

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

**Montana-Dakota Utilities Co.  
Electric Service Agreement – Applied Blockchain  
Approval**

**Case No. PU-22-371**

**INTERIM ORDER**

**February 22, 2023**

**Preliminary Statement**

On September 21, 2022, Montana-Dakota Utilities Co. (MDU) filed an application for approval of an Electric Service Agreement (ESA) with Applied Blockchain (APLD). The agreement provides that the customer would take electric service from MDU under the High Density Demand Response Rate 45 schedule.

On October 27, 2022, the Commission issued a Notice of Opportunity for Hearing, which provided until December 8, 2022, for receiving written comments and hearing requests. The notice provided that, if deemed appropriate, the Commission can determine the matter without a hearing.

The notice identified the issues to be considered in this proceeding are:

1. What is the value of MDU's property, used and useful, for the service and convenience of the public in North Dakota?
2. What is a just and reasonable rate of return on MDU's property, used and useful, for the service and convenience of the public in North Dakota?
3. What rates and charges are necessary to provide and just and reasonable rate of return on MDU's property, used and useful, for the service and convenience of the public in North Dakota?
4. Are MDU's rate schedules designed in such a manner that they result in a basis of charge to its customers that is just and reasonable without undue discrimination?
5. Whether the electric service agreement should be approved?

On December 8, 2022, Marathon Petroleum Company LP (Marathon) filed comments on the proposed ESA.

On January 24, 2023, APLD filed a letter in support of the ESA.

On January 31, 2023, MDU submitted an application to establish margin sharing related to the ESA.

On February 3, 2023, Marathon filed a request to intervene in this proceeding.

### **Discussion**

MDU proposes to serve APLD at a location near Ellendale, ND that MDU was granted a certificate of public convenience and necessity by the Commission in Case No. PU-22-370 on February 8, 2023.

The APLD facility will be a 180-megawatt interruptible load forecasted to use approximately 1.4 billion kilowatt hours per year.

APLD's January 24, 2023, letter noted that they desire to take service under this rate schedule in mid-February 2023.

The Commission believes it is in the best interest of the customers and the parties to approve the proposed ESA on an interim basis subject to refund or additional charges, with a hearing and development of the case to be completed within the next 90 days.

Marathon is a large, energy intensive customer that may be substantially impacted by the margin sharing application and requests an opportunity to review and participate in the proceeding. No objection to the Petition to Intervene was received.

### **Order**

The Commission Orders:

1. On an interim basis, Montana-Dakota Utility Co.'s Electric Service Agreement with Applied Blockchain is approved.
2. Montana-Dakota Utilities Co. shall use regulatory accounting treatment to track the revenues and expenses provided for and resulting from this Electric Service Agreement.
3. The Electric Service Agreement is subject to refund or additional charges pending the final outcome in this proceeding.
4. Marathon's Request to Intervene is granted.

PUBLIC SERVICE COMMISSION

*Sheri Haugen-Hoffart*

Sheri Haugen-Hoffart  
Commissioner

*Randy Christmann*

Randy Christmann  
Chair

*Julie Fedorchak*

Julie Fedorchak  
Commissioner