

400 North Fourth Street  
Bismarck, ND 58501  
701-222-7900

December 4, 2020

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 this first 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 September 30, 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.

<b>Costs</b>	
PPE Related Costs	\$25,254
Computer Related Costs	7,692
Waived Late Fees	60,351
Short Term Debt Issuance Costs	12,881
Short Term Debt Incremental Interest	16,150
Total	<u>\$122,328</u>
<b>Savings</b>	
Travel	\$52,108
Vehicles	28,111
Training	12,429
Total	<u>\$92,648</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.

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. The information below includes both gas and electric accounts as of September 30, 2020.

	Accounts	Total Past Due
<u>2020</u>		
Residential	2,092	\$425,127
Small Commercial	202	62,765
<u>2019</u>		
Residential	2,493	\$240,171
Small Commercial	211	51,505
<u>2018</u>		
Residential	2,615	\$329,063
Small Commercial	234	60,359

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