



**MONTANA-DAKOTA**  
UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

May 12, 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 March 31, 2021 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	\$30,797
Computer Related Costs	7,402
Waived Late Fees	60,351
Short Term Debt Issuance Costs	12,881
Short Term Debt Incremental Interest	57,888
Total	<u>\$169,319</u>

<b>Savings</b>	
Travel	\$87,486
Training	32,648
Vehicles	17,041
Total	<u>\$137,175</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 Company's disconnections for the first quarter of 2021 are shown in the table below.

	Jan	Feb	Mar
Residential	21	3	18
Commercial	0	2	1
Total	21	5	19

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

	Accounts	Total Past Due	> 60 Days
<u>2021</u>			
Residential	3,132	\$581,893	\$361,905
Small Commercial	221	96,399	44,871
<u>2020</u>			
Residential	4,888	\$727,349	\$379,629
Small Commercial	596	111,630	41,112
Transport	1	845	4,835
<u>2019</u>			
Residential	4,593	\$607,835	\$248,528
Small Commercial	334	138,810	40,596

2018			
Residential	4,776	\$714,359	\$321,207
Small Commercial	322	110,262	29,060
Industrial	1	2,204	-
Transport	1	31	-

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