



A Subsidiary of MDU Resources Group, Inc.

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January 29, 2024

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

Re: Revised Annual Update to the Renewable Resource Cost Adjustment Rate 55 Tariff
Case No. PU-23-340

Pursuant to discussions with North Dakota Public Service Commission Staff, Montana-Dakota herewith submits revised rate calculations presenting rates to be effective on and after March 1, 2024.

In support of the revised effective date for proposed rates, a revised Exhibit 1 - Revised (Tariff), Exhibit 2 - Revised (Rate Calculation), and Exhibit 4 - Revised (Balancing Account Summary and Revenue Breakdown) are provided. All other Exhibits supporting the rate calculation provided on October 31, 2023 were not affected by the change in the proposed effective date and are not provided herein.

In Exhibit 2 - Revised, the projected 2024 Revenue Requirement and Levelizing Adjustment were updated to reflect eleven months, as were the billing determinants used to calculate the rates. The projected under-collected balance was also extended through February 2024, which is detailed in Exhibit 4 - Revised.

Under the revised proposed rate, a residential customer using 800 kWh would see a total increase of \$1.51 per month from the currently authorized charge under Rate 55, representing a increase of \$18.12 annually. This change will constitute an increase of approximately 1.54% in a residential customer's total bill. The revised proposed Renewable Resource Cost Adjustments (RRCA) rates are shown below, along with the change from the current RRCA rates implemented March 1, 2023:

	<u>Proposed Rate</u>	<u>Current Rate</u>	<u>Change</u>
Residential & Small General Rate/kWh	\$0.01033	\$0.00844	\$0.00189
Large General/kWh	\$0.00979	\$0.00768	\$0.00211
Lighting/kWh	\$0.00954	\$0.01094	(\$0.00140)

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

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Attachments
cc: Allison Waldon

Exhibit 1 - Revised



Montana-Dakota Utilities Co.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 5
1st Revised Sheet No. 39
Canceling Original 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	1.033¢ per Kwh
Large General	0.979¢ per Kwh
Lighting	0.954¢ per Kwh

Date Filed: January 29, 2024

Effective Date:

Issued By: Travis R. Jacobson
Director – Regulatory Affairs

Case No.: PU-23-340

Tariff Reflecting Proposed Changes



Montana-Dakota Utilities Co.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 5

~~Original~~ 1st Revised Sheet No. 39

~~Canceling Original Sheet No. 39~~

RENEWABLE RESOURCE COST ADJUSTMENT Rate 55

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3. **Renewable Resource Cost Adjustment:**

Residential & Small General	0.8441.033 ¢ per Kwh
Large General	0.7680.979 ¢ per Kwh
Lighting	1.0940.954 ¢ per Kwh

Date Filed: ~~June 12~~January 29, 2024

Effective Date: ~~Service rendered on and after July 1, 2023~~

Issued By: Travis R. Jacobson
Director – Regulatory Affairs

Case No.: ~~PU-22-194~~23-340

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Proposed 2024 Renewable Rider Rates
Updated for March 1, 2024 Effective Date**

	<u>Total</u>
Revenue Requirement - Feb. - Dec. 2024 1/	\$9,103,731
Levelization - Feb. - Dec. 2024 2/	7,669,310
Under Recovery - Estimated February 2024 3/	2,776,525
Total Cost to be Recovered through RRCA Rates	<u><u>\$19,549,566</u></u>

<u>Allocation of Costs & Proposed Rates</u>	<u>Allocated RRCA Costs 4/</u>	<u>Projected Billing Determinants</u>	<u>Proposed RRCA Rates</u>
Residential & Small General	\$8,164,488	790,433,329 kWh	\$0.01033 per kWh
Large General	11,240,135	1,147,889,806 kWh	\$0.00979 per kWh
Lighting	144,943	15,185,310 kWh	\$0.00954 per kWh
	<u><u>\$19,549,566</u></u>		

<u>Change in Rates</u>	<u>Proposed RRCA Rates</u>	<u>Current RRCA Rates 5/</u>	<u>Change in RRCA Rates</u>
Residential & Small General	\$0.01033	\$0.00844	\$0.00189
Large General	\$0.00979	\$0.00768	\$0.00211
Lighting	\$0.00954	\$0.01094	(\$0.00140)

1/ Exhibit 3, page 1 total of February - December 2024 revenue requirement.

3/ Exhibit 4 - Revised, page 2, total of February - December 2024 levelization adjustment in rates.

3/ Exhibit 4 - Revised, page 1, updated for projected February 2024 balance.

4/ Demand/Energy for Wind Allocation Factor 3 approved in Case No. PU-22-194.

Residential & Small General	41.763014%	(Rates 10, 13, 16, 20, 25, 26, and 40)
Large General	57.495574%	(Rates 30, 31, 32, 38, 48 and contracts)
Lighting	0.741412%	(Rates 41, 52)
	<u><u>100.000000%</u></u>	

5/ Current RRCA rates effective March 1, 2023.

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Renewable Resource Cost Adjustment
Balancing Account and Carry Charge Calculation
Updated for Estimated February 2024 Activity

	Cumulative								Grand Total (Over)/Under Collection
	Beginning Balance	Revenue Requirement 1/	Revenue Collected 2/	Ending Balance 3/	Carrying Charge Calculation			Carrying Charge 4/	
					Deferred Income Tax	Net Balance	Rate 4/		
September 2022									\$315,427 5/
October	\$315,427	\$1,113,703	\$854,259	\$574,871	\$140,297	\$434,574	3.72%	\$749	575,620
November	574,871	649,688	870,436	354,123	86,423	267,700	4.15%	1,503	356,375
December	354,123	1,750,684	1,212,429	892,378	217,784	674,594	4.25%	948	895,578
January 2023	892,378	966,806	1,146,673	712,511	173,888	538,623	4.54%	2,552	718,263
February	712,511	585,076	931,077	366,510	89,446	277,064	4.65%	2,087	374,349
March	366,510	1,150,424	1,040,869	476,065	116,183	359,882	4.69%	1,083	484,987
April	476,065	693,487	765,883	403,669	98,515	305,154	4.92%	1,476	414,067
May	403,669	1,245,105	693,140	955,634	233,222	722,412	5.14%	1,307	967,339
June	955,634	1,467,731	781,776	1,641,589	400,628	1,240,961	5.16%	3,106	1,656,400
July	1,641,589	1,368,197	723,972	2,285,814	557,851	1,727,963	5.25%	5,429	2,306,054
August	2,285,814	1,235,562	859,877	2,661,499	649,536	2,011,963	5.30%	7,632	2,689,371
September	2,661,499	1,308,558	755,678	3,214,379	784,466	2,429,913	5.32%	8,920	3,251,171
October - Est.	3,214,379	483,727	653,547	3,044,559	743,022	2,301,537	5.32%	10,773	3,092,124
November - Est.	3,044,559	568,647	648,642	2,964,564	723,499	2,241,065	5.32%	10,203	3,022,332
December - Est.	2,964,564	1,266,534	870,586	3,360,512	820,130	2,540,382	5.32%	9,935	3,428,215
January 2024 - Est.	3,360,512	421,990	903,085	2,879,417	702,719	2,176,698	5.32%	11,262	2,958,382
February - Est.	2,879,417	568,116	759,623	2,687,910	655,982	2,031,928	5.32%	9,650	2,776,525
Total		\$16,844,035	\$14,471,552					\$88,615	

1/ Monthly revenue requirement, see Exhibit 4, pages 3-4.

2/ Reflects revenues collected at established rates net of additional revenue collected for levelization. Additional revenues for levelization effective February 1, 2022 in Case No. PU-21-420 and March 1, 2023 in Case No. PU-22-401.

3/ (Over)/Under collection on revenue requirement not including the carrying charge, 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/ September 2022 (Over)/Under balance per Case No. PU-22-401, Exhibit 4, page 1 as updated in the January 31, 2023 update.

**North Dakota Renewable Rider
Revenue Breakdown**

	Total Revenue Collected	Levelizing Adjustment in Rates 1/	Net Revenue Collected
October 2022	1,275,804	421,545	854,259
November	1,298,423	427,987	870,436
December	1,805,136	592,707	1,212,429
	<u>\$4,379,363</u>	<u>\$1,442,239</u>	<u>\$2,937,124</u>
January 2023	\$1,957,045	\$810,372	\$1,146,673
February	1,591,334	660,257	931,077
March	1,817,958	777,089	1,040,869
April	1,388,588	622,705	765,883
May	1,260,292	567,152	693,140
June	1,420,887	639,111	781,776
July	1,315,851	591,879	723,972
August	1,562,171	702,294	859,877
September	1,374,806	619,128	755,678
October - Est.	1,191,111	537,564	653,547
November - Est.	1,179,278	530,636	648,642
December - Est.	1,576,936	706,350	870,586
	<u>\$17,636,257</u>	<u>\$7,764,537</u>	<u>\$9,871,720</u>
January 2024 - Est.	\$1,796,793	\$893,708	\$903,085
February - Est.	1,487,779	728,156	759,623
March - Est.		857,003	
April - Est.		686,742	
May - Est.		625,476	
June - Est.		704,835	
July - Est.		652,746	
August - Est.		774,516	
September - Est.		682,797	
October - Est.		592,845	
November - Est.		585,205	
December - Est.		778,989	
		<u>\$8,563,018</u>	

1/ Levelization adjustment is amount included in established rates.