

Memorandum

To: Commissioners Kroshus, Fedorchak, and Christmann

From: Adam Renfandt

Date: March 2, 2020

Subject: Case No. PU-10-491, Cedar Hills Wind Project - Bowman County, ND, Decommissioning Plan, Cost Estimate, and Self-Guarantee

On November 1, 2019, Montana-Dakota Utilities Company (MDU) filed with the Commission an updated decommissioning plan and cost estimate for the Cedar Hills Wind facility (Cedar Hills) in the amount of approximately \$3.4 million, or \$259,000 per turbine. The Cedar Hills facility consists of 13 GE 1.5 MW turbines with a total nameplate capacity of 19.5 MWs.

In June 2020, Cedar Hills will be operational for ten years, and therefore, MDU is required to file with the Commission a form of financial assurance guarantying the decommissioning of the facility. On February 28, 2020, MDU filed with the Commission a self-guarantee for \$3.4 million, which is the total amount to decommission the facility. MDU has an A- issuer credit rating from S&P Global Ratings, and therefore, MDU meets the Commission's criteria to offer a self-guarantee.

Staff has reviewed the plan, cost estimate, and self-guarantee, and believes them to be reasonable and in compliance with Commission rules. Furthermore, legal has signed off on the self-guarantee. Therefore, Staff recommends that the Commission approve the updated plan, cost estimate, and self-guarantee.