


## MEMORANDUM

To: Commissioner Kalk, Commissioner Cramer, and Commissioner Fetch  
Fr: Christopher Marohl   
Cc: Public Utilities and Legal  
Da: December 6, 2012  
Re: MDU Transmission Facility Cost Recovery  
Case No. PU-12-804

On May 16, 2012, the North Dakota Public Service Commission (Commission) issued an order approving a transmission cost recovery rider for Montana-Dakota Utilities Co. (MDU). On November 30, 2012, MDU filed its annual adjustment to account for a true-up of actual costs from the prior year and anticipated costs for next year.

It is Commission Staff's position that since there are no new or modified electric transmission facilities, as defined in N.D.C.C. 49-05-04.3(1), included in this adjustment, a fee of \$50 should be assessed (See N.D.C.C. 49-05-05) and not \$50,000 (See N.D.C.C. 49-05-04.3(2)(d)). It is also Staff's position that, unless the Commission or its Staff has reason to believe that a notice of filing and opportunity for hearing and comment is prudent or that a proposed rate warrants an investigation, a rate change shall automatically be made after thirty days' notice to the Commission (See N.D.C.C. 49-05-05).

As a result, under N.D.C.C. 49-05-04.3 Rate adjustment – Transmission facility costs, the only situation when a public utility is **required** to file an application fee in the amount of \$50,000 and the Commission **shall** suspend rates and issue a notice of filing and opportunity for hearing and comment is when new or modified transmission facilities are being proposed.