

Memorandum

To: Commissioners, Randy Christmann, Julie Fedorchak, and Brian Kroshus
From: Victor Schock - Public Utility Analyst (Advocacy Staff in this proceeding)
Date: February 28, 2018
Re: Montana-Dakota Utilities, Transmission Facility Cost Recovery, Rates
Case No. PU-17-468

On November 21, 2017, Montana-Dakota Utilities (MDU) filed an application to update its Transmission Facility Cost Recovery (TCR) Rates.

The TCR provides a mechanism for MDU to account for and recover its MISO and SPP revenue and expenses net of any revenues received.

MDU has proposed increasing the TCR as follows:

| | Current | Proposed | Change |
|-------------------|-----------|-----------|-----------|
| Residential/Small | | | |
| General Rate/Kwh | \$0.00413 | \$0.00523 | \$0.00110 |
| Large General/Kwh | \$0.00350 | \$0.00444 | \$0.00094 |
| Lighting/Kwh | \$0.00161 | \$0.00204 | \$0.00043 |

On November 29, 2017 the commission issued a Notice of Opportunity for this case. As of the date of this memo, no request for hearing was received.

The result of the proposed change in the TCR for the average residential customer using 894 Kwh would be an increase of \$0.99 per month.

Advocacy Staff has reviewed the filing and the underlying assumptions and calculations. We believe that the assumptions and calculations are appropriate and result in a basis of charge that is just and reasonable without undue discrimination.

C: Tamie Aberle, MDU