

STATE OF NORTH DAKOTA

PUBLIC SERVICE COMMISSION

**Montana-Dakota Utilities Co.
Transmission Facility Cost Recovery
Rates**

Case No. PU-23-268

ORDER

September 27, 2023

Preliminary Statement

On July 14, 2023, Montana-Dakota Utilities Co. (MDU) filed a change to its Transmission Cost Adjustment (TCA) rates to reflect updated electric transmission revenues and costs. The 2023 revenue requirement was \$2,193,375.

On August 25, 2023, MDU filed updated TCA rates after Staff noticed that general and administrative expenses in MDU's base rates were also charging customers in the TCA as determined by FERC formula rates related to MDU's multi-value project (i.e., the Big Stone South to Ellendale line). The updated 2023 revenue requirement was \$1,286,474.

On August 2, 2023, the Commission issued a Notice of Opportunity for Hearing, which provided until September 15, 2023, for receiving written comments and hearing requests. No comments or requests for hearing were 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. Do the investments and associated costs for the new or modified electric transmission facilities qualify for recovery?
2. Do the proposed rates comply with the tariff?
3. Are the proposed rates just and reasonable?

Discussion

MDU's proposed rate to be effective for bills rendered on and after November 1, 2023, includes the costs for existing projects and one new transmission project, updated electric transmission expenses with offsetting revenues, and a true-up amount from the current rate. The decrease for a residential customer using 800 kWh per month would be \$5.09 per month.

The proposed rates in kWh are as follows:

<u>Customer Class</u>	<u>Existing Rate</u>	<u>Proposed Rate</u>	<u>Change</u>
Residential & Small General	0.704 cents	0.068 cents	(0.636) cents
Large General & Contracts	0.562 cents	0.055 cents	(0.507) cents
Lighting	0.351 cents	0.022 cents	(0.329) cents

The proposed rate adjustment complies with MDU's tariff.

The incurred costs for new or modified electric transmission facilities are reasonable and prudent.

The incurred costs are eligible for recovery through the TCA.

Order

The Commission orders MDU's 2023 TCA rate is approved effective November 1, 2023.

PUBLIC SERVICE COMMISSION



Sheri Haugen-Hoffart
Commissioner



Randy Christmann
Chair



Julie Fedorchak
Commissioner