



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

February 21, 2020

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

Re: Case No. PU-19-355  
Renewable Resource Cost Adjustment  
Rate 55

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, 2020 in compliance with the Commission's Order issued on February 19, 2020:

- 4<sup>th</sup> Revised Sheet No. 39

The Company has also included an updated copy of the Customer Notice bill insert to be included with the customers' bills.

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 black ink that reads 'Tamie A. Aberle'. The signature is fluid and cursive.

Tamie A. Aberle  
Director of Regulatory Affairs

Attachments



# Montana-Dakota Utilities Co.

A Division 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  
4<sup>th</sup> Revised Sheet No. 39  
Canceling 3<sup>rd</sup> Revised Sheet No. 39

### Renewable Resource Cost Adjustment Rate 55

Page 1 of 1

**1. Applicability:**

This rate schedule represents a Renewable Resource Cost Adjustment (RRCA) and specifies the procedure to be utilized to recover the jurisdictional costs associated with renewable generation resource modifications or additions approved by the Commission, but not recovered through retail rates. Costs to be recovered may include operation and maintenance expenditures, depreciation, taxes, and a current return on the project costs.

**2. Renewable Resource Cost Adjustment:**

- a. An adjustment per Kwh will be calculated using the projected capital costs and related expenses, along with the forecasted Kwh sales, to determine a North Dakota jurisdictional revenue requirement to be recovered through the RRCA rates. The return component of the revenue requirement calculation will include the return on equity established in the Company's most recent rate case.
- b. The RRCA is applicable to all retail customers for electric energy sold, except those served under special contract, where the contract does not express RRCA applicability, and are allocated amongst the rate classes based on the Company's Demand/Energy Factor No. 3 established in the Company's most recent general rate case.
- c. The RRCA 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 RRCA 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.

**3. Renewable Resource Cost Adjustment:**

Residential & Small General	1.031¢ per Kwh
Large General	0.937¢ per Kwh
Lighting	0.991¢ per Kwh

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<b>Date Filed:</b> February 21, 2020	<b>Effective Date:</b> Service rendered on and after March 1, 2020
<b>Issued By:</b> Tamie A. Aberle Director – Regulatory Affairs	<b>Case No.:</b> PU-19-355

## Notice of Annual Update to the Renewable Resource Cost Adjustment with the North Dakota Public Service Commission

On November 1, 2019, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the North Dakota Public Service Commission (Commission) to update its Renewable Resource Cost Adjustment (RRCA) rates in accordance with the Company's Renewable Resource Cost Adjustment Rate 55 tariff that states the rates will be revised annually to reflect the most recent projected level of costs to be recovered. The Commission issued an Order approving updated RRCA rates on February 19, 2020.

The RRCA rates reflect North Dakota's allocation of Montana-Dakota's investments in its three wind facilities (Diamond Willow, Cedar Hills, and Thunder Spirit) currently not being recovered through the Company's electric service rates, as well as the amortization of the under-recovered RRCA balance through 2019.

The new RRCA rates will be effective with service rendered on and after March 1, 2020.

A typical residential customer using 894 Kwh will see an increase of \$2.27 per month. The RRCA is shown as a separate line item on your bill.

	<u>Residential &amp; Small General</u>
Applicable Rate Schedules	10, 13, 16, 20, 25, & 40
Current Rate	\$0.00777 per Kwh
New Rate	\$0.01031 per Kwh
Change	\$0.00254 per Kwh
	<u>Large General</u>
Applicable Rate Schedules	30, 31, 32, 38, 48, and contracts
Current Rate	\$0.00754 per Kwh
New Rate	\$0.00937 per Kwh
Change	\$0.00183 per Kwh
	<u>Lighting</u>
Applicable Rate Schedules	41 & 52
Current Rate	\$0.00813 per Kwh
New Rate	\$0.00991 per Kwh
Change	\$0.00178 per Kwh

For more information, please contact a Montana-Dakota representative at 1-800-638-3278.