

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co.
Generation Resource Cost Recovery
Rates**

Case No. PU-20-436

ORDER

January 6, 2021

Preliminary Statement

On October 30, 2020, Montana-Dakota Utilities Co. (MDU) filed changes to rates under its Generation Resource Recovery Rate 56 Tariff (GRRR Tariff) for electric service rendered on or after February 1, 2021.

On November 18, 2020, the Commission issued a Notice of Opportunity for Hearing that provided until January 2, 2021 for receiving written comments and hearing requests. No response was received. The notice identified the issues to be considered in this proceeding are:

1. Whether the investments and associated costs for the resources qualify for recovery,
2. Whether the incurred costs are reasonable and prudent, and
3. Whether the rate adjustments are consistent with the terms of MDU's tariff.

Discussion

Under its GRRR Tariff, MDU recovers costs associated with generation resource additions approved by the Commission but not currently recovered in the retail rates established at the time of MDU's last electric rate case.

The rates filed by MDU on October 30, 2020, reflect projected costs through December 31, 2021, related to MDU's Lewis & Clark reciprocating internal combustion engine units. The updated rates also reflect a projected under-recovered balance of the GRRR as of December 31, 2020.

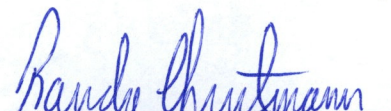
MDU states the effect of the updated rate on a typical bill for a residential customer using 894 kWh per month would be an increase of \$0.04 per month. The investments and associated costs for the Lewis & Clark reciprocating internal combustion engines qualify for recovery.

The incurred costs are reasonable and prudent. The proposed rates comply with MDU's GRRR Tariff and are just and reasonable.

Order

The Commission orders Montana-Dakota Utility Co.'s 2021 Generation Resource Recovery rates filed on October 30, 2020, are APPROVED for electric service rendered on or after February 1, 2021.

PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Julie Fedorchak
Chair



Brian Kroshus
Commissioner