



# MONTANA-DAKOTA UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

400 North Fourth Street  
Bismarck, ND 58501  
701-222-7900  
www.montana-dakota.com

November 5, 2024

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

**Re: Revised Transmission Cost Adjustment Rate 59 Tariff  
Case No. PU-24-297**

Montana-Dakota Utilities Co. (Montana-Dakota) herewith submits a revision to its Transmission Cost Adjustment (TCA) Rate 59 tariff submitted July 15, 2024. Pursuant to discussions with North Dakota Public Service Commission Staff, Montana-Dakota has revised the A&G credit related to the Company’s Attachment MM and certain project costs. Montana-Dakota now requests approval of the revised Transmission Cost Adjustment Rate 59 (2<sup>nd</sup> Revised Sheet No. 43.1 of its electric service tariffs), provided herein as Exhibit 1. To the extent the Company’s July 15, 2024 filing exhibits have changed, Montana-Dakota has also included Revised Exhibits 2 through 6.

The revised net transmission expense is shown in the table below.

	Revised Filing	Prior Filing	Variance
Net MISO/SPP Expense:	(\$4,040,813)	\$881,666	(\$4,922,479)
Transmission Projects - Approved:	5,762,047	5,976,113	(214,066)
Transmission Projects - Proposed:	899,219	0	899,219
Over Recovery Balance:	(3,570,255)	(5,571,305)	2,001,050
	<b>(\$949,802)</b>	<b>\$1,286,474</b>	<b>(\$2,236,276)</b>

A residential customer using 800 kWh per month would see a decrease of \$0.95 under the revised TCA rate or a decrease of \$11.40 annually compared to the currently effective rates. The proposed TCA rates are shown in the following table, 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)	(\$0.00051)	\$0.00068	(\$0.00119)
Large General & Contracts	(Rates 30, 31, 32, 38, & 48, Contracts)	(\$0.00040)	\$0.00055	(\$0.00095)
Lighting	(Rates 41 & 52)	(\$0.00017)	\$0.00022	(\$0.00039)

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](mailto: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](mailto:Allison.Waldon@mduresources.com)

Please contact me at (701) 222-7855 or at [Travis.Jacobson@mdu.com](mailto: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

# **Exhibit 1**



# Montana-Dakota Utilities Co.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

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NDPSC Volume 5  
2<sup>nd</sup> Revised Sheet No. 43.1  
Canceling 1<sup>st</sup> Revised Sheet No. 43.1

### TRANSMISSION COST ADJUSTMENT Rate 59

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#### 3. Transmission Cost Adjustment Rate by class:

Residential & Small General	(0.051¢)per Kwh
Large General	(0.040¢)per Kwh
Lighting	(0.017¢)per Kwh

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**Date Filed:** November 5, 2024

**Effective Date:**

**Issued By:** Travis R. Jacobson  
Director - Regulatory Affairs

**Case No.:**

# **Tariff Reflecting Proposed Changes**



# Montana-Dakota Utilities Co.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 5

~~1<sup>st</sup>~~ 2<sup>nd</sup> Revised Sheet No. 43.1

Canceling ~~Original~~ 1<sup>st</sup> Revised Sheet No. 43.1

### TRANSMISSION COST ADJUSTMENT Rate 59

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#### 3. Transmission Cost Adjustment Rate by class:

Residential & Small General	<del>0.068</del> <u>(0.051)</u> ¢ per Kwh
Large General	<del>0.055</del> <u>(0.040)</u> ¢ per Kwh
Lighting	<del>0.022</del> <u>(0.017)</u> ¢ per Kwh

**Date Filed:** ~~August 25, 2023~~ November 5, 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/	(\$4,040,813)
Transmission Projects' Revenue Requirement 2/	6,661,266
Over Recovery 3/	<u>(3,570,255)</u>
Total Cost to be Recovered through TCA Rates	<u><u>(\$949,802)</u></u>

<u>Allocation of Costs &amp; Proposed Rates</u>	<u>Allocated TCA Costs 4/</u>	<u>Projected Billing Determinants</u>	<u>Proposed TCA Rates</u>
Residential & Small General	(\$439,733)	862,044,030 kWh	(\$0.00051) per kWh
Large General	(507,323)	1,269,713,688 kWh	(\$0.00040) per kWh
Lighting	<u>(2,746)</u>	16,449,259 kWh	(\$0.00017) per kWh
	<u><u>(\$949,802)</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	(\$0.00051)	\$0.00068	(\$0.00119)
Large General	(\$0.00040)	\$0.00055	(\$0.00095)
Lighting	(\$0.00017)	\$0.00022	(\$0.00039)

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
	\$1,039,450	\$1,039,450	\$1,039,450	\$1,039,450	\$1,228,100	\$1,416,750	\$1,416,750	\$1,416,750	\$1,416,750	\$1,416,750	\$1,416,750	\$1,416,755	\$15,303,155
<b>MISO</b>													
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
	\$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
<b>Charges</b>													
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
	\$122,096	\$122,096	\$122,096	\$122,096	\$122,096	\$122,096	\$122,096	\$122,096	\$122,096	\$122,096	\$122,096	\$122,095	\$1,465,151
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	(97,306)	(97,306)	(97,306)	(97,306)	(97,306)	(97,306)	(97,306)	(97,306)	(97,306)	(97,306)	(97,306)	(97,300)	(1,167,666)
	\$739,487	\$704,251	\$663,253	\$664,271	\$782,575	\$894,757	\$1,040,464	\$1,003,547	\$972,230	\$894,519	\$872,129	\$904,558	\$10,136,041



**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	\$739,487	\$704,251	\$663,253	\$664,271	\$782,575	\$894,757	\$1,040,464	\$1,003,547	\$972,230	\$894,519	\$872,129	\$904,558	\$10,136,041
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>\$2,459,400</u>	<u>\$2,424,164</u>	<u>\$2,383,166</u>	<u>\$2,384,184</u>	<u>\$2,502,488</u>	<u>\$2,614,670</u>	<u>\$2,760,377</u>	<u>\$2,723,460</u>	<u>\$2,692,143</u>	<u>\$2,614,432</u>	<u>\$2,592,042</u>	<u>\$2,624,470</u>	<u>\$30,774,996</u>
Allocated to ND 1/	1,788,950	1,763,320	1,733,498	1,734,239	1,820,292	1,901,893	2,007,879	1,981,026	1,958,246	1,901,720	1,885,433	1,909,021	22,385,517
Net ND Expense	<u>(\$269,123)</u>	<u>(\$294,753)</u>	<u>(\$324,575)</u>	<u>(\$323,834)</u>	<u>(\$375,004)</u>	<u>(\$430,626)</u>	<u>(\$269,825)</u>	<u>(\$296,678)</u>	<u>(\$319,458)</u>	<u>(\$375,984)</u>	<u>(\$392,271)</u>	<u>(\$368,682)</u>	<u>(\$4,040,813)</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**

Exhibit 4 - Revised  
Page 1 of 19

	Projected						Average Balance
	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	June 2025	
<b>Rate Base</b>							
Plant Balance:	\$69,928,033	\$69,928,033	\$69,928,033	\$69,928,033	\$69,928,033	\$69,928,033	
Accumulated Reserve	2,954,969	3,029,984	3,104,999	3,180,014	3,255,029	3,330,044	
Net Plant in Service	\$66,973,064	\$66,898,049	\$66,823,034	\$66,748,019	\$66,673,004	\$66,597,989	\$66,785,527
Accum Def Income Taxes	\$2,922,676	\$2,978,059	\$3,027,852	\$3,072,233	\$3,111,016	\$3,144,387	
Total Plant in Service	\$64,050,388	\$63,919,990	\$63,795,182	\$63,675,786	\$63,561,988	\$63,453,602	\$63,742,823
<b>Return on Rate Base</b>	<b>\$380,672</b>	<b>\$379,898</b>	<b>\$379,156</b>	<b>\$378,446</b>	<b>\$377,770</b>	<b>\$377,126</b>	<b>\$2,273,068</b>
<b>Expenses</b>							
Operating Expenses							Year to Date
Depreciation	75,015	75,015	75,015	75,015	75,015	75,015	450,090
Property Tax	36,749	36,749	36,749	36,749	36,749	36,749	220,494
Total Expenses	\$111,764	\$111,764	\$111,764	\$111,764	\$111,764	\$111,764	\$670,584
Income before Taxes (EBIT)	(\$111,764)	(\$111,764)	(\$111,764)	(\$111,764)	(\$111,764)	(\$111,764)	(\$670,584)
Interest Expense	116,252	116,015	115,788	115,572	115,365	115,169	694,161
Taxable income	(\$228,016)	(\$227,779)	(\$227,552)	(\$227,336)	(\$227,129)	(\$226,933)	(\$1,364,745)
Income Taxes	(\$55,647)	(\$55,589)	(\$55,534)	(\$55,481)	(\$55,431)	(\$55,383)	(\$333,065)
Operating Income	(\$56,117)	(\$56,175)	(\$56,230)	(\$56,283)	(\$56,333)	(\$56,381)	(\$337,519)
<b>Revenue Requirement - 2025</b>	<b>\$577,801</b>	<b>\$576,854</b>	<b>\$575,944</b>	<b>\$575,075</b>	<b>\$574,247</b>	<b>\$573,459</b>	<b>\$3,453,380</b>
<b>Approved Projects - July - December 2024 Revenue Requirement:</b>							<b>\$2,901,119</b>
<b>Proposed Projects - 2024 Revenue Requirement:</b>							<b>\$306,767</b>
<b>Total Projected Revenue Requirement:</b>							<b>\$6,661,266</b>

**Projected Revenue Requirement from Approved Projects:**

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

**Projected Revenue Requirement from Proposed Projects:**

Proposed Projects - 2024 Revenue Requirement:	\$306,767
Proposed Projects - January - June 2025 Revenue Requirement:	<u>592,452</u>
	<b>\$899,219</b>

**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	
<b>Rate Base</b>													
<b>Plant Balance: 1/</b>													
Crosby to Zahl Lines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,197,050	\$4,197,050	
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	
<b>Total Plant:</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$589,945	\$589,945	\$589,945	\$7,251,349	\$11,448,399	\$11,448,399	\$2,659,832
<b>Accumulated Reserve:</b>													
Crosby to Zahl Lines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,715	
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	
<b>Total Reserve:</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$359	\$718	\$1,077	\$6,296	\$18,230	\$2,223
<b>Net Plant in Service</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$589,945	\$589,586	\$589,227	\$7,250,272	\$11,442,103	\$11,430,169	\$2,657,609
<b>Accum Def Income Taxes 2/</b>	\$7,673	\$14,705	\$21,027	\$26,662	\$31,586	\$35,823	\$39,350	\$42,167	\$44,297	\$45,717	\$46,450	\$46,473	
<b>Total Rate Base</b>	(\$7,673)	(\$14,705)	(\$21,027)	(\$26,662)	(\$31,586)	(\$35,823)	\$550,595	\$547,419	\$544,930	\$7,204,555	\$11,395,653	\$11,383,696	\$2,624,114
<b>Return on Rate Base 3/</b>	<b>(\$46)</b>	<b>(\$87)</b>	<b>(\$125)</b>	<b>(\$158)</b>	<b>(\$188)</b>	<b>(\$213)</b>	<b>\$3,272</b>	<b>\$3,253</b>	<b>\$3,239</b>	<b>\$42,819</b>	<b>\$67,728</b>	<b>\$67,657</b>	<b>\$187,151</b>
<b>Expenses</b>													
<b>Operating Expenses:</b>													Year End
<b>Depreciation Expense 1/</b>													
Crosby to Zahl Lines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,715	
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	
<b>Total Depreciation Expense:</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$359	\$359	\$359	\$5,219	\$11,934	\$18,230
<b>Property Tax 4/</b>	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,946	59,418
<b>Total Expenses</b>	\$4,952	\$4,952	\$4,952	\$4,952	\$4,952	\$4,952	\$4,952	\$5,311	\$5,311	\$5,311	\$10,171	\$16,880	\$77,648
<b>Income before Taxes (EBIT)</b>	(\$4,952)	(\$4,952)	(\$4,952)	(\$4,952)	(\$4,952)	(\$4,952)	(\$4,952)	(\$5,311)	(\$5,311)	(\$5,311)	(\$10,171)	(\$16,880)	(\$77,648)
<b>Interest Expense</b>	(14)	(27)	(38)	(48)	(57)	(65)	999	994	989	13,076	20,683	20,661	57,153
<b>Taxable income</b>	(\$4,938)	(\$4,925)	(\$4,914)	(\$4,904)	(\$4,895)	(\$4,887)	(\$5,951)	(\$6,305)	(\$6,300)	(\$18,387)	(\$30,854)	(\$37,541)	(\$134,801)
<b>Income Taxes 5/</b>	(\$1,205)	(\$1,202)	(\$1,199)	(\$1,197)	(\$1,195)	(\$1,193)	(\$1,452)	(\$1,539)	(\$1,538)	(\$4,487)	(\$7,530)	(\$9,162)	(\$32,899)
Operating Income	(\$3,747)	(\$3,750)	(\$3,753)	(\$3,755)	(\$3,757)	(\$3,759)	(\$3,500)	(\$3,772)	(\$3,773)	(\$824)	(\$2,641)	(\$7,718)	(\$44,749)
<b>Revenue Requirement</b>	<b>\$4,896</b>	<b>\$4,846</b>	<b>\$4,799</b>	<b>\$4,758</b>	<b>\$4,721</b>	<b>\$4,691</b>	<b>\$8,958</b>	<b>\$9,293</b>	<b>\$9,276</b>	<b>\$57,733</b>	<b>\$93,087</b>	<b>\$99,709</b>	<b>\$306,767</b>

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%

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

	<u>2024</u> DIT Activity						
Crosby	\$36,772	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:	\$100,325	7,673	7,032	6,322	5,635	4,924	4,237
Monthly:	\$8,360	July	August	September	October	November	December
		42.19%	33.70%	25.48%	16.99%	8.77%	0.27%
		3,527	2,817	2,130	1,420	733	23

3/ 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>	9.750%	<u>4.954%</u>	
	100.000%		7.132%	

4/ Property tax:

	<u>Direct</u> Property Tax		
Crosby	\$21,783	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:	\$57,058	Total Direct Property Tax:	<u>57,058</u>
		Total Projected Property Tax:	\$59,418
		Monthly:	\$4,952

5/ 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	
<b>Rate Base</b>													
<b>Plant Balance: 1/</b>													
Crosby to Zahl Lines	\$4,197,050	\$4,197,050	\$4,197,050	\$4,197,050	\$4,197,050	\$4,197,050	\$4,197,050	\$4,197,050	\$4,197,050	\$4,197,050	\$4,197,050	\$4,197,050	\$4,197,050
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
<b>Total Plant:</b>	<b>\$11,448,399</b>	<b>\$11,448,399</b>	<b>\$11,448,399</b>	<b>\$11,448,399</b>	<b>\$11,448,399</b>	<b>\$11,448,399</b>	<b>\$11,448,399</b>	<b>\$11,448,399</b>	<b>\$11,448,399</b>	<b>\$11,448,399</b>	<b>\$11,448,399</b>	<b>\$11,448,399</b>	<b>\$11,448,399</b>
<b>Accumulated Reserve:</b>													
Crosby to Zahl Lines	\$13,430	\$20,145	\$26,860	\$33,575	\$40,290	\$47,005	\$53,720	\$60,435	\$67,150	\$73,865	\$80,580	\$87,295	\$87,295
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	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	68,040
<b>Total Reserve:</b>	<b>\$30,164</b>	<b>\$42,098</b>	<b>\$54,032</b>	<b>\$65,966</b>	<b>\$77,900</b>	<b>\$89,834</b>	<b>\$101,768</b>	<b>\$113,702</b>	<b>\$125,636</b>	<b>\$137,570</b>	<b>\$149,504</b>	<b>\$161,438</b>	<b>\$161,438</b>
<b>Net Plant in Service</b>	<b>\$11,418,235</b>	<b>\$11,406,301</b>	<b>\$11,394,367</b>	<b>\$11,382,433</b>	<b>\$11,370,499</b>	<b>\$11,358,565</b>	<b>\$11,346,631</b>	<b>\$11,334,697</b>	<b>\$11,322,763</b>	<b>\$11,310,829</b>	<b>\$11,298,895</b>	<b>\$11,286,961</b>	<b>\$11,352,598</b>
<b>Accum Def Income Taxes 2/</b>	<b>\$113,078</b>	<b>\$124,765</b>	<b>\$135,273</b>	<b>\$144,639</b>	<b>\$152,823</b>	<b>\$159,865</b>	<b>\$165,727</b>	<b>\$170,410</b>	<b>\$173,951</b>	<b>\$176,312</b>	<b>\$177,531</b>	<b>\$177,569</b>	
<b>Total Rate Base</b>	<b>\$11,305,157</b>	<b>\$11,281,536</b>	<b>\$11,259,094</b>	<b>\$11,237,794</b>	<b>\$11,217,676</b>	<b>\$11,198,700</b>	<b>\$11,180,904</b>	<b>\$11,164,287</b>	<b>\$11,148,812</b>	<b>\$11,134,517</b>	<b>\$11,121,364</b>	<b>\$11,109,392</b>	<b>\$11,196,603</b>
<b>Return on Rate Base 3/</b>	<b>\$67,190</b>	<b>\$67,050</b>	<b>\$66,917</b>	<b>\$66,790</b>	<b>\$66,670</b>	<b>\$66,558</b>	<b>\$66,452</b>	<b>\$66,353</b>	<b>\$66,261</b>	<b>\$66,176</b>	<b>\$66,098</b>	<b>\$66,027</b>	<b>\$798,542</b>
<b>Expenses</b>													
Operating Expenses:													Year End
Depreciation Expense													
Crosby to Zahl Lines	\$6,715	\$6,715	\$6,715	\$6,715	\$6,715	\$6,715	\$6,715	\$6,715	\$6,715	\$6,715	\$6,715	\$6,715	\$6,715
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
<b>Total Depreciation Expense:</b>	<b>\$11,934</b>	<b>\$11,934</b>	<b>\$11,934</b>	<b>\$11,934</b>	<b>\$11,934</b>	<b>\$11,934</b>	<b>\$11,934</b>	<b>\$11,934</b>	<b>\$11,934</b>	<b>\$11,934</b>	<b>\$11,934</b>	<b>\$11,934</b>	<b>\$143,208</b>
Property Tax 4/	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,946	59,418
<b>Total Expenses</b>	<b>\$16,886</b>	<b>\$16,886</b>	<b>\$16,886</b>	<b>\$16,886</b>	<b>\$16,886</b>	<b>\$16,886</b>	<b>\$16,886</b>	<b>\$16,886</b>	<b>\$16,886</b>	<b>\$16,886</b>	<b>\$16,886</b>	<b>\$16,880</b>	<b>\$202,626</b>
<b>Income before Taxes (EBIT)</b>	<b>(\$16,886)</b>	<b>(\$16,886)</b>	<b>(\$16,886)</b>	<b>(\$16,886)</b>	<b>(\$16,886)</b>	<b>(\$16,886)</b>	<b>(\$16,886)</b>	<b>(\$16,886)</b>	<b>(\$16,886)</b>	<b>(\$16,886)</b>	<b>(\$16,886)</b>	<b>(\$16,880)</b>	<b>(\$202,626)</b>
<b>Interest Expense</b>	<b>20,519</b>	<b>20,476</b>	<b>20,435</b>	<b>20,397</b>	<b>20,360</b>	<b>20,326</b>	<b>20,293</b>	<b>20,263</b>	<b>20,235</b>	<b>20,209</b>	<b>20,185</b>	<b>20,164</b>	<b>243,862</b>
<b>Taxable income</b>	<b>(\$37,405)</b>	<b>(\$37,362)</b>	<b>(\$37,321)</b>	<b>(\$37,283)</b>	<b>(\$37,246)</b>	<b>(\$37,212)</b>	<b>(\$37,179)</b>	<b>(\$37,149)</b>	<b>(\$37,121)</b>	<b>(\$37,095)</b>	<b>(\$37,071)</b>	<b>(\$37,044)</b>	<b>(\$446,488)</b>
<b>Income Taxes 5/</b>	<b>(\$9,129)</b>	<b>(\$9,118)</b>	<b>(\$9,108)</b>	<b>(\$9,099)</b>	<b>(\$9,090)</b>	<b>(\$9,082)</b>	<b>(\$9,073)</b>	<b>(\$9,066)</b>	<b>(\$9,059)</b>	<b>(\$9,053)</b>	<b>(\$9,047)</b>	<b>(\$9,041)</b>	<b>(\$108,965)</b>
<b>Operating Income</b>	<b>(\$7,757)</b>	<b>(\$7,768)</b>	<b>(\$7,778)</b>	<b>(\$7,787)</b>	<b>(\$7,796)</b>	<b>(\$7,804)</b>	<b>(\$7,813)</b>	<b>(\$7,820)</b>	<b>(\$7,827)</b>	<b>(\$7,833)</b>	<b>(\$7,839)</b>	<b>(\$7,839)</b>	<b>(\$93,661)</b>
<b>Revenue Requirement</b>	<b>\$99,143</b>	<b>\$98,972</b>	<b>\$98,809</b>	<b>\$98,653</b>	<b>\$98,506</b>	<b>\$98,369</b>	<b>\$98,240</b>	<b>\$98,119</b>	<b>\$98,006</b>	<b>\$97,902</b>	<b>\$97,807</b>	<b>\$97,713</b>	<b>\$1,180,239</b>

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%

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

		2025 DIT Activity							
		\$54,277							
Zahl	9,342	January	February	March	April	May	June		
Tioga	103,126	91.78%	84.11%	75.62%	67.40%	58.90%	50.68%		
Projected DIT activity:	\$166,745	12,753	11,687	10,508	9,366	8,184	7,042		
Monthly:	\$13,895	July	August	September	October	November	December		
		42.19%	33.70%	25.48%	16.99%	8.77%	0.27%		
		5,862	4,683	3,541	2,361	1,219	38		

3/ 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%	

4/ Property tax:

		Direct Property Tax		
		\$21,783	Projected Allocated Property Tax: \$3,244 (Tioga)	
Zahl	3,062		ND Factor #15: <u>72.739303%</u>	
Tioga	32,213		ND Allocated Property Tax: \$2,360	
Total Direct Property Tax:	\$57,058		Total Direct Property Tax: <u>57,058</u>	
			Total Projected Property Tax: \$59,418	
			Total Monthly Property Tax: \$4,952	

5/ 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**

Phase 2 project in service November 2024. Depreciation expense starts December 2024 for Phase 2. North Dakota direct project.

**Plant:**

Phase 2 - Corinth to Zahl 60kV Rebuild: \$4,197,050

**Total Plant in Service: \$4,197,050**

**Depreciation:**

Phase 2 60kV Rebuild: \$4,197,050  
 Depreciation Rate: 1.92%  
 Annual Depreciation: \$80,583  
 Monthly Depreciation: \$6,715

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

	<u>2024</u>	<u>2025</u>
Year end plant balance:	\$4,197,050	\$4,197,050
Tax Depreciation Rate:	3.750%	7.219%
Tax Depreciation:	157,389	302,985
Book Depreciation:	6,715	80,583
Remainder:	150,674	222,402
Income Tax Rate:	24.4049%	24.4049%
Deferred Income Tax:	\$36,772	\$54,277

Property Tax:

Year End Plant Balance: \$4,197,050  
 Effective Rate: 0.519% (Ad Valorem - Transmission)  
 Property Tax: \$21,783

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Rider  
Revenue Requirement - Crosby to Zahl Line Project  
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. Phase 2 is rebuilding the line from Corinth to Zahl, with the expected in service date to be November 2024.

**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:**

<b>Phase 2 - Corinth to Zahl Line Rebuild</b>	
<b>Category</b>	<b>Total Costs</b>
Pole/Hardware Cost	\$1,433,000
Direct Labor (Eng. Time)	\$48,000
Contractor Cost (New Line Construction)	\$2,700,000
Overhead GA	\$16,050
<b>Total:</b>	<b>\$4,197,050</b>



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

**Cumulative**

	Beginning Balance	Less:	Add:	Ending Balance 3/	Carrying Charge Calculation			Carrying Charge 4/	Grand Total (Over)/Under Collection
		Revenue Collected 1/	Revenue Requirement 2/		Deferred Income Tax	Net Balance	Rate 4/		
May 2023				(\$3,306,037) 5/	-	(\$3,306,037)			(\$3,306,037) 5/
June	(3,306,037)	1,093,815	722,871	(3,676,981)	-	(3,676,981)	5.1600%	(14,216)	(3,691,197)
July	(3,676,981)	1,013,361	626,709	(4,063,633)	-	(4,063,633)	5.2500%	(16,087)	(4,093,936)
August	(4,063,633)	1,204,342	413,536	(4,854,439)	-	(4,854,439)	5.3000%	(17,948)	(4,902,690)
September	(4,854,439)	1,056,168	418,002	(5,492,605)	-	(5,492,605)	5.3200%	(21,521)	(5,562,377)
October	(5,492,605)	986,657	346,972	(6,132,290)	-	(6,132,290)	5.3400%	(24,442)	(6,226,504)
November	(6,132,290)	662,400	271,412	(6,523,278)	-	(6,523,278)	5.2700%	(26,931)	(6,644,423)
December	(6,523,278)	124,657	370,134	(6,277,801)	-	(6,277,801)	5.2400%	(28,485)	(6,427,431)
January 2024	(6,277,801)	135,530	461,965	(5,951,366)	-	(5,951,366)	5.2200%	(27,308)	(6,128,304)
February	(5,951,366)	113,670	409,773	(5,655,263)	-	(5,655,263)	5.2400%	(25,988)	(5,858,189)
March	(5,655,263)	109,853	363,240	(5,401,876)	-	(5,401,876)	5.2400%	(24,695)	(5,629,497)
April	(5,401,876)	107,282	925,756	(4,583,402)	-	(4,583,402)	5.2400%	(23,588)	(4,834,611)
May	(4,583,402)	92,700	675,786	(4,000,316)	-	(4,000,316)	5.2500%	(20,052)	(4,271,577)
June - Est.	(4,000,316)	106,276	490,608	(3,615,984)	-	(3,615,984)	5.2500%	(17,501)	(3,904,746)
July - Est.	(3,615,984)	98,463	224,729	(3,489,718)	-	(3,489,718)	5.2500%	(15,820)	(3,794,300)
August - Est.	(3,489,718)	117,016	198,840	(3,407,894)	-	(3,407,894)	5.2500%	(15,268)	(3,727,744)
September - Est.	(3,407,894)	102,631	168,440	(3,342,085)	-	(3,342,085)	5.2500%	(14,910)	(3,676,845)
October - Est.	(3,342,085)	95,898	217,110	(3,220,873)	-	(3,220,873)	5.2500%	(14,622)	(3,570,255)
Total		\$7,220,719	\$7,305,883					(\$349,382)	

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)	514,233	490,608
July - Est.	(269,123)	493,852	224,729
August - Est.	(294,753)	493,593	198,840
September - Est.	(324,575)	493,015	168,440
October - Est.	(323,834)	540,944	217,110
Total	(\$1,021,784)	\$8,327,667	\$7,305,883

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  
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	\$97,306
August	391,984	603,655	97,306
September	368,306	567,191	97,306
October	368,918	568,134	97,306
November	437,200	673,288	97,306
December	501,865	772,872	97,306
January 2025	517,346	915,702	97,306
February	498,505	882,354	97,306
March	482,534	854,085	97,306
April	443,005	784,119	97,306
May	431,587	763,909	97,306
June	448,123	793,178	97,300
Total	<u>5,301,715</u>	<u>\$8,813,494</u>	<u>\$1,167,666</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/ Revenue credit for administrative and general O&M expenses recovered through  
MISO attachment MM:

Projected Gross Plant in Service from Attachment MM:	\$126,920,259
Annual Allocation for Other O&M, Attachment MM, Line 4b:	<u>0.92%</u>
A&G Revenue Credit:	<u>\$1,167,666</u>