

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co.  
Renewable Resource Cost Recovery  
Rates**

**Case No. PU-23-340**

**ORDER**

**February 7, 2024**

**Preliminary Statement**

On October 31, 2023, Montana-Dakota Utilities Co. (MDU) filed changes to rates under its Renewable Resource Cost Adjustment Rate 55 Tariff (RRCA) for electric service rendered on or after February 1, 2024.

On November 29, 2023, the Commission issued a Notice of Opportunity for Hearing, which provided until January 8, 2024, for receiving written comments and hearing requests. No response was 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. Whether the investments and associated costs for the resources qualify for recovery,
2. Whether the incurred costs are reasonable and prudent,
3. Whether the rate adjustments are consistent with the terms of MDU's tariff,

On January 29, 2024, MDU filed a revised RRCA for electric services rendered on or after March 1, 2024.

**Discussion**

Under its RRCA, MDU recovers costs associated with renewable generation resource modifications or additions approved by the Commission but not currently recovered in the retail rates established at the time of MDU's last electric rate case.

The updated RRCA rates reflect projected costs related to MDU's investment in the Thunder Spirit Wind Project 1 & 2, the Cedar Hills Wind Project, the Diamond Willow Wind Project and subsequent repowering. The updated rates also reflect a projected under-recovered RRCA revenue balance as of December 31, 2023, as a result of higher than projected operating costs, lower production tax credits and lower than expected usage. And finally, the updated rates reflect a partial levelization of Production Tax Credits (PTCs).

The updated RRCA rates by customer class are as follows:

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

The billing impact of the updated RRCA rate on the bill of a residential customer using 800 kWh is an increase of \$1.51 per month.

The investments and associated costs qualify for recovery and are reasonable and prudent.

The proposed rates comply with the RRCA Tariff and are just and reasonable.

### Order

The Commission Orders Montana-Dakota Utility Co.'s 2024 Renewable Resource Cost Adjustment rates filed on January 29, 2024, are approved for electric service rendered on or after March 1, 2024.

### PUBLIC SERVICE COMMISSION

  
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Commissioner

  
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Chair

  
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