YEAR ENDING 2019

ANNUAL REPORT
OF

MONTANA-DAKOTA UTILITIES CO.

GAS UTILITY

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

REVISED 2005

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 1**

IDENTIFICATION

Year: 2019

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	Daniel S. Kuntz, Bismarck, ND	-
3	Nicole A. Kivisto, Bismarck, ND	-
4	Jason L. Vollmer, Bismarck, ND	-
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Company Name: Montana-Dakota Utilities Co. **SCHEDULE 3**

Officers Year: 2019

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

CORPORATE STRUCTURE

Year: 2019

	Subsidiary/Company Name	Line of Business	Earnings (000's)	Percent of Total
1	Montana-Dakota Utilities Co. and	Electric and Natural Gas	$67,122	100.00%
2	Great Plains Natural Gas Co. (A	Distribution		
3	division of Montana-Dakota			
4	Utilities Co.)			
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50	**TOTAL**		$67,122	100.00%

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 5**

CORPORATE ALLOCATIONS - GAS

Year: 2019

	Items Allocated	Classification	Allocation Method	$ to MT Utility	MT %	$ to Other
1	Not applicable					
2						
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Company Name: Montana-Dakota Utilities Co. **SCHEDULE 6**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - GAS Year: 2019

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		$50		$8
3						
4						
5		Capital	Actual Costs Incurred			
6		Contract Services		17,312		1,296
7						
8						
9		Other				
10		Balance Sheet Accts		50		0
11						
12						
13		Total Knife River Corporation Operating Revenues for the Year 2019			$2,190,717,000	
14		Excludes Intersegment Eliminations				
15	**TOTAL**	**Grand Total Affiliate Transactions**		$17,412	0.0008%	$1,304
16	**WBI ENERGY, INC.**	Natural Gas	Actual Costs Incurred			
17		Purchases/Transportation		$57,635,241		$16,037,332
18						
19		Expense	Actual Costs Incurred			
20		Contract Services		24,299		13,634
21		Materials		15,429		1,139
22		Miscellaneous		6,699		1,815
23						
24						
25		Capital	Actual Costs Incurred			
26		Contract Services		635,705		52,744
27		Materials		132,702		27,804
28		Miscellaneous		2,069		1,662
29						
30		Other				
31		Balance Sheet Accounts		2,595		0
32						
33						
34		Total WBI Energy, Inc Operating Revenues for the Year 2019			$140,444,000	
35		Excludes Intersegment Eliminations				
36	**TOTAL**	**Grand Total Affiliate Transactions**		$58,454,739	41.6214%	$16,136,130

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 6**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - GAS Year: 2019

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**					
2	**SERVICES GROUP, INC.**	Expense	Actual Costs Incurred			
3		Contract Services		$890,017		$0
4						
5						
6						
7						
8						
9						
10						
11						
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13						
14		Total MDU Construction Services Group, Inc Operating Revenues for the Year 2019			$1,849,266,000	
15		Excludes Intersegment Eliminations				
16	**TOTAL**	**Grand Total Affiliate Transactions**		$890,017	0.0481%	$0

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 6**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - GAS Year: 2019

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	Actual Costs Incurred			
2	**CAPITAL, LLC**	Corporate Aircraft		$17,556		$7,989
3		Miscellaneous		818,815		205,286
4						
5		Capital				
6		Corporate Aircraft	Actual Costs Incurred	11,662		2,534
7						
8						
9		Other				
10		Balance Sheet Accounts		4,344,140		0
11						
12						
13		Total Centennial Holdings Capital, LLC Operating Revenues for the Year 2019			$16,551,000	
14		Excludes Intersegment Eliminations				
15	**TOTAL**	**Grand Total Affiliate Transactions**		$5,192,173	31.3708%	$215,809

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 6**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - GAS Year: 2019

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		$307,121		$82,864
3		Office Expenses		85,294		21,557
4		Payroll		107,236		22,634
5		Miscellaneous		19,053		3,565
6						
7		Capital	Actual Costs Incurred			
8		Contract Services		119,178		28,554
9		Payroll		33,837		10,871
10		Material		3,756		1,037
11		Miscellaneous		11,983		2,591
12						
13		Other Transactions/Reimbursements	Actual Costs Incurred			
14		Clearing		(7,771)		0
15		Balance Sheet Accounts		22,536		0
16						
17						
18						
19		Total MDU Energy Capital Operating Revenues for the Year 2019			$565,951,000	
20						
21	**TOTAL**	**Grand Total Affiliate Transactions**		$702,223	0.1241%	$173,673

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 6**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - GAS Year: 2019

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			
3		Advertising	Allocation Methodologies	$28,989		$7,268
4		Air Service	and/or Actual Costs Incurred	7,278		1,825
5		Audit Costs		44,457		11,146
6		Automobile		4,454		1,117
7		Bank Services		19,935		4,998
8		Corporate Aircraft		12,708		3,186
9		Consultant Fees		109,463		27,443
10		Contract Services		205,323		51,476
11		Directors Expense		424,276		106,369
12		Employee Benefits		13,220		3,315
13		Employee Reimbursable Expense		25,193		6,316
14		Entertainment		66		17
15		Insurance		128,659		32,256
16		Legal Retainer Fees		27,483		6,890
17		Meal Allowance		2		1
18		Meals		17,974		4,506
19		Industry Dues & Licenses		16,532		4,145
20		Office Expenses		6,595		1,654
21		Permits & Filing Fees		5,999		1,504
22		Postage		20		5
23		Payroll		4,134,965		1,036,677
24		Reference Materials		27,662		6,935
25		Rental		2,046		513
26		Seminars & Meeting Registrations		21,911		5,493
27		Software Maintenance		235,614		59,071
28		Telephone/Cell Expenses		41,487		10,401
29		Safety Training		92		23
30		Uniforms		299		75
31						

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 6**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY - GAS Year: 2019

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		$11,031		$2,821
3		Office Expenses		146,521		34,497
4		Payroll		787		194
5		Miscellaneious		653,903		161,955
6						
7		Capital	Actual Costs Incurred			
8		Contract Services		4,509		1,089
9		Payroll		638,542		145,423
10		Miscellaneous		31,529		6,492
11						
12		Other Transactions/Reimbursements	Actual Costs Incurred			
13		Clearing		215,602		
14		Balance Sheet Accounts		533,214		
15		Miscellaneous		34,681		8,670
16						
17		Total MDU Resources Group, Inc. Operating Revenues for the Year 2019			$0	
18						
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22						
23	**TOTAL**	**Grand Total Affiliate Transactions**		$7,833,021	0.0000%	$1,755,766

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 7**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2019

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			
3		Contract Services		$44,577		
4		Communications		116,521		
5		Employee Discounts		24,340		
6		Electric Consumption		152,483		
7		Gas Consumption		126,150		$56,680
8		Bank Fees		9,077		
9		Computer/Software Support		64,311		
10		Office Expense		623		
11		Cost of Service 1/		710,252		156,683
12		Auto		(1,777)		
13		Employee Benefits		2,611		
14		**Total Other Direct Charges**		$1,249,168	0.06212%	$213,363
15						
16		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual Costs Incurred			
17		Miscellaneous Reimbursements		(135,562)		
18		**Total Other Transactions/Reimbursements**		($135,562)	-0.00674%	$0
19						
20		**Grand Total Affiliate Transactions**		$1,113,606	0.05538%	$213,363
21						
22						
23		**Total Knife River Corporation Operating Expenses for 2019 - Excludes Intersegment Eliminations**			$2,010,762,000	

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.

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 7**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2019

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.					
2		Other Direct Charges	Actual Costs Incurred			
3		Auto		$2,097		
4		Bank Fees		934		
5		Computer/Software Support		37,309		
6		Contract Services		330,680		
7		Electric Consumption		625,743		$469,517
8		Gas Consumption		38,362		26,523
9		Cost of Service 1/		68,075		15,017
10		Misc Employee Benefits		25,932		
11		Misc Employee Discount		32,542		
12		Dues, Permits and Filing Fees		7,938		
13		Office Expense		9,825		
14		Training Registration		973		
15		Travel		491		
16		Payroll		75,125		
17		**Total Other Direct Charges**		1,256,026	1.2861%	511,057
18						
19		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual Costs Incurred			
20		Miscellaneous Reimbursements		(508,335)		
21		**Total Other Transactions/Reimbursements**		($508,335)	-0.5205%	$0
22						
23		**Grand Total Affiliate Transactions**		$747,691	0.7656%	$511,057
24						
25						
26		**Total WBI Energy Operating Expenses for 2019 - Excludes Intersegment Eliminations**			$97,662,000	

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.

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 7**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2019

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	Other Direct Charges	Actual Costs Incurred			
2	SERVICES GROUP INC	Bank Fees		$18,655		
3		Communication Services		1,901		
4		Computer/Software Support		233,405		
5		Contract Services		2,344		
6		Cost of Service 1/		153,408		$33,843
7		Gas Consumption		4,951		4,951
8		Misc Employee Benefits		7,686		
9		Office Expense		7,382		
10		Travel		1,318		
11		Training Registration		130		
12		**Total Other Direct Charges**		$431,180	25.0273%	$38,794
13						
14		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual Costs Incurred			
15		Miscellaneous Reimbursements		(99,523)		
16		**Total Other Transactions/Reimbursements**		($99,523)	-5.7767%	$0
17						
18		**Grand Total Affiliate Transactions**		$331,657	19.2506%	$38,794
19						
20		**Total MDU Construction Services Group, Inc. Operating Expenses for 2019**			$1,722,840	
21		**Excludes Intersegment Eliminations**				

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: 2019

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	RESOURCES INT					
3		Other Direct Charges	Actual Costs Incurred			
4		Bank Fees		$515		
5		**Total Montana-Dakota Utilities Co.**		$515	0.7357%	$0
6						
7		**Grand Total Affiliate Transactions**		$515	0.7357%	$0
8						
9		**Total Centennial Energy Resources International Operating Expenses for 2019**			$70,000	
10		**Excludes Intersegment Eliminations**				

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 7**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2019

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					
2	CAPITAL CORP. AND	Other Direct Charges	Actual Costs Incurred			
3	FUTURESOURCE	Bank Fees		$229		
4		Contract Services		34,195		
5		Materials		109,198		
6		Office Expense		11,540		
7		Travel		2,654		
8		**Total Montana-Dakota Utilities Co.**		$157,816	0.8941%	$0
9						
10		OTHER TRANSACTIONS/REIMBURSEMENTS				
11		Miscellaneous Reimbursements		($567,091)		
12		**Total Other Transactions/Reimbursements**		($567,091)	-3.2128%	$0
13						
14		**Grand Total Affiliate Transactions**		($409,275)	-2.3187%	$0
15						
16		**Total CHCC Operating Expenses for 2019**			$17,651,000	
17		**Excludes Intersegment Eliminations**				

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 7**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2019

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	MDU ENERGY					
2	CAPITAL 1/	Other Direct Charges	Actual Costs Incurred			
3		Bank Fees		$673		
4		Contract Services		4,740,535		
5		Employee Benefits		29,015		
6		Filing Fees		8,828		
7						
8		Intercompany Settlements				
9		O&M	Actual Costs Incurred			
10		Bank Fees		1,135		
11		Communications		289,832		
12		Contract Services		433,867		
13		Cost of Service 2/		1,882,835		$415,357
14		Employee Benefits		129,597		
15		Marketing		8,053		
16		Material		14,305		
17		Miscellaneous		607,494		
18		Office Expenses		102,822		
19		Payroll		16,223,579		
20		SISP		122,016		
21		Software Maintenance		2,080,137		
22		Sponsorship		595		
23		Travel		344,495		
24						
25		Other	Actual Costs Incurred			
26		Audit		(1,455)		
27		LTIP		387,651		
28		Payflex		(32,314)		
29		Prepaid		102,452		
30		Miscellaneous		163,434		
31						
32						

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 7**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2019

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/	Capital	Actual Costs Incurred			
3		Contract Services		$1,897,335		
4		Material		234,874		
5		Misc Employee Benefit		7,807		
6		Misc Other		257,046		
7		Office Expenses		6,122		
8		Payroll		2,295,348		
9		Travel		50,185		
10		Equipment		131,638		
11		**Total Other Direct Charges & Intercompany Settlements**		$32,519,936	6.3147%	$415,357
12						
13		OTHER TRANSACTIONS/REIMBURSEMENTS				
14		Miscellaneous Reimbursements	Actual Costs Incurred	($752,481)		
15		**Total Other Transactions/Reimbursements**		($752,481)	-0.1461%	$0
16						
17		**Grand Total Affiliate Transactions**		$31,767,455	6.1686%	$415,357
18						
19		**Total MDU Energy Capital Operating Expenses for 2019**			$514,986,000	
20		**Excludes Intersegment Eliminations**				

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 and Intermountain Gas Company.

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.

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 7**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2019

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					
2	HOLDING INC					
3		Other Direct Charges	Actual Costs Incurred			
4		Bank Fees		$260		
5		Contract Services		26,743		
6		Miscellaneous		27,713		
7		**Total Other Direct Charges**		$54,716		$0
8						
9		**Grand Total Affiliate Transactions**		$54,716		$0
10						
11						
12						

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 7**

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2019

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					
2	GROUP INC.	Other Direct Charges	Actual Costs Incurred			
3		Audit Costs		$139,554		
4		Communication Services		2,573		
5		Computer/Software Support		55,595		
6		Contract Services		2,291		
7		Miscellaneous		7,396		
8		Misc Employee Benefits		16,118		
9		Office Expense		472		
10		Payroll		21,989		
11		Travel		14,477		
12		**Total Other Direct Charges**		$260,465		$0
13						
14		OTHER TRANSACTIONS/REIMBURSEMENTS	Actual Costs Incurred			
15		Miscellaneous Reimbursements		(118,465)		
16		**Total Other Transactions/Reimbursements**		($118,465)		$0
17						
18		**Grand Total Affiliate Transactions**		$142,000		$0
19						
20		**Total MDU Resources Group Inc. Operating Expenses for 2019**				
21		**Excludes Intersegment Eliminations**			$0	

Company Name: **Montana-Dakota Utilities Co.** **SCHEDULE 8**

MONTANA UTILITY INCOME STATEMENT

Year: 2019

	Account Number & Title		Last Year	This Year	% Change
1	400	Operating Revenues	$72,073,248	$73,088,254	1.41%
2					
3		Operating Expenses			
4	401	Operation Expenses	$55,967,079	$57,311,405	2.40%
5	402	Maintenance Expense	1,314,579	1,462,914	11.28%
6		Total O& M Expenses	57,281,658	58,774,319	2.61%
7					
8	403	Depreciation Expense	4,572,237	4,834,475	5.74%
9	404-405	Amort. & Depl. of Gas Plant	633,823	665,257	4.96%
10	406	Amort. of Gas Plant Acquisition Adjustments			
11	407.1	Amort. of Property Losses, Unrecovered Plant			
12		& Regulatory Study Costs			
13	407.2	Amort. of Conversion Expense			
14	408.1	Taxes Other Than Income Taxes	5,903,741	6,550,522	10.96%
15	409.1	Income Taxes - Federal	327,257	(577,283)	-276.40%
16		- Other	155,378	(153,765)	-198.96%
17	410.1	Provision for Deferred Income Taxes	8,470,170	5,215,385	-38.43%
18	411.1	(Less) Provision for Def. Inc. Taxes - Cr.	8,576,519	4,815,693	-43.85%
19	411.4	Investment Tax Credit Adjustments			
20	411.6	(Less) Gains from Disposition of Utility Plant			
21	411.7	Losses from Disposition of Utility Plant			
22					
23		**TOTAL Utility Operating Expenses**	$68,767,745	$70,493,217	2.51%
24		**NET UTILITY OPERATING INCOME**	$3,305,503	$2,595,037	-21.49%

MONTANA REVENUES

SCHEDULE 9

	Account Number & Title		Last Year	This Year	% Change
1		Sales of Gas			
2					
3	480	Residential	$43,025,501	$44,160,599	2.64%
4	481	Commercial & Industrial - Small	27,406,091	28,152,010	2.72%
5		Commercial & Industrial - Large	238,762	285,028	19.38%
6	482	Other Sales to Public Authorities			
7	484	Interdepartmental Sales			
8	485	Intracompany Transfers			
9		Net Unbilled Revenue	(496,597)	(1,453,508)	-192.69%
10					
11		**TOTAL Sales to Ultimate Consumers**	$70,173,757	$71,144,129	1.38%
12	483	Sales for Resale			
13					
14		**TOTAL Sales of Gas**	$70,173,757	$71,144,129	1.38%
15		Other Operating Revenues			
16	487	Forfeited Discounts & Late Payment Revenues	$79,515	$64,202	-19.26%
17	488	Miscellaneous Service Revenues	40,391	67,086	66.09%
18	489	Revenues from Transp. of Gas for Others 1/	1,213,031	1,164,843	-3.97%
19	490	Sales of Products Extracted from Natural Gas			
20	491	Revenues from Nat. Gas Processed by Others			
21	492	Incidental Gasoline & Oil Sales			
22	493	Rent From Gas Property	340,796	318,031	-6.68%
23	494	Interdepartmental Rents			
24	495	Other Gas Revenues	225,758	329,963	46.16%
25					
26		**TOTAL Other Operating Revenues**	1,899,491	1,944,125	2.35%
27		**Total Gas Operating Revenues**	$72,073,248	$73,088,254	1.41%
28	496	(Less) Provision for Rate Refunds			
29					
30		**TOTAL Oper. Revs. Net of Pro. for Refunds**	$72,073,248	$73,088,254	1.41%

1/ Includes unbilled revenue.

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 10**

Year: 2019

MONTANA OPERATION & MAINTENANCE EXPENSES

	Account Number & Title	Last Year	This Year	% Change
1	**Production Expenses**			
2				
3	Production & Gathering - Operation			
4	750 Operation Supervision & Engineering			
5	751 Production Maps & Records			
6	752 Gas Wells Expenses			
7	753 Field Lines Expenses	NOT	NOT	
8	754 Field Compressor Station Expenses	APPLICABLE	APPLICABLE	
9	755 Field Compressor Station Fuel & Power			
10	756 Field Measuring & Regulating Station Expense			
11	757 Purification Expenses			
12	758 Gas Well Royalties			
13	759 Other Expenses			
14	760 Rents			
15				
16	**Total Operation - Natural Gas Production**			
17	Production & Gathering - Maintenance			
18				
19	761 Maintenance Supervision & Engineering			
20	762 Maintenance of Structures & Improvements			
21	763 Maintenance of Producing Gas Wells			
22	764 Maintenance of Field Lines	NOT	NOT	
23	765 Maintenance of Field Compressor Sta. Equip.	APPLICABLE	APPLICABLE	
24	766 Maintenance of Field Meas. & Reg. Sta. Equip.			
25	767 Maintenance of Purification Equipment			
26	768 Maintenance of Drilling & Cleaning Equip.			
27	769 Maintenance of Other Equipment			
28				
29	**Total Maintenance- Natural Gas Prod.**			
30	**TOTAL Natural Gas Production & Gathering**			
31	Products Extraction - Operation			
32				
33	770 Operation Supervision & Engineering			
34	771 Operation Labor			
35	772 Gas Shrinkage			
36	773 Fuel			
37	774 Power			
38	775 Materials			
39	776 Operation Supplies & Expenses	NOT	NOT	
40	777 Gas Processed by Others	APPLICABLE	APPLICABLE	
41	778 Royalties on Products Extracted			
42	779 Marketing Expenses			
43	780 Products Purchased for Resale			
44	781 Variation in Products Inventory			
45	782 (Less) Extracted Products Used by Utility - Cr.			
46	783 Rents			
47				
48	**Total Operation - Products Extraction**			
49	Products Extraction - Maintenance			
50				
51	784 Maintenance Supervision & Engineering			
52	785 Maintenance of Structures & Improvements			
53	786 Maintenance of Extraction & Refining Equip.			
54	787 Maintenance of Pipe Lines	NOT	NOT	
55	788 Maintenance of Extracted Prod. Storage Equip.	APPLICABLE	APPLICABLE	
56	789 Maintenance of Compressor Equipment			
57	790 Maintenance of Gas Meas. & Reg. Equip.			
58	791 Maintenance of Other Equipment			
59				
60	**Total Maintenance - Products Extraction**			
61	**TOTAL Products Extraction**			

MONTANA OPERATION & MAINTENANCE EXPENSES Year: 2019

	Account Number & Title	Last Year	This Year	% Change
1	**Production Expenses - continued**			
2				
3	Exploration & Development - Operation			
4	795 Delay Rentals			
5	796 Nonproductive Well Drilling	NOT	NOT	
6	797 Abandoned Leases	APPLICABLE	APPLICABLE	
7	798 Other Exploration			
8				
9	**TOTAL Exploration & Development**			
10				
11	Other Gas Supply Expenses - Operation			
12	800 Natural Gas Wellhead Purchases			
13	800.1 Nat. Gas Wellhead Purch., Intracomp. Trans.			
14	801 Natural Gas Field Line Purchases			
15	802 Natural Gas Gasoline Plant Outlet Purchases			
16	803 Natural Gas Transmission Line Purchases			
17	804 Natural Gas City Gate Purchases	$42,783,707	$44,193,748	3.30%
18	805 Other Gas Purchases			
19	805.1 Purchased Gas Cost Adjustments	601,641	468,191	-22.18%
20	805.2 Incremental Gas Cost Adjustments			
21	806 Exchange Gas			
22	807.1 Well Expenses - Purchased Gas			
23	807.2 Operation of Purch. Gas Measuring Stations			
24	807.3 Maintenance of Purch. Gas Measuring Stations			
25	807.4 Purchased Gas Calculations Expenses			
26	807.5 Other Purchased Gas Expenses			
27	808.1 Gas Withdrawn from Storage -Dr.	(184,685)	(961,725)	-420.74%
28	809.2 (Less) Deliveries of Nat. Gas for Processing-Cr.			
29	810 (Less) Gas Used for Compressor Sta. Fuel-Cr.			
30	811 (Less) Gas Used for Products Extraction-Cr.			
31	812 (Less) Gas Used for Other Utility Operations-Cr.			
32	813 Other Gas Supply Expenses	159,095	181,270	13.94%
33				
34	**TOTAL Other Gas Supply Expenses**	$43,359,758	$43,881,484	1.20%
35	**TOTAL PRODUCTION EXPENSES**	$43,359,758	$43,881,484	1.20%

MONTANA OPERATION & MAINTENANCE EXPENSES

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

MONTANA OPERATION & MAINTENANCE EXPENSES

		Account Number & Title	Last Year	This Year	% Change
1		**Transmission Expenses**			
2					
3	Operation				
4	850	Operation Supervision & Engineering			
5	851	System Control & Load Dispatching			
6	852	Communications System Expenses			
7	853	Compressor Station Labor & Expenses			
8	854	Gas for Compressor Station Fuel	NOT	NOT	
9	855	Other Fuel & Power for Compressor Stations	APPLICABLE	APPLICABLE	
10	856	Mains Expenses			
11	857	Measuring & Regulating Station Expenses			
12	858	Transmission & Compression of Gas by Others			
13	859	Other Expenses			
14	860	Rents			
15					
16		**Total Operation - Transmission**			
17					
18	Maintenance				
19	861	Maintenance Supervision & Engineering			
20	862	Maintenance of Structures & Improvements			
21	863	Maintenance of Mains			
22	864	Maintenance of Compressor Station Equip.	NOT	NOT	
23	865	Maintenance of Measuring & Reg. Sta. Equip.	APPLICABLE	APPLICABLE	
24	866	Maintenance of Communication Equipment			
25	867	Maintenance of Other Equipment			
26		**Total Maintenance - Transmission**			
27		**TOTAL Transmission Expenses**			
28		**Distribution Expenses**			
29					
30	Operation				
31	870	Operation Supervision & Engineering	$974,246	$1,179,958	21.11%
32	871	Distribution Load Dispatching	8,268	9,173	10.95%
33	872	Compressor Station Labor and Expenses			
34	873	Compressor Station Fuel and Power			
35	874	Mains and Services Expenses	1,526,031	1,700,342	11.42%
36	875	Measuring & Reg. Station Exp.-General	46,923	61,353	30.75%
37	876	Measuring & Reg. Station Exp.-Industrial	8,959	5,405	-39.67%
38	877	Meas. & Reg. Station Exp.-City Gate Ck. Sta.	0	845	
39	878	Meter & House Regulator Expenses	733,392	446,651	-39.10%
40	879	Customer Installations Expenses	486,141	587,873	20.93%
41	880	Other Expenses	1,134,313	1,323,898	16.71%
42	881	Rents	39,118	34,412	-12.03%
43					
44		**Total Operation - Distribution**	$4,957,391	$5,349,910	7.92%
45					
46	Maintenance				
47	885	Maintenance Supervision & Engineering	$290,639	$303,098	4.29%
48	886	Maintenance of Structures & Improvements	3,469	7,864	126.69%
49	887	Maintenance of Mains	104,118	142,908	37.26%
50	888	Maint. of Compressor Station Equipment			
51	889	Maint. of Meas. & Reg. Station Exp.-General	90,232	90,740	0.56%
52	890	Maint. of Meas. & Reg. Sta. Exp.-Industrial	43,092	42,503	-1.37%
53	891	Maint. of Meas. & Reg. Sta. Equip.-City Gate	25	7,273	28992.00%
54	892	Maintenance of Services	171,689	345,410	101.18%
55	893	Maintenance of Meters & House Regulators	304,459	223,072	-26.73%
56	894	Maintenance of Other Equipment	210,489	175,498	-16.62%
57					
58		**Total Maintenance - Distribution**	$1,218,212	$1,338,366	9.86%
52		**TOTAL Distribution Expenses**	$6,175,603	$6,688,276	8.30%

MONTANA OPERATION & MAINTENANCE EXPENSES Year: 2019

	Account Number & Title		Last Year	This Year	% Change
1		**Customer Accounts Expenses**			
2					
3	Operation				
4	901	Supervision	$56,219	$67,999	20.95%
5	902	Meter Reading Expenses	211,380	231,261	9.41%
6	903	Customer Records & Collection Expenses	1,347,720	1,291,056	-4.20%
7	904	Uncollectible Accounts Expenses	291,978	296,544	1.56%
8	905	Miscellaneous Customer Accounts Expenses	90,130	90,564	0.48%
9					
10		**TOTAL Customer Accounts Expenses**	$1,997,427	$1,977,424	-1.00%
11		**Customer Service & Informational Expenses**			
12					
13	Operation				
14	907	Supervision	$16,723	$44,906	168.53%
15	908	Customer Assistance Expenses	134,179	148,430	10.62%
16	909	Informational & Instructional Advertising Exp.	41,818	49,253	17.78%
17	910	Miscellaneous Customer Service & Info. Exp.	0	0	0.00%
18					
19		**TOTAL Customer Service & Info. Expenses**	$192,720	$242,589	25.88%
20		**Sales Expenses**			
21					
22	Operation				
23	911	Supervision	($1,140)	$834	173.16%
24	912	Demonstrating & Selling Expenses	66,227	70,478	6.42%
25	913	Advertising Expenses	34,934	30,913	-11.51%
26	916	Miscellaneous Sales Expenses	1,930	2,354	21.97%
27					
28		**TOTAL Sales Expenses**	$101,951	$104,579	2.58%
29		**Administrative & General Expenses**			
30					
31	Operation				
32	920	Administrative & General Salaries	$1,466,420	$1,813,007	23.63%
33	921	Office Supplies & Expenses	947,917	848,445	-10.49%
34	922	(Less) Administrative Expenses Transferred - Cr.			
35	923	Outside Services Employed	452,853	61,328	-86.46%
36	924	Property Insurance	119,673	152,539	27.46%
37	925	Injuries & Damages	372,408	478,913	28.60%
38	926	Employee Pensions & Benefits	1,599,107	1,801,946	12.68%
39	927	Franchise Requirements			
40	928	Regulatory Commission Expenses	64,691	89,541	38.41%
41	929	(Less) Duplicate Charges - Cr.			
42	930	Miscellaneous General Expenses	145,093	167,582	15.50%
43	931	Rents	189,670	342,118	80.38%
44					
45		**TOTAL Operation - Admin. & General**	$5,357,832	$5,755,419	7.42%
46					
47	Maintenance				
48	935	Maintenance of General Plant	$96,367	$124,548	29.24%
49					
50		**TOTAL Administrative & General Expenses**	$5,454,199	$5,879,967	7.81%
51	**TOTAL OPERATION & MAINTENANCE EXP.**		$57,281,658	$58,774,319	2.61%

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 11**

MONTANA TAXES OTHER THAN INCOME Year: 2019

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	$499,315	$579,377	16.03%
2	Secretary of State	239	255	6.69%
3	Highway Use Tax	456	442	-3.07%
4	Montana Consumer Counsel	70,251	33,983	-51.63%
5	Montana PSC	286,822	180,145	-37.19%
6	Delaware Franchise Taxes	23,476	8,670	-63.07%
7	Property Taxes	5,023,182	5,747,650	14.42%
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49				
50	**TOTAL MT Taxes other than Income**	$5,903,741	$6,550,522	10.96%

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 12**

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - GAS

Year: 2019

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	4T CONSTRUCTION	Pipeline Install, Underground Construction	$239,590	$0	0.00%
2					
3	AGRI INDUSTRIES, INC.	Contract Services	190,215	18,480	9.72%
4					
5	ALLIANCE PIPELINE LP	Contract Service - Milnor-Gwiner Pipeline	400,325	0	0.00%
6					
7	AMERICAN GAS ASSOCIATION	Industrial Membership	292,577	26,435	9.04%
8					
9	ANCHOR QEA	Erosion Control	321,645	0	0.00%
10					
11	ARBOR SOLUTIONS TREE SERVICE LLC	Vegetation Removal	88,000	0	0.00%
12					
13	ARVIG CONSTRUCTION	Construction Services	2,051,063	0	0.00%
14					
15	AUTOMOTIVE RENTALS, INC	Contract Services	283,688	0	0.00%
16					
17	B & B EXCAVATING INC	Contract Services	119,690	0	0.00%
18					
19	B&H UTILITY SERVICES, INC	Contract Services	271,954	3,604	1.33%
20					
21	BADGER DAYLIGHTING CORP	Contract Services	136,383	1,781	1.31%
22					
23	BARANKO BROTHERS INC.	Erosion Control	77,703	0	0.00%
24					
25	BARR ENGINEERING COMPANY	Engineering Services - Power Plants	670,923	0	0.00%
26					
27	BENTLY NEVADA, LLC	Contract Services - Power Plants	176,851	0	0.00%
28					
29	BILLINGS CONSTRUCTION SUPPLY	Construction Services	89,545	88,873	99.25%
30					
31	BLUE HERON CONSULTING CORPORATION	Consulting Services	238,420	20,985	8.80%
32					
33	BORDER STATES INDUSTRIES INC	Contract Services	187,548	0	0.00%
34					
35	BRACE INTEGRATED SERVICES - MIDWEST	Construction Services	75,931	0	0.00%
36					
37	BRAHMA INDUSTRIAL SERVICES INC (BISI)	Contract Services	177,041	0	0.00%
38					
39	BRINK CONSTRUCTION INC	Construction Services	245,997	0	0.00%
40					
41	BROSZ ENGINEERING, INC	Engineering Services	145,994	0	0.00%
42					
43	BROTHERS PIPELINE CORP	Construction Services	3,553,905	0	0.00%
44					
45	BULLINGER TREE SERVICE	Vegetation Removal	237,536	0	0.00%
46					
47	BURNS & MCDONNELL ENGINEERING CO, INC	Engineering Services	998,177	0	0.00%
48					
49	CA CONTRACTING INC	Contract Services	103,931	7,880	7.58%
50					

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 12**

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - GAS

Year: 2019

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	CGI TECHNOLOGIES AND SOLUTIONS INC	Consulting Services	$435,429	$35,448	8.14%
2					
3	CHIEF CONSTRUCTION INC	Contract Services	781,810	0	0.00%
4					
5	COMPLETE CONTRACTING SOLUTIONS	Contract Services	637,354	0	0.00%
6					
7	CONCENTRIC ENERGY ADVISORS INC	Contract Services	153,229	0	0.00%
8					
9	CONDUCTOR POWER LLC	Contract Services - Power Plants	3,843,243	0	0.00%
10					
11	CDP CONSTRUCTION LLC	Construction Services	135,176	135,176	100.00%
12					
13	CROWLEY FLECK PLLP	Legal Services	210,531	98,851	46.95%
14					
15	DAKOTA FENCE COMPANY	Fence Maintenance & Installation	494,930	1,965	0.40%
16					
17	DAVEY RESOURCE GROUP INC	Consulting Services	412,789	0	0.00%
18					
19	DIS TECHNOLOGIES	GIS Data Conversion	118,058	10,391	8.80%
20					
21	DNV GL ENERGY INSIGHTS USA INC	SL Essentials	81,790	0	0.00%
22					
23	DNV GL NOBLE DENTON USA LLC	SL Essentials	220,928	44,952	20.35%
24					
25	DTE INC-DICKINSON TRUCK EQUIPMENT	Construction Services	75,764	0	0.00%
26					
27	E ON ENERGY SERVICES LLC	Energy Services & Maintenance	97,000	0	0.00%
28					
29	ECI CONTRACTING	Construction Services	1,375,031	0	0.00%
30					
31	EDISON ELECTRIC INSTITUTE	Industrial Membership	128,877	973	0.75%
32					
33	EDLING ELECTRIC INC	Contract Services - Fiber-Interduct Work	98,488	132	0.13%
34					
35	ELECTRIC COMPANY OF SOUTH DAKOTA	Underground Construction	607,193	0	0.00%
36					
37	ELECTRIC SCIENTIFIC	Contract Services - Power Plant	90,892	67	0.07%
38					
39	EMERSON PROCESS MANAGEMENT POWER & WATER	Contract Services - Power Plant	443,592	0	0.00%
40					
41	EN ENGINEERING LLC	Engineering Services	487,080	0	0.00%
42					
43	ENTHALPY ENERGY SERVICES LLC	Contract Services - Power Plant	90,643	0	0.00%
44					
45	ESRI	Consulting Services	191,372	11,791	6.16%
46					
47	EXTREME UNDERGROUND HDD LLC	Underground Construction	534,448	0	0.00%
48					
49	FIS ENERGY SYSTEMS, INC.	Software Maintenance	253,971	23,364	9.20%
50					

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - GAS

Year: 2019

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	FISCHER CONTRACTING	Construction Services	$579,674	$0	0.00%
2					
3	FITCH RATINGS	Credit Rating Services	85,000	4,958	5.83%
4					
5	FRANZ CONSTRUCTION INC	Contract Services - Power Plant	778,184	9,184	1.18%
6					
7	FUSEFORWARD CLOUD SERVICES LTD	Contract Services	167,932	12,061	7.18%
8					
9	GAGNON, INC	Contract Services	120,331	0	0.00%
10					
11	GAS TECHNOLOGY INSTITUTE	Contract Services	166,338	0	0.00%
12					
13	GREAT SOUTHWESTERN CONSTRUCTION INC	Construction Services	4,669,475	0	0.00%
14					
15	HANGING H COMPANIES LLC	Contruction Services - Service Lines	5,657,010	5,656,405	99.99%
16					
17	HDR INC	Engineering Services	856,129	0	0.00%
18					
19	HEITKAMP CONSTRUCTION COMPANY, INC	Contract Services	106,651	0	0.00%
20					
21	HIGH COUNTRY LINE CONSTRUCTION INC	Construction Services	249,284	0	0.00%
22					
23	HIGH VOLTAGE, INC	Contract Services - Preventative Maintenance	3,696,507	0	0.00%
24					
25	HIGHMARK ERECTORS INC	Contract Services	2,545,224	0	0.00%
26					
27	HIGHMARK, INC	Contract Services	113,620	0	0.00%
28					
29	HILLS EARTHWORKS	Construction Services	125,606	0	0.00%
30					
31	HONEYWELL	SE & SP Support Renewal	94,809	0	0.00%
32					
33	INDOOR SERVICES, INC	Janitorial Services	126,662	12,637	9.98%
34					
35	INDUSTRIAL CONTRACTORS, INC	Contract Services - Maintenance	800,656	0	0.00%
36					
37	INSIGHT	Software Maintenance	114,622	6,413	5.59%
38					
39	INTERIORS BY FRANCE	Carpet Installation	252,971	22,270	8.80%
40					
41	ITRON INC	Software Maintenance	378,668	38,771	10.24%
42					
43	J.B. CONSTRUCTION INC	Construction Services	305,087	0	0.00%
44					
45	J2 STUDIO ARCHITECT & DESIGN	Architectural Services	118,376	10,419	8.80%
46					
47	JACKSON UTILITIES LLC	Gas & Electric Line Installation	2,168,207	577,747	26.65%
48					
49	JACOBSEN TREE EXPERTS	Vegetation Removal	730,742	0	0.00%
50					

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 12**

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - GAS

Year: 2019

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	KADRMAS LEE & JACKSON	Engineering Services	$229,692	$0	0.00%
2					
3	KEY CONTRACTING INC	Contract Services - Transmission Line	296,605	0	0.00%
4					
5	LANDWORKS INC	Data Entry & Mapping	1,490,866	0	0.00%
6					
7	LATITUDE GEOGRAPHICS	Contract Services	123,327	10,069	8.16%
8					
9	LIGNITE ENERGY COUNCIL	Membership Dues	102,265	0	0.00%
10					
11	LOGAN ELECTRIC	Construction Services	105,000	0	0.00%
12					
13	MAVIRO INC (formerly Envirosystems/VisTech)	Pur Payment Processing Software	179,459	0	0.00%
14					
15	MBN ENGINEERING INC	Engineering Services	188,390	0	0.00%
16					
17	MCM GENERAL CONTRACTORS, INC	Construction Services	482,220	0	0.00%
18					
19	MECHANICAL DYNAMICS & ANALYSIS LLC	Contract Services - Power Plant	93,973	0	0.00%
20					
21	MG MEDIA STRATEGIES	Radio Advertising	105,832	8,035	7.59%
22					
23	MICHELS CORPORATION	Contract Services	2,865,517	0	0.00%
24					
25	MIDCONTINENT ISO	Power Plant Fees	797,400	0	0.00%
26					
27	MINNESOTA DEPARTMENT OF COMMERCE	Permits & Filing Fees	138,177	0	0.00%
28					
29	MINNESOTA VALLEY TESTING	Fuel Sampling & Testing	117,112	0	0.00%
30					
31	MISSOURI RIVER CONTRACTING	Contract Services	4,976,635	438,021	8.80%
32					
33	MONTANA DEPT OF ENVIRONMENTAL QUALITY	Power Plant Fees	78,555	0	0.00%
34					
35	MOORHEAD ELECTRIC INC (MEI)	Equipment Rental	1,307,534	0	0.00%
36					
37	MORTON, NICOLE	Legal Services	75,000	75,000	0.00%
38					
39	MOSAIC COMPANY	Contract Services	282,250	0	0.00%
40					
41	MP CONCRETE SERVICES LLC	Contstruction Services	80,410	0	0.00%
42					
43	MUFG	Amendment Fees	456,716	0	0.00%
44					
45	ND PUBLIC SERVICE COMMISSION	Power Plant Fees	331,250	0	0.00%
46					
47	NERC	Contract Services - Quarterly Assessment	116,395	0	0.00%
48					
49	NORDEX USA INC	Thunder Spirit - Service Contract	549,350	0	0.00%
50					

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - GAS

Year: 2019

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	NORTHERN IMPROVEMENT COMPANY	Construction Services	$1,299,911	$0	0.00%
2					
3	ONE CALL LOCATORS LTD (ELM)	Line Locating Services	2,693,747	504,150	18.72%
4					
5	ONTRACKS CONSULTING	Consulting Services	1,234,270	230,954	18.71%
6					
7	OPEN SYSTEMS INTERNATIONAL, INC	Software Maintenance	389,208	0	0.00%
8					
9	ORACLE AMERICA, INC	Software Maintenance	218,196	13,026	5.97%
10					
11	ORACLE CORP	Software Maintenance	785,939	26,550	3.38%
12					
13	ORMAT NEVEDA INC	Energy Converter Maintenance	367,569	0	0.00%
14					
15	OSMOSE UTILITIES SERVICES, INC	Contract Services	291,510	0	0.00%
16					
17	OTIS ELEVATOR COMPANY	Contract Services	75,636	0	0.00%
18					
19	OTTER TAIL POWER CO	Contract Services - Power Plant	388,576	0	0.00%
20					
21	PATHFINDER INSPECTIONS & FIELD SERVICES	Contract Services	153,557	12,830	8.36%
22					
23	POWER ENGINEERS, INC	Engineering Services	394,583	0	0.00%
24					
25	POWERCOSTS INC	Software Maintenance	89,300	0	0.00%
26					
27	POWERPLAN, INC	Consulting Services - Software	652,331	57,415	8.80%
28					
29	PRESORT PLUS LLC	Mail Delivery & Pickup	85,888	12,105	14.09%
30					
31	Q3 CONTRACTING	Contract Services	1,128,096	0	0.00%
32					
33	QUALITY INTEGRATED SERVICES INC	Contract Services	877,157	591,663	67.45%
34					
35	RAWHIDE LEASING	Contract Services	176,125	0	0.00%
36					
37	RESOURCE DATA INC	Contract Services	330,798	35,364	10.69%
38					
39	ROCKY MOUNTAINCONTRACTORS, INC.	Construction Services	2,146,800	0	0.00%
40					
41	SCHERBENSKE, INC	Contract Services	1,780,201	0	0.00%
42					
43	SCHULTE TA INC	Contract Services	75,493	0	0.00%
44					
45	SOLOMON CORPORATION	Contract Services	119,441	0	0.00%
46					
47	SOUTHERN CROSS CORP	Contract Services - Preventative Maintenance	828,057	192,125	23.20%
48					
49	SOUTHER STATES, LLC	Contract Services	258,624	0	0.00%
50					

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES - GAS

Year: 2019

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	SPHERION STAFFING LLC	Temp Services	$196,881	$5,923	3.01%
2					
3	SSP INNOVATIONS LLC	Contract Services	376,890	56,349	14.96%
4					
5	SUBURBAN CONSULTING ENGINEERS INC	Consulting Services	698,890	113,482	16.24%
6					
7	SWCA ENVIRONMENTAL CONSULTANTS	Consulting Services	107,918	0	0.00%
8					
9	SYSTEMS CONTROL	Contract Services	108,325	0	0.00%
10					
11	TRC ENVIRONMENTAL CORPORATION	Testing Pollution Control Equipment	220,660	0	0.00%
12					
13	TREE MECHANICS LLC	Vegetation Removal	140,410	0	0.00%
14					
15	TRU PIPE INC	Underground Maintenance	159,612	16,310	10.22%
16					
17	TRUE NORTH CONTRACTING LLC	Construction Services	167,262	148,322	88.68%
18					
19	TWIN CITY ROOFING OF MANDAN	Construction Services	88,077	2,312	2.62%
20					
21	US DEPARTMENT OF ENERGY	Transmission Charges	643,680	0	0.00%
22					
23	UTILITY TELECOM CONSULTING GROUP INC	Consulting Services	122,953	0	0.00%
24					
25	VIKING TRACK SERVICES LLC	Contract Services	78,800	0	0.00%
26					
27	VIRGINIA TRANSFORMER CORP	Contract Services	1,627,059	0	0.00%
28					
29	VISTACOM INC	Contract Services	133,215	0	0.00%
30					
31	WANG PIPELINE SERVICES INC	Construction Services	197,224	0	0.00%
32					
33	WANZEK CONSTRUCTION INC	Construction Services	909,404	0	0.00%
34					
35	WEED WARRIORS	Contract Services	99,998	0	0.00%
36					
37	WELLS FARGO BANK AGENCY SERVICES CLEARING	Banking Services	280,000	0	0.00%
38					
39	WESTMORELAND SAVAGE CORPORATION	Equipment Rental	89,037	0	0.00%
40					
41	WOLFFS PLUMBING & HEATING INC	Contract Services	219,510	0	0.00%
42					
43					
44					
45					
46					
47					
48					
49					
50					
	Total Payments for Services		$87,458,763	$9,432,018	10.78%

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 13**

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 2019

	Description	Total Company	Montana	% Montana
1	Contributions to Candidates by PAC	$10,900	$3,000	27.52%
2				
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40	**TOTAL Contributions**	$10,900	$3,000	27.52%

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 14**

PENSION COSTS Year: 2019

1	Plan Names: MDU Resources Group, Inc. for Collective Bargaining Unit Employees & MDU Resources			
2	Group, Inc. Pension Plan for Non-Bargaining Unit Employees - Montana-Dakota share only			
3	Defined Benefit Plan? Yes	Defined Contribution Plan? No		
4	Actuarial Cost Method? Traditional Unit Credit	IRS Code: 1A		
5	Annual Contribution by Employer: 0	Is the Plan Over Funded? No		
6	Item	Current Year 1/	Last Year 2/	% Change
7	**Change in Benefit Obligation**	(000's)	(000's)	
8	Benefit obligation at beginning of year	$192,341	$250,888	-23.34%
9	Service cost	-	-	0.00%
10	Interest cost	7,468	8,183	-8.74%
11	Plan participants' contributions	-	-	0.00%
12	Amendments	-	-	0.00%
13	Actuarial (Gain) Loss	19,782	(17,943)	210.25%
14	Curtailment gain	-	-	0.00%
15	Benefits paid	(12,861)	(21,159)	39.22%
16	Benefit obligation at end of year	$206,730	$219,969	-6.02%
17	**Change in Plan Assets**			
18	Fair value of plan assets at beginning of year	$146,292	$192,712	-24.09%
19	Actual return on plan assets	27,665	(11,423)	342.19%
20	Employer contribution	15,452	7,201	114.58%
21	Plan participants' contributions	-	-	0.00%
22	Benefits paid	(12,861)	(21,159)	39.22%
23	Fair value of plan assets at end of year	$176,548	$167,331	5.51%
24	**Funded Status**	($30,182)	($52,638)	42.66%
25	Unrecognized net actuarial loss	89,939	103,455	-13.06%
26	Unrecognized prior service cost	-	-	0.00%
27	Unrecognized net transition obligation	-	-	0.00%
28	Accrued benefit cost	$59,757	$50,817	17.59%
29	**Weighted-Average Assumptions as of Year End**			
30	Discount rate	2.95	4.03	-26.80%
31	Expected return on plan assets	6.25	6.75	-7.41%
32	Rate of compensation increase	-	-	0.00%
33	**Components of Net Periodic Benefit Costs**			
34	Service cost	-	-	0.00%
35	Interest cost	$7,468	$8,182	-8.73%
36	Expected return on plan assets	(8,751)	(11,352)	22.91%
37	Amortization of prior service cost	-	-	0.00%
38	Recognized net actuarial loss	2,662	3,890	-31.57%
39	Curtailment loss	-	-	0.00%
40	Net periodic benefit cost	$1,379	$720	91.53%
41	**Montana Intrastate Costs:**			
42	Pension costs	$1,379	$720	91.53%
43	Pension costs capitalized	-	-	0.00%
44	Accumulated pension asset (liability) at year end	($30,182)	($52,638)	42.66%
45	**Number of Company Employees:**			
46	Covered by the plan	1,081	1,460	-25.96%
47	Not covered by the plan	698	809	-13.72%
48	Active	336	411	-18.25%
49	Retired	661	931	-29.00%
50	Deferred vested terminated	84	118	-28.81%

1/ Current Year column reflects the balances of Montana-Dakota Utilities Co. following the Holding Company Reorganization approved in Docket No. D2018.1.6.

2/ Last Year column reflects the balances of MDU Resources Group, Inc. prior to the Holding Company Reorganization approved in Docket No. D2018.1.6.

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 15**

OTHER POST EMPLOYMENT BENEFITS (OPEBS) Year: 2019

	Item	Current Year 1/	Last Year 2/	% 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	2.97	4.03	-26.30%
8	Expected return on plan assets	5.75	5.75	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	$31,688	$40,128	-21.03%
18	Service cost	373	621	-39.94%
19	Interest cost	1,175	1,257	-6.52%
20	Plan participants' contributions	459	731	-37.21%
21	Amendments	-	-	0.00%
22	Actuarial (Gain) Loss	1,365	(4,389)	131.10%
23	Acquisition	-	-	0.00%
24	Benefits paid	(2,417)	(2,749)	12.08%
25	Benefit obligation at end of year	$32,643	$35,599	-8.30%
26	**Change in Plan Assets**			
27	Fair value of plan assets at beginning of year	$41,865	$50,531	-17.15%
28	Actual return on plan assets	8,150	(1,551)	625.47%
29	Acquisition	-	-	0.00%
30	Employer contribution	6	70	-91.43%
31	Plan participants' contributions	(2,417)	731	-430.64%
32	Benefits paid	459	(2,749)	116.70%
33	Fair value of plan assets at end of year	$48,063	$47,032	2.19%
34	**Funded Status**	$15,420	$11,433	34.87%
35	Unrecognized net actuarial loss	(3,758)	599	-727.38%
36	Unrecognized prior service cost	(5,428)	(7,253)	25.16%
37	Unrecognized transition obligation	-	-	0.00%
38	Accrued benefit cost	$6,234	$4,779	30.45%
39	**Components of Net Periodic Benefit Costs**			
40	Service cost	$373	$621	-39.94%
41	Interest cost	1,175	1,257	-6.52%
42	Expected return on plan assets	(2,476)	(2,754)	10.09%
43	Amortization of prior service cost	(931)	(976)	4.61%
44	Recognized net acturial gain	-	-	0.00%
45	Transition amount amortization	-	-	0.00%
46	Net periodic benefit cost	($1,859)	($1,852)	-0.38%
47	**Accumulated Post Retirement Benefit Obligation**			
48	Amount funded through VEBA	($2,411)	$801	-401.00%
49	Amount funded through 401(h)	-	-	0.00%
50	Amount funded through Other ___________________	-	-	0.00%
51	TOTAL	($2,411)	$801	-401.00%
52	Amount that was tax deductible - VEBA 3/	$6	$70	-91.43%
53	Amount that was tax deductible - 401(h)	-	-	0.00%
54	Amount that was tax deductible - Other ___________	-	-	0.00%
55	TOTAL	$6	$70	-91.43%

1/ Current Year column reflects the balances of Montana-Dakota Utilities Co. following the Holding Company Reorganization approved in Docket No. D2018.1.6.

2/ Last Year column reflects the balances of MDU Resources Group, Inc. prior to the Holding Company Reorganization approved in Docket No. D2018.1.6.

3/ Estimated

Other Post Employment Benefits (OPEBS) Continued Year: 2019

	Item	Current Year 1/	Last Year 2/	% Change
1	**Number of Company Employees:**			
2	Covered by the plan	1,189	1,231	-3.41%
3	Not covered by the plan	39	39	0.00%
4	Active	502	535	-6.17%
5	Retired	527	517	1.93%
6	Spouses/dependants covered by the plan	160	179	-10.61%
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	($1,859)	($1,852)	-0.38%
48	Pension costs capitalized	87	119	-26.89%
49	Accumulated pension asset (liability) at year end	6,234	4,779	30.45%
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			

1/ Current Year column reflects the balances of Montana-Dakota Utilities Co. following the Holding Company Reorganization approved in Docket No. D2018.1.6.

2/ Last Year column reflects the balances of MDU Resources Group, Inc. prior to the Holding Company Reorganization approved in Docket No. D2018.1.6.

Company Name: Montana-Dakota Utilities Co.

SCHEDULE 16
Year: 2019

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							

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 17**

Year: 2019

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	$860,000	$1,403,520	$3,880,835	$6,144,355	$4,124,067	49%
2	Jason L. Vollmer Vice President, CFO & Treasurer	$400,000	$489,600	$700,381	$1,589,981	$1,132,025	40%
3	David C. Barney President & CEO of Knife River Corporation	$468,500	$843,300	$1,114,277	$2,426,077	$2,031,914	19%
4	Jeffrey S. Thiede President & CEO of MDU Construction Services Group, Inc.	$468,500	$843,300	$890,140	$2,201,940	$1,974,136	12%
5	Nicole A. Kivisto President & CEO of Montanan-Dakota Utilities Co.	$455,000	$480,139	$1,036,913	$1,972,052	$1,299,178	52%

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.

EXECUTIVE COMPENSATION TABLES

Summary Compensation Table for 2019

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	2019	860,000	3,029,392	1,403,520	735,366	116,077	6,144,355
President and CEO	2018	824,460	2,433,437	807,971	16,503	72,884 [4]	4,155,255
	2017	792,750	1,504,546	1,377,007	342,727	40,971	4,058,001
Jason L. Vollmer	2019	400,000	605,877	489,600	8,455	86,049	1,589,981
Vice President, CFO and	2018	350,000	495,840	222,950	—	69,589 [4]	1,138,379
Treasurer	2017	256,625	95,101	230,988	3,681	48,156	634,551
David C. Barney	2019	468,500	738,389	843,300	174,117	201,771	2,426,077
President and CEO of	2018	455,000	958,410	384,589	—	251,255 [4]	2,049,254
Knife River Corporation	2017	427,140	324,247	483,736	93,786	173,331	1,502,240
Jeffrey S. Thiede	2019	468,500	738,389	843,300	—	151,751	2,201,940
President and CEO of	2018	455,000	958,410	437,141	—	140,925 [4]	1,991,476
MDU Construction	2017	437,750	332,318	743,629	—	123,163	1,636,860
Services Group, Inc.							
Nicole A. Kivisto	2019	455,000	738,389	480,139	243,761	54,763	1,972,052
President and CEO of	2018	430,000	609,197	225,277	210	42,302 [4]	1,306,986
Montana-Dakota Utilities Co.	2017	378,000	286,955	433,906	96,931	33,049	1,228,841

[1] Amounts in this column represent the aggregate grant date fair value of performance share award opportunities at target calculated in accordance with Financial Accounting Standards Board (FASB) generally accepted accounting principles for stock-based compensation in FASB 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, 2019. For 2019, 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	6,058,784
Jason L. Vollmer	1,211,753
David C. Barney	1,476,778
Jeffrey S. Thiede	1,476,778
Nicole A. Kivisto	1,476,778

[2] Amounts shown for 2019 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, 2019.

Name	Accumulated Pension Change ($)	Above Market Interest ($)
David L. Goodin	722,199	13,167
Jason L. Vollmer	8,455	—
David C. Barney	174,117	—
Jeffrey S. Thiede	—	—
Nicole A. Kivisto	243,631	130

[3] All Other Compensation is comprised of:

Name	401(k) Plan ($)[a]	Nonqualified Defined Contribution Plan ($)	Life Insurance Premium ($)	Matching Charitable Contributions ($)	Dividend Equivalents ($)[b]	Total ($)
David L. Goodin	40,600	—	621	2,620	72,236	116,077
Jason L. Vollmer	28,000	40,000	497	2,985	14,567	86,049
David C. Barney	22,400	150,000	582	1,200	27,589	201,771
Jeffrey S. Thiede	22,400	100,000	582	1,180	27,589	151,751
Nicole A. Kivisto	33,600	—	565	2,780	17,818	54,763

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

[b] Represents accrued dividend equivalents on the 2019-2021 and 2018-2020 performance share awards at target and restricted stock units awarded to Mr. Barney and Mr. Thiede in 2018.

[4] 2018 All Other Compensation has been updated to include dividend equivalents on the 2018-2020 performance share awards at target for all named executive officers and restricted stock unit awards awarded to Mr. Barney and Mr. Thiede in 2018 which were inadvertently omitted in the Summary Compensation Table for 2018.

Grants of Plan-Based Awards in 2019

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards				
Name (a)	Grant Date (b)	Threshold ($) (c)	Target ($) (d)	Maximum ($) (e)	Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)	All Other Stock Awards: Number of Shares of Stock or Units # (i)	Grant Date Fair Value of Stock and Option Awards ($) (l)
David L. Goodin	2/14/2019 [1]	313,097	860,000	1,720,000					
	2/14/2019 [2]				19,761	98,806	197,612		3,029,392
Jason L. Vollmer	2/14/2019 [1]	109,220	300,000	600,000					
	2/14/2019 [2]				3,952	19,761	39,522		605,877
David C. Barney	2/14/2019 [1]	87,844	351,375	843,300					
	2/14/2019 [2]				4,816	24,083	48,166		738,389
Jeffrey S. Thiede	2/14/2019 [1]	87,844	351,375	843,300					
	2/14/2019 [2]				4,816	24,083	48,166		738,389
Nicole A. Kivisto	2/14/2019 [1]	153,563	341,250	682,500					
	2/14/2019 [2]				4,816	24,083	48,166		738,389

[1] Annual incentive for 2019 granted pursuant to the MDU Resources Group, Inc. Executive Incentive Compensation Plan.

[2] Performance shares for the 2019-2021 performance 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 2019 annual incentive award opportunities for our named executive officers and the board approved these opportunities at its meeting on February 14, 2019. 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 2019 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 an 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. 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 2019 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 performance shares, and the board approved the award opportunities at its meeting on February 14, 2019. The long-term incentive opportunities 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 reflected 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 2019-2021 performance period, executives will receive from 0% to 200% of the target awards in February 2022. 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 2022 at the same time as the performance share awards are settled.

Nonqualified Defined Contribution Plan

The CEO recommends participants and contribution amounts to the Nonqualified Defined Contribution Plan which are approved by the compensation committee of the board of directors. The purpose of the plan is to recognize outstanding performance coupled with enhanced retention as the Nonqualified Defined Contribution Plan requires a vesting period. The amount shown in column (i) - All Other Compensation of the Summary Compensation Table includes contributions of $40,000 to Mr. Vollmer, $150,000 to Mr. Barney, and $100,000 to Mr. Thiede. For further information, see the section entitled "Nonqualified Deferred Compensation for 2019."

Salary and Bonus in Proportion to Total Compensation

The following table shows the proportion of salary and bonus to total compensation:

Name	Salary ($)	Bonus ($)	Total Compensation ($)	Salary and Bonus as a % of Total Compensation
David L. Goodin	860,000	—	6,144,355	14.0%
Jason L. Vollmer	400,000	—	1,589,981	25.2%
David C. Barney	468,500	—	2,426,077	19.3%
Jeffrey S. Thiede	468,500	—	2,201,940	21.3%
Nicole A. Kivisto	455,000	—	1,972,052	23.1%

Outstanding Equity Awards at Fiscal Year-End 2019

Name (a)	Stock Awards: Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)[1]	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (j)[2]
David L. Goodin	416,422	12,371,898
Jason L. Vollmer	75,408	2,240,372
David C. Barney	114,491	3,401,528
Jeffrey S. Thiede	114,823	3,411,391
Nicole A. Kivisto	99,254	2,948,836

[1] Below is a breakdown by year of the outstanding performance share plan awards:

	2017 Award	2018 Award	2019 Award	
Performance Period End	12/31/2019	12/31/2020	12/31/2021	Total
David L. Goodin	61,890	156,920	197,612	416,422
Jason L. Vollmer	3,912	31,974	39,522	75,408
David C. Barney	13,338	52,987	48,166	114,491
Jeffrey S. Thiede	13,670	52,987	48,166	114,823
Nicole A. Kivisto	11,804	39,284	48,166	99,254

Shares for the 2017 award are shown at the target level (100%) based on results for the 2017-2019 performance cycle between threshold and target.

Shares for the 2018 award are shown at the maximum level (200%) based on results for the first two years of the 2018-2020 performance cycle above target. The number of shares under the 2018 award also includes 11,419 time-vesting restricted stock units granted to Messrs. Barney and Thiede.

Shares for the 2019 award are shown at the maximum level (200%) based on results for the first year of the 2019-2021 performance cycle above target.

[2] Value based on the number of performance shares and restricted stock units reflected in column (i) multiplied by $29.71, the year-end per share closing stock price for 2019.

While for purposes of the Outstanding Equity Awards at Fiscal Year-End 2019 Table, the number of shares and value shown for the 2017-2019 performance cycle is at 100% of target, the actual results for the performance period certified by the compensation committee and settled on February 13, 2020, was 23% of target. For further information, see the "Long-Term Incentives" section of the "Compensation Discussion and Analysis."

Option Exercises and Stock Vested During 2019

	Stock Awards	
Name (a)	Number of Shares Acquired on Vesting (#) (d)[1]	Value Realized on Vesting ($) (e)[2]
David L. Goodin	138,269	3,951,037
Jason L. Vollmer	6,673	190,681
David C. Barney	26,488	756,895
Jeffrey S. Thiede	27,673	790,756
Nicole A. Kivisto	23,441	669,827

[1] Reflects performance shares for the 2016-2018 performance period ended December 31, 2018, which were settled February 14, 2019.

[2] Reflects the value of vested performance shares based on the closing stock price of $26.25 per share on February 14, 2019, and the dividend equivalents paid on the vested shares.

Pension Benefits for 2019

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)[1]	Present Value of Accumulated Benefit ($) (d)
David L. Goodin	Pension	26	1,372,606
	Basic SISP [2]	10	2,836,360
	Excess SISP [3]	26	42,331
Jason L. Vollmer	Pension	4	29,312
	Basic SISP [3]	n/a	—
	Excess SISP [3]	n/a	—
David C. Barney	Pension [3]	n/a	—
	Basic SISP [2]	10	1,623,404
	Excess SISP [3]	n/a	—
Jeffrey S. Thiede	Pension [3]	n/a	—
	Basic SISP [3]	n/a	—
	Excess SISP [3]	n/a	—
Nicole A. Kivisto	Pension	14	302,478
	Basic SISP [2]	9	586,981
	Excess SISP [3]	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 services as the pension plan.

[2] The present value of accumulated benefits for the Basic SISP assumes the named executive officer would be fully vested in the benefit on the benefit commencement date; therefore, no reduction was made to reflect actual vesting levels.

[3] 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.

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, 2019, calculated using:

- a 2.71% discount rate for the Basic SISP and Excess SISP;
- a 2.93% discount rate for the pension plan;
- the Society of Actuaries PRi-2012 Total Dataset Mortality with Scale MP-2019 (post commencement only); and
- no recognition of future salary increases or 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, is 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. The Basic SISP benefits are subject to the following ten-year vesting schedule:

- 0% vesting for less than three years of participation;
- 20% vesting for three years of participation;
- 40% vesting for four years of participation; and
- an additional 10% vesting for each additional year of participation up to 100% vesting for ten years of participation.

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 and must remain employed with the company until age 60 in order to receive the 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 2019

Deferred Annual Incentive Compensation

Executives participating in the annual incentive compensation plans may elect to defer up to 100% of their annual incentive awards. Deferred amounts accrue interest at a rate determined by the compensation committee. The interest rate in effect for 2019 was 4.4% based on an average of the Moody's U.S. Long-Term Corporate Bond Yield Average for "A" and "Baa" rated companies. The deferred amount will be paid in accordance with the participant's election, following termination of employment or beginning in the fifth year following the year the award was earned. The amounts are paid in accordance with the participant's election in either a lump sum or in monthly installments not to exceed 120 months. 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.

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. The compensation committee approves the amount of employer contributions under the Nonqualified Defined Contribution Plan and the obligations under the plan constitute an unsecured promise of the company to make such payments. The company credits contributions to plan accounts which capture the hypothetical investment experience based on the participant's elections. Contributions made prior to 2017 vest four years after each contribution in accordance with the terms of the plan. Contributions made in and after 2017 vest rateably over a three-year period with one-third vesting after the first year, an additional one-third after the second year, and the final one-third after the third year. Amounts shown as aggregate earnings in the table below for Messrs. Vollmer, Barney, and Thiede reflect the change in investment value at market rates for the hypothetical investments selected by the participants. 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 later 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 table below includes individual contributions from deferrals of annual incentive compensation and company contributions under the Nonqualified Defined Contribution Plan:

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	403,986	—	82,592	—	1,985,235 [1]
Jason L. Vollmer	—	40,000	27,426	—	123,675 [2]
David C. Barney	—	150,000	91,195	—	544,980 [3]
Jeffrey S. Thiede	—	100,000	157,271	—	884,439 [4]
Nicole A. Kivisto	—	—	794	—	18,479

[1] Mr. Goodin deferred 50% of his 2018 annual incentive compensation which was $807,971 as reported in the Summary Compensation Table for 2018.

[2] Mr. Vollmer received $40,000 under the Nonqualified Defined Contribution Plan for 2019. Mr. Vollmer's balance also includes a contribution of $35,000 for 2018 and $22,550 for 2017. 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 Nonqualified Defined Contribution Plan for 2019. Mr. Barney's balance also includes a contribution of $150,000 for each of 2018 and 2017. 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 Nonqualified Defined Contribution Plan for 2019. Mr. Thiede's balance also includes contributions of $100,000 for each of 2018, 2017, and 2016, $150,000 for 2015, $75,000 for 2014, and $33,000 for 2013. 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 Termination;
- 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, 2019.

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 Nonqualified Defined Contribution Plan or deferred annual compensation amounts which are shown and explained in the Nonqualified Deferred Compensation for 2019 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 2019 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 named executive officers or employment termination after age 65. As all our scenarios assume a termination or change in control event on December 31st, the named executives officers would be considered employed for the entire performance period; 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 based on the level that performance measures were achieved for the performance period regardless of termination or change of control occurring on December 31, 2019.

All named executive officers received their performance share awards under the Long-Term Performance-Based Incentive Plan (LTIP). Upon a change of control (with or without termination), performance share 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.

For termination scenarios other than a change of control, our 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 is terminated other than for cause after reaching age 55 and completing 10 years of service, performance shares are prorated as follows:

- termination of employment during the first year of the performance period = shares are forfeited;
- termination of employment during the second year of the performance period = performance shares earned are prorated based on the number of months employed during the performance period; and
- termination of employment during the third year of the performance period = full amount of any performance shares 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:

- 2017-2019 performance shares would vest based on the achievement of the performance measure for the period ended December 31, 2019, which was 23%;
- 2018-2020 performance shares would be prorated at 24 out of 36 months (2/3) of the performance period and vest based on the actual achievement of the performance measure for the period ended December 31, 2020. For purposes of the Potential Payments upon Termination or Change of Control Table, the vesting is shown at 100%; and
- 2019-2021 performance shares would be forfeited.

For purposes of calculating the performance share 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, 2019. Dividend equivalents based on the number of vesting shares are also included in the amounts presented.

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.

Messrs. Barney and Thiede were granted 11,419 restricted stock units in February 2018. The restricted stock units will vest on December 31, 2020, provided that Messrs. Barney and Thiede remain continuously employed by the company through December 31, 2020, except for termination due to death or disability or a change in control as defined in the LTIP. In the case of a voluntary or not for cause termination on December 31, 2019, Messrs Barney and Thiede would forfeit the restricted stock units. In the case of death or disability, the restricted stock units would vest based on the number of full months of employment completed during the grant period to the date of death or disability divided by the total number of months in the grant period. In the case of death or disability occurring on December 31, 2019, two-thirds of Messrs. Barney and Thiede's restricted stock units plus dividend equivalents would vest. In the case of a change of control (with or without termination) occurring on December 31, 2019, the restricted stock units plus dividend equivalents would fully vest.

Benefits and Perquisites

Supplemental Income Security Plan

As described in the "Pension Benefits for 2019" section, the Basic SISP provides a benefit of payments commencing at the latter of retirement or age 65 and payable for 15 years. Of the named executive officers, only Messrs. Goodin, Barney, and Ms. Kivisto participate in the Basic SISP benefits. While Messrs. Goodin and Barney are 100% vested in their SISP benefit, Ms. Kivisto entered the plan in 2011 and is only 90% vested in her SISP benefit at December 31, 2019. Ms. Kivisto received a benefit level upgrade in 2014, which cliff vests on January 1, 2021. This means that if her employment terminates for any reason other than death before January 1, 2021, her benefit upgrade is forfeited.

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, 2019, using the monthly retirement benefit shown in the table below and a discount rate of 2.71%. 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 2.71% 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	5,000 *	10,000 *

* Ms. Kivisto's calculations are based on 90% of the value shown above for voluntary, not for cause and change of control with termination scenarios. The disability scenario allows for two additional years of vesting and is calculated using 100% of the value shown above. Ms. Kivisto's death benefit scenario is calculated using her 2014 benefit upgrade level with a monthly death benefit of $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.

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 when calculating benefits. 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 2.93%. 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 2.71%, which is considered a reasonable rate for purposes of the calculation.

Potential Payments upon Termination or Change of Control Table

Executive Benefits and Payments upon Termination or Change of Control	Voluntary Termination ($)	Not for Cause Termination ($)	Death ($)	Disability ($)	Change of Control (With Termination) ($)	Change of Control (Without Termination) ($)
David L. Goodin						
Compensation:						
Performance Shares	2,090,438	2,090,438	2,090,438	2,090,438	7,443,039	7,443,039
Benefits and Perquisites:						
Basic SISP	2,836,089	2,836,089	—	2,836,089	2,836,089	—
SISP Death Benefits	—	—	6,824,695	—	—	—
Disability Benefits	—	—	—	—	—	—
Total	**4,926,527**	**4,926,527**	**8,915,133**	**4,926,527**	**10,279,128**	**7,443,039**
Jason L. Vollmer						
Compensation:						
Performance Shares	—	—	—	—	1,226,697	1,226,697
Benefits and Perquisites:						
Disability Benefits	—	—	—	965,329	—	—
Total	**—**	**—**	**—**	**965,329**	**1,226,697**	**1,226,697**
David C. Barney						
Compensation:						
Performance Shares	531,221	531,221	531,221	531,221	1,810,097	1,810,097
Restricted Stock Units	—	—	237,875	237,875	356,844	356,844
Benefits and Perquisites:						
Basic SISP	1,608,756	1,608,756	—	1,608,756	1,608,756	—
SISP Death Benefits	—	—	3,239,360	—	—	—
Disability Benefits	—	—	—	280,900	—	—
Total	**2,139,977**	**2,139,977**	**4,008,456**	**2,658,752**	**3,775,697**	**2,166,941**
Jeffrey S. Thiede						
Compensation:						
Performance Shares	533,687	533,687	533,687	533,687	1,820,730	1,820,730
Restricted Stock Units	—	—	237,875	237,875	356,844	356,844
Benefits and Perquisites:						
Disability Benefits	—	—	—	387,175	—	—
Total	**533,687**	**533,687**	**771,562**	**1,158,737**	**2,177,574**	**2,177,574**
Nicole A. Kivisto						
Compensation:						
Performance Shares	—	—	—	—	1,709,044	1,709,044
Benefits and Perquisites:						
Basic SISP	402,102	402,102	—	446,780	402,102	—
SISP Death Benefits	—	—	1,946,697	—	—	—
Disability Benefits	—	—	—	740,621	—	—
Total	**402,102**	**402,102**	**1,946,697**	**1,187,401**	**2,111,146**	**1,709,044**

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 2019 taxable wage information for all individuals on the company's payroll records as of December 31, 2019, excluding Mr. Goodin. 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 2019 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 is a member of a union and works for a subsidiary of our construction services segment; he does not participate in our pension or 401(k) plan.

Once identified, we categorized the median employee's compensation to correspond to the compensation components as reported in the Summary Compensation Table. For 2019, the total annual compensation of Mr. Goodin as reported in the Summary Compensation Table included in this Proxy Statement was $6,144,355, and the total annual compensation of our median employee was $63,768. Based on this information, the 2019 ratio of annual total compensation of Mr. Goodin to the median employee was 96 to 1.

BALANCE SHEET

Year: 2019

	Account Number & Title		Last Year	This Year	% Change
1		**Assets and Other Debits**			
2					
3	**Utility Plant**				
4	101	Gas Plant in Service	$612,400,623	$651,791,776	6.43%
5	101.1	Property Under Capital Leases			
6	102	Gas Plant Purchased or Sold			
7	104	Gas Plant Leased to Others			
8	105	Gas Plant Held for Future Use			
9	105.1	Production Properties Held for Future Use			
10	106	Completed Constr. Not Classified - Gas	9,554,360	12,616,583	32.05%
11	107	Construction Work in Progress - Gas	1,666,554	2,202,056	32.13%
12	108	(Less) Accumulated Depreciation	(268,305,998)	(280,728,295)	4.63%
13	111	(Less) Accumulated Amortization & Depletion	(3,012,458)	(3,671,933)	21.89%
14	114	Gas Plant Acquisition Adjustments	97,266	97,266	0.00%
15	115	(Less) Accum. Amort. Gas Plant Acq. Adj.	(72,131)	(74,951)	3.91%
16	116	Other Gas Plant Adjustments			
17	117	Gas Stored Underground - Noncurrent	1,718,566	1,584,292	-7.81%
18	118	Other Utility Plant	2,206,065,220	2,291,872,320	3.89%
19	119	Accum. Depr. and Amort. - Other Utl. Plant	(696,242,281)	(767,304,868)	10.21%
20					
21		**Total Utility Plant**	$1,863,869,721	$1,908,384,246	2.39%
22					
23	**Other Property & Investments**				
24	121	Nonutility Property	$16,931,362	$17,183,717	1.49%
25	122	(Less) Accum. Depr. & Amort. of Nonutil. Prop.	(6,199,490)	(7,014,058)	13.14%
26	123	Investments in Associated Companies			
27	123.1	Investments in Subsidiary Companies	1,790,885,738	0	-100.00%
28	124	Other Investments	76,201,921	35,472,517	-53.45%
29	125	Sinking Funds			
30					
31		**Total Other Property & Investments**	$1,877,819,531	$45,642,176	-97.57%
32					
33	**Current & Accrued Assets**				
34	131	Cash	($273,799)	$3,101,977	1232.94%
35	132-134	Special Deposits	617,411	8,351	-98.65%
36	135	Working Funds	312,522	404,400	29.40%
37	136	Temporary Cash Investments	1,178,164	0	-100.00%
38	141	Notes Receivable			
39	142	Customer Accounts Receivable	27,283,245	25,441,438	-6.75%
40	143	Other Accounts Receivable	14,756,480	4,742,209	-67.86%
41	144	(Less) Accum. Provision for Uncollectible Accts.	(779,796)	(607,757)	-22.06%
42	145	Notes Receivable - Associated Companies			
43	146	Accounts Receivable - Associated Companies	36,014,729	4,082,412	-88.66%
44	151	Fuel Stock	4,784,694	4,557,811	-4.74%
45	152	Fuel Stock Expenses Undistributed			
46	153	Residuals and Extracted Products			
47	154	Plant Materials and Operating Supplies	21,026,434	23,683,940	12.64%
48	155	Merchandise			
49	156	Other Material & Supplies			
50	163	Stores Expense Undistributed			
51	164.1	Gas Stored Underground - Current	8,508,246	10,136,688	19.14%
52	165	Prepayments	5,480,655	6,316,901	15.26%
53	166	Advances for Gas Explor., Devl. & Production			
54	171	Interest & Dividends Receivable			
55	172	Rents Receivable			
56	173	Accrued Utility Revenues	47,151,553	43,690,970	-7.34%
57	174	Miscellaneous Current & Accrued Assets			
58					
59		**Total Current & Accrued Assets**	$166,060,538	$125,559,340	-24.39%

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	$2,581,364	$3,366,323	30.41%
5	182.1	Extraordinary Property Losses			
6	182.2	Unrecovered Plant & Regulatory Study Costs	2,508,004	2,051,519	-18.20%
7	182.3	Other Regulatory Assets	214,409,347	248,309,102	15.81%
8	183	Prelim. Electric Survey & Investigation Chrg.	1,112,510	2,025,691	82.08%
9	183.1	Prelim. Nat. Gas Survey & Investigation Chrg.	11,624	466,818	3915.98%
10	183.2	Other Prelim. Nat. Gas Survey & Invtg. Chrgs.	57,531	175,485	205.03%
11	184	Clearing Accounts	(31,304)	(51,596)	64.82%
12	185	Temporary Facilities			
13	186	Miscellaneous Deferred Debits	28,836,015	30,927,165	7.25%
14	187	Deferred Losses from Disposition of Util. Plant			
15	188	Research, Devel. & Demonstration Expend.			
16	189	Unamortized Loss on Reacquired Debt	4,154,385	3,582,671	-13.76%
17	190	Accumulated Deferred Income Taxes	51,529,326	34,336,206	-33.37%
18	191	Unrecovered Purchased Gas Costs	(2,576,502)	(7,260,615)	181.80%
19	192.1	Unrecovered Incremental Gas Costs			
20	192.2	Unrecovered Incremental Surcharges			
21					
22		**Total Deferred Debits**	$302,592,300	$317,928,769	5.07%
23					
24	**TOTAL ASSETS & OTHER DEBITS**		$4,210,342,090	$2,397,514,531	-43.06%
25					
26	Account Number & Title		This Year	This Year	% Change
27		**Liabilities and Other Credits**			
28					
29	**Proprietary Capital**				
30	201	Common Stock Issued	$196,564,907	$1,000	-100.00%
31	202	Common Stock Subscribed			
32	204	Preferred Stock Issued			
33	205	Preferred Stock Subscribed			
34	207	Premium on Capital Stock	1,255,155,546	138,653,236	-88.95%
35	211	Miscellaneous Paid-In Capital			
36	213	(Less) Discount on Capital Stock			
37	214	(Less) Capital Stock Expense	(6,579,697)	0	-100.00%
38	216	Appropriated Retained Earnings	642,942,878	666,173,397	3.61%
39	216.1	Unappropriated Retained Earnings	520,659,042	0	-100.00%
40	217	(Less) Reacquired Capital Stock	(3,625,813)	0	100.00%
41	219	Accumulated Other Comprehensive Income	(38,342,046)	(5,845,725)	84.75%
42					
43		**Total Proprietary Capital**	$2,566,774,817	$798,981,908	-68.87%
44					
45	**Long Term Debt**				
46	221	Bonds			
47	222	(Less) Reacquired Bonds			
48	223	Advances from Associated Companies			
49	224	Other Long Term Debt	788,725,495	858,114,076	8.80%
50	225	Unamortized Premium on Long Term Debt			
51	226	(Less) Unamort. Discount on Long Term Debt-Dr.			
52					
53		**Total Long Term Debt**	$788,725,495	$858,114,076	8.80%

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 18**

Year: 2019

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			
6	228.2	Accumulated Provision for Injuries & Damages	$190,410	$919,830	383.08%
7	228.3	Accumulated Provision for Pensions & Benefits	41,383,945	15,956,506	-61.44%
8	228.4	Accumulated Misc. Operating Provisions			
9	229	Accumulated Provision for Rate Refunds	15,514,270	1,003,000	100.00%
10	230	Asset Retirement Obligations	142,922,575	157,784,448	10.40%
11					
12	**Total Other Noncurrent Liabilities**		$200,011,200	$175,663,784	-12.17%
13					
14	**Current & Accrued Liabilities**				
15	231	Notes Payable			
16	232	Accounts Payable	$48,869,177	$42,766,713	-12.49%
17	233	Notes Payable to Associated Companies			
18	234	Accounts Payable to Associated Companies	12,438,043	7,440,437	-40.18%
19	235	Customer Deposits	1,443,059	1,981,246	37.29%
20	236	Taxes Accrued	24,703,900	12,804,780	-48.17%
21	237	Interest Accrued	6,739,759	7,768,377	15.26%
22	238	Dividends Declared	39,695,262	9,970,000	-74.88%
23	239	Matured Long Term Debt			
24	240	Matured Interest			
25	241	Tax Collections Payable	1,181,720	1,049,033	-11.23%
26	242	Miscellaneous Current & Accrued Liabilities	31,208,839	27,235,388	-12.73%
27	243	Obligations Under Capital Leases - Current			
28					
29	**Total Current & Accrued Liabilities**		$166,279,759	$111,015,974	-33.24%
30					
31	**Deferred Credits**				
32	252	Customer Advances for Construction	$20,525,735	$17,699,064	-13.77%
33	253	Other Deferred Credits	83,378,564	44,742,469	-46.34%
34	254	Other Regulatory Liabilities	164,617,567	155,076,682	-5.80%
35	255	Accumulated Deferred Investment Tax Credits	3,377,889	4,060,897	20.22%
36	256	Deferred Gains from Disposition Of Util. Plant			
37	257	Unamortized Gain on Reacquired Debt			
38	281-283	Accumulated Deferred Income Taxes	216,651,064	232,159,677	7.16%
39					
40	**Total Deferred Credits**		$488,550,819	$453,738,789	-7.13%
41					
42	**TOTAL LIABILITIES & OTHER CREDITS**		$4,210,342,090	$2,397,514,531	-43.06%

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)
Centennial	Centennial Energy Holdings, Inc., a direct wholly owned subsidiary of MDU Resources
Company	Montana-Dakota Utilities Co., a direct wholly owned subsidiary of MDU Energy Capital as of January 1, 2019 (formerly a public utility division of MDU Resources prior to the closing of the Holding Company Reorganization)
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)
EBITDA	Earnings before interest, taxes, depreciation, and amortization
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 as of January 1, 2019 (formerly a public utility division of MDU Resources prior to the closing of the Holding Company Reorganization)
Holding Company Reorganization	The internal holding company reorganization completed on January 1, 2019, pursuant to the agreement and plan of merger, dated as of December 31, 2018, by and among the Company, MDU Resources and MDUR Newco Sub, which resulted in MDU Resources becoming a holding company and indirectly owning all of the outstanding capital stock of the Company
MDU Energy Capital	MDU Energy Capital, LLC, a direct wholly owned subsidiary of MDU Resources
MDUR Newco	MDUR Newco, Inc., a public holding company created by implementing the Holding Company Reorganization, now known as MDU Resources

MDUR Newco Sub	MDUR Newco Sub, Inc., a direct, wholly owned subsidiary of MDUR Newco, which was merged with and into the Company in the Holding Company Reorganization
MDU Resources	MDU Resources Group, Inc. (formerly known as MDUR Newco), which, as the context requires, refers to the previous MDU Resources Group, Inc., prior to January 1, 2019, and the new holding company of the same name after January 1, 2019.
MISO	Midcontinent Independent System Operator, Inc.
Montana-Dakota	Montana-Dakota Utilities Co., a direct wholly owned subsidiary of MDU Energy Capital as of January 1, 2019, (formerly a public utility division of MDU Resources prior to the closing of the Holding Company Reorganization), now known as the Company
MNPUC	Minnesota Public Utilities Commission
MTPSC	Montana Public Service Commission
MW	Megawatt
NDPSC	North Dakota Public Service Commission
SDPUC	South Dakota Public Utilities Commission
TCJA	Tax Cuts and Jobs Act
WBI Holdings	WBI Holdings, Inc., a direct wholly owned subsidiary of Centennial
Wygen III	100-MW coal-fired electric generating facility near Gillette, Wyoming (25 percent ownership)
WYPSC	Wyoming Public Service Commission

Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies
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 made up of Montana-Dakota and Great Plains, a public utility division of Montana-Dakota.

On January 2, 2019, MDU Resources announced the completion of the Holding Company Reorganization, which resulted in Montana-Dakota becoming a subsidiary of MDU Resources. The purpose of the reorganization was to make the public utility division into a subsidiary of the holding company, just as the other operating companies are wholly owned subsidiaries. Authorization for the reorganization was granted by the FERC in Docket No. EC18-51-000. The Company has also received approval for the reorganization by the various state jurisdictions in which it operates.

As approved by the FERC, the amounts presented in the accompanying notes to the financial statements prior to January 1, 2019, relate to the corporate structure prior to the Holding Company Reorganization.

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 143,000 electric and 302,000 natural gas residential, commercial, industrial and municipal customers in 288 communities and adjacent rural areas as of December 31, 2019.

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 flowback 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 4 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 generating facilities.

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 $144.1 million; current and accrued assets would decrease by $9.8 million; deferred debits would decrease by $73.5 million; long-term debt would decrease by $3.4 million; current and accrued liabilities would increase by $27.6 million; and deferred credits and other noncurrent liabilities would increase by $36.7 million as of December 31, 2019. Furthermore, operating revenues would increase by $5.6 million and operating expenses, excluding income taxes, would increase by $4.4 million for the twelve months ended December 31, 2019. In addition, net cash provided by operating activities would increase by $4.6 million; net cash used in investing activities would increase by $4.5 million; net cash provided by financing activities would decrease by $1.1 million; and the net change in cash and cash equivalents would be a decrease of $1.1 million for the twelve months ended December 31, 2019.

On December 22, 2017, President Trump signed into law the TCJA which includes lower corporate tax rates, repealing the domestic production deduction, disallowance of immediate expensing for regulated utility property and modifying or repealing many other business deductions and credits. The reduction in the corporate tax rate was effective on January 1, 2018. The effects of the change in tax laws or rates must be accounted for in the period of enactment, which resulted in the Company making reasonable estimates of the impact of the reduction in corporate tax rate on the Company's net deferred tax liabilities during the fourth quarter of 2017. The SEC issued rules that allowed for a measurement period of up to one year after the enactment date of the TCJA to finalize the recording of the related tax impacts. At December 31, 2018, the Company finalized the estimates from the fourth quarter of 2017 and no material adjustments were recorded to income from continuing operations during the twelve months ended December 31, 2018.

Management has also evaluated the impact of events occurring after December 31, 2019, up to the date of issuance of these financial statements. For more information on the Company’s subsequent events, see Note 17.

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.

Accounts receivable and allowance for doubtful accounts
Accounts receivable consists primarily of trade receivables from the sale of goods and services which are recorded at the invoiced amount. The total balance of receivables past due 90 days or more was $515,000 and $640,000 at December 31, 2019 and 2018, respectively.

The allowance for doubtful accounts is determined through a review of past due balances and other specific account data. Account balances are written off when management determines the amounts to be uncollectible. The Company's allowance for doubtful accounts at December 31, 2019 and 2018 was $608,000 and $780,000, respectively.

Accounts receivable also consists of accrued unbilled revenue representing revenues recognized in excess of amounts billed. Accrued unbilled revenue was $43.7 million and $47.2 million at December 31, 2019 and 2018, respectively.

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 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:

	2019	2018
	(In thousands)	
Plant materials and operating supplies	**$ 23,684**	$ 21,026
Gas stored underground-current	**10,136**	8,508
Fuel stock	**4,558**	4,785
Total	**$ 38,378**	$ 34,319

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 and $1.7 million at December 31, 2019 and 2018, respectively.

Investments

The Company's investments include the cash surrender value of life insurance policies, an insurance contract, and other miscellaneous investments. The Company measures its investment in the insurance contract 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 5 and 12.

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:

	2019	2018
	(In thousands)	
AFUDC - borrowed	**$ 1,703**	$ 1,283
AFUDC - equity	**$ 669**	$ 1,027

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 plant assets in regulated utility rates. These amounts are included in accumulated provision for depreciation, and amortization.

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

	2019	2018	Weighted Average Depreciable Life in Years
	(Dollars in thousands, where applicable)		
Electric:			
Generation	**$ 1,139,059**	$ 1,131,484	48
Distribution	**443,780**	430,750	46
Transmission	**445,485**	302,315	65
Construction in progress	**66,664**	161,742	-
Other	**126,759**	117,133	15
Natural gas distribution:			
Distribution	**589,079**	547,788	47
Construction in progress	**7,190**	4,122	-
Other	**140,564**	134,450	17
Less accumulated depreciation, and amortization	**1,051,780**	967,633	
Net utility plant	**$ 1,906,800**	$ 1,862,151	
Nonutility property	**$ 17,184**	$ 16,931	
Less accumulated depreciation, and amortization	**7,014**	6,199	
Net nonutility property	**$ 10,170**	$ 10,732	

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 impairment losses were recorded in 2019 and 2018. Unforeseen events and changes in circumstances could require the recognition of impairment losses at some future date.

Regulatory assets and liabilities

The Company accounts for certain income and expense items under the provisions of regulatory accounting, which requires these businesses to defer as regulatory assets or liabilities certain items that would have otherwise been reflected as expense or income. The Company records regulatory assets or liabilities at the time the Company determines the amounts to be recoverable in current or future rates.

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, 2019 and 2018, there were no impairment losses recorded. At December 31, 2019, the fair value of the natural gas distribution reporting unit substantially exceeded its carrying value.

Determining the fair value of a reporting unit requires judgment and the use of significant estimates which include assumptions about the Company's future revenue, profitability and cash flows, amount and timing of estimated capital expenditures, inflation rates, risk adjusted capital cost, operational plans, and current and future economic conditions, among others. The fair value of each reporting unit is determined using a weighted combination of income and market approaches. The Company uses a discounted cash flow methodology for its income approach. Under the income approach, the discounted cash flow model determines fair value based on the present value of projected cash flows over a specified period and a residual value related to future cash flows beyond the projection period. Both values are discounted using a rate which reflects the best estimate of the risk adjusted capital cost at each reporting unit. A risk adjusted capital cost of 4.0 percent was utilized in the goodwill impairment test performed in the fourth quarter of 2019. The goodwill impairment test also utilized a long-term growth rate projection of 1.7 percent in the goodwill impairment test performed in the fourth quarter of 2019. Under the market approach, the Company estimates fair value using various multiples derived from enterprise value to EBITDA for comparative peer companies for each respective reporting unit. These multiples are applied to operating data for each reporting unit to arrive at an indication of fair value. In addition, the Company adds a reasonable control premium when calculating the fair value utilizing the peer multiples, which is estimated as the premium that would be received in a sale in an orderly transaction between market participants. The Company believes that the estimates and assumptions used in its impairment assessments are reasonable and based on available market information.

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 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.

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 regulatory asset or liability.

Legal costs

The Company expenses external legal fees as they are incurred.

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 within a period of 12 months from the time such costs are paid. Natural gas costs refundable through rate adjustments were $7.3 million and $2.6 million at December 31, 2019 and 2018, respectively, and included in unrecovered purchased gas costs.

Income taxes
MDU Resources and its subsidiaries file consolidated federal income tax returns and combined and separate state income tax returns. 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. Taxes recoverable from customers have been recorded as regulatory assets. Taxes refundable to customers and excess deferred income tax balances associated with the 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.

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; uncollectible accounts; 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.

New accounting standards
Recently adopted accounting standards
ASU 2016-02 - Leases In February 2016, the FASB issued this ASU guidance relating to ASC 842 - *Leases*. The guidance required lessees to recognize a lease liability and a right-of-use asset on the balance sheet for operating and financing leases. The guidance remained largely the same for lessors, although some changes were made to better align lessor accounting with the new lessee accounting and to align with the revenue recognition standard. The guidance also required additional disclosures, both quantitative and qualitative, related to operating and financing leases for the lessee and sales-type, direct financing and operating leases for the lessor. The Company adopted the standard for its GAAP financial statements on January 1, 2019.

In December 2018, the FERC issued guidance to provide clarity on how regulated entities can implement the lease accounting guidance within the framework and regulatory intent of the FERC's existing requirements for lease accounting. The FERC guidance permits entities to record operating leases that may be capitalized under ASU No. 2016-02 in the FERC balance sheet accounts that have already been established for capital lease assets and liabilities. All other provisions of lease accounting are not affected by this accounting guidance, and the accounting guidance is intended to have no impact on the existing ratemaking treatment or practices. For entities that elect this option, additional disclosures would be required within their FERC filings. The Company has elected to not record operating leases on its FERC financial statements. Therefore, this standard does not have an impact on the Company's FERC financial statements or disclosures.

ASU 2017-04 - Simplifying the Test for Goodwill Impairment In January 2017, the FASB issued guidance on simplifying the test for goodwill impairment by eliminating Step 2, which required an entity to measure the amount of impairment loss by comparing the implied fair value of reporting unit goodwill with the carrying amount of such goodwill. This guidance requires entities to perform a quantitative impairment test, previously Step 1, to identify both the existence of impairment and the amount of impairment loss by comparing the fair value of a reporting unit to its carrying amount. Entities will continue to have the option of performing a qualitative assessment to determine if the quantitative impairment test is necessary. The guidance also requires additional disclosures if an entity has one or more reporting units with zero or negative carrying amounts of net assets. The Company early adopted the guidance on a prospective basis beginning with the preparation of its 2019 goodwill impairment test in the fourth quarter of 2019. The adoption of the guidance did not have a material impact on its results of operations, financial position, cash flows or disclosures.

ASU 2018-15 - Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract In August 2018, the FASB issued guidance on the accounting for implementation costs of a hosting arrangement that is a service contract. The guidance aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract similar to the costs incurred to develop or obtain internal-use software and such capitalized costs to be expensed over the term of the hosting arrangement. Costs incurred during the preliminary and postimplementation stages should continue to be expensed as activities are performed. The capitalized costs are required to be presented on the balance sheet in the same line the prepayment for the fees associated with the hosting arrangement would be presented. In addition, the expense related to the capitalized implementation costs should be presented in the same line on the income statement as the fees associated with the hosting element of the arrangements. The Company adopted the guidance for its GAAP financial statements effective January 1, 2019, on a prospective basis. For FERC financial statements, the Company will functionalize these costs within the FERC plant accounts or in miscellaneous intangible plant, if appropriate. Additionally, the amortization of these costs will be reported as depreciation and amortization. The adoption of the guidance did not have a material impact on its results of operations, financial position, cash flows or disclosures.

Recently issued accounting standards not yet adopted

ASU 2016-13 - Measurement of Credit Losses on Financial Instruments In June 2016, the FASB issued guidance on the measurement of credit losses on certain financial instruments. The guidance introduces a new impairment model known as the current expected credit loss model that will replace the incurred loss impairment methodology currently included under GAAP. This guidance requires entities to present certain investments in debt securities, trade accounts receivable and other financial assets at their net carrying value of the amount expected to be collected on the financial statements. The Company adopted the guidance on January 1, 2020.

The Company formed an implementation team to review and assess existing financial assets to identify and evaluate the financial assets subject to the new current expected credit loss model. The Company assessed the impact of the guidance on its processes and internal controls and has identified and updated existing internal controls and processes to ensure compliance with the new guidance, such modifications were deemed insignificant. During the assessment phase, the Company completed checklists to identify the complete portfolio of assets subject to the current expected credit loss model. The Company determined the guidance did not have a material impact on its results of operations, financial position, cash flows or disclosures and did not record a material cumulative effect adjustment upon adoption.

ASU 2018-13 - Changes to the Disclosure Requirements for Fair Value Measurement In August 2018, the FASB issued guidance on modifying the disclosure requirements on fair value measurements as part of the disclosure framework project. The guidance modifies, among other things, the disclosures required for Level 3 fair value measurements, including the range and weighted average of significant unobservable inputs. The guidance removes, among other things, the disclosure requirement to disclose transfers between Levels 1 and 2. The guidance will be effective for the Company on January 1, 2020, including interim periods, with early adoption permitted. Level 3 fair value measurement disclosures should be applied prospectively while all other amendments should be applied retrospectively. The Company continues to evaluate the effects the adoption of the new guidance will have on its disclosures in the first quarter of 2020.

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 removes disclosures that are no longer considered cost beneficial, clarifies the specific requirements of disclosures and adds disclosure requirements identified as relevant. The guidance adds, 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 removes, 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. The guidance will be effective for the Company on January 1, 2021, and must be applied on a retrospective basis with early adoption permitted. The Company is evaluating the effects the adoption of the new guidance will have on its 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 removes exceptions on intraperiod tax allocations and reporting and provides simplification on accounting for franchise taxes, tax basis goodwill and tax law changes. The guidance will be effective for the Company on January 1, 2021, with early adoption permitted. Transition requirements vary among the exceptions and amendments which include retrospective, modified retrospective and prospective application. The Company does not expect the guidance to have a material impact on its results of operations, financial position, cash flows and disclosures.

Accumulated other comprehensive income (loss)
The Company's accumulated other comprehensive income (loss) is comprised of postretirement liability adjustments.

The postretirement liability adjustment in other comprehensive loss was $5.8 million, net of tax of $1.9 million, for the year ended December 31, 2019.

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

Twelve Months Ended December 31, 2019	Postretirement Liability Adjustment	Subsidiary Other Comprehensive Loss	Total Accumulated Other Comprehensive Loss
		(In thousands)	
Balance at December 31, 2018	$ (4,846)	$ (33,496)	$ (38,342)
Adjustment for Holding Company Reorganization	---	33,496	33,496
Other comprehensive income before reclassifications	(1,230)	---	(1,230)
Amounts reclassified from accumulated other comprehensive loss	230	---	230
Net current-period other comprehensive income	(1,000)	---	(1,000)
Balance at December 31, 2019	**$ (5,846)**	**$ ---**	**$ (5,846)**

Twelve Months Ended December 31, 2018	Postretirement Liability Adjustment	Subsidiary Other Comprehensive Loss	Total Accumulated Other Comprehensive Loss
		(In thousands)	
Balance at December 31, 2017	$ (4,803)	$ (32,531)	$ (37,334)
Other comprehensive income before reclassifications	903	3,333	4,236
Amounts reclassified from accumulated other comprehensive loss	99	2,616	2,715
Net current-period other comprehensive income	1,002	5,949	6,951
Reclassification adjustment of prior period tax effects related to TCJA included in accumulated other comprehensive loss	(1,045)	(6,914)	(7,959)
Balance at December 31, 2018	**$ (4,846)**	**$ (33,496)**	**$ (38,342)**

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 were as follows:

Twelve Months Ended December 31,		2019		2018	Location on Statement of Income
		(In thousands)			
Amortization of postretirement liability losses included in net periodic benefit cost	$	**(304)**	$	(131)	(a)
		74		32	Income taxes
		(230)		(99)	
Subsidiary reclassifications out of accumulated other comprehensive loss		**---**		(2,616)	Equity in earnings of Subsidiary Companies
Total reclassifications	**$**	**(230)**	$	(2,715)	

(a) Included in net periodic benefit cost (credit). For more information, see Note 12.

Note 2 - Revenue from contracts with customer

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 reportable segments.

Year Ended December 31, 2019	Electric	Natural Gas Distribution	Total
		(In thousands)	
Residential utility sales	$ 125,369	$ 162,461	$ 287,830
Commercial utility sales	141,596	113,569	255,165
Industrial utility sales	37,765	6,503	44,268
Other utility sales	7,408	---	7,408
Natural gas transportation	---	6,988	6,988
Other	35,574	6,516	42,090
Revenues from contracts with customers	347,712	296,037	643,749
Revenues out of scope	4,013	2,454	6,467
Total external operating revenues	$ 351,725	$ 298,491	$ 650,216

Year Ended December 31, 2018	Electric	Natural Gas Distribution	Total
		(In thousands)	
Residential utility sales	$ 121,477	$ 160,022	$ 281,499
Commercial utility sales	136,236	109,631	245,867
Industrial utility sales	34,353	5,672	40,025
Other utility sales	7,556	---	7,556
Natural gas transportation	---	6,423	6,423
Other	31,568	9,431	40,999
Revenues from contracts with customers	331,190	291,179	622,369
Revenues out of scope	3,933	1,475	5,408
Total external operating revenues	$ 335,123	$ 292,654	$ 627,777

Note 3 - 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, 2019 and 2018. This amount is included in miscellaneous deferred debits. No impairments have been recorded in any periods.

Note 4 - Regulatory Assets and Liabilities

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

	Estimated Recovery Period*	2019	2018
		(In thousands)	
Regulatory assets:			
Pension and postretirement benefits (a)	(h)	**$ 94,630**	$ 96,595
Plant to be retired (a)	---	**32,932**	---
Asset retirement obligations (a) (b)	Over plant lives	**17,317**	13,763
Taxes recoverable from customers (a)	Over plant lives	**8,027**	8,179
Unamortized loss on required debt	Up to 7 years	**3,583**	4,154
Costs related to identifying generation development (c)	Up to 7 years	**2,051**	2,508
Unrecovered purchased gas costs	Up to 1 year	**(7,261)**	(2,577)
Other (a) (d) (e)	Up to 19 years	**8,748**	13,832
Total regulatory assets		**160,027**	136,454
Regulatory liabilities:			
Taxes refundable to customers (f)		**138,393**	148,015
Plant removal and decommissioning costs (b) (f)		**55,539**	56,095
Pension and postretirement benefits (f)		**13,832**	10,309
Accumulated provision for rate refunds		**1,003**	15,514
Other (f) (g)		**7,007**	6,209
Total regulatory liabilities		**215,774**	236,142
Net regulatory position		**$ (55,747)**	$ (99,688)

* Estimated recovery period for regulatory assets currently being recovered in rates charged to customers.
(a) Included in other regulatory assets on the Comparative Balance Sheet.
(b) Included in accumulated provision for depreciation, and amortization on the Comparative Balance Sheet.
(c) Included in unrecovered plant and regulatory study costs on the Comparative Balance Sheet.
(d) Included in prepayments on the Comparative Balance Sheet.
(e) Included in miscellaneous deferred debits on the Comparative Balance Sheet.
(f) Included in other regulatory liabilities on the Comparative Balance Sheet.
(g) Included in accumulated deferred investment tax credits on the Comparative Balance Sheet.
(h) Recovered as expense is incurred.

The regulatory assets are expected to be recovered in rates charged to customers. A portion of the Company's regulatory assets are not earning a return; however, these regulatory assets are expected to be recovered from customers in future rates. As of December 31, 2019 and 2018, approximately $126.9 million and $119.4 million respectively, of regulatory assets were not earning a rate of return.

In February 2019, the Company announced that it intends to retire three aging coal-fired electric generating units in early 2021 and early 2022. The Company has accelerated the depreciation related to these facilities in property, plant and equipment and has recorded the difference between the accelerated depreciation, in accordance with GAAP, and the depreciation approved for rate-making purposes as regulatory assets. The Company expects to recover the regulatory assets related to the plants to be retired in future rates.

If, for any reason, the Company's regulated business ceases 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.

Note 5 - Fair Value Measurements

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 an insurance contract, 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 $22.7 million and $49.2 million at December 31, 2019 and 2018, respectively, are classified as Other Investments on the Comparative Balance Sheet. The net unrealized gain on these investments for the year ended December 31, 2019, was $3.4 million. The net unrealized loss on these investments for the year ended December 31, 2018, was $2.4 million. 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.

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’s Level 2 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 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. For the years ended December 31, 2019 and 2018, there were no transfers between Levels 1 and 2.

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

	Fair Value Measurements at December 31, 2019, 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, 2019
	(In thousands)			
Assets:				
Money market funds	$ —	$ 1,107	$ —	$ 1,107
Insurance contract*	—	22,669	—	22,669
Total assets measured at fair value	$ —	$ 23,776	$ —	$ 23,776

*The insurance contract invests approximately 51 percent in fixed-income investments, 23 percent in common stock of large-cap companies, 12 percent in common stock of mid-cap companies, 10 percent in common stock of small-cap companies, 3 percent in target date investments and 1 percent in cash equivalents.

	Fair Value Measurements at December 31, 2018, 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, 2018
	(In thousands)			
Assets:				
Money market funds	$ —	$ 5,045	$ —	$ 5,045
Insurance contract*	—	49,213	—	49,213
Total assets measured at fair value	$ —	$ 54,258	$ —	$ 54,258

*The insurance contract invests approximately 53 percent in fixed-income investments, 21 percent in common stock of large-cap companies, 11 percent in common stock of mid-cap companies, 10 percent in common stock of small-cap companies, 3 percent in target date investments and 2 percent in cash equivalents.

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.

In the second quarter of 2019, the Company reviewed a non-utility investment for impairment. This was a cost-method investment and was written down to zero using the income approach to determine its fair value, requiring the Company to record a write-down of $2.0 million, before tax. The fair value of this investment was categorized as Level 3 in the fair value hierarchy. The reduction is reflected in Other Investments on the Company's Comparative Balance Sheet, as well as within Other Income and Deductions as Other Deductions on the Statement of Income.

The Company's long-term debt is not measured at fair value on the Comparative Balance Sheet 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:

	2019	2018
	(In thousands)	
Carrying Amount	**$ 858,114**	$ 788,725
Fair Value	**$ 934,279**	$ 795,113

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

Note 6 - 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, 2019. 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, 2019		Amount Outstanding at December 31, 2018		Letters of Credit at December 31, 2018	Expiration Date
					(Dollars in millions)				
Montana-Dakota Utilities Co.	Commercial paper/Revolving credit agreement	(a)	$ 175.0	$ 118.6	(b)	$ 48.5	(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 at December 31, 2019, and $48.5 million was outstanding at December 31, 2018.
(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 following includes information related to the preceding table.

Long-term debt

Long-term Debt Outstanding Long-term debt outstanding at December 31 was as follows:

		2019		2018
		(In thousands)		
Senior notes at a weighted average rate of 4.47%, due on dates ranging from July 15, 2024 to November 18, 2059	**$**	**730,000**	$	530,000
Commercial paper at an interest rate of 2.03%, supported by revolving credit agreement		**118,600**		48,500
Term loan agreements at an interest rate of 2.00%, due on September 3, 2032		**9,100**		209,800
Other note at a rate of 6.0%, due on November 30, 2038		**414**		425
Total long-term debt	**$**	**858,114**	$	788,725

On January 1, 2019, MDU Resources' revolving credit agreement and commercial paper program became the Company's revolving credit agreement and commercial paper program as a result of the Holding Company Reorganization. The outstanding balance of the revolving credit agreement was also transferred to the Company. All of the related terms and covenants of the credit agreements remained the same. For more information on the reorganization see Note 1.

On December 19, 2019, the Company amended and restated its revolving credit agreement extending the maturity date to December 19, 2024. 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 July 24, 2019, the Company entered into a $200.0 million note purchase agreement with maturity dates ranging from October 17, 2039 to November 18, 2059, at a weighted average interest rate of 3.95 percent. 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, 2019, was 52 percent.

Schedule of Debt Maturities Long-term debt maturities for the five years and thereafter following December 31, 2019, were as follows:

	2020	2021	2022	2023	2024	Thereafter
				(In thousands)		
Long-term debt maturities	$700	$700	$700	$700	$179,300	$676,014

Note 7 - 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:

		2019		2018
		(In thousands)		
Balance at beginning of year	**$**	**142,923**	$	127,809
Liabilities incurred		**7,100**		6,293
Liabilities settled		**(2,349)**		(1,006)
Accretion expense *		**7,289**		6,690
Revisions in estimates		**2,821**		3,137
Balance at end of year	**$**	**157,784**	$	142,923

* Includes $7.3 million and $6.7 million in 2019 and 2018, respectively, related 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 4.

Note 8 - Common Stock

Prior to the Holding Company Reorganization, the Company held common stock. For the year ended December 31, 2018, the dividend declared on common stock was $.7950 per common share. Dividends on common stock were paid quarterly to the stockholders of record less than 30 days prior to the distribution date. For the year ended December 31, 2018, the dividends declared to common stockholders were $155.7 million.

Note 9 - Stock-Based Compensation

Total stock-based compensation expense (after tax) was $1.7 million and $1.2 million in 2019 and 2018, respectively.

As of December 31, 2019, total remaining unrecognized compensation expense related to stock-based compensation was approximately $2.6 million (before income taxes) which will be amortized over a weighted average period of 1.6 years.

Stock awards

Non-employee directors received shares of common stock in addition to and in lieu of cash payment for directors' fees. Shares of common stock were issued under the non-employee director stock compensation plan or the non-employee director long-term incentive compensation plan in 2018. There were 38,605 shares with a fair value of $1.0 million issued to non-employee directors during the year ended December 31, 2018.

Restricted stock awards

In February 2018, the Company granted restricted stock awards under the long-term performance-based incentive plan to certain key employees. The restricted stock awards granted will vest after three years. The grant-date fair value is the market price of the Company's stock on the grant date. The restricted stock awards became the obligation of the holding company after the reorganization.

Performance share awards
Due to the Holding Company Reorganization, the Company had no target grants of performance shares outstanding at December 31, 2019.

Note 10 - Income Taxes
Income before income taxes for the years ended December 31, 2019 and 2018, respectively was $54.6 million and $57.0 million.

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

		2019		2018
				(In thousands)
Current:				
Federal	**$**	**(26,940)**	$	(15,223)
State		**(3,042)**		(295)
		(29,982)		(15,518)
Deferred:				
Income taxes:				
Federal		**13,512**		8,835
State		**3,230**		877
Investment tax credit - net		**683**		1,547
		17,425		11,259
Total income tax expense	**$**	**(12,557)**	$	(4,259)

The changes included in the TCJA were broad and complex. The SEC issued, and the FASB adopted, rules that allowed for a measurement period of up to one year after the enactment date of the TCJA to finalize the recording of the related tax impacts. The Company has reviewed the impacts of the TCJA and completed its assessment of the transitional impacts during the period ending December 31, 2018, of which there were no such material adjustments.

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 $138.3 million and $148.1 million as of December 31, 2019 and 2018, respectively.

Total plant-related excess deferred taxes, those originating in FERC accounts 281 or 282, were $138.1 million and $148.1 million, as of December 31, 2019 and 2018, respectively, and were largely considered protected. The Company has proposed in all of its state jurisdictions to amortize both protected and non-protected plant-related excess deferred taxes on an ARAM basis which is based on plant lives. See Note 1 for more information on the Company’s weighted average depreciable lives. All state jurisdictions have approved this treatment.

Non-plant-related excess deferred taxes originating in FERC account 190 were ($2.2) million and ($3.2) million, as of December 31, 2019 and 2018, respectively.
Non-plant-related excess deferred taxes originating in FERC account 283 were $2.3 million and $3.2 million, as of December 31, 2019 and 2018, respectively. These excess deferred taxes are being amortized on a straight-line basis over periods ranging from 1-10 years as

approved by the respective state jurisdictions.

Amortization of the excess deferred taxes are being recorded to FERC Accounts 410.1 and 411.1 as appropriate. For the year ended December 31, 2019, the amortization of excess deferred taxes, including gross ups, has reduced the related regulatory liabilities by $9.8 million.

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

	2019	2018
	(In thousands)	
Deferred tax assets:		
Postretirement	$ **17,805**	$ 23,695
Production Tax Credits	**5,343**	8,015
Compensation-related	**4,593**	7,903
Customer advances	**4,155**	4,988
Other	**2,440**	6,928
Total deferred tax assets	**34,336**	51,529
Deferred tax liabilities:		
Depreciation and basis differences on property, plant and equipment	**190,246**	183,229
Postretirement	**26,953**	26,206
Plants to be retired	**8,610**	620
Cost recovery mechanisms	**1,569**	1,688
Other	**4,782**	4,908
Total deferred tax liabilities	**232,160**	216,651
Net deferred income tax liability	$ **(197,824)**	$ (165,122)

As of December 31, 2019 and 2018, the Company had a federal income tax credit carryforward of $5.3 million and $8.0 million respectively. The federal income tax credit carryforwards will expire in 2040 if not utilized. As of December 31, 2019 and 2018, 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, 2018, to December 31, 2019, to deferred income tax expense:

	2019
	(In thousands)
Change in net deferred income tax liability from the preceding table	$ **32,702**
Deferred taxes associated with TCJA enactment for regulated activities	**(7,449)**
Deferred taxes associated with corporate reorganization	**(6,811)**
Deferred taxes associated with other comprehensive income (loss)	**323**
Other	**(1,340)**
Deferred income tax expense for the period	$ **17,425**

Total income tax expense 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,	2019		2018	
	Amount	%	Amount	%
	(Dollars in thousands)			
Computed tax at federal statutory rate	**$ 11,459**	**21.0**	$ 11,959	21.0
Increases (reductions) resulting from:				
Production tax credit	**(15,843)**	**(29.0)**	(11,759)	(20.6)
Excess deferred income tax amortization	**(7,449)**	**(13.7)**	(5,364)	(9.4)
Amortization and deferral of investment tax credit	**683**	**1.3**	(120)	(0.2)
R&D tax credit	**(245)**	**(0.4)**	(669)	(1.2)
Deductible K-Plan dividends	**(568)**	**(1.0)**	(644)	(1.1)
AFUDC equity	**219**	**0.4**	(215)	(0.4)
State income taxes, net of federal income tax	**179**	**0.3**	2,163	3.8
Nonqualified benefit plan	**(1,234)**	**(2.3)**	182	0.3
Other	**242**	**0.4**	208	0.3
Total income tax expense	**$ (12,557)**	**(23.0)**	$ (4,259)	(7.5)

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 2015. With few exceptions, as of December 31, 2019, the Company is no longer subject to state and local income tax examinations by tax authorities for years ending prior to 2015.

For the years ended December 31, 2019 and 2018, 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.

Note 11 - Cash Flow Information

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

	2019	2018
	(In thousands)	
Interest, net of AFUDC – borrowed of $1,703 and $1,283 in 2019 and 2018, respectively	**$ 30,215**	$ 32,841
Income taxes refunded, net	**$ (14,869)**	$ (36,926)

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

	2019	2018
	(In thousands)	
Property, plant and equipment additions in accounts payable	**$ 15,832**	$ 12,907
Issuance of common stock in connection with acquisition by a subsidiary	**$ ---**	$ 18,186

Note 12 - 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. In October 2018, the Company transferred the liability of certain participants in the defined benefit pension plan, who are currently receiving benefits to an annuity company. The transfer of the benefit payments for these participants reduced the Company’s liability and future premiums.

Effective January 1, 2010, eligibility to receive retiree medical benefits was modified. 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:	Date of Report	Year/Period of Report
Montana-Dakota Utilities Co.	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) 12/31/2019	2019/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

Changes in benefit obligation and plan assets for the years ended December 31, 2019 and 2018, and amounts recognized in the Comparative Balance Sheet at December 31, 2019 and 2018, were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2019	2018	**2019**	2018
	(In thousands)			
Change in benefit obligation:				
Benefit obligation at beginning of year	**$ 192,341**	$ 250,889	**$ 31,688**	$ 40,128
Service cost	**---**	---	**373**	621
Interest cost	**7,468**	8,183	**1,176**	1,257
Plan participants' contributions	**---**	---	**459**	731
Actuarial (gain) loss	**19,782**	(17,944)	**1,365**	(4,389)
Benefits paid	**(12,861)**	(21,159)	**(2,418)**	(2,749)
Benefit obligation at end of year	**206,730**	219,969	**32,643**	35,599
Change in net plan assets:				
Fair value of plan assets at beginning of year	**146,292**	192,712	**41,865**	50,531
Actual gain (loss) on plan assets	**27,664**	(11,422)	**8,150**	(1,551)
Employer contribution	**15,453**	7,200	**6**	70
Plan participants' contributions	**---**	---	**459**	731
Benefits paid	**(12,861)**	(21,159)	**(2,417)**	(2,749)
Fair value of net plan assets at end of year	**176,548**	167,331	**48,063**	47,032
Funded status – over (under)	**$ (30,182)**	$ (52,638)	**$ 15,420**	$ 11,433
Amounts recognized in the Comparative Balance Sheet at December 31:				
Other deferred debits (credits)	**$ (30,182)**	$ (52,638)	**$ 15,420**	$ 11,433
Net amount recognized	**$ (30,182)**	$ (52,638)	**$ 15,420**	$ 11,433
Amounts recognized in regulatory assets or liabilities:				
Actuarial (gain) loss	**$ 94,491**	$ 103,455	**$ (3,940)**	$ 599
Prior service credit	**---**	---	**(5,691)**	(7,253)
Total	**$ 94,491**	$ 103,455	**$ (9,631)**	$ (6,654)

Employer contributions and benefits paid in the preceding table include only those amounts contributed directly to, or paid directly from, plan assets. The table above includes amounts related to regulated operations, which 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 4.

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.

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:

	2019	2018
	(In thousands)	
Projected benefit obligation	**$ 206,730**	$ 219,969
Accumulated benefit obligation	**$ 206,730**	$ 219,969
Fair value of plan assets	**$ 176,548**	$ 167,331

Components of net periodic benefit cost (credit) for the Company's pension and other postretirement benefit plans for the years ended December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2019	2018	**2019**	2018
	(In thousands)			
Components of net periodic benefit cost (credit):				
Service cost	**$ ---**	$ ---	**$ 373**	$ 621
Interest cost	**7,468**	8,183	**1,176**	1,257
Expected return on assets	**(8,751)**	(11,352)	**(2,476)**	(2,754)
Amortization of prior service credit	**---**	---	**(932)**	(976)
Recognized net actuarial loss	**2,662**	3,890	**---**	---
Net periodic benefit cost (credit), including amount capitalized	**1,379**	721	**(1,859)**	(1,852)
Less amount capitalized	**---**	---	**87**	119
Net periodic benefit cost (credit)	**1,379**	721	**(1,946)**	(1,971)
Other changes in plan assets and benefit obligations recognized in regulatory assets or liabilities:				
Net (gain) loss	**906**	4,831	**(4,515)**	(84)
Amortization of actuarial loss	**(2,871)**	(3,890)	**---**	---
Amortization of prior service credit	**---**	---	**946**	976
Total recognized in regulatory assets or liabilities	**(1,965)**	941	**(3,569)**	892
Total recognized in net periodic benefit cost (credit) and regulatory assets or liabilities	**$ (586)**	$ 1,662	**$ (5,515)**	$ (1,079)

The estimated net loss for the defined benefit pension plans that will be amortized from regulatory assets or liabilities into net periodic benefit cost in 2020 is $3.5 million. The estimated net loss and prior service credit for the other postretirement benefit plans that will be amortized from regulatory assets or liabilities into net periodic benefit credit in 2020 are $0 and $864,000, respectively. Prior service credit is amortized over the average remaining service period of active participants.

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

	Pension Benefits		Other Postretirement Benefits	
	2019	2018	**2019**	2018
Discount rate	**2.96%**	4.02%	**2.97%**	4.03%
Expected return on plan assets	**6.25%**	6.75%	**5.75%**	5.75%

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	
	2019	2018	**2019**	2018
Discount rate	**4.02 %**	3.38%	**4.03%**	3.38%
Expected return on plan assets	**6.25 %**	6.75%	**5.75%**	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, 2019, the expected rate of return on pension plan assets is based on the targeted asset allocation range of 40 percent to 50 percent equity securities and 50 percent to 60 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 of 30 percent equity securities and 70 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:

	2019	2018
Health care trend rate assumed for next year	**7.4%**	8.0 %
Health care cost trend rate - ultimate	**4.5%**	4.5 %
Year in which ultimate trend rate achieved	**2024**	2024

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.

Assumed health care cost trend rates may have a significant effect on the amounts reported for the health care plans. A one percentage point change in the assumed health care cost trend rates would have had the following effects at December 31, 2019:

	1 Percentage Point Increase	1 Percentage Point Decrease
	(In thousands)	
Effect on total of service and interest cost components	$ 43	$ (37)
Effect on postretirement benefit obligation	$ 610	$ (539)

In 2019, the Company contributed an additional $12.4 million to its defined benefit pension plans, which increased the funded status and decreased future expenses for the plans. The Company does not expect to contribute to its defined benefit pension and postretirement benefit plans in 2020.

The following benefit payments, which reflect future service, as appropriate, and expected Medicare Part D subsidies at December 31, 2019, are as follows:

Years	Pension Benefits	Other Postretirement Benefits	Expected Medicare Part D Subsidy
		(In thousands)	
2020	$ 12,205	$ 2,214	$ 64
2021	12,275	2,175	59
2022	12,359	2,135	55
2023	12,413	2,095	50
2024	12,419	2,056	45
2025– 2029	60,152	9,594	152

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 equity securities is based on the closing price reported on the active market on which the individual securities are traded. 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. Some of these securities are valued using pricing from outside sources.

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. For the years ended December 31, 2019 and 2018, there were no transfers between Levels 1 and 2.

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

	Fair Value Measurements at December 31, 2019, 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, 2019
		(In thousands)		
Assets:				
Cash equivalents	$ ---	$ 12,647	$ ---	$ 12,647
Equity securities:				
U.S. companies	6,987	---	---	6,987
International companies	---	453	---	453
Collective and mutual funds *	77,773	28,466	---	106,239
Corporate bonds	---	39,039	---	39,039
Municipal bonds	---	5,717	---	5,717
U.S. Government securities	3,526	1,007	---	4,533
Total assets measured at fair value	$ 88,286	$ 87,329	$ ---	$ 175,615

*Collective and mutual funds invest approximately 29 percent in common stock of international companies, 21 percent in common stock of large-cap U.S. companies, 18 percent in U.S. Government securities, 9 percent in corporate bonds, 6 percent in cash equivalents and 17 percent in other investments.

	Fair Value Measurements at December 31, 2018, 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, 2018
		(In thousands)		
Assets:				
Cash equivalents	$ ---	$ 2,680	$ ---	$ 2,680
Equity securities:				
U.S. companies	6,000	---	---	6,000
International companies	---	526	---	526
Collective and mutual funds *	79,347	28,051	---	107,398
Corporate bonds	---	39,744	---	39,744
Municipal bonds	---	5,775	---	5,775
U.S. Government securities	261	3,205	---	3,466
Total assets measured at fair value	$ 85,608	$ 79,981	$ ---	$ 165,589

*Collective and mutual funds invest approximately 27 percent in common stock of international companies, 31 percent in corporate bonds, 18 percent in common stock of large-cap U.S. companies, 5 percent in cash equivalents and 19 percent in other investments.

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

The estimated fair value of the other postretirement benefit plans' 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 plans' Level 1 equity securities is based on the closing price reported on the active market on which the individual securities are traded.

The estimated fair value of the other postretirement benefit plans’ 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. For the years ended December 31, 2019 and 2018, there were no transfers between Levels 1 and 2.

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

	Fair Value Measurements at December 31, 2019, 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, 2019
	(In thousands)			
Assets:				
Cash equivalents	$ ---	$ 2,041	$ ---	$ 2,041
Equity securities:				
U.S. companies	1,054	---	---	1,054
Insurance contract*	5	44,963	---	44,968
Total assets measured at fair value	$ 1,059	$ 47,004	$ ---	$ 48,063

*The insurance contract invests approximately 50 percent in corporate bonds, 25 percent in common stock of large-cap U.S. companies, 7 percent in U.S. Government securities, 7 percent in common stock of small-cap U.S. companies and 11 percent in other investments.

	Fair Value Measurements at December 31, 2018, 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, 2018
	(In thousands)			
Assets:				
Cash equivalents	$ ---	$ 2,187	$ ---	$ 2,187
Equity securities:				
U.S. companies	841	---	---	841
Insurance contract*	---	44,004	---	44,004
Total assets measured at fair value	$ 841	$ 46,191	$ ---	$ 47,032

*The insurance contract invests approximately 51 percent in corporate bonds, 23 percent in common stock of large-cap U.S. companies, 7 percent in U.S. Government securities, 7 percent in common stock of small-cap U.S. companies and 12 percent in other investments.

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 unfunded, nonqualified defined benefit plans for executive officers and certain key management employees that generally provide for defined benefit payments at age 65 following the employee's retirement or, upon death, to their beneficiaries for 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:

	2019	2018
	(In thousands)	
Projected benefit obligation	**$ 17,059**	$ 47,176
Accumulated benefit obligation	**$ 17,059**	$ 47,176

Components of net periodic benefit cost for these plans for the years ended December 31 were as follows:

		2019		2018
		(In thousands)		
Components of net periodic benefit cost:				
Service cost	**$**	**109**	$	185
Interest cost		**606**		1,586
Recognized net actuarial loss		**59**		290
Net periodic benefit cost	**$**	**774**	$	2,061

Weighted average assumptions used at December 31 were as follows:

	2019	2018
Benefit obligation discount rate	**2.71%**	3.85%
Benefit obligation rate of compensation increase	**N/A**	N/A
Net periodic benefit cost discount rate	**3.85%**	3.18%
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, 2019, are expected to aggregate as follows:

		2020		2021		2022		2023		2024		2025-2029
						(In thousands)						
Nonqualified benefits	$	1,640	$	1,616	$	1,619	$	1,664	$	1,594	$	5,386

In 2012, the Company established a nonqualified defined contribution plan for certain key management employees. Expenses incurred under this plan for 2019 and 2018 were $227,000 and $96,000, respectively.

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

		2019		2018
		(In thousands)		
Investments				
Insurance contract*	**$**	**22,669**	$	49,213
Life insurance**		**10,996**		19,122
Other		**1,108**		5,054
Total investments	**$**	**34,773**	$	73,389

* For more information on the insurance contract, see Note 5.
**Investments of life insurance are carried on plan participants (payable upon the employee's death).

Defined contribution plans
The Company sponsors various defined contribution plans for eligible employees, and the costs incurred under these plans were $9.1 million in 2019 and $10.6 million in 2018.

Note 13 - 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		2019		2018
			(In thousands)		
Big Stone Station:	22.7%				
Utility plant in service		$	152,836	$	156,534
Construction work in progress			518		92
Less accumulated depreciation			46,266		49,345
		$	107,088	$	107,281
BSSE:	50.0%				
Utility plant in service		$	105,767	$	---
Construction work in progress			---		105,846
Less accumulated depreciation			1,232		---
		$	104,535	$	105,846
Coyote Station:	25.0%				
Utility plant in service		$	160,235	$	155,236
Construction work in progress			21		1,920
Less accumulated depreciation			107,638		105,565
		$	52,618	$	51,591
Wygen III:	25.0%				
Utility plant in service		$	67,869	$	65,382
Construction work in progress			112		220
Less accumulated depreciation			10,482		9,174
		$	57,499	$	56,428

Note 14 - 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. As indicated below, 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 summarizes the Company’s significant regulatory proceedings and cases by jurisdiction including the status of each open request. 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.

MNPUC

On September 27, 2019, Great Plains filed an application with the MNPUC for a natural gas rate increase of approximately $2.9 million annually or approximately 12.0 percent above current rates. The requested increase was primarily to recover investments in facilities to enhance safety and reliability and the depreciation and taxes associated with the increase in investment. On November 22, 2019, Great Plains received approval to implement an interim rate increase of approximately $2.6 million or approximately 11.0 percent, subject to refund, effective January 1, 2020. This matter is pending before the MNPUC.

MTPSC
On November 1, 2019, Montana-Dakota submitted an application with the MTPSC requesting the use of deferred accounting for the treatment of costs related to the retirement of Lewis & Clark Station in Sidney, Montana, and units 1 and 2 at Heskett Station near Mandan, North Dakota. This matter is pending before the MTPSC.

NDPSC
Montana-Dakota has a transmission cost adjustment rider that allows annual updates to rates for actual costs for transmission-related projects and services. On July 19, 2019, Montana-Dakota filed a change to its transmission cost adjustment rates to reflect projected charges for July 2019 through June 2020 assessed to Montana-Dakota for transmission-related services provided by MISO and Southwest Power Pool, along with the projected transmission service revenues or credits received for the same time period. Montana-Dakota also requested recovery of six transmission capital projects. Total revenues of approximately $9.2 million, which reflects a true-up of the prior period adjustment, were requested resulting in an increase of approximately $600,000 or approximately 7.2 percent over current rates, which includes approximately $1.5 million related to transmission capital projects. On October 22, 2019, the NDPSC approved the rates as requested. The rates were effective October 28, 2019.

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, 2019, Montana-Dakota filed an annual update to its renewable resource cost adjustment requesting to recover a revised revenue requirement of approximately $14.7 million annually, not including the prior period true-up adjustment. The update reflects a decrease of approximately $800,000 from the revenues currently included in rates. On February 19, 2020, the NDPSC approved the increase with rates effective on March 1, 2020.

On August 28, 2019, Montana-Dakota filed an application with the NDPSC for an advanced determination of prudence and a certificate of public convenience and necessity to construct, own and operate Heskett Unit 4, an 88-MW simple-cycle natural gas-fired combustion turbine peaking unit at the existing Heskett Station near Mandan, North Dakota. A settlement agreement with the NDPSC Advocacy Staff was filed on April 2, 2020. A public hearing is scheduled for April 30, 2020.

On September 16, 2019, Montana-Dakota submitted an application with the NDPSC requesting the use of deferred accounting for the treatment of costs related to the retirement of Lewis & Clark Station in Sidney, Montana, and units 1 and 2 at Heskett Station near Mandan, North Dakota. A settlement agreement with the NDPSC Advocacy Staff was filed on April 2, 2020. A public hearing is scheduled for April 30, 2020.

SDPUC
On November 8, 2019, Montana-Dakota submitted an application with the SDPUC requesting the use of deferred accounting for the treatment of costs related to the retirement of Lewis & Clark Station in Sidney, Montana, and units 1 and 2 at Heskett Station near Mandan, North Dakota. The SDPUC approved the use of deferred accounting treatment as requested on January 7, 2020.

Montana-Dakota has a transmission cost recovery rider that allows annual updates to rates for actual costs for transmission-related projects and services. On February 28, 2020, Montana-Dakota filed a change to its transmission cost recovery rates to reflect projected charges for 2020 assessed to Montana-Dakota for transmission-related services provided by MISO and Southwest Power Pool, along with the projected transmission service revenues or credits received for the same time period. Montana-Dakota also requested recovery of two transmission capital projects. Total revenues of approximately $764,000, which reflects a true-up of the prior period adjustment, were requested resulting in a decrease of approximately $15,000 or approximately 1.9 percent under current rates, which includes approximately $87,000 related to transmission capital projects. This matter is pending before the SDPUC.

Montana-Dakota has an infrastructure rider 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 February 28, 2020, Montana-Dakota filed an annual update to its infrastructure rider requesting to recover a revenue requirement of approximately $1.3 million annually, including the prior period true-up adjustment, an increase of approximately $300,000 from revenues currently included in rates. This matter is pending before the SDPUC.

WYPSC

On May 23, 2019, Montana-Dakota filed an application with the WYPSC for a natural gas rate increase of approximately $1.1 million annually or approximately 7.0 percent above current rates. The requested increase was to recover increased operating expenses and investments in distribution facilities to improve system safety and reliability. On December 17, 2019, Montana-Dakota filed a settlement agreement with the WYPSC. On January 15, 2020, the WYPSC approved the settlement, as adjusted to reflect an annual increase in revenues of approximately $828,000 or approximately 5.5 percent, with rates effective March 1, 2020.

FERC

On December 9, 2019, MISO accepted Montana-Dakota's annual revenue requirement update to its transmission formula rates under the MISO tariff for its multi-value project for approximately $13.1 million, which was effective January 1, 2020. The update effective January 1, 2020, reflects the reduced return on equity order issued by the FERC on November 21, 2019.

Note 15 - 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 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, 2019 and 2018, the Company accrued liabilities, which have not been discounted, of $920,000 and $190,000, respectively. The accruals are for contingencies, including 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. 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 4.

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 by contamination from the manufactured gas plant. 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 received notice from a prior insurance carrier that it will participate in payment of defense costs incurred in relation to the claim. Montana-Dakota has accrued $375,000 for the remediation of this site.

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, 2019, were:

	2020	2021	2022	2023	2024	Thereafter
			(In thousands)			
Operating leases	$1,662	$1,589	$1,394	$1,346	$1,340	$26,111

Total lease costs were $2.1 million for the year ended December 31, 2019.

Purchase commitments

The Company has entered into various commitments, largely consisting of contracts for natural gas and coal supply, purchased power, natural gas transportation and storage contracts, employee service; and information technology. Certain of these contracts are subject to variability in volume and price. The commitment terms vary in length up to 21 years. The commitments under these contracts as of December 31, 2019, were:

	2020	2021	2022	2023	2024	Thereafter
			(In thousands)			
Purchase commitments	$173,184	$74,193	$39,013	$31,441	$11,035	$60,105

These commitments were not reflected in the Company's financial statements. Amounts purchased under various commitments for the years ended December 31, 2019 and 2018, were $314.5 million and $292.6 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, 2019, the Company's exposure to loss as a result of the agreement, based on the Company's ownership percentage, was $36.0 million.

Note 16 – Related-Party Transactions

The Company provides and receives certain services to/from associated companies. The amount charged for services provided to the Company was $82.2 million and $63.5 million for the years ended December 31, 2019 and 2018, 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 post retirement benefits. The Company records its allocated share of the MDU Resources pension and other post retirement benefit plans, which are included in miscellaneous deferred debits and other deferred credits. The amount charged for services received from the Company was $33.7 million and $112.0 million for the years ended December 31, 2019 and 2018, respectively.

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

	2019	2018
	(In thousands)	
Accounts receivable from associated companies	**$ 4,082**	$ 36,015
Accounts payable to associated companies	**7,440**	12,438
Dividend declared	**9,970**	---
Miscellaneous deferred debits	**12,313**	14,033
Other deferred credits	**10,970**	18,770

Note 17 – Subsequent Event

In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. Measures put in place by governmental leaders to help limit the spread may have a significant impact on economic activity in the near term. The Company is monitoring the related impacts however, it will take time before the Company can fully determine the impact of COVID-19 on the Company’s results of operations, financial position and cash flows.

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED) Year: 2019

	Account Number & Title		Last Year	This Year	% Change
1					
2		**Intangible Plant**			
3	301	Organization			
4	302	Franchises & Consents			
5	303	Miscellaneous Intangible Plant	$9,727,894	$10,659,313	9.57%
6					
7		**Total Intangible Plant**	$9,727,894	$10,659,313	9.57%
8					
9		**Production Plant**			
10					
11	**Production & Gathering Plant**				
12	325.1	Producing Lands			
13	325.2	Producing Leaseholds			
14	325.3	Gas Rights			
15	325.4	Rights-of-Way			
16	325.5	Other Land & Land Rights			
17	326	Gas Well Structures	NOT	NOT	
18	327	Field Compressor Station Structures	APPLICABLE	APPLICABLE	
19	328	Field Meas. & Reg. Station Structures			
20	329	Other Structures			
21	330	Producing Gas Wells-Well Construction			
22	331	Producing Gas Wells-Well Equipment			
23	332	Field Lines			
24	333	Field Compressor Station Equipment			
25	334	Field Meas. & Reg. Station Equipment			
26	335	Drilling & Cleaning Equipment			
27	336	Purification Equipment			
28	337	Other Equipment			
29	338	Unsuccessful Exploration & Dev. Costs			
30					
31		**Total Production & Gathering Plant**			
32					
33	**Products Extraction Plant**				
34					
35	340	Land & Land Rights			
36	341	Structures & Improvements			
37	342	Extraction & Refining Equipment			
38	343	Pipe Lines	NOT	NOT	
39	344	Extracted Products Storage Equipment	APPLICABLE	APPLICABLE	
40	345	Compressor Equipment			
41	346	Gas Measuring & Regulating Equipment			
42	347	Other Equipment			
43					
44		**Total Products Extraction Plant**			
45					
46	**Total Production Plant**				

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 19**

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED) Year: 2019

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

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 19**

Year: 2019

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

	Account Number & Title		Last Year	This Year	% Change
1		**Distribution Plant**			
2	374	Land & Land Rights	$42,899	$38,563	-10.11%
3	375	Structures & Improvements	248,297	233,795	-5.84%
4	376	Mains	43,625,856	48,456,803	11.07%
5	377	Compressor Station Equipment			
6	378	Meas. & Reg. Station Equipment-General	797,907	771,906	-3.26%
7	379	Meas. & Reg. Station Equipment-City Gate	161,108	168,795	4.77%
8	380	Services	37,534,211	42,353,059	12.84%
9	381	Meters	23,862,474	24,902,419	4.36%
10	382	Meter Installations			
11	383	House Regulators	3,320,047	3,652,061	10.00%
12	384	House Regulator Installations			
13	385	Industrial Meas. & Reg. Station Equipment	431,100	431,100	0.00%
14	386	Other Prop. on Customers' Premises			0.00%
15	387	Other Equipment	2,220,437	2,378,568	7.12%
16					
17		**Total Distribution Plant**	$112,244,336	$123,387,069	9.93%
18					
19		**General Plant**			
20	389	Land & Land Rights	$859,196	$1,049,494	22.15%
21	390	Structures & Improvements	4,734,016	4,755,024	0.44%
22	391	Office Furniture & Equipment	185,730	175,136	-5.70%
23	392	Transportation Equipment	3,561,946	3,487,285	-2.10%
24	393	Stores Equipment	14,253	14,253	0.00%
25	394	Tools, Shop & Garage Equipment	1,546,866	1,644,193	6.29%
26	395	Laboratory Equipment	37,448	54,382	45.22%
27	396	Power Operated Equipment	2,573,555	2,631,639	2.26%
28	397	Communication Equipment	540,537	543,454	0.54%
29	398	Miscellaneous Equipment	42,353	27,889	-34.15%
30	399	Other Tangible Property			
31					
32		**Total General Plant**	$14,095,900	$14,382,749	2.03%
33					
34		**Common Plant**			
35	389	Land & Land Rights	$241,247	$247,358	2.53%
36	390	Structures & Improvements	3,422,466	3,665,831	7.11%
37	391	Office Furniture & Equipment	473,090	566,648	19.78%
38	392	Transportation Equipment	1,247,809	1,320,044	5.79%
39	393	Stores Equipment	27,288	36,096	32.28%
40	394	Tools, Shop & Garage Equipment	88,920	91,646	3.07%
41	396	Power Operated Equipment			
42	397	Communication Equipment	376,721	410,597	8.99%
43	398	Miscellaneous Equipment	106,824	121,323	13.57%
44					
45		**Total Common Plant**	$5,984,365	$6,459,543	7.94%
46		**Total Gas Plant in Service**	$142,052,495	$154,888,674	9.04%

MONTANA DEPRECIATION SUMMARY

Year: 2019

	Functional Plant Classification	Plant Cost	Accumulated Depreciation Last Year Bal.	Accumulated Depreciation This Year Bal.	Current Avg. Rate
1	Production & Gathering				
2	Products Extraction				
3	Underground Storage				
4	Other Storage				
5	Transmission				
6	Distribution	123,387,069	61,674,987	64,240,111	3.57%
7	General	15,173,280	3,694,689	3,480,516	1.98%
8	Common	16,328,325	6,601,807	7,302,070	4.84%
9	**Total**	$154,888,674	$71,971,483	$75,022,697	3.55%

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock			
3	152 Fuel Stock Expenses - Undistributed			
4	153 Residuals & Extracted Products			
5	154 Plant Materials & Operating Supplies:			
6	Assigned to Construction (Estimated)			
7	Assigned to Operations & Maintenance			
8	Production Plant (Estimated)			
9	Transmission Plant (Estimated)			
10	Distribution Plant (Estimated)	$943,252	$1,157,276	22.69%
11	Assigned to Other			
12	155 Merchandise			
13	156 Other Materials & Supplies			
14	163 Stores Expense Undistributed			
15	**Total Materials & Supplies**	$943,252	$1,157,276	22.69%

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS

SCHEDULE 22

	Commission Accepted - Most Recent 1/		% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number	D2017.9.79			
2	Order Number	7573f			
3					
4	Common Equity			9.400%	
5	Preferred Stock				
6	Long Term Debt				
7					
8	**Total**				
9					
10	Actual at Year End				
11					
12	Common Equity		50.447%	9.400%	4.742%
13	Long Term Debt		46.118%	4.718%	2.176%
14	Short Term Debt		3.435%	3.095%	0.106%
15	**Total**		100.000%		7.024%

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

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 23**

STATEMENT OF CASH FLOWS Year: 2019

	Description	Last Year	This Year	% Change
1	Increase/(decrease) in Cash & Cash Equivalents:			
2				
3	**Cash Flows from Operating Activities:**			
4	Net Income	$272,318,357	$67,122,122	-75.35%
5	Depreciation	72,312,708	82,470,237	14.05%
6	Amortization	343,465	(213,245)	-162.09%
7	Deferred Income Taxes - Net	9,711,851	16,741,960	72.39%
8	Investment Tax Credit Adjustments - Net	1,546,913	683,008	-55.85%
9	Change in Operating Receivables - Net	(14,436,634)	(7,626,137)	47.18%
10	Change in Materials, Supplies & Inventories - Net	(2,820,729)	(3,924,791)	-39.14%
11	Change in Operating Payables & Accrued Liabilities - Net	23,281,803	(18,052,024)	-177.54%
12	Change in Other Regulatory Assets	8,688,521	14,479,768	66.65%
13	Change in Other Regulatory Liabilities	563	(4,964,556)	-881903.91%
14	Allowance for Other Funds Used During Construction (AFUDC)	(1,026,572)	(669,240)	34.81%
15	Change in Other Assets & Liabilities - Net	22,778,222	(13,414,180)	-158.89%
16	Less Undistributed Earnings from Subsidiary Companies	(95,210,157)	0	100.00%
17	Other Operating Activities (explained on attached page)			
18	**Net Cash Provided by/(Used in) Operating Activities**	$297,488,311	$132,632,922	-55.42%
19				
20	**Cash Inflows/Outflows From Investment Activities:**			
21	Construction/Acquisition of Property, Plant and Equipment			
22	(net of AFUDC & Capital Lease Related Acquisitions)	($243,141,453)	($155,387,861)	36.09%
23	Acquisition of Other Noncurrent Assets	(527,466)	(536,349)	-1.68%
24	Proceeds from Disposal of Noncurrent Assets			
25	Investments In and Advances to Affiliates	30,000,000	0	-100.00%
26	Contributions and Advances from Affiliates			
27	Disposition of Investments in and Advances to Affiliates			
28	Other Investing Activities: Depreciation & RWIP on Nonutility Plant	811,995	817,074	0.63%
29	**Net Cash Provided by/(Used in) Investing Activities**	($212,856,924)	($155,107,136)	27.13%
30				
31	**Cash Flows from Financing Activities:**			
32	Proceeds from Issuance of:			
33	Long-Term Debt	$200,000,000	$270,100,000	35.05%
34	Preferred Stock			
35	Common Stock	(10,000)	0	100.00%
36	Other:			
37	Net Increase in Short-Term Debt			
38	Other: Repurchase of Common Stock	(1,920,095)	0	100.00%
39	Other: Tax Withholding on Stock-Based Compensation	(1,720,999)	(574,376)	66.63%
40	Payment for Retirement of:			
41	Long-Term Debt	(125,960,755)	(200,711,418)	-59.34%
42	Preferred Stock			
43	Common Stock			
44	Other: Adjustment to Retained Earnings			
45	Net Decrease in Short-Term Debt			
46	Dividends on Preferred Stock			
47	Dividends on Common Stock	(154,572,486)	(44,050,502)	71.50%
48	Other Financing Activities (related to IGC acquisition)			
49	**Net Cash Provided by (Used in) Financing Activities**	($84,184,335)	$24,763,704	129.42%
50				
51	**Net Increase/(Decrease) in Cash and Cash Equivalents**	$447,052	$2,289,490	412.13%
52	**Cash and Cash Equivalents at Beginning of Year**	$769,835	$1,216,887	58.07%
53	**Cash and Cash Equivalents at End of Year**	$1,216,887	$3,506,377	188.14%

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 24**

LONG TERM DEBT Year: 2019

	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	9,100,000	2.00%	182,000	2.00%
16	Minot Air Force Base Payable	09/08	11/38	509,197	509,197	414,076	6.00%	24,845	6.00%
17	Revolving Credit Facility	12/19	12/24			118,600,000	2.03%		
18	Amortization of Loss on Reacquired Debt							43,469	
19									
20									
21									
22									
23									
24									
25									
26	**TOTAL**			$741,009,197	$726,567,172	$858,114,076		$34,645,404	4.04%

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.

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 25**

PREFERRED STOCK Year: 2019

	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										
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18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32	**TOTAL**					$0		$0	$0	0.00%

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 26**

COMMON STOCK Year: 2019

		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.

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 27**

MONTANA EARNED RATE OF RETURN Year: 2019

		Description	Last Year	This Year	% Change
		Rate Base			
1					
2	101	Plant in Service	$142,052,495	$154,888,674	9.04%
3	108	(Less) Accumulated Depreciation	71,971,483	75,022,697	4.24%
4					
5		**Net Plant in Service**	$70,081,012	$79,865,977	13.96%
6					
7		Additions			
8	154, 156	Materials & Supplies	$943,252	$1,157,276	22.69%
9	165	Prepayments	24,264	31,571	30.11%
10		Prepaid Demand/Commodity Charges	1,144,393	1,276,145	11.51%
11		Gas in Underground Storage	3,086,252	2,998,276	-2.85%
12	189	Unamortized Loss on Debt	163,574	139,671	-14.61%
13	182	Other Regulatory Assets	19,296	17,957	-6.94%
14		Provision for Pension & Benefits	7,690,465	9,828,667	27.80%
15		Provision for Injuries & Damages	(10,279)	(16,073)	-56.37%
16					
17		**Total Additions**	$13,061,217	$15,433,490	18.16%
18		Deductions			
19	282	Accumulated Deferred Income Taxes	$14,572,090	$14,531,218	-0.28%
20		DIT Related to Pension & Benefits	1,900,537	2,455,344	29.19%
21		DIT Related to Injuries & Damages	(2,507)	(3,921)	-56.40%
22	252	Customer Advances for Construction	2,384,217	2,290,354	-3.94%
23					
24		**Total Deductions**	$18,854,337	$19,272,995	2.22%
25		**Total Rate Base**	$64,287,892	$76,026,472	18.26%
26					
27		**Net Earnings**	$3,305,503	$2,595,037	-21.49%
28					
29		**Rate of Return on Average Rate Base**	5.42%	3.70%	-31.73%
30					
31		**Rate of Return on Average Equity**	6.00%	2.70%	-55.00%
32	Major Normalizing Adjustments & Commission				
33	Ratemaking Adjustments to Utility Operations				
34	Adjustments to Operating Revenues 1/				
35	Weather Normalization		($1,378,513)	($1,294,120)	6.12%
36	Gain (Loss) from Disposition of Utility Plant 2/		(8,264)	(3,537)	57.20%
37	Penalty Revenue 3/		3,388	(51,045)	-1606.64%
38					
39	Adjustments to Operating Expenses 1/				
40	Elimination of Promotional & Institutional Advertising		(36,848)	(33,305)	9.62%
41					
42	Other Adjustments to Federal & State Income Taxes				
43	Federal & State Out of Period & Closing/Filing		(221,973)	226,468	202.03%
44	Deferred Federal & State Out of Period & Closing/Filing		215,621	(220,035)	-202.05%
45					
46		Total Adjustments to Operating Income	($1,340,189)	($1,321,830)	1.37%
47					
48		**Adjusted Rate of Return on Average Rate Base**	3.22%	1.81%	-43.79%
49					
50		**Adjusted Rate of Return on Average Equity**	1.60%	-1.07%	-166.88%

1/ Updated amounts, net of taxes.
2/ Amortized over five years.
3/ Adjusted to reflect a three year average.

MONTANA COMPOSITE STATISTICS

Year: 2019

		Description	Amount
1			
2		Plant (Intrastate Only) (000 Omitted)	
3			
4	101	Plant in Service	$147,111
5	107	Construction Work in Progress	823
6	114	Plant Acquisition Adjustments	
7	104	Plant Leased to Others	
8	105	Plant Held for Future Use	
9	154, 156	Materials & Supplies	1,157
10		(Less):	
11	108, 111	Depreciation & Amortization Reserves	75,023
12	252	Customer Advances for Construction	2,290
13			
14		**NET BOOK COSTS**	$71,778
15			
16		Revenues & Expenses (000 Omitted)	
17			
18	400	Operating Revenues	$73,088
19			
20	403 - 407	Depreciation & Amortization Expenses	$5,500
21		Federal & State Income Taxes	(331)
22		Other Taxes	6,551
23		Other Operating Expenses	58,774
24		Total Operating Expenses	$70,494
25			
26		Net Operating Income	$2,594
27			
28		Other Income	511
29		Other Deductions	1,492
30			
31		**NET INCOME**	$1,613
32			
33		Customers (Intrastate Only)	
34			
35		Year End Average:	
36		Residential	75,508
37		Firm General	9,765
38		Small Interruptible	45
39		Large Interruptible	5
40			
41		**TOTAL NUMBER OF CUSTOMERS**	85,323
42			
43		Other Statistics (Intrastate Only)	
44			
45		Average Annual Residential Use (Dkt)	91
46		Average Annual Residential Cost per (Dkt) ($) *	$6.51
47		* Avg annual cost = [(cost per Dkt x annual use) + (monthly service charge x 12)]/annual use	
48		Average Residential Monthly Bill	$49.37
49		Gross Plant per Customer	$1,724

MONTANA CUSTOMER INFORMATION Year: 2019

	City/Town	Population (Includes Rural) 1/	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Belfry	218	129	18		147
2	Billings	104,170	50,118	5,373	9	55,500
3	Bridger	708	425	64		489
4	Crow Agency	1,616	275	71		346
5	Edgar	114	110	13		123
6	Fromberg	438	284	20		304
7	Hardin	3,505	1,228	211	1	1,440
8	Joliet	595	377	48		425
9	Laurel	6,718	4,191	346		4,537
10	Park City	983	737	29		766
11	Pryor	618	74	12		86
12	Rockvale	Not Available	69	5		74
13	Silesia	96	34	2		36
14	Warren	Not Available		2		2
15	Alzada	29	10	10	1	21
16	Baker	1,741	801	199	2	1,002
17	Carlyle	Not Available	8	1		9
18	Fort Peck	233	142	13		155
19	Fairview	840	400	63	1	464
20	Forsyth	1,777	843	153	1	997
21	Frazer	362	93	14		107
22	Glasgow	3,250	1,624	361	2	1,987
23	Glendive	4,935	3,142	472	9	3,623
24	Hinsdale	217	113	22		135
25	Ismay	19	12	4		16
26	Malta	1,997	981	213	2	1,196
27	Miles City	8,410	3,968	638	6	4,612
28	Nashua	290	173	20		193
29	Poplar	810	831	118	6	955
30	Richey	177	129	28		157
31	Rosebud	111	41	7		48
32	Saco	197	35	4		39
33	Savage	Not Available	158	27		185
34	Sidney	5,191	2,647	503	4	3,154
35	Terry	605	320	68		388
36	St. Marie	264	250	12		262
37	Wibaux	589	214	57		271
38	Whitewater	64	29	10		39
39	Wolf Point	2,621	1,337	213	2	1,552
40	MT Oil Fields	Not Available	1	3		4
41	**TOTAL Montana Customers**	154,508	76,353	9,447	46	85,846

1/ 2010 Census

MONTANA EMPLOYEE COUNTS Year: 2019

	Department	Year Beginning	Year End	Average
1	Electric	24	24	24
2	Gas	36	41	39
3	Accounting	4	7	6
4	Management	6	7	7
5	Service	39	35	37
6	Training	0	0	0
7	Power Production	38	37	38
8				
9				
10				
11				
12				
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31				
32				
33				
34				
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38				
39				
40				
41				
42				
43				
44	**TOTAL Montana Employees**	147	151	151

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 31**

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED) **Year: 2019**

	Project Description	Total Company	Total Montana	
1	**Projects>$1,000,000**			
2				
3	**Common-General**			
4	Replace mobile radio system for common business segment	$1,027,667	$227,521	1/
5				
6	**Common-Intangible**			
7	Purchase Workforce Asset Management software for the Company	3,697,258	970,547	1/
8				
9	**Total Common**	$4,724,925	$1,198,068	
10				
11	**Electric-Distribution**			
12	Construct 115/69kV substation for Keystone Pipeline	$1,605,878	$1,605,878	2/
13				
14	**Electric-General**			
15	Replace mobile radio system for electric business segment	1,027,666	213,295	1/
16				
17	**Electric-Other Production**			
18	Repower Diamond Willow Wind Farm - Phase 1	1,144,660	294,297	1/
19	Replace gearboxes at Cedar Hill wind farm	1,004,416	258,240	1/
20				
21	**Electric-Transmission**			
22	Rebuild 60kV line from Glendive to Baker, MT	7,096,319	7,096,319	2/
23	Construct 115kV junction substation-Miles City, MT	4,862,448	4,862,448	2/
24	Construct 60kV bay at Cabin Creek 230/60kV substation	3,870,592	3,013,548	1/
25	Install breaker and bay at 230kV substation near Heskett	3,262,520	391,403	1/
26	Construct 115kV loop line-Dickinson, ND	2,590,055	584,696	1/
27	Install 115kV oilfield line tap from Glendive to Baker, MT	2,576,541	2,576,541	2/
28	Construct 230kV line from Baker to Cabin Creek substations	2,573,205	2,573,205	2/
29	Install control house at Lewis & Clark SW substation	2,011,390	719,838	1/
30	Replace 60kV line-Rosebud to Forsyth, MT	1,879,064	1,879,064	2/
31	Construct 115kV line to Miles City substation	1,775,977	1,775,977	2/
32	Relocate Ottertail line from Ellendale Junction to Ellendale 345 substation	1,046,610	248,910	1/
33				
34				
35	**Total Electric**	$38,327,341	$28,093,659	
36				
37	**Gas-General**			
38	Construct office/shop in Glasgow, MT	$1,255,943	1,255,943	2/
39				
40				
41	**Total Gas**	$1,255,943	$1,255,943	
42	**Total Projects >$1,000,000**	$44,308,209	$30,547,670	

1/ Allocated to Montana.
2/ Directly assigned to Montana.

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 31**

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED) **Year: 2019**

	Project Description	Total Company	Total Montana	
1	**Other Projects<$1,000,000**			
2				
3	**Electric**			
4	Production	$10,559,842	$2,349,999	1/
5	Integrated Transmission	13,117,758	1,487,736	1/
6	Direct Transmission	7,827,572	1,431,337	2/
7	Distribution	31,647,092	6,828,953	3/
8	General	4,159,602	678,494	3/
9	Intangible	1,270,116	281,417	1/
10	Common:			
11	General Office	3,797,154	788,109	1/
12	Other Direct	1,599,895	322,067	3/
13				
14	**Total Other Electric**	$73,979,031	$14,168,112	
15				
16	**Gas**			
17	Distribution	$41,132,157	$12,775,822	3/
18	General	4,534,983	1,265,438	3/
19	Intangible	165,214	39,897	1/
20	Common:			
21	General Office	2,349,840	567,448	1/
22	Other Direct	904,020	213,543	3/
23				
24	**Total Other Gas**	$49,086,214	$14,862,148	
25	**Total Other Projects <$1,000,000**	$123,065,245	$29,030,260	
26				
27	**Total Projects**	$167,373,454	$59,577,930	

1/ Allocated to Montana.
2/ Directly assigned to Montana.
3/ Combination of allocated and directly assigned to Montana.

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 32**

TRANSMISSION SYSTEM - TOTAL COMPANY & MONTANA Year: 2019

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

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

DISTRIBUTION SYSTEM - TOTAL COMPANY & MONTANA Year: 2019

	Total Company			
		Peak Day of Month	Peak Day Volumes Dkt	Total Monthly Volumes Dkt
1	January	29	326,119	7,111,616
2	February	7	383,155	8,837,587
3	March	3	360,521	6,583,317
4	April	10	182,354	3,549,421
5	May	18	148,339	3,280,712
6	June	8	84,875	2,070,241
7	July	9	70,959	1,871,972
8	August	27	65,007	1,829,862
9	September	30	134,784	2,233,784
10	October	29	276,097	5,310,280
11	November	11	311,816	6,812,611
12	December	9	304,386	7,629,289
13	**TOTAL**			57,120,692

	Montana			
		Peak Day of Month	Peak Day Volumes Dkt	Total Monthly Volumes Dkt
1	January	30	72,795	1,601,529
2	February	7	102,488	2,399,930
3	March	3	99,912	1,806,421
4	April	28	49,468	952,221
5	May	18	42,002	876,422
6	June	8	24,630	508,662
7	July	3	19,495	424,979
8	August	17	16,829	405,807
9	September	29	38,614	590,706
10	October	29	75,160	1,374,020
11	November	11	83,261	1,860,651
12	December	9	75,548	1,944,616
13	**TOTAL**			14,745,964

STORAGE SYSTEM - TOTAL COMPANY & MONTANA

Year: 2019

		Total Company						
		Peak Day of Month		Peak Day Volumes (Dkt)		Total Monthly Volumes (Dkt)		
		Injection	Withdrawal	Injection	Withdrawal	Injection	Withdrawal	Losses
1	January	29	29	2,067	187,304	10,407	2,948,702	
2	February	28	7	53,722	206,125	62,890	3,865,316	
3	March	20	3	72,570	158,774	909,567	1,165,631	
4	April	7	10	68,971	54,251	995,906	416,465	
5	May	30	6	76,419	15,307	1,424,071	163,971	
6	June	29	8	88,278	4,662	2,396,282	27,880	
7	July	13	31	118,063	2,211	3,186,342	17,646	
8	August	23	27	119,322	1,555	3,240,011	15,168	
9	September	1	30	87,774	9,274	2,247,587	60,075	
10	October	25	29	58,555	109,666	602,182	791,102	
11	November	20	11	6,240	166,484	37,534	2,480,452	
12	December	2	9	6,766	126,601	42,425	2,710,969	
13	**TOTAL**					15,155,204	14,663,377	

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

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 33**

SOURCES OF GAS SUPPLY Year: 2019

	Name of Supplier 1/	Last Year Volumes Dkt	This Year Volumes Dkt	Last Year Avg. Commodity Cost	This Year Avg. Commodity Cost
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31	1/ Supplier information is proprietary and confidential.				
32					
33	**Total Gas Supply Volumes**	40,679,444	44,114,577	$2.304	$2.167

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2019

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings **(Mcf or Dkt)**	Achieved Savings **(Mcf or Dkt)**	Difference
1							
2	MT Conservation & DSM Program	$143,446	$134,402	6.73%	7,924	8,580	656
3	(As Detailed on Schedule 36B)						
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
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16							
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21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32	**TOTAL**	$143,446	$134,402	6.73%	7,924	8,580	656

MONTANA CONSUMPTION AND REVENUES

Year: 2019

	Sales of Gas	Operating Revenues Current Year	Operating Revenues Previous Year	DK Sold Current Year	DK Sold Previous Year	Avg. No. of Customers Current Year	Avg. No. of Customers Previous Year
1	Residential	$44,160,599	$43,025,501	6,860,062	6,634,584	75,508	74,919
2	Firm General	27,647,435	26,877,601	4,508,771	4,367,144	9,765	9,628
3	Small Interruptible	504,575	528,490	124,243	130,754	17	17
4	Large Interruptible	285,028	238,762	85,465	68,905	1	1
5							
6							
7							
8							
9							
10							
11	**TOTAL**	$72,597,637	$70,670,354	11,578,541	11,201,387	85,291	84,565
12							
13							
14		**Operating Revenues**		**BCF Transported**		**Avg. No. of Customers**	
15							
16		Current	Previous	Current	Previous	Current	Previous
17	**Transportation of Gas**	Year	Year	Year	Year	Year	Year
18							
19	Small Interruptible	$603,456	$578,572	0.6	0.7	28	27
20	Large Interruptible	570,720	665,376	2.5	3.2	4	4
21							
22							
23							
24	**TOTAL**	$1,174,176	$1,243,948	3.1	3.9	32	31

NATURAL GAS UNIVERSAL SYSTEM BENEFITS PROGRAMS

Year: 2019

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (Mcf or Dkt)	Most recent program evaluation
1	Local Conservation					
2						
3						
4						
5						
6						
7						
8	Market Transformation					
9						
10						
11						
12						
13						
14						
15	Research & Development					
16						
17						
18						
19						
20						
21						
22	Low Income					
23	Discounts	$408,992	$0	$408,992		2019
24	Furnace Safety/Repair	0	50,000	50,000		2019
25	Bill Assistance	0	65,000	65,000		2019
26	Weatherization	0	62,000	62,000		2019
27						
28						
29	Other					
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42	Total	$408,992	$177,000	$585,992		2019
43	Number of customers that received low income rate discounts			(Average)	3,036	
44	Average monthly bill discount amount ($/mo)				$11.22	
45	Average LIEAP-eligible household income				N/A	
46	Number of customers that received weatherization assistance				N/A	
47	Expected average annual bill savings from weatherization				N/A	
48	Number of residential audits performed				N/A	

Company Name: Montana-Dakota Utilities Co. **SCHEDULE 36B**

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2019

	Program Description	Actual Current Year Expenditures	Contracted or Committed Current Year Expenditures	Total Current Year Expenditures	Expected savings (Mcf or Dkt)	Most recent program evaluation
1	Local Conservation					
2	High Efficiency Furnace	$121,552	$0	$121,552	6,143	2019
3	Programmable Thermostat	13,268	0	13,268	690	2019
4	High Efficiency Boiler	685	0	685	591	2019
5	Custom Efficiency	0	0	0	500	2019
6	Residential Energy Assessment	7,941	0	7,941	N/A	2019
7						
8						
9	Demand Response					
10						
11						
12						
13						
14						
15						
16	Market Transformation					
17						
18						
19						
20						
21						
22						
23	Research & Development					
24						
25						
26						
27						
28						
29						
30	Low Income					
31						
32						
33						
34						
35						
36	Other					
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	Total	$143,446	$0	$143,446	7,924	