

STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION

Montana-Dakota Utilities Co.  
Transmission Facility Cost Recovery  
Rates

Case No. PU-20-344

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

Shelly A Bauske deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **29th day of October 2020** she deposited in the United States Mail at Bismarck, North Dakota, **two** envelopes with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

- Order

The envelopes were addressed as follows:

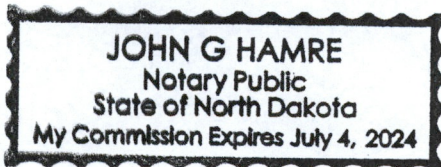
Travis Jacobsen  
Director Regulatory Affairs  
Montana-Dakota Utilities Co.  
400 North 4<sup>th</sup> Street  
Bismarck, ND 58501  
Cert. No. 7019 2280 0000 0693 1167

Karl Leipitz  
Assistant General Counsel  
MDU Resources Group, Inc.  
PO Box 5650  
Bismarck, ND 58506-5650  
Cert. No. 7019 2280 0000 0693 1174

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me  
this **29th day of October 2020**.

Shelly A Bauske



SEAL

John G Hamre  
Notary Public

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

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**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

		
<u>Julie Fedorchak</u> Commissioner	<u>Brian Kroshus</u> Chairman	<u>Randy Christmann</u> Commissioner