



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: Generation Resource Recovery
Rider (GRRR) Rate 56
Case No. PU-18-380

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 4th Revised Sheet No. 40
- 5th Revised Sheet No. 40.1

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 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4

Substitute 4th Revised Sheet No. 40

Canceling 3rd Revised Sheet No. 40

Generation Resource Recovery Rider Rate 56

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Applicability:

This rate schedule represents a Generation Resource Recovery Rider (GRRR) and specifies the procedure to be utilized to recover the jurisdictional costs associated with generation resource additions approved by the Commission but not recovered through retail rates. Costs to be recovered may include operations and maintenance expenditures, depreciation, taxes, and a current return on the project costs during construction. Costs being recovered under this tariff are currently not included in the rates established at the time of the Company's last general rate case.

1. Generation Resource Recovery Rider:

- a. The North Dakota jurisdictional GRRR revenue requirement will be allocated to the customer classes based on the Company's Demand Factor No. 2 established in the Company's most recent general rate case. The adjustment applied to the Residential, Small General Service and Lighting Classes will be calculated based on the customer class revenue requirement and the forecasted Kwh for the forecasted period. The adjustment applied to the Large General Service Class will be calculated based on the customer class revenue requirement and the forecasted demand for the forecasted period and expressed as a KW charge. The return component of the revenue requirement calculation will include the authorized return on equity specified in Case No. PU-16-666.
- b. The GRRR is applicable to all retail customers for electric energy sold, except those served under special contract, where the contract does not express GRRR applicability, and are allocated amongst the rate classes based on the applicable demand factor.
- c. The GRRR will be adjusted annually (or other period authorized by the Commission) to reflect the Company's most recent projected capital costs and related expenses for projects determined to be recoverable under this schedule.
- d. A true-up will reflect any over or under collection of revenue under the GRRR based on actual expenditures from the preceding twelve month recovery 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.

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-18-380



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Generation Resource Recovery Rider Rate 56

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2. Generation Resource Recovery Rider:

Residential & Small General	0.187¢ per Kwh
Large General	55.642¢ per KW
General Space Heating Rate 32	25.220¢ per KW
Lighting	0.087¢ per Kwh

Date Filed: November 2, 2018

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

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.: PU-18-380