



Public Service Commission

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Via e-mail only

RE: MDU 2016 Electric Rate Increase Application, Case No. PU-16-666
Questions from 18 April 2017 work session

Dear Counsel:

As you know, the Public Service Commission met yesterday in a work session on the captioned case. The purpose of the work session was to discuss the settlement, the evidence presented at the hearing, and the proposed order.

The discussion at the work session prompted several questions from the commission on which we request a response. They are stated at the end of this letter. The purpose of this letter is to inform the parties of the questions, request responses from the parties, and notify the parties that the commission intends to make the responses part of the record evidence in the case.

Please reply to the request for more information as soon as possible. Please be sure you serve your response on all parties. The commission plans to make the responses part of the record on which the decision can be based.

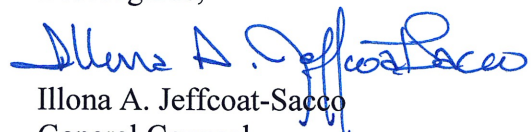
Under North Dakota Century Code section 28-32-25, you have an opportunity to examine the information the commission receives in response to the questions, present your own information, and cross-examine the person furnishing the information or evidence. This letter, together with service of your responses, will provide notification that the commission intends to incorporate the information into the record, and that you have an opportunity to examine the information, provide additional information, and request the opportunity to cross-examine. After the parties see each other's response, if anyone wants to request opportunity to cross examine a witness concerning the information, please let me know as soon as possible.

The commission's questions and requests for information follow:

1. Please more fully explain the settlement provisions as they relate to the existing generation rider. Please be specific when identifying generation resources, treatment of associated costs in base rates or the rider, and effective dates.
2. Please more fully explain the settlement provisions as they relate to the Renewable Rider. Please be specific when identifying generation resources, treatment of associated costs in base rates or the rider, and effective dates.
3. Please more fully explain the settlement provisions as they relate to the Transmission Rider. Please be specific when identifying facilities, treatment of associated costs in base rates or the rider, and effective dates.
4. Please more fully explain the settlement provisions as they relate to the Environmental Rider. Please be specific when identifying facilities, treatment of associated costs in base rates or the rider, and effective dates.
5. Which riders, if any, are currently specifically stated on the customers' bills? If stated on the bill, and if the settlement is adopted, will the rider continue to be stated even if the costs recovered by the rider will be zero?
6. Please specifically identify, under the settlement provisions, what special contract information will be provided to the commission and on what time frame. Please indicate whether or not the contract delta information that will be provided will incorporate any credits provided by MDU back to any customers purchasing electricity on a special contract, or if those credits would be in addition to the contract delta for those customers.
7. Please identify the customers or types of customers that will be impacted by the settlement provisions regarding demand charges, and describe the anticipated impact.
8. Please provide the projected return contribution of each customer class under the settlement provisions, and compare this information to the current return contribution for each class under existing rates, and to the originally estimated return contribution for each class provided in the application.

Thank you for your prompt response to this request. If you have any questions, please do not hesitate to contact me.

Best regards,


Illona A. Jeffcoat-Sacco
General Counsel