

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

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

Case No. PU-18-381

ORDER

March 13, 2019

On November 2, 2018, MDU filed an application for approval of an annual update to its Renewable Resource Cost Adjustment Rate 55 (RRCA).

On November 20, 2018, the Commission issued Notice of Opportunity for Hearing that provided until January 23, 2019 for receiving written comments and hearing requests. No response was received.

The notice identified the issues to be considered in these proceedings are:

1. Are the proposed tariff revisions just and reasonable?
2. Do the proposed rates comply with the tariff?
3. Are the proposed rates just and reasonable?

Also on November 20, 2018, MDU filed clarifying tariff language regarding the applicability of rate riders to contracted rate customers.

On February 13, 2019, the Commission discussed this matter with MDU during an Informal Hearing.

Discussion

The rate changes to the RRCA filed in Case No. PU-18-381 include updated costs related to MDU's investment in the Thunder Spirit Wind Project, the Cedar Hills Wind Project, and the Diamond Willow Wind Project. The updated rates also reflect a projected under-recovered balance of current RRCA costs. The updated tariff provides for the inclusion of special rate contracts, which are currently excluded from RRCA applicability.

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 an increase of \$1.52 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 | \$0.00607/kWh | \$0.00777 | \$0.00170 /kWh |
| Large General | \$0.00586/kWh | \$0.00754 | \$0.00168 /kWh |
| Lighting | \$0.00526/kWh | \$0.00813 | \$0.00287 /kWh |

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

Order

The Commission orders the proposed revisions to MDU's electric tariff are APPROVED.

PUBLIC SERVICE COMMISSION


 Julie Fedorchak
 Commissioner


 Brian Kroshus
 Chairman


 Randy Christmann
 Commissioner