

Paul R. Sanderson\*  
William J. Behrmann  
Nils J.D. Eberhardt  
John E. Ward  
Ryan J. Joyce



EVENSON SANDERSON  
PC

1100 College Drive, Suite 5  
Bismarck, ND 58501

Tel: 701.751.1243  
Fax: 701.751.2547

Jerry W. Evenson\*  
*Of Counsel*

Writer's Direct Email:  
[psanderson@esattorneys.com](mailto:psanderson@esattorneys.com)

\*Certified Civil Trial Specialist,  
National Board of Trial Advocacy

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April 28, 2023

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

**Re: Montana-Dakota Utilities Co.  
2022 Application for Increase in Electric Rates  
Case No. PU-22-194  
OAH File No. 20220225**

Montana-Dakota Utilities Co. herewith electronically submits its proposed Exhibit No. MDU-32, which are copies of the PowerPoint slides of witness Nicole Kivisto the Company intends to offer at the hearing. If you have any questions, please let me know.

Sincerely,

Paul Sanderson

Attachment:

**NORTH DAKOTA PUBLIC SERVICE  
COMMISSION – ELECTRIC RATE  
INCREASE HEARING MAY 2, 2023**

 **MONTANA-DAKOTA**  
UTILITIES CO.  
*A Subsidiary of MDU Resources Group, Inc.*  
***In the Community to Serve®***



**EXHIBIT  
MDU-32**

# North Dakota Electric Rate Case Filing



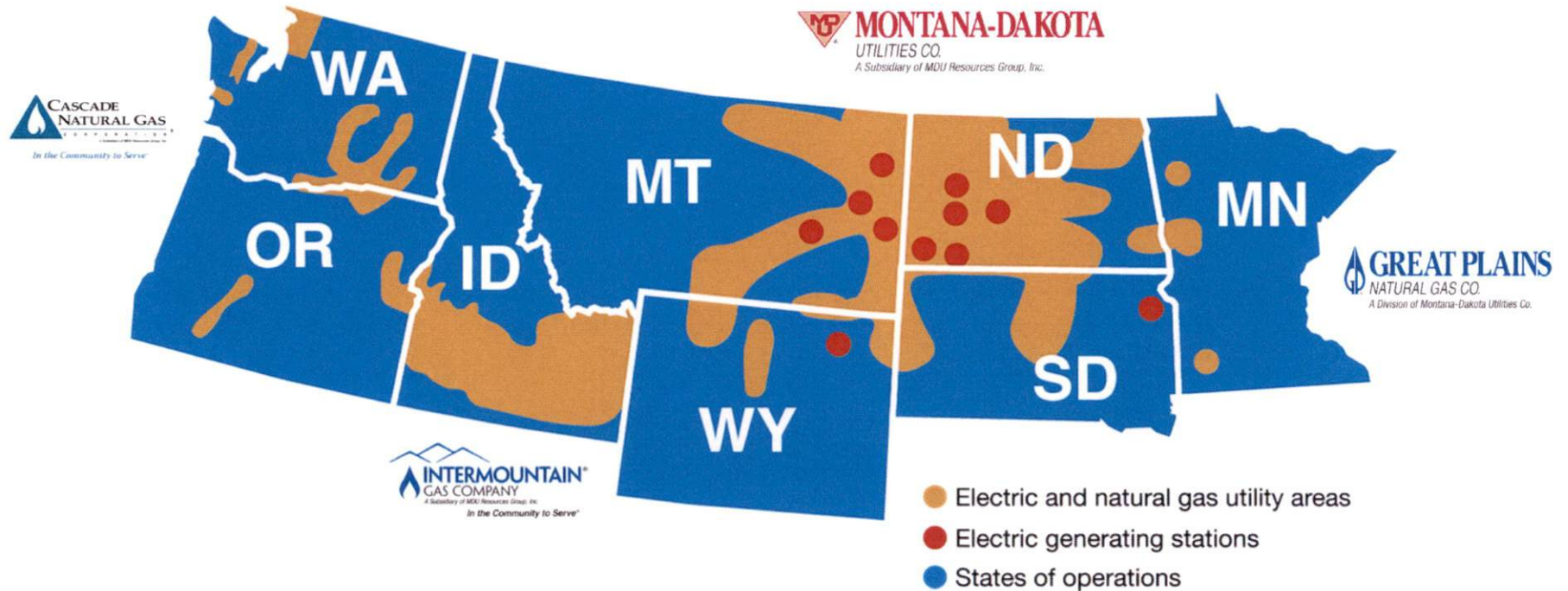
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**Electric Rate Increase  
Hearing**

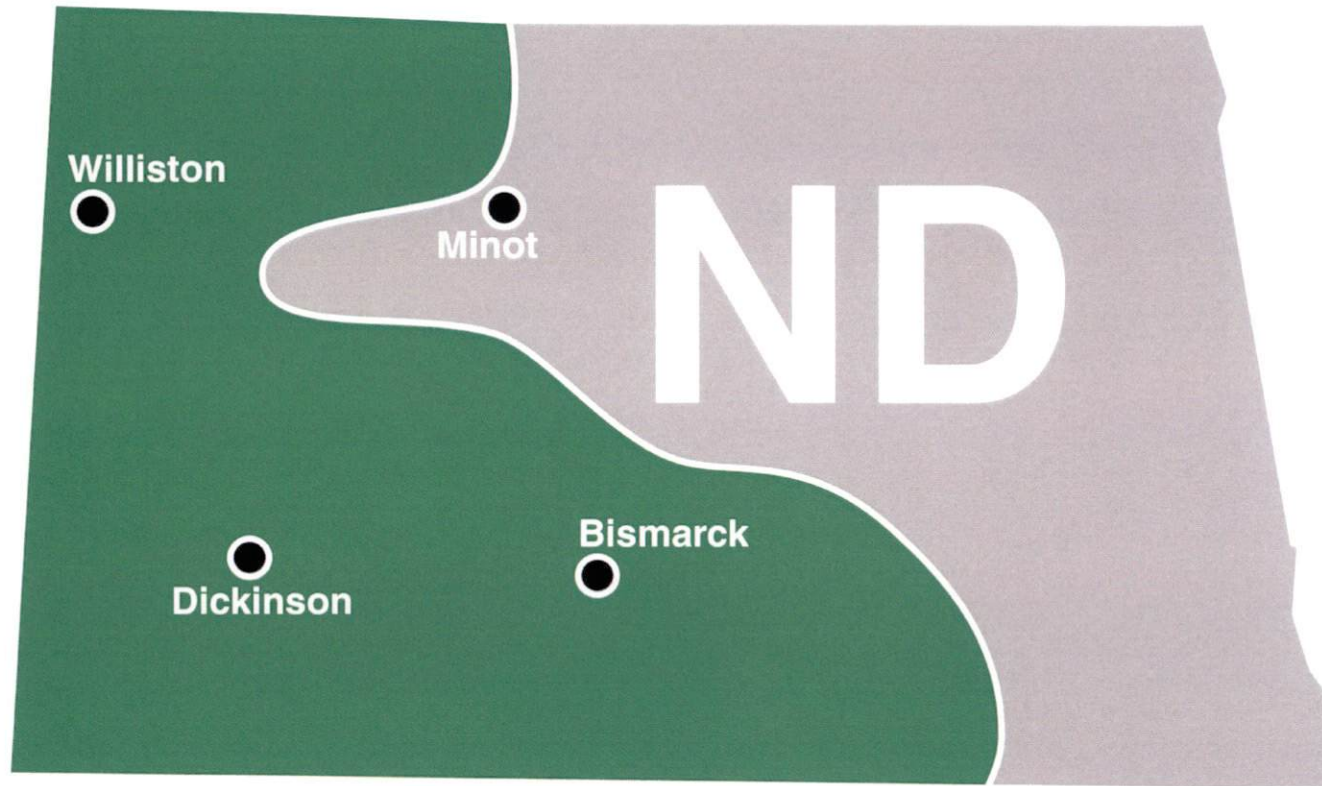
**May 2, 2023**

**Case No. PU-22-194**

# Electric and Natural Gas Utilities



# North Dakota Electric Service Area



MDU serves 93,500 electric customers in 119 North Dakota communities



## Request to Increase Electric Prices in ND

- Request filed May 16, 2022
- \$25.4 million annually over current prices
- Overall increase of 12.3%
- Interim increase of \$10.9 million, or 5.3%, effective July 15, 2023
  - Monthly increase of \$5.09 for average residential customer
- Last price increase August 2017, \$7.5 million or 3.7% - offset by TCJA on November 1, 2018

# Primary Reasons for Increase Request

- 88-megawatt natural gas turbine at Mandan, ND
- Infrastructure investments since last increase in 2017
- Increased depreciation expense and property tax
- Increased labor expense
- Other inflationary increases





Montana-Dakota Utilities

# All Party Settlement

(Millions)

- Original Filing **\$25.4**
- ROE 9.75% vs.10.5% -\$3.1
- Depreciation -\$4.6
- Incentives (50%) -\$1.8
- All Other -\$0.6
- Settlement **\$15.3**  
Reduction of \$10.1 Million
- 70/30 earnings sharing if ROE exceeds 10%

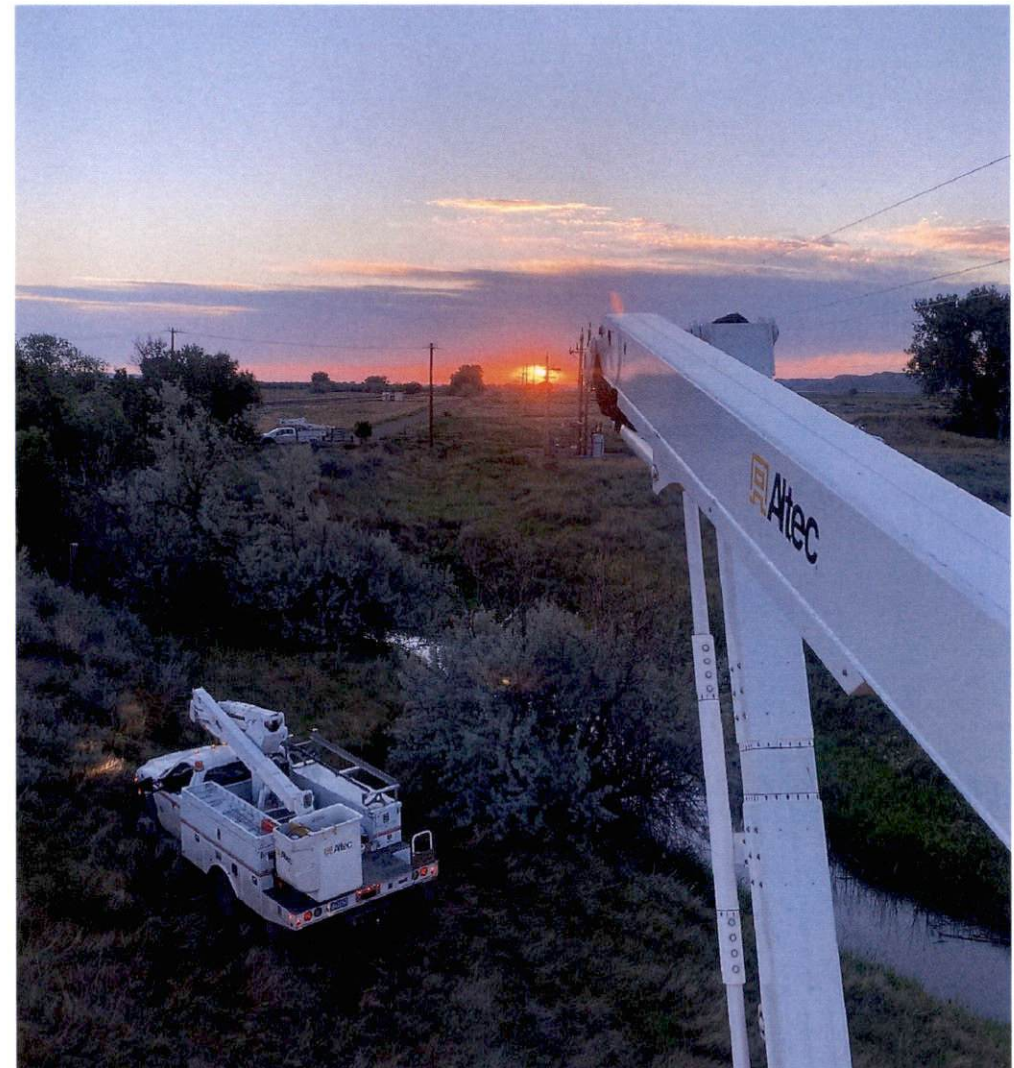
# Customer Price Impact

- Typical non-space heating residential customer using 800 kilowatt hours per month
  - \$8.27 per month/\$99 annually
- Collect part of increase via basic service charge
  - Increase from 46 cents per day (\$13.99 a month) to 50.1 cents per day (\$15.24 a month)
  - Remainder collected via the energy charge



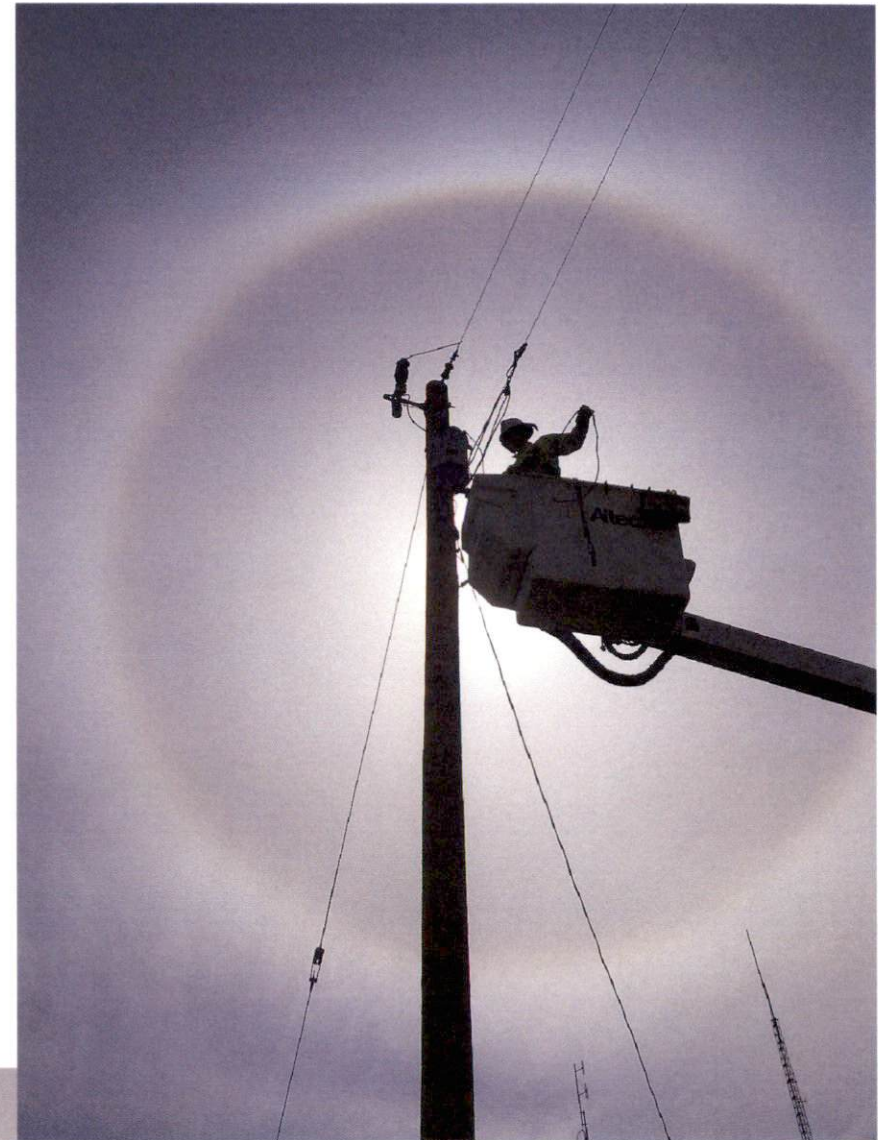
# Increase by Each Customer Group

Residential	9.5%
Small General Service	9.7%
General Service	5.5%
Municipal Lighting	7.3%
Municipal Pumping	8.6%
Outdoor Lighting	<u>2.5%</u>
Total Increase	7.4%



# APPLIED DIGITAL ESA

- Settlement reached 4/17/23
- Hearing held 4/20/23
- Projected revenue offsets of \$13 million for ND customers
  - \$78 annual benefit for a residential customer
- Including ESA benefit, the net increase is estimated at \$1.75 per month, which represents an average annual increase of 0.3% since the last base rate change in 2018



# Thank You



# MONTANA-DAKOTA

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