasted PTCs and higher than forecasted expenses.

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

VII. 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, 2024.

Dated this 31st day of October 2023.



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.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 5
1st Revised Sheet No. 39
Canceling Original Sheet No. 39

RENEWABLE RESOURCE COST ADJUSTMENT Rate 55

Page 1 of 1

1. Applicability:

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

2. Renewable Resource Cost Adjustment:

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

3. Renewable Resource Cost Adjustment:

Residential & Small General	1.007¢ per Kwh
Large General	0.969¢ per Kwh
Lighting	0.938¢ per Kwh

Date Filed: October 31, 2023

Effective Date:

Issued By: Travis R. Jacobson
Director – Regulatory Affairs

Case No.: PU-23-

Tariff Reflecting Proposed Changes



Montana-Dakota Utilities Co.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 5

~~Original~~ 1st Revised Sheet No. 39

~~Canceling Original 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	0.8441 <u>1.007</u> ¢ per Kwh
Large General	0.7680 <u>0.969</u> ¢ per Kwh
Lighting	1.0940 <u>0.938</u> ¢ per Kwh

Date Filed: ~~June 12~~October 31, 2023

Effective Date: ~~Service rendered on and after July 1, 2023~~

Issued By: Travis R. Jacobson
Director – Regulatory Affairs

Case No.: ~~PU-22-194~~23-

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Proposed 2024 Renewable Rider Rates**

	<u>Total</u>
Revenue Requirement 1/	\$9,525,721
Levelization 1/	8,563,018
Over Recovery 2/	2,958,382
Total Cost to be Recovered through RRCA Rates	<u><u>\$21,047,121</u></u>

<u>Allocation of Costs & Proposed Rates</u>	<u>Allocated RRCA Costs 3/</u>	<u>Projected Billing Determinants</u>	<u>Proposed RRCA Rates</u>
Residential & Small General	\$8,789,912	872,997,323 Kwh	\$0.01007 per Kwh
Large General	12,101,163	1,248,817,150 Kwh	\$0.00969 per Kwh
Lighting	156,046	16,631,115 Kwh	\$0.00938 per Kwh
	<u><u>\$21,047,121</u></u>		

<u>Change in Rates</u>	<u>Proposed RRCA Rates</u>	<u>Current RRCA Rates 4/</u>	<u>Change in RRCA Rates</u>
Residential & Small General	\$0.01007	\$0.00844	\$0.00163
Large General	\$0.00969	\$0.00768	\$0.00201
Lighting	\$0.00938	\$0.01094	(\$0.00156)

1/ Exhibit 3, page 1.

2/ Exhibit 4, page 1.

3/ Demand/Energy for Wind Allocation Factor 3 approved in Case No. PU-22-194.

Residential & Small General	41.763014%	(Rates 10, 13, 16, 20, 25, 26, and 40)
Large General	57.495574%	(Rates 30, 31, 32, 38, 48 and contracts)
Lighting	0.741412%	(Rates 41, 52)
	<u><u>100.000000%</u></u>	

4/ Current RRCA rates effective March 1, 2023.

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Projected Year End 2024

	Projected												Average Balance	
	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	June 2024	July 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024		
Rate Base														
Total Plant Balance	\$277,043,722	\$277,043,722	\$277,043,722	\$277,043,722	\$277,043,722	\$277,043,722	\$277,043,722	\$277,043,722	\$277,043,722	\$277,043,722	\$277,043,722	\$277,043,722	\$277,043,722	
Total Accumulated Reserve	86,924,848	87,944,594	88,964,340	89,984,086	91,003,832	92,023,578	93,043,324	94,063,070	95,082,816	96,102,562	97,122,308	98,142,054		
Net Plant in Service	\$190,118,874	\$189,099,128	\$188,079,382	\$187,059,636	\$186,039,890	\$185,020,144	\$184,000,398	\$182,980,652	\$181,960,906	\$180,941,160	\$179,921,414	\$178,901,668	184,510,271	
Less: Deferred Taxes	\$45,989,427	\$45,626,525	\$45,248,799	\$44,928,718	\$44,640,230	\$44,348,468	\$44,086,040	\$43,810,516	\$43,573,469	\$43,374,997	\$43,194,482	\$42,983,315		
Less: Investment Tax Credit	7,133,672	7,169,094	7,204,516	7,239,938	7,275,360	7,310,782	7,346,204	7,381,626	7,417,048	7,452,470	7,487,892	7,523,314		
Less: Levelization Reg Liability	22,681,867	23,410,023	24,267,026	24,953,768	25,579,244	26,284,079	26,936,825	27,711,341	28,394,138	28,986,983	29,572,188	30,351,177		
Total Rate Base	\$114,313,908	\$112,893,486	\$111,359,041	\$109,937,212	\$108,545,056	\$107,076,815	\$105,631,329	\$104,077,169	\$102,576,251	\$101,126,710	\$99,666,852	\$98,043,862	106,270,641	
Return on Rate Base 1/	\$684,645	\$676,138	\$666,948	\$658,432	\$650,094	\$641,301	\$632,644	\$623,336	\$614,346	\$605,665	\$596,921	\$587,201	\$7,637,671	
Expenses														
Operating Expenses													Total	
Total O&M	\$329,936	\$329,936	\$329,936	\$329,936	\$329,936	\$329,936	\$329,936	\$329,936	\$329,936	\$329,936	\$329,936	\$329,936	\$1,039,362	\$4,668,658
Total Depreciation	1,019,746	1,019,746	1,019,746	1,019,746	1,019,746	1,019,746	1,019,746	1,019,746	1,019,746	1,019,746	1,019,746	1,019,746	1,019,746	12,236,952
Property taxes	59,707	59,707	59,707	59,707	59,707	59,707	59,707	59,707	59,707	59,707	59,707	59,707	59,707	716,484
Payroll taxes	3,947	3,947	3,947	3,947	3,947	3,947	3,947	3,947	3,947	3,947	3,947	3,947	3,947	47,364
Total Expenses	\$1,413,336	\$1,413,336	\$1,413,336	\$1,413,336	\$1,413,336	\$1,413,336	\$1,413,336	\$1,413,336	\$1,413,336	\$1,413,336	\$1,413,336	\$1,413,336	\$2,122,762	\$17,669,458
Income before Taxes (EBIT)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$2,122,762)	(\$17,669,458)
Interest Expense	(218,530)	(215,815)	(212,881)	(210,163)	(207,502)	(204,695)	(201,932)	(198,961)	(196,092)	(193,321)	(190,530)	(187,427)	(187,427)	(2,437,849)
AFUDC Equity Add Back	25,219	25,219	25,219	25,219	25,219	25,219	25,219	25,219	25,219	25,219	25,219	25,219	25,219	302,632
Taxable income	(\$1,606,647)	(\$1,603,932)	(\$1,600,998)	(\$1,598,280)	(\$1,595,619)	(\$1,592,812)	(\$1,590,049)	(\$1,587,078)	(\$1,584,209)	(\$1,581,438)	(\$1,578,647)	(\$1,578,647)	(\$2,284,966)	(\$19,804,675)
Income Taxes 2/	(\$392,101)	(\$391,438)	(\$390,722)	(\$390,059)	(\$389,409)	(\$388,724)	(\$388,050)	(\$387,325)	(\$386,625)	(\$385,948)	(\$385,267)	(\$385,267)	(\$557,644)	(\$4,833,312)
Less: ARAM Amortization	(74,925)	(74,925)	(74,925)	(74,925)	(74,925)	(74,925)	(74,925)	(74,925)	(74,925)	(74,925)	(74,925)	(74,925)	(74,925)	(899,102)
Production Tax Credit	(1,311,951)	(1,193,643)	(1,137,985)	(1,094,375)	(969,168)	(792,234)	(733,735)	(784,449)	(828,504)	(1,186,453)	(1,224,446)	(1,116,794)	(1,116,794)	(12,373,737)
Net Income Taxes	(\$1,778,977)	(\$1,660,006)	(\$1,603,632)	(\$1,559,359)	(\$1,433,502)	(\$1,255,883)	(\$1,196,710)	(\$1,246,699)	(\$1,290,054)	(\$1,647,326)	(\$1,684,638)	(\$1,749,365)	(\$1,749,365)	(\$18,106,151)
Operating Income	\$365,641	\$246,670	\$190,296	\$146,023	\$20,166	(\$157,453)	(\$216,626)	(\$166,637)	(\$123,282)	\$233,990	\$271,302	(\$373,397)	\$436,693	
Revenue Requirement	\$421,990	\$568,116	\$630,533	\$677,834	\$833,292	\$1,056,621	\$1,123,446	\$1,045,006	\$975,762	\$491,665	\$430,741	\$1,270,715	\$9,525,721	

Thunder Spirit PTC Levelization, grossed up: 8,127,111
Diamond Willow Repower PTC Levelization, grossed up: 435,907
Total Projected 2024: \$18,088,739

1/ Projected Capital Structure with authorized return on equity.

	Ratio	Cost		
Long Term Debt:	45.296%	4.569%	2.070%	
Short Term Debt:	4.519%	4.954%	0.224%	2.294%
Common Equity:	50.185%	9.750%	4.893%	
	100.000%		7.187%	

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
Balancing Account and Carry Charge Calculation**

	Cumulative								Grand Total (Over)/Under Collection
	Beginning Balance	Revenue Requirement 1/	Revenue Collected 2/	Ending Balance 3/	Carrying Charge Calculation			Carrying Charge 4/	
					Deferred Income Tax	Net Balance	Rate 4/		
September 2022									\$315,427 5/
October	\$315,427	\$1,113,703	\$854,259	\$574,871	\$140,297	\$434,574	3.72%	\$749	575,620
November	574,871	649,688	870,436	354,123	86,423	267,700	4.15%	1,503	356,375
December	354,123	1,750,684	1,212,429	892,378	217,784	674,594	4.25%	948	895,578
January 2023	892,378	966,806	1,146,673	712,511	173,888	538,623	4.54%	2,552	718,263
February	712,511	585,076	931,077	366,510	89,446	277,064	4.65%	2,087	374,349
March	366,510	1,150,424	1,040,869	476,065	116,183	359,882	4.69%	1,083	484,987
April	476,065	693,487	765,883	403,669	98,515	305,154	4.92%	1,476	414,067
May	403,669	1,245,105	693,140	955,634	233,222	722,412	5.14%	1,307	967,339
June	955,634	1,467,731	781,776	1,641,589	400,628	1,240,961	5.16%	3,106	1,656,400
July	1,641,589	1,368,197	723,972	2,285,814	557,851	1,727,963	5.25%	5,429	2,306,054
August	2,285,814	1,235,562	859,877	2,661,499	649,536	2,011,963	5.30%	7,632	2,689,371
September	2,661,499	1,308,558	755,678	3,214,379	784,466	2,429,913	5.32%	8,920	3,251,171
October - Est.	3,214,379	483,727	653,547	3,044,559	743,022	2,301,537	5.32%	10,773	3,092,124
November - Est.	3,044,559	568,647	648,642	2,964,564	723,499	2,241,065	5.32%	10,203	3,022,332
December - Est.	2,964,564	1,266,534	870,586	3,360,512	820,130	2,540,382	5.32%	9,935	3,428,215
January 2024 - Est.	3,360,512	421,990	903,085	2,879,417	702,719	2,176,698	5.32%	11,262	2,958,382
Total		\$16,275,919	\$13,711,929					\$78,965	

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, 2022 in Case No. PU-21-420 and March 1, 2023 in Case No. PU-22-401.

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 2022 (Over)/Under balance per Case No. PU-22-401, Exhibit 4, page 1 as updated in the January 31, 2023 update.

**North Dakota Renewable Rider
Revenue Breakdown**

	Total Revenue Collected	Levelizing Adjustment in Rates 1/	Net Revenue Collected
October 2022	1,275,804	421,545	854,259
November	1,298,423	427,987	870,436
December	1,805,136	592,707	1,212,429
	<u>\$4,379,363</u>	<u>\$1,442,239</u>	<u>\$2,937,124</u>
January 2023	\$1,957,045	\$810,372	\$1,146,673
February	1,591,334	660,257	931,077
March	1,817,958	777,089	1,040,869
April	1,388,588	622,705	765,883
May	1,260,292	567,152	693,140
June	1,420,887	639,111	781,776
July	1,315,851	591,879	723,972
August	1,562,171	702,294	859,877
September	1,374,806	619,128	755,678
October - Est.	1,191,111	537,564	653,547
November - Est.	1,179,278	530,636	648,642
December - Est.	1,576,936	706,350	870,586
	<u>\$17,636,257</u>	<u>\$7,764,537</u>	<u>\$9,871,720</u>
January 2024 - Est.	\$1,796,793	\$893,708	\$903,085
February - Est.		728,156	
March - Est.		857,003	
April - Est.		686,742	
May - Est.		625,476	
June - Est.		704,835	
July - Est.		652,746	
August - Est.		774,516	
September - Est.		682,797	
October - Est.		592,845	
November - Est.		585,205	
December - Est.		778,989	
		<u>\$8,563,018</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 2022

	Actual from Prior Filing									Actual			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	\$276,355,018	\$276,649,896	\$276,759,960	\$279,930,435
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	72,440,862	73,404,758	74,102,566	
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	\$203,914,156	\$203,245,138	\$202,657,394	199,688,596
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	\$50,297,011	\$50,410,682	\$50,243,413	
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	6,517,816	6,566,713	
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	13,002,928	13,430,915	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	\$133,151,199	\$132,885,725	\$131,823,646	130,456,138
Return on Rate Base 1/	\$797,956	\$789,952	\$781,510	\$773,258	\$765,624	\$757,797	\$749,931	\$742,018	\$733,790	\$785,925	\$784,358	\$778,089	\$9,240,208
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	\$284,180	\$336,796	\$997,705	\$4,041,290
Total Depreciation	972,962	973,035	973,051	972,846	972,783	972,829	972,768	972,855	972,556	972,615	956,455	957,484	11,642,239
Property taxes	64,112	64,112	64,112	64,112	64,112	64,112	64,112	64,112	64,112	55,798	55,798	55,798	744,402
Payroll taxes	4,054	4,233	3,345	3,213	2,916	3,340	2,912	2,961	2,906	2,650	3,306	3,091	38,927
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	\$1,315,243	\$1,352,355	\$2,014,078	\$16,466,858
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)	(\$1,315,243)	(\$1,352,355)	(\$2,014,078)	(\$16,466,858)
Interest Expense	(245,820)	(243,354)	(240,753)	(238,211)	(235,859)	(233,448)	(231,025)	(228,587)	(226,053)	(242,113)	(241,631)	(239,699)	(2,846,553)
AFUDC Equity Add Back	10,851	10,851	10,851	10,851	10,851	10,851	10,851	10,851	10,851	29,221	29,221	29,220	185,321
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)	(\$1,528,135)	(\$1,564,765)	(\$2,224,557)	(\$19,128,090)
Income Taxes 2/	(\$382,883)	(\$374,462)	(\$374,904)	(\$375,156)	(\$372,418)	(\$374,968)	(\$371,572)	(\$374,459)	(\$369,650)	(\$372,940)	(\$381,879)	(\$542,901)	(\$4,668,192)
Less: ARAM Amortization	(71,176)	(71,176)	(71,176)	(71,176)	(71,176)	(71,176)	(71,176)	(71,176)	(71,176)	(49,256)	(49,256)	(49,255)	(788,351)
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)	(837,067)	(1,214,446)	(876,580)	(10,782,003)
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)	(\$1,259,263)	(\$1,645,581)	(\$1,468,736)	(\$16,238,546)
Operating Income	\$419,429	\$275,406	\$206,301	\$184,872	\$27,837	(\$233,265)	(\$329,776)	(\$277,826)	(\$193,194)	(\$55,980)	\$293,226	(\$545,342)	(\$228,312)
Revenue Requirement	\$500,730	\$680,661	\$760,908	\$778,339	\$975,972	\$1,311,014	\$1,428,276	\$1,349,087	\$1,226,249	\$1,113,703	\$649,688	\$1,750,684	\$12,525,311

1/ 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
1- tax rate

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

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

	Actual									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	\$276,838,116	\$276,911,965	\$276,935,371	\$276,918,505	\$276,914,986	\$277,025,944	\$277,025,944	\$277,037,189	\$277,043,722	\$277,043,722	\$277,043,722	\$277,043,722	\$276,981,909
Total Accumulated Reserve	75,080,603	76,039,148	76,977,207	77,873,443	78,830,060	79,788,459	80,808,184	81,826,119	82,845,864	83,865,610	84,885,356	85,905,102	
Net Plant in Service	\$201,757,513	\$200,872,817	\$199,958,164	\$199,045,062	\$198,084,926	\$197,237,485	\$196,217,760	\$195,211,070	\$194,197,858	\$193,178,112	\$192,158,366	\$191,138,620	196,588,146
Less: Deferred Taxes	\$49,435,525	\$49,169,861	\$48,884,071	\$48,644,079	\$48,426,041	\$48,198,563	\$47,991,000	\$47,764,877	\$47,567,173	\$47,397,760	\$47,238,160	\$47,044,073	
Less: Investment Tax Credit	6,611,008	6,655,303	6,699,597	6,743,892	6,788,187	6,832,482	6,876,776	6,921,071	6,965,366	7,009,660	7,053,955	7,098,250	
Less: Levelization Reg Liability	14,833,994	15,494,251	16,271,340	16,894,045	17,461,197	18,100,308	18,692,187	19,394,481	20,013,609	20,551,173	21,081,809	21,788,159	
Total Rate Base	\$130,876,986	\$129,553,402	\$128,103,156	\$126,763,046	\$125,409,501	\$124,106,132	\$122,657,797	\$121,130,641	\$119,651,710	\$118,219,519	\$116,784,442	\$115,208,138	123,205,373
Return on Rate Base 1/	\$778,173	\$770,303	\$761,680	\$753,712	\$745,664	\$737,914	\$734,414	\$725,270	\$716,415	\$707,839	\$699,247	\$689,809	\$8,820,440
Expenses													
Operating Expenses													Total
Total O&M	\$318,470	\$361,355	\$347,982	\$319,902	\$338,583	\$330,109	\$314,763	\$311,064	\$334,330	\$334,330	\$334,330	\$1,016,571	\$4,661,789
Total Depreciation	958,146	958,141	958,387	958,463	958,409	958,398	1,019,724	1,019,724	1,019,746	1,019,746	1,019,746	1,019,746	11,868,376
Property taxes	59,707	59,707	59,707	59,707	59,707	59,707	59,707	59,707	59,707	59,707	59,707	59,705	716,482
Payroll taxes	5,118	4,440	4,664	4,463	3,526	3,735	3,122	3,424	3,032	3,947	3,947	3,947	47,365
Total Expenses	\$1,341,441	\$1,383,643	\$1,370,740	\$1,342,535	\$1,360,225	\$1,351,949	\$1,397,316	\$1,393,919	\$1,416,815	\$1,417,730	\$1,417,730	\$2,099,969	\$17,294,012
Income before Taxes (EBIT)	(\$1,341,441)	(\$1,383,643)	(\$1,370,740)	(\$1,342,535)	(\$1,360,225)	(\$1,351,949)	(\$1,397,316)	(\$1,393,919)	(\$1,416,815)	(\$1,417,730)	(\$1,417,730)	(\$2,099,969)	(\$17,294,012)
Interest Expense	(256,519)	(253,925)	(251,082)	(248,456)	(245,803)	(243,248)	(240,409)	(237,416)	(234,517)	(231,710)	(228,898)	(225,808)	(2,897,791)
AFUDC Equity Add Back	24,405	24,405	24,405	24,405	24,405	24,405	24,405	24,405	24,405	24,405	24,405	24,404	292,859
Taxable income	(\$1,573,555)	(\$1,613,163)	(\$1,597,417)	(\$1,566,586)	(\$1,581,623)	(\$1,570,792)	(\$1,613,320)	(\$1,606,930)	(\$1,626,927)	(\$1,625,035)	(\$1,622,223)	(\$2,301,373)	(\$19,898,944)
Income Taxes 2/	(\$384,025)	(\$393,691)	(\$389,848)	(\$382,324)	(\$385,994)	(\$383,350)	(\$393,729)	(\$392,170)	(\$397,050)	(\$396,588)	(\$395,902)	(\$561,648)	(\$4,856,319)
Less: ARAM Amortization	(68,934)	(68,934)	(68,934)	(68,934)	(68,934)	(68,934)	(68,934)	(68,934)	(68,934)	(68,934)	(68,934)	(68,931)	(827,205)
Production Tax Credit	(935,797)	(1,249,032)	(803,974)	(1,120,747)	(709,723)	(528,046)	(634,777)	(724,061)	(678,040)	(1,294,373)	(1,222,272)	(1,201,761)	(11,102,603)
Net Income Taxes	(\$1,388,756)	(\$1,711,657)	(\$1,262,756)	(\$1,572,005)	(\$1,164,651)	(\$980,330)	(\$1,097,440)	(\$1,185,165)	(\$1,144,024)	(\$1,759,895)	(\$1,687,108)	(\$1,832,340)	(\$16,786,127)
Operating Income	\$47,315	\$328,014	(\$107,984)	\$229,470	(\$195,574)	(\$371,619)	(\$299,876)	(\$208,754)	(\$272,791)	\$342,165	\$269,378	(\$267,629)	(\$507,885)
Revenue Requirement	\$966,806	\$585,076	\$1,150,424	\$693,487	\$1,245,105	\$1,467,731	\$1,368,197	\$1,235,562	\$1,308,558	\$483,727	\$568,647	\$1,266,534	\$12,339,854

1/ Projected Capital Structure with authorized return on equity from Case No. PU-16-666 for January - June 2023.

	Ratio	Cost	
Long Term Debt:	44.534%	4.503%	2.005%
Short Term Debt:	5.900%	5.887%	0.347% 2.352%
Common Equity:	49.566%	9.650%	4.783%
	100.000%		7.135%

Projected Capital Structure with authorized return on equity from Case No. PU-22-194 effective July 2023.

	Ratio	Cost	
Long Term Debt:	44.534%	4.503%	2.005%
Short Term Debt:	5.900%	5.887%	0.347% 2.352%
Common Equity:	49.566%	9.750%	4.833%
	100.000%		7.185%

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 2023

	Actual					
	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023
Rate Base						
Plant Balance						
Thunder Spirit Production	\$139,303,153	\$139,302,431	\$139,342,705	\$139,342,719	\$139,338,584	\$139,336,949
Thunder Spirit Transmission	5,611,411	5,611,411	5,611,411	5,611,411	5,611,411	5,611,411
Thunder Spirit Expansion	59,896,325	59,967,060	59,967,422	59,905,268	59,905,268	59,905,268
Cedar Hills Production	31,026,591	31,026,591	31,026,591	31,026,591	31,026,591	31,026,591
Diamond Willow Production	38,639,681	38,643,517	38,626,287	38,671,561	38,672,177	38,784,770
Diamond Willow Transmission	2,360,955	2,360,955	2,360,955	2,360,955	2,360,955	2,360,955
Total Plant Balance	\$276,838,116	\$276,911,965	\$276,935,371	\$276,918,505	\$276,914,986	\$277,025,944
Accumulated Reserve						
Thunder Spirit Production	\$34,320,755	\$34,785,394	\$35,244,111	\$35,708,582	\$36,171,015	\$36,635,478
Thunder Spirit Transmission	610,613	618,022	625,432	632,842	640,252	647,662
Thunder Spirit Expansion	10,079,109	10,278,873	10,478,764	10,616,433	10,816,117	11,015,801
Cedar Hills Production	16,375,870	16,475,429	16,574,988	16,674,547	16,774,105	16,873,664
Diamond Willow Production	10,190,686	10,326,066	10,446,754	10,582,087	10,717,825	10,853,314
Diamond Willow Transmission	600,321	603,428	606,535	609,642	612,749	615,856
Decommissioning Balance	2,903,249	2,951,936	3,000,623	3,049,310	3,097,997	3,146,684
Total Accumulated Reserve	\$75,080,603	\$76,039,148	\$76,977,207	\$77,873,443	\$78,830,060	\$79,788,459
Net Plant in Service	\$201,757,513	\$200,872,817	\$199,958,164	\$199,045,062	\$198,084,926	\$197,237,485
Adds:						
Def. Tax on ND Invest. Tax Credit	\$1,782,483	\$1,792,036	\$1,801,590	\$1,811,143	\$1,820,697	\$1,830,251
Def. Tax on Wind Decommissioning	730,572	742,454	754,336	766,218	778,100	789,982
Deferred Tax on Levelization Reg Liability	3,620,221	3,781,356	3,971,004	4,122,975	4,261,388	4,417,362
Less:						
Accum DIT - Thunder Spirit 1/	\$42,895,340	\$42,818,028	\$42,748,520	\$42,686,567	\$42,632,427	\$42,585,843
Accum DIT - Cedar/Diamond 1/	12,673,461	12,667,679	12,662,481	12,657,848	12,653,799	12,650,315
Levelization Regulatory Liability	14,833,994	15,494,251	16,271,340	16,894,045	17,461,197	18,100,308
Accum. Def. Invest. Tax Credit	6,611,008	6,655,303	6,699,597	6,743,892	6,788,187	6,832,482
Total Rate Base	\$130,876,986	\$129,553,402	\$128,103,156	\$126,763,046	\$125,409,501	\$124,106,132
Return on Rate Base 2/	\$778,173	\$770,303	\$761,680	\$753,712	\$745,664	\$737,914
Expenses						
Operating Expenses						
O&M - Thunder Spirit	\$235,144	\$290,795	\$277,500	\$256,715	\$281,831	\$263,786
O&M - Cedar Hills	33,299	30,148	22,127	20,961	24,324	25,341
O&M - Diamond Willow	50,027	40,412	48,355	42,226	32,428	40,982
Total O&M	\$318,470	\$361,355	\$347,982	\$319,902	\$338,583	\$330,109
Depreciation Expense						
Thunder Spirit Production	\$464,340	\$464,344	\$464,341	\$464,476	\$464,475	\$464,462
Thunder Spirit Transmission	7,410	7,410	7,410	7,410	7,410	7,410
Thunder Spirit Expansion	199,655	199,654	199,890	199,891	199,684	199,684
Cedar Hills Production	99,559	99,559	99,559	99,559	99,559	99,559
Diamond Willow Production	135,388	135,380	135,393	135,333	135,487	135,489
Diamond Willow Transmission	3,107	3,107	3,107	3,107	3,107	3,107
Wind Decommissioning	48,687	48,687	48,687	48,687	48,687	48,687
Total Depreciation	\$958,146	\$958,141	\$958,387	\$958,463	\$958,409	\$958,398
Property taxes 3/	59,707	59,707	59,707	59,707	59,707	59,707
Payroll taxes	5,118	4,440	4,664	4,463	3,526	3,735
Total Expenses	\$1,341,441	\$1,383,643	\$1,370,740	\$1,342,535	\$1,360,225	\$1,351,949
Income before Taxes (EBIT)	(\$1,341,441)	(\$1,383,643)	(\$1,370,740)	(\$1,342,535)	(\$1,360,225)	(\$1,351,949)
Interest Expense 2/	(256,519)	(253,925)	(251,082)	(248,456)	(245,803)	(243,248)
AFUDC Equity Add Back	24,405	24,405	24,405	24,405	24,405	24,405
Taxable income	(\$1,573,555)	(\$1,613,163)	(\$1,597,417)	(\$1,566,586)	(\$1,581,623)	(\$1,570,792)
Income Taxes 4/	(\$384,025)	(\$393,691)	(\$389,848)	(\$382,324)	(\$385,994)	(\$383,350)
Less: ARAM Amortization	(68,934)	(68,934)	(68,934)	(68,934)	(68,934)	(68,934)
Production Tax Credit 5/	(935,797)	(1,249,032)	(803,974)	(1,120,747)	(709,723)	(528,046)
Net Income Taxes	(\$1,388,756)	(\$1,711,657)	(\$1,262,756)	(\$1,572,005)	(\$1,164,651)	(\$980,330)
Operating Income	\$47,315	\$328,014	(\$107,984)	\$229,470	(\$195,574)	(\$371,619)
Revenue Requirement	\$966,806	\$585,076	\$1,150,424	\$693,487	\$1,245,105	\$1,467,731

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

	Actual			Projected			Average Balance
	July 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023	
Rate Base							
Plant Balance							
Thunder Spirit Production	\$139,336,949	\$139,336,949	\$139,336,949	\$139,336,949	\$139,336,949	\$139,336,949	
Thunder Spirit Transmission	5,611,411	5,611,411	5,611,411	5,611,411	5,611,411	5,611,411	
Thunder Spirit Expansion	59,905,268	59,905,268	59,905,268	59,905,268	59,905,268	59,905,268	
Cedar Hills Production	31,026,591	31,026,591	31,033,124	31,033,124	31,033,124	31,033,124	
Diamond Willow Production	38,784,770	38,789,855	38,789,855	38,789,855	38,789,855	38,789,855	
Diamond Willow Transmission	2,360,955	2,367,115	2,367,115	2,367,115	2,367,115	2,367,115	
Total Plant Balance	\$277,025,944	\$277,037,189	\$277,043,722	\$277,043,722	\$277,043,722	\$277,043,722	\$276,981,909
Accumulated Reserve							
Thunder Spirit Production	\$37,161,519	\$37,687,559	\$38,213,600	\$38,739,641	\$39,265,682	\$39,791,723	
Thunder Spirit Transmission	651,427	655,191	658,956	662,721	666,486	670,251	
Thunder Spirit Expansion	11,229,311	11,442,821	11,656,330	11,869,840	12,083,350	12,296,860	
Cedar Hills Production	16,977,524	17,081,383	17,185,242	17,289,101	17,392,960	17,496,819	
Diamond Willow Production	10,975,741	11,098,168	11,220,612	11,343,057	11,465,502	11,587,947	
Diamond Willow Transmission	617,291	616,939	618,379	619,818	621,257	622,696	
Decommissioning Balance	3,195,371	3,244,058	3,292,745	3,341,432	3,390,119	3,438,806	
Total Accumulated Reserve	\$80,808,184	\$81,826,119	\$82,845,864	\$83,865,610	\$84,885,356	\$85,905,102	
Net Plant in Service	\$196,217,760	\$195,211,070	\$194,197,858	\$193,178,112	\$192,158,366	\$191,138,620	\$196,588,146
Adds:							
Def. Tax on ND Invest. Tax Credit	\$1,839,804	\$1,849,358	\$1,858,911	\$1,868,465	\$1,878,018	\$1,887,572	
Def. Tax on Wind Decommissioning	801,864	813,746	825,628	837,510	849,392	861,274	
Deferred Tax on Levelization Reg Liability	4,561,810	4,733,204	4,884,301	5,015,493	5,144,994	5,317,378	
Less:							
Accum DIT - Thunder Spirit 1/	\$42,547,063	\$42,516,087	\$42,492,666	\$42,477,049	\$42,468,988	\$42,468,740	
Accum DIT - Cedar/Diamond 1/	12,647,415	12,645,098	12,643,347	12,642,179	12,641,576	12,641,557	
Levelization Regulatory Liability	18,692,187	19,394,481	20,013,609	20,551,173	21,081,809	21,788,159	
Accum. Def. Invest. Tax Credit	6,876,776	6,921,071	6,965,366	7,009,660	7,053,955	7,098,250	
Total Rate Base	\$122,657,797	\$121,130,641	\$119,651,710	\$118,219,519	\$116,784,442	\$115,208,138	\$123,205,373
Return on Rate Base 2/	\$734,414	\$725,270	\$716,415	\$707,839	\$699,247	\$689,809	\$8,820,440
Expenses							
Operating Expenses							Total
O&M - Thunder Spirit	\$259,830	\$260,614	\$261,299	\$261,299	\$261,299	\$832,989	\$3,743,101
O&M - Cedar Hills	22,438	28,805	25,519	25,519	25,519	72,805	356,805
O&M - Diamond Willow	32,495	21,645	47,512	47,512	47,512	110,777	561,883
Total O&M	\$314,763	\$311,064	\$334,330	\$334,330	\$334,330	\$1,016,571	\$4,661,789
Depreciation Expense							
Thunder Spirit Production	\$526,041	\$526,041	\$526,041	\$526,041	\$526,041	\$526,041	
Thunder Spirit Transmission	3,765	3,765	3,765	3,765	3,765	3,765	
Thunder Spirit Expansion	213,510	213,510	213,510	213,510	213,510	213,510	
Cedar Hills Production	103,859	103,859	103,859	103,859	103,859	103,859	
Diamond Willow Production	122,426	122,426	122,445	122,445	122,445	122,445	
Diamond Willow Transmission	1,436	1,436	1,439	1,439	1,439	1,439	
Wind Decommissioning	48,687	48,687	48,687	48,687	48,687	48,687	
Total Depreciation	\$1,019,724	\$1,019,724	\$1,019,746	\$1,019,746	\$1,019,746	\$1,019,746	\$11,868,376
Property taxes 3/	59,707	59,707	59,707	59,707	59,707	59,705	716,482
Payroll taxes	3,122	3,424	3,032	3,947	3,947	3,947	47,365
Total Expenses	\$1,397,316	\$1,393,919	\$1,416,815	\$1,417,730	\$1,417,730	\$2,099,969	\$17,294,012
Income before Taxes (EBIT)	(\$1,397,316)	(\$1,393,919)	(\$1,416,815)	(\$1,417,730)	(\$1,417,730)	(\$2,099,969)	(\$17,294,012)
Interest Expense 2/	(240,409)	(237,416)	(234,517)	(231,710)	(228,898)	(225,808)	(2,897,791)
AFUDC Equity Add Back	24,405	24,405	24,405	24,405	24,405	24,404	292,859
Taxable income	(\$1,613,320)	(\$1,606,930)	(\$1,626,927)	(\$1,625,035)	(\$1,622,223)	(\$2,301,373)	(\$19,898,944)
Income Taxes 4/	(\$393,729)	(\$392,170)	(\$397,050)	(\$396,588)	(\$395,902)	(\$561,648)	(\$4,856,319)
Less: ARAM Amortization	(68,934)	(68,934)	(68,934)	(68,934)	(68,934)	(68,931)	(827,205)
Production Tax Credit 5/	(634,777)	(724,061)	(678,040)	(1,294,373)	(1,222,272)	(1,201,761)	(11,102,603)
Net Income Taxes	(\$1,097,440)	(\$1,185,165)	(\$1,144,024)	(\$1,759,895)	(\$1,687,108)	(\$1,832,340)	(\$16,786,127)
Operating Income	(\$299,876)	(\$208,754)	(\$272,791)	\$342,165	\$269,378	(\$267,629)	(\$507,885)
Revenue Requirement	\$1,368,197	\$1,235,562	\$1,308,558	\$483,727	\$568,647	\$1,266,534	\$12,339,854

2023 Footnotes:

Factor 271 - Integrated Peak and Energy
2023: 70.294803%

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

	Thunder Spirit I & Expand	Cedar Hills / Diamond Willow				
DIT activity 2023:	(\$1,569,124)	(\$117,344)				
ND Fac. #271:	70.294803%	70.294803%				
North Dakota activity 2023:	(\$1,103,013)	(\$82,487)				
Monthly:	(\$91,918)	(\$6,874)				
	January	February	March	April	May	June
	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%
Thunder Spirit:	(\$84,362)	(\$77,312)	(\$69,508)	(\$61,953)	(\$54,140)	(\$46,584)
Cedar/Diamond:	(\$6,309)	(\$5,782)	(\$5,198)	(\$4,633)	(\$4,049)	(\$3,484)
	July	August	September	October	November	December
	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
Thunder Spirit:	(\$38,780)	(\$30,976)	(\$23,421)	(\$15,617)	(\$8,061)	(\$248)
Cedar/Diamond:	(\$2,900)	(\$2,317)	(\$1,751)	(\$1,168)	(\$603)	(\$19)

2/ Projected Capital Structure with authorized return on equity from Case No. PU-16-666 for January - June 2023.

	Ratio	Cost		
Long Term Debt:	44.534%	4.503%	2.005%	
Short Term Debt:	5.900%	5.887%	0.347%	2.352%
Common Equity:	49.566%	9.650%	4.783%	
	100.000%		7.135%	

Projected Capital Structure with authorized return on equity from Case No. PU-22-194 effective July 2023.

	Ratio	Cost		
Long Term Debt:	44.534%	4.503%	2.005%	
Short Term Debt:	5.900%	5.887%	0.347%	2.352%
Common Equity:	49.566%	9.750%	4.833%	
	100.000%		7.185%	

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

Thunder Spirit - Generation:	\$691,476
Cedar Hills:	32,582
Diamond Willow:	295,195
	\$1,019,253
ND Fac. #271:	70.294803%
Total projected 2023 North Dakota:	\$716,482
Monthly:	\$59,707

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 2023, projected October - December.

	January	February	March	April	May	June
Thunder Spirit:	42,792,000	56,747,000	36,326,000	50,965,000	32,940,000	24,634,000
Projected PTC (rate \$.028/Kwh):	\$1,198,176	\$1,588,916	\$1,017,128	\$1,427,020	\$922,320	\$689,752
Projected ND PTC (Fac. #271):	\$842,255	\$1,116,925	\$714,988	\$1,003,121	\$648,343	\$484,860
	July	August	September	October	November	December
Thunder Spirit:	29,276,000	33,368,000	30,772,000	58,554,500	56,749,500	52,873,000
Projected PTC (rate \$.028/Kwh):	\$819,728	\$934,304	\$861,616	\$1,639,526	\$1,588,986	\$1,480,444
Projected ND PTC (Fac. #271):	\$576,226	\$656,767	\$605,671	\$1,152,502	\$1,116,975	\$1,040,675
	January	February	March	April	May	June
Diamond Willow (Eligible for PTC):	4,838,930	6,833,920	4,603,280	6,084,790	3,175,200	2,234,050
Projected PTC (rate \$.0275/Kwh):	\$133,071	\$187,933	\$126,590	\$167,332	\$87,318	\$61,436
Projected ND PTC (Fac. #271):	\$93,542	\$132,107	\$88,986	\$117,626	\$61,380	\$43,186
	July	August	September	October	November	December
Diamond Willow (Eligible for PTC):	3,028,840	3,481,130	3,743,680	7,339,000	5,447,000	8,333,000
Projected PTC (rate \$.0275/Kwh):	\$83,293	\$95,731	\$102,951	\$201,823	\$149,793	\$229,158
Projected ND PTC (Fac. #271):	\$58,551	\$67,294	\$72,369	\$141,871	\$105,297	\$161,086

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Projected Year End 2024

	Projected					
	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	June 2024
Rate Base						
Plant Balance						
Thunder Spirit Production	\$139,336,949	\$139,336,949	\$139,336,949	\$139,336,949	\$139,336,949	\$139,336,949
Thunder Spirit Transmission	5,611,411	5,611,411	5,611,411	5,611,411	5,611,411	5,611,411
Thunder Spirit Expansion	59,905,268	59,905,268	59,905,268	59,905,268	59,905,268	59,905,268
Cedar Hills Production	31,033,124	31,033,124	31,033,124	31,033,124	31,033,124	31,033,124
Diamond Willow Production	38,789,855	38,789,855	38,789,855	38,789,855	38,789,855	38,789,855
Diamond Willow Transmission	2,367,115	2,367,115	2,367,115	2,367,115	2,367,115	2,367,115
Total Plant Balance	277,043,722	277,043,722	277,043,722	277,043,722	277,043,722	277,043,722
Accumulated Reserve						
Thunder Spirit Production	\$40,317,764	\$40,843,805	\$41,369,846	\$41,895,887	\$42,421,928	\$42,947,969
Thunder Spirit Transmission	674,016	677,781	681,546	685,311	689,076	692,841
Thunder Spirit Expansion	12,510,370	12,723,880	12,937,390	13,150,900	13,364,410	13,577,920
Cedar Hills Production	17,600,678	17,704,537	17,808,396	17,912,255	18,016,114	18,119,973
Diamond Willow Production	11,710,392	11,832,837	11,955,282	12,077,727	12,200,172	12,322,617
Diamond Willow Transmission	624,135	625,574	627,013	628,452	629,891	631,330
Decommissioning Balance	3,487,493	3,536,180	3,584,867	3,633,554	3,682,241	3,730,928
Total Accumulated Reserve	86,924,848	87,944,594	88,964,340	89,984,086	91,003,832	92,023,578
Net Plant in Service	\$190,118,874	\$189,099,128	\$188,079,382	\$187,059,636	\$186,039,890	\$185,020,144
Adds:						
Def. Tax on ND Invest. Tax Credit 1/	\$1,896,217	\$1,904,862	\$1,913,507	\$1,922,152	\$1,930,797	\$1,939,442
Def. Tax on Wind Decommissioning	873,156	885,038	896,920	908,802	920,684	932,566
Deferred Tax on Levelization Reg Liability	5,535,487	5,713,193	5,922,343	6,089,942	6,242,589	6,414,603
Less:						
Accum DIT - Thunder Spirit 2/	\$41,716,588	\$41,569,867	\$41,437,955	\$41,320,382	\$41,217,637	\$41,129,231
Accum DIT - Cedar/Diamond 2/	12,577,699	12,559,751	12,543,614	12,529,232	12,516,663	12,505,848
Levelization Regulatory Liability	22,681,867	23,410,023	24,267,026	24,953,768	25,579,244	26,284,079
Accum. Def. Invest. Tax Credit 1/	7,133,672	7,169,094	7,204,516	7,239,938	7,275,360	7,310,782
Total Rate Base	\$114,313,908	\$112,893,486	\$111,359,041	\$109,937,212	\$108,545,056	\$107,076,815
Return on Rate Base 3/	\$684,645	\$676,138	\$666,948	\$658,432	\$650,094	\$641,301
Expenses						
Operating Expenses 4/						
O&M - Thunder Spirit	\$267,721	\$267,721	\$267,721	\$267,721	\$267,721	\$267,721
O&M - Cedar Hills	28,158	28,158	28,158	28,158	28,158	28,158
O&M - Diamond Willow	34,057	34,057	34,057	34,057	34,057	34,057
Total O&M	329,936	329,936	329,936	329,936	329,936	329,936
Depreciation Expense						
Thunder Spirit Production	\$526,041	\$526,041	\$526,041	\$526,041	\$526,041	\$526,041
Thunder Spirit Transmission	3,765	3,765	3,765	3,765	3,765	3,765
Thunder Spirit Expansion	213,510	213,510	213,510	213,510	213,510	213,510
Cedar Hills Production	103,859	103,859	103,859	103,859	103,859	103,859
Diamond Willow Production	122,445	122,445	122,445	122,445	122,445	122,445
Diamond Willow Transmission	1,439	1,439	1,439	1,439	1,439	1,439
Wind Decommissioning	48,687	48,687	48,687	48,687	48,687	48,687
Total Depreciation	1,019,746	1,019,746	1,019,746	1,019,746	1,019,746	1,019,746
Property taxes	59,707	59,707	59,707	59,707	59,707	59,707
Payroll taxes	3,947	3,947	3,947	3,947	3,947	3,947
Total Expenses	\$1,413,336	\$1,413,336	\$1,413,336	\$1,413,336	\$1,413,336	\$1,413,336
Income before Taxes (EBIT)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)
Interest Expense 3/	(218,530)	(215,815)	(212,881)	(210,163)	(207,502)	(204,695)
AFUDC Equity Add Back	25,219	25,219	25,219	25,219	25,219	25,219
Taxable income	(\$1,606,647)	(\$1,603,932)	(\$1,600,998)	(\$1,598,280)	(\$1,595,619)	(\$1,592,812)
Income Taxes 5/	(\$392,101)	(\$391,438)	(\$390,722)	(\$390,059)	(\$389,409)	(\$388,724)
Less: ARAM Amortization	(74,925)	(74,925)	(74,925)	(74,925)	(74,925)	(74,925)
Production Tax Credit 6/	(1,311,951)	(1,193,643)	(1,137,985)	(1,094,375)	(969,168)	(792,234)
Net Income Taxes	(\$1,778,977)	(\$1,660,006)	(\$1,603,632)	(\$1,559,359)	(\$1,433,502)	(\$1,255,883)
Operating Income	\$365,641	\$246,670	\$190,296	\$146,023	\$20,166	(\$157,453)
Revenue Requirement	\$421,990	\$568,116	\$630,533	\$677,834	\$833,292	\$1,056,621

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Revenue Requirement - Wind Resources
Projected Year End 2024

	Projected						Average Balance
	July 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024	
Rate Base							
Plant Balance							
Thunder Spirit Production	\$139,336,949	\$139,336,949	\$139,336,949	\$139,336,949	\$139,336,949	\$139,336,949	
Thunder Spirit Transmission	5,611,411	5,611,411	5,611,411	5,611,411	5,611,411	5,611,411	
Thunder Spirit Expansion	59,905,268	59,905,268	59,905,268	59,905,268	59,905,268	59,905,268	
Cedar Hills Production	31,033,124	31,033,124	31,033,124	31,033,124	31,033,124	31,033,124	
Diamond Willow Production	38,789,855	38,789,855	38,789,855	38,789,855	38,789,855	38,789,855	
Diamond Willow Transmission	2,367,115	2,367,115	2,367,115	2,367,115	2,367,115	2,367,115	
Total Plant Balance	277,043,722	277,043,722	277,043,722	277,043,722	277,043,722	277,043,722	277,043,722
Accumulated Reserve							
Thunder Spirit Production	\$43,474,010	\$44,000,051	\$44,526,092	\$45,052,133	\$45,578,174	\$46,104,215	
Thunder Spirit Transmission	696,606	700,371	704,136	707,901	711,666	715,431	
Thunder Spirit Expansion	13,791,430	14,004,940	14,218,450	14,431,960	14,645,470	14,858,980	
Cedar Hills Production	18,223,832	18,327,691	18,431,550	18,535,409	18,639,268	18,743,127	
Diamond Willow Production	12,445,062	12,567,507	12,689,952	12,812,397	12,934,842	13,057,287	
Diamond Willow Transmission	632,769	634,208	635,647	637,086	638,525	639,964	
Decommissioning Balance	3,779,615	3,828,302	3,876,989	3,925,676	3,974,363	4,023,050	
Total Accumulated Reserve	93,043,324	94,063,070	95,082,816	96,102,562	97,122,308	98,142,054	
Net Plant in Service	\$184,000,398	\$182,980,652	\$181,960,906	\$180,941,160	\$179,921,414	\$178,901,668	184,510,271
Adds:							
Def. Tax on ND Invest. Tax Credit 1/	\$1,948,087	\$1,956,732	\$1,965,377	\$1,974,022	\$1,982,667	\$1,991,312	
Def. Tax on Wind Decommissioning	944,448	956,330	968,212	980,094	991,976	1,003,858	
Deferred Tax on Levelization Reg Liability	6,573,905	6,762,925	6,929,561	7,074,244	7,217,063	7,407,174	
Less:							
Accum DIT - Thunder Spirit 2/	\$41,055,635	\$40,996,849	\$40,952,402	\$40,922,765	\$40,907,467	\$40,906,996	
Accum DIT - Cedar/Diamond 2/	12,496,845	12,489,654	12,484,217	12,480,592	12,478,721	12,478,663	
Levelization Regulatory Liability	26,936,825	27,711,341	28,394,138	28,986,983	29,572,188	30,351,177	
Accum. Def. Invest. Tax Credit 1/	7,346,204	7,381,626	7,417,048	7,452,470	7,487,892	7,523,314	
Total Rate Base	\$105,631,329	\$104,077,169	\$102,576,251	\$101,126,710	\$99,666,852	\$98,043,862	106,270,641
Return on Rate Base 3/	\$632,644	\$623,336	\$614,346	\$605,665	\$596,921	\$587,201	\$7,637,671
Expenses							
Operating Expenses 4/							
O&M - Thunder Spirit	\$267,721	\$267,721	\$267,721	\$267,721	\$267,721	\$865,651	Total \$3,810,582
O&M - Cedar Hills	28,158	28,158	28,158	28,158	28,158	76,389	386,127
O&M - Diamond Willow	34,057	34,057	34,057	34,057	34,057	97,322	471,949
Total O&M	329,936	329,936	329,936	329,936	329,936	1,039,362	4,668,658
Depreciation Expense							
Thunder Spirit Production	\$526,041	\$526,041	\$526,041	\$526,041	\$526,041	\$526,041	
Thunder Spirit Transmission	3,765	3,765	3,765	3,765	3,765	3,765	
Thunder Spirit Expansion	213,510	213,510	213,510	213,510	213,510	213,510	
Cedar Hills Production	103,859	103,859	103,859	103,859	103,859	103,859	
Diamond Willow Production	122,445	122,445	122,445	122,445	122,445	122,445	
Diamond Willow Transmission	1,439	1,439	1,439	1,439	1,439	1,439	
Wind Decommissioning	48,687	48,687	48,687	48,687	48,687	48,687	
Total Depreciation	1,019,746	1,019,746	1,019,746	1,019,746	1,019,746	1,019,746	12,236,952
Property taxes	59,707	59,707	59,707	59,707	59,707	59,707	716,484
Payroll taxes	3,947	3,947	3,947	3,947	3,947	3,947	47,364
Total Expenses	\$1,413,336	\$1,413,336	\$1,413,336	\$1,413,336	\$1,413,336	\$2,122,762	\$17,669,458
Income before Taxes (EBIT)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$1,413,336)	(\$2,122,762)	(\$17,669,458)
Interest Expense 3/	(201,932)	(198,961)	(196,092)	(193,321)	(190,530)	(187,427)	(2,437,849)
AFUDC Equity Add Back	25,219	25,219	25,219	25,219	25,219	25,223	302,632
Taxable income	(\$1,590,049)	(\$1,587,078)	(\$1,584,209)	(\$1,581,438)	(\$1,578,647)	(\$2,284,966)	(\$19,804,675)
Income Taxes 5/	(\$388,050)	(\$387,325)	(\$386,625)	(\$385,948)	(\$385,267)	(\$557,644)	(\$4,833,312)
Less: ARAM Amortization	(74,925)	(74,925)	(74,925)	(74,925)	(74,925)	(74,927)	(899,102)
Production Tax Credit 6/	(733,735)	(784,449)	(828,504)	(1,186,453)	(1,224,446)	(1,116,794)	(12,373,737)
Net Income Taxes	(\$1,196,710)	(\$1,246,699)	(\$1,290,054)	(\$1,647,326)	(\$1,684,638)	(\$1,749,365)	(\$18,106,151)
Operating Income	(\$216,626)	(\$166,637)	(\$123,282)	\$233,990	\$271,302	(\$373,397)	\$436,693
Revenue Requirement	\$1,123,446	\$1,045,006	\$975,762	\$491,665	\$430,741	\$1,270,715	\$9,525,721

2024 Footnotes:

Factor 271 - Integrated Peak and Energy
2023: 70.294803%

1/ Investment Tax Credit:
Projected 2024 Activity: 425,066
Monthly Amortization: 35,422
Monthly Deferred Tax Amortization: 8,645

2/ Monthly Deferred Income Tax activity is 1/12 of projected 2024 DIT activity.

	Thunder Spirit I & Expand	Cedar Hills / Diamond Willow				
DIT activity 2024:	(\$2,977,864)	(\$364,275)				
ND Fac. #271:	70.294803%	70.294803%				
North Dakota activity 2024:	(\$2,093,284)	(\$256,066)				
Monthly:	(\$174,440)	(\$21,339)				
	January	February	March	April	May	June
	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%
Thunder Spirit:	(\$160,101)	(\$146,721)	(\$131,912)	(\$117,573)	(\$102,745)	(\$88,406)
Cedar/Diamond:	(\$19,585)	(\$17,948)	(\$16,137)	(\$14,382)	(\$12,569)	(\$10,815)
	July	August	September	October	November	December
	42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
Thunder Spirit:	(\$73,596)	(\$58,786)	(\$44,447)	(\$29,637)	(\$15,298)	(\$471)
Cedar/Diamond:	(\$9,003)	(\$7,191)	(\$5,437)	(\$3,625)	(\$1,871)	(\$58)

3/ Projected Capital Structure with authorized return on equity.

	Ratio	Cost		
Long Term Debt:	45.296%	4.569%	2.070%	
Short Term Debt:	4.519%	4.954%	0.224%	2.294%
Common Equity:	50.185%	9.750%	4.893%	
	100.000%		7.187%	

4/ Projected O&M - 2024

	Thunder Spirit	Cedar Hills	Diamond Willow
Projected O&M:	\$4,570,260	\$480,690	\$581,383
ND Factor #271:	70.294803%	70.294803%	70.294803%
Budgeted ND O&M:	\$3,212,655	\$337,900	\$408,682
Monthly Budgeted O&M:	\$267,721	\$28,158	\$34,057
Annual Easement (ND Allocated):	597,930	48,231	63,265
December O&M:	\$865,651	\$76,389	\$97,322

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

6/ Production Tax Credit. Diamond Willow generation is Phase 1 repowered turbines eligible for PTCs.
See Exhibit 7 for levelization adjustment.

	January	February	March	April	May	June
Thunder Spirit:	60,744,000	55,486,500	52,646,000	51,215,000	44,784,000	35,552,000
Projected PTC (rate \$.028/Kwh):	\$1,700,832	\$1,553,622	\$1,474,088	\$1,434,020	\$1,253,952	\$995,456
Projected ND PTC (Fac. #271):	\$1,195,597	\$1,092,116	\$1,036,207	\$1,008,042	\$881,463	\$699,754
	July	August	September	October	November	December
Thunder Spirit:	33,205,500	36,528,500	38,416,165	53,071,500	56,860,000	48,562,000
Projected PTC (rate \$.028/Kwh):	\$929,754	\$1,022,798	\$1,075,653	\$1,486,002	\$1,592,080	\$1,359,736
Projected ND PTC (Fac. #271):	\$653,569	\$718,974	\$756,128	\$1,044,582	\$1,119,149	\$955,824
	January	February	March	April	May	June
Diamond Willow (Eligible for PTC):	6,019,000	5,252,000	5,265,000	4,466,000	4,537,000	4,784,000
Projected PTC (rate \$.0275/Kwh):	\$165,523	\$144,430	\$144,788	\$122,815	\$124,768	\$131,560
Projected ND PTC (Fac. #271):	\$116,354	\$101,527	\$101,778	\$86,333	\$87,705	\$92,480
	July	August	September	October	November	December
Diamond Willow (Eligible for PTC):	4,147,000	3,387,000	3,744,000	7,339,000	5,447,000	8,327,000
Projected PTC (rate \$.0275/Kwh):	\$114,043	\$93,143	\$102,960	\$201,823	\$149,793	\$228,993
Projected ND PTC (Fac. #271):	\$80,166	\$65,475	\$72,376	\$141,871	\$105,297	\$160,970

**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	\$229,043	1/
2021	9,759,184	1/	2023	1,143,295	1/
2022	10,552,960	1/	2024	1,212,332	2/
2023	9,959,308	1/	2025	1,164,163	3/
2024	11,161,405	2/	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:		\$71,681,534	2031	1,164,163	3/
		7.0% 4/	2032	882,086	3/
		\$5,017,707	Total Diamond Willow PTC Value:		\$11,615,897
Difference, 2024 Projected to 2024 Levelized:		\$6,143,698			7.6% 5/
					\$882,808
2024 Levelized - Grossed Up for Tax:		\$8,127,111	Difference, 2024 Projected to 2024 Levelized:		\$329,524
			2024 Levelized - Grossed Up for Tax:		\$435,907

1/ Reflects actual PTC through September 2023, projected October - December 2023.
2/ Reflects updated projected PTC for 2023.
3/ Estimated annual PTCs.
4/ 2024 Thunder Spirit levelization factor per Commission's Order in Case No. PU-19-355.
5/ 2024 Diamond Willow levelization factor approved per Commission's Order in Case No. PU-21-420.

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

On October 31, 2023, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the North Dakota Public Service Commission (Commission) to update its Renewable Resource Cost Adjustment (RRCA) rates in accordance with the Company's Renewable Resource Cost Adjustment Rate 55 tariff that states the rates will be revised annually to reflect the most recent projected level of costs to be recovered.

The proposed Renewable Resource Cost Adjustment rates reflect North Dakota's allocation of the Company's investments in its three wind facilities (Diamond Willow, Cedar Hills, and Thunder Spirit) currently not being recovered through the Company's electric service rates and the amortization of the under-recovered RRCA balance through January 2024.

Montana-Dakota has requested the proposed RRCA rates be effective with service rendered on and after February 1, 2024, 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 800 Kwh will see an increase of \$1.30 per month, or \$15.60 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	\$0.00844 per Kwh
Proposed Rate	\$0.01007 per Kwh
Change	\$0.00163 per Kwh
	Large General
Applicable Rate Schedules	30, 31, 32, 38, 48, and contracts
Current Rate	\$0.00768 per Kwh
Proposed Rate	\$0.00969 per Kwh
Change	\$0.00201 per Kwh
	Lighting
Applicable Rate Schedules	41 & 52
Current Rate	\$0.01094 per Kwh
Proposed Rate	\$0.00938 per Kwh
Change	(\$0.00156) per Kwh

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