



A Subsidiary of MDU Resources Group, Inc.

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July 15, 2024

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

**Re: Update to the Transmission Cost Adjustment Rate 59 Tariff
Case No. PU-24-_____**

Montana-Dakota Utilities Co. (Montana-Dakota) herewith submits for Commission approval an original and (7) copies of the Company's Application to update its Transmission Cost Adjustment (TCA) Rate 59 tariff pursuant to NDCC §49-05-04.3 and §49-05-06 and Paragraph 2c of the Company's Rate 59 tariff. Montana-Dakota requests approval of Transmission Cost Adjustment Rate 59 (2nd Revised Sheet No. 43.1 of its electric service tariffs), provided herein as Exhibit 1, to be effective with service rendered on and after November 1, 2024.

The Company is requesting to update its TCA rates to reflect:

- the projected charges for July 2024 through June 2025 assessed to Montana-Dakota for transmission-related services provided by Midcontinent Independent System Operator (MISO) and Southwest Power Pool (SPP);
- The projected revenues and/or credits received for that same period by Montana-Dakota for transmission-related services; and
- The projected net transmission-related costs including the transmission revenues from a large customer taking service under the Company's Rate 45 tariff, consistent with the Electric Service Agreements (ESA) approved in Case Nos. PU-22-371 and PU-23-322.

In addition, the Company has included the projected revenue requirement associated with transmission capital projects approved in Case No. PU-23-268, and the projected revenue requirement associated with transmission capital projects for the Crosby to Zahl line rebuild project, Zahl breaker and relay replacement project, and the Tioga 60kV substation addition and related transmission line re-route.

Montana-Dakota is proposing to provide a credit to customers in the current filing. A comparison to the prior filing is shown in the table below and represents a reduction of \$1,746,313 from the prior year. The reduction in projected net MISO/SPP expense is mainly driven by additional projected Rate 45 customer revenue and lower MISO

expenses, partially offset by the reduction of the prior year over recovered balance and proposed transmission projects.

	Current Filing	Prior Filing	Variance
Net MISO/SPP Expense:	(\$3,894,184)	\$881,666	(\$4,775,850)
Transmission Projects - Approved:	5,762,047	5,976,113	(214,066)
Transmission Projects - Proposed:	1,106,225	0	1,106,225
Over Recovery Balance:	(3,433,927)	(5,571,305)	2,137,378
	(\$459,839)	\$1,286,474	(\$1,746,313)

A residential customer using 800 kWh per month would see a credit of \$0.20, or a decrease of \$0.74 under the proposed TCA rate. This represents an annual decrease of \$8.88. The proposed TCA rates are shown in the table below, along with the change from the current TCA rates implemented November 1, 2023:

		Proposed Rate/kWh	Current Rate/kWh	Change/kWh
Residential & Small General	(Rates 10, 13, 16, 20, 25 & 40)	(\$0.00025)	\$0.00068	(\$0.00093)
Large General & Contracts	(Rates 30, 31, 32, 38, & 48, Contracts)	(\$0.00019)	\$0.00055	(\$0.00074)
Lighting	(Rates 41 & 52)	(\$0.00008)	\$0.00022	(\$0.00030)

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

Montana-Dakota's request will result in a decrease in rates; therefore, there will not be a fee submitted with this filing.

Please contact me at (701) 222-7855 or at Travis.Jacobson@mdu.com with any questions regarding this filing.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Attachments

cc: Allison 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 Transmission) Case No. PU-24-____
Cost Adjustment Rate 59)

I. Summary of Application

Montana-Dakota Utilities Co. (Montana-Dakota, Company) herewith submits this Application for approval to update its Transmission Cost Adjustment (TCA) Rate 59 tariff pursuant to NDCC §49-05-04.3 and §49-05-06 and Paragraph 2c of the Company’s Rate 59 tariff to reflect projected transmission-related costs, revenues, and credits through June 2025, and the projected revenue requirement for transmission investments being placed into service through June 2025 and proposed to be recovered through the TCA mechanism. The Company requests approval of Transmission Cost Adjustment Rate 59 (2nd Revised Sheet No. 43.1) to be effective with service rendered on and after November 1, 2024. In support of this Application, Montana-Dakota is providing the following exhibits:

- Exhibit 1 – Transmission Cost Adjustment Rate 59 2nd Revised Sheet No. 43.1
- Exhibit 2 – Transmission Cost Adjustment Proposed Rates
- Exhibit 3 – Projected Summary of Revenue and Expenses, July 2024 – June 2025
- Exhibit 4 – Projected 2024 and 2025 Revenue Requirement Schedules for Transmission Related Capital Projects
- Exhibit 5 – Transmission Cost Adjustment Balancing Account and Carrying Charge Calculation
- Exhibit 6 – Projected Revenue and Expenses by Schedule
- Exhibit 7 – Customer Notice of Filing

II. Description of Applicant

Montana-Dakota is a Delaware corporation duly authorized to do business in the State of North Dakota as a foreign corporation and doing business in the State of North Dakota as a public utility subject to the jurisdiction of and regulation by the North Dakota Public Service Commission (Commission) under NDCC Title 49. Montana-Dakota's Certificate of Incorporation and amendments thereto have been previously filed with the Commission and such Certificate and Amendments are hereby incorporated by reference as though fully set forth herein. Montana-Dakota provides electric service to approximately 94,100 customers in North Dakota as of June 30, 2024.

III. Background of Transmission Cost Adjustment Rate 59

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

The Company's currently authorized TCA rates reflect the projected 2024 net transmission-related expenses and the revenue requirement for transmission facilities not currently recovered through the Company's North Dakota electric service rates as

authorized in Case No. PU-23-268 and implemented with service rendered on and after November 1, 2023.

Montana-Dakota is now requesting to update its TCA rates to reflect projected net transmission-related expenses and the revenue requirement for transmission facilities not currently recovered through the Company's North Dakota electric service rates for the period of July 2024 – June 2025, and to include the projected over collected balance as of October 2024. The projected recovery includes the benefit realized by the inclusion of a large customer taking service under the Company's Rate 45 tariff, as explained on page 6. The Company is proposing the rates proposed herein be effective with service rendered on and after November 1, 2024.

IV. Calculation of the Proposed TCA Rates

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

- *Exhibit 2* shows the proposed TCA rates, along with the allocation of the total net projected expenses to each of the respective rate classes. The Company proposes to provide a net credit of \$459,839, which is comprised of a July 2024 – June 2025 net projected transmission credit of \$3,894,184, the projected revenue requirement of \$5,762,047 related to transmission investments approved in the Company's most recent filing, the projected revenue requirement of \$1,106,225 for proposed transmission projects being placed into service in 2024 related to the Crosby to Zahl line rebuild projects, Zahl breaker and relay replacement

project and the Tioga 60kV substation upgrades and the related transmission lines reroute, and a projected over-recovered balance of the Company's current costs of \$3,433,927. The proposed transmission projects were not included in the authorized rates approved in Case No. PU-22-194. The total costs are allocated to the respective rate classes based on the Company's transmission allocation factor (Demand Factor No. 2) authorized in Case No. PU-22-194.

Montana-Dakota is proposing to provide a credit to customers in the current filing. A comparison of the prior filing is shown in the table below and represents a reduction of \$1,746,313 from the prior year. The reduction in projected net MISO/SPP expense is mainly driven by additional Rate 45 revenue and lower MISO expenses, partially offset by the reduction of the prior year over recovered balance and proposed transmission projects. The Rate 45 customer is explained in more detail on page 6.

	Current Filing	Prior Filing	Variance
Net MISO/SPP Expense:	(\$3,894,184)	\$881,666	(\$4,775,850)
Transmission Projects - Approved:	5,762,047	5,976,113	(214,066)
Transmission Projects - Proposed:	1,106,225	0	1,106,225
Over Recovery Balance:	(3,433,927)	(5,571,305)	2,137,378
	(\$459,839)	\$1,286,474	(\$1,746,313)

As noted above, the prior year over collected balance was reduced by \$2,137,378. The balance was not fully amortized mainly due to lower than projected MISO expenses, higher than projected SPP revenues and higher than projected revenue collections.

- *Exhibit 3* provides a summary of the projected transmission-related expenses assessed to Montana-Dakota under MISO and SPP transmission schedules as

well as the projected revenue and/or credits received by Montana-Dakota for transmission related services by schedule. Projected revenues do include the estimated Rate 45 customer as previously described.

- *Exhibit 4* shows the projected monthly revenue requirements for currently approved projects and storm related costs being placed into service through June 2025. Details of the proposed Crosby to Zahl line projects are included in Exhibit 4, pages 10-13, the Zahl breaker and relay replacement project are included on Exhibit 4, pages 14-15, and the Tioga 60kV substation addition and related transmission line relocation project are included on Exhibit 4, pages 16-19. The revenue requirement for the period July 2024 through June 2025 is reflected in the proposed revenue requirement to be recovered through this proposed TCA. The revenue requirement is comprised of:
 - Transmission investment allocated to North Dakota = \$58,479,634 of projects approved in Case No. PU-23-268, as well as \$13,107,590 of new proposed capital projects not currently being recovered in the TCA, as of June 2025 (as shown in Exhibit 4, pages 4 and 8).
 - Return on Rate Base: reflective of the authorized Capital Structure and the Return on Equity of 9.75% authorized in the Company's last electric rate case (Case No. PU-22-194).
 - Depreciation Expense: annual depreciation rates for transmission related assets as authorized in Case Nos. PU-16-666 through June 2023 and PU-22-164 effective July 2023.
 - Taxes Other than Income: property tax based on the effective property

tax rate for transmission property reflective of the location of the project.

- Income Taxes: current federal and state income tax rates.
- *Exhibit 5* shows the TCA Balancing Account (per Paragraph 2d of Rate 59) through October 2024. Any over or under recovery is assessed a carrying charge at the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.
- *Exhibit 6* provides the detail of the derivation of the projected transmission-related expenses, revenues and credits for the twelve months ended June 30, 2025. An A&G Credit related to projects included in MISO Schedule 26A continues to be included. The credit of \$966,084, as shown on Exhibit 6 page 6, is consistent with the prior year TCA docket, Case No. PU-23-268 and is based on the 2023 projected Attachment MM. The projected period in the Company's most recent electric rate case, Case No. PU-22-194, was also based on a 2023 projected period. Therefore, the A&G Credit should closely match recovery of A&G expenses included in base rates.

V. Rate 45 Customer

The proposed revenue requirement includes the net transmission related expenses and revenue related to a Rate 45 customer (Customer). Pursuant to the Company's Rate 45 Tariff, the Customer has two Electric Service Agreements, which have been approved in Case Nos. PU-22-371 and PU-23-322. In total, the benefit passed on to the customers by the inclusion of the Customer's activity for this filing, as indicated in the table below, is \$9,823,661.

Rate 45 customer effect on Projected period:

	<u>As Filed 1/</u>	<u>No Rate 45 2/</u>	<u>Change</u>
Projected Costs to be Recovered:			
Net MISO/SPP Expense:	(\$3,894,184)	\$3,750,175	(\$7,644,359)
Transmission Projects' Revenue Requirement:	6,868,272	6,868,272	0
Over Recovery Balance:	<u>(3,433,927)</u>	<u>(1,254,625)</u>	<u>(2,179,302)</u>
Net Transmission Expense	(\$459,839)	\$9,363,822	(\$9,823,661)

1/ See Exhibit 2, page 1.

2/ Excludes July 2024 through June 2025 Rate 45 transmission revenue and passthrough charges.

All customers of Montana-Dakota benefit from this customer's service through the crediting of transmission revenue received from this customer. For a residential customer using 800 KWh, the Company estimated a cost savings of approximately \$4.22 per month, or \$50.64 per year.

VI. Transmission Investments

Montana-Dakota is proposing to include costs related to transmission capital projects being placed into service in through June 2025, for new or modified electric transmission facilities as permitted by NDCC 49-05-04.3.

Previous filings included a variety of projects. These projects are included in Exhibit 4, pages 2-5 by location. Projects being proposed in the current filing are included on Exhibit 4, pages 6-19. Below is a breakdown of the total project cost included in the current filing, by location, as compared to the total project cost included in Case No. PU-23-268.

Total Project Cost by Location:

	Case No. PU-23-268 June 2024	Current Filing June 2025	Change
Bowdle	\$2,267,270	\$2,267,270	\$0
Leola	2,477,223	2,477,223	0
Dickinson	8,272,166	8,275,772	3,606
Watford City	15,730,398	15,726,317	(4,081)
Lightning Protection	774,446	774,435	(11)
Richland	3,599,719	3,599,719	0
Crosby	1,183,328	1,183,328	0
Bismarck	1,037,381	1,037,381	0
Mandan	14,908,863	15,309,908	401,045
Mobile Sub	2,673,995	834,994	(1,839,001)
Tioga	4,865,253	4,971,281	106,028
April Storm Repair	2,029,320	2,022,006	(7,314)
Sub-Total:	\$59,819,362	\$58,479,634	(\$1,339,728)
Proposed - Crosby	0	5,856,241	5,856,241
Proposed - Zahl	0	589,945	589,945
Proposed - Tioga	0	6,661,404	6,661,404
Grand Total:	\$59,819,362	\$71,587,224	\$11,767,862

Following is an explanation of the projects larger variances from previous filings.

- Mandan – In Case No. PU-23-268, a total of \$14,908,863 in project costs was included for this location. Project costs were increased for additional contractor invoices recorded since the prior filing.
- Mobile Sub – In Case No. PU-23-268, a total of \$2,673,995 in project costs was included for this location. The transformer for this asset failed. In August 2023, it was determined the transformer would be dismantled and taken out of service. The remaining assets (power circuit breaker, control cable, switcher, and portable fence) are still used and useful in their emergency role.

- Tioga – In Case No. PU-23-268, the relocation of the Neset transmission line project were estimated to cost \$310,894. Project costs were more than previously estimated due to higher than expected contractor and material costs.

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

- Crosby to Zahl Line Rebuild Project – Montana-Dakota identified a need to rebuild the transmission lines from Crosby to Corinth, and Corinth to Zahl due to the age and limited load capacity of the current infrastructure. The current state of the lines would require constant future maintenance to address the aging infrastructure as well as handle any future growth in the area. The project is being addressed in two phases. Phase 1 is rebuilding 20 miles of 60kV transmission line from Crosby to Corinth. Phase 2 is rebuilding 16.5 miles of 60kV transmission line from Corinth to Zahl.

When Montana-Dakota filed its most recent electric rate case, Case No. PU-22-194, this project was originally going to be completed in four phases. Under the original plan, Phase 1 and Phase 2 would have encompassed the rebuild from Crosby to Corinth. The estimated project costs for the original Phase 1 and Phase 2 were included in additions to plant in service in the rate case. Subsequent to the filing of the electric rate case, the project scope was changed and it was determined the project will be completed in two phases as opposed to four. This change allowed the on-site contractors to work more consistently rather than stopping and re-mobilizing for more phases. There were also design changes to re-route certain sections closer to the road for better

maintenance and emergency response. Due to the change in scope, material lead time and the time required to get new landowner easements, the new Phase 1 project did not go into service until April 2024.

Net Phase 1 project costs being proposed for recovery in the current filing are \$1,314,191. This represents the project costs that were not included in Case No. PU-22-194 and was placed into service April 2024. Phase 2 project costs are estimated to be \$4,542,050 and is expected to be in service November 2024. Both phases are a direct cost to North Dakota customers. See Exhibit 4, pages 10-13.

- Zahl Breaker and Relay Replacement Project – This project involves replacing all three of the 60 kV transmission breakers and a full relay replacement at the Zahl substation. The breakers and relaying have failed to trip during faulted conditions and replacement was deemed necessary to maintain reliable and safe service to the area. The total cost of this project is estimated to be \$589,945 and is a direct cost to North Dakota customers. See Exhibit 4, pages 14-15.
- Tioga Substation Upgrade and Line Relocate – This project involves constructing a 60 kV ring bus addition at the Tioga 2 transmission substation. The addition includes installing three 72kV circuit breakers, adding a 115/60kV transformer, and all associated equipment and material. A 115kV transmission line will be rerouted to the Tioga 2 substation, and a 60kV line will be split and rerouted into the Tioga 2 substation. These projects will allow the retirement of the Tioga 1 transmission substation due to age and condition of the substation. The total

cost of this project is estimated be \$6.8 million, with \$6.66 million being allocated to North Dakota customers. See Exhibit 4, pages 16-19.

VII. Transmission Project Justification

This filing includes multiple transmission substation and line projects.

These projects have been undertaken for reasons including, but not limited to, enhancing the reliability of the existing system, replacement projects due to the age and condition of an asset, and satisfying the FERC regulatory requirements as determined by the MISO and SPP planning process. The projects, by location, are shown in the table below. The projects listed on the MISO Appendix A are identified by the MTEP Project ID and Facility ID.

	<u>MTEP Project ID</u>	<u>MTEP Facility ID</u>	<u>Reason</u>
<u>Bowdle:</u>			
Construct new 115/41.6kV Substation	N/A		Age and condition, system reliability
Reroute TL067-1 to new substation	N/A		Rerouted line to new substation.
<u>Leola:</u>			
Install 115kV Ring Bus	N/A		System reliability
Construct new 115kV Substation	N/A		System reliability, age and condition
Install ICON Equipment	N/A		System reliability
<u>Dickinson:</u>			
Install line loop 115kV - TL174-1	N/A		System reliability
Install 115kV breakers - north sub	N/A		System reliability
Reroute/rebuild 115kV line loop - west sub	N/A		System reliability
<u>Watford City:</u>			
Construct 230kV substation	N/A		System reliability
Construct line from NW sub to WAPA sub	N/A		System reliability
Construct line for WAPA interconnect	N/A		System reliability
230kV Interconnection Upgrades	N/A		System reliability

	MTEP Project ID	MTEP Facility ID	Reason
<u>Lightning Protection:</u>			
Install Arresters - Tioga to Kincade	N/A		System reliability
Install Arresters - Beulah to Glen Ullin	N/A		System reliability
<u>Richland:</u>			
Reconductor line - L&C sub to WAPA sub	N/A		SPP Planning Study
Install New Control house	N/A		Age and condition
<u>Crosby:</u>			
Reroute/Rebuild Crosby to Zahl line	N/A		System reliability
Install 115kV breaker to Sweet Ave sub	N/A		System reliability
<u>Mandan:</u>			
Install 230kV breaker/bays - Phase 1	17466	24559	MISO Planning project
Relocate TL088-1 to Mandan sub	17466	24557	MISO Planning project
Relocate TL039-1 to Mandan sub	17466	24564	MISO Planning project
Relocate TL129-1 to Mandan sub	N/A		System reliability
Relocate TL158-1 to Mandan sub	17466	24570	MISO Planning project
Install 115/41.6kV breaker/bays - Phase 2	17466	24562	MISO Planning project
Construct 115/69/41.6kV sub	17466	24563	MISO Planning project
Relocate TL098-1 to new Mandan sub	17466	24566	MISO Planning project
Relocate TL403-1 & TL405-1 to new Mandan sub	17466	24568	MISO Planning project
Relocate TL133-1 to new Mandan sub	17466	24567	MISO Planning project
Relocate TL157-1 to Mandan sub	17466	24569	MISO Planning project
<u>Mobile Substation:</u>			
Purchase mobile substation	N/A		System reliability
<u>Tioga:</u>			
Construct Tioga loop line	21894	26702	MISO Planning project
Rebuild line - TL006-6	N/A		System reliability
Relocate line -TL006-8	N/A		System reliability
Tioga Sub #2 - 115kV Ring Addition	21894	26484	MISO Planning project
Relocate Neset Line	N/A		System Reliability
<u>Storm Repair:</u>			
Repair/Rebuild TL039-1 and TL169-1	N/A		Emergency rebuild
Repair/Rebuild 41.6kV and 60kV lines	N/A		Emergency rebuild
<u>Crosby Proposed:</u>			
Crosby to Corinth Line Rebuild	N/A		Age, Condition and Reliability
Corinth to Zahl Line Rebuild	N/A		Age, Condition and Reliability
<u>Zahl Proposed:</u>			
Breaker and Relay Replacement	N/A		System Reliability
<u>Tioga Proposed:</u>			
Tioga Sub #2 - 60kV Ring Addition	21894	26484	MISO Planning project
Reroute 115kV line	21894	26511	MISO Planning project
Reroute 60kV line	21894	26518	MISO Planning project

VIII. Estimated Impact by Customer Class

As shown in Exhibit 2, Montana-Dakota is proposing to provide a net credit of \$459,839 through the TCA rates. A residential customer using 800 kWh a month would see a credit of \$0.20, or a decrease of \$0.74 per month under the proposed TCA rates. This represents an annual decrease of \$8.88. Montana-Dakota requests approval of the following TCA rates to be effective November 1, 2024:

		Proposed Rate/kWh	Current Rate/kWh	Change/kWh
Residential & Small General	(Rates 10, 13, 16, 20, 25 & 40)	(\$0.00025)	\$0.00068	(\$0.00093)
Large General & Contracts	(Rates 30, 31, 32, 38, & 48, Contracts)	(\$0.00019)	\$0.00055	(\$0.00074)
Lighting	(Rates 41 & 52)	(\$0.00008)	\$0.00022	(\$0.00030)

Montana-Dakota has included a Customer Notice as Exhibit 7 to be included with customer's bills in accordance with NDCC § 69-09-02-02.1 requiring a notice to be provided to customers, within thirty days after filing, informing customers of the Company's request to update rates.

IX. Conclusion

Montana-Dakota respectfully requests that the Commission approve this annual update to the Company's TCA rates to be effective with service rendered on and after November 1, 2024.

Dated this 15th day of July 2024

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Of Counsel:
Allison Waldon
Senior 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
2nd Revised Sheet No. 43.1
Canceling 1st Revised Sheet No. 43.1

TRANSMISSION COST ADJUSTMENT Rate 59

Page 2 of 2

3. Transmission Cost Adjustment Rate by class:

Residential & Small General	(0.025¢) per Kwh
Large General	(0.019¢) per Kwh
Lighting	(0.008¢) per Kwh

Date Filed: July 15, 2024

Effective Date:

Issued By: Travis R. Jacobson
Director - Regulatory Affairs

Case No.:

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

~~1st~~ 2nd Revised Sheet No. 43.1

Canceling ~~Original~~ 1st Revised Sheet No. 43.1

TRANSMISSION COST ADJUSTMENT Rate 59

Page 2 of 2

3. Transmission Cost Adjustment Rate by class:

Residential & Small General	0.068 <u>(0.025¢)</u> per Kwh
Large General	0.055 <u>(0.019¢)</u> per Kwh
Lighting	0.022 <u>(0.008¢)</u> per Kwh

Date Filed: ~~August 25, 2023~~ July 15, 2024

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

Issued By: Travis R. Jacobson
Director - Regulatory Affairs

Case No.: ~~PU-23-268~~

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

	<u>Total</u>
Net Expense 1/	(\$3,894,184)
Transmission Projects' Revenue Requirement 2/	6,868,272
Over Recovery 3/	<u>(3,433,927)</u>
Total Cost to be Recovered through TCA Rates	<u><u>(\$459,839)</u></u>

<u>Allocation of Costs & Proposed Rates</u>	<u>Allocated TCA Costs 4/</u>	<u>Projected Billing Determinants</u>	<u>Proposed TCA Rates</u>
Residential & Small General	(\$212,893)	862,044,030 kWh	(\$0.00025) per kWh
Large General	(245,617)	1,269,713,688 kWh	(\$0.00019) per kWh
Lighting	<u>(1,329)</u>	16,449,259 kWh	(\$0.00008) per kWh
	<u><u>(\$459,839)</u></u>		

<u>Change in Rates</u>	<u>Proposed TCA Rates</u>	<u>Current TCA Rates 5/</u>	<u>Change in TCA Rates</u>
Residential & Small General	(\$0.00025)	\$0.00068	(\$0.00093)
Large General	(\$0.00019)	\$0.00055	(\$0.00074)
Lighting	(\$0.00008)	\$0.00022	(\$0.00030)

1/ Exhibit 3, page 2.

2/ Exhibit 4, page 1.

3/ Exhibit 5, page 1.

4/ Demand Allocation Factor 2 per Case No. PU-22-194:

Residential & Small General	46.297343%	(Rates 10, 13, 16, 20, 25, 26, and 40)
Large General	53.413594%	(Rates 30, 31, 32, 38, 48 and contracts)
Lighting	<u>0.289063%</u>	(Rates 41, 52)
	<u><u>100.000000%</u></u>	

5/ Current TCA rates effective November 1, 2023.

Montana-Dakota Utilities Co.
Transmission Cost Adjustment
Summary of Revenue and Expenses Allocated to North Dakota
Projected Twelve Months Ending June 2025

	2024						2025						Total
	July	August	September	October	November	December	January	February	March	April	May	June	
Facility Sharing Agreement	\$35,580	\$35,580	\$35,580	\$35,580	\$35,580	\$35,580	\$35,580	\$35,580	\$35,580	\$35,580	\$35,580	\$35,582	\$426,962
Rate 45	1,003,870	1,003,870	1,003,870	1,003,870	1,192,520	1,381,170	1,381,170	1,381,170	1,381,170	1,381,170	1,381,170	1,381,173	14,876,193
	<u>\$1,039,450</u>	<u>\$1,039,450</u>	<u>\$1,039,450</u>	<u>\$1,039,450</u>	<u>\$1,228,100</u>	<u>\$1,416,750</u>	<u>\$1,416,750</u>	<u>\$1,416,750</u>	<u>\$1,416,750</u>	<u>\$1,416,750</u>	<u>\$1,416,750</u>	<u>\$1,416,755</u>	<u>\$15,303,155</u>
MISO													
Revenue/Credits													
Schedule 1	\$10,013	\$10,013	\$10,013	\$10,013	\$10,013	\$10,013	\$10,013	\$10,013	\$10,013	\$10,013	\$10,013	\$10,018	\$120,161
Schedule 7	73,824	73,824	73,824	73,824	73,824	73,824	73,824	73,824	73,824	73,824	73,824	73,819	885,883
Schedule 8	16,339	16,339	16,339	16,339	16,339	16,339	16,339	16,339	16,339	16,339	16,339	16,335	196,064
Schedule 9	372,377	372,377	372,377	372,377	372,377	372,377	297,019	297,019	297,019	297,019	297,019	297,019	4,016,376
NITS Cust Rev Req.	(47,188)	(47,188)	(47,188)	(47,188)	(47,188)	(47,188)	(47,188)	(47,188)	(47,188)	(47,188)	(47,188)	(47,191)	(566,259)
Schedule 24	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,505	870,005
	<u>\$497,865</u>	<u>\$497,865</u>	<u>\$497,865</u>	<u>\$497,865</u>	<u>\$497,865</u>	<u>\$497,865</u>	<u>\$422,507</u>	<u>\$422,507</u>	<u>\$422,507</u>	<u>\$422,507</u>	<u>\$422,507</u>	<u>\$422,505</u>	<u>\$5,522,230</u>
Charges													
Schedule 10													
MISO - FERC Energy	\$64,612	\$64,612	\$64,612	\$64,612	\$64,612	\$64,612	\$64,612	\$64,612	\$64,612	\$64,612	\$64,612	\$64,606	\$775,338
MISO - FERC Demand	17,155	17,155	17,155	17,155	17,155	17,155	17,155	17,155	17,155	17,155	17,155	17,156	205,861
FERC Direct	40,329	40,329	40,329	40,329	40,329	40,329	40,329	40,329	40,329	40,329	40,329	40,333	483,952
	<u>\$122,096</u>	<u>\$122,096</u>	<u>\$122,096</u>	<u>\$122,096</u>	<u>\$122,096</u>	<u>\$122,096</u>	<u>\$122,096</u>	<u>\$122,096</u>	<u>\$122,096</u>	<u>\$122,096</u>	<u>\$122,096</u>	<u>\$122,095</u>	<u>\$1,465,151</u>
Schedule 26	\$79,690	\$75,806	\$71,272	\$71,347	\$84,497	\$97,095	\$99,972	\$96,403	\$93,355	\$85,610	\$83,430	\$86,585	\$1,025,062
Schedule 26A/E	635,007	603,655	567,191	568,134	673,288	772,872	915,702	882,354	854,085	784,119	763,909	793,178	8,813,494
A&G Credit	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(966,084)
	<u>\$756,286</u>	<u>\$721,050</u>	<u>\$680,052</u>	<u>\$681,070</u>	<u>\$799,374</u>	<u>\$911,556</u>	<u>\$1,057,263</u>	<u>\$1,020,346</u>	<u>\$989,029</u>	<u>\$911,318</u>	<u>\$888,928</u>	<u>\$921,351</u>	<u>\$10,337,623</u>

Montana-Dakota Utilities Co.
Transmission Cost Adjustment
Summary of Revenue and Expenses Allocated to North Dakota
Projected Twelve Months Ending June 2025

	2024						2025						Total
	July	August	September	October	November	December	January	February	March	April	May	June	
SPP													
Revenue/Credits													
Facility Credits	\$1,292,068	\$1,292,068	\$1,292,068	\$1,292,068	\$1,292,068	\$1,292,068	\$1,292,068	\$1,292,068	\$1,292,068	\$1,292,068	\$1,292,068	\$1,292,064	\$15,504,812
Charges													
Schedule 1	\$52,007	\$52,007	\$52,007	\$52,007	\$52,007	\$52,007	\$52,007	\$52,007	\$52,007	\$52,007	\$52,007	\$52,006	\$624,083
Schedule 1a	51,069	51,069	51,069	51,069	51,069	51,069	51,069	51,069	51,069	51,069	51,069	51,072	612,831
Schedule 9	1,405,242	1,405,242	1,405,242	1,405,242	1,405,242	1,405,242	1,405,242	1,405,242	1,405,242	1,405,242	1,405,242	1,405,237	16,862,899
Schedule 11	194,010	194,010	194,010	194,010	194,010	194,010	194,010	194,010	194,010	194,010	194,010	194,007	2,328,117
Schedule 12	17,585	17,585	17,585	17,585	17,585	17,585	17,585	17,585	17,585	17,585	17,585	17,590	211,025
	<u>\$1,719,913</u>	<u>\$1,719,913</u>	<u>\$1,719,913</u>	<u>\$1,719,913</u>	<u>\$1,719,913</u>	<u>\$1,719,913</u>	<u>\$1,719,913</u>	<u>\$1,719,913</u>	<u>\$1,719,913</u>	<u>\$1,719,913</u>	<u>\$1,719,913</u>	<u>\$1,719,912</u>	<u>\$20,638,955</u>
Total Company Revenue/Credits													
Facility Sharing	\$35,580	\$35,580	\$35,580	\$35,580	\$35,580	\$35,580	\$35,580	\$35,580	\$35,580	\$35,580	\$35,580	\$35,582	\$426,962
Rate 45	1,003,870	1,003,870	1,003,870	1,003,870	1,192,520	1,381,170	1,381,170	1,381,170	1,381,170	1,381,170	1,381,170	1,381,173	14,876,193
MISO	497,865	497,865	497,865	497,865	497,865	497,865	422,507	422,507	422,507	422,507	422,507	422,505	5,522,230
SPP	1,292,068	1,292,068	1,292,068	1,292,068	1,292,068	1,292,068	1,292,068	1,292,068	1,292,068	1,292,068	1,292,068	1,292,064	15,504,812
	<u>\$2,829,383</u>	<u>\$2,829,383</u>	<u>\$2,829,383</u>	<u>\$2,829,383</u>	<u>\$3,018,033</u>	<u>\$3,206,683</u>	<u>\$3,131,325</u>	<u>\$3,131,325</u>	<u>\$3,131,325</u>	<u>\$3,131,325</u>	<u>\$3,131,325</u>	<u>\$3,131,324</u>	<u>\$36,330,197</u>
Allocated to ND 1/	2,058,073	2,058,073	2,058,073	2,058,073	2,195,296	2,332,519	2,277,704	2,277,704	2,277,704	2,277,704	2,277,704	2,277,703	26,426,330
Total Company Charges													
MISO	\$756,286	\$721,050	\$680,052	\$681,070	\$799,374	\$911,556	\$1,057,263	\$1,020,346	\$989,029	\$911,318	\$888,928	\$921,351	\$10,337,623
SPP	1,719,913	1,719,913	1,719,913	1,719,913	1,719,913	1,719,913	1,719,913	1,719,913	1,719,913	1,719,913	1,719,913	1,719,912	20,638,955
	<u>\$2,476,199</u>	<u>\$2,440,963</u>	<u>\$2,399,965</u>	<u>\$2,400,983</u>	<u>\$2,519,287</u>	<u>\$2,631,469</u>	<u>\$2,777,176</u>	<u>\$2,740,259</u>	<u>\$2,708,942</u>	<u>\$2,631,231</u>	<u>\$2,608,841</u>	<u>\$2,641,263</u>	<u>\$30,976,578</u>
Allocated to ND 1/	1,801,170	1,775,539	1,745,718	1,746,458	1,832,512	1,914,112	2,020,098	1,993,245	1,970,466	1,913,939	1,897,653	1,921,236	22,532,146
Net ND Expense	<u>(\$256,903)</u>	<u>(\$282,534)</u>	<u>(\$312,355)</u>	<u>(\$311,615)</u>	<u>(\$362,784)</u>	<u>(\$418,407)</u>	<u>(\$257,606)</u>	<u>(\$284,459)</u>	<u>(\$307,238)</u>	<u>(\$363,765)</u>	<u>(\$380,051)</u>	<u>(\$356,467)</u>	<u>(\$3,894,184)</u>

1/ Allocated to ND on Factor 15 Integrated System 12 Month Peak Demand: 72.739303%

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

	Projected						Average Balance
	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	June 2025	
Rate Base							
Plant Balance:	\$71,587,224	\$71,587,224	\$71,587,224	\$71,587,224	\$71,587,224	\$71,587,224	
Accumulated Reserve	2,975,000	3,052,670	3,130,340	3,208,010	3,285,680	3,363,350	
Net Plant in Service	\$68,612,224	\$68,534,554	\$68,456,884	\$68,379,214	\$68,301,544	\$68,223,874	\$68,418,049
Accum Def Income Taxes	\$2,935,261	\$2,992,148	\$3,043,293	\$3,088,879	\$3,128,716	\$3,162,993	
Total Plant in Service	\$65,676,963	\$65,542,406	\$65,413,591	\$65,290,335	\$65,172,828	\$65,060,881	\$65,359,501
Return on Rate Base	\$390,340	\$389,540	\$388,774	\$388,042	\$387,344	\$386,678	\$2,330,718
Expenses							
Operating Expenses							Year to Date
Depreciation	77,670	77,670	77,670	77,670	77,670	77,670	466,020
Property Tax	37,466	37,466	37,466	37,466	37,466	37,466	224,796
Total Expenses	\$115,136	\$115,136	\$115,136	\$115,136	\$115,136	\$115,136	\$690,816
Income before Taxes (EBIT)	(\$115,136)	(\$115,136)	(\$115,136)	(\$115,136)	(\$115,136)	(\$115,136)	(\$690,816)
Interest Expense	119,204	118,960	118,726	118,502	118,289	118,086	711,767
Taxable income	(\$234,340)	(\$234,096)	(\$233,862)	(\$233,638)	(\$233,425)	(\$233,222)	(\$1,402,583)
Income Taxes	(\$57,190)	(\$57,131)	(\$57,074)	(\$57,019)	(\$56,967)	(\$56,917)	(\$342,298)
Operating Income	(\$57,946)	(\$58,005)	(\$58,062)	(\$58,117)	(\$58,169)	(\$58,219)	(\$348,518)
Revenue Requirement - 2025	\$593,009	\$592,030	\$591,091	\$590,195	\$589,341	\$588,526	\$3,544,192
Approved Projects - July - December 2024 Revenue Requirement:							\$2,901,119
Proposed Projects - 2024 Revenue Requirement:							\$422,961
Total Projected Revenue Requirement:							\$6,868,272

Projected Revenue Requirement from Approved Projects:

Approved Projects - July - December 2024 Revenue Requirement:	\$2,901,119
Approved Projects - January - June 2025 Revenue Requirement:	2,860,928
	\$5,762,047

Projected Revenue Requirement from Proposed Projects:

Proposed Projects - 2024 Revenue Requirement:	\$422,961
Proposed Projects - January - June 2025 Revenue Requirement:	683,264
	\$1,106,225

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Recovery Rider
Revenue Requirement - Approved Projects
Actual/Projected Year End 2024**

Rate Base	Actual					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	
Plant Balance:													
Bowdle	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270
Leola	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223
Dickinson	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772
Watford City	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317
Lightning Protection	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435
Richland	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719
Crosby	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328
Bismarck	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381
Mandan	15,283,878	15,303,113	15,303,539	15,303,539	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908
Mobile Sub	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994
Tioga	4,915,736	4,935,281	4,940,811	4,963,364	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281
April Storm Repair	2,031,362	2,031,362	2,031,362	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006
Total Plant Balance	\$58,407,415	\$58,446,195	\$58,452,151	\$58,465,667	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,467,375
Accumulated Reserve:													
Bowdle	\$157,870	\$159,328	\$160,787	\$162,245	\$163,704	\$165,162	\$166,620	\$168,079	\$169,537	\$170,996	\$172,454	\$173,913	\$173,913
Leola	109,789	111,300	112,811	114,322	115,834	117,345	118,856	120,367	121,878	123,389	124,900	126,411	126,411
Dickinson	573,743	585,532	597,321	609,110	620,900	632,689	644,478	656,268	668,057	679,846	691,636	703,425	703,425
Watford City	1,032,705	1,051,617	1,070,528	1,089,439	1,108,351	1,127,262	1,146,173	1,165,085	1,183,996	1,202,907	1,221,819	1,240,730	1,240,730
Lightning Protection	28,844	29,781	30,718	31,655	32,592	33,529	34,466	35,403	36,340	37,277	38,214	39,152	39,152
Richland	126,267	128,790	131,313	133,835	136,358	138,881	141,403	143,926	146,449	148,971	151,494	154,017	154,017
Crosby	84,967	86,860	88,753	90,647	92,540	94,433	96,327	98,220	100,113	102,007	103,900	105,793	105,793
Bismarck	45,302	45,934	46,567	47,200	47,833	48,466	49,098	49,731	50,364	50,997	51,630	52,262	52,262
Mandan	373,355	387,401	401,478	415,556	429,634	443,722	457,810	471,898	485,986	500,074	514,162	528,250	528,250
Mobile Sub	90,521	91,030	91,540	92,049	92,559	93,068	93,577	94,087	94,596	95,105	95,615	96,124	96,124
Tioga	62,825	68,384	73,956	79,531	85,120	90,713	96,307	101,900	107,494	113,088	118,681	124,275	124,275
April Storm - Reserve	63,315	66,565	69,815	73,066	76,301	79,536	82,771	86,006	89,242	92,477	95,712	98,947	98,947
April Storm - Retirement	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)
Total Accumulated Reserve	\$2,167,928	\$2,230,947	\$2,294,012	\$2,357,080	\$2,420,151	\$2,483,231	\$2,546,311	\$2,609,395	\$2,672,477	\$2,735,559	\$2,798,642	\$2,861,724	\$2,514,788
Net Plant in Service	\$56,239,487	\$56,215,248	\$56,158,139	\$56,108,587	\$56,059,483	\$55,996,403	\$55,933,323	\$55,870,239	\$55,807,157	\$55,744,075	\$55,680,992	\$55,617,910	\$55,952,587
Accum Def Income Taxes 1/	\$2,122,278	\$2,168,614	\$2,210,273	\$2,247,404	\$2,279,852	\$2,307,772	\$2,331,014	\$2,349,579	\$2,363,616	\$2,372,976	\$2,377,807	\$2,377,956	\$2,377,956
Total Rate Base	\$54,117,209	\$54,046,634	\$53,947,866	\$53,861,183	\$53,779,631	\$53,688,631	\$53,602,309	\$53,520,660	\$53,443,541	\$53,371,099	\$53,303,185	\$53,239,954	\$53,660,159
Return on Rate Base 2/	\$321,637	\$321,217	\$320,630	\$320,115	\$319,630	\$319,089	\$318,576	\$318,091	\$317,633	\$317,202	\$316,799	\$316,423	\$3,827,042
Expenses													
Operating Expenses													Year End
Depreciation:													
Bowdle	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458
Leola	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511
Dickinson	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789
Watford City	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911
Lightning Protection	937	937	937	937	937	937	937	937	937	937	937	937	937
Richland	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523
Crosby	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893
Bismarck	633	633	633	633	633	633	633	633	633	633	633	633	633
Mandan	14,059	14,046	14,077	14,078	14,078	14,088	14,088	14,088	14,088	14,088	14,088	14,088	14,088
Mobile Sub	509	509	509	509	509	509	509	509	509	509	509	509	509
Tioga	4,367	5,560	5,572	5,575	5,589	5,594	5,594	5,594	5,594	5,594	5,594	5,594	5,594
April Storm Repair	3,250	3,250	3,250	3,250	3,235	3,235	3,235	3,235	3,235	3,235	3,235	3,235	3,235
Total Depreciation	\$61,840	\$63,020	\$63,063	\$63,067	\$63,066	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$755,623
Property Tax 3/	31,797	31,797	31,797	31,797	31,797	31,797	31,797	31,797	31,797	31,797	31,797	31,795	381,562
Total Expenses	\$93,637	\$94,817	\$94,860	\$94,864	\$94,863	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,876	\$1,137,185
Income before Taxes (EBIT)	(\$93,637)	(\$94,817)	(\$94,860)	(\$94,864)	(\$94,863)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,876)	(\$1,137,185)
Interest Expense	98,223	98,095	97,915	97,758	97,610	97,445	97,288	97,140	97,000	96,869	96,745	96,631	1,168,719
Taxable income	(\$191,860)	(\$192,912)	(\$192,775)	(\$192,622)	(\$192,473)	(\$192,323)	(\$192,166)	(\$192,018)	(\$191,878)	(\$191,747)	(\$191,623)	(\$191,507)	(\$2,305,904)
Income Taxes 4/	(\$46,823)	(\$47,080)	(\$47,047)	(\$47,009)	(\$46,973)	(\$46,936)	(\$46,898)	(\$46,862)	(\$46,828)	(\$46,796)	(\$46,765)	(\$46,737)	(\$562,754)
Operating Income	(\$46,814)	(\$47,737)	(\$47,813)	(\$47,855)	(\$47,890)	(\$47,942)	(\$47,980)	(\$48,016)	(\$48,050)	(\$48,082)	(\$48,113)	(\$48,139)	(\$574,431)
Revenue Requirement	\$487,401	\$488,066	\$487,390	\$486,764	\$486,169	\$485,522	\$484,894	\$484,300	\$483,739	\$483,211	\$482,719	\$482,256	\$5,822,431

Note: Footnotes outlined on Exhibit 4, page 3.

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Recovery Rider
Revenue Requirement - Approved Projects
Actual/Projected Year End 2024**

Factor 15-Integrated Sys. 12 2024
Month Peak Demand 72.739303%

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2024 DIT activity. Monthly activity prorated based on DIT proration methodology.

Projected ND DIT activity 2024:		\$661,079				
Monthly:		\$55,090				
January	February	March	April	May	June	
91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	
50,562	46,336	41,659	37,131	32,448	27,920	
July	August	September	October	November	December	
42.19%	33.70%	25.48%	16.99%	8.77%	0.27%	
23,242	18,565	14,037	9,360	4,831	149	

2/ Authorized capital structure with authorized return on equity from Case No. PU-22-194.

	Ratio	Cost	
Long Term Debt	44.587%	4.503%	2.008%
Short Term Debt	4.603%	3.684%	0.170% 2.178%
Common Equity	50.810%	9.750%	4.954%
	100.000%		7.132%

3/ Property tax:

2024 Projected Allocated Property Tax:	\$314,058
ND Factor #15:	<u>72.739303%</u>
ND Allocated Property Tax:	\$228,444
2024 Projected ND Direct Property Tax:	<u>153,118</u>
Total 2024 Projected ND Property Tax:	\$381,562
Monthly:	\$31,797

4/ Income Tax Rate:

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
Transmission Recovery Rider
Revenue Requirement - Approved Projects
Projected Year End 2025**

Rate Base	Projected												Average Balance
	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	June 2025	July 2025	Aug 2025	Sept 2025	Oct 2025	Nov 2025	Dec 2025	
Plant Balance:													
Bowdle	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270
Leola	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223
Dickinson	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772
Watford City	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317
Lightning Protection	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435
Richland	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719
Crosby	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328
Bismarck	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381
Mandan	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908
Mobile Sub	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994
Tioga	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281
April Storm Repair	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006
Total Plant Balance	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634
Accumulated Reserve:													
Bowdle	\$175,371	\$176,829	\$178,287	\$179,745	\$181,203	\$182,661	\$184,119	\$185,577	\$187,035	\$188,493	\$189,951	\$191,409	\$192,867
Leola	127,922	129,433	130,944	132,455	133,966	135,477	136,988	138,499	140,010	141,521	143,032	144,543	146,054
Dickinson	715,214	727,003	738,792	750,581	762,370	774,159	785,948	797,737	809,526	821,315	833,104	844,893	856,682
Watford City	1,259,641	1,278,552	1,297,463	1,316,374	1,335,285	1,354,196	1,373,107	1,392,018	1,410,929	1,429,840	1,448,751	1,467,662	1,486,573
Lightning Protection	40,089	41,026	41,963	42,900	43,837	44,774	45,711	46,648	47,585	48,522	49,459	50,396	51,333
Richland	156,540	159,063	161,586	164,109	166,632	169,155	171,678	174,201	176,724	179,247	181,770	184,293	186,816
Crosby	107,686	109,579	111,472	113,365	115,258	117,151	119,044	120,937	122,830	124,723	126,616	128,509	130,402
Bismarck	52,895	53,528	54,161	54,794	55,427	56,060	56,693	57,326	57,959	58,592	59,225	59,858	60,491
Mandan	542,338	556,426	570,514	584,602	598,690	612,778	626,866	640,954	655,042	669,130	683,218	697,306	711,394
Mobile Sub	96,633	97,142	97,651	98,160	98,669	99,178	99,687	100,196	100,705	101,214	101,723	102,232	102,741
Tioga	129,869	135,463	141,057	146,651	152,245	157,839	163,433	169,027	174,621	180,215	185,809	191,403	196,997
April Storm - Reserve	102,182	105,417	108,652	111,887	115,122	118,357	121,592	124,827	128,062	131,297	134,532	137,767	141,002
April Storm - Retirement	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)
Total Accumulated Reserve	\$2,924,805	\$2,987,886	\$3,050,967	\$3,114,048	\$3,177,129	\$3,240,210	\$3,303,291	\$3,366,372	\$3,429,453	\$3,492,534	\$3,555,615	\$3,618,696	\$3,681,777
Net Plant in Service	\$55,554,829	\$55,491,748	\$55,428,667	\$55,365,586	\$55,302,505	\$55,239,424	\$55,176,343	\$55,113,262	\$55,050,181	\$54,987,100	\$54,924,019	\$54,860,938	\$54,797,857
Accum Def Income Taxes 1/	\$2,809,598	\$2,853,294	\$2,897,000	\$2,940,706	\$2,984,412	\$2,928,118	\$3,006,440	\$3,023,947	\$3,037,184	\$3,046,010	\$3,050,566	\$3,050,706	\$3,050,706
Total Rate Base	\$52,745,231	\$52,638,454	\$52,536,088	\$52,437,992	\$52,344,312	\$52,254,902	\$52,169,903	\$52,089,315	\$52,012,997	\$51,941,090	\$51,873,453	\$51,810,232	\$51,747,011
Return on Rate Base 2/	\$313,482	\$312,848	\$312,239	\$311,656	\$311,100	\$310,568	\$310,063	\$309,584	\$309,131	\$308,703	\$308,301	\$307,925	\$307,560
Expenses													
Operating Expenses													Year End
Depreciation:													
Bowdle	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458
Leola	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511
Dickinson	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789
Watford City	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911
Lightning Protection	937	937	937	937	937	937	937	937	937	937	937	937	937
Richland	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523
Crosby	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893
Bismarck	633	633	633	633	633	633	633	633	633	633	633	633	633
Mandan	14,088	14,088	14,088	14,088	14,088	14,088	14,088	14,088	14,088	14,088	14,088	14,088	14,088
Mobile Sub	509	509	509	509	509	509	509	509	509	509	509	509	509
Tioga	5,594	5,594	5,594	5,594	5,594	5,594	5,594	5,594	5,594	5,594	5,594	5,594	5,594
April Storm Repair	3,235	3,235	3,235	3,235	3,235	3,235	3,235	3,235	3,235	3,235	3,235	3,235	3,235
Total Depreciation	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$756,972
Property Tax 3/	31,797	31,797	31,797	31,797	31,797	31,797	31,797	31,797	31,797	31,797	31,797	31,795	381,562
Total Expenses	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,876	\$1,138,534
Income before Taxes (EBIT)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,876)	(\$1,138,534)
Interest Expense	95,733	95,539	95,353	95,175	95,005	94,843	94,688	94,542	94,404	94,273	94,150	94,036	1,137,741
Taxable income	(\$190,611)	(\$190,417)	(\$190,231)	(\$190,053)	(\$189,883)	(\$189,721)	(\$189,566)	(\$189,420)	(\$189,282)	(\$189,151)	(\$189,028)	(\$188,912)	(\$2,276,275)
Income Taxes 4/	(\$46,518)	(\$46,471)	(\$46,426)	(\$46,382)	(\$46,341)	(\$46,301)	(\$46,263)	(\$46,228)	(\$46,194)	(\$46,162)	(\$46,132)	(\$46,104)	(\$555,522)
Operating Income	(\$48,360)	(\$48,407)	(\$48,452)	(\$48,496)	(\$48,537)	(\$48,577)	(\$48,615)	(\$48,650)	(\$48,684)	(\$48,716)	(\$48,746)	(\$48,772)	(\$583,012)
Revenue Requirement	\$478,658	\$477,882	\$477,135	\$476,422	\$475,741	\$475,090	\$474,473	\$473,885	\$473,331	\$472,807	\$472,315	\$471,852	\$5,699,591

Note: Footnotes outlined on Exhibit 4, page 5.

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Recovery Rider
Revenue Requirement - Approved Projects
Projected Year End 2025**

Factor 15-Integrated Sys. 12 2024
Month Peak Demand 72.739303%

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2024 DIT activity. Monthly activity prorated based on DIT proration methodology.

Projected ND DIT activity 2025:		\$623,409				
Monthly:		51,951				
January	February	March	April	May	June	
91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	
47,681	43,696	39,285	35,015	30,599	26,329	
July	August	September	October	November	December	
42.19%	33.70%	25.48%	16.99%	8.77%	0.27%	
21,918	17,507	13,237	8,826	4,556	140	

2/ Authorized capital structure with authorized return on equity from Case No. PU-22-194.

	Ratio	Cost		
Long Term Debt	44.587%	4.503%	2.008%	
Short Term Debt	4.603%	3.684%	0.170%	2.178%
Common Equity	50.810%	9.750%	4.954%	
	100.000%		7.132%	

3/ Property tax:

2024 Projected Allocated Property Tax:	\$314,058
ND Factor #15:	<u>72.739303%</u>
ND Allocated Property Tax:	\$228,444
2024 Projected ND Direct Property Tax:	<u>153,118</u>
Total 2024 Projected ND Property Tax:	\$381,562
Monthly:	\$31,797

4/ Income Tax Rate:

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
Transmission Recovery Rider
Revenue Requirement - Proposed Projects
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													
Plant Balance: 1/													
Crosby to Zahl Lines	\$0	\$0	\$0	\$1,314,191	\$1,314,191	\$1,314,191	\$1,314,191	\$1,314,191	\$1,314,191	\$1,314,191	\$5,856,241	\$5,856,241	
Zahl Relay & Breakers	0	0	0	0	0	0	589,945	589,945	589,945	589,945	589,945	589,945	
Tioga 60kV Sub and Lines	0	0	0	0	0	0	0	0	0	6,661,404	6,661,404	6,661,404	
Total Plant:	\$0	\$0	\$0	\$1,314,191	\$1,314,191	\$1,314,191	\$1,904,136	\$1,904,136	\$1,904,136	\$8,565,540	\$13,107,590	\$13,107,590	\$3,702,975
Accumulated Reserve:													
Crosby to Zahl Lines	\$0	\$0	\$0	\$0	\$2,103	\$4,206	\$6,309	\$8,412	\$10,515	\$12,618	\$14,721	\$24,091	
Zahl Relay & Breakers	0	0	0	0	0	0	0	359	718	1,077	1,436	1,795	
Tioga 60kV Sub and Lines	0	0	0	0	0	0	0	0	0	0	4,860	9,720	
Total Reserve:	\$0	\$0	\$0	\$0	\$2,103	\$4,206	\$6,309	\$8,771	\$11,233	\$13,695	\$21,017	\$35,606	\$8,578
Net Plant in Service	\$0	\$0	\$0	\$1,314,191	\$1,312,088	\$1,309,985	\$1,897,827	\$1,895,365	\$1,892,903	\$8,551,845	\$13,086,573	\$13,071,984	\$3,694,397
Accum Def Income Taxes 2/	\$8,510	\$16,309	\$23,321	\$29,571	\$35,032	\$39,731	\$43,643	\$46,768	\$49,131	\$50,706	\$51,519	\$51,544	
Total Rate Base	(\$8,510)	(\$16,309)	(\$23,321)	\$1,284,620	\$1,277,056	\$1,270,254	\$1,854,184	\$1,848,597	\$1,843,772	\$8,501,139	\$13,035,054	\$13,020,440	\$3,657,248
Return on Rate Base 3/	(\$51)	(\$97)	(\$139)	\$7,635	\$7,590	\$7,550	\$11,020	\$10,987	\$10,958	\$50,525	\$77,472	\$77,385	\$260,835
Expenses													
Operating Expenses:													Year End
Depreciation Expense 1/													
Crosby to Zahl Lines	\$0	\$0	\$0	\$0	\$2,103	\$2,103	\$2,103	\$2,103	\$2,103	\$2,103	\$2,103	\$9,370	
Zahl Relay & Breakers	0	0	0	0	0	0	0	359	359	359	359	359	
Tioga 60kV Sub and Lines	0	0	0	0	0	0	0	0	0	0	4,860	4,860	
Total Depreciation Expense:	\$0	\$0	\$0	\$0	\$2,103	\$2,103	\$2,103	\$2,462	\$2,462	\$2,462	\$7,322	\$14,589	\$35,606
Property Tax 4/	5,669	5,669	5,669	5,669	5,669	5,669	5,669	5,669	5,669	5,669	5,669	5,670	68,029
Total Expenses	\$5,669	\$5,669	\$5,669	\$5,669	\$7,772	\$7,772	\$7,772	\$8,131	\$8,131	\$8,131	\$12,991	\$20,259	\$103,635
Income before Taxes (EBIT)	(\$5,669)	(\$5,669)	(\$5,669)	(\$5,669)	(\$7,772)	(\$7,772)	(\$7,772)	(\$8,131)	(\$8,131)	(\$8,131)	(\$12,991)	(\$20,259)	(\$103,635)
Interest Expense	(15)	(30)	(42)	2,332	2,318	2,306	3,365	3,355	3,346	15,430	23,659	23,632	79,656
Taxable income	(\$5,654)	(\$5,639)	(\$5,627)	(\$8,001)	(\$10,090)	(\$10,078)	(\$11,137)	(\$11,486)	(\$11,477)	(\$23,561)	(\$36,650)	(\$43,891)	(\$183,291)
Income Taxes 5/	(\$1,380)	(\$1,376)	(\$1,373)	(\$1,953)	(\$2,462)	(\$2,460)	(\$2,718)	(\$2,803)	(\$2,801)	(\$5,750)	(\$8,944)	(\$10,712)	(\$44,732)
Operating Income	(\$4,289)	(\$4,293)	(\$4,296)	(\$3,716)	(\$5,310)	(\$5,312)	(\$5,054)	(\$5,328)	(\$5,330)	(\$2,381)	(\$4,047)	(\$9,547)	(\$58,903)
Revenue Requirement	\$5,606	\$5,551	\$5,499	\$15,016	\$17,065	\$17,014	\$21,263	\$21,582	\$21,546	\$69,986	\$107,836	\$114,997	\$422,961

1/ Proposed plant additions and depreciation are outlined on the following pages:

Crosby - Exhibit 4, pages 10-13.

Zahl - Exhibit 4, pages 14-15.

Tioga - Exhibit 4, pages 16-19.

Note: Footnotes 2/ through 5/ outlined on Exhibit 4, page 7.

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Recovery Rider
Revenue Requirement - Proposed Projects
Projected Year End 2024**

Factor 15-Integrated Sys. 12 2024
Month Peak Demand 72.739303%

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2024 DIT activity. Monthly activity prorated based on DIT proration methodology.

	<u>2024 DIT Activity</u>						
Crosby	\$47,716	January	February	March	April	May	June
Zahl	4,961						
Tioga	<u>58,592</u>	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%
Projected DIT activity:	\$111,269	8,510	7,799	7,012	6,250	5,461	4,699
Monthly:	\$9,272	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
		42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
		3,912	3,125	2,363	1,575	813	25

2/ Authorized capital structure with authorized return on equity from Case No. PU-22-194.

	<u>Ratio</u>	<u>Cost</u>		
Long Term Debt	44.587%	4.503%	2.008%	
Short Term Debt	4.603%	3.684%	0.170%	2.178%
Common Equity	<u>50.810%</u>	<u>9.750%</u>	<u>4.954%</u>	
	100.000%		7.132%	

3/ Property tax:

	<u>Direct Property Tax</u>		
Crosby	\$30,394	Projected Allocated Property Tax:	\$3,244 (Tioga)
Zahl	3,062	ND Factor #15:	<u>72.739303%</u>
Tioga	<u>32,213</u>	ND Allocated Property Tax:	\$2,360
Total Direct Property Tax:	\$65,669	Total Direct Property Tax:	<u>65,669</u>
		Total Projected Property Tax:	\$68,029
		Monthly:	\$5,669

4/ Income Tax Rate:

Tax Rate	24.4049%
1- tax rate	75.5951%

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Recovery Rider
Revenue Requirement - Proposed Projects
Projected Year End 2025**

	Projected												Average Balance
	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	June 2025	July 2025	Aug 2025	Sept 2025	Oct 2025	Nov 2025	Dec 2025	
Rate Base													
Plant Balance: 1/													
Crosby to Zahl Lines	\$5,856,241	\$5,856,241	\$5,856,241	\$5,856,241	\$5,856,241	\$5,856,241	\$5,856,241	\$5,856,241	\$5,856,241	\$5,856,241	\$5,856,241	\$5,856,241	\$5,856,241
Zahl Relay & Breakers	589,945	589,945	589,945	589,945	589,945	589,945	589,945	589,945	589,945	589,945	589,945	589,945	589,945
Tioga 60kV Sub and Lines	6,661,404	6,661,404	6,661,404	6,661,404	6,661,404	6,661,404	6,661,404	6,661,404	6,661,404	6,661,404	6,661,404	6,661,404	6,661,404
Total Plant:	\$13,107,590	\$13,107,590	\$13,107,590	\$13,107,590	\$13,107,590	\$13,107,590	\$13,107,590	\$13,107,590	\$13,107,590	\$13,107,590	\$13,107,590	\$13,107,590	\$13,107,590
Accumulated Reserve:													
Crosby to Zahl Lines	\$33,461	\$42,831	\$52,201	\$61,571	\$70,941	\$80,311	\$89,681	\$99,051	\$108,421	\$117,791	\$127,161	\$136,531	
Zahl Relay & Breakers	2,154	2,513	2,872	3,231	3,590	3,949	4,308	4,667	5,026	5,385	5,744	6,103	
Tioga 60kV Sub and Lines	14,580	19,440	24,300	29,160	34,020	38,880	43,740	48,600	53,460	58,320	63,180	68,040	
Total Reserve:	\$50,195	\$64,784	\$79,373	\$93,962	\$108,551	\$123,140	\$137,729	\$152,318	\$166,907	\$181,496	\$196,085	\$210,674	\$130,435
Net Plant in Service	\$13,057,395	\$13,042,806	\$13,028,217	\$13,013,628	\$12,999,039	\$12,984,450	\$12,969,861	\$12,955,272	\$12,940,683	\$12,926,094	\$12,911,505	\$12,896,916	\$12,977,156
Accum Def Income Taxes 1/	\$125,663	\$138,854	\$150,714	\$161,285	\$170,523	\$178,471	\$185,088	\$190,373	\$194,369	\$197,034	\$198,409	\$198,451	
Total Rate Base	\$12,931,732	\$12,903,952	\$12,877,503	\$12,852,343	\$12,828,516	\$12,805,979	\$12,784,773	\$12,764,899	\$12,746,314	\$12,729,060	\$12,713,096	\$12,698,465	\$12,803,053
Return on Rate Base 2/	\$76,858	\$76,692	\$76,535	\$76,386	\$76,244	\$76,110	\$75,984	\$75,866	\$75,756	\$75,653	\$75,558	\$75,471	\$913,113
Expenses													
Operating Expenses:													Year End
Depreciation Expense													
Crosby to Zahl Lines	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370
Zahl Relay & Breakers	359	359	359	359	359	359	359	359	359	359	359	359	359
Tioga 60kV Sub and Lines	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860
Total Depreciation Expense:	\$14,589	\$14,589	\$14,589	\$14,589	\$14,589	\$14,589	\$14,589	\$14,589	\$14,589	\$14,589	\$14,589	\$14,589	\$175,068
Property Tax 3/	5,669	5,669	5,669	5,669	5,669	5,669	5,669	5,669	5,669	5,669	5,669	5,670	68,029
Total Expenses	\$20,258	\$20,258	\$20,258	\$20,258	\$20,258	\$20,258	\$20,258	\$20,258	\$20,258	\$20,258	\$20,258	\$20,259	\$243,097
Income before Taxes (EBIT)	(\$20,258)	(\$20,258)	(\$20,258)	(\$20,258)	(\$20,258)	(\$20,258)	(\$20,258)	(\$20,258)	(\$20,258)	(\$20,258)	(\$20,258)	(\$20,259)	(\$243,097)
Interest Expense	23,471	23,421	23,373	23,327	23,284	23,243	23,204	23,168	23,135	23,103	23,074	23,048	278,851
Taxable income	(\$43,729)	(\$43,679)	(\$43,631)	(\$43,585)	(\$43,542)	(\$43,501)	(\$43,462)	(\$43,426)	(\$43,393)	(\$43,361)	(\$43,332)	(\$43,307)	(\$521,948)
Income Taxes 4/	(\$10,672)	(\$10,660)	(\$10,648)	(\$10,637)	(\$10,626)	(\$10,616)	(\$10,607)	(\$10,598)	(\$10,590)	(\$10,582)	(\$10,575)	(\$10,569)	(\$127,380)
Operating Income	(\$9,586)	(\$9,598)	(\$9,610)	(\$9,621)	(\$9,632)	(\$9,642)	(\$9,651)	(\$9,660)	(\$9,668)	(\$9,676)	(\$9,683)	(\$9,690)	(\$115,717)
Revenue Requirement	\$114,351	\$114,148	\$113,956	\$113,773	\$113,600	\$113,436	\$113,281	\$113,137	\$113,002	\$112,876	\$112,760	\$112,654	\$1,360,974

1/ Proposed plant additions and depreciation are outlined on the following pages:

Crosby - Exhibit 4, pages 10-13.

Zahl - Exhibit 4, pages 14-15.

Tioga - Exhibit 4, pages 16-19.

Note: Footnotes 2/ through 5/ outlined on Exhibit 4, page 9.

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Recovery Rider
Revenue Requirement - Proposed Projects
Projected Year End 2025**

Factor 15-Integrated Sys. 12 2024
Month Peak Demand 72.739303%

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2025 DIT activity. Monthly activity prorated based on DIT proration methodology.

	2025						
	<u>DIT Activity</u>						
	\$75,734						
Zahl	9,342	January	February	March	April	May	June
Tioga	<u>103,126</u>	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%
Projected DIT activity:	\$188,202	14,394	13,191	11,860	10,571	9,238	7,948
Monthly:	\$15,684	July	August	September	October	November	December
		42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
		6,617	5,285	3,996	2,665	1,375	42

2/ Authorized capital structure with authorized return on equity from Case No. PU-22-194.

	<u>Ratio</u>	<u>Cost</u>	
Long Term Debt	44.587%	4.503%	2.008%
Short Term Debt	4.603%	3.684%	0.170%
Common Equity	<u>50.810%</u>	<u>9.750%</u>	<u>4.954%</u>
	100.000%		2.178%
		<u>7.132%</u>	

3/ Property tax:

	Direct		
	<u>Property Tax</u>	Projected Allocated Property Tax:	\$3,244 (Tioga)
	\$30,394	ND Factor #15:	<u>72.739303%</u>
Zahl	3,062	ND Allocated Property Tax:	\$2,360
Tioga	<u>32,213</u>	Total Direct Property Tax:	<u>65,669</u>
Total Direct Property Tax:	\$65,669	Total Projected Property Tax:	\$68,029
		Total Monthly Property Tax:	\$5,669

4/ Income Tax Rate:

Tax Rate	24.4049%
1- tax rate	75.5951%

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Crosby to Zahl Line Project
Proposed Projects**

Plant in Service, Phase 1 project in service April 2024. Phase 2 project in service November 2024
Depreciation expense starts May 2024 for Phase 1 and December 2024 for Phase 2.
North Dakota direct projects.

<u>Plant:</u>		<u>Depreciation:</u>	
Phase 1 - Crosby to Corinth 60kV Rebuild:	\$1,314,191 1/	Phase 1 60kV Rebuild:	\$1,314,191
		Depreciation Rate:	<u>1.92%</u>
Phase 2 - Corinth to Zahl 60kV Rebuild:	\$4,542,050	Annual Depreciation:	\$25,232
		Monthly Depreciation:	\$2,103
Total Plant in Service:	\$5,856,241		
		Phase 1 60kV Rebuild:	\$4,542,050
		Depreciation Rate:	<u>1.92%</u>
		Annual Depreciation:	\$87,207
		Monthly Depreciation:	\$7,267

1/ Total excludes amounts included as additions to plant in service in Case No. PU-22-194.

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

	<u>2024</u>	<u>2025</u>
Year end plant balance:	\$5,856,241	\$5,856,241
Tax Depreciation Rate:	<u>3.750%</u>	<u>7.219%</u>
Tax Depreciation:	219,609	422,762
Book Depreciation:	<u>24,091</u>	<u>112,439</u>
Remainder:	195,518	310,323
Income Tax Rate:	<u>24.4049%</u>	<u>24.4049%</u>
Deferred Income Tax:	\$47,716	\$75,734

Property Tax:

Year End Plant Balance:	\$5,856,241
Effective Rate:	<u>0.519%</u> (Ad Valorem - Transmission)
Property Tax:	\$30,394

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Crosby to Zahl Line Projects
Project Details**

Project Description: Montana-Dakota identified a need to rebuild the transmission lines from Crosby to Corinth and Corinth to Zahl due to the age and limited load capacity. The current state of the lines will require constant future maintenance to address the aging infrastructure as well as handle any future growth in the area. The project is being addressed in two phases. Phase 1 is rebuilding the line from Crosby to Corinth. The work on this phase was completed and placed into service in April 2024. Phase 2 is rebuilding the line from Corinth to Zahl, with the expected in service date to be November 2024.

When Montana-Dakota filed its most recent general electric rate case, Case No. PU-22-194, this project was originally going to be completed in four phases. Under this plan, phase 1 and phase 2 would have encompassed the rebuild from Crosby to Corinth. Estimated project costs for the original phase 1 and phase 2 were included in addition to plant in service in the rate case. Subsequent to the filing of the electric rate case, the project was changed to be completed in two phases, as described above.

Alternatives: The only other option is continued maintenance of the lines. A cost-benefit analysis showed the rebuild was the most beneficial option to address both the age and condition of the lines as well as the limited load capacity.

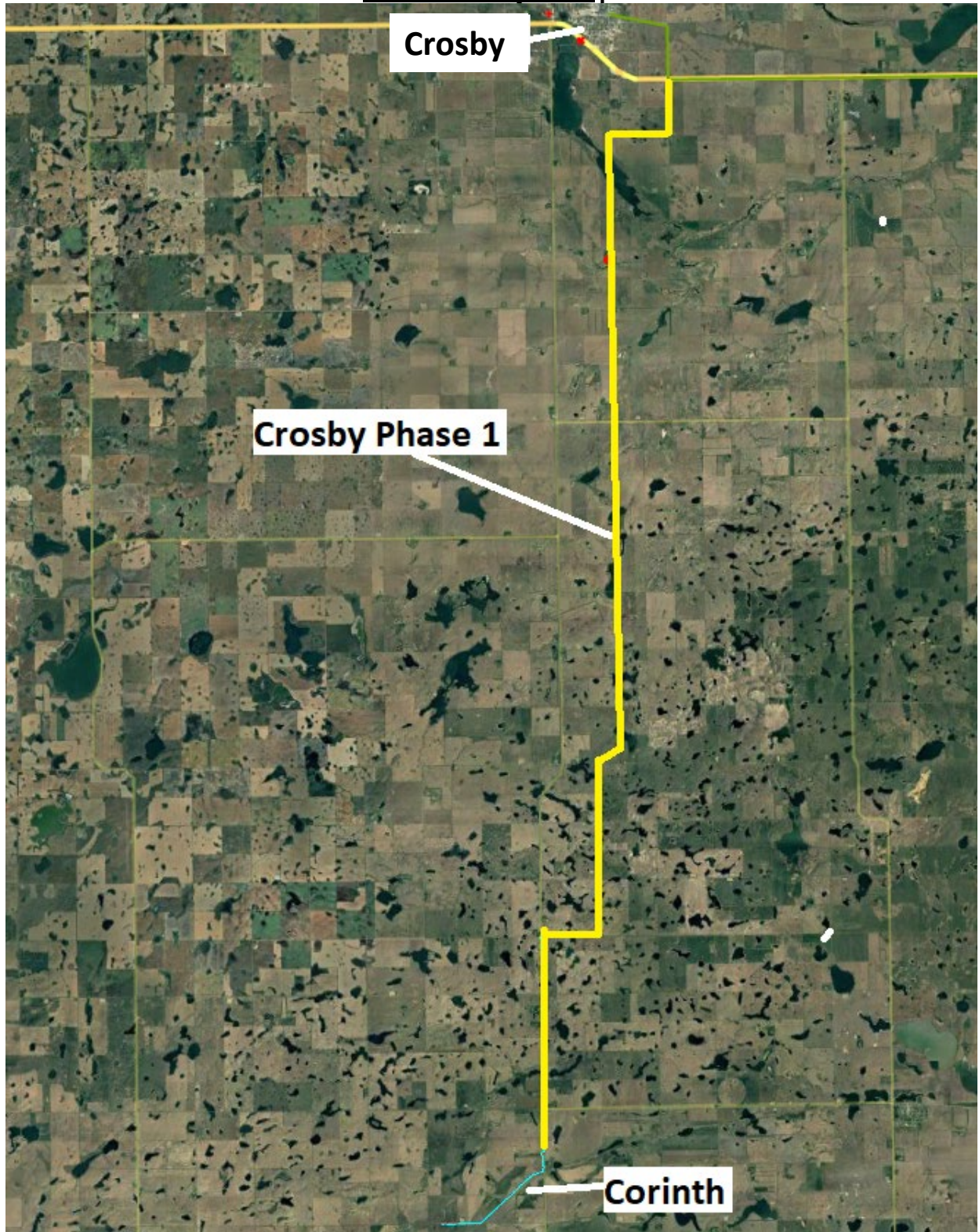
Estimated Project Costs:

Phase 1 - Crosby to Corinth Line Rebuild	
Category	Total Costs
Pole/Hardware Cost	\$3,110,863
Demolition of Ex. Line	\$201,110
Direct Labor (Eng. Time)	\$417,950
Contractor Cost (New Line Construction)	\$2,283,997
Overhead GA	\$454,545
Less: Cost related to removal of old assets	(\$1,495,104)
Less: Additions included in Case No. PU-22-194	(\$3,659,170)
Total Plant in Service:	\$1,314,191

Phase 2 - Corinth to Zahl Line Rebuild	
Category	Total Costs
Pole/Hardware Cost	\$1,433,000
Demolition of Ex. Line	\$345,000
Direct Labor (Eng. Time)	\$48,000
Contractor Cost (New Line Construction)	\$2,700,000
Overhead GA	\$16,050
Total:	\$4,542,050

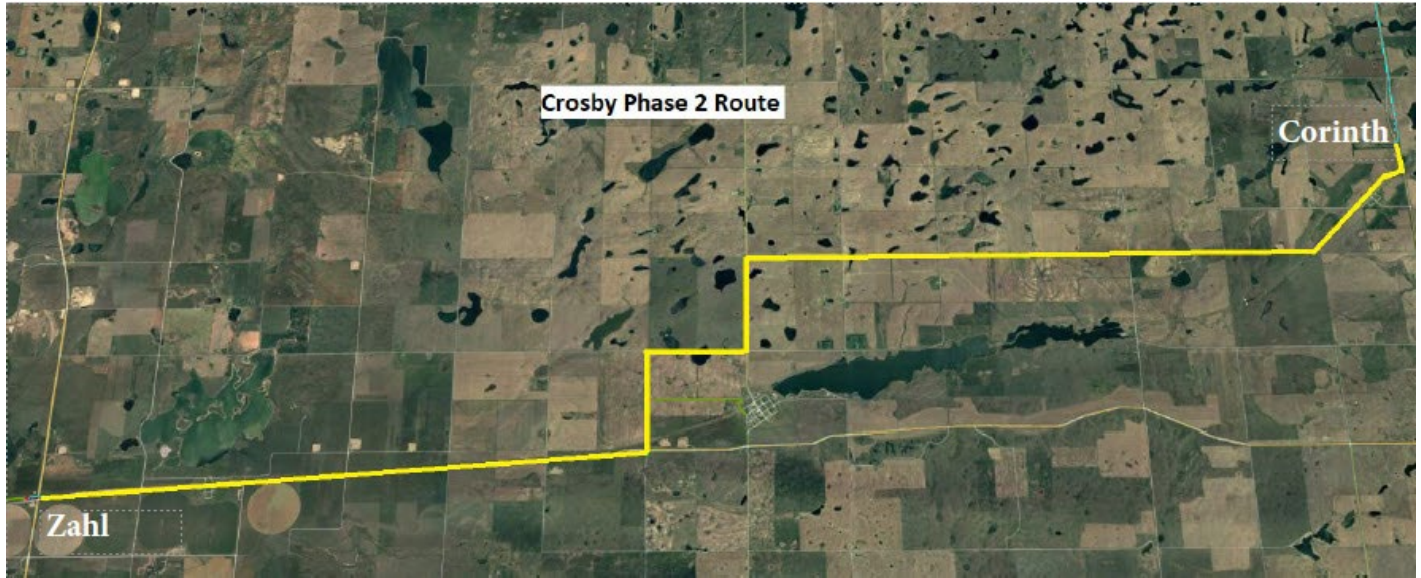
Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Crosby to Zahl Line Projects
Project Details

Phase 1 Project Map



Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Crosby to Zahl Line Projects
Project Details

Phase 2 Project Map



Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Zahl Breaker and Relay Replacement Project
Proposed Projects

Plant in Service, estimated in service date July 2024.
Depreciation expense starts August 2024.
North Dakota direct project.

<u>Plant:</u>	<u>Depreciation:</u>
Breaker & Relay 60kv Replacement: \$589,945	Breaker & Relay 60kv Replacement: \$589,945
	Depreciation Rate: <u>0.73%</u>
	Annual Depreciation: \$4,307
	Monthly Depreciation: \$359

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

	<u>2024</u>	<u>2025</u>
Year end plant balance:	\$589,945	\$589,945
Tax Depreciation Rate:	<u>3.750%</u>	<u>7.219%</u>
Tax Depreciation:	22,123	42,588
Book Depreciation:	<u>1,795</u>	<u>4,307</u>
Remainder:	20,328	38,281
Income Tax Rate:	<u>24.4049%</u>	<u>24.4049%</u>
Deferred Income Tax:	\$4,961	\$9,342

Property Tax:

Year End Plant Balance:	\$589,945	
Effective Rate:	<u>0.519%</u>	(Ad Valorem - Transmission)
Property Tax:	\$3,062	

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Zahl Breaker and Relay Replacement Project
Project Details**

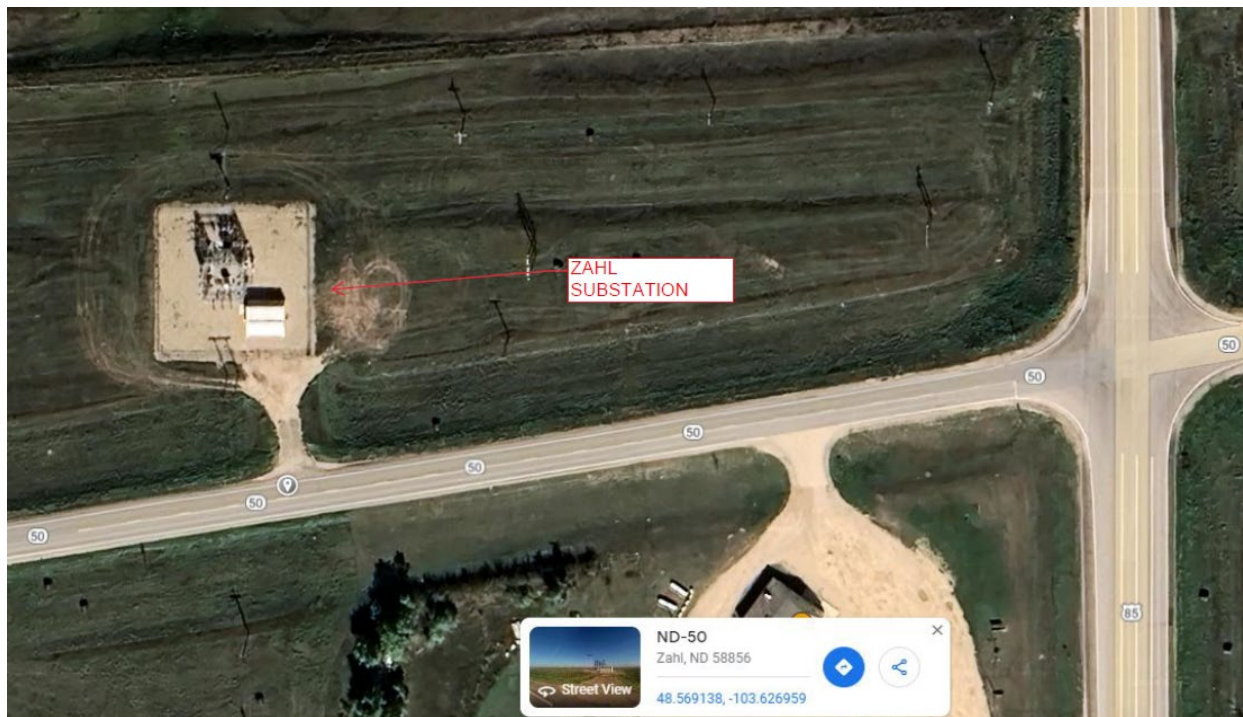
Project Description: This project involves replacing all three of the 60kV transmission breakers and a full relay replacement at the Zahl substation to address the age reliability of the equipment. The current equipment has failed to trip during faulted conditions.

Alternatives: Due to the failure of the equipment to trip during faulted conditions, replacement was the only option considered.

Estimated Project Costs:

Zahl Breaker and Relay Replacement	
Category	Total Costs
Materials	\$416,470
Labor	\$76,000
Transportation & Equipment	\$23,000
Overhead ES/GA	\$74,475
Total:	\$589,945

Project Map



**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Tioga 60kV Substation Addition and Line Reroute
Proposed Projects**

Plant in Service, estimated in service date October 2024.

Depreciation expense starts November 2024.

60kV projects are North Dakota direct projects.

115kV project is Integrated System projects.

Factor 15-Integrated Sys. 12	2024
Month Peak Demand	72.739303%

Plant:

North Dakota direct projects:

Tioga Sub #2 - 60kV addition:	\$5,846,783
60kV Line Reroute:	360,000
Total Direct Plant in Service:	\$6,206,783

Integrated System projects:

115kV Line Reroute:	\$625,000
ND Factor #15:	72.739303%
Total ND Integrated Plant:	\$454,621

Total Plant in Service: \$6,661,404

Depreciation:

North Dakota direct projects:

Tioga Sub #2 - 60kV addition:	\$5,846,783
Depreciation Rate:	0.73%
Annual Depreciation:	\$42,682
Monthly Depreciation:	\$3,557

60kV Line Reroute:	\$360,000
Depreciation Rate:	1.92%
Annual Depreciation:	\$6,912
Monthly Depreciation:	\$576

Integrated System projects:

115kV Line Reroute:	\$454,621
Depreciation Rate:	1.92%
Annual Depreciation:	\$8,729
Monthly Depreciation:	\$727

Total Monthly Depreciation: \$4,860

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

	<u>2024</u>	<u>2025</u>
Year end plant balance:	\$6,661,404	\$6,661,404
Tax Depreciation Rate:	3.750%	7.219%
Tax Depreciation:	249,803	480,887
Book Depreciation:	9,720	58,323
Remainder:	240,083	422,564
Income Tax Rate:	24.4049%	24.4049%
Deferred Income Tax:	\$58,592	\$103,126

Property Tax:

	<u>ND Direct</u>	<u>Integrated</u>
Year End Plant Balance:	\$6,206,783	\$625,000
Effective Rate:	0.519%	0.519% (Ad Valorem - Transmission)
Property Tax:	\$32,213	\$3,244

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Tioga 60kV Substation Addition and Line Reroute
Project Details**

Project Description: This project involves constructing a 60kV ring bus addition at the Tioga #2 transmission substation and rerouting 115kV and 60kV transmission lines. The substation addition and line reroute is to allow the retirement of the Tioga 1 transmission substation due to age and condition.

Alternatives: The Company reviewed the probability of repairing and replacing a significant amount of equipment and structures to the Tioga 1 Substation. Due to the amount of upgrades and replacements in the equipment that would be required to be replaced, as well as the condition of the control house showing signs of significant deterioration, this option was determined to be cost prohibitive.

Estimated Project Costs:

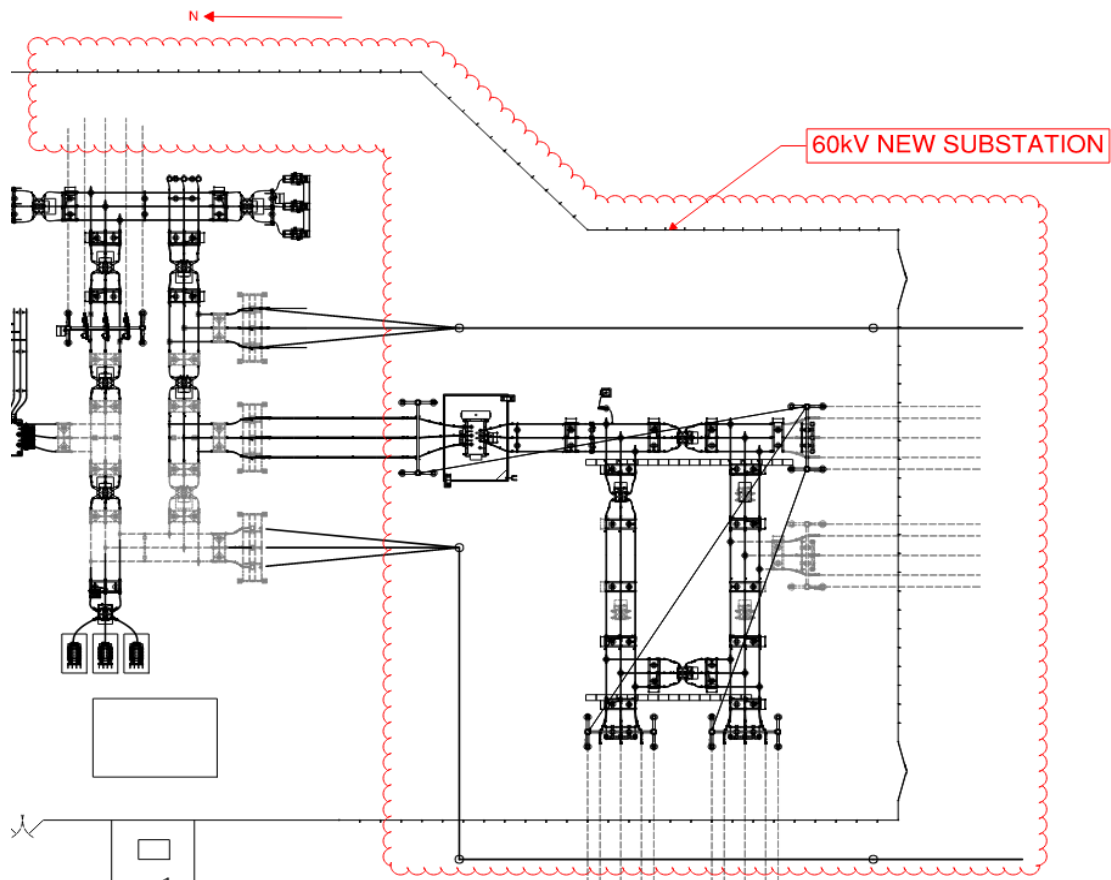
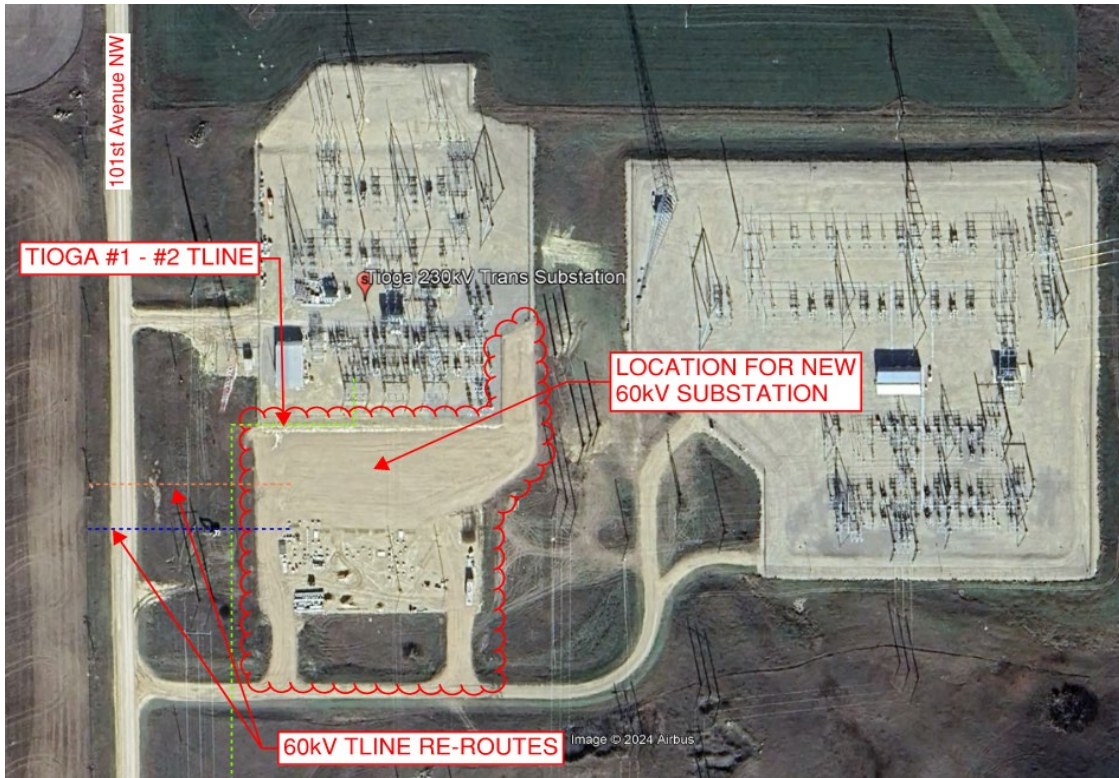
Tioga 2 Transmission Substation - 60kV Addition	
Category	Total Costs
Consultant	\$90,000
General Contractor Labor	\$561,250
Concrete Contractor Labor + Material	\$466,614
Substation Misc. Equipment - Bus & Fittings - Grounding Material - Control Cable Conduit - Steel & Switches - Etc.	\$1,476,347
Major Equipment - 115/60kV Transformer - Instrument Transformers - Power Circuit Breakers	\$1,892,862
Site Grading	\$894,260
MDU Internal Costs	\$225,000
ES&GA	\$240,450
Total:	\$5,846,783

Tioga 115kV Transmission Line Re-route	
Category	Total Costs
Pole/Hardware Cost	\$125,000
Demolition of Ex. Line	\$50,000
Direct Labor (Eng. Time)	\$50,000
Contractor Cost (New Line Construction)	\$350,000
ES&GA	\$50,000
Total:	\$625,000

Tioga 60kV Transmission Line Re-routes	
Category	Total Costs
Pole/Hardware Cost	\$100,000
Demolition of Ex. Line	\$10,000
Direct Labor (Eng. Time)	\$50,000
Contractor Cost (New Line Construction)	\$150,000
ES&GA	\$50,000
Total:	\$360,000

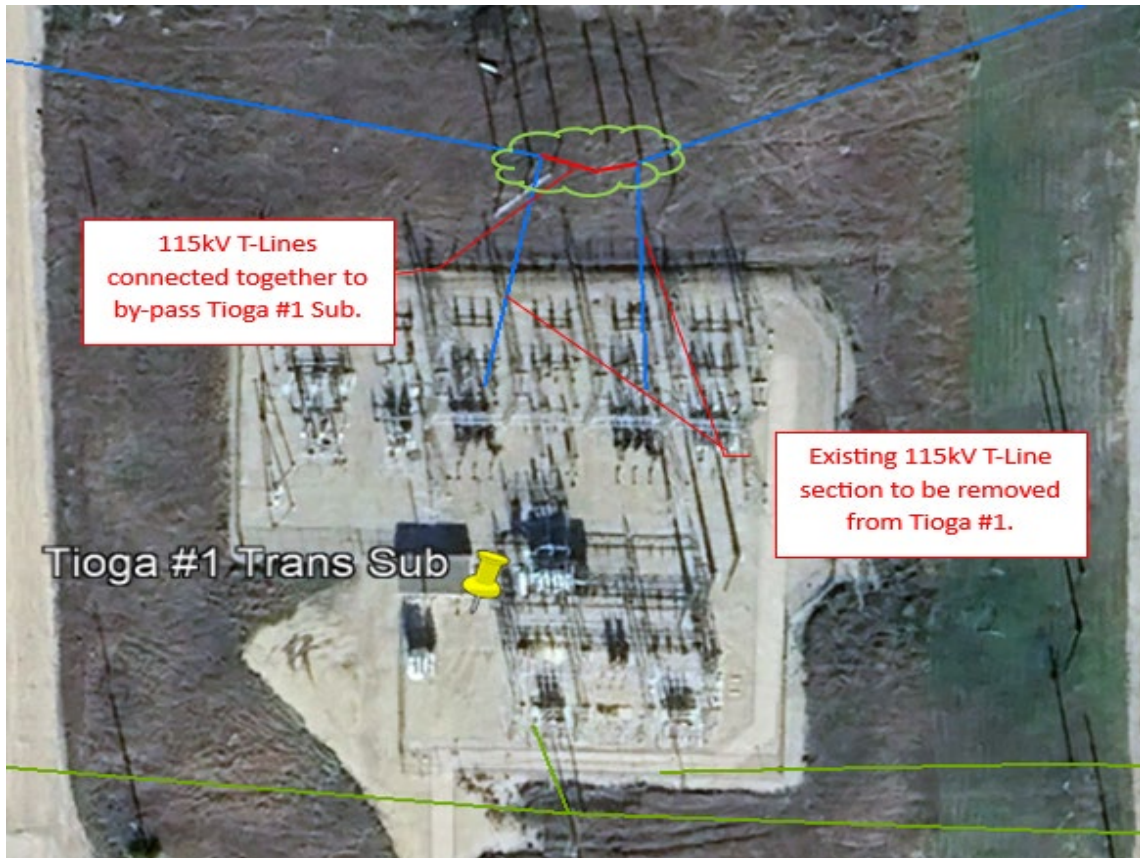
Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Tioga 60kV Substation Addition and Line Reroute
Project Details

Tioga #2 60kV addition



Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Rider
Revenue Requirement - Tioga 60kV Substation Addition and Line Reroute
Project Details

Tioga 115kV Line Reroute



Tioga 60kV Line Reroute



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

	Cumulative								Grand Total (Over)/Under Collection
	Beginning Balance	Less: Revenue Collected 1/	Add: Revenue Requirement 2/	Ending Balance 3/	Carrying Charge Calculation			Carrying Charge 4/	
				Deferred Income Tax	Net Balance	Rate 4/			
May 2023				(\$3,306,037) 5/	-			(\$3,306,037)	5/
June	(3,306,037)	1,093,815	722,871	(3,676,981)	-			(3,676,981)	5.1600%
July	(3,676,981)	1,013,361	626,709	(4,063,633)	-			(4,063,633)	5.2500%
August	(4,063,633)	1,204,342	413,536	(4,854,439)	-			(4,854,439)	5.3000%
September	(4,854,439)	1,056,168	418,002	(5,492,605)	-			(5,492,605)	5.3200%
October	(5,492,605)	986,657	346,972	(6,132,290)	-			(6,132,290)	5.3400%
November	(6,132,290)	662,400	271,412	(6,523,278)	-			(6,523,278)	5.2700%
December	(6,523,278)	124,657	370,134	(6,277,801)	-			(6,277,801)	5.2400%
January 2024	(6,277,801)	135,530	461,965	(5,951,366)	-			(5,951,366)	5.2200%
February	(5,951,366)	113,670	409,773	(5,655,263)	-			(5,655,263)	5.2400%
March	(5,655,263)	109,853	363,240	(5,401,876)	-			(5,401,876)	5.2400%
April	(5,401,876)	107,282	925,756	(4,583,402)	-			(4,583,402)	5.2400%
May	(4,583,402)	92,700	675,786	(4,000,316)	-			(4,000,316)	5.2500%
June - Est.	(4,000,316)	106,276	527,648	(3,578,944)	-			(3,578,944)	5.2500%
July - Est.	(3,578,944)	98,463	249,254	(3,428,153)	-			(3,428,153)	5.2500%
August - Est.	(3,428,153)	117,016	223,348	(3,321,821)	-			(3,321,821)	5.2500%
September - Est.	(3,321,821)	102,631	192,930	(3,231,522)	-			(3,231,522)	5.2500%
October - Est.	(3,231,522)	95,898	241,582	(3,085,838)	-			(3,085,838)	5.2500%
Total		\$7,220,719	\$7,440,918					(\$348,089)	

1/ Revenue collected on actual sales volume through May 2023 at the approved rates authorized in Case No. PU-22-323, and updated rates effective November 1, 2023 authorized in Case No. PU-23-268.

2/ Total revenue requirement:

	MISO/SPP Revenue Requirement	Assets Revenue Requirement	Total Revenue Requirement
June 2023	\$202,459	\$520,412	\$722,871
July	141,441	485,268	626,709
August	(57,780)	471,316	413,536
September	(51,715)	469,717	418,002
October	(122,259)	469,231	346,972
November	(197,392)	468,804	271,412
December	(101,358)	471,492	370,134
January 2024	(25,436)	487,401	461,965
February	(78,293)	488,066	409,773
March	(124,150)	487,390	363,240
April	438,992	486,764	925,756
May	189,617	486,169	675,786
June - Est.	(23,625)	551,273	527,648
July - Est.	(256,903)	506,157	249,254
August - Est.	(282,534)	505,882	223,348
September - Est.	(312,355)	505,285	192,930
October - Est.	(311,615)	553,197	241,582
Total	(\$972,906)	\$8,413,824	\$7,440,918

3/ (Over)/Under collection on revenue requirement not including the carrying charge except for May 2023, for use in calculating the carrying charge.

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

5/ Balance as of May 31, 2023 per Docket No. PU-23-268, Exhibit 5, page 1.

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Cost Recovery Rider
Summary of Revenue and Expenses Allocated to North Dakota
Twelve Months Ended June 30, 2024

	Actual											Projected	Total
	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	
Facility Sharing Agreement	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,337	\$20,333	\$20,333	\$66,074	\$35,580	\$35,580	\$35,580	\$335,482
Rate 45	648,673	871,716	965,011	813,797	969,644	938,768	977,311	867,521	681,726	130,126	432,553	730,681	9,027,527
	\$669,006	\$892,049	\$985,344	\$834,130	\$989,977	\$959,105	\$997,644	\$887,854	\$747,800	\$165,706	\$468,133	\$766,261	\$9,363,009
MISO													
Revenue/Credits													
Schedule 1	\$10,205	\$11,930	\$8,066	\$13,068	\$11,744	\$11,909	\$11,302	\$7,765	\$9,169	\$7,040	\$7,926	\$7,926	\$118,050
Schedule 2 1/	221	(2)	(21)	0	0	(55)	0	0	0	0	0	0	143
Schedule 7	75,155	74,288	66,239	70,390	67,545	67,768	133,053	75,571	82,090	45,637	46,911	46,911	851,558
Schedule 8	13,650	22,910	(14,424)	9,294	18,434	12,256	44,444	8,994	15,181	21,532	10,608	10,608	173,487
Schedule 9	315,325	396,734	249,264	460,919	396,525	404,212	483,072	363,167	454,512	284,218	339,595	339,595	4,487,138
Sch. 9 Pay to Basin	(47,184)	(47,184)	(47,184)	(47,184)	(47,184)	(47,182)	(47,184)	(47,184)	(47,184)	(47,184)	(47,184)	(47,184)	(566,206)
Schedule 24	51,201	83,499	68,811	62,540	65,078	62,680	95,172	89,331	64,443	64,369	\$83,282	83,282	873,688
Schedule 26 2/	0	0	0	0	0	0	(397,590)	0	0	0	0	0	(397,590)
	\$418,573	\$542,175	\$330,751	\$569,027	\$512,142	\$511,588	\$322,269	\$497,644	\$578,211	\$375,612	\$441,138	\$441,138	\$5,540,268
Charges													
Schedule 10													
Energy	\$64,638	\$67,230	\$57,329	\$63,908	\$39,828	\$33,270	\$81,230	\$50,588	\$58,438	\$72,361	\$51,799	\$51,799	\$692,418
Demand	4,709	4,897	4,176	4,655	2,901	2,423	5,917	3,685	4,257	5,271	3,773	3,773	50,437
FERC	36,683	41,502	40,142	35,571	35,398	36,656	45,232	30,988	26,869	26,857	29,454	29,454	414,806
	\$106,030	\$113,629	\$101,647	\$104,134	\$78,127	\$72,349	\$132,379	\$85,261	\$89,564	\$104,489	\$85,026	\$85,026	\$1,157,661
Schedule 11 - Misc	\$0	(\$4)	\$0	(\$177)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$181)
Schedule 26	209,295	193,998	187,919	166,524	165,714	171,602	112,537	76,601	66,418	66,388	72,808	72,808	1,562,612
Schedule 26A/E	623,376	629,103	566,716	561,592	615,818	701,770	650,469	495,614	534,107	460,780	552,694	552,694	6,944,733
A&G Credit	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(966,084)
Total MISO Charges	\$858,194	\$856,219	\$775,775	\$751,566	\$779,152	\$865,214	\$814,878	\$576,969	\$609,582	\$551,150	\$630,021	\$630,021	\$8,698,741

1/ MISO Schedule 2 Tariff ceased December 1, 2022 per the FERC Order in Docket No. ER23-523. Activity noted after December 1, 2022 is related to adjustments to zero out revenues after December 1, 2022.

2/ Schedule 26 prior period true up.

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Cost Recovery Rider
Summary of Revenue and Expenses Allocated to North Dakota
Twelve Months Ended June 30, 2024

	Actual											Projected	Total
	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	
SPP													
Revenue/Credits													
Facility Credits	\$1,167,951	\$1,167,951	\$1,167,951	\$1,167,951	\$1,167,951	\$1,167,951	\$1,164,951	\$1,412,763	\$1,290,357	\$1,290,357	\$1,290,357	\$1,290,357	\$14,746,848
Charges													
Schedule 1	\$41,599	\$66,902	\$50,810	\$70,746	\$32,467	\$46,113	\$48,163	\$88,771	\$45,534	\$51,471	\$37,554	\$37,554	\$617,684
Schedule 1a	42,295	46,670	45,239	42,282	46,671	42,417	46,610	77,519	53,447	65,730	57,281	57,281	623,442
Schedule 2	4,027	4,362	4,814	4,642	3,829	4,849	4,919	4,458	3,284	4,784	4,034	4,034	52,036
Schedule 8	0	0	763	(381)	0	0	0	0	0	13,604	(4,968)	0	9,018
Schedule 9	1,313,597	1,346,266	1,333,935	1,333,935	1,332,683	1,334,561	1,333,935	1,678,660	1,508,429	1,507,363	1,509,924	1,509,924	17,043,212
Schedule 11	180,117	182,372	182,141	181,595	178,393	183,547	181,893	241,826	211,913	212,238	211,353	211,353	2,358,741
Schedule 12	16,918	17,185	16,998	12,794	16,060	17,749	19,498	22,423	13,501	28,849	15,109	15,109	212,193
Total SPP Charges	\$1,598,553	\$1,663,757	\$1,634,700	\$1,645,613	\$1,610,103	\$1,629,236	\$1,635,018	\$2,113,657	\$1,836,108	\$1,884,039	\$1,830,287	\$1,835,255	\$20,916,326
Total Revenue/Credits:													
Facility Sharing	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,337	\$20,333	\$20,333	\$66,074	\$35,580	\$35,580	\$35,580	\$335,482
Rate 45	648,673	871,716	965,011	813,797	969,644	938,768	977,311	867,521	681,726	130,126	432,553	730,681	9,027,527
MISO	418,573	542,175	330,751	569,027	512,142	511,588	322,269	497,644	578,211	375,612	441,138	441,138	5,540,268
SPP	1,167,951	1,167,951	1,167,951	1,167,951	1,167,951	1,167,951	1,164,951	1,412,763	1,290,357	1,290,357	1,290,357	1,290,357	14,746,848
	\$2,255,530	\$2,602,175	\$2,484,046	\$2,571,108	\$2,670,070	\$2,638,644	\$2,484,864	\$2,798,261	\$2,616,368	\$1,831,675	\$2,199,628	\$2,497,756	\$29,650,125
Allocated to ND 1/	\$1,585,469	\$1,829,135	\$1,746,099	\$1,807,297	\$1,876,860	\$1,854,770	\$1,807,473	\$2,035,436	\$1,903,128	\$1,332,348	\$1,599,994	\$1,816,850	\$21,194,859
Total Charges:													
MISO	\$858,194	\$856,219	\$775,775	\$751,566	\$779,152	\$865,214	\$814,878	\$576,969	\$609,582	\$551,150	\$630,021	\$630,021	\$8,698,741
SPP	1,598,553	1,663,757	1,634,700	1,645,613	1,610,103	1,629,236	1,635,018	2,113,657	1,836,108	1,884,039	1,830,287	1,835,255	20,916,326
	\$2,456,747	\$2,519,976	\$2,410,475	\$2,397,179	\$2,389,255	\$2,494,450	\$2,449,896	\$2,690,626	\$2,445,690	\$2,435,189	\$2,460,308	\$2,465,276	\$29,615,067
Allocated to ND 1/	\$1,726,910	\$1,771,355	\$1,694,384	\$1,685,038	\$1,679,468	\$1,753,412	\$1,782,037	\$1,957,143	\$1,778,978	\$1,771,340	\$1,789,611	\$1,793,225	\$21,182,901
Net Expense - ND	\$141,441	(\$57,780)	(\$51,715)	(\$122,259)	(\$197,392)	(\$101,358)	(\$25,436)	(\$78,293)	(\$124,150)	\$438,992	\$189,617	(\$23,625)	(\$11,958)

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

2023
70.292541%

2024
72.739303%

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Recovery Rider
Revenue Requirement - Approved Projects
Projected Year End 2025**

Rate Base	Projected												Average Balance
	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	June 2025	July 2025	Aug 2025	Sept 2025	Oct 2025	Nov 2025	Dec 2025	
Plant Balance:													
Bowdle	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270	\$2,267,270
Leola	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223	2,477,223
Dickinson	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772	8,275,772
Watford City	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317	15,726,317
Lightning Protection	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435	774,435
Richland	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719	3,599,719
Crosby	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328	1,183,328
Bismarck	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381	1,037,381
Mandan	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908	15,309,908
Mobile Sub	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994	834,994
Tioga	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281	4,971,281
April Storm Repair	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006	2,022,006
Total Plant Balance	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634	\$58,479,634
Accumulated Reserve:													
Bowdle	\$175,371	\$176,829	\$178,287	\$179,745	\$181,203	\$182,661	\$184,119	\$185,577	\$187,035	\$188,493	\$189,951	\$191,409	\$192,867
Leola	127,922	129,433	130,944	132,455	133,966	135,477	136,988	138,499	140,010	141,521	143,032	144,543	146,054
Dickinson	715,214	727,003	738,792	750,581	762,370	774,159	785,948	797,737	809,526	821,315	833,104	844,893	856,682
Watford City	1,259,641	1,278,552	1,297,463	1,316,374	1,335,285	1,354,196	1,373,107	1,392,018	1,410,929	1,429,840	1,448,751	1,467,662	1,486,573
Lightning Protection	40,089	41,026	41,963	42,900	43,837	44,774	45,711	46,648	47,585	48,522	49,459	50,396	51,333
Richland	156,540	159,063	161,586	164,109	166,632	169,155	171,678	174,201	176,724	179,247	181,770	184,293	186,816
Crosby	107,686	109,579	111,472	113,365	115,258	117,151	119,044	120,937	122,830	124,723	126,616	128,509	130,402
Bismarck	52,895	53,528	54,161	54,794	55,427	56,060	56,693	57,326	57,959	58,592	59,225	59,858	60,491
Mandan	542,338	556,426	570,514	584,602	598,690	612,778	626,866	640,954	655,042	669,130	683,218	697,306	711,394
Mobile Sub	96,633	97,142	97,651	98,160	98,669	99,178	99,687	100,196	100,705	101,214	101,723	102,232	102,741
Tioga	129,869	135,463	141,057	146,651	152,245	157,839	163,433	169,027	174,621	180,215	185,809	191,403	196,997
April Storm - Reserve	102,182	105,417	108,652	111,887	115,122	118,357	121,592	124,827	128,062	131,297	134,532	137,767	141,002
April Storm - Retirement	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)	(581,575)
Total Accumulated Reserve	\$2,924,805	\$2,987,886	\$3,050,967	\$3,114,048	\$3,177,129	\$3,240,210	\$3,303,291	\$3,366,372	\$3,429,453	\$3,492,534	\$3,555,615	\$3,618,696	\$3,681,777
Net Plant in Service	\$55,554,829	\$55,491,748	\$55,428,667	\$55,365,586	\$55,302,505	\$55,239,424	\$55,176,343	\$55,113,262	\$55,050,181	\$54,987,100	\$54,924,019	\$54,860,938	\$55,207,884
Accum Def Income Taxes 1/	\$2,809,598	\$2,853,294	\$2,897,000	\$2,940,706	\$2,984,412	\$2,928,118	\$3,006,440	\$3,023,947	\$3,037,184	\$3,046,010	\$3,050,566	\$3,050,706	\$3,050,706
Total Rate Base	\$52,745,231	\$52,638,454	\$52,536,088	\$52,437,992	\$52,344,312	\$52,254,902	\$52,169,903	\$52,089,315	\$52,012,997	\$51,941,090	\$51,873,453	\$51,810,232	\$52,237,831
Return on Rate Base 2/	\$313,482	\$312,848	\$312,239	\$311,656	\$311,100	\$310,568	\$310,063	\$309,584	\$309,131	\$308,703	\$308,301	\$307,925	\$3,725,600
Expenses													
Operating Expenses													Year End
Depreciation:													
Bowdle	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458	\$1,458
Leola	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511	1,511
Dickinson	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789	11,789
Watford City	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911	18,911
Lightning Protection	937	937	937	937	937	937	937	937	937	937	937	937	937
Richland	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523	2,523
Crosby	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893	1,893
Bismarck	633	633	633	633	633	633	633	633	633	633	633	633	633
Mandan	14,088	14,088	14,088	14,088	14,088	14,088	14,088	14,088	14,088	14,088	14,088	14,088	14,088
Mobile Sub	509	509	509	509	509	509	509	509	509	509	509	509	509
Tioga	5,594	5,594	5,594	5,594	5,594	5,594	5,594	5,594	5,594	5,594	5,594	5,594	5,594
April Storm Repair	3,235	3,235	3,235	3,235	3,235	3,235	3,235	3,235	3,235	3,235	3,235	3,235	3,235
Total Depreciation	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$63,081	\$756,972
Property Tax 3/	31,797	31,797	31,797	31,797	31,797	31,797	31,797	31,797	31,797	31,797	31,797	31,795	381,562
Total Expenses	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,878	\$94,876	\$1,138,534
Income before Taxes (EBIT)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,878)	(\$94,876)	(\$1,138,534)
Interest Expense	95,733	95,539	95,353	95,175	95,005	94,843	94,688	94,542	94,404	94,273	94,150	94,036	1,137,741
Taxable income	(\$190,611)	(\$190,417)	(\$190,231)	(\$190,053)	(\$189,883)	(\$189,721)	(\$189,566)	(\$189,420)	(\$189,282)	(\$189,151)	(\$189,028)	(\$188,912)	(\$2,276,275)
Income Taxes 4/	(\$46,518)	(\$46,471)	(\$46,426)	(\$46,382)	(\$46,341)	(\$46,301)	(\$46,263)	(\$46,228)	(\$46,194)	(\$46,162)	(\$46,132)	(\$46,104)	(\$555,522)
Operating Income	(\$48,360)	(\$48,407)	(\$48,452)	(\$48,496)	(\$48,537)	(\$48,577)	(\$48,615)	(\$48,650)	(\$48,684)	(\$48,716)	(\$48,746)	(\$48,772)	(\$583,012)
Revenue Requirement	\$478,658	\$477,882	\$477,135	\$476,422	\$475,741	\$475,090	\$474,473	\$473,885	\$473,331	\$472,807	\$472,315	\$471,852	\$5,699,591

Note: Footnotes outlined on Exhibit 4, page 5.

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Recovery Rider
Revenue Requirement - Approved Projects
Projected Year End 2025**

Factor 15-Integrated Sys. 12 2024
Month Peak Demand 72.739303%

1/ Monthly Deferred Income Tax activity is 1/12 of projected 2024 DIT activity. Monthly activity prorated based on DIT proration methodology.

Projected ND DIT activity 2025:		\$623,409				
Monthly:		51,951				
January	February	March	April	May	June	
91.78%	84.11%	75.62%	67.40%	58.90%	50.68%	
47,681	43,696	39,285	35,015	30,599	26,329	
July	August	September	October	November	December	
42.19%	33.70%	25.48%	16.99%	8.77%	0.27%	
21,918	17,507	13,237	8,826	4,556	140	

2/ Authorized capital structure with authorized return on equity from Case No. PU-22-194.

	Ratio	Cost	
Long Term Debt	44.587%	4.503%	2.008%
Short Term Debt	4.603%	3.684%	0.170% 2.178%
Common Equity	50.810%	9.750%	4.954%
	100.000%		7.132%

3/ Property tax:

2024 Projected Allocated Property Tax:	\$314,058
ND Factor #15:	<u>72.739303%</u>
ND Allocated Property Tax:	<u>\$228,444</u>
2024 Projected ND Direct Property Tax:	<u>153,118</u>
Total 2024 Projected ND Property Tax:	<u>\$381,562</u>
Monthly:	\$31,797

4/ Income Tax Rate:

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

Summary of MISO and SPP Revenues, Credits, and Charges

Revenue or Credits Received by Montana-Dakota

Facility Sharing Agreement:	Revenue received from Basin Electric Power Cooperative (BEPC) for the use of Montana-Dakota's facilities to serve BEPC member cooperative loads.
Rate 45 Customer:	Revenue received from data center-type facilities housing high density computer processing technology with expected demand of at least 10 MW per month and an expected minimum load factor of 85%.
MISO Schedule 1:	Revenue received for Montana-Dakota's scheduling and administration of moving power through MISO.
MISO Schedule 7:	Revenue received by Montana-Dakota for Firm Point to Point Transmission Service.
MISO Schedule 8:	Revenue received by Montana-Dakota for Non-Firm Point to Point Transmission Service.
MISO Schedule 9:	Revenue received by Montana-Dakota for Network Integration Transmission Service (NITS). This revenue is then offset to reflect the revenue requirements of BEPC member cooperatives received by Montana-Dakota from MISO for transmission service in Montana-Dakota's pricing zone that are in turn paid to BEPC.
MISO Schedule 24:	Revenue received by Montana-Dakota as a Load Balancing Authority which it receives for services provided to others in MISO.
SPP Section 30.9 Facility Credits:	Revenue received from Southwest Power Pool (SPP) for the use of Montana-Dakota's transmission facilities.

Expenses Paid by Montana-Dakota

MISO Schedule 10:	Charges paid by Montana-Dakota for MISO Schedule 10 charges and direct FERC assessments. As transmission providers, both MISO, on behalf of Montana-Dakota, and Montana-Dakota are assessed annual charges by the FERC in accordance with FERC regulations.
MISO Schedule 26:	Reflects MISO's 2022 and 2024 indicative charges for Pricing Zone for Approved Baseline Reliability Projects, Generation Interconnection Projects, and Market Efficiency Projects. The Schedule 26 charges reflect Montana-Dakota's share of costs for projects that qualify for regional cost allocation under the MISO tariff.

MISO Schedule 26A:	Reflects Montana-Dakota's forecasted load at the indicative charge with Montana-Dakota's share of its retail revenue requirement. Montana-Dakota's share of the retail revenue requirement reflects the Multi-Value Projects (MVP) using Montana-Dakota's load share within the MISO footprint, including the Company's projected MISO Attachment MM revenue requirement. Schedule 26A is charged equally to all MISO load for recovery of MISO's MVP portfolio.
MISO Schedule 26E:	Charges paid by Montana-Dakota for MISO Interregional Market Efficiency Projects (IMEP).
SPP Schedule 1:	Charges paid by Montana-Dakota to SPP for the scheduling and administration of power through SPP.
SPP Schedule 1a:	Charges paid by Montana-Dakota to SPP for SPP's administration of the market and transmission system.
SPP Schedule 9:	Charges paid by Montana-Dakota for Network Integration Transmission Service.
SPP Schedule 11:	Charges paid by Montana-Dakota associated with Highway Byway cost allocated network upgrades. A network customer's firm network transmission charge is a combination of Schedules 9 and 11.
SPP Schedule 12:	The FERC assessments to SPP associated with Montana-Dakota's loads on the SPP system.

Montana-Dakota Utilities Co.
Electric Utility
MISO Revenue Schedules 1, 7, 8, and 24
Projected Twelve Months Ending June 2025

	<u>Schedule 1 1/</u>	<u>Schedule 7 1/</u>	<u>Schedule 8 1/</u>	<u>Schedule 24 1/</u>
July 2024	\$10,013	\$73,824	\$16,339	\$72,500
August	10,013	73,824	16,339	72,500
September	10,013	73,824	16,339	72,500
October	10,013	73,824	16,339	72,500
November	10,013	73,824	16,339	72,500
December	10,013	73,824	16,339	72,500
January 2025	10,013	73,824	16,339	72,500
February	10,013	73,824	16,339	72,500
March	10,013	73,824	16,339	72,500
April	10,013	73,824	16,339	72,500
May	10,013	73,824	16,339	72,500
June	10,018	73,819	16,335	72,505
Total	<u><u>\$120,161</u></u>	<u><u>\$885,883</u></u>	<u><u>\$196,064</u></u>	<u><u>\$870,005</u></u>

1/ Reflects twelve months ended May 31, 2024 per books.

Montana-Dakota Utilities Co.
Electric Utility
MISO Schedule 10 Expenses
Projected Twelve Months Ending June 2025

	Schedule 10 1/			
	MISO - Energy	MISO - Demand	FERC - Direct	Total
July 2024	\$64,612	\$17,155	\$40,329	\$122,096
August	64,612	17,155	40,329	122,096
September	64,612	17,155	40,329	122,096
October	64,612	17,155	40,329	122,096
November	64,612	17,155	40,329	122,096
December	64,612	17,155	40,329	122,096
January 2025	64,612	17,155	40,329	122,096
February	64,612	17,155	40,329	122,096
March	64,612	17,155	40,329	122,096
April	64,612	17,155	40,329	122,096
May	64,612	17,155	40,329	122,096
June	64,606	17,156	40,333	122,095
Total	\$775,338	\$205,861	\$483,952	\$1,465,151

1/ Reflects twelve months ended May 31, 2024 per books for integrated system customers and estimated Rate 45 customer impact.

Montana-Dakota Utilities Co.
Electric Utility
MISO Schedule 26 Expense
Projected Twelve Months Ending June 2025

	Total Integrated Requirements MW 1/	Total Schedule 26 Charges 2/
July 2024	554	\$79,690
August	527	75,806
September	512	71,272
October	496	71,347
November	607	84,497
December	675	97,095
January 2025	695	99,972
February	742	96,403
March	649	93,355
April	615	85,610
May	580	83,430
June	622	86,585
Total	7,274	\$1,025,062

1/ 2024-2025 Electric Load Forecast. Includes Rate 45 customer.

2/ 2024 Schedule 26 Network Upgrades rate charged to
Montana-Dakota: \$1,693.65

**Montana-Dakota Utilities Co.
Electric Utility
MISO Schedule 26A Expenses
Projected Twelve Months Ending June 2025**

	Total Integrated Requirements MWH 1/	Total Schedule 26A Expenses 2/	A&G Revenue Credit 3/
July 2024	412,342	\$635,007	\$80,507
August	391,984	603,655	80,507
September	368,306	567,191	80,507
October	368,918	568,134	80,507
November	437,200	673,288	80,507
December	501,865	772,872	80,507
January 2025	517,346	915,702	80,507
February	498,505	882,354	80,507
March	482,534	854,085	80,507
April	443,005	784,119	80,507
May	431,587	763,909	80,507
June	448,123	793,178	80,507
Total	<u>5,301,715</u>	<u>\$8,813,494</u>	<u>\$966,084</u>

1/ 2024-2025 Electric Load Forecast. Includes Rate 45 customer.

2/ Montana-Dakota's Indicative Annual MVP Charges for
Approved MVPs as of June 9, 2023 and June 12, 2024:

2024 Indicative Charge	\$1.54
2025 Indicative Charge	\$1.77

3/ A&G Credit in Case No. PU-23-268, Exhibit 6 page 6 as revised in
the August 25, 2023 filing.

Montana-Dakota Utilities Co.
Electric Utility
MISO Schedule 9 Revenue, BEPC Payments & Credits, and
Facility Sharing Agreement Revenue
Projected Twelve Months Ending June 2025

	MISO Sch 9 Revenue 1/	Payments to Basin 2/	Basin Facility Sharing Agreements 3/	Rate 45 Customer 4/
July 2024	\$372,377	(\$47,188)	\$35,580	\$1,003,870
August	372,377	(47,188)	35,580	1,003,870
September	372,377	(47,188)	35,580	1,003,870
October	372,377	(47,188)	35,580	1,003,870
November	372,377	(47,188)	35,580	1,192,520
December	372,377	(47,188)	35,580	1,381,170
January 2025	297,019	(47,188)	35,580	1,381,170
February	297,019	(47,188)	35,580	1,381,170
March	297,019	(47,188)	35,580	1,381,170
April	297,019	(47,188)	35,580	1,381,170
May	297,019	(47,188)	35,580	1,381,170
June	297,019	(47,191)	35,582	1,381,173
Total	\$4,016,376	(\$566,259)	\$426,962	\$14,876,193

1/ 2024 reflects Schedule 9 revenue included in Montana-Dakota's projected 2024 Attachment O. 2025 reflects 2024 NITS updated to reflect the additional Rate 45 customer load.

2/ NITS Customer Revenue Requirements included in Projected 2024 Attachment O as of December 2023.

3/ Annual Facility Sharing Agreement revenue of \$426,962.

4/ Rate 45 customer estimated revenue.

**Montana-Dakota Utilities Co.
Electric Utility
SPP Revenue and Expenses
Projected Twelve Months Ending June 2025**

	Charges 1/					Revenues 2/
	SPP Sch 1	SPP Sch 1a	Sch 9 NITS	SPP Sch 11	SPP Sch 12	Sch 9 Fac. Credit
July 2024	\$52,007	\$51,069	\$1,405,242	\$194,010	\$17,585	\$1,292,068
August	52,007	51,069	1,405,242	194,010	17,585	1,292,068
September	52,007	51,069	1,405,242	194,010	17,585	1,292,068
October	52,007	51,069	1,405,242	194,010	17,585	1,292,068
November	52,007	51,069	1,405,242	194,010	17,585	1,292,068
December	52,007	51,069	1,405,242	194,010	17,585	1,292,068
January 2025	52,007	51,069	1,405,242	194,010	17,585	1,292,068
February	52,007	51,069	1,405,242	194,010	17,585	1,292,068
March	52,007	51,069	1,405,242	194,010	17,585	1,292,068
April	52,007	51,069	1,405,242	194,010	17,585	1,292,068
May	52,007	51,069	1,405,242	194,010	17,585	1,292,068
June	52,006	51,072	1,405,237	194,007	17,590	1,292,064
Total	\$624,083	\$612,831	\$16,862,899	\$2,328,117	\$211,025	\$15,504,812

1/ Reflects twelve months ended May 31, 2024 per books.

2/ SPP Section 30.9 Facility Credits for 2024.

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

On July 15, 2024, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the North Dakota Public Service Commission (Commission) to update its Transmission Cost Adjustment (TCA) rates in accordance with the Company's Transmission Cost Adjustment Rate 59 tariff that states the rates will be revised annually to reflect the current level of costs to be recovered.

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

The proposed TCA rates also reflects the inclusion of the net benefit related to a large customer now taking service under Rate 45. All customers of Montana-Dakota will benefit from this customer's service through the crediting of transmission revenue received from this customer. For a residential customer using 800 KWh, the Company estimates a cost savings of approximately \$4.22 per month or \$50.64 annually.

Montana-Dakota has requested the proposed TCA rates be effective with service rendered on and after November 1, 2024, subject to Commission review and approval. The changes are only being proposed at this time and, if rates are suspended by the Commission, the new rates will not be effective until Commission action has been taken.

If approved, a residential customer using 800 KWh will see a decrease of \$0.74 per month or a decrease of \$8.88 annually. The TCA is shown as a separate line item on your bill.

	Residential & Small General
Applicable Rate Schedules	10, 13, 16, 20, 25, & 40
Proposed Rate	(\$0.00025) per KWh
Current Rate	\$0.00068 per KWh
Change	(\$0.00093) per KWh
	Large General & Contracts
Applicable Rate Schedules	30, 31, 32, 38, & 48
Proposed Rate	(\$0.00019) per KWh
Current Rate	\$0.00055 per KWh
Change	(\$0.00074) per KWh
	Lighting
Applicable Rate Schedules	41 & 52
Proposed Rate	(\$0.00008) per KWh
Current Rate	\$0.00022 per KWh
Change	(\$0.00030) per KWh

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