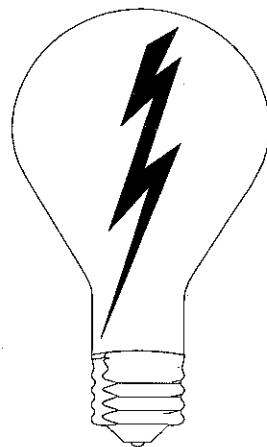


YEAR ENDING _____

**ANNUAL REPORT
OF**

ELECTRIC 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		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18	1/ Daniel S. Kuntz retired on 2/5/2021 and was replaced by Karl Liepitz on 2/6/2021.	

Line No.	Title of Officer (a)	Officers		Year: 2021
		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 & Operations 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. Nygard	
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				

CORPORATE STRUCTURE			Year: 2021	
	Subsidiary/Company Name	Line of Business	Earnings (000's)	Percent of Total
1	Montana-Dakota Utilities Co. and			
2	Great Plains Natural Gas Co. (A			
3	division of Montana-Dakota			
4	Utilities Co.)			
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				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50	TOTAL		\$71,142	100.00%

CORPORATE ALLOCATIONS - ELECTRIC

Year: 2021

Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1 Not applicable					
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					

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

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	KNIFE RIVER CORPORATION	Expense	Actual Costs Incurred			
2		Materials		1,446		340
3						
4		Capital	Actual Costs Incurred			
5		Contract Services		11,186		2,811
6						
7						
8		Total Knife River Corporation Operating Revenues for the Year 2021				
9		Excludes Intersegment Eliminations				
10	TOTAL	Grand Total Affiliate Transactions		\$12,632	0.0006%	\$3,151

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

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	WBI ENERGY, INC.	Expense	Actual Costs Incurred			
2		Contract Services		\$0		\$0
3		Fuel		191,325		48,217
4		Miscellaneous		38,198		9,848
5						
6		Capital	Actual Costs Incurred			
7		Miscellaneous		198		41
8						
9						
10		Total WBI Operating Revenues for the Year 2021			\$142,536,000	
11		Excludes Intersegment Eliminations				
12	TOTAL	Grand Total Affiliate Transactions		\$229,721	0.1612%	\$58,106

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

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 CONSTRUCTION SERVICES GROUP, INC	Capital	Actual Costs Incurred			
2		Contract Services		304,001		71,609
3						
4						
5		Other Transactions/Reimbursements	Actual Costs Incurred	97,304		0
6		Balance Sheet Accounts				
7						
8						
9		Total MDU Construction Services Group, Inc Operating Revenues for the Year 2021		\$2,051,637,000		
10		Excludes Intersegment Eliminations				
11	TOTAL	Grand Total Affiliate Transactions		\$401,305	0.0196%	\$71,609

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

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	CENTENNIAL HOLDINGS	Expense	Various Corporate Overhead			
2	CAPITAL, LLC	Miscellaneous	Allocation Factors and/or	2,054,672		452,769
3		Office Expense	Actual Costs Incurred	(826)		(182)
4						
5						
6		Capital	Actual Costs Incurred			
7		Miscellaneous		5,771		1,188
8						
9						
10		Other Transactions/Reimbursements	Actual Costs Incurred			
11		Balance Sheet Accounts				
12						
13		Total Centennial Holdings Capital, LLC Operating Revenues for the Year 2021		4,125,849	\$13,714,000	0
14		Excludes Intersegment Eliminations				
15	TOTAL	Grand Total Affiliate Transactions		\$6,185,466	45.1033%	\$453,775

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

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 ENERGY CAPITAL	Expense	Actual Costs Incurred			
2		Cost of Service		74,981		13,658
3		Office Expenses		558,831		123,223
4		Payroll/Employee Benefits		177		32
5		Miscellaneous		5,686		1,252
6						
7		Capital	Actual Costs Incurred			
8		Contract Services		33,374		6,869
9		Payroll/Employee Benefits		(3,233)		(666)
10		Miscellaneous		2,607		476
11		Other Transactions/Reimbursements	Actual Costs Incurred			
12		Clearing		(61,840)		0
13		Balance Sheet Accounts		51,878		0
14		Miscellaneous		169,728		0
15						
16		Total MDU Energy Capital Operating Revenues for the Year 2021			\$625,132,860	
17						
18	TOTAL	Grand Total Affiliate Transactions		\$832,189	0.1331%	144,844

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

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.					
2		Corporate Overhead	Various Corporate Overhead Allocation Methodologies and/or Actual Costs Incurred	\$47,881		\$10,551
3		Advertising		2,842		626
4		Air Service		53,484		11,786
5		Audit Costs		5,456		1,202
6		Automobile		30,023		6,616
7		Bank Services		5,110		1,126
8		Corporate Aircraft		120,151		26,477
9		Consultant Fees		385,919		85,041
10		Contract Services		236,548		52,126
11		Directors Expense		8,042		1,772
12		Employee Benefits		8,979		1,979
13		Employee Reimbursable Expense		0		0
14		Entertainment		219,347		48,336
15		Insurance		42,297		9,321
16		Legal Retainer Fees		0		0
17		Meal Allowance		7,169		1,580
18		Meals		17,715		3,904
19		Industry Dues & Licenses		17,946		3,955
20		Office Expenses		8,937		1,969
21		Permits & Filing Fees		106		23
22		Postage		6,685,413		1,473,204
23		Payroll		36,682		8,083
24		Reference Materials		1,853		408
25		Rental		28,893		6,367
26		Seminars & Meeting Registrations		496,859		109,488
27		Software Maintenance		63,786		14,056
28		Telephone/Cell Expenses		111		24
29		Safety Training		259		57
30		Uniforms				
31						

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - ELECTRIC

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		\$592,258		\$130,511
3		Office Expenses		303,918		66,931
4		Payroll		38		8
5		Miscellaneous		163,828		36,101
6		Capital	Actual Costs Incurred			
7		Contract Services		897		185
8		Payroll		638,009		131,323
9		Material		58,221		11,984
10		Miscellaneous		16,666		3,430
11						
12		Other Transactions/Reimbursements	Actual Costs Incurred			
13		Clearing		159,343		0
14		Balance Sheet Accounts		(216,677)		0
15		Miscellaneous		37,101		7,637
16						
17						
18		Total MDU Resources Group, Inc. Operating Revenues for the Year 2021		\$0		
19						
20	TOTAL	Grand Total Affiliate Transactions		\$10,285,410	0.0000%	\$2,268,187

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	KNIFE RIVER					
2	CORPORATION	Other Direct Charges	Actual Costs Incurred	\$6,715		
3		Contract Services		15,616		
4		Communications		11,864		
5		Employee Discounts		135,489		
6		Electric Consumption		120,425		
7		Gas Consumption		8,333		
8		Bank Fees		287,488		\$66,482
9		Miscellaneous		4,196		
10		Office Expense		648,748		
11		Cost of Service 1/				150,890
12						
13		Total Montana-Dakota Utilities Co.		\$1,238,874	0.0608%	\$217,372
14						
15		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual Costs Incurred	(31,365)		
16		Miscellaneous Reimbursements				
17		Total Other Transactions/Reimbursements		(\$31,365)	-0.0015%	
18						
19		Grand Total Affiliate Transactions		\$1,207,509	0.0593%	\$217,372
20						
21						
22		Total Knife River Corporation Operating Expenses for 2021 - Excludes Intersegment Eliminations		\$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 & 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.				
2		Other Direct Charges		\$2,474		
3		Auto		14,609		
4		Computer/Software Support		180,922		
5		Contract Services		619,970		\$363,707
6		Electric Consumption		32,301		22,798
7		Gas Consumption		94,975		22,923
8		Cost of Service 1/		7,199		
9		Misc Employee Benefits		22,816		
10		Misc Employee Discount		4,781		
11		Office Expense		87		
12		Travel				
13		Total Other Direct Charges		980,134	1.0375%	409,428
14						
15						
16		OTHER TRANSACTIONS/REIMBURSEMENTS				
17		Miscellaneous Reimbursements		(\$77,194)		
18		Total Other Transactions/Reimbursements		(\$77,194)	-0.0817%	\$0
19						
20		Grand Total Affiliate Transactions		\$902,940	0.9558%	\$409,428
21						
22						
23						
24						
25		Total WBI Energy Operating Expenses for 2021 - Excludes Intersegment Eliminations				\$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 & 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	\$1,042		
2		Communication Services		274		
3		Miscellaneous Reimbursements		202,126		
4		Contract Services		197,887		
5		Cost of Service 1/				\$46,026
6						
7						
8						
9						
10						
11		Total Montana-Dakota Utilities Co.		\$401,329	0.0211%	\$46,026
12						
13						
14		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual Costs Incurred	(11,823)		
15		Miscellaneous Reimbursements		0.00		
16		Insurance		(\$11,823)	-0.0006%	
17		Total Other Transactions/Reimbursements				
18						
19		Grand Total Affiliate Transactions		\$389,506	0.0204%	\$46,026
20						
21		Total MDU Construction Services Group, Inc. Operating Expenses for 2021 Excludes Intersegment Eliminations				\$1,905,883,000

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 & 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.				
2	CAPITAL CORP. AND	Direct and Intercompany Charges	Actual Costs Incurred	\$5,861		
3	FUTURESOURCE	Materials		6,709		
4		Office Expense		173,445		
5		Electric Consumption		14,052		
6		Gas Consumption				
7						
8						
9		Total Montana-Dakota Utilities Co.		\$200,067	1.0053%	\$0
10		OTHER TRANSACTIONS/REIMBURSEMENTS				
11		Miscellaneous Reimbursements	Actual Cost Incurred	(\$414,520)		
12		Total Other Transactions/Reimbursements		(\$414,520)	-2.0828%	\$0
13						
14		Grand Total Affiliate Transactions		(\$214,453)	-1.0775%	\$0
15						
16		Total CHCC Operating Expenses for 2021				
17		Excludes Intersegment Eliminations				
						\$19,902,000

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	MDU ENERGY	MONTANA-DAKOTA UTILITIES CO.				
2	CAPITAL 1/	Payroll & HR				
3						
4		Other Direct Charges	Actual Costs Incurred			
5		Contract Services		\$5,266,766		
6						
7						
8		Intercompany Settlements	Actual Costs Incurred			
9		O&M				
10		Bank Fees		256,345		
11		Communications		365,018		
12		Contract Services		494,666		
13		Cost of Service 2/		2,054,973		
14		Employee Benefits		214,601		
15		Marketing		88,558		
16		Material		12,043		
17		Miscellaneous		414,696		
18		Office Expenses		45,929		
19		Payroll		15,520,210		
20		SISP		89,236		
21		Software Maintenance		2,526,649		
22		Sponsorship		9		
23		Travel		129,134		

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 & 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.				
2	CAPITAL 1/	Other		\$112,515		
3		LTIP		(13,094)		
4		Payflex		1,293,084		
5		Prepaid		(80,401)		
6		Miscellaneous				
7						
8						
9		Capital	Actual Costs Incurred			
10		Contract Services		\$1,239,023		
11		Material		353,888		
12		Misc Employee Benefit		5,583		
13		Misc Other		(14,250)		
14		Office Expenses		9,786		
15		Payroll		4,447,726		
16		Travel		18,458		
17		Equipment		(419)		
18						
19						
20						
21		Total Montana-Dakota Utilities Co.		\$34,850,732	5.8131%	\$477,959
22						
23		OTHER TRANSACTIONS/REIMBURSEMENTS				
24		Miscellaneous Reimbursements		(\$372,514)		
25						
26		Total Other Transactions/Reimbursements				
27				(\$372,514)	-0.0621%	\$0
28		Grand Total Affiliate Transactions				
29				\$34,478,218	5.7510%	\$477,959
30		Total MDU Energy Capital Operating Expenses for 2021				
31		Excludes Intersegment Eliminations				
						\$599,520,000

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	MONTANA-DAKOTA UTILITIES CO.				
2	HOLDING INC					
3		Other Direct Charges				
4		Contract Services				
5						
6						
7						
8						
9						
10						
11		Total Montana-Dakota Utilities Co.		\$81,274		\$0
12						
13		Grand Total Affiliate Transactions		\$81,274		\$0
14						
15						

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	MDU RESOURCES GROUP INC.	Intercompany Settlements	Actual Costs Incurred	\$173,486		
2		Communication Services		178,115		
3		Computer/Software Support		29,928		
4		Contract Services		11,541		
5		Miscellaneous		13,705		
6		Misc Employee Benefits		100,362		
7		Office Expense		31,946		
8		Payroll		1,951		
9		Travel		8,535		
10		Marketing				
11						
12						
13						
14						
15		Total Montana-Dakota Utilities Co.		\$549,569		\$0
16						
17						
18		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual Costs Incurred	(1,390,554)		
19		Miscellaneous Reimbursements		-		
20		Insurance		(\$1,390,554)		\$0
21		Total Other Transactions/Reimbursements				
22						
23		Grand Total Affiliate Transactions		(\$840,985)		\$0
24						
25		Total MDU Resources Group Inc. Operating Expenses for 2021				
		Excludes Intersegment Eliminations				\$0

MONTANA UTILITY INCOME STATEMENT

Year: 2021

	Account Number & Title	Last Year	This Year	% Change
1	400 Total Operating Revenues	\$70,813,141	\$73,467,166	3.75%
2				
3	Operating Expenses			
4	401 Operation Expenses	\$38,521,725	\$39,202,930	1.77%
5	402 Maintenance Expense	3,618,547	4,228,415	16.85%
6	Total O & M Expenses	42,140,272	43,431,345	3.06%
7				
8	403 Depreciation Expense	13,917,135	12,783,171	-8.15%
9	404-405 Amortization of Electric Plant	590,636	675,402	14.35%
10	406 Amort. of Plant Acquisition Adjustments	0	0	0.00%
11	407 Amort. of Property Losses, Unrecovered Plant & Regulatory Study Costs			
13	408.1 Taxes Other Than Income Taxes	6,891,798	7,228,244	4.88%
14	409.1 Income Taxes - Federal	(7,197,950)	(4,284,146)	40.48%
15	- Other	1,535	(102,373)	-6769.25%
16	410.1 Provision for Deferred Income Taxes	7,353,579	3,520,551	-52.12%
17	411.1 (Less) Provision for Def. Inc. Taxes - Cr.	4,469,166	1,954,216	-56.27%
18	411.4 Investment Tax Credit Adjustments			
19	411.6 (Less) Gains from Disposition of Utility Plant			
20	411.7 Losses from Disposition of Utility Plant			
22	Total Utility Operating Expenses	\$59,227,839	\$61,297,978	3.50%
23	NET UTILITY OPERATING INCOME	\$11,585,302	\$12,169,188	5.04%

MONTANA UTILITY REVENUES

SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Electricity			
2				
3	440 Residential	\$19,694,481	\$19,961,115	1.35%
4	442 Commercial & Industrial - Small	11,286,982	11,872,231	5.19%
5	Commercial & Industrial - Large	33,509,576	33,955,462	1.33%
6	444 Public Street & Highway Lighting	564,275	485,495	-13.96%
7	445 Other Sales to Public Authorities	526,475	571,583	8.57%
8	446 Sales to Railroads & Railways			
9	448 Interdepartmental Sales			
10	Net Unbilled Revenue	147,772	(69,351)	-146.93%
12	Total Sales to Ultimate Consumers	\$65,729,561	\$66,776,535	1.59%
13	447 Sales for Resale	192,738	427,414	121.76%
14				
15	Total Sales of Electricity	\$65,922,299	\$67,203,949	1.94%
16	449.1 (Less) Provision for Rate Refunds	0	0	0.00%
17				
18	Total Revenue Net of Provision for Refunds	\$65,922,299	\$67,203,949	1.94%
19	Other Operating Revenues			
20	450 Forfeited Discounts & Late Payment Revenues	\$61,693	\$68,076	10.35%
21	451 Miscellaneous Service Revenues	23,387	32,118	37.33%
22	453 Sales of Water & Water Power			
23	454 Rent From Electric Property	1,164,862	1,225,121	5.17%
24	455 Interdepartmental Rents			
25	456 Other Electric Revenues	3,640,900	4,937,903	35.62%
26				
27	Total Other Operating Revenues	\$4,890,842	\$6,263,218	28.06%
28	TOTAL OPERATING REVENUES	\$70,813,141	\$73,467,167	3.75%

MONTANA OPERATION & MAINTENANCE EXPENSES

	Account Number & Title	Last Year	This Year	% Change
1	Power Production Expenses			
2				
3	Steam Power Generation			
4	Operation			
5	500 Operation Supervision & Engineering	\$445,457	\$382,617	-14.11%
6	501 Fuel	11,933,590	11,443,150	-4.11%
7	502 Steam Expenses	1,673,905	1,444,961	-13.68%
8	503 Steam from Other Sources			
9	504 (Less) Steam Transferred - Cr.			
10	505 Electric Expenses	492,958	470,568	-4.54%
11	506 Miscellaneous Steam Power Expenses	830,134	663,484	-20.08%
12	507 Rents	42	2,772	6500.00%
13				
14	TOTAL Operation - Steam	15,376,086	14,407,552	-6.30%
15				
16	Maintenance			
17	510 Maintenance Supervision & Engineering	240,188	219,123	-8.77%
18	511 Maintenance of Structures	128,886	121,675	-5.59%
19	512 Maintenance of Boiler Plant	857,806	1,010,883	17.85%
20	513 Maintenance of Electric Plant	190,986	363,992	90.59%
21	514 Maintenance of Miscellaneous Steam Plant	347,695	310,596	-10.67%
22				
23	TOTAL Maintenance - Steam	1,765,561	2,026,269	14.77%
24	TOTAL Steam Power Production Expenses	\$17,141,647	\$16,433,821	-4.13%
25				
26	Nuclear Power Generation			
27	Operation			
28	517 Operation Supervision & Engineering			
29	518 Nuclear Fuel Expense			
30	519 Coolants & Water			
31	520 Steam Expenses			
32	521 Steam from Other Sources			
33	522 (Less) Steam Transferred - Cr.			
34	523 Electric Expenses			
35	524 Miscellaneous Nuclear Power Expenses			
36	525 Rents			
37				
38	TOTAL Operation - Nuclear			
39				
40	Maintenance			
41	528 Maintenance Supervision & Engineering			
42	529 Maintenance of Structures			
43	530 Maintenance of Reactor Plant Equipment			
44	531 Maintenance of Electric Plant			
45	532 Maintenance of Miscellaneous Nuclear Plant			
46				
47	TOTAL Maintenance - Nuclear			
48	TOTAL Nuclear Power Production Expenses			

MONTANA OPERATION & MAINTENANCE EXPENSES

	Account Number & Title	Last Year	This Year	% Change
1	Power Production Expenses -continued			
2	Hydraulic Power Generation			
3	Operation			
4	535 Operation Supervision & Engineering			
5	536 Water for Power	NOT APPLICABLE	NOT APPLICABLE	
6	537 Hydraulic Expenses			
7	538 Electric Expenses			
8	539 Miscellaneous Hydraulic Power Gen. Expenses			
9	540 Rents			
10				
11	TOTAL Operation - Hydraulic			
12				
13	Maintenance			
14	541 Maintenance Supervision & Engineering			
15	542 Maintenance of Structures	NOT APPLICABLE	NOT APPLICABLE	
16	543 Maint. of Reservoirs, Dams & Waterways			
17	544 Maintenance of Electric Plant			
18	545 Maintenance of Miscellaneous Hydro Plant			
19				
20	TOTAL Maintenance - Hydraulic			
21	TOTAL Hydraulic Power Production Expenses			
22				
23	Other Power Generation			
24	Operation			
25	546 Operation Supervision & Engineering	\$77,721	\$64,734	-16.71%
26	547 Fuel	705,210	1,228,571	74.21%
27	548 Generation Expenses	842,027	1,025,466	21.79%
28	549 Miscellaneous Other Power Gen. Expenses	212,842	236,858	11.28%
29	550 Rents	214,045	221,630	3.54%
30				
31	TOTAL Operation - Other	2,051,845	2,777,259	35.35%
32				
33	Maintenance			
34	551 Maintenance Supervision & Engineering	39,373	36,222	-8.00%
35	552 Maintenance of Structures	35,213	63,050	79.05%
36	553 Maintenance of Generating & Electric Plant	194,615	209,581	7.69%
37	554 Maintenance of Misc. Other Power Gen. Plant	31,178	21,434	-31.25%
38				
39	TOTAL Maintenance - Other	300,379	330,287	9.96%
40	TOTAL Other Power Production Expenses	\$2,352,224	\$3,107,546	32.11%
41				
42	Other Power Supply Expenses			
43	555 Purchased Power	\$3,492,973	\$3,743,964	7.19%
44	556 System Control & Load Dispatching	419,413	451,665	7.69%
45	557 Other Expenses			
46				
47	TOTAL Other Power Supply Expenses	\$3,912,386	\$4,195,629	7.24%
48	TOTAL Power Production Expenses	\$23,406,257	\$23,736,996	1.41%

MONTANA OPERATION & MAINTENANCE EXPENSES

	Account Number & Title	Last Year	This Year	% Change
1	Transmission Expenses			
2	Operation			
3	560 Operation Supervision & Engineering	\$1,000,174	\$852,916	-14.72%
4	561 Load Dispatching	500,481	497,116	-0.67%
5	562 Station Expenses	115,313	95,050	-17.57%
6	563 Overhead Line Expenses	77,402	96,629	24.84%
7	564 Underground Line Expenses			
8	565 Transmission of Electricity by Others	6,298,756	6,365,940	1.07%
9	566 Miscellaneous Transmission Expenses	56,239	28,633	-49.09%
10	567 Rents	35,856	32,834	-8.43%
11	575 Day-Ahead and Real-Time Market Administration	135,868	121,221	-10.78%
12				
13	TOTAL Operation - Transmission	8,220,089	8,090,339	-1.58%
14	Maintenance			
15	568 Maintenance Supervision & Engineering	36,453	36,862	1.12%
16	569 Maintenance of Structures			
17	570 Maintenance of Station Equipment	177,665	205,243	15.52%
18	571 Maintenance of Overhead Lines	87,946	133,179	51.43%
19	572 Maintenance of Underground Lines			
20	573 Maintenance of Misc. Transmission Plant			
21				
22	TOTAL Maintenance - Transmission	302,064	375,284	24.24%
23	TOTAL Transmission Expenses	\$8,522,153	\$8,465,623	-0.66%
24				
25	Distribution Expenses			
26	Operation			
27	580 Operation Supervision & Engineering	\$419,937	\$410,455	-2.26%
28	581 Load Dispatching			
29	582 Station Expenses	128,110	125,252	-2.23%
30	583 Overhead Line Expenses	252,578	275,928	9.24%
31	584 Underground Line Expenses	307,701	382,021	24.15%
32	585 Street Lighting & Signal System Expenses	3,989	5,157	29.28%
33	586 Meter Expenses	281,423	256,941	-8.70%
34	587 Customer Installations Expenses	27,627	36,235	31.16%
35	588 Miscellaneous Distribution Expenses	806,116	808,722	0.32%
36	589 Rents	41,016	38,750	-5.52%
37				
38	TOTAL Operation - Distribution	2,268,497	2,339,461	3.13%
39	Maintenance			
40	590 Maintenance Supervision & Engineering	205,570	221,917	7.95%
41	591 Maintenance of Structures			
42	592 Maintenance of Station Equipment	21,729	27,098	24.71%
43	593 Maintenance of Overhead Lines	506,445	676,226	33.52%
44	594 Maintenance of Underground Lines	103,187	107,687	4.36%
45	595 Maintenance of Line Transformers	16,134	23,064	42.95%
46	596 Maintenance of Street Lighting, Signal Systems	11,149	38,922	249.11%
47	597 Maintenance of Meters	8,392	19,192	128.69%
48	598 Maintenance of Miscellaneous Dist. Plant	297,130	295,350	-0.60%
49				
50	TOTAL Maintenance - Distribution	1,169,736	1,409,456	20.49%
51	TOTAL Distribution Expenses	\$3,438,233	\$3,748,917	9.04%

MONTANA OPERATION & MAINTENANCE EXPENSES

	Account Number & Title	Last Year	This Year	% Change
1	Customer Accounts Expenses			
2	Operation			
3	901 Supervision	\$8,676	\$6,090	-29.81%
4	902 Meter Reading Expenses	97,911	82,085	-16.16%
5	903 Customer Records & Collection Expenses	391,076	427,942	9.43%
6	904 Uncollectible Accounts Expenses	268,829	129,380	-51.87%
7	905 Miscellaneous Customer Accounts Expenses	34,045	27,673	-18.72%
8				
9	TOTAL Customer Accounts Expenses	\$800,537	\$673,170	-15.91%
10				
11	Customer Service & Information Expenses			
12	Operation			
13	907 Supervision	\$17,410	\$18,050	3.68%
14	908 Customer Assistance Expenses	37,251	33,600	-9.80%
15	909 Informational & Instructional Adv. Expenses	24,051	28,532	18.63%
16	910 Miscellaneous Customer Service & Info. Exp.			
17				
18	TOTAL Customer Service & Info Expenses	\$78,712	\$80,182	1.87%
19				
20	Sales Expenses			
21	Operation			
22	911 Supervision	(\$10)	(\$421)	-4110.00%
23	912 Demonstrating & Selling Expenses	22,890	24,947	8.99%
24	913 Advertising Expenses	2,158	4,123	91.06%
25	916 Miscellaneous Sales Expenses	591	0	-100.00%
26				
27	TOTAL Sales Expenses	\$25,629	\$28,649	11.78%
28				
29	Administrative & General Expenses			
30	Operation			
31	920 Administrative & General Salaries	\$2,279,361	\$2,313,278	1.49%
32	921 Office Supplies & Expenses	966,607	1,025,024	6.04%
33	922 (Less) Administrative Expenses Transferred - Cr.			
34	923 Outside Services Employed	132,741	196,527	48.05%
35	924 Property Insurance	259,425	260,477	0.41%
36	925 Injuries & Damages	511,151	560,973	9.75%
37	926 Employee Pensions & Benefits	821,218	1,345,840	63.88%
38	927 Franchise Requirements			
39	928 Regulatory Commission Expenses	267,535	266,428	-0.41%
40	929 (Less) Duplicate Charges - Cr.			
41	930 Miscellaneous General Expenses	156,897	141,590	-9.76%
42	931 Rents	393,009	500,552	27.36%
43				
44	TOTAL Operation - Admin. & General	5,787,944	6,610,689	14.21%
45	Maintenance			
46	935 Maintenance of General Plant	80,807	87,119	7.81%
47				
48	TOTAL Administrative & General Expenses	\$5,868,751	\$6,697,808	14.13%
49	TOTAL Operation & Maintenance Expenses	\$42,140,272	\$43,431,345	3.06%

		MONTANA TAXES OTHER THAN INCOME		Year: 2021
	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	\$579,812	\$574,321	-0.95%
2	Secretary of State	318	458	44.03%
3	Highway Use Tax	1,048	1,115	6.39%
4	Montana Consumer Counsel	70,762	29,863	-57.80%
5	Montana PSC	187,451	384,553	105.15%
6	Montana Electric	45,847	36,841	-19.64%
7	Coal Conversion	233,496	132,614	-43.21%
8	Delaware Franchise	10,315	8,199	-20.51%
9	Property Taxes	5,593,105	5,887,242	5.26%
10	Wind Generation Tax	169,644	173,038	2.00%
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50	TOTAL MT Taxes Other Than Income	\$6,891,798	\$7,228,244	4.88%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC

2021

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	4T CONSTRUCTION INC	Pipeline Installation, Underground Construction	82,380	82,380	100.00%
2					
3	AGRI INDUSTRIES INC	Contract Services	274,062	233,703	85.27%
4					
5	ARVIG CONSTRUCTION	Construction Services	408,765	2	0.00%
6					
7	AUTOMOTIVE RENTALS INC.	Contract Services	75,601	0	0.00%
8					
9	B & B EXCAVATING INC	Contract Services	582,108	0	0.00%
10					
11	B&H UTILITY SERVICES, INC.	Contract Services	344,140	0	0.00%
12					
13	BADLANDS SECURITY GROUP	Contract Services	166,580	39,239	23.56%
14					
15	BARR ENGINEERING COMPANY	Engineering Services - Power Plants	158,490	37,333	23.56%
16					
17	BELL AND HOWELL LLC	Contract Services	115,549	13,652	11.81%
18					
19	BENTLEY SYSTEMS, INCORPORATED	Contract Services	414,721	0	0.00%
20					
21	BESTE CONSULTING INC	Consulting Services	887,810	114,212	12.86%
22					
23	BLUE HERON CONSULTING CORPORATION	Consulting Services	96,200	11,366	11.81%
24					
25	BOLDT POWER INC	Contract Services	1,444,679	1,444,679	100.00%
26					
27	BORDER STATES INDUSTRIES INC	Contract Services	80,063	6,426	8.03%
28					
29	BRAHMA GROUP INC	Contract Services	1,136,957	267,816	23.56%
30					
31	BRANDENBURG INDUSTRIAL SERVICE COMPANY	Contract Services	1,641,088	386,567	23.56%
32					
33	BRINK CONSTRUCTORS INC	Construction Services	106,887	106,887	100.00%
34					
35	BROSZ ENGINEERING, INC.	Engineering Services	164,167	63,687	38.79%
36					
37	BULLINGER TREE SERVICE	Vegetation Removal	243,873	2,182	0.89%
38					
39	BURNS & MCDONNELL ENGINEERING CO. INC.	Engineering Services	841,264	197,541	23.48%
40					
41	BUTLER MACHINERY CO	Contract Services	103,151	24,701	23.95%
42					
43	CABLE COMMUNICATION SERVICES INC	Contract Services	310,892	0	0.00%
44					
45	CGI TECHNOLOGIES AND SOLUTIONS INC	Consulting Services	230,125	6,727	2.92%
46					
47	CHIEF CONSTRUCTION, INC.	Contract Services	1,010,669	4,906	0.49%
48					
49	CITRIX SYSTEMS INC	Software Maintenance	82,855	623	0.75%
50					

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC

2021

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	COHESIVE	Contract Services	121,975	6,947	5.70%
2	CONCENTRIC ENERGY ADVISORS INC	Contract Services	178,653	31,691	17.74%
4	CONDUCTOR POWER LLC	Contract Services - Power Plants	362,626	142,426	39.28%
6	CROSSFIRE LLC	Contract Services	2,265,327	0	0.00%
8	CYBER ADVISORS, INC	Contract Services	122,423	6,207	5.07%
10	DAKOTA FENCE COMPANY	Fence Maintenance & Installation	336,788	35,171	10.44%
12	DAVEY RESOURCE GROUP INC	Consulting Services	90,711	15,574	17.17%
14	DIGITAL OFFICE CENTRE	Contract Services	90,111	11,645	12.92%
16	DUCHARME, MCMILLEN & ASSOCIATES, INC.	Consulting Services	84,929	18,715	22.04%
18	EDLING ELECTRIC INC	Contract Services - Fiber	356,696	0	0.00%
20	ELECTRO-TEST AND MAINTENANCE, INC.	Contract Services	155,002	23,593	15.22%
22	ELLINGSON TRENCHLESS LLC	Construction Services	2,372,445	0	0.00%
24	ENERGY WORLDNET INC.	Contract Services	168,649	10,554	6.26%
26	EXTREME UNDERGROUND HDD LLC	Underground Construction	589,900	0	0.00%
28	FIS CAPITAL MARKETS US LLC	Contract Services	277,753	0	0.00%
30	FISCHER CONTRACTING	Construction Services	799,132	0	0.00%
32	FUSEFORWARD CLOUD SERVICES LTD	Contract Services	259,062	5,095	1.97%
34	HANGING H COMPANIES, LLC	Construction Services - Service Lines	4,193,069	0	0.00%
36	HDR INC	Engineering Services	781,562	367,924	47.08%
38	HIGH COUNTRY LINE CONSTRUCTION INC	Construction Services	5,664,712	140,005	2.47%
40	HIGH VOLTAGE, INC	Contract Services - Preventative Maintenance	4,005,533	1,258,881	31.43%
42	HIGHMARK ERECTORS INC	Contract Services	2,818,857	970,802	34.44%
44	HONEYWELL PROCESS SOLUTIONS	SE & SP Support Renewal	100,428	23,656	23.56%
46	HOUSTON ENGINEERING INC	Engineering Services	88,798	18,036	20.31%
48	IBA DRILLING CO INC	Construction Services	131,206	0	0.00%
50					

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC

2021

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	INDOOR SERVICES, INC	Janitorial Services	131,367	15,859	12.07%
2					
3	INDUSTRIAL CONTRACTORS, INC.	Contract Services - Maintenance	454,054	106,955	23.56%
4					
5	INSIGHT DIRECT USA, INC.	Software Maintenance	364,111	43,283	11.89%
6					
7	INTEGRAL CONSULTING INC	Consulting Services	424,663	0	0.00%
8					
9	INTERO INTEGRITY SERVICES US LLC	Contract Services	120,500	0	0.00%
10					
11	IQGEO AMERICA INC	Contract Services	922,249	50,235	5.45%
12					
13	ITRON, INC.	Software Maintenance	175,271	5,999	3.42%
14					
15	IVANTI INC	Contract Services	239,165	2,944	1.23%
16					
17	J CUSTOM ELECTRIC LLC	Contract Services	197,552	0	0.00%
18					
19	J&J CONSTRUCTION LLC	Construction Services	111,840	0	0.00%
20					
21	J&O REAL ESTATE LLC	Contract Services	100,000	0	0.00%
22					
23	JACKSON UTILITIES, LLC	Gas & Elec Line Installation	165,929	0	0.00%
24					
25	JACOBSEN TREE EXPERTS	Vegetation Removal	882,109	229,222	25.99%
26					
27	JANA CORPORATION	Contract Services	90,682	0	0.00%
28					
29	KLJ ENGINEERING LLC	Engineering Services	77,533	5,267	6.79%
30					
31	KPMG LLP	Engineering Services	142,500	15,405	10.81%
32					
33	LOCUSVIEW SOLUTIONS INCORPORATED	Contract Services	136,238	13,838	10.16%
34					
35	MAGNOLIA RIVER SERVICES INC	Contract Services	393,385	0	0.00%
36					
37	MARCO TECHNOLOGIES LLC	Software Maintenance	216,462	5,369	2.48%
38					
39	MARTIN FENCE, LLC	Construction Services	81,376	26,841	32.98%
40					
41	MAVIRO INC	Pur Payment Processing Software	122,687	28,899	23.56%
42					
43	MBN ENGINEERING INC	Engineering Services	266,873	92,758	34.76%
44					
45	MCM GENERAL CONTRACTORS, INC	Contract Services	1,121,130	0	0.00%
46					
47	MICHELS UTILITY SERVICES INC	Contract Services	4,789,523	0	0.00%
48					
49	MIDWEST POWERLINES (JB CONSTRUCTION)	Contract Services	179,953	55,962	31.10%
50					

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC

2021

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	MJ BRADLEY & ASSOCIATES LLC	Contract Services	118,040	26,011	22.04%
2					
3	MOSAIC COMPANY	Contract Services	711,617	40,528	5.70%
4					
5	MOWBRAY & SON, INC.	Contract Services	124,283	0	0.00%
6					
7	MYCELIUM SOFTWARE INC	Software Maintenance	75,662	1,858	2.46%
8					
9	ND DEPARTMENT OF ENVIRONMENTAL QUALITY	Environmental Fees	88,407	20,825	23.56%
10					
11	NERC	Contract Services	167,064	39,353	23.56%
12					
13	NORDEX USA INC	Thunder Spirit - Service Contract	3,368,710	1,791	0.05%
14					
15	NORTHERN IMPROVEMENT COMPANY	Construction services	81,377	15,866	19.50%
16					
17	ONE CALL LOCATORS, LTD	Line Locating Services	3,467,202	238,261	6.87%
18					
19	ONTRACKS ENTERPRISES INC	Consulting Services	1,289,658	73,414	5.69%
20					
21	OPEN SYSTEMS INTERNATIONAL, INC	Software Maintenance	1,005,023	217,279	21.62%
22					
23	ORACLE AMERICA INC	Software Maintenance	1,667,906	34,338	2.06%
24					
25	ORMAT NEVEDA INC	Energy Converter Maintenance	353,988	83,384	23.56%
26					
27	OSMOSE UTILITIES SERVICES, INC.	Contract Services	278,330	32,445	11.66%
28					
29	OTIS ELEVATOR COMPANY	Contract Services	81,690	11,740	14.37%
30					
31	PANDELL TECH USA	Contract Services	677,403	47,241	6.97%
32					
33	PARSONS ELECTRIC	Contract Services	2,846,041	0	0.00%
34					
35	PATHFINDER INSPECTIONS & FIELD SERVICES	Contract Services	157,116	17,518	11.15%
36					
37	POWER ENGINEERS, INC	Engineering Services	1,371,487	322,033	23.48%
38					
39	POWERCOSTS INC	Software Maintenance	85,000	18,731	22.04%
40					
41	POWERPLAN, INC	Consulting Services - Software	486,874	34,425	7.07%
42					
43	PRESORT PLUS LLC	Mail Delivery & Pickup	101,741	9,476	9.31%
44					
45	PROENERGY SERVICES LLC	Construction services	346,251	81,561	23.56%
46					
47	QUALITY INTEGRATED SERVICES INC	Contract Services	504,510	0	0.00%
48					
49	RAZORS EDGE DIRECTIONAL DRILLING	Construction services	87,368	0	0.00%
50					

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC

2021

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	RESOURCE DATA INC	Contract Services	685,494	47,644	6.95%
2					
3	RK NEAL LLC	Contract Services	96,638	7,252	7.50%
4					
5	RTS SHEARING LLC	Contract Services	256,162	27,660	10.80%
6					
7	SC DRILLING INC	Contract Services	207,288	0	0.00%
8					
9	SCHERBENSKE INC.	Contract Services	192,246	192,246	100.00%
10					
11	SCHULTE TA INC	Contract Services	500,028	0	0.00%
12					
13	SCOTT D BERGER CONSTRUCTION	Construction services	86,732	20,430	23.56%
14					
15	SET ENVIRONMENTAL INC	Contract Services	148,365	34,948	23.56%
16					
17	SKYSKOPES INC	Contract Services	109,715	35,175	32.06%
18					
19	SOLOMON CORPORATION	Contract Services	89,525	14,256	15.92%
20					
21	SOUTHERN CROSS	Contract Services - Preventative Maintenance	1,123,896	0	0.00%
22					
23	STATE-LINE CONTRACTORS INC	Construction services	296,662	0	0.00%
24					
25	STEDMAN INC.	Contract Services	140,850	35,496	25.20%
26					
27	SUBURBAN CONSULTING ENGINEERS INC	Consulting Services	699,912	37,736	5.39%
28					
29	SUPERIOR ENERGY SYSTEMS LTD	Construction services	593,659	0	0.00%
30					
31	SWANSON & YOUNGDALE INC.	Contract Services	125,423	29,544	23.56%
32					
33	SWCA ENVIRONMENTAL CONSULTANTS	Consulting Services	216,880	145,946	67.29%
34					
35	THE ELECTRIC COMPANY OF SD	Construction Services	418,079	0	0.00%
36					
37	THOUGHTSPOT INC	Software Maintenance	165,874	4,790	2.89%
38					
39	TRC ENVIRONMENTAL CORPORATION	Construction services	165,579	39,003	23.56%
40					
41	TREE MECHANICS LLC	Vegetation Removal	141,787	0	0.00%
42					
43	TRU PIPE INC	Underground Maintenance	174,139	0	0.00%
44					
45	TRUE NORTH CONTRACTING LLC	Construction services	97,542	0	0.00%
46					
47	UTILITY TELECOM CONSULTING GROUP INC	Consulting Services	234,638	26,067	11.11%
48					
49	WANG PIPELINE SERVICES INC	Construction services	751,988	710,298	94.46%
50					

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - ELECTRIC

2021

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	WEED WARRIORS	Contract Services	127,129	0	0.00%
2					
3	WM D SCEPANIAK INC	Contract Services	661,481	81,147	12.27%
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					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
Total Payments for Services			\$77,377,033	\$9,688,105	12.52%

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				
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				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	TOTAL Contributions	\$21,663	\$3,500	16.16%

PENSION COSTS

Year: 2021

1	Plan Names: MDU Resources Group, Inc. for Collective Bargaining Unit Employees & MDU Resources Group, Inc. Pension Plan for Non-Bargaining Unit Employees - Montana-Dakota share only			
2	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	% Change
7	Change in Benefit Obligation	(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	Change in Plan Assets			
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	Funded Status			
25	Unrecognized net actuarial loss	(\$20,984)	(\$28,692)	26.86%
26	Unrecognized prior service cost	81,646	88,626	-7.88%
27	Unrecognized net transition obligation	-	-	0.00%
28	Accrued benefit cost	\$60,662	\$59,934	1.21%
29	Weighted-Average Assumptions as of Year End			
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	Components of Net Periodic Benefit Costs			
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	Montana Intrastate Costs:			
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	Number of Company Employees:			
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	Regulatory Treatment:				
2	Commission authorized - most recent				
3	Docket number:				
4	Order numbers:				
5	Amount recovered through rates -				
6	Weighted-Average Assumptions as of Year End				
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	List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:				
13	VEBA				
14	Describe any Changes to the Benefit Plan:				
15	TOTAL COMPANY				
16	Change in Benefit Obligation	(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	Change in Plan Assets				
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	Funded Status				
35	Unrecognized net actuarial loss	\$23,960	\$18,687	28.22%	
36	Unrecognized prior service cost	(9,869)	(5,911)	-66.96%	
37	Unrecognized transition obligation	(3,565)	(4,496)	20.71%	
38	Accrued benefit cost	-	-	0.00%	
39	Components of Net Periodic Benefit Costs				
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	Accumulated Post Retirement Benefit Obligation				
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%	

		Other Post Employment Benefits (OPEBS) Continued		Year: 2021
	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
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	Montana			
8	Change in Benefit Obligation			
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	Change in Plan Assets			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition		NOT APPLICABLE	
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	Funded Status			
27	Unrecognized net actuarial loss		NOT APPLICABLE	
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	Components of Net Periodic Benefit Costs			
31	Service cost			
32	Interest cost		NOT APPLICABLE	
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	Accumulated Post Retirement Benefit Obligation			
38	Amount funded through VEBA			
39	Amount funded through 401(h)		NOT APPLICABLE	
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	Montana Intrastate Costs:			
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	Number of Montana Employees:			
51	Covered by the plan			
52	Not covered by the plan		NOT APPLICABLE	
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) ¹	Non-Equity Incentive Plan Compensation (\$) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) (h) ²	All Other Compensation (\$) (i) ³	Total (\$) (j)
David L. Goodin	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
Jason L. Vollmer	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
David C. Barney	2021	512,500	884,789	310,191	—	219,420	1,926,900
President and CEO of Knife River Corporation	2020	487,000	725,030	804,646	86,980	220,062	2,323,718
	2019	468,500	738,389	843,300	174,117	201,771	2,426,077
Jeffrey S. Thiede	2021	507,500	876,148	293,462	—	171,822	1,848,932
President and CEO of MDU Construction Services Group, Inc.	2020	487,000	725,030	852,128	—	170,362	2,234,520
	2019	468,500	738,389	843,300	—	151,751	2,201,940
Nicole A. Kivisto	2021	507,500	876,148	332,666	2,645	83,272	1,802,231
President and CEO of Montana-Dakota Utilities Co., Cascade Natural Gas Corporation, and Intermountain Gas Company	2020	487,000	725,030	436,839	184,058	73,374	1,906,301
	2019	455,000	738,389	480,139	243,761	54,763	1,972,052

¹ 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

² 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

³ All Other Compensation for 2021 is comprised of:

Name	401(k) Plan (\$) ^a	Nonqualified Deferred Compensation Plan (\$) ^b	Life Insurance Premium (\$)	Matching Charitable Contributions (\$)	Dividend Equivalents (\$) ^c	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 ¹	312,500	1,250,000	2,500,000					
	2/11/2021 ²				15,429	77,149	154,298		2,519,306
	2/11/2021 ³							25,716	703,333
Jason L. Vollmer	2/11/2021 ¹	91,875	367,500	735,000					
	2/11/2021 ²				4,050	20,252	40,504		661,329
	2/11/2021 ³							6,750	184,613
David C. Barney	2/11/2021 ¹	96,094	384,375	922,500					
	2/11/2021 ²				4,236	21,182	42,364		691,698
	2/11/2021 ³							7,060	193,091
Jeffrey S. Thiede	2/11/2021 ¹	95,156	380,625	913,500					
	2/11/2021 ²				4,195	20,975	41,950		684,944
	2/11/2021 ³							6,991	191,204
Nicole A. Kivisto	2/11/2021 ¹	171,281	380,625	761,250					
	2/11/2021 ²				4,195	20,975	41,950		684,944
	2/11/2021 ³							6,991	191,204

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

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

³ 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 (l) 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 (l) 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. Kivistö	507,500	—	1,802,231	28.2%

Proxy Statement**Outstanding Equity Awards at Fiscal Year-End 2021**

Name (a)	Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (g) ¹	Stock Awards			Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i) ³	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#) (j) ²
		Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\\$) (h) ²	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i) ³	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#) (j) ²		
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		

¹ 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

² 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.

³ 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) ¹	Value Realized on Vesting (\$) (e) ²	
		(\$)	(\$)
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	

¹ 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.

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

¹ 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.

² 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

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 ¹
Jason L. Vollmer	22,615	49,000	38,864	—	304,486 ²
David C. Barney	—	150,000	71,867	—	1,012,863 ³
Jeffrey S. Thiede	—	100,000	157,981	—	1,374,780 ⁴
Nicole A. Kivisto	—	—	4,669	—	148,255

¹ 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.

² 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.

³ 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.

⁴ 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

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)
	(\$)	(\$)	(\$)	(\$)	(\$)
David L. Goodin					
Compensation:					
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
Benefits and Perquisites:					
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	—	—	—	—	—
Total	9,679,333	13,504,159	9,679,333	12,385,864	9,227,246
Jason L. Vollmer					
Compensation:					
Performance Shares	—	—	—	1,888,735	1,888,735
Restricted Stock Units	71,303	71,303	71,303	213,908	213,908
Benefits and Perquisites:					
Disability Benefits	—	—	926,791	—	—
Total	71,303	71,303	998,094	2,102,643	2,102,643
David C. Barney					
Compensation:					
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
Benefits and Perquisites:					
Basic SISP	1,657,355	—	1,657,355	1,657,355	—
SISP Death Benefits	—	3,314,711	—	—	—
Disability Benefits	—	—	283,134	—	—
Total	3,232,505	4,889,861	3,515,639	4,098,809	2,441,454
Jeffrey S. Thiede					
Compensation:					
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
Benefits and Perquisites:					
Disability Benefits	—	—	287,574	—	—
Total	1,119,079	1,119,079	1,406,653	2,116,493	2,116,493
Nicole A. Kivisto					
Compensation:					
Performance Shares	—	—	—	2,221,104	2,221,104
Restricted Stock Units	73,838	73,838	73,838	221,545	221,545
Benefits and Perquisites:					
Basic SISP	670,124	—	670,124	670,124	—
SISP Death Benefits	—	1,991,979	—	—	—
Disability Benefits	—	—	676,057	—	—
Total	743,962	2,065,817	1,420,019	3,112,773	2,442,649

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	Assets and Other Debits				
2					
3	Utility Plant				
4	101	Electric Plant in Service	\$2,078,844,364	\$2,086,096,068	0.35%
5	101.1	Property Under Capital Leases			
6	102	Electric Plant Purchased or Sold			
7	104	Electric Plant Leased to Others			
8	105	Electric Plant Held for Future Use			
9	106	Completed Constr. Not Classified - Electric	79,467,784	45,345,426	-42.94%
10	107	Construction Work in Progress - Electric	61,323,619	62,840,780	2.47%
11	108 (Less)	Accumulated Depreciation	(762,207,739)	(722,620,609)	-5.19%
12	111 (Less)	Accumulated Amortization	(4,986,212)	(5,786,517)	16.05%
13	114	Electric Plant Acquisition Adjustments	10,468,339	10,468,339	0.00%
14	115 (Less)	Accum. Amort. Electric Plant Acq. Adj.	(10,407,604)	(10,410,777)	0.03%
15	120	Nuclear Fuel (Net)			
16		Other Utility Plant	865,140,690	898,093,946	3.81%
17		Accum. Depr. and Amort. - Other Util. Plant	(367,659,536)	(381,554,059)	3.78%
18					
19	Total Utility Plant		\$1,949,983,705	\$1,982,472,597	1.67%
20					
21	Other Property & Investments				
22	121	Nonutility Property	\$17,225,038	\$17,289,802	0.38%
23	122 (Less)	Accum. Depr. & Amort. of Nonutil. Prop.	(7,811,064)	(8,375,665)	7.23%
24	123	Investments in Associated Companies			
25	123.1	Investments in Subsidiary Companies			
26	124	Other Investments	39,399,253	42,043,914	6.71%
27	125	Sinking Funds			
28					
29	Total Other Property & Investments		\$48,813,227	\$50,958,051	4.39%
30					
31	Current & Accrued Assets				
32	131	Cash	\$6,314,995	\$1,310,877	-79.24%
33	132-134	Special Deposits	0	1,000,000	N/A
34	135	Working Funds	150,000	150,060	0.04%
35	136	Temporary Cash Investments			
36	141	Notes Receivable			
37	142	Customer Accounts Receivable	25,930,474	29,653,424	14.36%
38	143	Other Accounts Receivable	5,368,195	7,476,329	39.27%
39	144 (Less)	Accum. Provision for Uncollectible Accts.	(1,662,797)	(565,356)	-66.00%
40	145	Notes Receivable - Associated Companies			
41	146	Accounts Receivable - Associated Companies	3,645,045	4,716,997	29.41%
42	151	Fuel Stock	3,467,573	4,169,829	20.25%
43	152	Fuel Stock Expenses Undistributed			
44	153	Residuals and Extracted Products			
45	154	Plant Materials and Operating Supplies	23,908,712	29,445,575	23.16%
46	155	Merchandise			
47	156	Other Material & Supplies			
48	163	Stores Expense Undistributed			
49	164.1	Gas Stored Underground - Current	12,297,386	11,232,388	-8.66%
50	165	Prepayments	7,838,806	7,542,861	-3.78%
51	166	Advances for Gas Explor., Devl. & Production			
52	171	Interest & Dividends Receivable			
53	172	Rents Receivable			
54	173	Accrued Utility Revenues	38,123,450	68,269,180	79.07%
55	174	Miscellaneous Current & Accrued Assets			
56					
57	Total Current & Accrued Assets		\$125,381,839	\$164,402,164	31.12%

BALANCE SHEET

	Account Number & Title	Last Year	This Year	% Change
1	Assets and Other Debits (cont.)			
2				
3	Deferred Debits			
4	181 Unamortized Debt Expense	\$2,981,345	\$3,203,559	7.45%
5	182.1 Extraordinary Property Losses	1,590,048	1,209,370	-23.94%
6	182.2 Unrecovered Plant & Regulatory Study Costs	295,619,348	307,968,568	4.18%
7	182.3 Other Regulatory Assets	2,239,944	0	-100.00%
8	183 Prelim. Electric Survey & Investigation Chrg.	480,105	481,562	0.30%
9	183.1 Prelim. Nat. Gas Survey & Investigation Chrg.	0	4,867	N/A
10	183.2 Other Prelim. Nat. Gas Survey & Invtg. Chrgs.	(3,021)	13,614	-550.65%
11	184 Clearing Accounts			
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	Total Deferred Debits	\$364,353,353	\$420,692,649	15.46%
23				
24	TOTAL ASSETS & OTHER DEBITS	\$2,488,532,124	\$2,618,525,461	5.22%
25	Liabilities and Other Credits			
26				
27	Proprietary Capital			
28	201 Common Stock Issued	\$1,000	\$1,000	0.00%
29	202 Common Stock Subscribed			
30	204 Preferred Stock Issued			
31	205 Preferred Stock Subscribed			
32	207 Premium on Capital Stock	176,087,676	191,870,721	8.96%
33	211 Miscellaneous Paid-In Capital			
34	213 (Less) Discount on Capital Stock			
35	214 (Less) Capital Stock Expense			
36	216 Appropriated Retained Earnings	692,013,888	717,893,824	3.74%
37	216.1 Unappropriated Retained Earnings			
38	217 (Less) Reacquired Capital Stock			
39	219 Accumulated Other Comprehensive Income	(6,796,303)	(6,539,209)	3.78%
40				
41	Total Proprietary Capital	\$861,306,261	\$903,226,336	4.87%
42				
43	Long Term Debt			
44	221 Bonds			
45	222 (Less) Reacquired Bonds			
46	223 Advances from Associated Companies			
47	224 Other Long Term Debt	826,501,962	927,989,086	12.28%
48	225 Unamortized Premium on Long Term Debt			
49	226 (Less) Unamort. Discount on Long Term Debt-Dr.			
50				
51	Total Long Term Debt	\$826,501,962	\$927,989,086	12.28%

BALANCE SHEET

	Account Number & Title	Last Year	This Year	% Change
1	Total Liabilities and Other Credits (cont.)			
2				
3	Other Noncurrent Liabilities			
4	227 Obligations Under Cap. Leases - Noncurrent			
5	228.1 Accumulated Provision for Property Insurance	\$1,358,849	\$2,802,184	106.22%
6	228.2 Accumulated Provision for Injuries & Damages	16,095,150	15,910,454	-1.15%
7	228.3 Accumulated Provision for Pensions & Benefits			
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	TOTAL Other Noncurrent Liabilities	\$184,039,429	\$187,416,182	1.83%
13				
14	Current & Accrued Liabilities			
15	231 Notes Payable	\$50,000,000	\$0	-100.00%
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	TOTAL Current & Accrued Liabilities	\$156,025,083	\$126,570,550	-18.88%
30				
31	Deferred Credits			
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	TOTAL Deferred Credits	\$460,659,389	\$473,323,307	2.75%
41				
42	TOTAL LIABILITIES & OTHER CREDITS	\$2,488,532,124	\$2,618,525,461	5.22%

Name of Respondent:	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
---------------------	---	----------------------------	---

Definitions

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

Abbreviation or Acronym

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

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

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

Name of Respondent:	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
---------------------	---	----------------------------	---

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.

Name of Respondent:	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
---------------------	---	----------------------------	---

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
<i>Recently adopted accounting standards</i>			
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:	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
---------------------	---	----------------------------	---

Standard	Description	Effective date	Impact on financial statements/disclosures
<i>Recently issued accounting standards not yet adopted</i>			
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 ongoing. 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

Name of Respondent:	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
---------------------	---	----------------------------	---

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
At December 31, 2021	\$ 269	\$ 296	\$ 565

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.

Name of Respondent:	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
---------------------	---	----------------------------	---

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	\$ 29,446	\$ 23,909
Gas stored underground-current	11,232	12,297
Fuel stock	4,170	3,468
Total	\$ 44,848	\$ 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	\$ 654	\$ 1,421
AFUDC - equity	\$ 685	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

Name of Respondent:	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
---------------------	---	----------------------------	---

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

Name of Respondent:	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
---------------------	---	----------------------------	---

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

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
---	---	----------------------------	---

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	

Name of Respondent:	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
---------------------	---	----------------------------	---

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)	
Regulatory assets:			
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
Total regulatory assets		\$ 307,969	\$ 295,619
Regulatory liabilities:			
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
Total regulatory liabilities		\$ 148,226	\$ 146,196

* 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 NDPS 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.

Name of Respondent:	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
---------------------	---	----------------------------	---

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.

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
---	---	----------------------------	---

**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)				
Assets:				
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.

Name of Respondent:	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
---------------------	---	----------------------------	---

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
(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

Name of Respondent:	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
---------------------	---	----------------------------	---

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.

Name of Respondent:	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
---------------------	---	----------------------------	---

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
At December 31, 2021	\$ (6,539)	\$ (6,539)

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)	

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

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)

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
---	---	----------------------------	---

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:

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

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

Name of Respondent:	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
---------------------	---	----------------------------	---

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.

Name of Respondent:	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
---------------------	---	----------------------------	---

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

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

Name of Respondent:	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
---------------------	---	----------------------------	---

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%

Name of Respondent:	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
---------------------	---	----------------------------	---

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	2.29%	2.96%	2.28%	2.97%
Expected return on plan assets	6.00%	6.25%	5.50%	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	7.0 %	7.00 %
Health care cost trend rate - ultimate	4.5 %	4.5 %
Year in which ultimate trend rate achieved	2031	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	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

Name of Respondent:	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
---------------------	---	----------------------------	---

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.

Name of Respondent:	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
---------------------	---	----------------------------	---

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)								
Assets:									
Cash equivalents	\$ —	\$ 2,215	\$ —	\$ 2,215					
Equity securities:									
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)									
Total assets measured at fair value	\$ 86,780	\$ 88,578	\$ —	\$ 178,442					

(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.

Name of Respondent:	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
---------------------	---	----------------------------	---

**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)				
Assets:				
Cash equivalents	\$ —	\$ 3,760	\$ —	\$ 3,760
Equity securities:				
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
Total assets measured at fair value	\$ 96,571	\$ 81,980	\$ —	\$ 184,031

(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.

Name of Respondent:	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
---------------------	---	----------------------------	---

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.

Name of Respondent:	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
---------------------	---	----------------------------	---

**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)				
Assets:				
Cash equivalents	\$ —	\$ 1,787	\$ —	\$ 1,787
Equity securities:				
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
Total assets measured at fair value	\$ 945	\$ 50,685	\$ —	\$ 51,635

- (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

Name of Respondent:	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
---------------------	---	----------------------------	---

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).

Name of Respondent:	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
---------------------	---	----------------------------	---

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.

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

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

Name of Respondent:	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
---------------------	---	----------------------------	---

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.

Name of Respondent:	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
---------------------	---	----------------------------	---

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.

Name of Respondent:	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
---------------------	---	----------------------------	---

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 & ALLOCATED)

	Account Number & Title	Last Year	This Year	% Change
1				
2	Intangible Plant			
4	301 Organization			
5	302 Franchises & Consents			
6	303 Miscellaneous Intangible Plant	\$8,666,677	\$8,745,336	0.91%
7				
8	Total Intangible Plant	\$8,666,677	\$8,745,336	0.91%
9				
10	Production Plant			
12	Steam Production			
14	310 Land & Land Rights	\$243,546	\$239,103	-1.82%
15	311 Structures & Improvements	26,957,871	22,303,700	-17.26%
16	312 Boiler Plant Equipment	70,617,554	58,248,131	-17.52%
17	313 Engines & Engine Driven Generators			
18	314 Turbogenerator Units	13,832,381	11,616,506	-16.02%
19	315 Accessory Electric Equipment	5,295,091	4,571,409	-13.67%
20	316 Miscellaneous Power Plant Equipment	4,958,656	3,457,999	-30.26%
21				
22	Total Steam Production Plant	\$121,905,099	\$100,436,848	-17.61%
23				
24	Nuclear Production			
26	320 Land & Land Rights			
27	321 Structures & Improvements			
28	322 Reactor Plant Equipment	NOT APPLICABLE	NOT APPLICABLE	
29	323 Turbogenerator Units			
30	324 Accessory Electric Equipment			
31	325 Miscellaneous Power Plant Equipment			
32				
33	Total Nuclear Production Plant			
34				
35	Hydraulic Production			
37	330 Land & Land Rights			
38	331 Structures & Improvements			
39	332 Reservoirs, Dams & Waterways	NOT APPLICABLE	NOT APPLICABLE	
40	333 Water Wheels, Turbines & Generators			
41	334 Accessory Electric Equipment			
42	335 Miscellaneous Power Plant Equipment			
43	336 Roads, Railroads & Bridges			
44				
45	Total Hydraulic Production Plant			

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

	Account Number & Title	Last Year	This Year	% Change
1				
2	Production Plant (cont.)			
4	Other Production			
6	340 Land & Land Rights	\$9,245	\$9,077	-1.82%
7	341 Structures & Improvements	15,006,923	16,311,908	8.70%
8	342 Fuel Holders, Producers & Accessories	1,353,322	1,328,161	-1.86%
9	343 Prime Movers			
10	344 Generators	99,717,604	97,532,598	-2.19%
11	345 Accessory Electric Equipment	17,358,557	16,603,651	-4.35%
12	346 Miscellaneous Power Plant Equipment	1,182,769	1,422,265	20.25%
13				
14	Total Other Production Plant	\$134,628,420	\$133,207,660	-1.06%
15				
16	Total Production Plant	\$256,533,519	\$233,644,508	-8.92%
17				
18	Transmission Plant			
20	350 Land & Land Rights	\$973,026	\$970,472	-0.26%
21	352 Structures & Improvements	429	422	-1.63%
22	353 Station Equipment	30,459,157	39,617,432	30.07%
23	354 Towers & Fixtures	1,137,722	333,415	-70.69%
24	355 Poles & Fixtures	20,444,826	25,609,137	25.26%
25	356 Overhead Conductors & Devices	16,525,800	16,634,995	0.66%
26	357 Underground Conduit	290,435	285,137	-1.82%
27	358 Underground Conductors & Devices	553,656	543,557	-1.82%
28	359 Roads & Trails			
29				
30	Total Transmission Plant	\$70,385,051	\$83,994,567	19.34%
31				
32	Distribution Plant			
34	360 Land & Land Rights	\$434,214	\$434,307	0.02%
35	361 Structures & Improvements			
36	362 Station Equipment	17,491,817	15,913,041	-9.03%
37	363 Storage Battery Equipment			
38	364 Poles, Towers & Fixtures	10,689,290	11,087,050	3.72%
39	365 Overhead Conductors & Devices	7,730,948	7,776,395	0.59%
40	366 Underground Conduit	12,967	12,967	0.00%
41	367 Underground Conductors & Devices	15,024,110	16,345,641	8.80%
42	368 Line Transformers	14,311,458	14,541,321	1.61%
43	369 Services	6,716,827	6,908,843	2.86%
44	370 Meters	3,379,940	3,379,110	-0.02%
45	371 Installations on Customers' Premises	1,310,251	1,323,098	0.98%
46	372 Leased Property on Customers' Premises			
47	373 Street Lighting & Signal Systems	2,709,884	2,721,379	0.42%
48				
49	Total Distribution Plant	\$79,811,706	\$80,443,152	0.79%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

	Account Number & Title		Last Year	This Year	% Change
1					
2		General Plant			
4	389	Land & Land Rights	\$8,292	\$8,380	1.06%
5	390	Structures & Improvements	350,015	352,208	0.63%
6	391	Office Furniture & Equipment	51,518	48,967	-4.95%
7	392	Transportation Equipment	1,813,913	1,672,584	-7.79%
8	393	Stores Equipment			
9	394	Tools, Shop & Garage Equipment	1,372,386	1,376,244	0.28%
10	395	Laboratory Equipment	47,232	47,913	1.44%
11	396	Power Operated Equipment	3,549,559	3,285,445	-7.44%
12	397	Communication Equipment	639,653	673,504	5.29%
13	398	Miscellaneous Equipment	10,369	8,193	-20.99%
14	399	Other Tangible Property			
15		Total General Plant	\$7,842,937	\$7,473,438	-4.71%
16					
17					
18		Common Plant			
20	389	Land & Land Rights	\$309,399	\$333,024	7.64%
21	390	Structures & Improvements	5,174,499	5,182,963	0.16%
22	391	Office Furniture & Equipment	899,318	900,999	0.19%
23	392	Transportation Equipment	1,711,075	1,698,848	-0.71%
24	393	Stores Equipment	41,780	45,189	8.16%
25	394	Tools, Shop & Garage Equipment	95,937	101,730	6.04%
26	395	Laboratory Equipment			
27	396	Power Operated Equipment			
28	397	Communication Equipment	507,589	556,151	9.57%
29	398	Miscellaneous Equipment	170,604	181,124	6.17%
30	399	Other Tangible Property			
31		Total Common Plant	\$8,910,201	\$9,000,028	1.01%
32					
34		Total Electric Plant in Service	\$432,150,091	\$423,301,029	-2.05%
35					

MONTANA DEPRECIATION SUMMARY

Year: 2021

	Functional Plant Classification	Plant Cost	Accumulated Depreciation Last Year Bal.	This Year Bal.	Current Avg. Rate
1					
2	Steam Production 1/	\$102,883,721	\$69,353,820	\$60,634,599	3.83%
3	Nuclear Production				
4	Hydraulic Production				
5	Other Production	133,207,660	35,223,835	39,208,865	3.76%
6	Transmission	83,994,567	24,597,828	22,313,029	1.10%
7	Distribution	80,443,152	27,603,136	27,718,877	3.07%
8	General	10,489,020	3,325,644	3,692,596	3.89%
9	Common	14,729,782	6,700,679	6,584,726	4.75%
10	Total	\$425,747,902	\$166,804,942	\$160,152,692	3.41%

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock	\$888,257	\$1,044,499	17.59%
3	152 Fuel Stock Expenses Undistributed			
4	153 Residuals			
5	154 Plant Materials & Operating Supplies:			
6	Assigned to Construction (Estimated)			
7	Assigned to Operations & Maintenance			
8	Production Plant (Estimated)	1,459,098	1,721,111	17.96%
9	Transmission Plant (Estimated)	765,264	1,360,301	77.76%
10	Distribution Plant (Estimated)	1,941,826	1,925,425	-0.84%
11	Assigned to Other			
12	155 Merchandise			
13	156 Other Materials & Supplies			
14	157 Nuclear Materials Held for Sale			
15	163 Stores Expense Undistributed			
16	Total Materials & Supplies	\$5,054,445	\$6,051,336	19.72%

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS

SCHEDULE 22

	Commission Accepted - Most Recent	% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number 2007.7.79			
2	Order Number 6846f			
3				
4	Common Equity	50.67%	10.25%	5.19%
5	Preferred Stock	3.58%	4.61%	0.17%
6	Long Term Debt	38.18%	7.22%	2.76%
7	Short Term Debt	7.57%	6.11%	0.46%
8	TOTAL	100.00%		8.58%
9				
10	<u>Actual at Year End</u>			
11				
12	Common Equity	48.923%	10.250%	5.015%
13	Long Term Debt	46.332%	4.508%	2.089%
14	Short Term Debt	4.745%	0.689%	0.033%
15	TOTAL	100.000%		7.137%

1/ Accumulated depreciation excludes accelerated depreciation of \$11,910,548 and \$6,221,321 for 2020 and 2021, respectively.

STATEMENT OF CASH FLOWS

Year: 2021

	Description	Last Year	This Year	% Change
1	Increase/(decrease) in Cash & Cash Equivalents:			
2				
3	Cash Flows from Operating Activities:			
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	Net Cash Provided by/(Used in) Operating Activities	\$166,199,577	\$116,665,862	-29.80%
19				
20	Cash Inflows/Outflows From Investment Activities:			
21	Construction/Acquisition of Property, Plant and Equipment (net of AFUDC & Capital Lease Related Acquisitions)	(\$168,695,102)	(\$131,543,405)	22.02%
22		(95,284)	(381,768)	-300.66%
23	Acquisition of Other Noncurrent Assets			
24	Proceeds from Disposal of Noncurrent Assets	(5,887,911)	(10,016,570)	-70.12%
25	Investments In and Advances to Affiliates			0.00%
26	Contributions and Advances from Affiliates	35,000,000	15,000,000	-57.14%
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	Net Cash Provided by/(Used in) Investing Activities	(\$138,873,191)	(\$126,234,965)	9.10%
30				
31	Cash Flows from Financing Activities:			
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)	N/A
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	Net Cash Provided by (Used in) Financing Activities	(\$24,367,768)	\$4,565,045	118.73%
50				
51	Net Increase/(Decrease) in Cash and Cash Equivalents	\$2,958,618	(\$5,004,058)	-269.13%
52	Cash and Cash Equivalents at Beginning of Year	\$3,506,377	\$6,464,995	84.38%
53	Cash and Cash Equivalents at End of Year	\$6,464,995	\$1,460,937	-77.40%

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%		43,469
21	Amortization of Loss on Reacquired Debt								
22									
23									
24									
25									
26	TOTAL			\$866,009,197	\$850,993,282	\$927,989,086		\$38,557,004	4.15%

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										
2	Not Applicable									
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	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 High 1/	Market Price Low 1/	Price/Earnings Ratio 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
1	Rate Base			
2	101 Plant in Service	\$432,150,091	\$423,301,029	-2.05%
3	108 (Less) Accumulated Depreciation	166,804,942	160,152,692	-3.99%
4				
5	Net Plant in Service	\$265,345,149	\$263,148,337	-0.83%
6				
7	Additions			
8	151 Fuel Stocks	\$888,257	\$1,044,499	17.59%
9	154, 156 Materials & Supplies	4,166,188	5,006,837	20.18%
10	165 Prepayments	67,271	83,147	23.60%
11	189 Unamortized Loss on Debt	459,294	375,089	-18.33%
12	254 Other Regulatory Liability	61,528	66,981	8.86%
13	Provision for Pension & Benefits	5,621,842	5,451,437	-3.03%
14	Provision for Injuries & Damages	(86,820)	(192,801)	-122.07%
15				
16	Total Additions	\$11,177,560	\$11,835,189	5.88%
17	Deductions			
18	282 Accumulated Deferred Income Taxes	\$52,158,761	\$52,990,703	1.60%
19	252 Customer Advances for Construction	1,189,097	1,058,651	-10.97%
20	255 Accumulated Def. Investment Tax Credits			
21	Other Deductions			
22	DIT Related to Pension	1,458,430	1,415,682	-2.93%
23	DIT Related to Injuries & Damages	(21,178)	(47,029)	-122.07%
24				
25	Total Deductions	\$54,785,110	\$55,418,007	1.16%
26	Total Rate Base	\$221,737,599	\$219,565,519	-0.98%
27				
28	Net Earnings	\$11,585,302	\$12,169,188	5.04%
29				
30	Rate of Return on Average Rate Base	5.29%	5.52%	4.35%
31				
32	Rate of Return on Average Equity	6.35%	6.95%	9.45%
33	Major Normalizing Adjustments & Commission			
34	<u>Ratemaking Adjustments to Utility Operations</u>			
35	<u>Adjustments to Operating Revenues 1/</u>			
36	Gain (Loss) from Disposition of Property 2/	(15,092)	15,749	204.35%
37				
38	<u>Adjustments to Operating Expenses 1/</u>			
39	Elimination of Promotional & Institutional Advertising	(7,303)	(13,484)	-84.64%
40				
41	<u>Other Adjustments to Federal & State Income Taxes</u>			
42	Federal & State Out of Period & Closing/Filing	369,171	333,450	-9.68%
43	Deferred Federal & State Out of Period & Closing/Filing	2,728,256	548,873	-79.88%
44	Total Adjustments to Operating Income	(\$3,105,216)	(\$853,090)	-72.53%
45				
46	Adjusted Rate of Return on Average Rate Base	3.87%	5.13%	32.56%
47				
48	Adjusted Rate of Return on Average Equity	3.51%	6.15%	75.21%

1/ Updated amounts, net of taxes.

2/ Amortized over 5 years.

MONTANA COMPOSITE STATISTICS			Year: 2021
	Description	Amount	
1	Plant (Intrastate Only) (000 Omitted)		
2			
3			
4	101 Plant in Service	\$311,893	
5	107 Construction Work in Progress	5,414	
6	114 Plant Acquisition Adjustments		
7	105 Plant Held for Future Use		
8	154, 156 Materials & Supplies	5,007	
9	(Less):		
10	108, 111 Depreciation & Amortization Reserves	160,153	
11	252 Customer Advances for Construction	1,059	
12			
13	NET BOOK COSTS	\$161,102	
14	Revenues & Expenses (000 Omitted)		
15			
16			
17	400 Operating Revenues	\$73,467	
18			
19	403 - 407 Depreciation & Amortization Expenses	13,459	
20	Federal & State Income Taxes	(2,820)	
21	Other Taxes	7,228	
22	Other Operating Expenses	43,431	
23	Total Operating Expenses	61,298	
24			
25	Net Operating Income	12,169	
26			
27	Other Income	649	
28	Other Deductions	4,939	
29			
30	NET INCOME	\$7,879	
31	Customers (Intrastate Only)		
32			
33			
34	Year End Average:		
35	Residential	19,529	
36	Small General	5,651	
37	Large General	252	
38	Other	169	
39			
40	TOTAL NUMBER OF CUSTOMERS	25,601	
41	Other Statistics (Intrastate Only)		
42			
43			
44	Average Annual Residential Use (Kwh))	9,334	
45	Average Annual Residential Cost per (Kwh) *	\$0.111	
46	* Avg annual cost = [(cost per Kwh x annual use) +		
47	(mo. svc chrg x 12)]/annual use		
48	Average Residential Monthly Bill	\$86.34	
49	Gross Plant per Customer	\$12,183	

MONTANA CUSTOMER INFORMATION

Year: 2021

	City/Town	Population (Includes Rural) 1/	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Antelope	74	68	17	2	87
2	Bainville	271	145	47	4	196
3	Baker	1,802	958	350	22	1,330
4	Brockton	358	100	24	1	125
5	Carlyle	Not Available	2	5		7
6	Culbertson	753	397	151	5	553
7	Fallon	3,049	196	141		337
8	Fairview	896	431	110	2	543
9	Flaxville	63	57	31	2	90
10	Forsyth	1,647	1,017	307	12	1,336
11	Froid	195	144	50	2	196
12	Glendive	4,873	3,403	867	37	4,307
13	Homestead	35	25	9	1	35
14	Ismay	17	26	24		50
15	Kinsey	Not Available	117	76		193
16	Medicine Lake	244	181	58	2	241
17	Miles City	8,354	4,622	1,147	61	5,830
18	Outlook	84	50	37	8	95
19	Plentywood	1,669	986	257	5	1,248
20	Plevna	179	97	37	2	136
21	Poplar	758	859	182	12	1,053
22	Poplar Oil Field	Not Available		4	9	13
23	Redstone	13	14	22		36
24	Reserve	33	22	10	2	34
25	Rosebud	67	69	78	3	150
26	Savage	303	143	35	1	179
27	Scobey	999	585	177	4	766
28	Sidney	6,346	2,924	557	34	3,515
29	Terry	562	364	126	6	496
30	Whitetail	1,006	30	26		56
31	Wibaux	462	289	110	12	411
32	Wolf Point	2,517	1,431	305	19	1,755
33	MT Oil Fields	Not Available	8	75	72	155
34	TOTAL Montana Customers	37,629	19,760	5,452	342	25,554

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					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44	TOTAL Montana Employees	149	166	159	

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

Year: 2021

	Project Description	Total Company	Total Montana	
1	Projects > \$1,000,000			
2				
3	<u>Common-Intangible</u>			
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	<u>Common-General</u>			
8	Replace mobile radio system for common business segment	2,297,000	\$521,592	1/
9				
10	Total Common	\$7,881,602	\$1,939,256	
11				
12	<u>Electric-Intangible</u>			
13	Install outage management system at the General Office	1,295,313	266,619	1/
14				
15	<u>Electric-General</u>			
16	Replace mobile radio system for electric business segment	2,297,000	472,799	1/
17				
18	<u>Electric-Steam Production</u>			
19	Station Decommissioning - Units 1 and 2 - Heskett	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	<u>Electric-Other Production</u>			
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	<u>Electric-Transmission</u>			
30				
31	Rebuild 60kV line - Cedar Creek Sub to Cabin Creek Sub, MT	3,290,314	3,290,314	2/
32	Construct 230kV by to Baker Junction substation, MT	2,429,038	1,396,403	1/
33	Install 60kV loop at Plentywood, MT	2,162,637	2,162,637	2/
34				
35	Total Electric	\$84,730,123	\$25,061,961	
36				
37	<u>Gas-Distribution</u>			
38	Install 6" HP main in Park City, MT	1,159,021	1,159,021	2/
39				
40	<u>Gas-Intangible</u>			
41	Construction contribution for WBI interconnect - Malta, MT	3,024,300	3,024,300	2/
42				
43	<u>Gas-General</u>			
44	Replace mobile radio system for gas business segment	1,837,600	473,765	1/
45				
46	Total Gas	\$6,020,921	\$4,657,086	
47	Total Projects > \$1,000,000	\$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 & ALLOCATED)

Year: 2021

	Project Description	Total Company	Total Montana	
1	Other Projects <\$1,000,000			
2				
3	Electric			
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	Total Other Electric	\$89,641,512	\$12,630,108	
15				
16	Gas			
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	Total Other Gas	\$47,688,659	\$14,353,664	
25	Total Other Projects <\$1,000,000	\$137,330,171	\$26,983,772	
26				
27	Total Projects	\$235,962,817	\$58,642,075	

1/ Allocated to Montana.

2/ Directly assigned to Montana

3/ Combination of allocated and directly assigned to Montana.

TOTAL INTEGRATED SYSTEM & MONTANA PEAK AND ENERGY
Integrated System

Year: 2021

	Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
1	Jan.	26	1000	510.3	302,529
2	Feb.	12	1100	572.7	304,170
3	Mar.	30	1000	453.1	272,392
4	Apr.	13	1000	417.7	235,394
5	May	18	1800	420.6	233,741
6	Jun.	10	1600	549.9	293,183
7	Jul.	19	1700	603.7	329,841
8	Aug.	16	1700	582.2	308,677
9	Sep.	28	1800	488.2	264,440
10	Oct.	5	1700	445.6	266,480
11	Nov.	17	1800	443.9	261,700
12	Dec.	31	1900	522.1	316,335
13	TOTAL			3,388,882	75,879

Montana

	Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
14	Jan.	26	1000	121.1	
15	Feb.	12	1100	133.6	
16	Mar.	30	1000	105.1	
17	Apr.	13	1000	104.6	
18	May	18	1800	112.3	
19	Jun.	10	1600	139.4	
20	Jul.	19	1700	147.4	Not Available
21	Aug.	16	1700	140.6	Not Available
22	Sep.	28	1800	104.2	
23	Oct.	5	1700	96.4	
24	Nov.	17	1800	109.6	
25	Dec.	31	1900	129.1	
26	TOTAL				

TOTAL SYSTEM SOURCES & DISPOSITION OF ENERGY

	Sources	Megawatthours	Disposition	Megawatthours
1	Generation (Net of Station Use)			
2	Steam			
3	Nuclear			
4	Hydro - Conventional			
5	Hydro - Pumped Storage			
6	Other			
7	(Less) Energy for Pumping			
8	NET Generation	2,551,464		
9	Purchases	1,032,690		75,879
10	Power Exchanges			
11	Received			
12	Delivered			
13	NET Exchanges			
14	Transmission Wheeling for Others			
15	Received	949,095		
16	Delivered	930,653		
17	NET Transmission Wheeling	18,442	Total Energy Losses	345,304
18	Transmission by Others Losses			
19	TOTAL	3,602,596	TOTAL	3,692,801

Montana-Dakota's annual peak occurred during HE1700 July 19, 2021. All generation units were available for operation during the peak hour. The generation units' contributions to the peak are as follows:

Big Stone	107.4
Cedar Hills	10.4
Coyote	86.6
Diamond Willow	15.0
Glendive Turbine	0.0
Glen Ullin Ormat	4.1
Heskett #1	21.3
Heskett #2	52.4
Heskett #3	0.0
Lewis & Clark 2	1.0
Miles City	0.0
Thunder Spirit	42.0

Montana-Dakota also purchased 250.027 MW from MISO to meet energy requirements at the time of the system peak.

SOURCES OF ELECTRIC SUPPLY

Year: 2021

	Type	Plant Name	Location	Annual Peak (MW)	Annual Energy (Mwh)
Integrated System					
1	Thermal	Big Stone Station 1/	Milbank, SD	107.98	375,130
2	Wind	Cedar Hills	Rhame, ND	19.50	58,221
3	Thermal	Coyote Station 1/	Beulah, ND	213.18	620,045
4	Wind	Diamond Willow	Baker, MT	30.20	92,757
5	Heat Recovery	Glen Ullin Ormat Sub	Glen Ullin, ND	7.00	44,771
6	Combustion Turbine	Glendive Turbine	Glendive, MT	78.50	16,346
7	Thermal	Heskett Station 1 & 2	Mandan, ND	92.20	501,446
8	Combustion Turbine	Heskett Station 3	Mandan, ND	99.00	7,325
9	Thermal	Lewis & Clark Station 1	Sidney, MT	41.85	64,733
10	Combustion Turbine	Lewis & Clark Station 2	Sidney, MT	18.00	3,779
11	Combustion Turbine	Miles City Turbine	Miles City, MT	25.00	2,974
12	Oil	Portable Generators	Ray/Alexander, ND	4.00	15
13	Wind	Thunder Spirit	Hettinger, ND	149.00	556,575
14	Purchased Power				936,118
15	Total Integrated System			885.41	3,280,235
16	Sheridan System				
16	Generation		Gillette, WY		207,348
17	Purchases				96,571
18	Total Sheridan System				303,919
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39	Total			885.41	3,584,154

1/ Reflects Montana-Dakota Utilities' share.

Outage Start Date/Time	Outage End Date/Time	Brief Description of Primary Cause	1/
<u>Big Stone Plant</u>			
3/9/2021 12:00	3/9/2021 14:00	Low load testing down to 135MW	
3/9/2021 14:00	3/9/2021 17:00	Low load testing down to 125MW	
3/11/2021 8:30	3/11/2021 16:00	Low load testing down to 125MW	
3/20/2021 1:00	3/22/2021 14:30	RESERVE SHUTDOWN	
3/22/2021 14:30	3/23/2021 16:00	Tube leak in #3 cyclone	
3/23/2021 16:00	4/1/2021 0:00	RESERVE SHUTDOWN	
4/1/2021 0:00	4/5/2021 6:00	RESERVE SHUTDOWN	
4/5/2021 6:00	4/9/2021 11:00	RESERVE SHUTDOWN	
4/9/2021 11:00	4/14/2021 3:30	RESERVE SHUTDOWN	
4/14/2021 12:47	4/14/2021 18:42	High drum level	
4/23/2021 20:01	5/14/2021 12:00	Maintenance outage	
5/14/2021 12:00	5/15/2021 9:00	RESERVE SHUTDOWN	
5/15/2021 9:00	5/16/2021 7:00	RESERVE SHUTDOWN	
5/16/2021 7:00	5/16/2021 11:40	Main turbine control issues	
9/15/2021 19:10	10/1/2021 0:00	Planned outage	
10/1/2021 0:00	11/10/2021 8:00	Planned outage	
11/10/2021 8:00	12/3/2021 11:40	Unplanned (forced) outage - Turbine blade issues	
12/3/2021 11:40	12/3/2021 16:40	Main turbine fail to latch	
12/3/2021 16:40	12/3/2021 19:00	Planned outage	
12/3/2021 19:00	12/4/2021 13:00	Exciter rotor ground issues	
12/4/2021 13:00	12/4/2021 20:42	No load AVR testing	
12/8/2021 0:02	12/9/2021 11:13	Turbine vibration issues	
12/30/2021 16:29	1/1/2022 0:00	Furnace wall tube leak	
<u>Coyote Station</u>			
2/9/2021 2:19	2/10/2021 3:05	Main Transformer Gassing Issues	
2/11/2021 12:10	2/11/2021 14:41	#3 Governor Valve EH Leak	
3/8/2021 21:00	3/11/2021 18:00	Boiler Wash Outage	
3/11/2021 18:00	3/13/2021 8:14	Extended Wash Outage	
3/13/2021 9:51	3/13/2021 22:04	Low Boiler Water pH Excursion	
3/25/2021 8:16	3/25/2021 16:41	Unit trip due to MDU in the switchyard	
4/30/2021 23:59	5/4/2021 3:57	RESERVE SHUTDOWN	
4/13/2021 17:33	4/16/2021 2:11	Turbine Balance Shot	
6/21/2021 22:04	6/24/2021 18:00	Boiler Wash Outage	
6/24/2021 18:00	6/27/2021 15:35	Extended Wash Outage	
8/4/2021 0:01	8/7/2021 12:11	North Side Condenser Tube Leak	
8/7/2021 23:42	8/14/2021 16:01	Boiler Circ Water Pump issues	
9/27/2021 9:11	9/30/2021 22:00	Oil Leak on Main Transformer Bushing	
9/30/2021 22:00	10/3/2021 18:00	Boiler Wash Outage	
10/3/2021 18:00	10/11/2021 0:41	Oil Leak on Main Transformer Bushing	
11/30/2021 22:05	12/2/2021 7:00	Boiler Wash Outage	
12/2/2021 7:00	12/4/2021 7:10	Boiler Wash Outage Extension	
12/5/2021 19:12	12/5/2021 21:18	3hr SO2 Emission exceeded	
12/16/2021 0:01	12/21/2021 3:04	Economizer Header Leak	
<u>Lewis & Clark Station Unit 1</u>			
2/11/2021 14:00	2/19/2021 8:46	Intake - Low River Condition	
2/19/2021 21:49	2/19/2021 23:21	Boiler feed pump instrumentation error - false loss of suction pressure	
3/31/2021 8:49	1/1/2022 0:00	RETIRED	

1/ Outages longer than 1 hour, other than reserve shutdowns for economic dispatch.

Outage Start Date/Time	Outage End Date/Time	Brief Description of Primary Cause	1/
<u>R.M. Heskett Unit 1</u>			
5/7/2021 20:21	5/14/2021 2:50	Spring Cleaning Outage	
10/8/2021 20:30	10/15/2021 9:11	Fall Outage	
<u>R.M. Heskett Unit II</u>			
4/9/2021 19:10	4/20/2021 6:00	Spring Cleaning Outage	
4/20/2021 6:00	4/27/2021 6:39	RESERVE SHUTDOWN	
9/17/2021 20:57	9/28/2021 2:00	Fall Outage	
9/28/2021 2:00	9/29/2021 2:42	Outage extended. Bed cleaning took longer then anticipated.	
9/29/2021 15:39	10/2/2021 21:56	Clinker in the bed (C1 compartment). Blowing out the bed drain	

1/ Outages longer than 1 hour, other than reserve shutdowns for economic dispatch.

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2021

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (MWH)	Achieved Savings (MWH)	Difference (MWH)
1							
2	MT Conservation & DSM Program	\$132,349	\$136,213	-2.84%	1,103.0	1,276.3	173.3
3	(As Detailed on Schedule 35B)						
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	TOTAL	\$132,349	\$136,213	-2.84%	1,103.0	1,276.3	173.3

ELECTRIC UNIVERSAL SYSTEM BENEFITS PROGRAMS

Year: 2021

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MWh)	Most recent program evaluation
1	Local Conservation					
2	Commercial Lighting	\$132,349	\$0	\$132,349	1,276.3	2021
3						
4						
5						
6						
7	Market Transformation					
8						
9						
10						
11						
12	Renewable Resources					
13						
14						
15						
16						
17	Research & Development					
18						
19						
20						
21						
22	Low Income					
23	Discounts	\$319,614	\$0	\$319,614		2021
24						
25	Bill Assistance		90,000	90,000		2021
26						
27	Weatherization		90,000	90,000		2021
28						
29	Furnace Safety		50,000	50,000		2021
30						
31	Education	4,906	0	4,906		2021
32						
33	Energy Audits		10,000	10,000		2021
34	Large Customer Self Directed					
35	Customer A	\$199,876	\$0	\$199,876		
36	Customer B	14,525		14,525		
37	Customer C	24,423		24,423		
38	Customer D	5,183		5,183		
39						
40	Total	\$700,876	\$240,000	\$940,876	1,276.3	
41	Number of customers that received low income rate discounts	(Average)			1,222	
42	Average monthly bill discount amount (\$/mo)				\$21.80	
43	Average LIEAP-eligible household income				N/A	
44	Number of customers that received weatherization assistance				N/A	
45	Expected average annual bill savings from weatherization				N/A	
46	Number of residential audits performed				N/A	

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2021

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (MWh)	Most recent program evaluation
1	Local Conservation					
2	LED Lighting	\$132,349	\$0	\$132,349	1,276.3	2021
3						
4						
5						
6						
7						
8	Demand Response					
9						
10						
11						
12						
13						
14						
15	Market Transformation					
16						
17						
18						
19						
20						
21						
22	Research & Development					
23						
24						
25						
26						
27						
28						
29	Low Income					
30						
31						
32						
33						
34						
35	Other					
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46	Total	\$132,349	\$0	\$132,349	1,276.3	

MONTANA CONSUMPTION AND REVENUES

Year: 2021

	Sales of Electricity	Operating Revenues		MegaWatt Hours Sold		Avg. No. of Customers	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Residential	\$19,961,115	\$19,694,481	182,285	181,915	19,529	19,575
2	Small General	11,872,231	11,286,982	114,983	110,113	5,651	5,620
3	Large General	33,955,462	33,509,576	438,542	437,827	252	254
4	Lighting	485,495	564,275	4,211	4,784	67	65
5	Municipal Pumping	571,583	526,475	6,613	5,904	102	102
6	Sales to Other Utilities	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
7							
8							
9							
10							
11							
12							
13	TOTAL	\$66,845,886	\$65,581,789	746,634	740,543	25,601	25,616