

MDU to seek less from customers

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By REBECCA BEITSCH
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Montana-Dakota Utilities Co. has dropped the amount they are seeking to recover from consumers after a failed plant proposal left them out about \$13.6 million.

After having abandoned its plans to open a plant known as Big Stone II, the company is asking the Public Service Commission for permission to pass those costs to consumers through a three-year rate increase.

For the average home, that would mean a little under an \$18 increase per year, or about \$1.50 per month. Earlier estimates pegged the yearly cost at roughly a

“Is it the perfect settlement? Probably not from my standpoint, probably not from the staff’s standpoint, probably not from the commission’s standpoint. Is it a fair way to resolve it? I think it is.”

Dan Kuntz, a lawyer for Montana-Dakota Utilities Co.

dollar more. North Dakotans are roughly two-thirds of MDU’s customers, and will pay that percentage of the cost, or \$13.6 million.

The settlement reached between the company and the PSC’s rate payer advocate, although not yet approved by the commissioners, sets up a three-year time-

to resolve it? I think it is,” said Dan Kuntz, a lawyer for MDU.

The commission won’t likely issue a final order until around mid-June or early July. Several parties in the case have asked for additional information from MDU, particularly for an itemized breakdown of the nearly \$14 million the company accrued in preparing for the additional plant.

The case also has raised questions over what type of externalities utilities can consider before entering into a new project. Current law bars utilities from trying to quantify the effect other projects or outside regulations could have on their projects.

Continued on 6B

Continued from 1B

While designed to protect North Dakota consumers from paying for externalities in other states, the commissioners questioned whether the law was barring the utilities from taking into account information necessary for considering new projects.

“Frankly, even with that law on the book, we wouldn’t be doing our business right if we didn’t at least think about what those impacts might mean,” said Andrea Stomberg with MDU. “Whether we would be allowed to bring that information to a hearing is another question,” she said.

Stomberg said the company attempted to keep the project afloat after several companies dropped out by recruiting new participants, but said no one would commit, something she said uncertainty in the federal legislative environment was likely part of that decision.

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