

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

**Montana-Dakota Utilities Co.**  
**Transmission Facility Cost Recovery**  
**Rates**

**Case No. PU-24-297**

**ORDER**

**November 20, 2024**

**Preliminary Statement**

On July 15, 2024, Montana-Dakota Utilities Co. (MDU) filed an annual rate update under its Transmission Facility Cost Adjustment (TCA) tariff.

On August 14, 2024, the Commission issued a Notice of Opportunity for Hearing, which provided until September 25, 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. Do the investments and associated costs for the new or modified electric transmission facilities qualify for recovery?
2. Do the proposed rates comply with the tariff?
3. Are the proposed rates just and reasonable?

On November 5, 2024, MDU filed a revision to its TCA rate.

**Discussion**

MDU included three new transmission projects totaling \$1.1M in the proposed TCA revenue requirement. One was a rebuild project, another was a replacement project, and the other one was a substation with a line re-route. In its initial filing, MDU proposed to refund to customers \$459,839 with MDU's Rate 45 customer contributing \$7.6M in reduction to the revenue requirement. The revenue requirement for the previously approved transmission projects was largely flat from last year's TCA requirement.

Upon review of the filing, Staff discovered MDU was applying an incorrect rate in calculating a MISO schedule 26A credit and proposed recovering \$1.7M in total project

cost for one phase of the rebuild and a portion of the second phase of the rebuild which was already planned for recovery in base rates.

On November 5, 2024, MDU revised its filing to correct the MISO schedule 26A credit, which increased the refund by \$0.2M, and removed the project costs that were planned for base rate recovery, which increased the refund by an additional \$0.3M.

With the revised filing, MDU proposes to refund \$949,802 to be effective December 1, 2024, which is  $-\$0.00051$  per kWh (-0.051 cents per kWh). The change results in a billing decrease for a residential customer using 800 kWh per month of \$0.95 or \$11.40 annually over the existing TCA rate.

The proposed investments and associated costs for new or modified electric transmission facilities qualify for recovery.

The proposed rates comply with the tariff.

The proposed rates are just and reasonable.

#### Order

The Commission orders MDU's TCA rate filed on July 15, 2024, and revised on November 5, 2024, is approved effective December 1, 2024.

#### PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
Sheri Haugen-Hoffart  
Commissioner

  
\_\_\_\_\_  
Randy Christmann  
Chair

  
\_\_\_\_\_  
Julie Fedorchak  
Commissioner