

Memorandum

To: Commissioners Fedorchak, Christmann and Haugen-Hoffart

From: Victor Schock – Director, Public Utilities Division 

Date: October 14, 2022

Re: Montana-Dakota Utilities Co., High Density Contracted Demand Response, Tariff and Rates, Case No. PU-22-337

On August 1, 2022, Montana-Dakota Utilities Co. (MDU) filed an application for approval of a new High Density Contracted Demand Response (HDCD) tariff.

The HDCD provides a mechanism for MDU to provide large customers who meet the requirements with a reduced rate relative to the standard applicable rate schedule for a term of at least 3 years, but no more than 5 years. The HDCD rate would be based upon the incremental cost of providing service to the customer. The incremental cost would include the cost of energy, capacity, transmission cost allocation and the cost of any system upgrades including a rate of return on investment necessary to serve the load. Once those specific costs are determined, MDU will calculate a proposed rate structure to recover the costs from that customer. The proposed rate would not be less than the incremental costs.

The company does have a current case before the Commission to use the proposed tariff in case PU-22-371.

The proposed tariff requires the commission to approve all specific rates to be offered to any customer.

Staff has thoroughly reviewed and analyzed the filing and additional provided by MDU. Based on this review and analysis staff recommends approval of the proposed tariff.

C: Travis Jacobson, MDU