

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Montana-Dakota Utilities Co.
Renewable Resource Cost Recovery
Rates

Case No. PU-22-401

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Geralyn R. Schmaltz deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **23rd day of February 2023**, she deposited in the United States Mail, at Bismarck, North Dakota, **two** envelopes with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

- Order

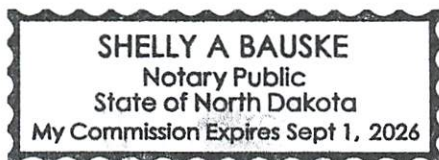
The envelopes were addressed as follows:

Travis Jacobson
Director of Regulatory Affairs
Montana-Dakota Utilities Co., Inc.
400 North Fourth Street
Bismarck, ND 58501
Cert. No. 7021 2720 0000 4438 6828

Allison Waldon
Attorney
MDU Resources Group, Inc.
PO Box 5650
Bismarck, ND 58506-5650
Cert. No. 7021 2720 0000 4438 6835

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me
this **23rd day of February 2023**.




Notary Public

SEAL

STATE OF NORTH DAKOTA
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February 22, 2023

Preliminary Statement

On November 1, 2022, Montana-Dakota Utilities Co. (MDU) filed changes to rates under its Renewable Resource Cost Adjustment Rate 55 Tariff (RRCA) for electric service rendered on or after February 1, 2023.

On November 30, 2022, the Commission issued a Notice of Opportunity for Hearing, which provided until January 13, 2023, for receiving written comments and hearing requests. No response was received. 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. Whether the investments and associated costs for the resources qualify for recovery,
2. Whether the incurred costs are reasonable and prudent,
3. Whether the rate adjustments are consistent with the terms of MDU's tariff,

On January 31, 2023, MDU filed a revised RRCA for electric services rendered on or after March 1, 2023.

Discussion

Under its RRCA, MDU recovers costs associated with renewable generation resource modifications or 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 updated RRCA rates reflect projected costs related to MDU's investment in the Thunder Spirit Wind Project 1 & 2, the Cedar Hills Wind Project, the Diamond Willow Wind Project and subsequent repowering. The updated rates also reflect a projected over-recovered RRCA revenue balance as of December 31, 2022. And finally, the updated rates reflect a partial levelization of Production Tax Credits (PTCs).

The updated RRCA rates by customer class are as follows:

<u>Customer Class</u>	<u>Existing Rate</u>	<u>Updated Rate</u>	<u>Change</u>
Residential & Small General	\$0.00899/kWh	\$0.00844/kWh	(\$0.00055) /kWh
Large General	\$0.00838/kWh	\$0.00768/kWh	(\$0.00070) /kWh
Lighting	\$0.01161/kWh	\$0.01094/kWh	(\$0.00066) /kWh

The billing impact of the updated RRCA rate on the bill of a residential customer using 894 kWh is a decrease of \$0.49 per month.

The January 31, 2023, revision corrected an error by MDU and utilizes the currently approved depreciation rates versus those proposed in the original filing. These rates are being reviewed as part of MDU's General Rate Case No. PU-22-194.

The investments and associated costs for the Thunder Spirit Wind Projects 1 & 2, the Cedar Hills Wind Project, the Diamond Willow Wind Project and subsequent repower qualify for recovery.

The incurred costs are reasonable and prudent.

The proposed rates comply with the RRCA Tariff and are just and reasonable.

Order

The Commission Orders Montana-Dakota Utility Co.'s 2023 Renewable Resource Cost Adjustment rates filed on January 31, 2023, are approved for electric service rendered on or after March 1, 2023.

PUBLIC SERVICE COMMISSION


 Sheri Haugen-Hoffart
 Commissioner


 Randy Christmann
 Chair


 Julie Fedorchak
 Commissioner