



A Subsidiary of MDU Resources Group, Inc.

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February 13, 2024

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

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

Montana-Dakota Utilities Co. (Montana-Dakota) herewith electronically submits the following electric rate schedule that will be implemented effective with service rendered on and after March 1, 2024 in compliance with the Commission's Order issued on February 7, 2024:

- 1st Revised Sheet No. 39

Montana-Dakota has also included an updated copy of the customer bill insert to be included with the customers' bills in March.

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Attachments



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: Service rendered on and after March 1, 2024

Issued By: Travis R. Jacobson
Director – Regulatory Affairs

Case No.: PU-23-340

Annual Update to the Renewable Resource Cost Adjustment with the North Dakota Public Service Commission

On October 31, 2023, Montana-Dakota Utilities Co. (Montana-Dakota) filed an application with the North Dakota Public Service Commission (Commission) to update its Renewable Resource Cost Adjustment (RRCA) rates in accordance with the Company's Renewable Resource Cost Adjustment Rate 55 tariff that states the rates will be revised annually to reflect the most recent projected level of costs to be recovered. The Commission approved the updated RRCA rates on February 7, 2024.

The RRCA rates reflect North Dakota's allocation of Montana-Dakota's investments in its three wind facilities (Diamond Willow, Cedar Hills, and Thunder Spirit) currently not being recovered through the Company's electric service rates, as well as the amortization of the under-recovered RRCA balance through February 2024.

The new RRCA rates will be effective with service rendered on and after March 1, 2024.

A typical residential customer using 800 Kwh will see an increase of \$1.51 per month. The RRCA is shown as a separate line item on your bill.

	<u>Residential & Small General</u>
Applicable Rate Schedules	10, 13, 16, 20, 25, & 40
Current Rate	\$0.00844 per Kwh
New Rate	\$0.01033 per Kwh
Change	\$0.00189 per Kwh
	<u>Large General</u>
Applicable Rate Schedules	30, 31, 32, 38, 48, and contracts
Current Rate	\$0.00768 per Kwh
New Rate	\$0.00979 per Kwh
Change	\$0.00211 per Kwh
	<u>Lighting</u>
Applicable Rate Schedules	41 & 52
Current Rate	\$0.01094 per Kwh
New Rate	\$0.00954 per Kwh
Change	(\$0.00140) per Kwh

For more information, please contact a Montana-Dakota representative at 1-800-638-3278.