

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

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

Case No. PU-15-704

NOTICE OF HEARING

December 16, 2015

On October 26, 2015, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (MDU) filed a modification to its Generation Resource Recovery Rider tariff (GRRR) and to increase associated electric rates under the GRRR. The proposed rates recover projected costs related to the Heskett III Generating Station and to the Reciprocating Internal Combustion Engine units at the Lewis & Clark Generation Station. The rate increases by customer class are:

- Residential class: \$0.00227 per Kwh
- Small General class: \$0.00133 per Kwh
- Large General class: \$0.72 per KW

The monthly bill for a residential customer using 900 kWh of electricity would increase by \$2.04.

The issue to be considered in this proceeding regarding the tariff change is whether the change is just and reasonable.

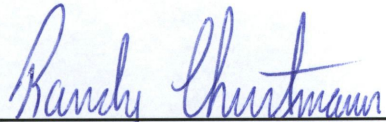
The issues to be considered in this proceeding regarding Heskett III and the Reciprocating Internal Combustion Engine units at the Lewis & Clark Generation Station are:

1. What is the value of MDU's property, used and useful, for the service and convenience of the public in North Dakota?
2. What is MDU's rate of return on its property, used and useful, for the service and convenience of the public in North Dakota?
3. What is a just and reasonable rate of return on NSP's property, used and useful, for the service and convenience of the public in North Dakota?
4. What rates and charges are necessary to provide a just and reasonable rate of return on MDU's property, used and useful, for the service and convenience of the public in North Dakota?
5. Are MDU's proposed rate schedules designed in such a manner that they result in a basis of charge to its customers that is just and reasonable without discrimination?
6. Other relevant information or proposals concerning the proceeding.

A **Public Hearing** on this matter is scheduled to begin on **February 4, 2016**, at **9:00 a.m. Central Time** in the Commission Hearing Room, 12th floor, State Capitol, 600 E Boulevard Ave, Bismarck, ND 58505.

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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