

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-17-469

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

Case No. PU-18-82

AFFIDAVIT OF SERVICE BY CERTIFIED AND REGULAR MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Geralyn R. Schmaltz deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **12th day of April, 2018**, she deposited in the United States Mail, at Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

- **Order**

The envelope was addressed as follows:

Karl Liepitz
Assistant General Counsel
MDU Resources Group, Inc.
PO Box 5650
Bismarck, ND 58506-5650
Cert. No. 7017 2400 0001 0889 8614

Geralyn R. Schmaltz further deposes and says that on the **12th day of April, 2018** she deposited in the United States Mail, Bismarck, North Dakota **one** envelope by regular mail, with postage fully prepaid, securely sealed, containing a copy of the same.

The envelope was addressed as follows:

Tamie Aberle
Director of Regulatory Affairs
Montana-Dakota Utilities Co.
400 North 4th Street
Bismarck, ND 58501

14 **PU-18-82** Filed: 4/12/2018 Pages: 5
Affidavit of Service, Cert. & Reg. Mail - Order

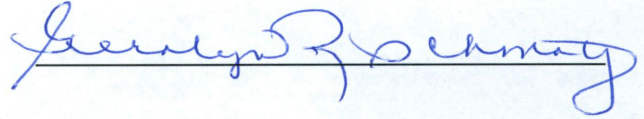
Public Service Commission

24 **PU-17-469** Filed: 4/12/2018 Pages: 5
Affidavit of Service, Cert. & Reg. Mail - Order

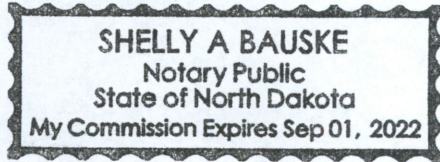
Public Service Commission

Each address shown is the respective addressee's last reasonably ascertainable post office address.

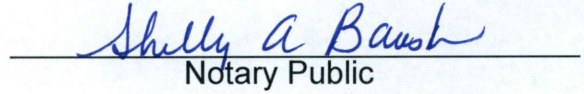
Subscribed and sworn to before me
this **12th day of April, 2018.**



A handwritten signature in blue ink, appearing to read "Gerald R. Schmag", written over a horizontal line.



SEAL



A handwritten signature in blue ink, appearing to read "Shelly A. Bauske", written over a horizontal line. Below the line, the words "Notary Public" are printed.

**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-17-469

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

Case No. PU-18-82

ORDER

April 11, 2018

On November 27, 2017, in Case No. PU-17-469, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (MDU) filed for approval of a change to the tariff language and an annual rate update to its Generation Resource Cost Recovery Rider Rate 56 (GRRR).

On December 20, 2017 the Commission issued a Notice of Opportunity for Hearing that provided until February 3, 2018 for receiving written comments and hearing requests on the application in Case No. PU-17-469. No comments or requests for hearing were filed.

On February 23, 2018, in Case No. PU-17-469, MDU filed for approval of an update to reduce its GRRR because of the effects of the federal Tax Cuts and Jobs Act of 2017.

Also on February 23, 2018, in Case No. PU-18-82, MDU filed an update to its Renewable Resource Cost Adjustment Rate 55 (RRCA). The update includes adjustments related to the federal Tax Cuts and Jobs Act of 2017 and updated expenses with a true-up amount related to the Thunder Spirit, Cedar Hills, and Diamond Willow Wind Projects.

On February 28, 2018, Commission Advocacy Staff filed a memorandum indicating that advocacy staff had reviewed the filings in Case No. PU-17-469.

On March 14, 2018, the Commission issued a Notice of Opportunity for Hearing in both of the captioned cases, allowing until April 6, 2018 for comments or requests for hearing. No comments or requests for hearing were filed.

On March 23, 2018, Commission Advocacy Staff filed a memorandum regarding its review of the filing in Case No. 18-82.

Discussion

The rate change to the GRRR filed in Case No. PU-17-469 includes updated expenses and a true-up amount related to MDU's Lewis & Clark RICE units. The proposed tariff change would make lighting class customers subject to the GRRR rate as was agreed and ordered in MDU's most recent electric rate case, Case No. PU-16-666.

MDU states the effect of the proposed GRRR on a typical bill for a residential customer without electric space heating using 894 kWh per month would be a decrease of \$0.30 per month, based on the following proposed GRRR rates:

<u>Customer Class</u>	<u>Existing Rate</u>	<u>Proposed Rate</u>	<u>Change</u>
Residential & Small General	\$0.00284/kWh	\$0.00251	(\$0.00033) /kWh
Large General	\$0.82212/kWh	\$0.72702	(\$0.09510) /kWh
Space Heating	\$0.44987/kWh	\$0.40665	(\$0.04322) /kWh
Lighting	\$0.00110/kWh	\$0.00097	(\$0.00013) /kWh

MDU states the effect on a typical bill of the rate change proposed to the RRCA, for a residential customer without electric space heating using 894 kWh per month would be a decrease of \$0.31 per month, based on the following proposed RRCA rates:

<u>Customer Class</u>	<u>Existing Rate</u>	<u>Proposed Rate</u>	<u>Change</u>
Residential & Small General	\$0.00642/kWh	\$0.00607	(\$0.00035) /kWh
Large General	\$0.00620/kWh	\$0.00586	(\$0.00034) /kWh
Lighting	\$0.00557/kWh	\$0.00526	(\$0.00031) /kWh

The Advocacy Staff filings indicated that in each case, MDU used appropriate assumptions and calculations that should result in a basis of charge that is just, reasonable and without undue discrimination.


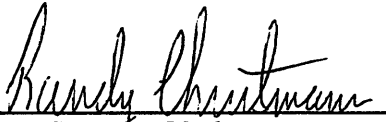

The Commission finds the revised tariff language and the proposed rate changes reasonable and appropriate.

Order

The Commission orders:

1. The proposed revisions to MDU's electric tariff are APPROVED.
2. The updated proposed rates for MDU's Generation Resource Cost Recovery Rate 56 are APPROVED.
3. The proposed rates for MDU's Renewable Resource Cost Adjustment Rate 55 are APPROVED

PUBLIC SERVICE COMMISSION

 _____ Brian Kroshus Commissioner	 _____ Randy Christmann Chairman	 _____ Julie Fedorchak Commissioner
--	---	--