



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

February 14, 2019

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

Re: Annual Update to the Generation Cost
Adjustment Rate 56 Tariff
Case No. PU-18-380

Montana-Dakota Utilities Co. herewith submits a corrected copy of the presentation provided to the Commission at the Informal Hearing held on February 13, 2019 regarding Montana-Dakota's Application to update its Generation Resource Recovery Rate 56 as submitted on November 2, 2018.

As noted at the Informal Hearing, the filing date noted on the presentation incorrectly referenced November 2, 2019 rather than November 2, 2018.

Please contact me at (701) 222-7856 or at Tamie.Aberle@mdu.com with any questions regarding this filing.

Sincerely,

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

Tamie A. Aberle
Director of Regulatory Affairs

Attachments

15 PU-18-380 Filed: 2/14/2019 Pages: 7
13 Feb. 2019 Informal Hearing slide presentation

Montana-Dakota Utilities Co.

Tamie Aberle

MONTANA-DAKOTA UTILITIES CO.

Informal Hearing

Docket No. PU-18-380

Generation Resource Recovery Rate

NORTH DAKOTA PUBLIC SERVICE COMMISSION

February 13, 2019



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Generation Resource Recovery (GRRR) Rate 56

- Montana-Dakota has filed its annual update to the Generation Resource Recovery Rate on November 2, 2018.
- The filing requests \$3,597,952 to be collected, which reflects a projected 2019 revenue requirement, and a true up of actual costs and revenues through September 2018.

Generation Resource Recovery (GRRR) Rate 56 (Cont.)

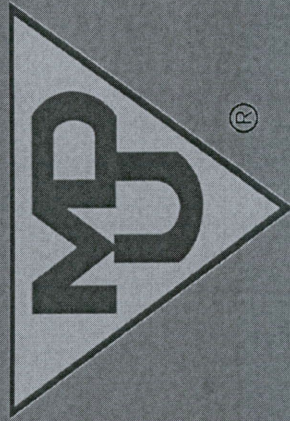
- Pursuant to the Settlement in Docket No. PU-18-89, excess non-plant deferred tax of \$.4 million, identified as a result of the income tax rate change, was credited to the Generation Rider under-recovered deferred balance.
- Tariff provisions were updated to include special rate contracts, and to remove the November 1 filing date from the tariff language. Edits to the language changes were submitted on November 20, 2018.

Generation Resource Recovery (GRRR) Rate 56 (Cont.)

- The Generation Rider includes the calculated revenue requirement for the Lewis & Clark RICE units.
- Total costs of \$3,597,952 (unrecovered balance was offset by excess deferred taxes) are proposed to be recovered. This represents a decrease of approximately 21.8 percent from current rates.
- A residential customer using 894 Kwh per month would see a decrease of \$6.84 annually with the proposed rates.

Generation Resource Recovery (GRRR) Rate 56 (Cont.)

- The filing reflects the change of the income tax rates from 35 percent to 21 percent as prescribed in the Tax Cuts and Jobs Act of 2017.
- Pursuant to the Settlement in Docket No. PU-16-666, the Lewis & Clark RICE unit will be rolled into retail rate base in Montana-Dakota's first rate case after December 31, 2019.



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