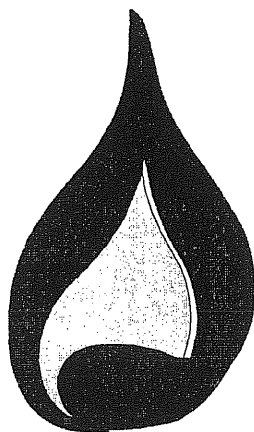


YEAR ENDING \_\_\_\_\_

# ANNUAL REPORT OF

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## GAS UTILITY



TO THE  
PUBLIC SERVICE COMMISSION  
STATE OF MONTANA  
1701 PROSPECT AVENUE  
P.O. BOX 202601  
HELENA, MT 59620-2601

## IDENTIFICATION

Year: 2021

1.	Legal Name of Respondent:	Montana-Dakota Utilities Co.
2.	Name Under Which Respondent Does Business:	Montana-Dakota Utilities Co.
3.	Date Utility Service First Offered in Montana	1920
4.	Address to send Correspondence Concerning Report:	Montana-Dakota Utilities Co. 400 North Fourth Street Bismarck, ND 58501
5.	Person Responsible for This Report:	Travis R. Jacobson
5a.	Telephone Number:	(701) 222-7855
Control Over Respondent		
1.	If direct control over the respondent was held by another entity at the end of year provide the following:	
1a.	Name and address of the controlling organization or person: MDU Energy Capital, LLC	
1b.	Means by which control was held: Common Stock	
1c.	Percent Ownership: 100%	

## SCHEDULE 2

Board of Directors		
Line No.	Name of Director and Address (City, State) (a)	Remuneration (b)
1	David L. Goodin (Chairman), Bismarck, ND	-
2	Nicole A. Kivisto, Bismarck, ND	-
3	Karl A. Liepitz, Bismarck, ND 1/	-
4	Jason L. Vollmer, Bismarck, ND	-
5	Daniel S. Kuntz (Retired) 1/	
6		
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15		
16		
17	1/ Daniel S. Kuntz retired on 2/5/2021 and was replaced by Karl A. Liepitz on 2/6/2021.	

## Officers

Year: 2021

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	President & Chief Executive Officer	Executive	Nicole A. Kivisto
2			
3	Vice President	Electric Supply	Jay W. Skabo
4			
5	Vice President	Engineering & Operation Services	Patrick C. Darras
6			
7	Executive Vice President	Business Development & Gas Supply	Scott W. Madison
8			
9	Executive Vice President	Regulatory Affairs, Customer Service, & Administration	Garret Senger
10			
11			
12	Vice President	Regulatory Affairs & Customer Service	Mark A. Chiles
13			
14	Vice President	Safety Process Improvement & Operations Systems	Hart Gilchrist
15			
16			
17	Vice President	Field Operations	Eric P. Martuscelli
18			
19	Controller	Accounting	Tammy J. Nygaard
20			
21			
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## CORPORATE STRUCTURE

Year: 2021

	Subsidiary/Company Name	Line of Business	Earnings (000's)	Percent of Total
1	Montana-Dakota Utilities Co. and	Electric and Natural Gas	\$71,142	100.00%
2	Great Plains Natural Gas Co. (A	Distribution		
3	Division of Montana-Dakota			
4	Utilities Co.)			
5				
6				
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49				
50	<b>TOTAL</b>		\$71,142	100.00%



Company Name: Montana-Dakota Utilities Co.

**SCHEDULE 5**

**CORPORATE ALLOCATIONS - GAS**

Year: 2021

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	Not applicable					
2						
3						
4						
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## AFFILIATE TRANSACTIONS - PRODUCTS &amp; SERVICES PROVIDED TO UTILITY - GAS

Year: 2021

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1	<b>KNIFE RIVER CORPORATION</b>	Expense	Actual Costs Incurred			
2		Contract Services		\$70		\$70
3		Materials		409		409
4						
5		Capital	Actual Costs Incurred			
6		Contract Services		5,781		365
7		Materials		19,441		19,441
8						
9		Other				
10		Balance Sheet Accts		2,913		628
11						
12						
13		Total Knife River Corporation Operating Revenues for the Year 2021			\$2,228,930,000	
14		Excludes Intersegment Eliminations				
15	<b>TOTAL</b>	<b>Grand Total Affiliate Transactions</b>		\$28,614	0.0013%	\$20,913
1	<b>WBI ENERGY, INC.</b>	Natural Gas	Actual Costs Incurred			
2		Purchases/Transportation		\$60,129,253		\$17,545,346
3						
4		Expense	Actual Costs Incurred			
5		Materials		10,196		4,393
6		Miscellaneous		39,317		10,997
7						
8		Capital	Actual Costs Incurred			
9		Contract Services		100,871		100,871
10		Materials		166,980		166,980
11		Miscellaneous		3,747		3,672
12						
13						
14		Total WBI Energy, Inc Operating Revenues for the Year 2021			\$142,536,000	
15		Excludes Intersegment Eliminations				
16	<b>TOTAL</b>	<b>Grand Total Affiliate Transactions</b>		\$60,450,364	42.4106%	\$17,832,259

## AFFILIATE TRANSACTIONS - PRODUCTS &amp; SERVICES PROVIDED TO UTILITY - GAS

Year: 2021

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1	<b>MDU CONSTRUCTION SERVICES GROUP, INC.</b>	Expense	Actual Costs Incurred			
2						
3						
4		Contract Services		\$1,399		\$1,399
5		Miscellaneous		-		-
6						
7						
8		Other Transactions/Reimbursements Balance Sheet Accounts	Actual Costs Incurred			
9						
10				97,305		0
11						
12						
13		Total MDU Construction Services Group, Inc Operating Revenues for the Year 2021			\$2,051,637,000	
14		Excludes Intersegment Eliminations				
15	<b>TOTAL</b>	<b>Grand Total Affiliate Transactions</b>		\$98,704	0.0048%	\$1,399

## AFFILIATE TRANSACTIONS - PRODUCTS &amp; SERVICES PROVIDED TO UTILITY- GAS

Year: 2021

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1	<b>CENTENNIAL HOLDINGS CAPITAL, LLC</b>	Expense	Actual Costs Incurred			
2		Office Expense		(\$627)		(\$154)
3		Miscellaneous		1,524,893		375,469
4						
5		Capital				
6		Miscellaneous	Actual Costs Incurred	4,283		981
7						
8		Other				
9		Balance Sheet Accounts		4,125,848		0
10						
11						
12		Total Centennial Holdings Capital, LLC Operating Revenues for the Year 2021			\$13,714,000	
13		Excludes Intersegment Eliminations				
14	<b>TOTAL</b>	<b>Grand Total Affiliate Transactions</b>		\$5,654,397	41.2308%	\$376,296

## AFFILIATE TRANSACTIONS - PRODUCTS &amp; SERVICES PROVIDED TO UTILITY - GAS

Year: 2021

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1	<b>MDU ENERGY CAPITAL</b>	Expense	Actual Costs Incurred			
2		Cost of Service		170,699		47,360
3		Office Expenses		1,037,197		256,077
4		Payroll		(3,736)		(889)
5		Miscellaneous		99,351		32,915
6						
7		Capital	Actual Costs Incurred			
8		Contract Services		753,929		734,770
9		Payroll		(2,400)		(614)
10		Material		1,885		482
11		Miscellaneous		915		234
12						
13		Other Transactions/Reimbursements	Actual Costs Incurred			
14		Clearing		(61,840)		0
15		Balance Sheet Accounts		51,878		0
16						
17						
18						
19		Total MDU Energy Capital Operating Revenues for the Year 2021			\$625,132,860	
20						
21	<b>TOTAL</b>	<b>Grand Total Affiliate Transactions</b>		\$2,047,878	0.3276%	\$1,070,335

## AFFILIATE TRANSACTIONS - PRODUCTS &amp; SERVICES PROVIDED TO UTILITY -GAS

Year: 2021

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1	MDU RESOURCES GROUP, INC.	MDU RESOURCES GROUP, INC.	Various Corporate Overhead Allocation Methodologies and/or Actual Costs Incurred			
2		Corporate Overhead				
3		Advertising		\$35,423		\$8,722
4		Air Service		2,108		519
5		Audit Costs		39,569		9,743
6		Automobile		4,047		996
7		Bank Services		22,201		5,466
8		Corporate Aircraft		3,783		932
9		Consultant Fees		89,008		21,916
10		Contract Services		285,929		70,403
11		Directors Expense		174,749		43,028
12		Employee Benefits		5,954		1,466
13		Employee Reimbursable Expense		6,658		1,639
14		Entertainment		0		0
15		Insurance		162,791		40,083
16		Legal Retainer Fees		31,313		7,710
17		Meals		5,310		1,308
18		Industry Dues & Licenses		13,107		3,227
19		Office Expenses		13,301		3,275
20		Permits & Filing Fees		6,607		1,627
21		Postage		78		19
22		Payroll		4,951,847		1,219,273
23		Reference Materials		27,140		6,683
24		Rental		1,374		338
25		Seminars & Meeting Registrations		21,403		5,270
26		Software Maintenance		368,026		90,617
27		Telephone/Cell Expenses		47,297		11,646
28		Safety Training		82		20
29		Uniforms		192		47

## AFFILIATE TRANSACTIONS - PRODUCTS &amp; SERVICES PROVIDED TO UTILITY -GAS

Year: 2021

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1	MDU RESOURCES GROUP, INC.	Expense	Actual Costs Incurred			
2		Cost of Service		\$309,476		\$76,201
3		Office Expenses		71,349		17,568
4		Payroll Miscellaneous		71		17
5				69,231		17,046
6						
7		Capital	Actual Costs Incurred			
8		Contract Services		1,428		318
9		Payroll		475,074		121,397
10		Miscellaneous		53,820		13,701
11						
12		Other Transactions/Reimbursements	Actual Costs Incurred			
13		Clearing		159,343		
14		Balance Sheet Accounts		(216,677)		
15		Miscellaneous		27,535		7,041
16						
17		Total MDU Resources Group, Inc. Operating Revenues for the Year 2021			\$0	
18						
19						
20						
21						
22						
23	<b>TOTAL</b>	<b>Grand Total Affiliate Transactions</b>		\$7,269,947	0.0000%	\$1,809,262

## AFFILIATE TRANSACTIONS - PRODUCTS &amp; SERVICES PROVIDED BY UTILITY

Year: 2021

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	KNIFE RIVER CORPORATION	MONTANA-DAKOTA UTILITIES CO.	Actual Costs Incurred		0.0608%	
2		Other Direct Charges				
3		Contract Services		\$6,715		
4		Communications		15,616		
5		Employee Discounts		11,864		
6		Electric Consumption		135,489		
7		Gas Consumption		120,425		\$66,482
8		Bank Fees		8,333		150,890
9		Miscellaneous		287,487		
10		Office Expense		4,196		
11		Cost of Service 1/		648,749		
12						
13		<b>Total Montana-Dakota Utilities Co.</b>	\$1,238,874		\$217,372	
14						
15		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual Costs Incurred		-0.0015%	\$0
16	Miscellaneous Reimbursements	(31,365)				
17	<b>Total Other Transactions/Reimbursements</b>	(\$31,365)				
18						
19		<b>Grand Total Affiliate Transactions</b>		\$1,207,509	0.0593%	\$217,372
20						
21						
22		<b>Total Knife River Corporation Operating Expenses for 2021 - Excludes Intersegment Eliminations</b>			\$2,037,853,000	

1/ Montana-Dakota Utilities Co. cost of service amounts are calculated for the general office complex, the printing department, and the budget and forecast system. The general office complex amounts are payroll and floor space costs for employees that perform services for MDU Resources. These include accounts payable, general accounting, fixed asset accounting, and miscellaneous other services. The charges are based on the percentage of system users that are MDU Resources employees. Both the general office complex and amounts for MDU Resources are allocated to affiliated companies based on corporate overhead allocation factors. The printing department amount is allocated to affiliated companies based on the direct printing images processed for them and their percentage of the corporate overhead allocation for the corporate printed image amount.



## AFFILIATE TRANSACTIONS - PRODUCTS &amp; SERVICES PROVIDED BY UTILITY

Year: 2021

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	WBI ENERGY, INC.	MONTANA-DAKOTA UTILITIES CO.	Actual Costs Incurred			
2		Other Direct Charges				
3		Auto		\$2,474		
4		Computer/Software Support		14,609		
5		Contract Services		180,922		
6		Electric Consumption		619,970		\$363,707
7		Gas Consumption		32,301		22,798
8		Cost of Service 1/		94,975		22,923
9		Misc Employee Benefits		7,199		
10		Misc Employee Discount		22,816		
11		Office Expense		4,781		
12		Travel		87		
13						
14						
15		<b>Total Montana-Dakota Utilities Co.</b>		\$980,134	1.0375%	\$409,428
16						
17		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual Costs Incurred			
18		Miscellaneous Reimbursements		(77,194)		
19		<b>Total Other Transactions/Reimbursements</b>		(\$77,194)	-0.0817%	\$0
20						
21		<b>Grand Total Affiliate Transactions</b>		\$902,940	0.9558%	\$409,428
22						
23						
24		<b>Total WBI Energy Operating Expenses for 2021 - Excludes Intersegment Eliminations</b>			\$94,468,000	

1/ Montana-Dakota Utilities Co. cost of service amounts are calculated for the general office complex, the printing department, and the budget and forecast system. The general office complex amounts are payroll and floor space costs for employees that perform services for MDU Resources. These include accounts payable, general accounting, fixed asset accounting, and miscellaneous other services. The charges are based on the percentage of system users that are MDU Resources employees. Both the general office complex and amounts for MDU Resources are allocated to affiliated companies based on corporate overhead allocation factors. The printing department amount is allocated to affiliated companies based on the direct printing images processed for them and their percentage of the corporate overhead allocation for the corporate printed image amount.

## AFFILIATE TRANSACTIONS - PRODUCTS &amp; SERVICES PROVIDED BY UTILITY

Year: 2021

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	MDU CONSTRUCTION SERVICES GROUP INC	Intercompany Settlements	Actual Costs Incurred		0.0211%	\$46,026
2		Communication Services		\$1,042		
3		Miscellaneous		274		
4		Contract Services		202,126		
5		Cost of Service 1/		197,887		
6			Actual Costs Incurred		-0.0006%	\$0
7						
8		<b>Total Montana-Dakota Utilities Co.</b>		\$401,329		
9						
10		OTHER TRANSACTIONS/REIMBURSEMENTS				
11		Miscellaneous Reimbursements	Actual Costs Incurred	(11,823)	0.0204%	\$46,026
12		Insurance		-		
13		<b>Total Other Transactions/Reimbursements</b>		(\$11,823)		
14						
15		<b>Grand Total Affiliate Transactions</b>		\$389,506		
16			<b>Total MDU Construction Services Group, Inc. Operating Expenses for 2021</b>		\$1,905,883,000	
17		<b>Excludes Intersegment Eliminations</b>				
18						

1/ Montana-Dakota Utilities Co. cost of service amounts are calculated for the general office complex, the printing department, and the budget and forecast system. The general office complex amounts are payroll and floor space costs for employees that perform services for MDU Resources. These include accounts payable, general accounting, fixed asset accounting, and miscellaneous other services. The charges are based on the percentage of system users that are MDU Resources employees. Both the general office complex and amounts for MDU Resources are allocated to affiliated companies based on corporate overhead allocation factors. The printing department amount is allocated to affiliated companies based on the direct printing images processed for them and their percentage of the corporate overhead allocation for the corporate printed image amount.

Company Name: Montana-Dakota Utilities Co.

**SCHEDULE 7**

**AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY**

Year: 2021

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	CENTENNIAL HOLDINGS	MONTANA-DAKOTA UTILITIES CO.	Actual Costs Incurred			
2	CAPITAL CORP. AND	Direct and Intercompany Charges				
3	FUTURESOURCE	Materials		\$5,861		
4		Office Expense		6,709		
5		Electric Consumption		173,445		
6		Gas Consumption		14,052		
7						
8						
9		<b>Total Montana-Dakota Utilities Co.</b>		\$200,067	1.0053%	\$0
10						
11		OTHER TRANSACTIONS/REIMBURSEMENTS				
12		Miscellaneous Reimbursements		(\$414,520)		
13		<b>Total Other Transactions/Reimbursements</b>		(\$414,520)	-2.0828%	\$0
14						
15		<b>Grand Total Affiliate Transactions</b>		(\$214,453)	-1.0775%	\$0
16						
17		<b>Total CHCC Operating Expenses for 2021</b>			\$19,902,000	
18		<b>Excludes Intersegment Eliminations</b>				

## AFFILIATE TRANSACTIONS - PRODUCTS &amp; SERVICES PROVIDED BY UTILITY

Year: 2021

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	MDU ENERGY					
2	CAPITAL 1/	Other Direct Charges	Actual Costs Incurred			
3		Contract Services		\$5,266,766		
4						
5						
6		Intercompany Settlements				
7		O&M	Actual Costs Incurred			
8		Bank Fees		256,345		
9		Communications		365,018		
10		Contract Services		494,666		
11		Cost of Service 2/		2,054,973		\$477,959
12		Employee Benefits		214,601		
13		Marketing		88,558		
14		Material		12,043		
15		Miscellaneous		414,696		
16		Office Expenses		45,929		
17		Payroll		15,520,210		
18		SISP		89,236		
19		Software Maintenance		2,526,649		
20		Sponsorship		9		
21		Travel		129,134		
22						
23		Other	Actual Costs Incurred			
24		LTIP		112,515		
25		Payflex		(13,094)		
26		Prepaid		1,293,084		
27		Miscellaneous		(80,401)		

1/ MDU Energy Capital is the parent company for Cascade Natural Gas Company, Intermountain Gas Company, and Montana Dakota.

This schedule only reflects amounts for Cascade Natural Gas Company, Intermountain Gas Company, and Montana Dakota.

2/ Montana-Dakota Utilities Co. cost of service amounts are calculated for the general office complex, the printing department, and the budget and forecast system. The general office complex amounts are payroll and floor space costs for employees that perform services for MDU Resources. These include accounts payable, general accounting, fixed asset accounting, and miscellaneous other services. The charges are based on the percentage of system users that are MDU Resources employees. Both the general office complex and amounts for MDU Resources are allocated to affiliated companies based on corporate overhead allocation factors. The printing department amount is allocated to affiliated companies based on the direct printing images processed for them and their percentage of the corporate overhead allocation for the corporate printed image amount.

## AFFILIATE TRANSACTIONS - PRODUCTS &amp; SERVICES PROVIDED BY UTILITY

Year: 2021

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	MDU ENERGY	MONTANA-DAKOTA UTILITIES CO.	Actual Costs Incurred		4.9346%	
2	CAPITAL 1/	Capital				
3		Contract Services		\$1,239,023		
4		Material		353,888		
5		Misc Employee Benefit		5,583		
6		Misc Other		(14,250)		
7		Office Expenses		9,786		
8		Payroll		4,447,726		
9		Travel		18,458		
10		Equipment		(419)		
11		<b>Total Montana-Dakota Utilities Co.</b>	Actual Costs Incurred	\$29,583,966		\$477,959
12						
13		OTHER TRANSACTIONS/REIMBURSEMENTS				
14		Miscellaneous Reimbursements		(\$372,514)		
15		<b>Total Other Transactions/Reimbursements</b>		(\$372,514)	-0.0621%	\$0
16						
17		<b>Grand Total Affiliate Transactions</b>		\$29,211,452	4.8725%	\$477,959
18						
19		<b>Total MDU Energy Capital Operating Expenses for 2021</b>			\$599,520,000	
20		<b>Excludes Intersegment Eliminations</b>				

1/ MDU Energy Capital is the parent company for Cascade Natural Gas Company, Intermountain Gas Company, and Montana Dakota.  
This schedule only reflects amounts for Cascade Natural Gas Company, Intermountain Gas Company, and Montana Dakota.

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY

Year: 2021

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	CENTENNIAL ENERGY HOLDING INC	MONTANA-DAKOTA UTILITIES CO.	Actual Costs Incurred			
2		Other Direct Charges				
3		Contract Services		\$81,274		
4						
5						
6		<b>Total Other Direct Charges</b>		\$81,274		\$0
7						
8		<b>Grand Total Affiliate Transactions</b>		\$81,274		\$0
9						
10						
11						

## AFFILIATE TRANSACTIONS - PRODUCTS &amp; SERVICES PROVIDED BY UTILITY

Year: 2021

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	MDU RESOURCES	Intercompany Settlements	Actual Costs Incurred			
2	GROUP INC.					
3				\$173,486		
4				178,115		
5				29,928		
6				11,541		
7				13,705		
8				100,362		
9				31,946		
10				1,951		
11				8,535		
12		<b>Total Montana-Dakota Utilites Co.</b>		\$549,569		\$0
13		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual Costs Incurred			
14						
15				(1,390,554)		
16		Insurance		-		
17		<b>Total Other Transactions/Reimbursements</b>		(\$1,390,554)		\$0
18		<b>Grand Total Affiliate Transactions</b>				
19				(\$840,985)		\$0
20						
21		<b>Total MDU Resources Group Inc. Operating Expenses for 2021</b>			\$0	
22		<b>Excludes Intersegment Eliminations</b>				

## MONTANA UTILITY INCOME STATEMENT

Year: 2021

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	\$65,557,787	\$87,639,239	33.68%
2				
3	Operating Expenses			
4	401 Operation Expenses	\$49,053,907	\$65,770,975	34.08%
5	402 Maintenance Expense	1,317,344	1,472,112	11.75%
6	Total O & M Expenses	50,371,251	67,243,087	33.49%
7				
8	403 Depreciation Expense	5,303,927	5,707,415	7.61%
9	404-405 Amort. & Depl. of Gas Plant	722,199	833,521	15.41%
10	406 Amort. of Gas Plant Acquisition Adjustments			
11	407.1 Amort. of Property Losses, Unrecovered Plant			
12	& Regulatory Study Costs			
13	407.2 Amort. of Conversion Expense			
14	408.1 Taxes Other Than Income Taxes	7,498,983	7,669,545	2.27%
15	409.1 Income Taxes - Federal	(1,071,903)	(931,595)	13.09%
16	- Other	(24,823)	(159,228)	-541.45%
17	410.1 Provision for Deferred Income Taxes	4,344,466	6,693,191	54.06%
18	411.1 (Less) Provision for Def. Inc. Taxes - Cr.	3,568,794	4,783,865	34.05%
19	411.4 Investment Tax Credit Adjustments			
20	411.6 (Less) Gains from Disposition of Utility Plant			
21	411.7 Losses from Disposition of Utility Plant			
22				
23	<b>TOTAL Utility Operating Expenses</b>	\$63,575,306	\$82,272,071	29.41%
24	<b>NET UTILITY OPERATING INCOME</b>	\$1,982,481	\$5,367,168	170.73%

## MONTANA REVENUES

## SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Gas			
2				
3	480 Residential	\$38,975,818	\$46,887,799	20.30%
4	481 Commercial & Industrial - Small	23,838,936	30,922,982	29.72%
5	Commercial & Industrial - Large	214,702	357,178	66.36%
6	482 Other Sales to Public Authorities			
7	484 Interdepartmental Sales			
8	485 Intracompany Transfers			
9	Net Unbilled Revenue	543,632	7,460,381	1272.32%
10				
11	<b>TOTAL Sales to Ultimate Consumers</b>	\$63,573,088	\$85,628,340	34.69%
12	483 Sales for Resale			
13				
14	<b>TOTAL Sales of Gas</b>	\$63,573,088	\$85,628,340	34.69%
15	Other Operating Revenues			
16	487 Forfeited Discounts & Late Payment Revenues	\$48,991	\$66,090	34.90%
17	488 Miscellaneous Service Revenues	48,313	77,832	61.10%
18	489 Revenues from Transp. of Gas for Others 1/	1,375,240	1,404,940	2.16%
19	490 Sales of Products Extracted from Natural Gas			
20	491 Revenues from Nat. Gas Processed by Others			
21	492 Incidental Gasoline & Oil Sales			
22	493 Rent From Gas Property	307,775	370,425	20.36%
23	494 Interdepartmental Rents			
24	495 Other Gas Revenues	204,380	91,612	-55.18%
25				
26	<b>TOTAL Other Operating Revenues</b>	1,984,699	2,010,899	1.32%
27	<b>Total Gas Operating Revenues</b>	\$65,557,787	\$87,639,239	33.68%
28	496 (Less) Provision for Rate Refunds			
29				
30	<b>TOTAL Oper. Revs. Net of Pro. for Refunds</b>	\$65,557,787	\$87,639,239	33.68%

1/ Includes unbilled revenue.



## MONTANA OPERATION &amp; MAINTENANCE EXPENSES

Account Number & Title		Last Year	This Year	% Change
1	<b>Production Expenses</b>			
2				
3	Production & Gathering - Operation			
4	750 Operation Supervision & Engineering			
5	751 Production Maps & Records			
6	752 Gas Wells Expenses			
7	753 Field Lines Expenses			
8	754 Field Compressor Station Expenses			
9	755 Field Compressor Station Fuel & Power			
10	756 Field Measuring & Regulating Station Expense			
11	757 Purification Expenses			
12	758 Gas Well Royalties			
13	759 Other Expenses			
14	760 Rents			
15				
16	<b>Total Operation - Natural Gas Production</b>			
17	Production & Gathering - Maintenance			
18				
19	761 Maintenance Supervision & Engineering			
20	762 Maintenance of Structures & Improvements			
21	763 Maintenance of Producing Gas Wells			
22	764 Maintenance of Field Lines			
23	765 Maintenance of Field Compressor Sta. Equip.			
24	766 Maintenance of Field Meas. & Reg. Sta. Equip.			
25	767 Maintenance of Purification Equipment			
26	768 Maintenance of Drilling & Cleaning Equip.			
27	769 Maintenance of Other Equipment			
28				
29	<b>Total Maintenance- Natural Gas Prod.</b>			
30	<b>TOTAL Natural Gas Production &amp; Gathering</b>			
31	Products Extraction - Operation			
32				
33	770 Operation Supervision & Engineering			
34	771 Operation Labor			
35	772 Gas Shrinkage			
36	773 Fuel			
37	774 Power			
38	775 Materials			
39	776 Operation Supplies & Expenses			
40	777 Gas Processed by Others			
41	778 Royalties on Products Extracted			
42	779 Marketing Expenses			
43	780 Products Purchased for Resale			
44	781 Variation in Products Inventory			
45	782 (Less) Extracted Products Used by Utility - Cr.			
46	783 Rents			
47				
48	<b>Total Operation - Products Extraction</b>			
49	Products Extraction - Maintenance			
50				
51	784 Maintenance Supervision & Engineering			
52	785 Maintenance of Structures & Improvements			
53	786 Maintenance of Extraction & Refining Equip.			
54	787 Maintenance of Pipe Lines			
55	788 Maintenance of Extracted Prod. Storage Equip.			
56	789 Maintenance of Compressor Equipment			
57	790 Maintenance of Gas Meas. & Reg. Equip.			
58	791 Maintenance of Other Equipment			
59				
60	<b>Total Maintenance - Products Extraction</b>			
61	<b>TOTAL Products Extraction</b>			

## MONTANA OPERATION &amp; MAINTENANCE EXPENSES

Account Number & Title		Last Year	This Year	% Change
1	<b>Production Expenses - continued</b>			
2				
3	Exploration & Development - Operation			
4	795 Delay Rentals			
5	796 Nonproductive Well Drilling			
6	797 Abandoned Leases			
7	798 Other Exploration			
8				
9	<b>TOTAL Exploration &amp; Development</b>			
10				
11	Other Gas Supply Expenses - Operation			
12	800 Natural Gas Wellhead Purchases			
13	800.1 Nat. Gas Wellhead Purch., Intracomp. Trans.			
14	801 Natural Gas Field Line Purchases			
15	802 Natural Gas Gasoline Plant Outlet Purchases			
16	803 Natural Gas Transmission Line Purchases			
17	804 Natural Gas City Gate Purchases	\$37,067,574	\$61,044,573	64.68%
18	805 Other Gas Purchases			
19	805.1 Purchased Gas Cost Adjustments	(153,560)	(9,324,161)	-5972.00%
20	805.2 Incremental Gas Cost Adjustments			
21	806 Exchange Gas			
22	807.1 Well Expenses - Purchased Gas			
23	807.2 Operation of Purch. Gas Measuring Stations			
24	807.3 Maintenance of Purch. Gas Measuring Stations			
25	807.4 Purchased Gas Calculations Expenses			
26	807.5 Other Purchased Gas Expenses			
27	808.1 Gas Withdrawn from Storage -Dr.	(850,823)	81,502	109.58%
28	809.2 (Less) Deliveries of Nat. Gas for Processing-Cr.			
29	810 (Less) Gas Used for Compressor Sta. Fuel-Cr.			
30	811 (Less) Gas Used for Products Extraction-Cr.			
31	812 (Less) Gas Used for Other Utility Operations-Cr.			
32	813 Other Gas Supply Expenses	165,768	154,947	-6.53%
33				
34	<b>TOTAL Other Gas Supply Expenses</b>	\$36,228,959	\$51,956,861	43.41%
35	<b>TOTAL PRODUCTION EXPENSES</b>	\$36,228,959	\$51,956,861	43.41%

## MONTANA OPERATION &amp; MAINTENANCE EXPENSES

Account Number & Title		Last Year	This Year	% Change
1	<b>Storage, Terminaling &amp; Processing Expenses</b>			
2				
3	Underground Storage Expenses - Operation			
4	814 Operation Supervision & Engineering			
5	815 Maps & Records			
6	816 Wells Expenses			
7	817 Lines Expenses			
8	818 Compressor Station Expenses			
9	819 Compressor Station Fuel & Power			
10	820 Measuring & Reg. Station Expenses	NOT	NOT	
11	821 Purification Expenses	APPLICABLE	APPLICABLE	
12	822 Exploration & Development			
13	823 Gas Losses			
14	824 Other Expenses			
15	825 Storage Well Royalties			
16	826 Rents			
17				
18	<b>Total Operation - Underground Strg. Exp.</b>			
19				
20	Underground Storage Expenses - Maintenance			
21	830 Maintenance Supervision & Engineering			
22	831 Maintenance of Structures & Improvements			
23	832 Maintenance of Reservoirs & Wells			
24	833 Maintenance of Lines			
25	834 Maintenance of Compressor Station Equip.	NOT	NOT	
26	835 Maintenance of Meas. & Reg. Sta. Equip.	APPLICABLE	APPLICABLE	
27	836 Maintenance of Purification Equipment			
28	837 Maintenance of Other Equipment			
29				
30	<b>Total Maintenance - Underground Storage</b>			
31	<b>TOTAL Underground Storage Expenses</b>			
32				
33	Other Storage Expenses - Operation			
34	840 Operation Supervision & Engineering			
35	841 Operation Labor and Expenses			
36	842 Rents			
37	842.1 Fuel	NOT	NOT	
38	842.2 Power	APPLICABLE	APPLICABLE	
39	842.3 Gas Losses			
40				
41	<b>Total Operation - Other Storage Expenses</b>			
42				
43	Other Storage Expenses - Maintenance			
44	843.1 Maintenance Supervision & Engineering			
45	843.2 Maintenance of Structures & Improvements			
46	843.3 Maintenance of Gas Holders			
47	843.4 Maintenance of Purification Equipment			
48	843.6 Maintenance of Vaporizing Equipment	NOT	NOT	
49	843.7 Maintenance of Compressor Equipment	APPLICABLE	APPLICABLE	
50	843.8 Maintenance of Measuring & Reg. Equipment			
51	843.9 Maintenance of Other Equipment			
52	<b>Total Maintenance - Other Storage Exp.</b>			
53	<b>TOTAL - Other Storage Expenses</b>			
54	<b>TOTAL - STORAGE, TERMINALING &amp; PROC.</b>			

## MONTANA OPERATION &amp; MAINTENANCE EXPENSES

Account Number & Title		Last Year	This Year	% Change
1	<b>Transmission Expenses</b>			
2				
3	Operation			
4	850 Operation Supervision & Engineering			
5	851 System Control & Load Dispatching			
6	852 Communications System Expenses			
7	853 Compressor Station Labor & Expenses			
8	854 Gas for Compressor Station Fuel	NOT	NOT	
9	855 Other Fuel & Power for Compressor Stations	APPLICABLE	APPLICABLE	
10	856 Mains Expenses			
11	857 Measuring & Regulating Station Expenses			
12	858 Transmission & Compression of Gas by Others			
13	859 Other Expenses			
14	860 Rents			
15				
16	<b>Total Operation - Transmission</b>			
17				
18	Maintenance			
19	861 Maintenance Supervision & Engineering			
20	862 Maintenance of Structures & Improvements			
21	863 Maintenance of Mains			
22	864 Maintenance of Compressor Station Equip.	NOT	NOT	
23	865 Maintenance of Measuring & Reg. Sta. Equip.	APPLICABLE	APPLICABLE	
24	866 Maintenance of Communication Equipment			
25	867 Maintenance of Other Equipment			
26	<b>Total Maintenance - Transmission</b>			
27	<b>TOTAL Transmission Expenses</b>			
28	<b>Distribution Expenses</b>			
29				
30	Operation			
31	870 Operation Supervision & Engineering	\$1,099,722	\$988,204	-10.14%
32	871 Distribution Load Dispatching	12,690	12,792	0.80%
33	872 Compressor Station Labor and Expenses			
34	873 Compressor Station Fuel and Power			
35	874 Mains and Services Expenses	1,533,968	1,557,379	1.53%
36	875 Measuring & Reg. Station Exp.-General	73,791	87,352	18.38%
37	876 Measuring & Reg. Station Exp.-Industrial	9,158	9,503	3.77%
38	877 Meas. & Reg. Station Exp.-City Gate Ck. Sta.	7,014	11,670	66.38%
39	878 Meter & House Regulator Expenses	593,330	768,162	29.47%
40	879 Customer Installations Expenses	401,876	432,530	7.63%
41	880 Other Expenses	1,377,824	1,519,828	10.31%
42	881 Rents	43,750	31,080	-28.96%
43				
44	<b>Total Operation - Distribution</b>	\$5,153,123	\$5,418,500	5.15%
45				
46	Maintenance			
47	885 Maintenance Supervision & Engineering	\$326,190	\$296,760	-9.02%
48	886 Maintenance of Structures & Improvements	7,039	1,047	-85.13%
49	887 Maintenance of Mains	69,351	185,032	166.81%
50	888 Maint. of Compressor Station Equipment			
51	889 Maint. of Meas. & Reg. Station Exp.-General	137,302	117,582	-14.36%
52	890 Maint. of Meas. & Reg. Sta. Exp.-Industrial	64,610	88,638	37.19%
53	891 Maint. of Meas. & Reg. Sta. Equip.-City Gate	25,970	27,401	5.51%
54	892 Maintenance of Services	166,998	237,048	41.95%
55	893 Maintenance of Meters & House Regulators	182,855	202,069	10.51%
56	894 Maintenance of Other Equipment	243,516	226,968	-6.80%
57				
58	<b>Total Maintenance - Distribution</b>	\$1,223,831	\$1,382,545	12.97%
52	<b>TOTAL Distribution Expenses</b>	\$6,376,954	\$6,801,045	6.65%

## MONTANA OPERATION &amp; MAINTENANCE EXPENSES

Account Number & Title		Last Year	This Year	% Change
1	<b>Customer Accounts Expenses</b>			
2				
3	Operation			
4	901 Supervision	\$18,951	\$11,976	-36.81%
5	902 Meter Reading Expenses	271,335	206,594	-23.86%
6	903 Customer Records & Collection Expenses	1,284,377	1,292,571	0.64%
7	904 Uncollectible Accounts Expenses	298,207	257,676	-13.59%
8	905 Miscellaneous Customer Accounts Expenses	79,568	80,692	1.41%
9				
10	<b>TOTAL Customer Accounts Expenses</b>	<b>\$1,952,438</b>	<b>\$1,849,509</b>	<b>-5.27%</b>
11	<b>Customer Service &amp; Informational Expenses</b>			
12				
13	Operation			
14	907 Supervision	\$57,249	\$58,335	1.90%
15	908 Customer Assistance Expenses	194,422	193,064	-0.70%
16	909 Informational & Instructional Advertising Exp.	70,633	68,596	-2.88%
17	910 Miscellaneous Customer Service & Info. Exp.	64	0	-100.00%
18				
19	<b>TOTAL Customer Service &amp; Info. Expenses</b>	<b>\$322,368</b>	<b>\$319,995</b>	<b>-0.74%</b>
20	<b>Sales Expenses</b>			
21				
22	Operation			
23	911 Supervision	(\$77)	(\$1,391)	-1706.49%
24	912 Demonstrating & Selling Expenses	83,088	85,747	3.20%
25	913 Advertising Expenses	16,424	19,227	17.07%
26	916 Miscellaneous Sales Expenses	363	0	-100.00%
27				
28	<b>TOTAL Sales Expenses</b>	<b>\$99,798</b>	<b>\$103,583</b>	<b>3.79%</b>
29	<b>Administrative &amp; General Expenses</b>			
30				
31	Operation			
32	920 Administrative & General Salaries	\$2,002,806	\$2,085,434	4.13%
33	921 Office Supplies & Expenses	1,023,139	1,097,341	7.25%
34	922 (Less) Administrative Expenses Transferred - Cr.			
35	923 Outside Services Employed	94,449	71,781	-24.00%
36	924 Property Insurance	146,402	137,304	-6.21%
37	925 Injuries & Damages	424,118	477,443	12.57%
38	926 Employee Pensions & Benefits	1,035,581	1,571,121	51.71%
39	927 Franchise Requirements			
40	928 Regulatory Commission Expenses	88,406	117,495	32.90%
41	929 (Less) Duplicate Charges - Cr.			
42	930 Miscellaneous General Expenses	122,130	108,603	-11.08%
43	931 Rents	360,190	456,005	26.60%
44				
45	<b>TOTAL Operation - Admin. &amp; General</b>	<b>\$5,297,221</b>	<b>\$6,122,527</b>	<b>15.58%</b>
46				
47	Maintenance			
48	935 Maintenance of General Plant	\$93,513	\$89,567	-4.22%
49				
50	<b>TOTAL Administrative &amp; General Expenses</b>	<b>\$5,390,734</b>	<b>\$6,212,094</b>	<b>15.24%</b>
51	<b>TOTAL OPERATION &amp; MAINTENANCE EXP.</b>	<b>\$50,371,251</b>	<b>\$67,243,087</b>	<b>33.49%</b>

## MONTANA TAXES OTHER THAN INCOME

Year: 2021

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	\$509,311	\$541,244	6.27%
2	Secretary of State	253	379	49.80%
3	Highway Use Tax	445	475	6.74%
4	Montana Consumer Counsel	2,929	85,333	2813.38%
5	Montana PSC	93,052	319,708	243.58%
6	Delaware Franchise Taxes	8,181	6,787	-17.04%
7	Property Taxes	6,884,812	6,715,619	-2.46%
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50	<b>TOTAL MT Taxes other than Income</b>	<b>\$7,498,983</b>	<b>\$7,669,545</b>	<b>2.27%</b>

**PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - GAS**

Year: 2021

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	4T CONSTRUCTION INC	Pipeline Installation, Underground Construction	\$ 82,380	-	0.00%
2					
3	AGRI INDUSTRIES INC	Contract Services	274,062	\$ 35,186	12.84%
4					
5	ARVIG CONSTRUCTION	Construction Services	408,765	2	0.00%
6					
7	AUTOMOTIVE RENTALS INC.	Contract Services	75,601	-	0.00%
8					
9	B & B EXCAVATING INC	Contract Services	582,108	-	0.00%
10					
11	B&H UTILITY SERVICES, INC.	Contract Services	344,140	-	0.00%
12					
13	BADLANDS SECURITY GROUP	Contract Services	166,580	-	0.00%
14					
15	BARR ENGINEERING COMPANY	Engineering Services - Power Plants	158,490	-	0.00%
16					
17	BELL AND HOWELL LLC	Contract Services	115,549	11,274	9.76%
18					
19	BENTLEY SYSTEMS, INCORPORATED	Contract Services	414,721	-	0.00%
20					
21	BESTE CONSULTING INC	Consulting Services	887,810	-	0.00%
22					
23	BLUE HERON CONSULTING CORPORATION	Consulting Services	96,200	9,386	9.76%
24					
25	BOLDT POWER INC	Contract Services	1,444,679	-	0.00%
26					
27	BORDER STATES INDUSTRIES INC	Contract Services	80,063	16,285	20.34%
28					
29	BRAHMA GROUP INC	Contract Services	1,136,957	-	0.00%
30					
31	BRANDENBURG INDUSTRIAL SERVICE COMPANY	Contract Services	1,641,088	-	0.00%
32					
33	BRINK CONSTRUCTORS INC	Construction Services	106,887	-	0.00%
34					
35	BROSZ ENGINEERING, INC.	Engineering Services	164,167	-	0.00%
36					
37	BULLINGER TREE SERVICE	Vegetation Removal	243,873	-	0.00%
38					
39	BURNS & MCDONNELL ENGINEERING CO. INC.	Engineering Services	841,264	-	0.00%
40					
41	BUTLER MACHINERY CO	Contract Services	103,151	1,686	1.63%
42					
43	CABLE COMMUNICATION SERVICES INC	Contract Services	310,892	-	0.00%
44					
45	CGI TECHNOLOGIES AND SOLUTIONS INC	Consulting Services	230,125	15,365	6.68%
46					
47	CHIEF CONSTRUCTION, INC.	Contract Services	1,010,669	-	0.00%
48					
49	CITRIX SYSTEMS INC	Software Maintenance	82,855	1,469	1.77%
50					

## PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - GAS

Year: 2021

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	COHESIVE	Contract Services	121,975	23,531	19.29%
2					
3	CONCENTRIC ENERGY ADVISORS INC	Contract Services	178,653	-	0.00%
4					
5	CONDUCTOR POWER LLC	Contract Services - Power Plants	362,626	-	0.00%
6					
7	CROSSFIRE LLC	Contract Services	2,265,327	-	0.00%
8					
9	CYBER ADVISORS, INC	Contract Services	122,423	14,603	11.93%
10					
11	DAKOTA FENCE COMPANY	Fence Maintenance & Installation	336,788	597	0.18%
12					
13	DAVEY RESOURCE GROUP INC	Consulting Services	90,711	-	0.00%
14					
15	DIGITAL OFFICE CENTRE	Contract Services	90,111	9,175	10.18%
16					
17	DUCHARME, MCMILLEN & ASSOCIATES, INC.	Consulting Services	84,929	-	0.00%
18					
19	EDLING ELECTRIC INC	Contract Services - Fiber	356,696	-	0.00%
20					
21	ELECTRO-TEST AND MAINTENANCE, INC.	Contract Services	155,002	-	0.00%
22					
23	ELLINGSON TRENCHLESS LLC	Construction Services	2,372,445	-	0.00%
24					
25	ENERGY WORLDNET INC.	Contract Services	168,649	15,032	8.91%
26					
27	EXTREME UNDERGROUND HDD LLC	Underground Construction	589,900	-	0.00%
28					
29	FIS CAPITAL MARKETS US LLC	Contract Services	277,753	13,332	4.80%
30					
31	FISCHER CONTRACTING	Construction Services	799,132	-	0.00%
32					
33	FUSEFORWARD CLOUD SERVICES LTD	Contract Services	259,062	12,081	4.66%
34					
35	HANGING H COMPANIES, LLC	Construction Services - Service Lines	4,193,069	4,133,862	98.59%
36					
37	HDR INC	Engineering Services	781,562	-	0.00%
38					
39	HIGH COUNTRY LINE CONSTRUCTION INC	Construction Services	5,664,712	-	0.00%
40					
41	HIGH VOLTAGE, INC	Contract Services - Preventative Maintenance	4,005,533	-	0.00%
42					
43	HIGHMARK ERECTORS INC	Contract Services	2,818,857	-	0.00%
44					
45	HONEYWELL PROCESS SOLUTIONS	SE & SP Support Renewal	100,428	-	0.00%
46					
47	HOUSTON ENGINEERING INC	Engineering Services	88,798	-	0.00%
48					
49	IBA DRILLING CO INC	Construction Services	131,206	21,680	16.52%
50					



## PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - GAS

Year: 2021

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	INDOOR SERVICES, INC	Janitorial Services	131,367	14,468	11.01%
2					
3	INDUSTRIAL CONTRACTORS, INC.	Contract Services - Maintenance	454,054	-	0.00%
4					
5	INSIGHT DIRECT USA, INC.	Software Maintenance	364,111	8,691	2.39%
6					
7	INTEGRAL CONSULTING INC	Consulting Services	424,663	-	0.00%
8					
9	INTERO INTEGRITY SERVICES US LLC	Contract Services	120,500	28,395	23.56%
10					
11	IQGEO AMERICA INC(FORMERLY UBISENSE)	Contract Services	922,249	167,617	18.17%
12					
13	ITRON, INC.	Software Maintenance	175,271	15,434	8.81%
14					
15	IVANTI INC	Contract Services	239,165	5,725	2.39%
16					
17	J CUSTOM ELECTRIC LLC	Contract Services	197,552	-	0.00%
18					
19	J&J CONSTRUCTION LLC	Construction Services	111,840	-	0.00%
20					
21	J&O REAL ESTATE LLC	Contract Services	100,000	-	0.00%
22					
23	JACKSON UTILITIES, LLC	Gas & Elec Line Installation	165,929	-	0.00%
24					
25	JACOBSEN TREE EXPERTS	Vegetation Removal	882,109	-	0.00%
26					
27	JANA CORPORATION	Contract Services	90,682	13,383	14.76%
28					
29	KLJ ENGINEERING LLC	Engineering Services	77,533	5,354	6.91%
30					
31	KPMG LLP	Engineering Services	142,500	-	0.00%
32					
33	LOCUSVIEW SOLUTIONS INCORPORATED	Contract Services	136,238	12,487	9.17%
34					
35	MAGNOLIA RIVER SERVICES INC	Contract Services	393,385	28,170	7.16%
36					
37	MARCO TECHNOLOGIES LLC	Software Maintenance	216,462	12,707	5.87%
38					
39	MARTIN FENCE, LLC	Construction Services	81,376	-	0.00%
40					
41	MAVIRO INC(former Envirosystems/VisTech)	Pur Payment Processing Software	122,687	-	0.00%
42					
43	MBN ENGINEERING INC	Engineering Services	266,873	-	0.00%
44					
45	MCM GENERAL CONTRACTORS, INC	Contract Services	1,121,130	-	0.00%
46					
47	MICHELS UTILITY SERVICES INC	Contract Services	4,789,523	-	0.00%
48					
49	MIDWEST POWERLINES (JB CONSTRUCTION)	Contract Services	179,953	-	0.00%
50					

## PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - GAS

Year: 2021

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	MJ BRADLEY & ASSOCIATES LLC	Contract Services	118,040	-	0.00%
2					
3	MOSAIC COMPANY	Contract Services	711,617	137,281	19.29%
4					
5	MOWBRAY & SON, INC.	Contract Services	124,283	-	0.00%
6					
7	MYCELIUM SOFTWARE INC	Software Maintenance	75,662	4,405	5.82%
8					
9	ND DEPARTMENT OF ENVIRONMENTAL QUALITY	Environmental Fees	88,407	-	0.00%
10					
11	NERC	Contract Services	167,064	-	0.00%
12					
13	NORDEX USA INC	Thunder Spirit - Service Contract	3,368,710	-	0.00%
14					
15	NORTHERN IMPROVEMENT COMPANY	Construction services	81,377	-	0.00%
16					
17	ONE CALL LOCATORS, LTD	Line Locating Services	3,467,202	673,759	19.43%
18					
19	ONTRACKS ENTERPRISES INC	Consulting Services	1,289,658	248,652	19.28%
20					
21	OPEN SYSTEMS INTERNATIONAL, INC	Software Maintenance	1,005,023	-	0.00%
22					
23	ORACLE AMERICA INC	Software Maintenance	1,667,906	78,628	4.71%
24					
25	ORMAT NEVEDA INC	Energy Converter Maintenance	353,988	-	0.00%
26					
27	OSMOSE UTILITIES SERVICES, INC.	Contract Services	278,330	-	0.00%
28					
29	OTIS ELEVATOR COMPANY	Contract Services	81,690	7,196	8.81%
30					
31	PANDELL TECH USA (FORMERLY LANDWORKS)	Contract Services	677,403	-	0.00%
32					
33	PARSONS ELECTRIC	Contract Services	2,846,041	-	0.00%
34					
35	PATHFINDER INSPECTIONS & FIELD SERVICES	Contract Services	157,116	14,545	9.26%
36					
37	POWER ENGINEERS, INC	Engineering Services	1,371,487	-	0.00%
38					
39	POWERCOSTS INC	Software Maintenance	85,000	-	0.00%
40					
41	POWERPLAN, INC	Consulting Services - Software	486,874	28,548	5.86%
42					
43	PRESORT PLUS LLC	Mail Delivery & Pickup	101,741	12,650	12.43%
44					
45	PROENERGY SERVICES LLC	Construction services	346,251	-	0.00%
46					
47	QUALITY INTEGRATED SERVICES INC	Contract Services	504,510	239,109	47.39%
48					
49	RAZORS EDGE DIRECTIONAL DRILLING	Construction services	87,368	-	0.00%
50					

## PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - GAS

Year: 2021

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	RESOURCE DATA INC	Contract Services	685,494	73,491	10.72%
2					
3	RK NEAL LLC	Contract Services	96,638	10,191	10.55%
4					
5	RTS SHEARING LLC	Contract Services	256,162	-	0.00%
6					
7	SC DRILLING INC	Contract Services	207,288	-	0.00%
8					
9	SCHERBENSKE INC.	Contract Services	192,246	-	0.00%
10					
11	SCHULTE TA INC	Contract Services	500,028	-	0.00%
12					
13	SCOTT D BERGER CONSTRUCTION	Construction services	86,732	-	0.00%
14					
15	SET ENVIRONMENTAL INC	Contract Services	148,365	-	0.00%
16					
17	SKYSKOPES INC	Contract Services	109,715	-	0.00%
18					
19	SOLOMON CORPORATION	Contract Services	89,525	-	0.00%
20					
21	SOUTHERN CROSS	Contract Services - Preventative Maintenance	1,123,896	277,729	24.71%
22					
23	STATE-LINE CONTRACTORS INC	Construction services	296,662	294,331	99.21%
24					
25	STEDMAN INC.	Contract Services	140,850	-	0.00%
26					
27	SUBURBAN CONSULTING ENGINEERS INC	Consulting Services	699,912	116,168	16.60%
28					
29	SUPERIOR ENERGY SYSTEMS LTD	Construction services	593,659	-	0.00%
30					
31	SWANSON & YOUNGDALE INC.	Contract Services	125,423	-	0.00%
32					
33	SWCA ENVIRONMENTAL CONSULTANTS	Consulting Services	216,880	473	0.22%
34					
35	THE ELECTRIC COMPANY OF SD	Construction Services	418,079	-	0.00%
36					
37	THOUGHTSPOT INC	Software Maintenance	165,874	10,934	6.59%
38					
39	TRC ENVIRONMENTAL CORPORATION	Construction services	165,579	-	0.00%
40					
41	TREE MECHANICS LLC	Vegetation Removal	141,787	-	0.00%
42					
43	TRU PIPE INC	Underground Maintenance	174,139	114,764	65.90%
44					
45	TRUE NORTH CONTRACTING LLC	Construction services	97,542	83,386	85.49%
46					
47	UTILITY TELECOM CONSULTING GROUP INC	Consulting Services	234,638	26,923	11.47%
48					
49	WANG PIPELINE SERVICES INC	Construction services	751,988	-	0.00%
50					

## PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - GAS

Year: 2021

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	WEED WARRIORS	Contract Services	127,129	-	0.00%
2					
3	WM D SCEPANIAC INC	Contract Services	661,481	-	0.00%
4					
5					
6					
7					
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50					
	<b>Total Payments for Services</b>		<b>\$77,377,033</b>	<b>\$7,100,137</b>	<b>9.18%</b>

## POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS

Year: 2021

	Description	Total Company	Montana	% Montana
1	Contributions to Candidates by PAC	\$21,663	\$3,500	16.16%
2				
3				
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40	<b>TOTAL Contributions</b>	<b>\$21,663</b>	<b>\$3,500</b>	<b>16.16%</b>

## PENSION COSTS

Year: 2021

1	Plan Names: MDU Resources Group, Inc. for Collective Bargaining Unit Employees & MDU Resources			
2	Group, Inc. Pension Plan for Non-Bargaining Unit Employees - Montana-Dakota share only			
3	Defined Benefit Plan? Yes	Defined Contribution Plan? No		
4	Actuarial Cost Method? Traditional Unit Credit	IRS Code: 1A		
5	Annual Contribution by Employer: 0	Is the Plan Over Funded? No		
6	Item	Current Year	Last Year 1/	% Change
7	<b>Change in Benefit Obligation</b>	(000's)	(000's)	
8	Benefit obligation at beginning of year	\$212,723	\$206,730	2.90%
9	Service cost	-	-	0.00%
10	Interest cost	4,751	5,888	-19.31%
11	Plan participants' contributions	-	-	0.00%
12	Amendments	-	-	0.00%
13	Actuarial (Gain) Loss	(6,105)	12,282	-149.71%
14	Curtailment gain	-	-	0.00%
15	Benefits paid	(11,943)	(12,177)	1.92%
16	Benefit obligation at end of year	\$199,426	\$212,723	-6.25%
17	<b>Change in Plan Assets</b>			
18	Fair value of plan assets at beginning of year	\$184,031	\$176,548	4.24%
19	Actual return on plan assets	6,354	19,660	-67.68%
20	Employer contribution	-	-	0.00%
21	Plan participants' contributions	-	-	0.00%
22	Benefits paid	(11,943)	(12,177)	1.92%
23	Fair value of plan assets at end of year	\$178,442	\$184,031	-3.04%
24	<b>Funded Status</b>	(\$20,984)	(\$28,692)	26.86%
25	Unrecognized net actuarial loss	81,646	88,626	-7.88%
26	Unrecognized prior service cost	-	-	0.00%
27	Unrecognized net transition obligation	-	-	0.00%
28	Accrued benefit cost	\$60,662	\$59,934	1.21%
29	<b>Weighted-Average Assumptions as of Year End</b>			
30	Discount rate	2.63	2.29	14.85%
31	Expected return on plan assets	6.00	6.00	0.00%
32	Rate of compensation increase	-	-	0.00%
33	<b>Components of Net Periodic Benefit Costs</b>			
34	Service cost	-	-	0.00%
35	Interest cost	\$4,751	\$5,888	-19.31%
36	Expected return on plan assets	(9,358)	(9,554)	2.05%
37	Amortization of prior service cost	-	-	0.00%
38	Recognized net actuarial loss	3,879	3,489	11.18%
39	Curtailment loss	-	-	0.00%
40	Net periodic benefit cost	(\$728)	(\$177)	-311.30%
41	<b>Montana Intrastate Costs:</b>			
42	Pension costs	(\$728)	(\$177)	-311.30%
43	Pension costs capitalized	-	-	0.00%
44	Accumulated pension asset (liability) at year end	(\$20,984)	(\$28,692)	26.86%
45	<b>Number of Company Employees:</b>			
46	Covered by the plan	1,050	1,065	-1.41%
47	Not covered by the plan	718	720	-0.28%
48	Active	285	305	-6.56%
49	Retired	679	678	0.15%
50	Deferred vested terminated	86	82	4.88%

## OTHER POST EMPLOYMENT BENEFITS (OPEBS)

Year: 2021

	Item	Current Year	Last Year	% Change
1	<b>Regulatory Treatment:</b>			
2	Commission authorized - most recent			
3	Docket number:			
4	Order numbers:			
5	Amount recovered through rates -			
6	<b>Weighted-Average Assumptions as of Year End</b>			
7	Discount rate	2.65	2.28	16.23%
8	Expected return on plan assets	5.50	5.50	0.00%
9	Medical cost inflation rate	4.50	4.50	0.00%
10	Actuarial cost method	Projected unit credit	Projected unit credit	
11	Rate of compensation increase	N/A	N/A	
12	<b>List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13	<b>VEBA</b>			
14	<b>Describe any Changes to the Benefit Plan:</b>			
15	<b>TOTAL COMPANY</b>			
16	<b>Change in Benefit Obligation</b>	(000's)	(000's)	
17	Benefit obligation at beginning of year	\$32,948	\$32,643	0.93%
18	Service cost	522	489	6.75%
19	Interest cost	709	938	-24.41%
20	Plan participants' contributions	191	260	-26.54%
21	Amendments	-	-	0.00%
22	Actuarial (Gain) Loss	(5,938)	712	-933.99%
23	Acquisition	-	-	0.00%
24	Benefits paid	(1,523)	(2,094)	27.27%
25	Benefit obligation at end of year	\$26,909	\$32,948	-18.33%
26	<b>Change in Plan Assets</b>			
27	Fair value of plan assets at beginning of year	\$51,635	\$48,063	7.43%
28	Actual return on plan assets	546	5,377	-89.85%
29	Acquisition	-	-	0.00%
30	Employer contribution	20	29	-31.03%
31	Plan participants' contributions	191	260	-26.54%
32	Benefits paid	(1,523)	(2,094)	27.27%
33	Fair value of plan assets at end of year	\$50,869	\$51,635	-1.48%
34	<b>Funded Status</b>	\$23,960	\$18,687	28.22%
35	Unrecognized net actuarial loss	(9,869)	(5,911)	-66.96%
36	Unrecognized prior service cost	(3,565)	(4,496)	20.71%
37	Unrecognized transition obligation	-	-	0.00%
38	Accrued benefit cost	\$10,526	\$8,280	27.13%
39	<b>Components of Net Periodic Benefit Costs</b>			
40	Service cost	\$522	\$489	6.75%
41	Interest cost	709	938	-24.41%
42	Expected return on plan assets	(2,526)	(2,513)	-0.52%
43	Amortization of prior service cost	(931)	(931)	0.00%
44	Recognized net actuarial gain	-	-	0.00%
45	Transition amount amortization	-	-	0.00%
46	Net periodic benefit cost	(\$2,226)	(\$2,017)	-10.36%
47	<b>Accumulated Post Retirement Benefit Obligation</b>			
48	Amount funded through VEBA	\$211	\$289	-26.99%
49	Amount funded through 401(h)	-	-	0.00%
50	Amount funded through Other _____	-	-	0.00%
51	TOTAL	\$211	\$289	-26.99%
52	Amount that was tax deductible - VEBA 1/	\$20	\$29	-31.03%
53	Amount that was tax deductible - 401(h)	-	-	0.00%
54	Amount that was tax deductible - Other _____	-	-	0.00%
55	TOTAL	\$20	\$29	-31.03%

1/ Estimated

## Other Post Employment Benefits (OPEBS) Continued

Year: 2021

	Item	Current Year	Last Year	% Change
1	<b>Number of Company Employees:</b>			
2	Covered by the plan	1,016	1,046	-2.87%
3	Not covered by the plan	15	14	7.14%
4	Active	372	393	-5.34%
5	Retired	491	493	-0.41%
6	Spouses/dependants covered by the plan	153	160	-4.38%
7	<b>Montana</b>			
8	<b>Change in Benefit Obligation</b>			
9	Benefit obligation at beginning of year			
10	Service cost	NOT APPLICABLE		
11	Interest cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	<b>Change in Plan Assets</b>			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets	NOT APPLICABLE		
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	<b>Funded Status</b>			
27	Unrecognized net actuarial loss	NOT APPLICABLE		
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	<b>Components of Net Periodic Benefit Costs</b>			
31	Service cost	NOT APPLICABLE		
32	Interest cost			
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	<b>Accumulated Post Retirement Benefit Obligation</b>			
38	Amount funded through VEBA	NOT APPLICABLE		
39	Amount funded through 401(h)			
40	Amount funded through other _____			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	<b>Montana Intrastate Costs:</b>			
47	Pension costs	(\$2,226)	(\$2,017)	-10.36%
48	Pension costs capitalized	130	119	9.24%
49	Accumulated pension asset (liability) at year end	10,526	8,280	27.13%
50	<b>Number of Montana Employees:</b>			
51	Covered by the plan	NOT APPLICABLE		
52	Not covered by the plan			
53	Active			
54	Retired			
55	Spouses/dependants covered by the plan			



**TOP TEN MONTANA COMPENSATED EMPLOYEES (ASSIGNED OR ALLOCATED)**

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1							
2							
3							
4							
5	The requested information will be provided after the entry of a protective order which maintains the confidentiality of the information being provided. Montana-Dakota, submitted a Motion for Protective Order on April 21, 2015 in Docket No. N2015.2.17.						
6							
7							
8							
9							
10							

## COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION 1/

Line No.	Name/Title	Base Salary	Bonuses	Other 2/	Total Compensation	Total Compensation Last Year 2/	% Increase Total Compensation
1	David L. Goodin President & CEO	\$1,000,000	\$701,250	\$3,509,217	\$5,210,467	\$6,423,410	-19%
2	Jason L. Vollmer Vice President & CFO	\$490,000	\$206,168	\$968,105	\$1,664,273	\$1,707,146	-3%
3	David C. Barney President & CEO of Knife River Corporation	\$512,500	\$310,191	\$1,104,209	\$1,926,900	\$2,323,718	-17%
4	Jeffrey S. Thiede President & CEO of MDU Construction Services Group, Inc.	\$507,500	\$293,462	\$1,047,970	\$1,848,932	\$2,234,520	-17%
5	Nicole A. Kivisto President & CEO of Montana-Dakota Utilities Co., Cascade Natural Gas Corporation and Intermountain Gas Company	\$507,500	\$332,666	\$962,065	\$1,802,231	\$1,906,301	-5%

1/ See Schedule 17A for Total Compensation detail.

2/ Amounts represent the aggregate grant date fair value of the performance share awards calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 - Share Based Payment.

## Proxy Statement

## EXECUTIVE COMPENSATION TABLES

## Summary Compensation Table for 2021

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Stock Awards (\$) (e) <sup>1</sup>	Non-Equity Incentive Plan Compensation (\$) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) (h) <sup>2</sup>	All Other Compensation (\$) (i) <sup>3</sup>	Total (\$) (j)
<b>David L. Goodin</b>	2021	1,000,000	3,222,639	701,250	65,571	221,007	5,210,467
President and CEO	2020	960,000	2,974,497	1,818,000	484,134	186,779	6,423,410
	2019	860,000	3,029,392	1,403,520	735,366	116,077	6,144,355
<b>Jason L. Vollmer</b>	2021	490,000	845,942	206,168	—	122,163	1,664,273
Vice President and CFO	2020	440,000	654,388	499,950	6,880	105,928	1,707,146
	2019	400,000	605,877	489,600	8,455	86,049	1,589,981
<b>David C. Barney</b>	2021	512,500	884,789	310,191	—	219,420	1,926,900
President and CEO of	2020	487,000	725,030	804,646	86,980	220,062	2,323,718
Knife River Corporation	2019	468,500	738,389	843,300	174,117	201,771	2,426,077
<b>Jeffrey S. Thiede</b>	2021	507,500	876,148	293,462	—	171,822	1,848,932
President and CEO of	2020	487,000	725,030	852,128	—	170,362	2,234,520
MDU Construction Services Group, Inc.	2019	468,500	738,389	843,300	—	151,751	2,201,940
<b>Nicole A. Kivisto</b>	2021	507,500	876,148	332,666	2,645	83,272	1,802,231
President and CEO of	2020	487,000	725,030	436,839	184,058	73,374	1,906,301
Montana-Dakota Utilities Co.,	2019	455,000	738,389	480,139	243,761	54,763	1,972,052
Cascade Natural Gas Corporation, and Intermountain Gas Company							

<sup>1</sup> Amounts in this column represent the aggregate grant date fair value of performance share award opportunities at target calculated in accordance with generally accepted accounting principles for stock-based compensation in Accounting Standards Codification Topic 718. This column was prepared assuming none of the awards were or will be forfeited. The amounts were calculated as described in Note 13 of our audited financial statements in our Annual Report on Form 10-K for the year ended December 31, 2021. For 2021, the aggregate grant date fair value of outstanding performance share award opportunities assuming the highest level of payout would be as follows:

Name	Aggregate Grant Date Fair Value at Highest Payout (\$)
David L. Goodin	5,741,944
Jason L. Vollmer	1,507,271
David C. Barney	1,576,487
Jeffrey S. Thiede	1,561,092
Nicole A. Kivisto	1,561,092

## Proxy Statement

- <sup>2</sup> Amounts shown for 2021 represent the change in the actuarial present value for the named executive officers' accumulated benefits under the pension plan, SISP, and Excess SISP, collectively referred to as the "accumulated pension change," plus above-market earnings on deferred annual incentives as of December 31, 2021.

Name	Accumulated Pension Change (\$)	Above Market Earnings (\$)
David L. Goodin	(111,487)	65,571
Jason L. Vollmer	(2,516)	—
David C. Barney	(46,638)	—
Jeffrey S. Thiede	—	—
Nicole A. Kivisto	(73,377)	2,645

- <sup>3</sup> All Other Compensation for 2021 is comprised of:

Name	401(k) Plan (\$) <sup>a</sup>	Nonqualified Deferred Compensation Plan (\$) <sup>b</sup>	Life Insurance Premium (\$)	Matching Charitable Contributions (\$)	Dividend Equivalents (\$) <sup>c</sup>	Total (\$)
David L. Goodin	42,050	—	774	3,600	174,583	221,007
Jason L. Vollmer	29,000	49,000	759	4,350	39,054	122,163
David C. Barney	23,200	150,000	774	1,200	44,246	219,420
Jeffrey S. Thiede	23,200	100,000	774	3,750	44,098	171,822
Nicole A. Kivisto	34,800	—	774	3,600	44,098	83,272

a Represents company contributions to the 401(k) plan, which includes matching contributions and retirement contributions associated with the frozen pension plans as of December 31, 2009.

b Represents company contribution amounts to the MDU Resources Group, Inc. Deferred Compensation Plan (DCP) which are approved by the compensation committee and the board of directors. The purpose of the plan is to recognize outstanding performance coupled with enhanced retention as the DCP requires a vesting period. For further information, see the section entitled "[Nonqualified Deferred Compensation for 2021](#)."

c Represents accrued dividend equivalents for 2021 on the 2021-2023, 2020-2022, and 2019-2021 performance share awards associated with financial performance measures and restricted stock units. The 2021-2023 and 2020-2022 awards are presented at target, and the 2019-2021 performance share awards are presented based on the actual achievement of the performance measures.

## Proxy Statement

### Grants of Plan-Based Awards in 2021

Name (a)	Grant Date (b)		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (i)	Grant Date Fair Value of Stock and Option Awards (\$) (l)
			Threshold (\$) (c)	Target (\$) (d)	Maximum (\$) (e)	Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)		
David L. Goodin	2/11/2021	<sup>1</sup>	312,500	1,250,000	2,500,000					
	2/11/2021	<sup>2</sup>				15,429	77,149	154,298		2,519,306
	2/11/2021	<sup>3</sup>							25,716	703,333
Jason L. Vollmer	2/11/2021	<sup>1</sup>	91,875	367,500	735,000					
	2/11/2021	<sup>2</sup>				4,050	20,252	40,504		661,329
	2/11/2021	<sup>3</sup>							6,750	184,613
David C. Barney	2/11/2021	<sup>1</sup>	96,094	384,375	922,500					
	2/11/2021	<sup>2</sup>				4,236	21,182	42,364		691,698
	2/11/2021	<sup>3</sup>							7,060	193,091
Jeffrey S. Thiede	2/11/2021	<sup>1</sup>	95,156	380,625	913,500					
	2/11/2021	<sup>2</sup>				4,195	20,975	41,950		684,944
	2/11/2021	<sup>3</sup>							6,991	191,204
Nicole A. Kivisto	2/11/2021	<sup>1</sup>	171,281	380,625	761,250					
	2/11/2021	<sup>2</sup>				4,195	20,975	41,950		684,944
	2/11/2021	<sup>3</sup>							6,991	191,204

<sup>1</sup> Annual incentive for 2021 granted pursuant to the MDU Resources Group, Inc. Executive Incentive Compensation Plan.

<sup>2</sup> Performance shares for the 2021-2023 performance period granted pursuant to the MDU Resources Group, Inc. Long-Term Performance-Based Incentive Plan.

<sup>3</sup> Restricted Stock Units for the 2021-2023 period granted pursuant to the MDU Resources Group, Inc. Long-Term Performance-Based Incentive Plan.

### Narrative Discussion Relating to the Summary Compensation Table and Grants of Plan-Based Awards Table

#### Annual Incentive

The compensation committee recommended the 2021 annual cash incentive award opportunities for our named executive officers and the board approved these opportunities at its meeting on February 11, 2021. The award opportunities at threshold, target, and maximum are reflected in columns (c), (d), and (e), respectively, of the Grants of Plan-Based Awards Table. The actual amount paid with respect to 2021 performance is reflected in column (g) of the Summary Compensation Table.

As described in the “Annual Incentives” section of the “[Compensation Discussion and Analysis](#),” payment of annual award opportunities is dependent upon achievement of performance measures; actual payout may range from 0% to 200% of the target except for the construction materials and contracting and construction services segments which may range from 0% to 240%.

All our named executive officers were awarded their annual incentive opportunities pursuant to the MDU Resources Group, Inc. Executive Incentive Compensation Plan. Under the Executive Incentive Compensation Plan, executives who retire during the year at or after age 65 remain eligible to receive a prorated award, but executives who terminate employment for other reasons are not eligible for an award. The compensation committee generally does not modify the performance measures; however, if in years of unusually adverse or favorable external conditions or other unforeseen significant factors beyond the control of management, the compensation committee may modify the performance measures. No performance measures were modified in determining 2021 annual incentives. The compensation committee has full discretion to determine the extent to which goals have been achieved, the payment level, and whether to adjust payment of awards downward based upon individual performance. For further discussion of the specific 2021 incentive plan performance measures and results, see the “Annual Incentives” section in the “[Compensation Discussion and Analysis](#).”

## Long-Term Incentive

The compensation committee recommended long-term incentive award opportunities for the named executive officers in the form of 75% performance shares and 25% time-vesting restricted stock units, and the board approved the award opportunities at its meeting on February 11, 2021. The portion of the long-term incentive opportunities associated with performance shares are presented as the number of performance shares at threshold, target, and maximum in columns (f), (g), and (h) of the Grants of Plan-Based Awards Table. The value of the long-term performance-based incentive opportunities is based on the aggregate grant date fair value and is included in the amount recorded in column (e) of the Summary Compensation Table and column (I) of the Grant of Plan-Based Awards Table.

Depending on the achievement of the performance measures associated with our 2021-2023 performance period, executives will receive from 0% to 200% of the target performance share awards in February 2024. We also will pay dividend equivalents in cash on the number of shares actually vested for the performance period. The dividend equivalents will be paid in 2024 if and to the extent they vest and at the same time as the performance share awards are settled.

The portion of the long-term incentive opportunities associated with time-vesting restricted stock units are presented as the number of units in column (i) of the Grants of Plan-Based Awards Table. The value of the time-vesting restricted stock units is based on the aggregate grant date value and is included in the amount recorded in column (e) of the Summary Compensation Table and column (I) of the Grant of Plan-Based Awards Table.

## Salary and Bonus in Proportion to Total Compensation

The following table shows the proportion of salary and bonus to total compensation as presented in the Summary Compensation Table. Bonuses for purposes of this table and the Summary Compensation Table refer to discretionary payments to executive officers outside of our executive incentive plans as described above. No bonuses were paid to the executive officers in 2021.

Name	Salary (\$)	Bonus (\$)	Total Compensation (\$)	Salary and Bonus as a % of Total Compensation
David L. Goodin	1,000,000	—	5,210,467	19.2%
Jason L. Vollmer	490,000	—	1,664,273	29.4%
David C. Barney	512,500	—	1,926,900	26.6%
Jeffrey S. Thiede	507,500	—	1,848,932	27.4%
Nicole A. Kivisto	507,500	—	1,802,231	28.2%

## Proxy Statement

## Outstanding Equity Awards at Fiscal Year-End 2021

Name (a)	Stock Awards			
	Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (g) <sup>1</sup>	Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) (h) <sup>2</sup>	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i) <sup>3</sup>	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) (j) <sup>2</sup>
David L. Goodin	25,716	793,081	356,952	11,008,400
Jason L. Vollmer	6,750	208,170	77,856	2,401,079
David C. Barney	7,060	217,730	89,382	2,756,541
Jeffrey S. Thiede	6,991	215,602	89,175	2,750,157
Nicole A. Kivisto	6,991	215,602	89,175	2,750,157

<sup>1</sup> Below is the breakdown by year of the outstanding restricted stock unit awards:

Name	2021-2023 Grant (#)	Total (#)
David L. Goodin	25,716	25,716
Jason L. Vollmer	6,750	6,750
David C. Barney	7,060	7,060
Jeffrey S. Thiede	6,991	6,991
Nicole A. Kivisto	6,991	6,991

<sup>2</sup> Value based on the number of performance shares and restricted stock units reflected in columns (g) and (i) multiplied by \$30.84, the year-end per share closing stock price for 2021.

<sup>3</sup> Below is a breakdown by year of the outstanding performance share awards:

Name	2019-2021 Award (#)	2020-2022 Award (#)	2021-2023 Award (#)	Total (#)
David L. Goodin	197,612	82,191	77,149	356,952
Jason L. Vollmer	39,522	18,082	20,252	77,856
David C. Barney	48,166	20,034	21,182	89,382
Jeffrey S. Thiede	48,166	20,034	20,975	89,175
Nicole A. Kivisto	48,166	20,034	20,975	89,175

Performance shares for the 2019 award are shown at the maximum level (200%) based on results for the 2019-2021 performance period being between threshold and target.

Performance shares for the 2020 award are shown at the target level (100%) based on results for the first two years of the 2020-2022 performance period being between threshold and target.

Performance shares for the 2021 award are shown at the target level (100%) based on results for the first year of the 2021-2023 performance period being above target.

While for purposes of the Outstanding Equity Awards at Fiscal Year-End 2021 Table, the number of shares and value shown for the 2019-2021 performance period is at 200% of target, the actual results for the performance period certified by the compensation committee and settled on February 16, 2022, was 135.6% of target. For further information, see the “Long-Term Incentives” section of the [“Compensation Discussion and Analysis.”](#)

## Option Exercises and Stock Vested During 2021

Name (a)	Stock Awards	
	Number of Shares Acquired on Vesting (#) (d) <sup>1</sup>	Value Realized on Vesting (\$) (e) <sup>2</sup>
David L. Goodin	105,921	3,155,916
Jason L. Vollmer	21,581	643,006
David C. Barney	39,477	1,176,217
Jeffrey S. Thiede	39,477	1,176,217
Nicole A. Kivisto	26,516	790,044

<sup>1</sup> Reflects performance shares for the 2018-2020 performance period ended December 31, 2020, and restricted stock units for Messrs. Barney and Thiede, all of which were settled February 11, 2021.

<sup>2</sup> Reflects the value of vested performance shares based on the closing stock price of \$27.35 per share on February 11, 2021, and the dividend equivalents paid on the vested shares.

## Pension Benefits for 2021

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c) <sup>1</sup>	Present Value of Accumulated Benefit (\$) (d)
David L. Goodin	Pension	26	1,409,516
	Basic SISP	10	3,120,841
	Excess SISP <sup>2</sup>	26	45,034
Jason L. Vollmer	Pension	4	33,676
	Basic SISP <sup>2</sup>	n/a	—
	Excess SISP <sup>2</sup>	n/a	—
David C. Barney	Pension <sup>2</sup>	n/a	—
	Basic SISP	10	1,663,746
	Excess SISP <sup>2</sup>	n/a	—
Jeffrey S. Thiede	Pension <sup>2</sup>	n/a	—
	Basic SISP <sup>2</sup>	n/a	—
	Excess SISP <sup>2</sup>	n/a	—
Nicole A. Kivisto	Pension	14	324,230
	Basic SISP	10	673,647
	Excess SISP <sup>2</sup>	n/a	—

<sup>1</sup> Years of credited service related to the pension plan reflects the years of participation in the plan as of December 31, 2009, when the pension plan was frozen. Years of credited service related to the Basic SISP reflects the years toward full vesting of the benefit which is 10 years. Years of credited service related to Excess SISP reflects the same number of credited years of service as the pension plan.

<sup>2</sup> Messrs. Barney and Thiede are not eligible to participate in the pension plans. Messrs. Vollmer and Thiede do not participate in the SISP. Mr. Goodin is the only named executive officer eligible to participate in the Excess SISP.



## Proxy Statement

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The amounts shown for the pension plan, Basic SISP, and Excess SISP represent the actuarial present values of the executives' accumulated benefits accrued as of December 31, 2021, calculated using:

- a 2.38% discount rate for the Basic SISP and Excess SISP;
- a 2.60% discount rate for the pension plan;
- the Society of Actuaries Pri-2012 Total Dataset Mortality with Scale MP-2021 (post commencement only); and
- no recognition of pre-retirement mortality.

The actuary assumed a retirement age of 60 for the pension, Basic SISP, and Excess SISP benefits and assumed retirement benefits commence at age 60 for the pension and Excess SISP and age 65 for Basic SISP benefits.

### Pension Plan

The MDU Resources Group, Inc. Pension Plan for Non-Bargaining Unit Employees (pension plan) applies to employees hired before 2006 and was amended to cease benefit accruals as of December 31, 2009. The benefits under the pension plan are based on a participant's average annual salary over the 60 consecutive month period where the participant received the highest annual salary between 1999 and 2009. Benefits are paid as straight life annuities for single participants and as actuarially reduced annuities with a survivor benefit for married participants unless they choose otherwise.

### Supplemental Income Security Plan

The Supplemental Income Security Plan (SISP), a nonqualified defined benefit retirement plan, was offered to select key managers and executives. SISP benefits are determined by reference to levels defined within the plan. Our compensation committee, after receiving recommendations from our CEO, determined each participant's level within the plan. On February 11, 2016, the SISP was amended to exclude new participants to the plan and freeze current benefit levels for existing participants.

### Basic SISP Benefits

Basic SISP is a supplemental retirement benefit intended to augment the retirement income provided under the pension plans. SISP benefits are payable to the participant or their beneficiary for a period of 15 years. The Basic SISP benefits are subject to a vesting schedule where participants are 100% vested after ten years of participation in the plan.

Participants can elect to receive the Basic SISP as:

- monthly retirement benefits only;
- monthly death benefits paid to a beneficiary only; or
- a combination of retirement and death benefits, where each benefit is reduced proportionately.

Regardless of the election, if the participant dies before the SISP retirement benefit commences, only the SISP death benefit is provided.

### Excess SISP Benefits

Excess SISP is an additional retirement benefit relating to Internal Revenue Code limitations on retirement benefits provided under the pension plans. Excess SISP benefits are equal to the difference between the monthly retirement benefits that would have been payable to the participant under the pension plans absent the limitations under the Internal Revenue Code and the actual benefits payable to the participant under the pension plans. Participants are only eligible for the Excess SISP benefits if the participant is fully vested under the pension plan, their employment terminates prior to age 65, and benefits under the pension plan are reduced due to limitations under the Internal Revenue Code on plan compensation.

In 2009, the SISP was amended to limit eligibility for the Excess SISP benefit. Mr. Goodin is the only named executive officer eligible for the Excess SISP benefit. Benefits generally commence six months after the participant's employment terminates and continue to age 65 or until the death of the participant, if prior to age 65.

Both Basic and Excess SISP benefits are forfeited if the participant's employment is terminated for cause.

## Nonqualified Deferred Compensation for 2021

### Deferred Annual Incentive Compensation

Executives participating in the Executive Incentive Compensation Plan could elect to defer up to 100% of their annual incentive awards which would accrue interest at a rate determined each year based on an average of the Treasury High Quality Market Corporate Bond Yield Curve for the last business day of each month for the twelve month period from October to September. The interest rate in effect for 2021 was 3.2%. Payment of deferred amounts is in accordance with the participant's election either as lump sum or in monthly installments not to exceed 120 months, following termination of employment or beginning in the fifth year following the year the award was earned. In the event of a change of control, all amounts deferred would immediately become payable. For purposes of deferred annual incentive compensation, a change of control is defined as:

- an acquisition during a 12-month period of 30% or more of the total voting power of our stock;
- an acquisition of our stock that, together with stock already held by the acquirer, constitutes more than 50% of the total fair market value or total voting power of our stock;
- replacement of a majority of the members of our board of directors during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of our board of directors; or
- acquisition of our assets having a gross fair market value at least equal to 40% of the gross fair market value of all of our assets.

The deferred compensation provision of the Executive Incentive Compensation Plan was frozen to new contributions effective January 1, 2021.

### Nonqualified Defined Contribution Plan

The company adopted the Nonqualified Defined Contribution Plan, effective January 1, 2012, to provide deferred compensation for a select group of employees. Company contributions to participant accounts were approved by the compensation committee and constitute an unsecured promise of the company to make such payments. Participant accounts capture the hypothetical investment experience based on the participant's elections. Participants may select from a group of investment options including fixed income, balance/asset allocation, and various equity offerings. Contributions made prior to 2017 vest four years after each contribution while contributions made in and after 2017 vest ratably over a three-year period in accordance with the terms of the plan. Participants may elect to receive their vested contributions and investment earnings either in a lump sum upon separation from service with the company or in annual installments over a period of years upon the latter of (i) separation from service and (ii) age 65. Plan benefits become fully vested if the participant dies while actively employed. Benefits are forfeited if the participant's employment is terminated for cause. The Nonqualified Defined Contribution Plan was frozen to new participants and contributions effective January 1, 2021.

### MDU Resources Group, Inc. Deferred Compensation Plan

The company adopted the MDU Resources Group, Inc. Deferred Compensation Plan, effective January 1, 2021, to replace the option to defer annual incentive payments available under the Executive Incentive Compensation Plan and company contributions to participants' accounts through the Nonqualified Defined Contribution Plan. Under the MDU Resources Group, Inc. Deferred Compensation Plan, participants can defer up to 80% of base salary and up to 100% of their annual incentive payment. The company provides discretionary credits to select individuals recommended by the CEO and approved by the compensation committee, similar to the prior Nonqualified Defined Contribution Plan. Participants are 100% vested in their contributions of salary and/or annual incentive but vesting of discretionary employer credits occurs ratably over three years. Participants can establish one or more retirement or in-service accounts which capture the hypothetical investment experience based on a suite of investment options similar to the Nonqualified Defined Contribution Plan. Participants may elect to receive their vested contributions and investment earnings either in a lump sum or in annual installments over a period of years upon a qualifying distribution event. Plan benefits become fully vested if the participant dies or becomes disabled while actively employed. Benefits are forfeited if the participant's employment is terminated for cause.

The table below includes individual contributions and company contributions made during 2021 under the MDU Resources Group, Inc. Deferred Compensation Plan as well as elections under the Executive Incentive Compensation Plan to defer any 2020 annual incentive. Aggregate earnings and the balance represent the combined participant earnings and participant balances under all three nonqualified plans.

## Proxy Statement

Name (a)	Executive Contributions in Last FY (\$) (b)	Registrant Contributions in Last FY (\$) (c)	Aggregate Earnings in Last FY (\$) (d)	Aggregate Withdrawals/ Distributions (\$) (e)	Aggregate Balance at Last FYE (\$) (f)
David L. Goodin	909,000	—	115,788	—	3,820,617 <sup>1</sup>
Jason L. Vollmer	22,615	49,000	38,864	—	304,486 <sup>2</sup>
David C. Barney	—	150,000	71,867	—	1,012,863 <sup>3</sup>
Jeffrey S. Thiede	—	100,000	157,981	—	1,374,780 <sup>4</sup>
Nicole A. Kivisto	—	—	4,669	—	148,255

<sup>1</sup> Mr. Goodin deferred 50% of his 2020 annual incentive compensation paid in 2021 which was \$1,818,000 as reported in the Summary Compensation Table for 2020.

<sup>2</sup> Mr. Vollmer deferred 5% of his base salary and received company credit of \$49,000 under the MDU Resources Group, Inc. Deferred Compensation Plan for 2021. Mr. Vollmer's balance also includes contributions of \$44,000, \$40,000, \$35,000, and \$22,550 for 2020, 2019, 2018, and 2017, respectively to the Nonqualified Defined Contribution Plan. Each of these amounts are reported in column (i) of the Summary Compensation Table for its respective year, where applicable.

<sup>3</sup> Mr. Barney received \$150,000 under the MDU Resources Group, Inc. Deferred Compensation Plan for 2021. Mr. Barney's balance also includes contributions of \$150,000 for each of 2020, 2019, 2018, and 2017 to the Nonqualified Defined Contribution Plan. Each of these amounts are reported in column (i) of the Summary Compensation Table for its respective year.

<sup>4</sup> Mr. Thiede received \$100,000 under the MDU Resources Group, Inc. Deferred Compensation Plan for 2021. Mr. Thiede's balance also includes contributions of \$100,000 for each of 2020, 2019, 2018, 2017, and 2016; \$150,000 for 2015; \$75,000 for 2014; and \$33,000 for 2013 to the Nonqualified Defined Contribution Plan. Each of these amounts was reported in column (i) of the Summary Compensation Table in the Proxy Statement for its respective year, where applicable.

## Potential Payments upon Termination or Change of Control

The Potential Payments upon Termination or Change of Control Table shows the payments and benefits our named executive officers would receive in connection with a variety of employment termination scenarios or upon a change of control. The scenarios include:

- Voluntary or Not for Cause Termination;
- Death;
- Disability;
- Change of Control with Termination; and
- Change of Control without Termination.

For the named executive officers, the information assumes the terminations or the change of control occurred on December 31, 2021.

The table excludes compensation and benefits our named executive officers would earn during their employment with us whether or not a termination or change of control event had occurred. The tables also do not include benefits under plans or arrangements generally available to all salaried employees and that do not discriminate in favor of the named executive officers, such as benefits under our qualified defined benefit pension plan (for employees hired before 2006), accrued vacation pay, continuation of health care benefits, and life insurance benefits. The tables also do not include deferred compensation under our Executive Incentive Compensation Plan, Nonqualified Defined Contribution Plan, or MDU Resources Group, Inc. Deferred Compensation Plan. These amounts are shown and explained in the [“Nonqualified Deferred Compensation for 2021”](#) Table.

### Compensation

None of our named executive officers have employment or severance agreements entitling them to their base salary, some multiple of base salary or severance upon termination or change of control. Our compensation committee generally considers providing severance benefits on a case-by-case basis. Because severance payments are discretionary, no amounts are presented in the tables.

All our named executive officers were granted their 2021 annual incentive award under the Executive Incentive Compensation Plan (EICP) which has no change of control provision in regards to annual incentive compensation other than for deferred compensation. The EICP requires participants to remain employed with the company through the service year to be eligible for a payout unless otherwise determined by the compensation committee for executive officers or employment termination after age 65. All our scenarios assume a termination or change in control event on December 31st. In these scenarios, the named executive officers would be considered employed for the entire performance period and would be eligible to receive their annual incentive award based on the level that the performance measures were achieved. Therefore, no amounts are shown for annual incentives in the tables for our named executive officers, as they would be eligible to receive their annual incentive award with or without a termination or change of control on December 31, 2021.

All named executive officers received their equity share awards under the Long-Term Performance-Based Incentive Plan (LTIP) which consist of performance share awards for the 2019-2021, 2020-2022, and 2021-2023 vesting periods and restricted stock units for the 2021-2023 vesting period.

Upon a change of control (with or without termination), the performance share and restricted stock unit awards would be deemed fully earned and vest at their target levels for the named executive officers. For this purpose, the term “change of control” is defined in the LTIP as:

- the acquisition by an individual, entity, or group of 20% or more of our outstanding common stock;
- a majority of our board of directors whose election or nomination was not approved by a majority of the incumbent board members;
- consummation of a merger or similar transaction or sale of all or substantially all of our assets, unless our stockholders immediately prior to the transaction beneficially own more than 60% of the outstanding common stock and voting power of the resulting corporation in substantially the same proportions as before the merger, no person owns 20% or more of the resulting corporation’s outstanding common stock or voting power except for any such ownership that existed before the merger and at least a majority of the board of the resulting corporation is comprised of our directors; or
- stockholder approval of our liquidation or dissolution.

## Proxy Statement

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For termination scenarios other than a change of control which include voluntary or not for cause termination, death or disability, our performance share award agreements provide that performance share awards are forfeited if the participant's employment terminates before the participant has reached age 55 and completed 10 years of service. If a participant's employment terminates other than for cause after reaching age 55 and completing 10 years of service, performance share awards are prorated as follows:

- termination of employment during the first year of the vesting period = equity shares awards are forfeited;
- termination of employment during the second year of the vesting period = equity shares awards earned are prorated based on the number of months employed during the vesting period; and
- termination of employment during the third year of the vesting period = full amount of any equity shares awards earned are received.

Under the termination scenarios, Messrs. Goodin, Barney, and Thiede would receive performance shares as they have each reached age 55 and have 10 or more years of service. The number of performance shares received would be based on the following:

- 2019-2021 performance shares would vest based on the achievement of the performance measure for the period ended December 31, 2021, which was 135.6%;
- 2020-2022 performance shares would be prorated at 24 out of 36 months (2/3) of the vesting period and vest based on the actual achievement of the performance measure for the period ended December 31, 2022. For purposes of the Potential Payments upon Termination or Change of Control Table, the performance achievement for the performance period is shown at target; and
- 2021-2023 performance shares would be forfeited.

Neither Ms. Kivisto nor Mr. Vollmer have reached age 55; therefore, they are not eligible for vesting of performance shares in the event of their termination.

For termination scenarios other than a change of control, our restricted share award agreement provides that restricted stock unit share awards are forfeited if the participant's employment terminates for situations other than death or disability before the participant has reached age 55 and completed 10 years of service. If a participant's employment terminates after reaching age 55 and completing 10 years of service, restricted stock unit share awards are prorated as follows:

- termination of employment during the first year of the vesting period = restricted stock unit awards are forfeited;
- termination of employment during the second year of the vesting period = restricted stock unit awards earned are prorated based on the number of months employed during the vesting period; and
- termination of employment during the third year of the vesting period = full amount of any restricted stock unit awards earned are received.

In situations of death or disability, the restricted stock unit awards earned would be prorated based on the number of full months of employment completed from the grant date through the date of death or disability.

For 2021, our restricted stock unit awards are all in the first year of the vesting period. In the case of termination other than for cause, death or disability, our named executive officers would forfeit their 2021-2023 restricted stock units. In the case of termination due to death or disability, our named executive officers would receive 1/3 of the granted shares based on 12 out of 36 months of the vesting period.

For purposes of calculating the performance share and restricted stock unit award value shown in the Potential Payments upon Termination or Change of Control Table, the number of vesting shares was multiplied by the average of the high and low stock price for the last market day of the year, which was December 31, 2021. Dividend equivalents based on the number of vesting shares are also included in the amounts presented.

## Benefits and Perquisites

### Supplemental Income Security Plan

As described in the “[Pension Benefits for 2021](#)” section, the Basic SISP provides a benefit of payments for 15 years commencing at the latter of retirement or age 65. Of the named executive officers, only Messrs. Goodin, Barney, and Ms. Kivisto participate in the Basic SISP benefits and are 100% vested in their benefit.

Under all scenarios except death and change of control without termination, the payment represents the present value of the vested Basic SISP benefit as of December 31, 2021, using the monthly retirement benefit shown in the table below and a discount rate of 2.38%. In the event of death, Messrs. Goodin, Barney, and Ms. Kivisto’s beneficiaries would receive monthly death benefit payments for 15 years. The Potential Payments upon Termination or Change of Control Table shows the present value calculations of the monthly death benefit using the 2.38% discount rate.

	Monthly SISP Retirement Payment (\$)	Monthly SISP Death Payment (\$)
David L. Goodin	23,040	46,080
David C. Barney	10,936	21,872
Nicole A. Kivisto	6,572	13,144

Because the plan requires a participant to be no longer actively employed by the company in order to be eligible for payments, we do not show benefits for the change of control without termination scenario.

Mr. Goodin is the only named executive officer eligible for the Excess SISP. Benefits generally commence six months after the participant’s employment terminates and continue to age 65 or until the death of the participant, if prior to age 65. As explained in the “[Pension Benefits for 2021](#)”, Excess SISP benefits are equal to the difference between the monthly retirement benefits that would have been payable to the participant under the pension plans absent the limitations under the Internal Revenue Code and the actual benefits payable to the participant under the pension plans. Under all scenarios except death or change of control without termination, the payment represents the present value of the monthly Excess SISP benefit discounted using a rate of 2.38%

### Disability

We provide disability benefits to some of our salaried employees equal to 60% of their base salary, subject to a salary limit of \$200,000 for officers and \$100,000 for other salaried employees. For all eligible employees, disability payments continue until age 65 if disability occurs at or before age 60 and for five years if disability occurs between the ages of 60 and 65. Disability benefits are reduced for amounts paid as retirement benefits. The disability payments in the Potential Payments upon Termination or Change of Control Table reflect the present value of the disability benefits attributable to the additional \$100,000 of base salary recognized for executives under our disability program, subject to the 60% limitation, after reduction for amounts that would be paid as retirement benefits. For Messrs. Goodin and Vollmer and Ms. Kivisto, who participate in the pension plan, the amount represents the present value of the disability benefit after reduction for retirement benefits using a discount rate of 2.60%. Because Mr. Goodin’s retirement benefit is greater than the disability benefit, the amount shown is zero. For Messrs. Barney and Thiede, who do not participate in the pension plan, the amount represents the present value of the disability benefit without reduction for retirement benefits using the discount rate of 2.38%, which is considered a reasonable rate for purposes of the calculation.



## Proxy Statement

### Potential Payments upon Termination or Change of Control Table

Executive Benefits and Payments upon Termination or Change of Control	Voluntary or Not for Cause Termination (\$)	Death (\$)	Disability (\$)	Change of Control (With Termination) (\$)	Change of Control (Without Termination) (\$)
<b>David L. Goodin</b>					
<b>Compensation:</b>					
Performance Shares	6,249,068	6,249,068	6,249,068	8,412,306	8,412,306
Restricted Stock Units	271,647	271,647	271,647	814,940	814,940
<b>Benefits and Perquisites:</b>					
Basic SISP	3,112,653	—	3,112,653	3,112,653	—
Excess SISP	45,965	—	45,965	45,965	—
SISP Death Benefits	—	6,983,444	—	—	—
Disability Benefits	—	—	—	—	—
<b>Total</b>	<b>9,679,333</b>	<b>13,504,159</b>	<b>9,679,333</b>	<b>12,385,864</b>	<b>9,227,246</b>
<b>Jason L. Vollmer</b>					
<b>Compensation:</b>					
Performance Shares	—	—	—	1,888,735	1,888,735
Restricted Stock Units	71,303	71,303	71,303	213,908	213,908
<b>Benefits and Perquisites:</b>					
Disability Benefits	—	—	926,791	—	—
<b>Total</b>	<b>71,303</b>	<b>71,303</b>	<b>998,094</b>	<b>2,102,643</b>	<b>2,102,643</b>
<b>David C. Barney</b>					
<b>Compensation:</b>					
Performance Shares	1,500,583	1,500,583	1,500,583	2,217,723	2,217,723
Restricted Stock Units	74,567	74,567	74,567	223,731	223,731
<b>Benefits and Perquisites:</b>					
Basic SISP	1,657,355	—	1,657,355	1,657,355	—
SISP Death Benefits	—	3,314,711	—	—	—
Disability Benefits	—	—	283,134	—	—
<b>Total</b>	<b>3,232,505</b>	<b>4,889,861</b>	<b>3,515,639</b>	<b>4,098,809</b>	<b>2,441,454</b>
<b>Jeffrey S. Thiede</b>					
<b>Compensation:</b>					
Performance Shares	1,045,241	1,045,241	1,045,241	1,894,948	1,894,948
Restricted Stock Units	73,838	73,838	73,838	221,545	221,545
<b>Benefits and Perquisites:</b>					
Disability Benefits	—	—	287,574	—	—
<b>Total</b>	<b>1,119,079</b>	<b>1,119,079</b>	<b>1,406,653</b>	<b>2,116,493</b>	<b>2,116,493</b>
<b>Nicole A. Kivisto</b>					
<b>Compensation:</b>					
Performance Shares	—	—	—	2,221,104	2,221,104
Restricted Stock Units	73,838	73,838	73,838	221,545	221,545
<b>Benefits and Perquisites:</b>					
Basic SISP	670,124	—	670,124	670,124	—
SISP Death Benefits	—	1,991,979	—	—	—
Disability Benefits	—	—	676,057	—	—
<b>Total</b>	<b>743,962</b>	<b>2,065,817</b>	<b>1,420,019</b>	<b>3,112,773</b>	<b>2,442,649</b>

## CEO Pay Ratio Disclosure

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, we are providing information regarding the relationship of the annual total compensation of David L. Goodin, our president and chief executive officer, to the annual total compensation of our median employee.

Our employee workforce fluctuates during the year largely depending on the seasonality, number, and size of construction project activity conducted by our businesses. Approximately 51% of our employee workforce is employed under union bargained labor contracts which define compensation and benefits for participants which may include payments made by the company associated with employee participation in union benefit and pension plans.

We identified the median employee by examining the 2021 taxable wage information for all individuals on the company's payroll records as of December 31, 2021, excluding Mr. Goodin and the employees of Baker Rock Resources and Oregon Mainline Paving which were acquired by our construction materials and contracting business segment during the fourth quarter. Because of the timing of these acquisitions and their integration, payroll records were not available to include in the pay ratio analysis. Baker Rock Resources and Oregon Mainline Paving reported 119 employees which represented less than 1% of the company's employee population as of December 31, 2021. All of the company's employees are located in the United States. We made no adjustments to annualize compensation for individuals employed for only part of the year. We selected taxable wages as reported to the Internal Revenue Service on Form W-2 for 2021 to identify the median employee as it includes substantially all of the compensation for our median employee and provided a reasonably efficient and cost-effective manner for the identification of the median employee. Our median employee works for a subsidiary of our construction materials and contracting segment with compensation consisting of wages, bonus, company 401(k) matching contributions, life insurance premiums, car allowance, and a healthy living credit.

Once identified, we categorized the median employee's compensation using the same methodology as the compensation components reported in the Summary Compensation Table. For 2021, the total annual compensation of Mr. Goodin as reported in the Summary Compensation Table included in this Proxy Statement was \$5,210,467, and the total annual compensation of our median employee was \$78,907. Based on this information, the 2021 ratio of annual total compensation of Mr. Goodin to the median employee was 66 to 1.



## BALANCE SHEET

	Account Number & Title	Last Year	This Year	% Change
1	<b>Assets and Other Debits</b>			
2				
3	<b>Utility Plant</b>			
4	101 Gas Plant in Service	\$688,339,867	\$722,632,548	4.98%
5	101.1 Property Under Capital Leases			
6	102 Gas Plant Purchased or Sold			
7	104 Gas Plant Leased to Others			
8	105 Gas Plant Held for Future Use			
9	105.1 Production Properties Held for Future Use			
10	106 Completed Constr. Not Classified - Gas	8,365,312	8,639,627	3.28%
11	107 Construction Work in Progress - Gas	4,304,037	3,998,629	-7.10%
12	108 (Less) Accumulated Depreciation	(294,951,110)	(307,482,574)	4.25%
13	111 (Less) Accumulated Amortization & Depletion	(4,285,958)	(4,955,689)	15.63%
14	114 Gas Plant Acquisition Adjustments	97,266	97,266	0.00%
15	115 (Less) Accum. Amort. Gas Plant Acq. Adj.	(77,772)	(80,593)	3.63%
16	116 Other Gas Plant Adjustments			
17	117 Gas Stored Underground - Noncurrent	1,580,342	1,553,100	-1.72%
18	118 Other Utility Plant	2,392,557,972	2,365,923,389	-1.11%
19	119 Accum. Depr. and Amort. - Other Util. Plant	(845,946,251)	(807,853,106)	-4.50%
20				
21	<b>Total Utility Plant</b>	<b>\$1,949,983,705</b>	<b>\$1,982,472,597</b>	<b>1.67%</b>
22				
23	<b>Other Property &amp; Investments</b>			
24	121 Nonutility Property	\$17,225,038	\$17,289,802	0.38%
25	122 (Less) Accum. Depr. & Amort. of Nonutil. Prop.	(7,811,064)	(8,375,665)	7.23%
26	123 Investments in Associated Companies			
27	123.1 Investments in Subsidiary Companies			
28	124 Other Investments	39,399,253	42,043,914	6.71%
29	125 Sinking Funds			
30				
31	<b>Total Other Property &amp; Investments</b>	<b>\$48,813,227</b>	<b>\$50,958,051</b>	<b>4.39%</b>
32				
33	<b>Current &amp; Accrued Assets</b>			
34	131 Cash	\$6,314,995	\$1,310,877	-79.24%
35	132-134 Special Deposits	0	1,000,000	N/A
36	135 Working Funds	150,000	150,060	0.04%
37	136 Temporary Cash Investments			
38	141 Notes Receivable			
39	142 Customer Accounts Receivable	25,930,474	29,653,424	14.36%
40	143 Other Accounts Receivable	5,368,195	7,476,329	39.27%
41	144 (Less) Accum. Provision for Uncollectible Accts.	(1,662,797)	(565,356)	-66.00%
42	145 Notes Receivable - Associated Companies			
43	146 Accounts Receivable - Associated Companies	3,645,045	4,716,997	29.41%
44	151 Fuel Stock	3,467,573	4,169,829	20.25%
45	152 Fuel Stock Expenses Undistributed			
46	153 Residuals and Extracted Products			
47	154 Plant Materials and Operating Supplies	23,908,712	29,445,575	23.16%
48	155 Merchandise			
49	156 Other Material & Supplies			
50	163 Stores Expense Undistributed			
51	164.1 Gas Stored Underground - Current	12,297,386	11,232,388	-8.66%
52	165 Prepayments	7,838,806	7,542,861	-3.78%
53	166 Advances for Gas Explor., Devl. & Production			
54	171 Interest & Dividends Receivable			
55	172 Rents Receivable			
56	173 Accrued Utility Revenues	38,123,450	68,269,180	79.07%
57	174 Miscellaneous Current & Accrued Assets			
58				
59	<b>Total Current &amp; Accrued Assets</b>	<b>\$125,381,839</b>	<b>\$164,402,164</b>	<b>31.12%</b>

## BALANCE SHEET

	Account Number & Title	Last Year	This Year	% Change
1	<b>Assets and Other Debits (cont.)</b>			
2				
3	<b>Deferred Debits</b>			
4	181 Unamortized Debt Expense	\$2,981,345	\$3,203,559	7.45%
5	182.1 Extraordinary Property Losses			
6	182.2 Unrecovered Plant & Regulatory Study Costs	1,590,048	1,209,370	-23.94%
7	182.3 Other Regulatory Assets	295,619,348	307,968,568	4.18%
8	183 Prelim. Electric Survey & Investigation Chrg.	2,239,944	0	-100.00%
9	183.1 Prelim. Nat. Gas Survey & Investigation Chrg.	480,105	481,562	0.30%
10	183.2 Other Prelim. Nat. Gas Survey & Inv'tg. Chrgs.	0	4,867	N/A
11	184 Clearing Accounts	(3,021)	13,614	-550.65%
12	185 Temporary Facilities			
13	186 Miscellaneous Deferred Debits	33,788,188	39,044,265	15.56%
14	187 Deferred Losses from Disposition of Util. Plant			
15	188 Research, Devel. & Demonstration Expend.			
16	189 Unamortized Loss on Reacquired Debt	3,010,957	2,439,243	-18.99%
17	190 Accumulated Deferred Income Taxes	30,898,456	29,400,813	-4.85%
18	191 Unrecovered Purchased Gas Costs	(6,252,017)	36,926,788	-690.64%
19	192.1 Unrecovered Incremental Gas Costs			
20	192.2 Unrecovered Incremental Surcharges			
21				
22	<b>Total Deferred Debits</b>	\$364,353,353	\$420,692,649	15.46%
23				
24	<b>TOTAL ASSETS &amp; OTHER DEBITS</b>	\$2,488,532,124	\$2,618,525,461	5.22%
25				
26	Account Number & Title	This Year	This Year	% Change
27	<b>Liabilities and Other Credits</b>			
28				
29	<b>Proprietary Capital</b>			
30	201 Common Stock Issued	\$1,000	\$1,000	0.00%
31	202 Common Stock Subscribed			
32	204 Preferred Stock Issued			
33	205 Preferred Stock Subscribed			
34	207 Premium on Capital Stock	176,087,676	191,870,721	8.96%
35	211 Miscellaneous Paid-In Capital			
36	213 (Less) Discount on Capital Stock			
37	214 (Less) Capital Stock Expense			
38	216 Appropriated Retained Earnings	692,013,888	717,893,824	3.74%
39	216.1 Unappropriated Retained Earnings			
40	217 (Less) Reacquired Capital Stock			
41	219 Accumulated Other Comprehensive Income	(6,796,303)	(6,539,209)	3.78%
42				
43	<b>Total Proprietary Capital</b>	\$861,306,261	\$903,226,336	4.87%
44				
45	<b>Long Term Debt</b>			
46	221 Bonds			
47	222 (Less) Reacquired Bonds			
48	223 Advances from Associated Companies			
49	224 Other Long Term Debt	826,501,962	927,989,086	12.28%
50	225 Unamortized Premium on Long Term Debt			
51	226 (Less) Unamort. Discount on Long Term Debt-Dr.			
52				
53	<b>Total Long Term Debt</b>	\$826,501,962	\$927,989,086	12.28%

## BALANCE SHEET

	Account Number & Title	Last Year	This Year	% Change
1	<b>Total Liabilities and Other Credits (cont.)</b>			
2				
3	<b>Other Noncurrent Liabilities</b>			
4	227 Obligations Under Cap. Leases - Noncurrent			
5	228.1 Accumulated Provision for Property Insurance			
6	228.2 Accumulated Provision for Injuries & Damages	\$1,358,949	\$2,802,184	106.20%
7	228.3 Accumulated Provision for Pensions & Benefits	16,095,150	15,910,454	-1.15%
8	228.4 Accumulated Misc. Operating Provisions			
9	229 Accumulated Provision for Rate Refunds	1,576,507	214,619	-86.39%
10	230 Asset Retirement Obligations	165,008,923	168,488,925	2.11%
11				
12	<b>Total Other Noncurrent Liabilities</b>	<b>\$184,039,529</b>	<b>\$187,416,182</b>	<b>1.83%</b>
13				
14	<b>Current &amp; Accrued Liabilities</b>			
15	231 Notes Payable	\$50,000,000	\$0	N/A
16	232 Accounts Payable	33,574,632	50,757,639	51.18%
17	233 Notes Payable to Associated Companies			
18	234 Accounts Payable to Associated Companies	8,244,639	7,725,245	-6.30%
19	235 Customer Deposits	994,205	1,423,503	43.18%
20	236 Taxes Accrued	19,361,246	23,317,097	20.43%
21	237 Interest Accrued	7,724,134	8,475,781	9.73%
22	238 Dividends Declared	11,000,000	11,300,000	2.73%
23	239 Matured Long Term Debt			
24	240 Matured Interest			
25	241 Tax Collections Payable	1,819,823	2,006,540	10.26%
26	242 Miscellaneous Current & Accrued Liabilities	23,306,404	21,564,745	-7.47%
27	243 Obligations Under Capital Leases - Current			
28				
29	<b>Total Current &amp; Accrued Liabilities</b>	<b>\$156,025,083</b>	<b>\$126,570,550</b>	<b>-18.88%</b>
30				
31	<b>Deferred Credits</b>			
32	252 Customer Advances for Construction	\$17,318,240	\$15,397,518	-11.09%
33	253 Other Deferred Credits	45,219,805	37,013,420	-18.15%
34	254 Other Regulatory Liabilities	146,195,835	148,226,393	1.39%
35	255 Accumulated Deferred Investment Tax Credits	6,171,416	7,140,894	15.71%
36	256 Deferred Gains from Disposition Of Util. Plant			
37	257 Unamortized Gain on Reacquired Debt			
38	281-283 Accumulated Deferred Income Taxes	245,754,093	265,545,082	8.05%
39				
40	<b>Total Deferred Credits</b>	<b>\$460,659,389</b>	<b>\$473,323,307</b>	<b>2.75%</b>
41				
42	<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>	<b>\$2,488,532,224</b>	<b>\$2,618,525,461</b>	<b>5.22%</b>

Name of Respondent:	This report is:	Date of Report	Year/Period of Report
Montana-Dakota Utilities Co.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	12/31/21	End of 2021/Q4

## Definitions

The following abbreviations and acronyms used in the Notes are defined below:

### Abbreviation or Acronym

<b>AFUDC</b>	Allowance for funds used during construction
<b>ASC</b>	FASB Accounting Standards Codification
<b>ASU</b>	FASB Accounting Standards Update
<b>Big Stone Station</b>	475-MW coal-fired electric generating facility near Big Stone City, South Dakota (22.7 percent ownership)
<b>BSSE</b>	345-kilovolt transmission line from Ellendale, North Dakota, to Big Stone City, South Dakota (50 percent ownership)
<b>Company</b>	Montana-Dakota Utilities Co., a direct wholly owned subsidiary of MDU Energy Capital
<b>COVID-19</b>	Coronavirus disease 2019
<b>Coyote Creek</b>	Coyote Creek Mining Company, LLC, a subsidiary of The North American Coal Corporation
<b>Coyote Station</b>	427-MW coal-fired electric generating facility near Beulah, North Dakota (25 percent ownership)
<b>FASB</b>	Financial Accounting Standards Board
<b>FERC</b>	Federal Energy Regulatory Commission
<b>GAAP</b>	Accounting principles generally accepted in the United States of America
<b>Great Plains</b>	Great Plains Natural Gas Co., a public utility division of the Company
<b>LIBOR</b>	London Inter-bank Offered Rate
<b>MDU Energy Capital</b>	MDU Energy Capital, LLC, a direct wholly owned subsidiary of MDU Resources
<b>MDU Resources</b>	MDU Resources Group, Inc., a holding company indirectly owning all of the outstanding capital stock of the Company
<b>MISO</b>	Midcontinent Independent System Operator, Inc., the organization that provides open-access transmission services and monitors the high-voltage transmission system in the Midwest United States and Manitoba, Canada and a southern United States region which includes much of Arkansas, Mississippi and Louisiana
<b>MNPUC</b>	Minnesota Public Utilities Commission
<b>MTDEQ</b>	Montana Department of Environmental Quality
<b>MTPSC</b>	Montana Public Service Commission
<b>MW</b>	Megawatt
<b>NDPSC</b>	North Dakota Public Service Commission
<b>SDPUC</b>	South Dakota Public Utilities Commission
<b>SOFR</b>	Secured Overnight Financing Rate
<b>Wygen III</b>	100-MW coal-fired electric generating facility near Gillette, Wyoming (25 percent ownership)
<b>WYPSC</b>	Wyoming Public Service Commission

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## Notes to Financial Statements

### Note 1 - Basis of Presentation

The Company is incorporated under the laws of the state of Delaware and is a wholly owned subsidiary of MDU Energy Capital. The Company is comprised of Montana-Dakota and Great Plains, a public utility division of Montana-Dakota. The Company is organized into two operating segments, electric and natural gas distribution. The Company's operating segments are determined based on the separate services and regulators.

Montana-Dakota generates, transmits, and distributes electricity and distributes natural gas in Montana, North Dakota, South Dakota, and Wyoming. Great Plains distributes natural gas in western Minnesota and southeastern North Dakota. These operations also supply related value-added services. The Company provides service to approximately 144,000 electric and 308,000 natural gas residential, commercial, industrial and municipal customers in 290 communities and adjacent rural areas as of December 31, 2021.

Montana-Dakota and Great Plains are regulated businesses which account for certain income and expense items under the provisions of regulatory accounting, which requires them to defer as regulatory assets or liabilities certain items that would have otherwise been reflected as expense or income, respectively, based on the expected regulatory treatment in future rates. The expected recovery or refund of these deferred items generally is based on specific ratemaking decisions or precedent for each item. Regulatory assets and liabilities are being amortized consistently with the regulatory treatment established by the FERC and the applicable state public service commissions. See Note 5 for more information regarding the nature and amounts of these regulatory deferrals.

Montana-Dakota is subject to regulation by the FERC, NDPSC, MTPSC, SDPUC, and WYPSC. Great Plains is subject to regulation by the MNPUC and the NDPSC.

The Company has ownership interests in the assets, liabilities and expenses of jointly owned electric transmission and generating facilities.

Beginning in March 2020, governmental restrictions and guidelines implemented to control the spread of COVID-19 reduced commercial and interpersonal activity throughout the Company's areas of operation. Most of the Company's products and services are considered essential to America and its communities and, as a result, operations have generally continued through the COVID-19 pandemic and reopening of the country's economy. The Company has assessed the impacts of the COVID-19 pandemic on its results of operations for the years ended December 31, 2021 and 2020, and determined there were no material adverse impacts.

On June 30, 2020, in response to the COVID-19 pandemic, the FERC issued an Order allowing a 12-month waiver of certain provisions of its regulations surrounding the AFUDC rate calculation. The FERC's accounting regulations and precedent require the maximum AFUDC rate to be computed by considering short-term debt as the first source of construction financing, which is based on the premise that short-term debt is not used elsewhere in the development of rates. Historically, the FERC has only provided exceptions to this AFUDC requirement in unique situations where certain amounts of short-term debt were a defined cost in the setting of rates. However, in its Order, the FERC noted that the need to maintain liquidity and improve financing flexibility during this unique state of emergency also warrants an exception to the AFUDC rate computation. This waiver will ensure the companies would be able to remove from the AFUDC rate the distorting effects of temporary increases in the amount of current period short-term debt needed in response to the COVID-19 pandemic emergency.

This temporary waiver allows a company to compute the AFUDC rate for the 12-month period starting with March 2020 using the Company's simple average of the actual historical short-term debt balances for 2019, instead current period short-term debt balances while leaving all other aspects of the AFUDC formula unchanged. On February 23, 2021, the FERC issued an Order extending its June 2020 AFUDC rate waiver for an additional six months. The extension allows companies the option to modify their AFUDC rate calculation through March 31, 2022, to mitigate the impact of short-term debt issued during this period. The Company opted to elect the temporary waivers for the rate calculation of AFUDC. This election was in place March 1, 2020, and was utilized

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through December 31, 2021. The Company returned to the traditional AFUDC rate calculation effective January 1, 2022.

The financial statements were prepared in accordance with the accounting requirements of the FERC set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than GAAP. These requirements differ from GAAP related to the presentation of certain items including, but not limited to, the current portion of long-term debt, deferred income taxes, cost of removal liabilities, operating leases, and current unrecovered purchased gas costs. If GAAP were followed, utility plant, other property and investments would increase by \$152.9 million; current and accrued assets would increase by \$20.1 million; deferred debits would decrease by \$122.8 million; long-term debt would decrease by \$3.5 million; current and accrued liabilities would increase by \$18.8 million; and deferred credits and other noncurrent liabilities would increase by \$35.0 million as of December 31, 2021. Furthermore, operating revenues would increase by \$7.3 million and operating expenses, excluding income taxes, would increase by \$6.9 million for the twelve months ended December 31, 2021. In addition, net cash provided by operating activities would decrease by \$0.9 million; net cash used in investing activities would increase by \$13.5 million; net cash provided by financing activities would increase by \$14.4 million; and the net change in cash and cash equivalents would net to \$0 for the twelve months ended December 31, 2021.

In 2021, the Company made changes to the presentation of the Statement of Cash Flows to provide further clarity on the sources and uses of net cash provided by operating activities and net cash provided by (used in) financing activities. Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications did not impact total net cash provided by operating activities or net cash provided by (used in) financing activities for the year ended December 31, 2020.

Management has also evaluated the impact of events occurring after December 31, 2021, up to the date of issuance of these financial statements that would require recognition or disclosure in the financial statements.

#### Use of estimates

The preparation of financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Estimates are used for items such as long-lived assets and goodwill; property depreciable lives; tax provisions; expected credit losses; environmental and other loss contingencies; regulatory assets expected to be recovered in rates charged to customers; unbilled revenues; actuarially determined benefit costs; asset retirement obligations; and the valuation of stock-based compensation. As additional information becomes available, or actual amounts are determinable, the recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

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Montana-Dakota Utilities Co.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	12/31/21	End of <u>2021/Q4</u>

**Note 2 - Significant Accounting Policies****New accounting standards**

The following table provides a brief description of the accounting pronouncements applicable to the Company and the potential impact on its financial statements and disclosures:

Standard	Description	Effective date	Impact on financial statements/disclosures
<b><i>Recently adopted accounting standards</i></b>			
ASU 2018-14-Changes to the Disclosure Requirements for Defined Benefit Plans	In August 2018, the FASB issued guidance on modifying the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans as part of the disclosure framework project. The guidance removed disclosures that are no longer considered cost beneficial, clarifies the specific requirements of disclosures and added disclosure requirements identified as relevant. The guidance added, among other things, the requirement to include an explanation for significant gains and losses related to changes in benefit obligations for the period. The guidance removed, among other things, the disclosure requirement to disclose the amount of net periodic benefit costs to be amortized over the next fiscal year from accumulated other comprehensive income (loss) and the effects a one percentage point change in assumed health care cost trend rates will have on certain benefit components.	January 1, 2021	The Company early adopted the guidance on January 1, 2021 and determined the guidance did not materially impact its consolidated financial statement disclosures.
ASU 2019-12-Simplifying the Accounting for Income Taxes	In December 2019, the FASB issued guidance on simplifying the accounting for income taxes by removing certain exceptions in ASC 740 and providing simplification amendments. The guidance removed exceptions on intraperiod tax allocations and reporting and provided simplification on accounting for franchise taxes, tax basis goodwill and tax law changes.	January 1, 2021	The Company early adopted the guidance on January 1, 2021 and determined the guidance did not materially impact its results of operations, financial position, cash flows or disclosures.

Name of Respondent: Montana-Dakota Utilities Co.	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/21	Year/Period of Report End of 2021/Q4
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Standard	Description	Effective date	Impact on financial statements/disclosures
<b>Recently issued accounting standards not yet adopted</b>			
ASU 2020-04- Reference Rate Reform	In March 2020, the FASB issued optional guidance to ease the facilitation of the effects of reference rate reform on financial reporting. The guidance applies to certain contract modifications, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. Beginning January 1, 2022, LIBOR or other discontinued reference rates cannot be applied to new contracts. New contracts will incorporate a new reference rate, which includes SOFR. LIBOR or other discontinued reference rates cannot be applied to contract modifications or hedging relationships entered into or evaluated after December 31, 2022. Existing contracts referencing LIBOR or other reference rates expected to be discontinued must identify a replacement rate by June 30, 2023.	Effective as of March 12, 2020 and will continue through December 31, 2022	The Company has updated its credit agreements to include language regarding the successor or alternate rate to LIBOR, and a review of other contracts and agreements is on-going. The Company does not expect the guidance to have a material impact on its results of operations, financial position, cash flows or disclosures.
ASU 2021-10- Government Assistance	In November 2021, the FASB issued guidance on modifying the disclosure requirements to increase the transparency of government assistance including disclosure of the types of assistance, an entity's accounting for the assistance and the effect of the assistance on an entity's financial statements.	January 1, 2022	The Company is currently evaluating the impact the guidance will have on its disclosures for the year ended December 31, 2022.

### Cash and cash equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

### Revenue recognition

Revenue is recognized when a performance obligation is satisfied by transferring control over a product or service to a customer. Revenue is measured based on consideration specified in a contract with a customer and excludes any sales incentives and amounts collected on behalf of third parties. The Company is considered an agent for certain taxes collected from customers. As such, the Company presents revenues net of these taxes at the time of sale to be remitted to governmental authorities, including sales and use taxes.

The Company generates revenue from the sales of electric and natural gas products and services, which includes retail and transportation services. The Company establishes a customer's retail or transportation service account based on the customer's application/contract for service, which indicates approval of a contract for service. The contract identifies an obligation to provide service in exchange for delivering or standing ready to deliver the identified commodity; and the customer is obligated to pay for the service as provided in the applicable tariff. The product sales are based on a fixed rate that includes a base and per-unit rate, which are included in approved tariffs as determined by state or federal regulatory agencies. The quantity of the commodity consumed or transported determines the total per-unit revenue. The service provided, along with the product consumed or transported, are a single performance obligation because both are required in combination to successfully transfer the contracted product or service to the customer. Revenues are recognized over time as customers receive and consume the products and services. The method of measuring progress toward the completion of the single performance obligation is on a per-unit output method basis, with revenue recognized based on the direct measurement of the value to the customer of the goods or services transferred to date. For contracts governed by the Company's utility tariffs, amounts are billed monthly with the amount due between 15 and 22 days of receipt of



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the invoice depending on the applicable state's tariff. For other contracts not governed by tariff, payment terms are net 30 days. At this time, the Company has no material obligations for returns, refunds or other similar obligations.

The Company recognizes all other revenues when services are rendered or goods are delivered.

### Legal costs

The Company expenses external legal fees as they are incurred.

### Receivables and allowance for expected credit losses

Receivables consist primarily of trade receivables from the sale of goods and services, which are recorded at the invoiced amount, net of expected credit losses. The Company's trade receivables are all due in 12 months or less. The total balance of receivables past due 90 days or more was \$885,000 and \$2.8 million at December 31, 2021 and 2020, respectively.

The Company's expected credit losses are determined through a review using historical credit loss experience, changes in asset specific characteristics, current conditions and reasonable and supportable future forecasts, among other specific account data, and is performed at least quarterly. The Company develops and documents its methodology to determine its allowance for expected credit losses at each of its operating segments. Risk characteristics used by the operating segments may include customer mix, knowledge of customers and general economic conditions of the various local economies, among others. Specific account balances are written off when management determines the amounts to be uncollectible.

The Company conducted additional analysis of its receivables and allowance for expected credit losses due to the impacts of COVID-19. As more customer balances entered arrears, further analysis supported increasing the uncollectible factors used in determining the expected credit losses during 2020. During 2021, certain business segments continued to experience balances in arrears higher than historical levels, which supported the continued use of increased uncollectible factors, while other business segments experienced balances in arrears returning to historical levels alleviating the need for certain associated credit loss estimates. Management has reviewed the balance reserved through the allowance for expected credit losses and believes it is reasonable.

Details of the Company's expected credit losses were as follows:

	Electric	Natural gas distribution	Total
(In thousands)			
At January 1, 2020	\$ 328	\$ 280	\$ 608
Current expected credit loss provision	1,517	1,190	2,707
Less write-offs charged against the allowance	1,289	1,047	2,336
Credit loss recoveries collected	343	341	684
At December 31, 2020	899	764	1,663
Current expected credit loss provision	1,099	1,088	2,187
Less write-offs charged against the allowance	2,139	1,939	4,078
Credit loss recoveries collected	410	383	793
<b>At December 31, 2021</b>	<b>\$ 269</b>	<b>\$ 296</b>	<b>\$ 565</b>

Receivables also consist of accrued unbilled revenue representing revenues recognized in excess of amounts billed. Accrued unbilled revenue was \$68.3 million and \$38.1 million at December 31, 2021 and 2020, respectively.

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### Inventories and natural gas in storage

Natural gas in storage is valued at cost using the last-in, first-out method. All other inventories are valued at the lower of cost or net realizable value using the average cost method. The portion of the cost of natural gas in storage expected to be used within 12 months was included in inventories. Inventories at December 31 consisted of:

	2021	2020
	(In thousands)	
Plant materials and operating supplies \$	<b>29,446</b>	\$ 23,909
Gas stored underground-current	<b>11,232</b>	12,297
Fuel stock	<b>4,170</b>	3,468
Total	<b>\$ 44,848</b>	\$ 39,674

The remainder of natural gas in storage, which largely represents the cost of gas required to maintain pressure levels for normal operating purposes was \$1.6 million at December 31, 2021 and 2020.

### Property, plant and equipment

Additions to property, plant and equipment are recorded at cost. When regulated assets are retired, or otherwise disposed of in the ordinary course of business, the original cost of the asset is charged to accumulated depreciation. With respect to the retirement or disposal of all other assets, the resulting gains or losses are recognized as a component of income. The Company is permitted to capitalize AFUDC on regulated construction projects and to include such amounts in rate base when the related facilities are placed in service. The amount of AFUDC for the years ended December 31 were as follows:

	2021	2020
	(In thousands)	
AFUDC - borrowed \$	<b>654</b>	\$ 1,421
AFUDC - equity \$	<b>685</b>	428

Property, plant and equipment are depreciated on a straight-line basis over the average useful lives of the assets. The Company collects removal costs for certain plant assets in regulated utility rates. These amounts are included in accumulated provision for depreciation and amortization.

### Impairment of long-lived assets

The Company reviews the carrying values of its long-lived assets, excluding goodwill, whenever events or changes in circumstances indicate that such carrying values may not be recoverable. The determination of whether an impairment has occurred is based on an estimate of undiscounted future cash flows attributable to the assets, compared to the carrying value of the assets. If impairment has occurred, the amount of the impairment recognized is determined by estimating the fair value of the assets and recording a loss if the carrying value is greater than the fair value.

No significant impairment losses were recorded in 2021 or 2020. Unforeseen events and changes in circumstances could require the recognition of impairment losses at some future date.

### Regulatory assets and liabilities

The Company is subject to various state and federal agency regulations. The accounting policies followed by the Company are generally subject to the Uniform System of Accounts of the FERC as well as the provisions of ASC 980 - *Regulated Operations*.

The Company accounts for certain income and expense items under the provisions of regulatory accounting, which requires the Company to defer as regulatory assets or liabilities certain items that would have otherwise

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been reflected as expense or income, respectively. The Company records regulatory assets or liabilities at the time the Company determines the amounts to be recoverable in current or future rates. Regulatory assets and liabilities are being amortized consistently with the regulatory treatment established by the FERC and the applicable state public service commission. See Note 5 for more information regarding the nature and amounts of these regulatory deferrals.

### **Natural gas costs recoverable or refundable through rate adjustments**

Under the terms of certain orders of the applicable state public service commissions, the Company is deferring natural gas commodity, transportation and storage costs that are greater or less than amounts presently being recovered through its existing rate schedules. Such orders generally provide that these amounts are recoverable or refundable through rate adjustments. Natural gas costs recoverable through rate adjustments were \$36.9 million at December 31, 2021 and natural gas costs refundable through rate adjustments were \$6.3 million at December 31, 2020 which was included in unrecovered purchased gas costs.

### **Goodwill**

Goodwill represents the excess of the purchase price over the fair value of identifiable net tangible and intangible assets acquired in a business combination. Goodwill is required to be tested for impairment annually, which the Company completes in the fourth quarter, or more frequently if events or changes in circumstances indicate that goodwill may be impaired.

The Company has determined that the reporting units for its goodwill impairment test are its operating segments, or components of an operating segment, that constitute a business for which discrete financial information is available and for which segment management regularly reviews the operating results. Goodwill impairment, if any, is measured by comparing the fair value of each reporting unit to its carrying value. If the fair value of a reporting unit exceeds its carrying value, the goodwill of the reporting unit is not impaired. If the carrying value of a reporting unit exceeds its fair value, the Company must record an impairment loss for the amount that the carrying value of the reporting unit, including goodwill, exceeds the fair value of the reporting unit. For the years ended December 31, 2021 and 2020, there were no impairment losses recorded. The Company performed its annual goodwill impairment test in the fourth quarter of 2021 and determined the fair value exceeded the carrying value of its reporting units at October 31, 2021.

### **Investments**

The Company's investments include the cash surrender value of life insurance policies, insurance contracts, and other miscellaneous investments. The Company measures its investment in the insurance contracts at fair value with any unrealized gains and losses recorded on the Statement of Income. The Company has not elected the fair value option for its other investments. For more information, see Notes 7 and 13.

### **Asset retirement obligations**

The Company records the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the Company capitalizes a cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the Company either settles the obligation for the recorded amount or incurs a gain or loss at its non-regulated operations or incurs a regulatory asset or liability at its regulated operations.

### **Income taxes**

MDU Resources and its subsidiaries file consolidated federal income tax returns and combined and separate state income tax returns. Pursuant to the tax sharing agreement that exists between MDU Resources and its subsidiaries, federal income taxes paid by MDU Resources, as parent of the consolidated group, are allocated to the individual subsidiaries based on the ratio of the separate company computations of tax. MDU Resources makes a similar allocation for state income taxes paid in connection with combined state filings. MDU Resources provides deferred federal and state income taxes on all temporary differences between the book and tax basis of the Company's assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. Excess deferred income tax balances associated with the

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Company's rate-regulated activities have been recorded as regulatory liabilities. These regulatory liabilities are expected to be reflected as a reduction in future rates charged to customers in accordance with applicable regulatory procedures.

The Company uses the deferral method of accounting for investment tax credits and amortizes the credits on regulated electric plant over various periods that conform to the ratemaking treatment prescribed by the applicable state public service commissions.

The Company records uncertain tax positions in accordance with accounting guidance on accounting for income taxes on the basis of a two-step process in which (1) the Company determines whether it is more-likely-than-not that the tax position will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of the tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. Tax positions that do not meet the more-likely-than-not criteria are reflected as a tax liability. The Company recognizes interest and penalties accrued related to unrecognized tax benefits in interest and penalties, respectively.

### Note 3 – Revenue from Contracts with Customers

Revenue is recognized when a performance obligation is satisfied by transferring control over a product or service to a customer. Revenue is measured based on consideration specified in a contract with a customer and excludes any sales incentives and amounts collected on behalf of third parties. The Company is considered an agent for certain taxes collected from customers. As such, the Company presents revenues net of these taxes at the time of sale to be remitted to governmental authorities, including sales and use taxes.

As part of the adoption of ASC 606 – Revenue from Contracts with Customers, the Company elected the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Company otherwise would have recognized is 12 months or less.

### Disaggregation

In the following table, revenue is disaggregated by the type of customer or service provided. The Company believes this level of disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The table also includes a reconciliation of the disaggregated revenue by business lines.

Year ended December 31, 2021	Electric	Natural gas distribution	Total
(In thousands)			
Residential utility sales	\$ 126,841	\$ 187,636	\$ 314,477
Commercial utility sales	137,556	132,534	270,090
Industrial utility sales	41,757	8,096	49,853
Other utility sales	7,051	—	7,051
Natural gas transportation	—	7,377	7,377
Other	42,902	7,047	49,949
Revenues from contracts with customers	356,107	342,690	698,797
Revenues out of scope	(5,345)	3,367	(1,978)
Total external operating revenues	\$ 350,762	\$ 346,057	\$ 696,819

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Year ended December 31, 2020	Electric	Natural gas distribution	Total
(In thousands)			
Residential utility sales	\$ 122,663	\$ 144,291	\$ 266,954
Commercial utility sales	131,477	95,302	226,779
Industrial utility sales	36,744	4,424	41,168
Other utility sales	6,634	—	6,634
Natural gas transportation	—	6,635	6,635
Other	32,452	5,621	38,073
Revenues from contracts with customers	329,970	256,273	586,243
Revenues out of scope	3,146	6,158	9,304
Total external operating revenues	\$ 333,116	\$ 262,431	\$ 595,547

**Note 4 - Property, Plant and Equipment**

Property, plant and equipment at December 31 was as follows:

	2021	2020	Weighted Average Depreciable Life in Years
(Dollars in thousands, where applicable)			
Electric:			
Generation	\$ 1,056,632	\$ 1,133,390	48
Distribution	474,037	464,442	47
Transmission	562,080	524,155	65
Construction in progress	62,781	61,766	—
Other	134,652	134,221	14
Natural gas:			
Distribution	650,085	619,252	50
Transmission	7,518	7,344	60
General	59,530	56,960	14
Construction in progress	7,506	6,693	—
Other	86,470	85,441	14
Less accumulated depreciation and amortization	1,120,372	1,145,261	
Net utility plant	\$ 1,980,919	\$ 1,948,403	
Nonutility property	\$ 17,290	\$ 17,225	14
Less accumulated depreciation and amortization	8,376	7,811	
Net nonutility property	\$ 8,914	\$ 9,414	

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**Note 5 - Regulatory Assets and Liabilities**

The following table summarizes the individual components of unamortized regulatory assets and liabilities as of December 31:

	Estimated Recovery or Refund Period*	2021	2020
(In thousands)			
<b>Regulatory assets:</b>			
Asset retirement obligations	Over plant lives	\$ 121,048	\$ 116,016
Pension and postretirement benefits	(a)	85,914	93,242
Plant retirement	—	50,070	65,919
Cost recovery mechanisms	Up to 7 years	30,939	10,144
Taxes recoverable from customers	Over plant lives	7,108	7,364
Electric fuel and purchased power deferral	Up to 1 year	4,875	(3,667)
Other	Up to 17 years	8,015	6,601
<b>Total regulatory assets</b>		<b>\$ 307,969</b>	<b>\$ 295,619</b>
<b>Regulatory liabilities:</b>			
Taxes refundable to customers	Over plant lives	\$ 124,504	\$ 130,179
Pension and postretirement benefits	(a)	13,972	11,055
Cost recovery mechanisms	Up to 20 years	7,725	2,498
Other	Up to 16 years	2,025	2,464
<b>Total regulatory liabilities</b>		<b>\$ 148,226</b>	<b>\$ 146,196</b>

\* Estimated recovery or refund period for amounts currently being recovered or refunded in rates charged to customers.

(a) Recovered as expense is incurred.

As of December 31, 2021 and 2020, approximately \$217.1 million and \$259.3 million, respectively, of regulatory assets were not earning a rate of return but are expected to be recovered from customers in future rates. These assets are largely comprised of the unfunded portion of pension and postretirement benefits, asset retirement obligations, accelerated depreciation on plant retirement and the estimated future cost of manufactured gas plant site remediation.

In February 2019, the Company announced the retirement of three aging coal-fired electric generating units. The Company accelerated the depreciation related to these facilities in property, plant and equipment and recorded the difference between the accelerated depreciation, in accordance with GAAP, and the depreciation approved for rate-making purposes as regulatory assets. The first unit ceased operations on March 31, 2021, and the Company subsequently began amortizing plant retirement and closure costs related to this facility. During 2021, the Company received approval from the NDPSC and the SDPUC to offset the savings associated with the cessation of operations of this unit with the amortization of the deferred regulatory assets and moved the costs being recovered for this facility from plant retirement to cost recovery mechanisms in the previous table. The two remaining units were retired in February 2022. The Company expects to recover the regulatory assets related to the plant retirements in future rates.

If, for any reason, the Company's regulated businesses cease to meet the criteria for application of regulatory accounting for all or part of their operations, the regulatory assets and liabilities relating to those portions ceasing to meet such criteria would be removed from the balance sheet and included in the statement of income or accumulated other comprehensive income (loss) in the period in which the discontinuance of regulatory accounting occurs.



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**Note 6 - Goodwill and Other Intangible Assets**

The carrying amount of goodwill, which is related to the natural gas distribution business, remained unchanged at \$4.8 million for the years ended December 31, 2021 and 2020. This amount is included in miscellaneous deferred debits. No impairments of goodwill have been recorded.

**Note 7 - Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The fair value ASC establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs. The estimated fair values of the Company's assets and liabilities measured on a recurring basis are determined using the market approach.

The Company measures its investments in certain fixed-income and equity securities at fair value with changes in fair value recognized in income. The Company anticipates using these investments, which consist of insurance contracts, to satisfy its obligations under its unfunded, nonqualified defined benefit plan for executive officers and certain key management employees, and invests in these fixed-income and equity securities for the purpose of earning investment returns and capital appreciation. These investments, which totaled \$28.3 million and \$26.1 million at December 31, 2021 and 2020, respectively, are classified as Other Investments on the Comparative Balance Sheet. The net unrealized gains on these investments for the years ended December 31, 2021 and 2020 were \$1.9 million and \$3.4 million, respectively. The change in fair value, which is considered part of the cost of the plan, is classified in Other Income and Deductions as Life Insurance on the Statement of Income.

The Company's assets measured at fair value on a recurring basis were as follows:

	Fair Value Measurements at December 31, 2021, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2021
	(In thousands)			
Assets:				
Money market funds	\$ —	\$ 1,868	\$ —	\$ 1,868
Insurance contracts*	—	28,257	—	\$ 28,257
Total assets measured at fair value	\$ —	\$ 30,125	\$ —	\$ 30,125

\*The insurance contracts invest approximately 61 percent in fixed-income investments, 17 percent in common stock of large-cap companies, 8 percent in common stock of mid-cap companies, 7 percent in common stock of small-cap companies, 5 percent in target date investments and 2 percent in cash equivalents.

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Fair Value Measurements at  
December 31, 2020, Using

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2020
(In thousands)				
<b>Assets:</b>				
Money market funds	\$ —	\$ 1,112	\$ —	\$ 1,112
Insurance contract*	—	26,080	—	\$ 26,080
Total assets measured at fair value	\$ —	\$ 27,192	\$ —	\$ 27,192

- The insurance contract invests approximately 57 percent in fixed-income investments, 18 percent in common stock of large-cap companies, 9 percent in common stock of mid-cap companies, 9 percent in common stock of small-cap companies, 5 percent in target date investments and 2 percent in cash equivalents.

The Company's money market funds are valued at the net asset value of shares held at the end of the period, based on published market quotations on active markets, or using other known sources including pricing from outside sources. The estimated fair value of the Company's insurance contracts are based on contractual cash surrender values that are determined primarily by investments in managed separate accounts of the insurer. These amounts approximate fair value. The managed separate accounts are valued based on other observable inputs or corroborated market data.

Though the Company believes the methods used to estimate fair value are consistent with those used by other market participants, the use of other methods or assumptions could result in a different estimate of fair value.

The Company applies the provisions of the fair value measurement standard to its nonrecurring, non-financial measurements, including long-lived asset impairments. These assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances. The Company reviews the carrying value of its long-lived assets, excluding goodwill, whenever events or changes in circumstances indicate that such carrying amounts may not be recoverable.

The Company's long-term debt is not measured at fair value on the Consolidated Balance Sheets and the fair value is being provided for disclosure purposes only. The fair value was categorized as Level 2 in the fair value hierarchy and was based on discounted future cash flows using current market interest rates. The estimated fair value of the Company's Level 2 long-term debt at December 31 was as follows:

	2021	2020
(In thousands)		
Carrying Amount	\$ 927,989	\$ 826,502
Fair Value	\$ 1,031,762	\$ 966,157

The carrying amounts of the Company's remaining financial instruments included in current assets and current liabilities approximate their fair values.



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**Note 8 – Debt**

Certain debt instruments of the Company contain restrictive and financial covenants and cross-default provisions. In order to borrow under the debt agreements, the Company must be in compliance with the applicable covenants and certain other conditions, all of which the Company was in compliance with at December 31, 2021. In the event the Company does not comply with the applicable covenants and other conditions, alternative sources of funding may need to be pursued.

The following table summarizes the outstanding revolving credit facilities of the Company:

Company	Facility	Facility Limit	Amount Outstanding at December 31, 2021	Amount Outstanding at December 31, 2020	Letters of Credit at December 31, 2020	Expiration Date
(Dollars in millions)						

Montana-Dakota Utilities Co.	Commercial paper/Revolving credit agreement	(a) \$ 175.0	\$ 64.9	(b) \$ 87.7	(b) \$ —	12/19/24
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(a) The commercial paper program is supported by a revolving credit agreement with various banks (provisions allow for increased borrowings, at the option of the Company on stated conditions, up to a maximum of \$225.0 million). There were no amounts outstanding under the revolving credit agreement.

(b) Amount outstanding included in other long-term debt on the Comparative Balance Sheet.

The commercial paper program is supported by a revolving credit agreement. While the amount of commercial paper outstanding does not reduce available capacity under the revolving credit agreement, the Company does not issue commercial paper in an aggregate amount exceeding the available capacity under its credit agreement. The commercial paper borrowings may vary during the period, largely the result of fluctuations in working capital requirements due to seasonality of operations.

**Short-term debt**

On March 8, 2021, the Company entered into a \$50.0 million term loan agreement with a LIBOR-based variable interest rate and a maturity date of March 7, 2022. At December 31, 2021, the Company had no amount outstanding under the agreement. The agreement contains customary covenants and provisions, including a covenant of the Company not to permit, at any time, the ratio of total debt to total capitalization to be greater than 65 percent. The covenants also include certain restrictions on the sale of certain assets, loans and investments.

**Long-term debt**

**Long-term Debt Outstanding** Long-term debt outstanding was as follows:

	Weighted Average Interest Rate at December 31, 2021	2021	2020
(In thousands)			
Senior Notes due on dates ranging from July 15, 2024 to September 15, 2061	4.29 %	\$ 855,000	\$ 730,000
Commercial paper supported by revolving credit agreement	0.25 %	64,900	87,700
Term Loan Agreement due on September 3, 2032	2.00 %	7,700	8,400
Other note due on November 30, 2038	6.00 %	389	402
Total long-term debt		\$ 927,989	\$ 826,502

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The Company's revolving credit agreement supports its commercial paper program. Commercial paper borrowings under this agreement are classified as long-term debt as they are intended to be refinanced on a long-term basis through continued commercial paper borrowings. The credit agreement contains customary covenants and provisions, including covenants of the Company not to permit, as of the end of any fiscal quarter, the ratio of funded debt to total capitalization (determined on a consolidated basis) to be greater than 65 percent. Other covenants include limitations on the sale of certain assets and on the making of certain loans and investments.

On September 15, 2021, the Company entered into a \$125.0 million note purchase agreement with maturity dates ranging from September 15, 2051 to September 15, 2061, at a weighted average interest rate of 3.23 percent. On September 15, 2021 and December 15, 2021, the Company issued \$75.0 million and \$50.0 million, respectively, in senior notes under the note purchase agreement. The agreement contains customary covenants and provisions, including a covenant of the Company not to permit, at any time, the ratio of total debt to total capitalization to be greater than 65 percent.

The Company's ratio of total debt to total capitalization at December 31, 2021, was 51 percent.

**Schedule of Debt Maturities** Long-term debt maturities for the five years and thereafter following December 31, 2021, were as follows:

	2022	2023	2024	2025	2026	Thereafter
	(In thousands)					
Long-term debt maturities	\$700	\$700	\$125,600	\$87,700	\$140,700	\$572,589

#### Note 9 - Asset Retirement Obligations

The Company records obligations related to retirement costs of natural gas distribution mains and lines, decommissioning of certain electric generating facilities, special handling and disposal of hazardous materials at certain electric generating facilities, natural gas distribution facilities and buildings, and certain other obligations as asset retirement obligations.

A reconciliation of the Company's liability for the years ended December 31 was as follows:

	2021	2020
	(In thousands)	
Balance at beginning of year	\$ 165,009	\$ 157,784
Liabilities incurred	4,060	2,916
Liabilities settled	(10,600)	(2,456)
Accretion expense *	8,318	8,027
Revisions in estimates	1,702	(1,262)
Balance at end of year	\$ 168,489	\$ 165,009

\* Includes \$8.3 million and \$8.0 million in 2021 and 2020, respectively, recorded to regulatory assets.

The Company believes that largely all expenses related to asset retirement obligations at the Company's regulated operations will be recovered in rates over time and, accordingly, defers such expenses as regulatory assets. For more information on the Company's regulatory assets and liabilities, see Note 5.

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**Note 10 - Accumulated Other Comprehensive Loss**

The Company's accumulated other comprehensive loss is comprised of postretirement liability adjustments.

The after-tax changes in the components of accumulated other comprehensive loss were as follows:

	Postretirement Liability Adjustment	Total Accumulated Other Comprehensive Loss
(In thousands)		
At December 31, 2019	\$ (5,846)	\$ (5,846)
Other comprehensive loss before reclassifications	(1,104)	(1,104)
Amounts reclassified from accumulated other comprehensive loss	154	154
Net current-period other comprehensive loss	(950)	(950)
At December 31, 2020	(6,796)	(6,796)
Other comprehensive income before reclassifications	45	45
Amounts reclassified from accumulated other comprehensive loss	212	212
Net current-period other comprehensive income	257	257
<b>At December 31, 2021</b>	<b>\$ (6,539)</b>	<b>\$ (6,539)</b>

The following amounts were reclassified out of accumulated other comprehensive loss into net income. The amounts presented in parenthesis indicate a decrease to net income on the Statement of Income. The reclassifications for the years ended December 31 were as follows:

	2021	2020	Location on Statement of Income
(In thousands)			
Amortization of postretirement liability losses included in net periodic benefit cost	\$ (280)	\$ (204)	Operating Expenses
	68	50	Income Taxes
Total reclassifications	\$ (212)	(154)	

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**Note 11 - Income Taxes**

Income before income taxes for the years ended December 31, 2021 and 2020, was \$67.4 million and \$58.9 million, respectively.

Income tax expense (benefit) for the years ended December 31 was as follows:

	2021	2020
	(In thousands)	
Current:		
Federal	\$ (18,185)	\$ (20,364)
State	(2,321)	(2,317)
	(20,506)	(22,681)
Deferred:		
Income taxes:		
Federal	12,215	7,831
State	3,571	1,957
Investment tax credit - net	970	2,111
	16,756	11,899
Total income tax benefit	\$ (3,750)	\$ (10,782)

The Company has recorded regulatory liabilities in FERC account 254 for excess deferred income taxes, including gross ups, to reflect the future revenue reduction required to return previously collected income taxes to customers. The balance of the excess deferred income tax regulatory liability, including gross ups, was \$123.7 million and \$130.0 million as of December 31, 2021 and 2020, respectively.

Components of deferred tax assets and deferred tax liabilities at December 31 were as follows:

	2021	2020
	(In thousands)	
Deferred tax assets:		
Postretirement	\$ 15,283	\$ 16,763
Compensation-related	4,299	5,336
Customer advances	3,752	4,112
Other	6,067	4,687
Total deferred tax assets	29,401	30,898
Deferred tax liabilities:		
Basis differences on property, plant and equipment	203,113	194,102
Postretirement	26,933	27,438
Plants to be retired	12,704	16,592
Unrecovered purchased gas costs	9,387	143
Cost recovery mechanisms	8,091	2,621
Other	5,317	4,858
Total deferred tax liabilities	265,545	245,754
Net deferred income tax liability	\$ (236,144)	\$ (214,856)

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As of December 31, 2021 and 2020, no valuation allowances have been recorded associated with previously identified deferred tax assets. Changes in tax regulations or assumptions regarding current and future taxable income could require valuation allowances in the future.

The following table reconciles the change in the net deferred income tax liability from December 31, 2020, to December 31, 2021, to deferred income tax expense:

	<b>2021</b>
	(In thousands)
Change in net deferred income tax liability from the preceding table	<b>\$ 21,288</b>
Excess deferred income tax amortization	<b>(4,770)</b>
Deferred taxes associated with other comprehensive income	<b>(83)</b>
Other	<b>321</b>
Deferred income tax expense for the period	<b>\$ 16,756</b>

Total income tax benefit differs from the amount computed by applying the statutory federal income tax rate to income before taxes. The reasons for this difference were as follows:

Years ended December 31,	<b>2021</b>		<b>2020</b>	
	Amount	%	Amount	%
	(Dollars in thousands)			
Computed tax at federal statutory rate	<b>\$ 14,152</b>	<b>21.0</b>	\$ 12,360	21.0
Increases (reductions) resulting from:				
Production tax credit	<b>(13,914)</b>	<b>(20.6)</b>	(16,009)	(27.2)
Excess deferred income tax amortization	<b>(4,770)</b>	<b>(7.1)</b>	(6,233)	(10.6)
Amortization and deferral of investment tax credit	<b>970</b>	<b>1.4</b>	2,111	3.6
Research and development tax credit	<b>(1,000)</b>	<b>(1.5)</b>	(1,000)	(1.7)
Deductible K-Plan dividends	<b>(502)</b>	<b>(0.7)</b>	(524)	(0.9)
AFUDC equity	<b>(144)</b>	<b>(0.2)</b>	(90)	(0.2)
State income taxes, net of federal income tax	<b>789</b>	<b>1.2</b>	(743)	(1.3)
Nonqualified benefit plan	<b>(691)</b>	<b>(1.0)</b>	(1,209)	(2.1)
Other	<b>1,360</b>	<b>2.0</b>	555	0.9
Total income tax benefit	<b>\$ (3,750)</b>	<b>(5.5)</b>	\$ (10,782)	(18.5)

MDU Resources and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions. The Company is no longer subject to U.S. federal income tax examinations by tax authorities for years ending prior to 2018. With few exceptions, as of December 31, 2021, the Company is no longer subject to state and local income tax examinations by tax authorities for years ending prior to 2018.

For the years ended December 31, 2021 and 2020, total reserves for uncertain tax positions were not material. The Company recognizes interest related to uncertain tax positions in interest expense and penalties related to income taxes in income tax expense.

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**Note 12 – Cash Flow Information**

Cash expenditures for interest and income taxes for the years ended December 31 were as follows:

	2021	2020
	(In thousands)	
Interest, net*	\$ 33,105	\$ 33,553
Income taxes refunded, net	\$ (26,217)	\$ (24,454)

\*AFUDC - borrowed was \$654 and \$1,421 for the years ended December 31, 2021 and 2020, respectively.

Noncash investing and financing transactions at December 31 were as follows:

	2021	2020
	(In thousands)	
Property, plant and equipment additions in accounts payable	\$ 8,081	\$ 6,592

**Note 13 - Employee Benefit Plans****Pension and other postretirement benefit plans**

The Company has noncontributory qualified defined benefit pension plans and other postretirement benefit plans for certain eligible employees. The Company uses a measurement date of December 31 for all of its pension and postretirement benefit plans.

Prior to 2013, all of the Company's defined benefit pension plans were frozen. These employees were eligible to receive additional defined contribution plan benefits.

Effective January 1, 2010, eligibility to receive retiree medical benefits was modified. Current employees who had attained age 55 with 10 years of continuous service by December 31, 2010, were provided the option to choose between a pre-65 comprehensive medical plan coupled with a Medicare supplement or a specified company funded Retiree Reimbursement Account, regardless of when they retire. All other eligible employees must meet the new eligibility criteria of age 60 and 10 years of continuous service at the time they retire to be eligible for a specified company funded Retiree Reimbursement Account. Employees hired after December 31, 2009, will not be eligible for retiree medical benefits.

In 2012, the Company modified health care coverage for certain retirees. Effective January 1, 2013, post-65 coverage was replaced by a fixed-dollar subsidy for retirees and spouses to be used to purchase individual insurance through an exchange.

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Changes in benefit obligation and plan assets and amounts recognized in the Comparative Balance Sheet at December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2021	2020	2021	2020
(In thousands)				
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ 212,723	\$ 206,730	\$ 32,948	\$ 32,643
Service cost	—	—	522	489
Interest cost	4,751	5,888	709	938
Plan participants' contributions	—	—	191	260
Actuarial (gain) loss	(6,105)	12,282	(5,938)	712
Benefits paid	(11,943)	(12,177)	(1,523)	(2,094)
Benefit obligation at end of year	199,426	212,723	26,909	32,948
Change in net plan assets:				
Fair value of plan assets at beginning of year	184,031	176,548	51,635	48,063
Actual return on plan assets	6,354	19,660	547	5,377
Employer contribution	—	—	19	29
Plan participants' contributions	—	—	191	260
Benefits paid	(11,943)	(12,177)	(1,523)	(2,094)
Fair value of net plan assets at end of year	178,442	184,031	50,869	51,635
Funded status – over (under)	\$ (20,984)	\$ (28,692)	\$ 23,960	\$ 18,687
Amounts recognized in the Comparative Balance Sheet at December 31:				
Noncurrent assets - other	\$ —	—	23,960	\$ 18,687
Noncurrent liabilities - other	\$ 20,984	28,692	—	\$ —
Net amount recognized	\$ (20,984)	(28,692)	23,960	\$ 18,687
Amounts recognized in regulatory assets or liabilities:				
Actuarial (gain) loss	\$ 81,646	\$ 88,626	\$ (9,869)	\$ (5,910)
Prior service credit	—	—	(3,565)	(4,497)
Total	\$ 81,646	\$ 88,626	\$ (13,434)	\$ (10,407)

Employer contributions and benefits paid in the preceding table include only those amounts contributed directly to, or paid directly from, plan assets. Amounts related to regulated operations are recorded as regulatory assets or liabilities and are expected to be reflected in rates charged to customers over time. For more information on regulatory assets and liabilities, see Note 5.

In 2021, the actuarial gain recognized in the benefit obligation was primarily the result of an increase in the discount rate. In 2020, the actuarial loss recognized in the benefit obligation was primarily the result of a decrease in the discount rate. For more information on the discount rates, see the table below. Unrecognized pension actuarial losses in excess of 10 percent of the greater of the projected benefit obligation or the market-related value of assets are amortized over the average life expectancy of plan participants for frozen plans. The market-related value of assets is determined using a five-year average of assets.



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The pension plans all have accumulated benefit obligations in excess of plan assets. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for these plans at December 31 were as follows:

	2021	2020
	(In thousands)	
Projected benefit obligation	\$ 199,426	\$ 212,723
Accumulated benefit obligation	\$ 199,426	\$ 212,723
Fair value of plan assets	\$ 178,442	\$ 184,031

The components of net periodic benefit cost (credit) are included in operating expenses on the Statement of Income. Prior service credit is amortized on a straight-line basis over the average remaining service period of active participants. These components related to the Company's pension and other postretirement benefit plans for the years ended December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2021	2020	2021	2020
	(In thousands)			
Components of net periodic benefit cost (credit):				
Service cost	\$ —	\$ —	\$ 522	\$ 489
Interest cost	4,751	5,888	709	938
Expected return on assets	(9,358)	(9,555)	(2,526)	(2,514)
Amortization of prior service credit	—	—	(931)	(931)
Recognized net actuarial loss	3,879	3,489	—	—
Net periodic benefit credit, including amount capitalized	(728)	(178)	(2,226)	(2,018)
Less amount capitalized	—	—	130	119
Net periodic benefit credit	(728)	(178)	(2,356)	(2,137)
Other changes in plan assets and benefit obligations recognized in regulatory assets or liabilities:				
Net (gain) loss	(3,101)	2,330	(3,958)	(2,278)
Amortization of actuarial loss	(3,879)	(3,645)	—	—
Amortization of prior service credit	—	—	931	945
Total recognized in regulatory assets or liabilities	(6,980)	(1,315)	(3,027)	(1,333)
Total recognized in net periodic benefit credit and regulatory assets or liabilities	\$ (7,708)	\$ (1,493)	\$ (5,383)	\$ (3,470)

Weighted average assumptions used to determine benefit obligations at December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2021	2020	2021	2020
Discount rate	2.63%	2.29%	2.65%	2.28%
Expected return on plan assets	6.00%	6.00%	5.50%	5.50%



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Weighted average assumptions used to determine net periodic benefit cost (credit) for the years ended December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2021	2020	2021	2020
Discount rate	<b>2.29%</b>	2.96%	<b>2.28%</b>	2.97%
Expected return on plan assets	<b>6.00%</b>	6.25%	<b>5.50%</b>	5.75%

The expected rate of return on pension plan assets is based on a targeted asset allocation range determined by the funded ratio of the plan. As of December 31, 2021, the expected rate of return on pension plan assets is based on the targeted asset allocation range of 35 percent to 45 percent equity securities and 55 percent to 65 percent fixed-income securities and the expected rate of return from these asset categories. The expected rate of return on other postretirement plan assets is based on the targeted asset allocation range of 10 percent equity securities and 90 percent fixed-income securities and the expected rate of return from these asset categories. The expected return on plan assets for other postretirement benefits reflects insurance-related investment costs.

Health care rate assumptions for the Company's other postretirement benefit plans as of December 31 were as follows:

	2021	2020
Health care trend rate assumed for next year	<b>7.0 %</b>	7.00 %
Health care cost trend rate - ultimate	<b>4.5 %</b>	4.5 %
Year in which ultimate trend rate achieved	<b>2031</b>	2031

The Company's other postretirement benefit plans include health care and life insurance benefits for certain retirees. The plans underlying these benefits may require contributions by the retiree depending on such retiree's age and years of service at retirement or the date of retirement. The Company contributes a flat dollar amount to the monthly premiums which is updated annually on January 1.

The Company does not expect to contribute to its defined benefit pension plan in 2022 due to an additional \$12.4 million contributed to the plan in 2019 creating prefunding credits to be used in future years. The Company expects to contribute approximately \$10,000 to its postretirement benefit plan in 2022.

The following benefit payments, which reflect future service, as appropriate, and expected Medicare Part D subsidies at December 31, 2021, are as follows:

Years	Pension Benefits	Other Postretirement Benefits	Expected Medicare Part D Subsidy
(In thousands)			
2022	\$ 12,527	\$ 1,928	\$ 52
2023	12,545	1,860	49
2024	12,551	1,807	45
2025	12,432	1,768	39
2026	12,322	1,714	35
2027– 2031	58,160	8,017	116

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Outside investment managers manage the Company's pension and postretirement assets. The Company's investment policy with respect to pension and other postretirement assets is to make investments solely in the interest of the participants and beneficiaries of the plans and for the exclusive purpose of providing benefits accrued and defraying the reasonable expenses of administration. The Company strives to maintain investment diversification to assist in minimizing the risk of large losses. The Company's policy guidelines allow for investment of funds in cash equivalents, fixed-income securities and equity securities. The guidelines prohibit investment in commodities and futures contracts, equity private placement, employer securities, leveraged or derivative securities, options, direct real estate investments, precious metals, venture capital and limited partnerships. The guidelines also prohibit short selling and margin transactions. The Company's practice is to periodically review and rebalance asset categories based on its targeted asset allocation percentage policy.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The fair value ASC establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs. The estimated fair values of the Company's pension plans' assets are determined using the market approach.

The carrying value of the pension plans' Level 2 cash equivalents approximates fair value and is determined using observable inputs in active markets or the net asset value of shares held at year end, which is determined using other observable inputs including pricing from outside sources.

The estimated fair value of the pension plans' Level 1 and Level 2 equity securities are based on the closing price reported on the active market on which the individual securities are traded or other known sources including pricing from outside sources. The estimated fair value of the pension plans' Level 1 and Level 2 collective and mutual funds are based on the net asset value of shares held at year end, based on either published market quotations on active markets or other known sources including pricing from outside sources. The estimated fair value of the pension plans' Level 2 corporate and municipal bonds is determined using other observable inputs, including benchmark yields, reported trades, broker/dealer quotes, bids, offers, future cash flows and other reference data. The estimated fair value of the pension plans' Level 1 U.S. Government securities are valued based on quoted prices on an active market. The estimated fair value of the pension plans' Level 2 U.S. Government securities are valued mainly using other observable inputs, including benchmark yields, reported trades, broker/dealer quotes, bids, offers, to be announced prices, future cash flows and other reference data. The estimated fair value of the pensions plans' Level 2 pooled separate accounts are determined using observable inputs in active markets or the net asset value of shares held at year end, or other observable inputs. Some of these securities are valued using pricing from outside sources.

All investments measured at net asset value in the tables that follow are invested in commingled funds, separate accounts or common collective trusts which do not have publicly quoted prices. The fair value of the commingled funds, separate accounts and common collective trusts are determined based on the net asset value of the underlying investments. The fair value of the underlying investments held by the commingled funds, separate accounts and common collective trusts is generally based on quoted prices in active markets.

Though the Company believes the methods used to estimate fair value are consistent with those used by other market participants, the use of other methods or assumptions could result in a different estimate of fair value.

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The fair value of the Company's pension plans' assets (excluding cash) by class were as follows:

Fair Value Measurements at December 31, 2021, Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2021
(In thousands)				
<b>Assets:</b>				
Cash equivalents	\$ —	\$ 2,215	\$ —	\$ 2,215
<b>Equity securities:</b>				
U.S. companies	3,574	—	—	3,574
International companies	—	611	—	611
Collective and mutual funds (a)	79,809	19,766	—	99,575
Corporate bonds	—	59,783	—	59,783
Municipal bonds	—	3,585	—	3,585
U.S. Government securities	3,397	909	—	4,306
Pooled separate accounts (b)	—	1,709	—	1,709
Investments measured at net asset value (c)	—	—	—	3,084
<b>Total assets measured at fair value</b>	<b>\$ 86,780</b>	<b>\$ 88,578</b>	<b>\$ —</b>	<b>\$ 178,442</b>

(a) Collective and mutual funds invest approximately 37 percent in corporate bonds, 19 percent in common stock of international companies, 16 percent in common stock of large-cap U.S. companies, 9 percent in U.S. Government securities and 19 percent in other investments.

(b) Pooled separate accounts are invested 100 percent in cash and cash equivalents.

(c) In accordance with ASC-820 – *Fair Value*, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the balance sheets.

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Fair Value Measurements at December 31, 2020, Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2020
(In thousands)				
<b>Assets:</b>				
Cash equivalents	\$ —	\$ 3,760	\$ —	\$ 3,760
<b>Equity securities:</b>				
U.S. companies	6,158	—	—	6,158
International companies	—	828	—	828
Collective and mutual funds (a)	85,054	26,748	—	111,802
Corporate bonds	—	44,497	—	44,497
Municipal bonds	—	4,855	—	4,855
U.S. Government securities	5,359	1,292	—	6,651
Investments measured at net asset value (b)	—	—	—	5,480
<b>Total assets measured at fair value</b>	<b>\$ 96,571</b>	<b>\$ 81,980</b>	<b>\$ —</b>	<b>\$ 184,031</b>

(a) Collective and mutual funds invest approximately 36 percent in corporate bonds, 24 percent in common stock of international companies, 18 percent in common stock of large-cap U.S. companies, 8 percent in cash equivalents, 5 percent in U.S. Government securities and 9 percent in other investments.

(b) In accordance with ASC-820 – *Fair Value*, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the balance sheets.

The estimated fair values of the Company's other postretirement benefit plan's assets are determined using the market approach.

The estimated fair value of the other postretirement benefit plan's Level 2 cash equivalents is valued at the net asset value of shares held at year end, based on published market quotations on active markets, or using other known sources including pricing from outside sources. The estimated fair value of the other postretirement benefit plan's Level 1 and Level 2 equity securities is based on the closing price reported on the active market on which the individual securities are traded or other known sources including pricing from outside sources. The estimated fair value of the other postretirement benefit plan's Level 2 insurance contract is based on contractual cash surrender values that are determined primarily by investments in managed separate accounts of the insurer. These amounts approximate fair value. The managed separate accounts are valued based on other observable inputs or corroborated market data.

Though the Company believes the methods used to estimate fair value are consistent with those used by other market participants, the use of other methods or assumptions could result in a different estimate of fair value.

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The fair value of the Company's other postretirement benefit plan's assets (excluding cash) by asset class were as follows:

	Fair Value Measurements at December 31, 2021, Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2021
(In thousands)				
Assets:				
Cash equivalents	\$ —	\$ 2,175	\$ —	\$ 2,175
Equity securities:				
U.S. companies	1,184	—	—	1,184
Collective and mutual funds(a)	2	45	—	47
Insurance contract (b)	—	47,461	—	47,461
Investments measured at net asset value (c)	—	—	—	2
Total assets measured at fair value	\$ 1,186	\$ 49,681	\$ —	\$ 50,869

- (a) Collective and mutual funds invest approximately 37 percent in corporate bonds, 19 percent in common stock of international companies, 16 percent in common stock of large-cap U.S. companies, 9 percent in U.S. Government securities and 19 percent in other investments.
- (b) The insurance contract invests approximately 58 percent in corporate bonds, 13 percent in U.S. Government securities, 13 percent in common stock of large-cap U.S. companies, 5 percent in common stock of small-cap U.S. companies and 11 percent in other investments.
- (c) In accordance with ASC-820 – *Fair Value*, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the balance sheets.

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Fair Value Measurements at  
December 31, 2020, Using

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2020
(In thousands)				
<b>Assets:</b>				
Cash equivalents	\$ —	\$ 1,787	\$ —	\$ 1,787
<b>Equity securities:</b>				
U.S. companies	940	—	—	940
International companies	—	1	—	1
Collective and mutual funds (a)	5	74	—	79
Insurance contract (b)	—	48,823	—	48,823
Investments measured at net asset value (c)	\$ —	\$ —	\$ —	\$ 5
<b>Total assets measured at fair value</b>	<b>\$ 945</b>	<b>\$ 50,685</b>	<b>\$ —</b>	<b>\$ 51,635</b>

- (a) Collective and mutual funds invest approximately 36 percent in corporate bonds, 24 percent in common stock of international companies, 18 percent in common stock of large-cap U.S. companies, 8 percent in cash equivalents, 5 percent in U.S. Government securities and 9 percent in other investments.
- (b) The insurance contract invests approximately 67 percent in corporate bonds, 10 percent in common stock of large-cap U.S. companies, 12 percent in U.S. Government securities, 4 percent in common stock of small-cap U.S. companies, 1 percent in cash equivalents and 6 percent in other investments.
- (c) In accordance with ASC-820 – *Fair Value*, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the balance sheets.

### Nonqualified benefit plans

In addition to the qualified defined benefit pension plans reflected in the table at the beginning of this note, the Company also has an unfunded, nonqualified defined benefit plan for executive officers and certain key management employees. The plan provides for defined benefit payments following the employee's retirement or, upon death, to their beneficiaries for up to a 15-year period. In February 2016, the Company froze the unfunded, nonqualified defined benefit plans to new participants and eliminated benefit increases. Vesting for participants not fully vested was retained.

The projected benefit obligation and accumulated benefit obligation for these plans at December 31 were as follows:

	2021	2020
	(In thousands)	
Projected benefit obligation	\$ 16,157	\$ 16,893
Accumulated benefit obligation	\$ 16,157	\$ 16,893

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The components of net periodic benefit cost are included in other income and deductions on the Statement of Income. These components related to the Company's nonqualified defined benefit plans for the years ended December 31 were as follows:

	2021	2020
	(In thousands)	
Components of net periodic benefit cost:		
Service cost	\$ —	\$ 58
Interest cost	321	438
Recognized net actuarial loss	175	127
Net periodic benefit cost	\$ 496	\$ 623

Weighted average assumptions used at December 31 were as follows:

	2021	2020
Benefit obligation discount rate	2.38 %	1.95 %
Benefit obligation rate of compensation increase	N/A	N/A
Net periodic benefit cost discount rate	1.95 %	2.71 %
Net periodic benefit cost rate of compensation increase	N/A	N/A

The amount of future benefit payments for the unfunded, nonqualified defined benefit plans at December 31, 2021, are expected to aggregate as follows:

	2022	2023	2024	2025	2026	2027-2031
	(In thousands)					
Nonqualified benefits	\$ 1,573	\$ 1,590	\$ 1,571	\$ 1,459	\$ 1,311	\$ 4,522

In 2012, the Company established a nonqualified defined contribution plan for certain key management employees. In 2020, the plan was frozen to new participants and no new Company contributions will be made to the plan after December 31, 2020. Vesting for participants not fully vested was retained. A new nonqualified defined contribution plan was adopted in 2020, effective January 1, 2021, to replace the plan originally established in 2012 with similar provisions. Expenses incurred under this plan for 2021 and 2020 were \$359,000 and \$259,000, respectively.

The amount of investments that the Company anticipates using to satisfy obligations under these plans at December 31 was as follows:

	2021	2020
	(In thousands)	
Investments		
Insurance contract*	\$ 28,257	\$ 26,080
Life insurance**	11,903	11,753
Other	1,868	1,112
Total investments	\$ 42,028	\$ 38,945

\* For more information on the insurance contract, see Note 7.

\*\* Investments of life insurance are carried on plan participants (payable upon the employee's death).

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### Defined contribution plans

The Company sponsors various defined contribution plans for eligible employees, and the costs incurred under these plans were \$8.6 million in 2021 and \$9.2 million in 2020.

### Note 14 - Jointly Owned Facilities

The financial statements include the Company's ownership interests in three coal-fired electric generating facilities (Big Stone Station, Coyote Station and Wygen III) and one major transmission line (BSSE). Each owner of the jointly owned facilities is responsible for financing its investment. The Company's share of the jointly owned facilities operating expenses was reflected in the appropriate categories of operating expenses (electric fuel and purchased power, operation and maintenance, and taxes, other than income) in the Statement of Income.

At December 31, the Company's share of the cost of utility plant in service, construction work in progress and related accumulated depreciation for the jointly owned facilities was as follows:

	Ownership Percentage	2021	2020
(In thousands)			
Big Stone Station:	22.7 %		
Utility plant in service		\$ 157,259	\$ 155,967
Construction work in progress		571	104
Less accumulated depreciation		47,293	45,435
		\$ 110,537	\$ 110,636
BSSE:	50.0 %		
Utility plant in service		\$ 107,424	\$ 107,442
Construction work in progress		—	—
Less accumulated depreciation		4,506	2,682
		\$ 102,918	\$ 104,760
Coyote Station:	25.0 %		
Utility plant in service		\$ 157,764	\$ 159,784
Construction work in progress		784	323
Less accumulated depreciation		109,202	108,852
		\$ 49,346	\$ 51,255
Wygen III:	25.0 %		
Utility plant in service		\$ 66,357	\$ 66,101
Construction work in progress		108	232
Less accumulated depreciation		11,383	10,038
		\$ 55,082	\$ 56,295

### Note 15 - Regulatory Matters

The Company regularly reviews the need for electric and natural gas rate changes in each of the jurisdictions in which service is provided. The Company files for rate adjustments to seek recovery of operating costs and capital investments, as well as reasonable returns as allowed by regulators. Certain regulatory proceedings and cases may also contain recurring mechanisms that can have an annual true-up. Examples of these recurring mechanisms include: infrastructure riders, transmission trackers, renewable resource cost adjustment riders, as well as weather normalization and decoupling mechanisms. The following paragraphs summarize the Company's significant open regulatory proceedings and cases by jurisdiction. The Company is unable to predict the ultimate outcome of these matters, the timing of final decisions of the various regulators and courts, or the effect on the Company's results of operations, financial position or cash flows.



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### Coal-fired plant retirements

In February 2019, the Company announced the retirement of three aging coal-fired electric generating units, resulting from the Company's analysis showing that the plants were no longer expected to be cost competitive for customers. The Company ceased operations in March 2021 of Unit 1 at Lewis & Clark Station in Sidney, Montana, and in February 2022 for Units 1 and 2 at Heskett Station near Mandan, North Dakota. In addition, the Company announced that it intends to construct Heskett Unit 4, an 88-MW simple-cycle natural gas-fired combustion turbine peaking unit at the existing Heskett Station near Mandan, North Dakota. Heskett Unit 4 was included in the Company's integrated resource plan submitted to the NDPSC in July 2019. On August 28, 2019, the Company filed for an advanced determination of prudence with the NDPSC for Heskett Unit 4. This request was approved by the NDPSC on August 5, 2020. Heskett Unit 4 is expected to be placed into service in 2023. The Company filed, and the commissions approved, requests with the NDPSC, MTPSC and SDPUC for the usage of deferred accounting for the costs related to the retirement of Unit 1 at Lewis & Clark Station and Units 1 and 2 at Heskett Station. As discussed below, the NDPSC has approved amortization of these costs through the generation resource recovery rider and the SDPUC has approved amortization of these costs through the infrastructure rider.

### MNPUC

Great Plains defers the difference between the actual cost of gas spent to serve customers and that recovered from customers on a monthly basis. Annually, Great Plains prepares a true-up pursuant to the purchased gas adjustment tariff. On August 30, 2021, the MNPUC issued an order to allow Great Plains recovery of an out-of-cycle cost of gas adjustment of \$8.8 million over a period of 27 months. The order was effective September 1, 2021, and is subject to a prudence review by the MNPUC. The requested increase was for the February 2021 extreme cold weather, primarily in the central United States, and market conditions surrounding the natural gas commodity market. The MNPUC prudence review is pending with an order to be issued on or before August 29, 2022.

### NDPSC

On March 2, 2021, Montana-Dakota filed an informational update to the generation resource recovery rider with the NDPSC related to the retirement of Unit 1 at Lewis & Clark Station. The filing included the annual revenue requirement offset by the related amortization of the accelerated depreciation on the plant, net of excess deferred income taxes, and the decommissioning costs projected to be incurred in 2021 resulting in no impact to customers.

Montana-Dakota has a renewable resource cost adjustment rate tariff that allows for annual adjustments for recent projected capital costs and related expenses for projects determined to be recoverable under the tariff. On November 1, 2021, Montana-Dakota filed an annual update to its renewable resource cost adjustment requesting to recover a revised revenue requirement of approximately \$12.4 million annually, not including the prior period true-up adjustment. The update reflects a decrease of approximately \$2.0 million from the revenues currently included in rates. On January 26, 2022, the NDPSC approved the decrease with rates effective February 1, 2022.

### SDPUC

On March 11, 2021, Montana-Dakota filed an informational update to the infrastructure rider rate tariff with the SDPUC related to the retirement of Unit 1 at Lewis & Clark Station. The filing includes the annual revenue requirement offset by the related amortization of the accelerated depreciation on the plant, net of excess deferred income taxes, and the decommissioning costs projected to be incurred in 2021 resulting in no impact to customers. On November 15, 2021, the SDPUC approved the request.

### FERC

On September 1, 2021, Montana-Dakota filed an update to its transmission formula rate under the MISO tariff for its multi-value project for \$13.4 million, which was effective January 1, 2022.

### Note 16 - Commitments and Contingencies

The Company is party to claims and lawsuits arising out of its business which may include, but are not limited to, matters involving property damage, personal injury, and environmental, contractual, statutory and regulatory obligations. The Company accrues a liability for those contingencies when the incurrence of a loss is probable and the amount can be reasonably estimated. If a range of amounts can be reasonably estimated and no amount

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within the range is a better estimate than any other amount, then the minimum of the range is accrued. The Company does not accrue liabilities when the likelihood that the liability has been incurred is probable but the amount cannot be reasonably estimated or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is probable or reasonably possible and which are material, the Company discloses the nature of the contingency and, in some circumstances, an estimate of the possible loss. Accruals are based on the best information available, but in certain situations management is unable to estimate an amount or range of a reasonably possible loss including, but not limited to when: (1) the damages are unsubstantiated or indeterminate, (2) the proceedings are in the early stages, (3) numerous parties are involved, or (4) the matter involves novel or unsettled legal theories.

At December 31, 2021 and 2020, the Company accrued liabilities which have not been discounted, of \$2.8 million and \$1.4 million, respectively. At December 31, 2021 and 2020, the Company also recorded corresponding insurance receivables of \$905,000 and \$0, respectively, and regulatory assets of \$655,000 and \$792,000, respectively, related to the accrued liabilities. The accruals are for contingencies resulting from litigation and environmental matters. This includes amounts that have been accrued for matters discussed in Environmental matters within this note. The Company will continue to monitor each matter and adjust accruals as might be warranted based on new information and further developments. Management believes that the outcomes with respect to probable and reasonably possible losses in excess of the amounts accrued, net of insurance recoveries, while uncertain, either cannot be estimated or will not have a material effect upon the Company's financial position, results of operations or cash flows. Unless otherwise required by GAAP, legal costs are expensed as they are incurred.

#### **Environmental matters**

***Manufactured Gas Plant Sites*** A claim has been made against Montana-Dakota for cleanup of environmental contamination at a manufactured gas plant site operated by Montana-Dakota and its predecessors. Any accruals related to this claim are reflected in regulatory assets. For more information, see Note 5.

Demand has been made of Montana-Dakota to participate in investigation and remediation of environmental contamination at a site in Missoula, Montana. The site operated as a former manufactured gas plant from approximately 1907 to 1938 when it was converted to a butane-air plant that operated until 1956. Montana-Dakota or its predecessors owned or controlled the site for a period of the time it operated as a manufactured gas plant and Montana-Dakota operated the butane-air plant from 1940 to 1951, at which time it sold the plant. There are no documented wastes or by-products resulting from the mixing or distribution of butane-air gas. Preliminary assessment of a portion of the site provided a recommended remedial alternative for that portion of approximately \$560,000. However, the recommended remediation would not address any potential contamination to adjacent parcels that may be impacted from historic operations of the manufactured gas plant. An environmental assessment was started in 2020, which is estimated to cost approximately \$823,000. The environmental assessment report is expected to be submitted to the MTDEQ in 2022. Montana-Dakota and another party agreed to voluntarily investigate and remediate the site and that Montana-Dakota will pay two-thirds of the costs for further investigation and remediation of the site. Montana-Dakota has accrued costs of \$419,000 for the remediation and investigation costs, and has incurred costs of \$505,000 as of December 31, 2021. Montana-Dakota received notice from a prior insurance carrier that it will participate in payment of defense costs incurred in relation to the claim. On December 9, 2021, Montana Dakota filed an application with the MTPSC for deferred accounting treatment for costs associated with the investigation and remediation of the site. This matter is pending before the MTPSC.

The Company has received notices from and entered into agreements with certain of its insurance carriers that they will participate in the defense for certain contamination claims subject to full and complete reservations of rights and defenses to insurance coverage. To the extent these claims are not covered by insurance, the Company intends to seek recovery of remediation costs through its natural gas rates charged to customers.

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### Operating leases

The Company leases certain equipment, facilities and land under operating lease agreements.

The future operating lease undiscounted cash flows as of December 31, 2021, were:

	2022	2023	2024	2025	2026	Thereafter
	(In thousands)					
Operating lease	\$1,640	\$1,530	\$1,454	\$1,445	\$1,420	\$23,518

Total lease costs were \$2.3 million for the year ended December 31, 2021.

### Purchase commitments

The Company has entered into various commitments, largely consisting of contracts for natural gas and coal supply, purchased power, and natural gas transportation and storage. Certain of these contracts are subject to variability in volume and price. The commitment terms vary in length, up to 38 years. The commitments under these contracts as of December 31, 2021, were:

	2022	2023	2024	2025	2026	Thereafter
	(In thousands)					
Purchase commitments	\$235,184	\$68,000	\$40,549	\$27,308	\$17,333	\$72,170

These commitments were not reflected in the Company's financial statements. Amounts purchased under various commitments for the years ended December 31, 2021 and 2020, were \$324.8 million and \$284.6 million, respectively.

### Guarantees

#### Fuel Contract

Coyote Station entered into a coal supply agreement with Coyote Creek that provides for the purchase of coal necessary to supply the coal requirements of the Coyote Station for the period May 2016 through December 2040. Coal purchased under the coal supply agreement is reflected in inventories on the Company's Comparative Balance Sheets and is recovered from customers as a component of electric fuel and purchased power.

The coal supply agreement transfers all operating and economic risk to the Coyote Station owners, as the agreement is structured so that the price of the coal will cover all costs of operations, as well as future reclamation costs. The Coyote Station owners are also providing a guarantee of the value of the assets of Coyote Creek as they would be required to buy the assets at book value should they terminate the contract prior to the end of the contract term and are providing a guarantee of the value of the equity of Coyote Creek in that they are required to buy the entity at the end of the contract term at equity value. The authority to direct the activities of the entity is shared by the four unrelated owners of the Coyote Station, with no primary beneficiary existing.

At December 31, 2021, the Company's exposure to loss as a result of the agreement, based on the Company's ownership percentage, was \$31.5 million.

### Note 17 – Related-Party Transactions

The Company provides and receives certain services to/from associated companies. The amount charged for services provided to the Company was \$78.6 million and \$86.3 million for the years ended December 31, 2021 and 2020, respectively, largely transportation, storage and gathering services provided by subsidiaries of WBI Holdings related to the Company's natural gas distribution operations. Certain support services are also provided to the Company, which includes costs for payroll, pension and other postretirement benefits. The Company records its allocated share of the MDU Resources pension and other postretirement benefit plans, which are included in miscellaneous deferred debits and other deferred credits. The amount charged for services received from the Company was \$36.0 million and \$36.3 million for the years ended December 31, 2021 and 2020, respectively.

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The following details the amounts included in the Comparative Balance Sheet related to associated companies at December 31:

	2021	2020
	(In thousands)	
Accounts receivable from associated companies	\$ 4,717	\$ 3,645
Accounts payable to associated companies	7,725	8,245
Dividend declared	11,300	11,000
Miscellaneous deferred debits	12,014	11,970
Other deferred credits	10,596	12,489

MDU Resources has several stock-based compensation plans in which the Company participates. Total stock-based compensation expense (after tax) was \$3.0 million and \$2.7 million in 2021 and 2020, respectively. As of December 31, 2021, total remaining unrecognized compensation expense related to stock-based compensation was approximately \$2.9 million (before income taxes) which will be amortized over a weighted average period of 1.7 years.

## MONTANA PLANT IN SERVICE (ASSIGNED &amp; ALLOCATED)

	Account Number & Title	Last Year	This Year	% Change
1				
2	<b>Intangible Plant</b>			
3	301 Organization			
4	302 Franchises & Consents			
5	303 Miscellaneous Intangible Plant	\$11,486,256	\$11,663,684	1.54%
6				
7	<b>Total Intangible Plant</b>	\$11,486,256	\$11,663,684	1.54%
8				
9	<b>Production Plant</b>			
10				
11	<b>Production &amp; Gathering Plant</b>			
12	325.1 Producing Lands			
13	325.2 Producing Leaseholds			
14	325.3 Gas Rights			
15	325.4 Rights-of-Way			
16	325.5 Other Land & Land Rights			
17	326 Gas Well Structures	NOT	NOT	
18	327 Field Compressor Station Structures	APPLICABLE	APPLICABLE	
19	328 Field Meas. & Reg. Station Structures			
20	329 Other Structures			
21	330 Producing Gas Wells-Well Construction			
22	331 Producing Gas Wells-Well Equipment			
23	332 Field Lines			
24	333 Field Compressor Station Equipment			
25	334 Field Meas. & Reg. Station Equipment			
26	335 Drilling & Cleaning Equipment			
27	336 Purification Equipment			
28	337 Other Equipment			
29	338 Unsuccessful Exploration & Dev. Costs			
30				
31	<b>Total Production &amp; Gathering Plant</b>			
32				
33	<b>Products Extraction Plant</b>			
34				
35	340 Land & Land Rights			
36	341 Structures & Improvements			
37	342 Extraction & Refining Equipment			
38	343 Pipe Lines	NOT	NOT	
39	344 Extracted Products Storage Equipment	APPLICABLE	APPLICABLE	
40	345 Compressor Equipment			
41	346 Gas Measuring & Regulating Equipment			
42	347 Other Equipment			
43				
44	<b>Total Products Extraction Plant</b>			
45				
46	<b>Total Production Plant</b>			

## MONTANA PLANT IN SERVICE (ASSIGNED &amp; ALLOCATED)

	Account Number & Title	Last Year	This Year	% Change
1				
2	<b>Natural Gas Storage and Processing Plant</b>			
3				
4	<b>Underground Storage Plant</b>			
5	350.1 Land			
6	350.2 Rights-of-Way			
7	351 Structures & Improvements			
8	352 Wells			
9	352.1 Storage Leaseholds & Rights			
10	352.2 Reservoirs	NOT	NOT	
11	352.3 Non-Recoverable Natural Gas	APPLICABLE	APPLICABLE	
12	353 Lines			
13	354 Compressor Station Equipment			
14	355 Measuring & Regulating Equipment			
15	356 Purification Equipment			
16	357 Other Equipment			
17				
18	<b>Total Underground Storage Plant</b>			
19				
20	<b>Other Storage Plant</b>			
21	360 Land & Land Rights			
22	361 Structures & Improvements			
23	362 Gas Holders			
24	363 Purification Equipment			
25	363.1 Liquification Equipment	NOT	NOT	
26	363.2 Vaporizing Equipment	APPLICABLE	APPLICABLE	
27	363.3 Compressor Equipment			
28	363.4 Measuring & Regulating Equipment			
29	363.5 Other Equipment			
30				
31	<b>Total Other Storage Plant</b>			
32				
33	<b>Total Natural Gas Storage and Processing Plant</b>			
34				
35	<b>Transmission Plant</b>			
36	365.1 Land & Land Rights			
37	365.2 Rights-of-Way			
38	366 Structures & Improvements			
39	367 Mains	NOT	NOT	
40	368 Compressor Station Equipment	APPLICABLE	APPLICABLE	
41	369 Measuring & Reg. Station Equipment			
42	370 Communication Equipment			
43	371 Other Equipment			
44				
45	<b>Total Transmission Plant</b>			

## MONTANA PLANT IN SERVICE (ASSIGNED &amp; ALLOCATED)

	Account Number & Title	Last Year	This Year	% Change
1	<b>Distribution Plant</b>			
2	374 Land & Land Rights	\$38,563	\$38,563	0.00%
3	375 Structures & Improvements	228,271	339,222	48.60%
4	376 Mains	51,994,642	58,103,954	11.75%
5	377 Compressor Station Equipment			
6	378 Meas. & Reg. Station Equipment-General	843,669	1,132,167	34.20%
7	379 Meas. & Reg. Station Equipment-City Gate	168,795	168,795	0.00%
8	380 Services	44,995,837	48,774,087	8.40%
9	381 Meters	26,069,479	26,103,045	0.13%
10	382 Meter Installations			
11	383 House Regulators	3,852,454	3,945,803	2.42%
12	384 House Regulator Installations			
13	385 Industrial Meas. & Reg. Station Equipment	550,180	549,009	-0.21%
14	386 Other Prop. on Customers' Premises			
15	387 Other Equipment	2,746,721	140,509	-94.88%
16				
17	<b>Total Distribution Plant</b>	\$131,488,611	\$139,295,154	5.94%
18	<b>General Plant</b>			
19				
20	389 Land & Land Rights	\$1,063,718	\$1,063,718	0.00%
21	390 Structures & Improvements	6,101,902	6,113,039	0.18%
22	391 Office Furniture & Equipment	208,804	203,610	-2.49%
23	392 Transportation Equipment	3,780,434	3,710,573	-1.85%
24	393 Stores Equipment	27,580	27,771	0.69%
25	394 Tools, Shop & Garage Equipment	1,900,849	2,353,178	23.80%
26	395 Laboratory Equipment	64,508	81,083	25.69%
27	396 Power Operated Equipment	2,644,384	3,000,105	13.45%
28	397 Communication Equipment	592,780	594,845	0.35%
29	398 Miscellaneous Equipment	30,199	30,199	0.00%
30	399 Other Tangible Property			
31				
32	<b>Total General Plant</b>	\$16,415,158	\$17,178,121	4.65%
33	<b>Common Plant</b>			
34				
35	389 Land & Land Rights	\$240,696	\$263,134	9.32%
36	390 Structures & Improvements	4,101,322	4,158,329	1.39%
37	391 Office Furniture & Equipment	691,322	727,080	5.17%
38	392 Transportation Equipment	1,437,535	1,437,066	-0.03%
39	393 Stores Equipment	37,367	38,381	2.71%
40	394 Tools, Shop & Garage Equipment	83,937	87,368	4.09%
41	396 Power Operated Equipment			
42	397 Communication Equipment	435,656	475,533	9.15%
43	398 Miscellaneous Equipment	132,123	148,622	12.49%
44				
45	<b>Total Common Plant</b>	\$7,159,958	\$7,335,513	2.45%
46	<b>Total Gas Plant in Service</b>	\$166,549,983	\$175,472,472	5.36%

## MONTANA DEPRECIATION SUMMARY

Year: 2021

	Functional Plant Classification	Plant Cost	Accumulated Depreciation		Current Avg. Rate
			Last Year Bal.	This Year Bal.	
1	Production & Gathering				
2	Products Extraction				
3	Underground Storage				
4	Other Storage				
5	Transmission				
6	Distribution	139,295,154	66,823,579	69,884,740	3.69%
7	General	18,037,796	3,777,700	4,035,826	2.13%
8	Common	18,139,521	8,063,707	8,524,012	5.59%
9	<b>Total</b>	<b>\$175,472,471</b>	<b>\$78,664,986</b>	<b>\$82,444,578</b>	<b>3.43%</b>

## MONTANA MATERIALS &amp; SUPPLIES (ASSIGNED &amp; ALLOCATED)

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock			
3	152 Fuel Stock Expenses - Undistributed			
4	153 Residuals & Extracted Products			
5	154 Plant Materials & Operating Supplies:			
6	Assigned to Construction (Estimated)			
7	Assigned to Operations & Maintenance			
8	Production Plant (Estimated)			
9	Transmission Plant (Estimated)			
10	Distribution Plant (Estimated)	\$1,083,765	\$985,218	-9.09%
11	Assigned to Other			
12	155 Merchandise			
13	156 Other Materials & Supplies			
14	163 Stores Expense Undistributed			
15	<b>Total Materials &amp; Supplies</b>	<b>\$1,083,765</b>	<b>\$985,218</b>	<b>-9.09%</b>

## MONTANA REGULATORY CAPITAL STRUCTURE &amp; COSTS

SCHEDULE 22

	Commission Accepted - Most Recent 1/ 2/	% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number D2017.9.79			
2	Order Number 7573f			
3				
4	Common Equity		9.400%	
5	Preferred Stock			
6	Long Term Debt			
7				
8	<b>Total</b>			
10				
11	<u>Actual at Year End</u>			
12				
13	Common Equity	48.923%	9.400%	4.599%
14	Long Term Debt	46.332%	4.508%	2.089%
15	Short Term Debt	4.745%	0.689%	0.033%
16	<b>Total</b>	<b>100.000%</b>		<b>6.721%</b>

1/ Order No. 7573f only addressed return on equity. Cost of capital, capital structure and cost of service items were not individually identified.

2/ Order No. 7741e, associated with Docket No. 2020.06.076, did not address a specific return on equity, therefore the prior approved return was used.



## STATEMENT OF CASH FLOWS

Year: 2021

	Description	Last Year	This Year	% Change
1	Increase/(decrease) in Cash & Cash Equivalents:			
2				
3	<b>Cash Flows from Operating Activities:</b>			
4	Net Income	\$69,637,113	\$71,142,335	2.16%
5	Depreciation	88,802,202	94,260,872	6.15%
6	Amortization	956,692	349,500	-63.47%
7	Deferred Income Taxes - Net	9,788,419	15,786,163	61.27%
8	Investment Tax Credit Adjustments - Net	2,110,519	969,478	-54.06%
9	Change in Operating Receivables - Net	377,385	(8,000,477)	-2219.98%
10	Change in Materials, Supplies & Inventories - Net	(1,291,281)	(5,146,878)	-298.59%
11	Change in Operating Payables & Accrued Liabilities - Net	3,232,496	18,569,699	474.47%
12	Change in Other Regulatory Assets	(5,828,240)	6,051,429	203.83%
13	Change in Other Regulatory Liabilities	(1,688,343)	10,250,193	707.12%
14	Allowance for Other Funds Used During Construction (AFUDC)	(427,750)	(685,439)	-60.24%
15	Change in Other Assets & Liabilities - Net	530,365	(86,881,013)	-16481.36%
16	Less Undistributed Earnings from Subsidiary Companies			
17	Other Operating Activities (explained on attached page)			
18	<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>\$166,199,577</b>	<b>\$116,665,862</b>	<b>-29.80%</b>
19				
20	<b>Cash Inflows/Outflows From Investment Activities:</b>			
21	Construction/Acquisition of Property, Plant and Equipment			
22	(net of AFUDC & Capital Lease Related Acquisitions)	(\$168,695,102)	(\$131,543,405)	22.02%
23	Acquisition of Other Noncurrent Assets	(95,284)	(381,768)	-300.66%
24	Proceeds from Disposal of Noncurrent Assets	(5,887,911)	(10,016,570)	N/A
25	Investments In and Advances to Affiliates			
26	Contributions and Advances from Affiliates	35,000,000	15,000,000	N/A
27	Disposition of Investments in and Advances to Affiliates			
28	Other Investing Activities: Depreciation & RWIP on Nonutility Plant	805,106	706,778	-12.21%
29	<b>Net Cash Provided by/(Used in) Investing Activities</b>	<b>(\$138,873,191)</b>	<b>(\$126,234,965)</b>	<b>9.10%</b>
30				
31	<b>Cash Flows from Financing Activities:</b>			
32	Proceeds from Issuance of:			
33	Long-Term Debt	\$0	\$125,000,000	N/A
34	Preferred Stock			
35	Common Stock			
36	Other:			
37	Net Increase in Short-Term Debt		50,000,000	
38	Other: Repurchase of Common Stock			
39	Other: Tax Withholding on Stock-Based Compensation	(85,654)	(749,554)	-775.10%
40	Payment for Retirement of:			
41	Long-Term Debt	(31,612,114)	(23,512,876)	25.62%
42	Preferred Stock			
43	Common Stock		(1,312,525)	
44	Other: Adjustment to Retained Earnings			
45	Net Decrease in Short-Term Debt	50,000,000	(100,000,000)	N/A
46	Dividends on Preferred Stock			
47	Dividends on Common Stock	(42,670,000)	(44,860,000)	-5.13%
48	Other Financing Activities (related to IGC acquisition)			
49	<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(\$24,367,768)</b>	<b>\$4,565,045</b>	<b>118.73%</b>
50				
51	<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>\$2,958,618</b>	<b>(\$5,004,058)</b>	<b>-269.13%</b>
52	<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>\$3,506,377</b>	<b>\$6,464,995</b>	<b>84.38%</b>
53	<b>Cash and Cash Equivalents at End of Year</b>	<b>\$6,464,995</b>	<b>\$1,460,937</b>	<b>-77.40%</b>

## LONG TERM DEBT

Year: 2021

	Description	Issue Date Mo./Yr.	Maturity Date Mo./Yr.	Principal Amount	Net Proceeds	Outstanding Per Balance Sheet	Yield to Maturity	Annual Net Cost Inc. Prem/Disc.	Total Cost % 1/
1	5.98% Senior Notes	12/03	12/33	\$30,000,000	\$29,375,535	\$30,000,000	5.98%	\$1,863,000	6.21%
2	6.33% Senior Notes	08/06	08/26	100,000,000	89,123,930	100,000,000	6.33%	7,514,000	7.51%
3	5.18% Senior Notes	04/14	04/44	50,000,000	49,760,822	50,000,000	5.18%	2,640,000	5.28%
4	4.24% Senior Notes	07/14	07/24	60,000,000	59,708,737	60,000,000	4.24%	2,607,600	4.35%
5	4.34% Senior Notes	07/14	07/26	40,000,000	39,802,958	40,000,000	4.34%	1,776,800	4.44%
6	3.78% Senior Notes	10/15	10/25	87,000,000	86,528,003	87,000,000	3.78%	3,378,210	3.88%
7	4.03% Senior Notes	12/15	12/30	52,000,000	51,713,645	52,000,000	4.03%	2,143,440	4.12%
8	4.87% Senior Notes	10/15	10/45	11,000,000	10,940,539	11,000,000	4.87%	546,040	4.96%
9	4.15% Senior Notes	11/16	11/46	40,000,000	39,773,916	40,000,000	4.15%	1,691,200	4.23%
10	3.73% Senior Notes	03/17	03/37	40,000,000	39,826,363	40,000,000	3.73%	1,518,800	3.80%
11	3.36% Senior Notes	03/17	03/32	20,000,000	19,913,929	20,000,000	3.36%	685,000	3.43%
12	3.66% Senior Notes	10/19	10/39	50,000,000	49,765,798	50,000,000	3.66%	1,864,000	3.73%
13	3.98% Senior Notes	10/19	10/49	50,000,000	49,765,798	50,000,000	3.98%	2,023,000	4.05%
14	4.08% Senior Notes	11/19	11/59	100,000,000	99,564,031	100,000,000	4.08%	4,144,000	4.14%
15	2.00% Senior Notes 2/	09/17	09/32	10,500,000	10,493,971	7,700,000	2.00%		2.00%
16	3.21% Senior Notes	09/21	09/51	55,000,000	54,734,905	55,000,000	3.21%	1,794,100	3.26%
17	3.31% Senior Notes	09/21	09/61	20,000,000	19,903,568	20,000,000	3.31%	672,000	3.36%
18	3.21% Senior Notes	12/21	12/51	50,000,000	49,787,637	50,000,000	3.21%	1,629,000	3.26%
19	Minot Air Force Base Payable	09/08	11/38	509,197	509,197	389,086	6.00%	23,345	6.00%
20	Revolving Credit Facility	12/19	12/24			64,900,000	0.26%		
21	Amortization of Loss on Reacquired Debt							43,469	
22									
23									
24									
25									
26	<b>TOTAL</b>			<b>\$866,009,197</b>	<b>\$850,993,282</b>	<b>\$927,989,086</b>		<b>\$38,557,004</b>	<b>4.15%</b>

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

2/ Debt is associated with an economic development project in North Dakota.

## PREFERRED STOCK

Year: 2021

	Series	Issue Date Mo./Yr.	Shares Issued	Par Value	Call Price	Net Proceeds	Cost of Money	Principal Outstanding	Annual Cost	Embed. Cost %
1	Not applicable									
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
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26										
27										
28										
29										
30										
31										
32	TOTAL					\$0		\$0	\$0	0.00%

## COMMON STOCK

Year: 2021

		Avg. Number of Shares Outstanding	Book Value Per Share	Earnings Per Share 1/	Dividends Per Share 1/	Retention Ratio 1/	Market Price		Price/ Earnings Ratio 1/
							High 1/	Low 1/	
1	January	1,000	\$1.00						
2									
3	February	1,000	\$1.00						
4									
5	March	1,000	\$1.00						
6									
7	April	1,000	\$1.00						
8									
9	May	1,000	\$1.00						
10									
11	June	1,000	\$1.00						
12									
13	July	1,000	\$1.00						
14									
15	August	1,000	\$1.00						
16									
17	September	1,000	\$1.00						
18									
19	October	1,000	\$1.00						
20									
21	November	1,000	\$1.00						
22									
23	December	1,000	\$1.00						
24									
25	TOTAL Year End	1,000	\$1.00						

1/ Montana-Dakota is an indirect wholly owned subsidiary of MDU Resources Group, Inc. The common stock shares noted above are not publicly traded. As a result, the earnings per share, dividends per share, retention ratio, market price and price/earnings ratio are not applicable.

## MONTANA EARNED RATE OF RETURN

Year: 2021

	Description	Last Year	This Year	% Change
	Rate Base			
1				
2	101 Plant in Service	\$166,549,983	\$175,472,472	5.36%
3	108 (Less) Accumulated Depreciation	78,664,986	82,444,578	4.80%
4				
5	<b>Net Plant in Service</b>	<b>\$87,884,997</b>	<b>\$93,027,894</b>	<b>5.85%</b>
6				
7	Additions			
8	154, 156 Materials & Supplies	\$1,083,765	\$985,218	-9.09%
9	165 Prepayments	36,039	47,227	31.04%
10	Prepaid Demand/Commodity Charges	1,490,046	1,230,711	-17.40%
11	Gas in Underground Storage	3,945,444	3,362,050	-14.79%
12	189 Unamortized Loss on Debt	131,430	114,917	-12.56%
13	182 Other Regulatory Assets	16,619	15,280	-8.06%
14	Provision for Pension & Benefits	10,084,226	10,370,316	2.84%
15	Provision for Injuries & Damages	(31,093)	(70,099)	-125.45%
16	Provision for Post Retirement	0	1,556,232	N/A
17				
18	<b>Total Additions</b>	<b>\$16,756,476</b>	<b>\$17,611,852</b>	<b>5.10%</b>
19	Deductions			
20	282 Accumulated Deferred Income Taxes	\$14,344,259	\$14,950,938	4.23%
21	DIT Related to Pension & Benefits	2,519,128	2,593,996	2.97%
22	DIT Related to Injuries & Damages	(7,584)	(17,099)	-125.46%
23	252 Customer Advances for Construction	2,755,815	1,916,125	-30.47%
24	DIT Related to Post Retirement	0	385,037	N/A
25				
26	<b>Total Deductions</b>	<b>\$19,611,618</b>	<b>\$19,828,997</b>	<b>1.11%</b>
27	<b>Total Rate Base</b>	<b>\$85,029,855</b>	<b>\$90,810,749</b>	<b>6.80%</b>
28				
29	<b>Net Earnings</b>	<b>\$1,982,481</b>	<b>\$5,367,168</b>	<b>170.73%</b>
30				
31	<b>Rate of Return on Average Rate Base</b>	<b>2.46%</b>	<b>6.10%</b>	<b>147.97%</b>
32				
33	<b>Rate of Return on Average Equity</b>	<b>0.69%</b>	<b>8.13%</b>	<b>1078.26%</b>
34	Major Normalizing Adjustments & Commission			
35	<u>Rate-making Adjustments to Utility Operations</u>			
36	<u>Adjustments to Operating Revenues 1/</u>			
37	Weather Normalization	(\$58,617)	\$568,448	1069.77%
38	Gain (Loss) from Disposition of Utility Plant 2/	568	17,355	2955.46%
39	Penalty Revenue 3/	20,263	(11,323)	-155.88%
40				
41	<u>Adjustments to Operating Expenses 1/</u>			
42	Elimination of Promotional & Institutional Advertising	(18,822)	(23,484)	-24.77%
43				
44	<u>Other Adjustments to Federal &amp; State Income Taxes</u>			
45	Federal & State Out of Period & Closing/Filing	41,102	(182,352)	-543.66%
46	Deferred Federal & State Out of Period & Closing/Filing	17,850	154,561	765.89%
47				
48	<b>Total Adjustments to Operating Income</b>	<b>(\$77,916)</b>	<b>\$625,755</b>	<b>903.11%</b>
49				
50	<b>Adjusted Rate of Return on Average Rate Base</b>	<b>2.37%</b>	<b>6.82%</b>	<b>187.76%</b>
51				
52	<b>Adjusted Rate of Return on Average Equity</b>	<b>0.50%</b>	<b>9.60%</b>	<b>1820.00%</b>

1/ Updated amounts, net of taxes.

2/ Amortized over five years.

3/ Adjusted to reflect a three year average.

## MONTANA COMPOSITE STATISTICS

Year: 2021

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	\$166,254
5	107 Construction Work in Progress	1,476
6	114 Plant Acquisition Adjustments	
7	104 Plant Leased to Others	
8	105 Plant Held for Future Use	
9	154, 156 Materials & Supplies	985
10	(Less):	
11	108, 111 Depreciation & Amortization Reserves	82,445
12	252 Customer Advances for Construction	1,916
13		
14	<b>NET BOOK COSTS</b>	<b>\$84,354</b>
15		
16	Revenues & Expenses (000 Omitted)	
17		
18	400 Operating Revenues	\$87,639
19		
20	403 - 407 Depreciation & Amortization Expenses	6,541
21	Federal & State Income Taxes	819
22	Other Taxes	7,670
23	Other Operating Expenses	67,243
24	Total Operating Expenses	82,273
25		
26	Net Operating Income	5,366
27		
28	Other Income	941
29	Other Deductions	1,865
30		
31	<b>NET INCOME</b>	<b>\$4,442</b>
32		
33	Customers (Intrastate Only)	
34		
35	Year End Average:	
36	Residential	76,655
37	Firm General	10,063
38	Small Interruptible	43
39	Large Interruptible	5
40		
41	<b>TOTAL NUMBER OF CUSTOMERS</b>	<b>86,766</b>
42		
43	Other Statistics (Intrastate Only)	
44		
45	Average Annual Residential Use (Dkt)	75
46	Average Annual Residential Cost per (Dkt) (\$) *	\$8.26
47	* Avg annual cost = [(cost per Dkt x annual use) + (monthly service charge x 12)]/annual use	
48	Average Residential Monthly Bill	\$51.63
49	Gross Plant per Customer	\$1,916

## MONTANA CUSTOMER INFORMATION

Year: 2021

	City/Town	Population (Includes Rural) 1/	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Belfry	193	126	19		145
2	Billings	117,116	51,228	5,658	9	56,895
3	Bridger	662	424	67		491
4	Crow Agency	1,657	268	71		339
5	Edgar	110	112	13		125
6	Fromberg	392	291	19		310
7	Hardin	3,818	1,229	217	1	1,447
8	Joliet	577	394	51		445
9	Laurel	7,222	4,238	366		4,604
10	Park City	1,023	761	32		793
11	Pryor	637	78	12		90
12	Rockvale	193	68	6		74
13	Silesia	103	34	2		36
14	Warren	Not Available		2		2
15	Alzada	25	10	9	2	21
16	Baker	1,802	792	198	2	992
17	Carlyle	Not Available	8	1		9
18	Fort Peck	239	143	14		157
19	Fairview	896	396	64	1	461
20	Forsyth	1,647	850	154	1	1,005
21	Frazer	354	90	15	0	105
22	Glasgow	3,202	1,628	364	2	1,994
23	Glendive	4,873	3,129	471	9	3,609
24	Hinsdale	193	113	22		135
25	Ismay	17	12	4		16
26	Malta	1,860	984	215	2	1,201
27	Miles City	8,354	3,964	647	7	4,618
28	Nashua	301	172	21		193
29	Poplar	758	784	122	6	912
30	Richey	164	125	29		154
31	Rosebud	67	42	7		49
32	Saco	159	35	4		39
33	Savage	303	161	27		188
34	Sidney	6,346	2,636	500	5	3,141
35	Terry	562	319	67		386
36	St. Marie	489	267	12		279
37	Wibaux	462	212	54		266
38	Whitewater	75	29	10		39
39	Wolf Point	2,517	1,319	213	2	1,534
40	MT Oil Fields	Not Available	1	1		2
41	<b>TOTAL Montana Customers</b>	169,368	77,472	9,780	49	87,301

1/ 2020 Census

## MONTANA EMPLOYEE COUNTS

Year: 2021

	Department	Year Beginning	Year End	Average
1	Electric	25	32	29
2	Gas	44	51	48
3	Accounting	7	5	6
4	Management	6	10	8
5	Service	31	33	32
6	Training	0	0	0
7	Power Production	36	30	33
8	Customer Service	0	3	2
9	Administrative	0	2	1
10				
11				
12				
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38				
39				
40				
41				
42				
43				
44	<b>TOTAL Montana Employees</b>	149	166	159



## MONTANA CONSTRUCTION BUDGET (ASSIGNED &amp; ALLOCATED)

Year: 2021

Project Description		Total Company	Total Montana	
1	<b>Projects &gt; \$1,000,000</b>			
2				
3	<b><u>Common-Intangible</u></b>			
4	Purchase Workforce Asset Management software for the Company	4,062,889	1,074,145	1/
5	Upgrade GIS ESRI System	1,521,713	343,519	1/
6				
7	<b><u>Common-General</u></b>			
8	Replace mobile radio system for common business segment	2,297,000	\$521,592	1/
9				
10	<b><u>Total Common</u></b>	\$7,881,602	\$1,939,256	
11				
12	<b><u>Electric-Intangible</u></b>			
13	Install outage management system at the General Office	1,295,313	266,619	1/
14				
15	<b><u>Electric-General</u></b>			
16	Replace mobile radio system for electric business segment	2,297,000	472,799	1/
17				
18	<b><u>Electric-Steam Production</u></b>			
19	Station Decommissioning - Heskett Units 1 and 2	8,450,636	1,990,591	1/
20	Scrubber pond closure and Coal Combustion Residuals activities-Lewis and Clark	3,676,700	866,065	1/
21				
22	<b><u>Electric-Other Production</u></b>			
23	Construct Simple Cycle Turbine Heskett 4	43,162,748	10,167,209	1/
24	Repower Diamond Willow Farm-Phase 1	13,878,817	3,451,933	1/
25	Install FAA light mitigation solution at Thunder Spirit Wind Farm	1,565,855	389,459	1/
26	Construct new office building Lewis and Clark RICE	1,451,408	341,887	1/
27	Replace gearboxes at Cedar Hills Wind Farm	1,069,657	266,045	1/
28				
29	<b><u>Electric-Transmission</u></b>			
30	Rebuild 60kV line - Cedar Creek Sub to Cabin Creek Sub, MT	3,290,314	3,290,314	2/
31	Construct 230kV bay to Baker Junction substation, MT	2,429,038	1,396,403	1/
32	Install 60kV loop at Plentywood, MT	2,162,637	2,162,637	2/
33				
34	<b><u>Total Electric</u></b>	\$84,730,123	\$25,061,961	
35				
36	<b><u>Gas-Distribution</u></b>			
37	Install 6" HP main in Park City, MT	1,159,021	1,159,021	2/
38				
39	<b><u>Gas-Intangible</u></b>			
40	Construction contribution for WBI interconnect - Malta, MT	3,024,300	3,024,300	2/
41				
42	<b><u>Gas-General</u></b>			
43	Replace mobile radio system for gas business segment	1,837,600	473,765	1/
44				
45				
46	<b><u>Total Gas</u></b>	\$6,020,921	\$4,657,086	
47	<b><u>Total Projects &gt; \$1,000,000</u></b>	\$98,632,646	\$31,658,303	

1/ Allocated to Montana.

2/ Directly assigned to Montana.

3/ Combination of allocated and directly assigned to Montana.

## MONTANA CONSTRUCTION BUDGET (ASSIGNED &amp; ALLOCATED)

Year: 2021

	Project Description	Total Company	Total Montana	
1	<b>Other Projects &lt;\$1,000,000</b>			
2				
3	<b>Electric</b>			
4	Production	\$9,267,340	\$1,982,732	1/
5	Integrated Transmission	25,499,304	1,242,406	1/
6	Direct Transmission	11,665,117	2,605,887	2/
7	Distribution	34,417,340	5,218,902	3/
8	General	5,559,796	887,398	3/
9	Intangible	601,189	132,832	1/
10	Common:			
11	General Office	1,913,050	393,769	1/
12	Other Direct	718,376	166,182	3/
13				
14	<b>Total Other Electric</b>	<b>\$89,641,512</b>	<b>\$12,630,108</b>	
15				
16	<b>Gas</b>			
17	Distribution	\$39,748,027	\$11,582,012	3/
18	General	5,273,497	2,180,563	3/
19	Intangible	980,707	121,880	1/
20	Common:			
21	General Office	1,275,059	326,029	1/
22	Other Direct	411,369	143,180	3/
23				
24	<b>Total Other Gas</b>	<b>\$47,688,659</b>	<b>\$14,353,664</b>	
25	<b>Total Other Projects &lt;\$1,000,000</b>	<b>\$137,330,171</b>	<b>\$26,983,772</b>	
26				
27	<b>Total Projects</b>	<b>\$235,962,817</b>	<b>\$58,642,075</b>	

1/ Allocated to Montana.

2/ Directly assigned to Montana.

3/ Combination of allocated and directly assigned to Montana.

## TRANSMISSION SYSTEM - TOTAL COMPANY &amp; MONTANA

Year: 2021

	Total Company			
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
1	January	NOT APPLICABLE		
2	February			
3	March			
4	April			
5	May			
6	June			
7	July			
8	August			
9	September			
10	October			
11	November			
12	December			
13	<b>TOTAL</b>			

	Montana			
		Peak Day of Month	Peak Day Volumes Mcf or Dkt	Total Monthly Volumes Mcf or Dkt
14	January	NOT APPLICABLE		
15	February			
16	March			
17	April			
18	May			
19	June			
20	July			
21	August			
22	September			
23	October			
24	November			
25	December			
26	<b>TOTAL</b>			

## DISTRIBUTION SYSTEM - TOTAL COMPANY &amp; MONTANA

Year: 2021

	Total Company			
		Peak Day of Month	Peak Day Volumes Dkt	Total Monthly Volumes Dkt
1	January	26	325,668	7,387,314
2	February	11	426,646	8,441,560
3	March	30	244,055	5,179,688
4	April	13	209,148	4,158,941
5	May	8	121,537	2,623,077
6	June	28	72,155	1,779,386
7	July	13	66,815	1,772,329
8	August	25	71,938	1,718,959
9	September	30	102,715	1,995,766
10	October	31	191,506	4,055,322
11	November	24	253,124	5,476,129
12	December	31	399,471	8,312,687
13	<b>TOTAL</b>			52,901,158

	Montana			
		Peak Day of Month	Peak Day Volumes Dkt	Total Monthly Volumes Dkt
1	January	26	147,970	1,982,220
2	February	11	188,790	2,255,601
3	March	30	113,209	1,326,673
4	April	13	93,697	1,014,388
5	May	8	57,404	591,404
6	June	29	33,381	381,310
7	July	6	29,475	391,801
8	August	25	33,540	469,443
9	September	30	41,605	601,083
10	October	31	73,940	1,239,239
11	November	24	119,705	1,485,926
12	December	31	175,027	2,324,092
13	<b>TOTAL</b>			14,063,180

## STORAGE SYSTEM - TOTAL COMPANY &amp; MONTANA

Year: 2021

		Total Company						
		Peak Day of Month		Peak Day Volumes (Dkt)		Total Monthly Volumes (Dkt)		
		Injection	Withdrawal	Injection	Withdrawal	Injection	Withdrawal	Losses
1	January	8	26	3,558	171,180	7,248	2,778,268	
2	February	18	12	853	227,038	5,230	3,962,515	
3	March	4	30	6,703	105,644	63,088	1,373,522	
4	April	30	13	72,825	58,118	646,516	478,664	
5	May	17	21	69,860	9,759	1,443,081	45,875	
6	June	23	28	88,801	9,429	2,494,427	45,606	
7	July	4	28	99,993	4,115	2,865,925	24,926	
8	August	1	25	66,011	5,286	1,779,941	22,253	
9	September	5	30	58,381	8,463	1,174,170	34,541	
10	October	8	31	22,780	43,108	287,173	58,381	
11	November	5	24	12,819	49,714	129,716	487,842	
12	December	1	31	26,848	202,362	71,904	2,244,837	
13	<b>TOTAL</b>					10,968,419	11,557,230	

		Montana						
		Peak Day of Month		Peak Day Volumes (Dkt)		Total Monthly Volumes (Dkt)		
		Injection	Withdrawal	Injection	Withdrawal	Injection	Withdrawal	Losses
14	January	NOT AVAILABLE						
15	February							
16	March							
17	April							
18	May							
19	June							
20	July							
21	August							
22	September							
23	October							
24	November							
25	December							
26	<b>TOTAL</b>							

SOURCES OF GAS SUPPLY

Year: 2021

	Name of Supplier 1/	Last Year Volumes Dkt	This Year Volumes Dkt	Last Year Avg. Commodity Cost	This Year Avg. Commodity Cost
1	1/ Supplier information is proprietary and confidential.				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33	Total Gas Supply Volumes	39,328,196	37,447,815	\$1.685	\$3.990

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2021

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (Mcf or Dkt)	Achieved Savings (Mcf or Dkt)	Difference
1	MT Conservation & DSM Program (As Detailed on Schedule 36B)	\$111,692	\$122,555	-8.86%	7,096	6,896	(200)
2							
3							
4							
5							
6							
7							
8							
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11							
12							
13							
14							
15							
16							
17							
18							
19							
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21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32	TOTAL	\$111,692	\$122,555	-8.86%	7,096	6,896	(200)

## MONTANA CONSUMPTION AND REVENUES

Year: 2021

		Operating Revenues		DK Sold		Avg. No. of Customers	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	<b>Sales of Gas</b>						
1	Residential	\$46,887,799	\$38,975,818	5,778,563	6,170,090	76,655	76,181
2	Firm General	29,171,376	23,468,536	3,780,518	3,943,726	10,063	9,899
3	Small Interruptible	1,751,606	370,400	334,395	101,140	15	15
4	Large Interruptible	357,178	214,702	87,985	69,364	1	1
5							
6							
7							
8							
9							
10							
11	<b>TOTAL</b>	\$78,167,959	\$63,029,456	9,981,461	10,284,320	86,734	86,096
12							
13							
14		Operating Revenues		BCF Transported		Avg. No. of Customers	
15							
16		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
17	<b>Transportation of Gas</b>						
18							
19	Small Interruptible	\$682,524	\$565,917	0.6	0.6	28	29
20	Large Interruptible	773,572	681,847	3.1	3.1	4	4
21							
22							
23							
24	<b>TOTAL</b>	\$1,456,096	\$1,247,764	3.7	3.7	32	33



## NATURAL GAS UNIVERSAL SYSTEM BENEFITS PROGRAMS

Year: 2021

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (Mcf or Dkt)	Most recent program evaluation
1	Local Conservation					
2						
3						
4						
5						
6						
7						
8	Market Transformation					
9						
10						
11						
12						
13						
14						
15	Research & Development					
16						
17						
18						
19						
20						
21						
22	Low Income					
23	Discounts	\$429,823	\$0	\$429,823		2021
24	Furnace Safety/Repair	0	50,000	50,000		2021
25	Bill Assistance	0	65,000	65,000		2021
26	Weatherization	0	62,000	62,000		2021
27						
28						
29	Other					
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42	Total	\$429,823	\$177,000	\$606,823		2021
43	Number of customers that received low income rate discounts			(Average)	2,939	
44	Average monthly bill discount amount (\$/mo)				\$12.19	
45	Average LIEAP-eligible household income				N/A	
46	Number of customers that received weatherization assistance				N/A	
47	Expected average annual bill savings from weatherization				N/A	
48	Number of residential audits performed				N/A	

## MONTANA CONSERVATION &amp; DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2021

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (Mcf or Dkt)	Most recent program evaluation
1	Local Conservation					
2	High Efficiency Furnace	\$100,227	\$0	\$100,227	5,733	2021
3	Programmable Thermostat	11,465	0	11,465	863	2021
5	Custom Efficiency	0	0	0	500	2021
6	Residential Energy Assessment	0	0	0	N/A	2021
7						
8						
9	Demand Response					
10						
11						
12						
13						
14						
15						
16	Market Transformation					
17						
18						
19						
20						
21						
22						
23	Research & Development					
24						
25						
26						
27						
28						
29						
30	Low Income					
31						
32						
33						
34						
35						
36	Other					
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	Total	\$111,692	\$0	\$111,692	7,096	