



# MONTANA-DAKOTA UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

400 North Fourth Street  
Bismarck, ND 58501  
701-222-7900  
www.montana-dakota.com

August 25, 2023

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

Re: Update to the Transmission Cost  
Adjustment Rate 59 Tariff  
Case No. PU-23-268

Montana-Dakota Utilities Co. (Montana-Dakota) herewith submits a revised update to its Transmission Cost Adjustment (TCA) Rate 59 tariff. Pursuant to discussions with North Dakota Public Service Commission Staff, Montana-Dakota has included an A&G credit related to the Company’s Attachment MM. Montana-Dakota has revised and now requests approval of Transmission Cost Adjustment Rate 59 (1<sup>st</sup> Revised Sheet No. 43.1 of its electric service tariffs), provided herein as Exhibit 1, to be effective with service rendered on and after November 1, 2023. To the extent the Company’s July 14, 2023 filing exhibits have changed, Montana-Dakota has also included Revised Exhibits 2, 3, 5 and 6 pages.

The revised net transmission expense is shown in the table below.

	Revised Filing	Prior Filing	Variance
Net MISO/SPP Expense:	\$881,666	\$8,514,870	(\$7,633,204)
Transmission Projects - Approved:	5,745,235	6,175,714	(430,479)
Transmission Projects - Proposed:	230,878	0	230,878
Over Recovery Balance:	(5,571,305)	(1,813,900)	(3,757,405)
	<b>\$1,286,474</b>	<b>\$12,876,684</b>	<b>(\$11,590,210)</b>

A residential customer using 800 kWh per month would see a decrease of \$5.09 under the revised TCA rate or a decrease of \$61.08 annually. The proposed TCA rates are shown in the following table, along with the change from the current TCA rates implemented November 1, 2022:

		Proposed Rate/kWh	Current Rate/kWh	Change/kWh
Residential & Small General	(Rates 10, 13, 16, 20, 25 & 40)	\$0.00068	\$0.00704	(\$0.00636)
Large General & Contracts	(Rates 30, 31, 32, 38, & 48, Contracts)	\$0.00055	\$0.00562	(\$0.00507)
Lighting	(Rates 41 & 52)	\$0.00022	\$0.00351	(\$0.00329)

Please refer all inquiries regarding this filing to:

Travis R. Jacobson  
 Director of Regulatory Affairs  
 Montana-Dakota Utilities Co.  
 400 North Fourth Street  
 Bismarck, ND 58501  
[Travis.Jacobson@mdu.com](mailto:Travis.Jacobson@mdu.com)

Also, please send copies of all written inquiries, correspondence, and pleadings to:

Allison Waldon  
 Attorney  
 MDU Resources Group, Inc.  
 P.O. Box 5650  
 Bismarck, ND 58506-5650  
[Allison.Waldon@mduresources.com](mailto:Allison.Waldon@mduresources.com)

Please contact me at (701) 222-7855 or at [Travis.Jacobson@mdu.com](mailto:Travis.Jacobson@mdu.com) with any questions regarding this filing.

Sincerely,



Travis R. Jacobson  
 Director of Regulatory Affairs

Attachments  
 cc: Allison Waldon

# **Exhibit 1**



# Montana-Dakota Utilities Co.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

---

NDPSC Volume 5  
1st Revised Sheet No. 43.1  
Canceling Original Sheet No. 43.1

### TRANSMISSION COST ADJUSTMENT Rate 59

---

Page 2 of 2

#### 3. Transmission Cost Adjustment Rate by class:

Residential & Small General	0.068¢ per Kwh
Large General	0.055¢ per Kwh
Lighting	0.022¢ per Kwh

---

**Date Filed:** August 25, 2023

**Effective Date:**

**Issued By:** Travis R. Jacobson  
Director - Regulatory Affairs

**Case No.:** PU-23-268

## **Tariff Reflecting Proposed Changes**



# Montana-Dakota Utilities Co.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 5

~~Original~~ 1st Revised Sheet No. 43.1

~~Canceling Original~~ Sheet No. 43.1

### TRANSMISSION COST ADJUSTMENT Rate 59

Page 2 of 2

#### 3. Transmission Cost Adjustment Rate by class:

Residential & Small General	<del>0.70</del> <u>0.068</u> ¢ per Kwh
Large General	<del>0.56</del> <u>0.055</u> ¢ per Kwh
Lighting	<del>0.35</del> <u>0.022</u> ¢ per Kwh

**Date Filed:** ~~June 12, 2023~~ August 25, 2023

**Effective Date:** ~~Service rendered on and~~

~~after July 1, 2023~~

**Issued By:** Travis R. Jacobson  
Director - Regulatory Affairs

**Case No.:** ~~PU-22-194~~ 23-268

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Cost Adjustment  
Proposed TCA Rates**

	Total	Residential & Small General	Large General & Contracts	Lighting
Projected Costs to be Recovered				
Net Expense 1/ 2/	\$881,666	\$408,188	\$470,929	\$2,549
Transmission Projects' Revenue Requirement 3/	5,976,113	2,766,781	3,192,057	17,275
Under/(Over) Balance 4/	(5,571,305)	(2,579,366)	(2,975,834)	(16,105)
Net Transmission Expense	\$1,286,474	\$595,603	\$687,152	\$3,719
 Projected Kwh 5/	 2,140,029,254	 879,039,995	 1,244,242,415	 16,746,844
 Proposed TCA Rate per kWh				
Revenue Requirement per kWh		\$0.00361	\$0.00294	\$0.00118
Amortization per kWh		(0.00293)	(0.00239)	(0.00096)
Proposed TCA Rate per kWh		0.00068	0.00055	0.00022
 Current TCA Rate per kWh 6/				
Revenue Requirement per kWh		\$0.00803	\$0.00641	\$0.00401
Amortization per kWh		(0.00099)	(0.00079)	(0.00050)
Current TCA Rate per kWh		0.00704	0.00562	0.00351
 Change in TCA Rate		(\$0.00636)	(\$0.00507)	(\$0.00329)

1/ Exhibit 3 - Updated, page 2.

2/ Demand Allocation Factor 2 per Case No. PU-22-194:

Residential & Small General	46.297343%	(Rates 10, 13, 16, 20, 25, 26, and 40)
Large General & Contracts	53.413594%	(Rates 30, 31, 32, 38, 48, and Contracts)
Lighting	0.289063%	(Rates 41, 52)
	100.000000%	

3/ Exhibit 4, page 1.

4/ Exhibit 5 - Updated, page 1.

5/ Projected Kwh sales.

6/ Current TCA rates effective November 1, 2022.

**Montana-Dakota Utilities Co.**  
**Transmission Cost Adjustment**  
**Summary of Revenue and Expenses Allocated to North Dakota**  
**Projected Twelve Months Ending June 2024**

	2023						2024						Total
	July	August	September	October	November	December	January	February	March	April	May	June	
Facility Sharing Agreement	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,337	\$244,000
Rate 45	873,230	873,230	932,510	932,510	932,510	932,510	881,170	881,170	881,170	881,170	881,170	881,167	10,763,517
	\$893,563	\$893,563	\$952,843	\$952,843	\$952,843	\$952,843	\$901,503	\$901,503	\$901,503	\$901,503	\$901,503	\$901,504	\$11,007,517
<b>MISO</b>													
<b>Revenue/Credits</b>													
Schedule 1	\$10,913	\$10,913	\$10,913	\$10,913	\$10,913	\$10,913	\$10,913	\$10,913	\$10,913	\$10,913	\$10,913	\$10,913	\$130,956
Schedule 7	64,983	64,983	64,983	64,983	64,983	64,983	64,983	64,983	64,983	64,983	64,983	64,981	779,794
Schedule 8	23,900	23,900	23,900	23,900	23,900	23,900	23,900	23,900	23,900	23,900	23,900	23,896	286,796
Schedule 9	293,566	293,566	293,566	293,566	293,566	293,566	293,566	293,566	293,566	293,566	293,566	293,560	3,522,786
NITS Cust Rev Req.	(47,184)	(47,184)	(47,184)	(47,184)	(47,184)	(47,184)	(47,184)	(47,184)	(47,184)	(47,184)	(47,184)	(47,187)	(566,211)
Schedule 24	71,015	71,015	71,015	71,015	71,015	71,015	71,015	71,015	71,015	71,015	71,015	71,009	852,174
	\$417,193	\$417,193	\$417,193	\$417,193	\$417,193	\$417,193	\$417,193	\$417,193	\$417,193	\$417,193	\$417,193	\$417,172	\$5,006,295
<b>Charges</b>													
<b>Schedule 10</b>													
MISO - FERC Energy	\$59,661	\$59,661	\$59,661	\$59,661	\$59,661	\$59,661	\$59,661	\$59,661	\$59,661	\$59,661	\$59,661	\$59,658	\$715,929
MISO - FERC Demand	11,212	11,212	11,212	11,212	11,212	11,212	11,212	11,212	11,212	11,212	11,212	11,211	134,543
FERC Direct	33,316	33,316	33,316	33,316	33,316	33,316	33,316	33,316	33,316	33,316	33,316	33,315	399,791
	\$104,189	\$104,189	\$104,189	\$104,189	\$104,189	\$104,189	\$104,189	\$104,189	\$104,189	\$104,189	\$104,189	\$104,184	\$1,250,263
Schedule 26	\$322,755	\$322,755	\$322,755	\$322,755	\$322,755	\$322,755	\$254,284	\$254,284	\$254,284	\$254,284	\$254,284	\$254,284	\$3,462,234
Schedule 26A/E	618,535	594,301	569,555	576,113	613,595	669,079	682,691	649,484	635,510	562,651	559,405	577,015	7,307,934
A&G Retail Rate Credit	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(80,507)	(966,084)
	\$964,972	\$940,738	\$915,992	\$922,550	\$960,032	\$1,015,516	\$960,657	\$927,450	\$913,476	\$840,617	\$837,371	\$854,976	\$11,054,347

**Montana-Dakota Utilities Co.**  
**Transmission Cost Adjustment**  
**Summary of Revenue and Expenses Allocated to North Dakota**  
**Projected Twelve Months Ending June 2024**

	2023						2024						Total
	July	August	September	October	November	December	January	February	March	April	May	June	
<b>SPP</b>													
Revenue/Credits													
Facility Credits	\$1,167,951	\$1,167,951	\$1,167,951	\$1,167,951	\$1,167,951	\$1,167,951	\$1,167,951	\$1,167,951	\$1,167,951	\$1,167,951	\$1,167,951	\$1,167,953	\$14,015,414
Charges													
Schedule 1	\$49,509	\$49,509	\$49,509	\$49,509	\$49,509	\$49,509	\$49,509	\$49,509	\$49,509	\$49,509	\$49,509	\$49,505	\$594,104
Schedule 1a	42,382	42,382	42,382	42,382	42,382	42,382	42,382	42,382	42,382	42,382	42,382	42,382	508,584
Schedule 9	1,387,807	1,387,807	1,387,807	1,387,807	1,387,807	1,387,807	1,387,807	1,387,807	1,387,807	1,387,807	1,387,807	1,387,803	16,653,680
Schedule 11	189,638	189,638	189,638	189,638	189,638	189,638	189,638	189,638	189,638	189,638	189,638	189,643	2,275,661
Schedule 12	16,428	16,428	16,428	16,428	16,428	16,428	16,428	16,428	16,428	16,428	16,428	16,423	197,131
	<u>\$1,685,764</u>	<u>\$1,685,764</u>	<u>\$1,685,764</u>	<u>\$1,685,764</u>	<u>\$1,685,764</u>	<u>\$1,685,764</u>	<u>\$1,685,764</u>	<u>\$1,685,764</u>	<u>\$1,685,764</u>	<u>\$1,685,764</u>	<u>\$1,685,764</u>	<u>\$1,685,756</u>	<u>\$20,229,160</u>
<b>Total Company Revenue/Credits</b>													
Facility Sharing	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,333	\$20,337	\$244,000
Rate 45	873,230	873,230	932,510	932,510	932,510	932,510	881,170	881,170	881,170	881,170	881,170	881,167	10,763,517
MISO	417,193	417,193	417,193	417,193	417,193	417,193	417,193	417,193	417,193	417,193	417,193	417,172	5,006,295
SPP	1,167,951	1,167,951	1,167,951	1,167,951	1,167,951	1,167,951	1,167,951	1,167,951	1,167,951	1,167,951	1,167,951	1,167,953	14,015,414
	<u>\$2,478,707</u>	<u>\$2,478,707</u>	<u>\$2,537,987</u>	<u>\$2,537,987</u>	<u>\$2,537,987</u>	<u>\$2,537,987</u>	<u>\$2,486,647</u>	<u>\$2,486,647</u>	<u>\$2,486,647</u>	<u>\$2,486,647</u>	<u>\$2,486,647</u>	<u>\$2,486,629</u>	<u>\$30,029,226</u>
Allocated to ND 1/	1,742,346	1,742,346	1,784,016	1,784,016	1,784,016	1,784,016	1,747,927	1,747,927	1,747,927	1,747,927	1,747,927	1,747,915	21,108,306
<b>Total Company Charges</b>													
MISO	\$964,972	\$940,738	\$915,992	\$922,550	\$960,032	\$1,015,516	\$960,657	\$927,450	\$913,476	\$840,617	\$837,371	\$854,976	\$11,054,347
SPP	1,685,764	1,685,764	1,685,764	1,685,764	1,685,764	1,685,764	1,685,764	1,685,764	1,685,764	1,685,764	1,685,764	1,685,756	20,229,160
	<u>\$2,650,736</u>	<u>\$2,626,502</u>	<u>\$2,601,756</u>	<u>\$2,608,314</u>	<u>\$2,645,796</u>	<u>\$2,701,280</u>	<u>\$2,646,421</u>	<u>\$2,613,214</u>	<u>\$2,599,240</u>	<u>\$2,526,381</u>	<u>\$2,523,135</u>	<u>\$2,540,732</u>	<u>\$31,283,507</u>
Allocated to ND 1/	1,863,270	1,846,235	1,828,840	1,833,450	1,859,797	1,898,798	1,860,237	1,836,895	1,827,072	1,775,857	1,773,576	1,785,945	21,989,972
<b>Net ND Expense</b>													
	<u>\$120,924</u>	<u>\$103,889</u>	<u>\$44,824</u>	<u>\$49,434</u>	<u>\$75,781</u>	<u>\$114,782</u>	<u>\$112,310</u>	<u>\$88,968</u>	<u>\$79,145</u>	<u>\$27,930</u>	<u>\$25,649</u>	<u>\$38,030</u>	<u>\$881,666</u>

1/ Allocated to ND on Factor 15 Integrated System 12 Month Peak Demand: 70.292541%

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Cost Recovery Rider  
Balancing Account and Carry Charge Calculation**

	Cumulative								Grand Total (Over)/Under Collection
	Beginning Balance	Less:		Add: Revenue	Ending Balance 3/	Carrying Charge Calculation			
		Revenue Collected 1/	Requirement 2/			Deferred Income Tax	Net Balance	Rate 4/	
May 2022				(\$1,546,350) 5/	-	(\$1,546,350)			(\$1,546,350) 5/
June	(1,546,350)	1,063,717	814,117	(1,795,950)	-	(1,795,950)	1.4900%	(1,920)	(1,797,870)
July	(1,795,950)	1,133,691	1,151,113	(1,778,528)	-	(1,778,528)	2.2300%	(3,337)	(1,783,785)
August	(1,778,528)	1,390,112	1,281,604	(1,887,036)	-	(1,887,036)	2.6300%	(3,898)	(1,896,191)
September	(1,887,036)	1,242,529	1,089,207	(2,040,358)	-	(2,040,358)	3.1300%	(4,922)	(2,054,435)
October	(2,040,358)	1,021,256	1,249,831	(1,811,783)	-	(1,811,783)	3.7200%	(6,325)	(1,832,185)
November	(1,811,783)	1,005,173	1,184,598	(1,632,358)	-	(1,632,358)	4.1500%	(6,266)	(1,659,026)
December	(1,632,358)	1,297,555	1,053,916	(1,875,997)	-	(1,875,997)	4.2500%	(5,781)	(1,908,446)
January 2023	(1,875,997)	1,410,484	1,146,521	(2,139,960)	-	(2,139,960)	4.5400%	(7,098)	(2,179,507)
February	(2,139,960)	1,141,833	765,499	(2,516,294)	-	(2,516,294)	4.6500%	(8,292)	(2,564,133)
March	(2,516,294)	1,343,611	928,055	(2,931,850)	-	(2,931,850)	4.6900%	(9,835)	(2,989,524)
April	(2,931,850)	1,073,085	977,208	(3,027,727)	-	(3,027,727)	4.9200%	(12,021)	(3,097,422)
May	(3,027,727)	968,269	772,623	(3,223,373)	-	(3,223,373)	5.1400%	(12,969)	(3,306,037)
June - Est.	(3,223,373)	938,257	680,728	(3,480,902)	-	(3,480,902)	5.1400%	(13,807)	(3,577,373)
July - Est.	(3,480,902)	999,635	604,119	(3,876,418)	-	(3,876,418)	5.1400%	(14,910)	(3,987,799)
August - Est.	(3,876,418)	1,225,626	586,497	(4,515,547)	-	(4,515,547)	5.1400%	(16,604)	(4,643,532)
September - Est.	(4,515,547)	1,095,720	556,387	(5,054,880)	-	(5,054,880)	5.1400%	(19,342)	(5,202,207)
October - Est.	(5,054,880)	900,953	553,507	(5,402,326)	-	(5,402,326)	5.1400%	(21,652)	(5,571,305)
Total		\$19,251,506	\$15,395,530					(\$168,979)	

1/ Revenue collected on actual sales volume through May 2023 at the approved rates authorized in Case No. PU-21-335, and updated rates effective November 1, 2022 authorized in Case No. PU-22-323.

2/ Total revenue requirement:

	MISO/SPP Revenue Requirement	Assets Revenue Requirement	Total Revenue Requirement
June 2022	\$340,478	\$473,639	\$814,117
July	688,432	462,681	1,151,113
August	791,948	489,656	1,281,604
September	672,568	416,639	1,089,207
October	707,116	542,715	1,249,831
November	664,965	519,633	1,184,598
December	540,467	513,449	1,053,916
January 2023	628,396	518,125	1,146,521
February	244,086	521,413	765,499
March	406,757	521,298	928,055
April	456,682	520,526	977,208
May	252,916	519,707	772,623
June - Est	161,866	518,862	680,728
July - Est.	120,924	483,195	604,119
August - Est.	103,889	482,608	586,497
September - Est.	44,824	511,563	556,387
October - Est.	49,434	504,073	553,507
Total	\$6,875,748	\$8,519,782	\$15,395,530

3/ (Over)/Under collection on revenue requirement not including the carrying charge except for May 2022, for use in calculating the carrying charge.

4/ Carrying charges calculated based on the three-month Treasury Bill rate, based on prior month ending balance.

5/ Balance as of May 31, 2022 per Docket No. PU-22-323, Exhibit 5, page 1.

**Montana-Dakota Utilities Co.  
Electric Utility  
MISO Schedule 26A Expenses  
Projected Twelve Months Ending June 2024**

	Total Integrated Requirements MWH 1/	Total Schedule 26A Expenses 2/	A&G Revenue Credit 3/
July 2023	399,055	\$618,535	\$80,507
August	383,420	594,301	80,507
September	367,455	569,555	80,507
October	371,686	576,113	80,507
November	395,868	613,595	80,507
December	431,664	669,079	80,507
January 2024	443,306	682,691	80,507
February	421,743	649,484	80,507
March	412,669	635,510	80,507
April	365,358	562,651	80,507
May	363,250	559,405	80,507
June	374,685	577,015	80,507
Total	<u>4,730,159</u>	<u>\$7,307,934</u>	<u>\$966,084</u>

1/ 2023-2024 Electric Load Forecast. Includes Rate 45 customer.

2/ Montana-Dakota's Indicative Annual MVP Charges for  
Approved MVPs as of May 4, 2022 and June 9, 2023:

2023 Indicative Charge	\$1.55
2024 Indicative Charge	\$1.54

3/ Revenue credit for administrative and general O&M expenses recovered through  
MISO Projected 2023 Attachment MM:

Projected Gross Plant in Service from Attachment MM:	\$123,856,943
Annual Allocation for Other O&M, Attachment MM, Line 4b:	<u>0.78%</u>
	<u>\$966,084</u>