



A Subsidiary of MDU Resources Group, Inc.

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May 7, 2024

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

Re: APLD ELN-02 Electric Service Agreement
Case No. PU-23-322

Dear Mr. Kahl:

Montana-Dakota Utilities Co. (Montana-Dakota or Company) herewith submits to the North Dakota Public Service Commission (Commission) supplemental information for the Commission's consideration.

Montana-Dakota intentionally omitted any proposal regarding the sharing of the transaction charge arising from the Electric Service Agreement application dated October 22, 2023 in the above referenced case. The Company recognized that the Commission may favor a sharing of the transaction charge noting that both the Company's initial Electric Service Agreement under Rate 45 (Case No. PU-22-371) and the recent general electric rate case (Case No. PU-22-194) contain sharing provisions. While there are differences in refund timing, as well as the amount of potential sharing, in many instances the level of sharing would have been similar. Therefore, Montana-Dakota's preference was to follow the earnings sharing provision contained in the general electric rate case.

Pursuant to the Commission's discussion at the April 29, 2024 Work Session, the Company now provides the following proposed points to be included in the Findings of Fact:

1. The sales volumes, investment and costs associated with providing electric service to Applied Digital under Rate 45 shall be excluded from the jurisdictional allocation calculations. To the extent that the jurisdictional allocations are impacted by Applied Digital's Rate 45 sales volumes, investment, or costs, Montana-Dakota will not seek regulatory recovery for the resultant change in the jurisdictional allocations. However, if Montana-Dakota is required to update its jurisdictional allocation calculations by another state based upon the direct impact of Applied Digital sales volumes, Montana-Dakota shall

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Supplemental Filing to Electric Service Agreement - Applied Digital
Montana-Dakota Utilities Co.
Travis Jacobson, Director, Reg. Affairs

- defend the position to exclude Applied Digital in the jurisdictional allocation calculation but is not precluded from making a filing with the Commission to request a change in the jurisdictional allocation factors or amend the ESA if ordered by another state.
2. Montana-Dakota shall pass 70 percent of the transaction charge back to North Dakota customers as a credit in the Fuel and Purchased Power Adjustment Rate 58 (Rate 58).
 3. If Applied Digital no longer takes electric service from the Company, Montana-Dakota will not seek regulatory recovery of the cost, to the extent the incremental costs exceed the salvage value, to disconnect and remove the facilities used to serve Applied Digital.

Please note that the Company has presented the percent of transaction charge sharing provision above to be consistent with the earnings sharing provision in the general electric rate case. The settlement agreement disclosing the terms of the transaction charge sharing within the initial Electric Service Agreement under Rate 45 is confidential.

If you have any questions regarding this filing, please contact me at (701) 222-7855 or travis.jacobson@mdu.com.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

cc: Adam Renfandt, North Dakota Public Service Commission