

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

February 27, 2023

Executive Secretary
North Dakota Public Service Commission
State Capitol Building
Bismarck, ND 58505-0480

Re: Case No. PU-22-401
Renewable Resource Cost
Adjustment
Rate 55

Montana-Dakota Utilities Co. (Montana-Dakota) herewith electronically submits the following electric rate schedule that will be implemented effective with service rendered on and after March 1, 2023 in compliance with the Commission's Order issued on February 22, 2023:

- 7th Revised Sheet No. 39

Montana-Dakota has also included an updated copy of the customer bill insert to be included with the customers' bills in March.

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

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Attachments



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
7th Revised Sheet No. 39
Canceling 6th Revised Sheet No. 39

Renewable Resource Cost Adjustment Rate 55

Page 1 of 1

1. Applicability:

This rate schedule represents a Renewable Resource Cost Adjustment (RRCA) and specifies the procedure to be utilized to recover the jurisdictional costs associated with renewable generation resource modifications or additions approved by the Commission, but not recovered through retail rates. Costs to be recovered may include operation and maintenance expenditures, depreciation, taxes, and a current return on the project costs.

2. Renewable Resource Cost Adjustment:

- a. An adjustment per Kwh will be calculated using the projected capital costs and related expenses, along with the forecasted Kwh sales, to determine a North Dakota jurisdictional revenue requirement to be recovered through the RRCA rates. The return component of the revenue requirement calculation will include the return on equity established in the Company’s most recent rate case.
- b. The RRCA is applicable to all retail customers for electric energy sold, except those served under special contract, where the contract does not express RRCA applicability, and are allocated amongst the rate classes based on the Company’s Demand/Energy Factor No. 3 established in the Company’s most recent general rate case.
- c. The RRCA will be adjusted annually (or other period authorized by the Commission) to reflect the Company’s most recent projected capital costs and related expenses for projects determined to be recoverable under this schedule.
- d. A true-up will reflect any over or under collection of revenue under the RRCA based on actual expenditures from the preceding twelve month recovery period plus carrying charges or credits accrued at a rate equal to the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.

3. Renewable Resource Cost Adjustment:

Residential & Small General	0.844¢ per Kwh
Large General	0.768¢ per Kwh
Lighting	1.094¢ per Kwh

Date Filed: February 27, 2023

Effective Date: Service rendered on and after March 1, 2023

Issued By: Travis R. Jacobson
Director – Regulatory Affairs

Case No.: PU-22-401

Notice of Annual Update to the Renewable Resource Cost Adjustment with the North Dakota Public Service Commission

On November 1, 2022, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the North Dakota Public Service Commission (Commission) to update its Renewable Resource Cost Adjustment (RRCA) rates in accordance with the Company's Renewable Resource Cost Adjustment Rate 55 tariff that states the rates will be revised annually to reflect the most recent projected level of costs to be recovered. The Commission approved the updated RRCA rates on February 22, 2023.

The RRCA rates reflect North Dakota's allocation of Montana-Dakota's investments in its three wind facilities (Diamond Willow, Cedar Hills, and Thunder Spirit) currently not being recovered through the Company's electric service rates, as well as the amortization of the over-recovered RRCA balance through February 2023.

The new RRCA rates will be effective with service rendered on and after March 1, 2023.

A typical residential customer using 894 Kwh will see a decrease of \$0.49 per month. The RRCA is shown as a separate line item on your bill.

	<u>Residential & Small General</u>
Applicable Rate Schedules	10, 13, 16, 20, 25, & 40
Current Rate	\$0.00899 per Kwh
New Rate	\$0.00844 per Kwh
Change	(\$0.00055) per Kwh
	<u>Large General</u>
Applicable Rate Schedules	30, 31, 32, 38, 48, and contracts
Current Rate	\$0.00838 per Kwh
New Rate	\$0.00768 per Kwh
Change	(\$0.00070) per Kwh
	<u>Lighting</u>
Applicable Rate Schedules	41 & 52
Current Rate	\$0.01161 per Kwh
New Rate	\$0.01094 per Kwh
Change	(\$0.00067) per Kwh

For more information, please contact a Montana-Dakota representative at 1-800-638-3278.