



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 Renewable
Resource Cost Adjustment Rate 55
Case No. PU-18-381

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 Renewable Resource Cost Adjustment Rate 55 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-18-381 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-18-381

Renewable Resource Cost Adjustment Rate

NORTH DAKOTA PUBLIC SERVICE COMMISSION

February 13, 2019



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Renewable Resource Cost Adjustment (RRCA) Rate 55

- Montana-Dakota has filed its annual update to the Renewable Resource Cost Adjustment on November 2, 2018.
- The filing requests \$16,381,433 to be collected, which reflects a projected 2019 revenue requirement, and a true up of actual costs and revenues through September 2018.
- 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.

Renewable Resource Cost Adjustment (RRCA) Rate 55 (Cont.)

- The Renewable Rider includes the calculated revenue requirement for the Diamond Willow, Cedar Hills, and Thunder Spirit Wind Projects, including the 48 MW expansion at Thunder Spirit.
- Total costs of \$16,381,433 (including an under-recovered balance of \$869,377) are proposed to be recovered. This represents an increase of approximately 36.9 percent from current rates.
- A residential customer using 894 Kwh per month would see a increase of \$18.24 annually with the proposed rates.

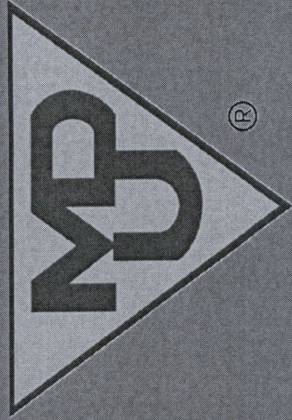
Renewable Resource Cost Adjustment (RRCA) Rate 55 (Cont.)

- The main driver for the increase in the revenue requirement is the addition of the Thunder Spirit expansion. An investment of \$59 million (allocated to North Dakota) was placed in service October 31, 2018 with commercial energy production beginning November 1, 2018. Annual revenue requirement for the expansion is approximately \$3.9 million.
- An Advance Determination of Prudence and an amendment to Certificate of Public Convenience and Necessity No. 5870 was approved in Case No. PU-17-268 and Case No. PU-17-269, authorizing the expansion.

Renewable Resource Cost Adjustment (RRCA) Rate 55 (Cont.)

- Revenue Requirement is partially offset through the Fuel and Purchased Power Adjustment. A residential customer using 894 Kwh per month would see reduced cost of \$4.73 annually.

Thunder Spirit Expansion	
Generation - KWH	190,056,960
Purchase Price of Avoided Energy	22.04
Total Value of Energy Produced	\$4,188,855
North Dakota's Share	\$2,886,463



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