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February 4, 2021

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501

Re: Docket No. GE20-002
Deferred Accounting Order-
COVID-19 Pandemic

Dear Ms. Van Gerpen

Montana-Dakota Utilities Co. (Montana-Dakota) provides its quarterly report in compliance with the South Dakota Public Utilities Commission's (Commission) August 19, 2020 Order, paragraphs 4 and 5.

Pursuant to Ordering paragraph 4, Montana-Dakota has identified the following cost increases and cost savings associated with the pandemic as of December 31, 2020 for its electric and gas operations not including any cost increases associated with bad debt expense, as described below. As the pandemic evolves, additional cost increases and savings may be identified. The Company has not estimated cost changes beyond what has been identified below nor has the Company recorded any deferrals to a regulatory asset at this time.

Costs	
PPE Related Costs	\$30,912
Computer Related Costs	7,402
Waived Late Fees	60,351
Short Term Debt Issuance Costs	12,881
Short Term Debt Incremental Interest	51,784
Total	<u><u>\$163,330</u></u>

Savings	
Travel	\$72,315
Training	3,159
Vehicles	49,495
Total	<u>\$124,969</u>

Montana-Dakota has not identified specific COVID impacts to its gas or electric volumes.

Ordering paragraph 5 requires status updates regarding the number of customers that have been disconnected, the total amount of arrears and the associated number of customers and payment arrangement details. Since the beginning of the pandemic, the Company's disconnections through December 31, 2020 are shown in the table below.

	Oct	Nov	Dec
Residential	75	1	0
Commercial	8	1	6
Total	83	2	6

The amount of bad debt expense that will be incurred through the end of the pandemic remains unknown at this time and the arrears continue to remain elevated compared to prior years, particularly those accounts with past due balances greater than 60 days. The information below includes both gas and electric accounts as of December 31, 2020.

	Accounts	Total Past Due	> 60 Days
<u>2020</u>			
Residential	3,948	\$545,009	\$379,629
Small Commercial	205	66,331	41,112
Large Commercial	2	9,720	4,835
<u>2019</u>			
Residential	4,543	\$358,470	\$139,932
Small Commercial	281	77,949	29,111
Large Commercial	2	16,385	-
<u>2018</u>			
Residential	4,978	\$372,135	\$135,897
Small Commercial	313	112,192	54,628

Montana-Dakota is not readily able to determine the number of customers with payment arrangements and the average term of the payment arrangements. The Company is offering payment arrangements for up to 12 months.

Please contact me if you have any questions.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs