

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

May 16, 2022

Executive Secretary  
North Dakota Public Service Commission  
600 East Boulevard Ave. Dept. 408  
Bismarck, ND 58505-0480

Re: Application and Notice of Change in General Electric Rates  
Case No. PU-22-\_\_\_\_

Montana-Dakota Utilities Co. (Montana-Dakota) herewith submits its Application and Notice to increase its rates for electric service in North Dakota. Montana-Dakota submits this Letter of Transmittal and its Application and Notice with Appendices A and B, Testimony and Exhibits and Statements supporting an increase in Montana-Dakota's rates for electric service. This filing is made in accordance with Title 49 of the North Dakota Century Code and the rules and regulations promulgated by the North Dakota Public Service Commission.

The primary reason for the need for an increase in electric rates is the increased investment in production, transmission and distribution facilities and the associated depreciation, operation and maintenance expenses and taxes associated with the increased investment.

Recovery of these increased costs will provide Montana-Dakota a reasonable opportunity to earn a fair rate of return for its North Dakota electric operations.

Montana-Dakota proposes a total annual increase of \$25,365,558 or 12.3 percent, based on a 2023 future test year. The increase will include changes to the

Company's base rates and the Generation Resource Recovery Rider. However, no changes to the Renewable Resource Cost Adjustment, Environment Cost Recovery Rider or Transmission Cost Adjustment riders have been included in this request. The proposed change in rates will affect customer classes as follows:

<b>Customer Class</b>	<b>Revenue Increase</b>	
	<b>\$</b>	<b>%</b>
Residential Service	\$14,305,328	17.3 %
Small General Service	\$2,214,086	18.4 %
Large General Service	\$8,262,936	7.8 %
Municipal Lighting	\$84,752	7.3 %
Municipal Pumping	\$480,570	13.8 %
Outdoor Lighting	\$17,886	4.2 %
<b>Total North Dakota Electric</b>	<b>\$25,365,558</b>	<b>12.3 %</b>

Please refer all inquiries regarding this filing to:

Mr. Travis R. Jacobson  
 Director of Regulatory Affairs  
 Montana-Dakota Utilities Co.  
 400 North Fourth Street  
 Bismarck, ND 58501  
 Travis.Jacobson@mdu.com

Also, please send copies of all written inquiries, correspondence, and pleadings to:

Ms. Allison Waldon Attorney MDU Resources Group, Inc. P.O. Box 5650 Bismarck, ND 58506-5650 Allison.Waldon@mduresources.com	Mr. Paul Sanderson Evenson Sanderson PC 103 South 3rd Street Suite 5 Bismarck, ND 58501 psanderson@esattorneys.com
--	---

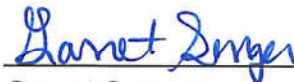
The original and nine (9) copies of this Letter of Transmittal, Application and Notice, Appendices, Testimony and Exhibits, and Statements are hereby filed with the North Dakota Public Service Commission.

Montana-Dakota also herewith submits a check for \$175,000.00 pursuant to the requirements of Section 49-05-04 of the North Dakota Century Code.

Montana-Dakota is concurrently submitting an Application and Notice for Interim Increase in Electric Rates in the annual amount of \$11,422,209 to be effective 60 days from filing if the Commission suspends the rate increase sought by Montana-Dakota through its Application and Notice.

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Sincerely,



---

Garret Senger  
Executive Vice President - Regulatory  
Affairs, Customer Service & Administration  
Montana-Dakota Utilities Co.  
400 North Fourth Street  
Bismarck, North Dakota 58501

Attachments

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF NORTH DAKOTA

In the Matter of the Application of )  
MONTANA-DAKOTA UTILITIES CO. for )  
Authority to Establish Increased Rates for ) Case No. PU-22-\_\_\_\_  
Electric Service )

\* \* \* \* \*

APPLICATION AND NOTICE

COMES NOW, Montana-Dakota Utilities Co., the Applicant in the above-entitled proceeding (hereafter "Montana-Dakota", "Applicant" or "Company") and respectfully submits the following Application and Notice, tariffs, and information in support thereof.

I.

That Montana-Dakota is a Delaware corporation duly authorized to do business in the State of North Dakota as a foreign corporation. Montana-Dakota is doing business in the State of North Dakota as a public utility.

II.

The Company's Certificate of Incorporation and amendments thereto have previously been filed with the North Dakota Public Service Commission ("PSC" or "Commission"). Such Certificate and Amendments are hereby incorporated by reference.

III.

That Applicant's full name and post office address are:

Montana-Dakota Utilities Co.  
400 North Fourth Street  
Bismarck, North Dakota 58501

IV.

That the following described rate schedules presently on file with and approved by the Commission are attached hereto as Appendix A.

<b>NDPSC Volume No. 4</b>	<b>Description</b>
5 <sup>th</sup> Revised Sheet No. 1	Table of Contents
6 <sup>th</sup> Revised Sheet No. 1.1	"
1 <sup>st</sup> Revised Sheet No. 2	Communities Served
2 <sup>nd</sup> Revised Sheet No. 2.1	"
9 <sup>th</sup> Revised Sheet No. 3	Residential Electric Service Rate 10
1 <sup>st</sup> Revised Sheet No. 3.1	"
3 <sup>rd</sup> Revised Sheet No. 4	Optional Residential Electric Thermal Energy Storage
4 <sup>th</sup> Revised Sheet No. 4.1	"
11 <sup>th</sup> Revised Sheet No. 7	Optional Time-of-Day Residential Electric Service Rate 16
3 <sup>rd</sup> Revised Sheet No. 7.1	"
9 <sup>th</sup> Revised Sheet No. 10	Small General Electric Service Rate 20
3 <sup>rd</sup> Revised Sheet No. 10.1	"
5 <sup>th</sup> Revised Sheet No. 14	Irrigation Power Service Rate 25
7 <sup>th</sup> Revised Sheet No. 14.1	"
11 <sup>th</sup> Revised Sheet No. 15	Optional Time-of-Day Small General Electric Service
3 <sup>rd</sup> Revised Sheet No. 15.1	"
5 <sup>th</sup> Revised Sheet No. 18	General Electric Service Rate 30
7 <sup>th</sup> Revised Sheet No. 18.1	"
1 <sup>st</sup> Revised Sheet No. 18.2	"
(Reserved)	
7 <sup>th</sup> Revised Sheet No. 19	Optional Time-of-Day General Electric Service Rate
11 <sup>th</sup> Revised Sheet No. 19.1	"
4 <sup>th</sup> Revised Sheet No. 19.2	"
6 <sup>th</sup> Revised Sheet No. 20	General Electric Space Heating Service Rate 32
9 <sup>th</sup> Revised Sheet No. 20.1	"
2 <sup>nd</sup> Revised Sheet No. 20.2	"

3 <sup>rd</sup> Revised Sheet No. 22	Firm Service Economic Development Rate 34
6 <sup>th</sup> Revised Sheet No. 22.1	"
2 <sup>nd</sup> Revised Sheet No. 22.2	"
5 <sup>th</sup> Revised Sheet No. 23	Interruptible Large Power Demand Response Rate 38
7 <sup>th</sup> Revised Sheet No. 23.1	"
5 <sup>th</sup> Revised Sheet No. 23.2	"
2 <sup>nd</sup> Revised Sheet No. 23.3	"
3 <sup>rd</sup> Revised Sheet Nos. 24, 24.1	Reserved for Future Use
2 <sup>nd</sup> Revised Sheet No. 24.2	Reserved for Future Use
5 <sup>th</sup> Revised Sheet No. 25	Small Municipal Electric Service Rate 40 (Closed)
8 <sup>th</sup> Revised Sheet No. 25.1	"
5 <sup>th</sup> Revised Sheet No. 25.2	"
8 <sup>th</sup> Revised Sheet No. 26	Municipal Lighting Service Rate 41
4 <sup>th</sup> Revised Sheet No. 26.1	"
5 <sup>th</sup> Revised Sheet No. 32	Municipal Pumping Service Rate 48
8 <sup>th</sup> Revised Sheet No. 32.1	"
2 <sup>nd</sup> Revised Sheet No. 32.2	"
(Reserved)	
9 <sup>th</sup> Revised Sheet No. 36	Outdoor Lighting Service Rate 52
3 <sup>rd</sup> Revised Sheet No. 36.1	"
1 <sup>st</sup> Revised Sheet No. 36.2	"
(Reserved)	
6 <sup>th</sup> Revised Sheet No. 39	Renewable Resource Cost Adjustment Rate 55
1 <sup>st</sup> Revised Sheet No. 39.1	"
(Reserved)	
5 <sup>th</sup> Revised Sheet No. 40	Generation Resource Recovery Rider Rate 56
8 <sup>th</sup> Revised Sheet No. 40.1	"
5 <sup>th</sup> Revised Sheet No. 41	Environmental Cost Recovery Rider Rate 57
5 <sup>th</sup> Revised Sheet No. 41.1	"
(Reserved)	
6 <sup>th</sup> Revised Sheet No. 42	Fuel and Purchased Power Adjustment Rate 58
5 <sup>th</sup> Revised Sheet No. 42.1	"
63 <sup>rd</sup> Revised Sheet No. 42.2	"
13 <sup>th</sup> Revised Sheet No. 42.3	"
(Reserved)	
Substitute 1 <sup>st</sup> Revised Sheet No.	Transmission Cost Adjustment Rate 59
10 <sup>th</sup> Revised Sheet No. 43.1	"
22 <sup>nd</sup> Revised Sheet No. 44	Occasional Power Purchase Rate 95
	Non-Time Differentiated
18 <sup>th</sup> Revised Sheet No. 44.1	"
1 <sup>st</sup> Revised Sheet No. 44.2	"
(Reserved)	

22 <sup>nd</sup> Revised Sheet No. 45	Parallel Generation Peaking Facility Purchase Rate 96 Time Differentiated
20 <sup>th</sup> Revised Sheet No. 45.1	"
10 <sup>th</sup> Revised Sheet No. 45.2	"
3 <sup>rd</sup> Revised Sheet No. 45.3 (Reserved)	"
2 <sup>nd</sup> Revised Sheet No. 49	General Provisions Rate 100
1 <sup>st</sup> Revised Sheet No. 49.1	"
Original Sheet Nos. 49.2-49.3	"
2 <sup>nd</sup> Revised Sheet No. 49.4	"
1 <sup>st</sup> Revised Sheet Nos. 49.5-49.7	"
2 <sup>nd</sup> Revised Sheet No. 49.8	"
1 <sup>st</sup> Revised Sheet No. 49.9 (Reserved)	"
1 <sup>st</sup> Revised Sheet Nos. 50-51	Reserved for Future Use
1 <sup>st</sup> Revised Sheet Nos. 53-56	Reserved for Future Use
2 <sup>nd</sup> Revised Sheet Nos. 58-58.19	Electric Service Rules and Regulations Rate 110
3 <sup>rd</sup> Revised Sheet No. 58.20	"
2 <sup>nd</sup> Revised Sheet Nos. 58.21- Original Sheet No. 58.31	"
Original Sheet Nos. 60-60.2	Electric Extension Policy Rate 112
1 <sup>st</sup> Revised Sheet Nos. 61-62.1	Reserved for Future Use
1 <sup>st</sup> Revised Sheet No. 67	Reserved for Future Use
Original Sheet Nos. 68-68.2	Selective Testing Plan For Watthour Meters Rate 131
1 <sup>st</sup> Revised Sheet Nos. 70-70.1	Reserved for Future Use
Original Sheet Nos. 74-74.2	Small Qualifying Facilities (SQF) General Rules Rate 140

V.

Montana-Dakota respectfully hereby files the following described proposed rate schedules for electric service, copies attached hereto as Appendix B, which substitute for the rate schedules as noted below. The following described proposed rate schedules are proposed to be effective on a final basis in this Case:

<b>NDPSC Volume No. 5</b>	<b>Description</b>
Original Sheet Nos. 1 - 1.1	Table of Contents
Original Sheet Nos. 2 - 2.1	Communities Served
Original Sheet No. 3	Residential Electric Service Rate 10
Original Sheet Nos. 4 - 4.1	Optional Residential Electric Thermal Energy Storage Service Rate 13
Original Sheet Nos. 7 - 7.1	Optional Time-of-Day Residential Electric Service Rate 16
Original Sheet Nos. 10 - 10.1	Small General Electric Service Rate 20
Original Sheet Nos. 14 - 14.1	Irrigation Power Service Rate 25
Original Sheet Nos. 15 - 15.1	Optional Time-of-Day Small General Electric Service Rate 26
Original Sheet Nos. 18 - 18.1	General Electric Service Rate 30
Original Sheet Nos. 19 - 19.2	Optional Time-of-Day General Electric Service Rate 31
Original Sheet Nos. 20 - 20.2	General Electric Space Heating Service Rate 32
Original Sheet Nos. 22 - 22.2	Firm Service Economic Development Rate 34
Original Sheet Nos. 23 - 23.3	Interruptible Large Power Demand Response Rate 38
Original Sheet Nos. 25 - 25.2	Small Municipal Electric Service Rate 40 (Closed)
Original Sheet Nos. 26 - 26.1	Public Lighting Service Rate 41
Original Sheet Nos. 32 - 32.1	Municipal Pumping Service Rate 48
Original Sheet Nos. 36 - 36.1	Outdoor Lighting Service Rate 52
Original Sheet No. 39	Renewable Resource Cost Adjustment Rate 55
Original Sheet Nos. 40 - 40.1	Generation Resource Recovery Rider Rate 56
Original Sheet No. 41	Environmental Cost Recovery Rider Rate 57
Original Sheet Nos. 42 - 42.2	Fuel and Purchased Power Adjustment Rate 58
Original Sheet Nos. 43 - 43.1	Transmission Cost Adjustment Rate 59
Original Sheet Nos. 44 - 44.1	Occasional Power Purchase Rate 95
Original Sheet Nos. 45 - 45.2	Non-Time differentiated Parallel Generation Peaking Facility Purchase Rate 96 Time Differentiated
Original Sheet Nos. 49 - 49.8	General Provisions Rate 100
Original Sheet Nos. 58 - 58.31	Electric Service Rules and Regulations Rate 110
Original Sheet Nos. 60 - 60.2	Electric Extension Policy Rate 112
Original Sheet Nos. 68 - 68.2	Selective Testing Plan for Watthour Meters Rate 131
Original Sheet Nos. 74 - 74.2	Small Qualifying Facilities (SQF) General Rules Rate 140

VI.

That the existing rates of Montana-Dakota are unjust, unreasonable, and not compensatory. The new rates will allow Montana-Dakota an opportunity to fully

recover its costs of providing electric service and to earn a just and reasonable rate of return on its electric property devoted to providing service to its North Dakota electric customers.

VII.

The new rates contained herein will provide additional annual revenues in the annual amount of \$25,365,558 based on a 2023 future test year, for electric service rendered to customers in the State of North Dakota. This request amounts to a 12.3 percent increase over current electric rates.

VIII.

Filed concurrently with this Application and Notice and its Appendices are supporting Statements and Direct Testimony and Exhibits of Montana-Dakota's witnesses showing the existing rates are unjust, unreasonable, and not compensatory, and that the new rates are just, reasonable, and compensatory.

IX.

Montana-Dakota is submitting an Application and Notice for Interim Increase in Electric Rates in the annual amount of \$11,422,209 to be effective 60 days from filing if the Commission suspends the rate increase sought by Montana-Dakota through this Application and Notice.

X.

This Application and Notice is submitted in accordance with the provisions of Section 49-05-04 of the North Dakota Century Code and the rules and

regulations promulgated by the Public Service Commission of the State of North Dakota and the filing guidelines of the Public Service Commission.

XI.

That, in accordance with Section 49-05-04.1 of the North Dakota Century Code, Montana-Dakota hereby affirms that its future test year forecast is reasonable, reliable, and made in good faith. All basic assumptions used in making or supporting the forecast are reasonable, evaluated, identified, and justified to allow the Commission to test the appropriateness of the forecast. The accounting treatment that has been applied to anticipated events and transactions in the forecast is the same as the accounting treatment to be applied in recording the events once they have occurred.

Respectfully submitted this 16<sup>th</sup> day of May 2022.

MONTANA-DAKOTA UTILITIES CO.,

By Garret Senger

Garret Senger  
Executive Vice President - Regulatory Affairs,  
Customer Service & Administration  
Montana-Dakota Utilities Co.  
400 North Fourth Street  
Bismarck, North Dakota 58501



