

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Montana-Dakota Utilities Co.
Transmission Facility Cost Recovery
Rates

Case No. PU-20-344

ORDER

October 28, 2020

Preliminary Statement

On July 17, 2020, Montana-Dakota Utilities Co. (MDU) filed a change to its Transmission Cost Adjustment Rate 59 (TCA) rates to reflect updated electric transmission revenues and costs.

On August 5, 2020, the Commission issued a Notice of Opportunity for Hearing, which provided until September 19, 2020 for receiving written comments and hearing requests. No request for formal hearing was received. The notice identified the following issues to be considered:

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

On October 16, 2020, the Commission discussed this matter with MDU during an Informal Hearing.

On October 20, 2020, MDU filed supplemental information and alternative rate options requested by the Commission during the October 16, 2020 Informal Hearing.

Discussion

MDU filed updated TCA rates to reflect projected revenue requirements associated with six new and six previously approved transmission projects, projected costs and revenues of transmission services provided by the Midcontinent Independent System Operator and the Southwest Power Pool, in addition to an under recovery balance from July of 2019 through June of 2020. For residential customers the rate change requested is an increase of \$0.00375 per kWh. The billing effect for a residential customer using 894 kWh per month is an increase of \$3.35 per month.

The Commission believes that due to the COVID-19 pandemic and its resulting economic challenges on customers, it is appropriate to allow MDU to recover the under recovered balance over a period ending June 30, 2022 rather than June 30, 2021. Deferring the under-recovery balance as described in MDU's October 20, 2020 supplemental filing as scenario 1 results in the following rates by customer class:

<u>Customer Class</u>	<u>Existing Rate</u>	<u>Proposed Rate</u>	<u>Change</u>
Residential & Small General	\$0.00474/kWh	\$0.00804/kWh	\$0.00330/kWh
Large General	\$0.00390/kWh	\$0.00642/kWh	\$0.00252/kWh
Lighting	\$0.00234/kWh	\$0.00306/kWh	\$0.00072/ kWh

The billing effect for a residential customer using 894 kWh per month is an increase of \$2.95 per month.

Having considered this matter, the Commission finds the proposed rates are just and reasonable and comply with MDU's tariff.

Therefore, the Commission issues its:

Order

The Commission orders the rates listed above for MDU's Transmission Facility Cost Adjustment Rate 59 are APPROVED effective for service rendered on or after November 1, 2020.

PUBLIC SERVICE COMMISSION

		
Julie Fedorchak Commissioner	Brian Kroshus Chairman	Randy Christmann Commissioner