



A Subsidiary of MDU Resources Group, Inc.

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February 26, 2024

Executive Secretary
North Dakota Public Service Commission
600 E Boulevard Ave, Dept 408
Bismarck, ND58505-0480

**RE: Fuel and Purchased Power Adjustment Temporary Waiver
Case No. PU-24-010
April 1, 2024 – Request for a Waiver of Tariff Provision**

Montana-Dakota Utilities Co. (Montana-Dakota) herewith electronically submits a request to the North Dakota Public Service Commission (Commission) for approval of a tariff provision waiver regarding the filing requirement in the Company's Fuel and Purchased Power Adjustment – Rate 58 (Rate 58) to allow for surcharge recovery over twenty-four months instead of twelve.

Rate 58, Section 4 Surcharge Adjustment states that "All sales rate schedules shall be subject to a Surcharge Adjustment to be effective on April 1 each year. The Surcharge Adjustment per Kwh sold shall reflect the amortization of the applicable balance in the Deferred Fuel Cost Account calculated by dividing the applicable balance by the estimated Kwh sales for the twelve months following the effective date of the adjustment."

On October 24, 2023, the North Dakota Public Service Commission approved Montana-Dakota's request for a waiver of the filing requirement in the Company's Rate 58 due to higher costs from the Regional Transmission Organizations (RTO's) in which Montana-Dakota participates. The increased costs were largely the result of congestion in Midcontinent Independent System Operator (MISO) and Southwest Power Pool's (SPP) footprint.

The Company has been actively pursuing a solution that will curb the congestion in that local area. Montana-Dakota has filed a Complaint with the Federal Energy Regulatory Commission (FERC) against MISO and SPP in FERC Docket No. EL24-61-000. In its complaint, Montana-Dakota asserts that MISO and SPP violated the Joint Operating Agreement by improperly instituting and continuing market-to-market coordination on the Charlie Creek Flowgate. The Complaint is pending before FERC and the Company expects it to take some time for resolution.

Furthermore, the Company expects SPP to implement a Remedial Action Scheme (RAS) starting April 1st, 2024, which will help to reduce the constraint associated with the Charlie Creek Flowgate.

In the February 20, 2024 monthly update of the under-collected balance, Montana-Dakota reported that the Deferred Fuel Cost Account has an under collected balance of \$7,553,941 for primary service customers and \$24,716,453 for secondary service customers as of January 31, 2024. Given that the Company is expecting recovery from FERC in its complaint, Montana-Dakota is requesting the language in Section 4 be waived to allow for twenty-four months of recovery. This will allow Montana-Dakota the ability to recover a portion of the deferred balance without over-recovering in the event of a FERC ruling in the Company's favor.

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