

MEMORANDUM

To: Commissioners, Fedorchak, Christmann and Kalk
Fr: Jerry Lein
Da: February 5, 2016
Re: Agenda Briefing Memo, Case No. PU-15-747
MDU Transmission Facility Cost Recovery Rider

On November 25, 2015, MDU filed its annual 2015 update of its transmission facility cost recovery tariff rider. On January 15, 2016, MDU revised its filing to reflect a 10.5% ROE subject to true-up as agreed to in the renewable rider settlement agreement approved in Case No. PU-15-703. The resulting projected net transmission expense to be recovered through 2016 North Dakota TCA rates is \$6,759,692, which includes a projected 2015 cost under recovery of \$577,091.

The resulting customer billing surcharges for 2016 are:

<u>Customer Class</u>	<u>Existing Rate</u>	<u>Proposed Rate</u>	<u>Change</u>
Residential & Small General	\$0.00125/kWh	\$0.00329/kWh	\$0.00204 /kWh
Large General	\$0.00104/kWh	\$0.00293/kWh	\$0.00189 /kWh
Lighting	\$0.00079/kWh	\$0.00215	\$0.00136 /kWh

The effect on a typical bill for a residential customer without electric space heating using 894 kWh per month would be an increase of \$1.82 per month.

JRL