

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Montana-Dakota Utilities Co.
Renewable Resource Cost Recovery
Rates

Case No. PU-23-340

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Geralyn R. Schmaltz deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **8th day of February 2024**, she deposited in the United States Mail, at Bismarck, North Dakota, **two** envelopes with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

- **Order**

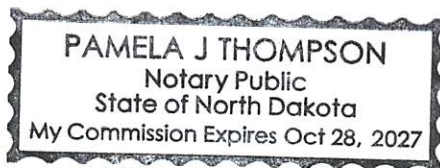
The envelopes were addressed as follows:


Travis Jacobson
Director of Regulatory Affairs
Montana-Dakota Utilities Co.
400 N. 4th Street
Bismarck, ND 58501
Cert. No. 9589 0710 5270 1582 7550 64


Allison Waldon
Attorney
MDU Resources Group, Inc.
PO Box 5650
Bismarck, ND 58506-5650
Cert. No. 9589 0710 5270 1582 7550 71

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me
this **8th day of February 2024**.







Notary Public

SEAL

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

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



Sheri Haugen-Hoffart
Commissioner



Randy Christmann
Chair



Julie Fedorchak
Commissioner