

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co., a Division of MDU
Resources Group, Inc.
Generation Resource Recovery Rider
Rates**

Case No. PU-14-109

NOTICE OF OPPORTUNITY FOR HEARING

November 20, 2014

On February 27, 2014 Montana-Dakota Utilities Co. (MDU) filed to implement a generation resource cost recovery rider tariff under North Dakota Century Code section 49-05-05 to recover costs associated with its new 88 MW simple cycle combustion turbine generator known as Heskett III located at Mandan, North Dakota.

On August 20, 2014 the Commission approved a Settlement Agreement delaying cost recovery of the new generator until MDU's earnings became insufficient to cover the additional revenue requirement.

On November 14, 2014 MDU filed a request to implement the rate adjustments necessary to recover the additional costs of Heskett III to be effective January 1, 2015. For the year ending 2015, MDU estimates that it will earn a 7.39% return on stockholder equity absent this generation cost rider and 8.20% return on stockholder equity with the rider. If the rider is approved, the proposed increase in customer rates would be:

| | | |
|---------------|-------------------------------|-------------------|
| Residential | Rates 10 & 13 | .0283 cents / Kwh |
| Small General | Rates 20 & 25 | .0223 cents / Kwh |
| Large General | Rates 30, 31, 32, 38, 40 & 48 | 75 cents / KW |

Those interested are invited to comment on the application in writing. The issue to be considered is whether the proposed generation resource cost recovery rider should be approved. Persons desiring a hearing must file a written request identifying their interest in the proceeding and the reasons for requesting a hearing. **Comments and requests for hearing must be received by December 24, 2014.** If deemed appropriate, the Commission can determine the matter without a hearing.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400 or Relay North Dakota 1-800-366-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials, please notify, Darrell Nitschke, Executive Secretary, 24 hours in advance.

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