



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

400 North Fourth Street  
Bismarck, ND 58501  
(701) 222-7900

February 26, 2019

Executive Secretary  
North Dakota Public Service Commission  
State Capitol Building  
Bismarck, ND 58505-0480

Re: Transmission Cost Adjustment  
(TCA) Rate 59  
Case No. PU-18-379

Montana-Dakota Utilities Co. (Montana-Dakota), a Subsidiary of MDU Resources Group, Inc., herewith submits the original and two (2) copies of the following electric rate schedule that will be implemented effective with service rendered on and after March 1, 2019, in compliance with the Commission's approval at its regular meeting on February 26, 2019:

- Substitute 1<sup>st</sup> Revised Sheet No. 43
- 7<sup>th</sup> Revised Sheet No. 43.1

Please note that the headers in the tariffs have been updated to reflect that effective January 1, 2019 Montana-Dakota became a wholly-owned subsidiary of MDU Resources Group, Inc. pursuant to a corporate reorganization approved by the Commission on June 27, 2018 in Case No. PU-18-75.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed, stamped envelope.

Sincerely,

A handwritten signature in purple ink that reads 'Tamie A. Aberle'.

Tamie A. Aberle  
Director of Regulatory Affairs

Attachments



# Montana-Dakota Utilities Co.

A Subsidiary of MDU Resources Group, Inc.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
Substitute 1<sup>st</sup> Revised Sheet No. 43  
Canceling Original Sheet No. 43

### TRANSMISSION COST ADJUSTMENT Rate 59

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**1. Applicability:**

This rate schedule represents a Transmission Cost Adjustment (TCA) and specifies the procedure to be utilized to recover the net balance of the capital and operating costs and revenue credits of Montana-Dakota's transmission related expenses and revenues determined to be eligible for recovery in accordance with 49-05-04.3 NDCC. Costs to be recovered under the Transmission Adjustment shall include new or modified transmission facilities such as transmission lines and other transmission related equipment such as substations, transformers and other equipment constructed to improve the power delivery capability or reliability of the transmission system as well as federally regulated costs charged to or incurred by the Company to increase regional transmission capacity or reliability that are not reflected in the rates established in the most recent general rate case.

**2. Transmission Cost Adjustment:**

- a. An adjustment per Kwh will be determined based on the cumulative transmission related costs and revenue credits eligible for recovery and as allocated to the North Dakota jurisdiction and the projected Kwh sales for the recovery period. The adjustment will also include a return requirement on the capital investments based on the authorized rate of return and a true-up of the previous year's adjustment, as described in 2(d).
- b. The adjustment will be applicable to all retail customers for electric energy sold, except those served under special contract, where the contract does not express TCA applicability, and allocated among the rate classes based on the transmission allocation factor from Montana-Dakota's most recent North Dakota general rate case.
- c. The adjustment per Kwh will be revised annually to reflect the current level of costs to be recovered.

**Date Filed:** November 20, 2018

**Effective Date:** Service rendered on and after March 1, 2019

**Issued By:** Tamie A. Aberle  
Director – Regulatory Affairs

**Case No.:** PU-18-379



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## State of North Dakota Electric Rate Schedule

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NDPSC Volume 4  
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6<sup>th</sup> Revised Sheet No. 43.1

### TRANSMISSION COST ADJUSTMENT Rate 59

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- d. The true-up will reflect any over or under collection of revenue under the Transmission Adjustment from the preceding twelve month period plus carrying charges or credits accrued at a rate equal to the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.

### 3. Transmission Cost Adjustment Rate by class:

Residential & Small General	0.446¢ per Kwh
Large General	0.372¢ per Kwh
Lighting	0.209¢ per Kwh

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