

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

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

**Case No. PU-24-366**

**ORDER**

**January 22, 2025**

**Preliminary Statement**

On November 1, 2024, Montana-Dakota Utilities Co. (MDU) filed changes to the rates under its Renewable Resource Cost Adjustment Rate 55 Tariff (RRCA) for electric service rendered on or after January 1, 2025.

On November 20, 2024, the Commission issued a Notice of Opportunity for Hearing, which provided until January 1, 2025, for receiving written comments and requests for a hearing.

The Notice identified the issues being considered in this proceeding are:

1. Whether the investment and associated costs for the resources qualify for recovery,
2. Whether the incurred costs are reasonable and prudent, and
3. Whether the rate adjustments are consistent with the terms of MDU's tariff?

The Notice provided that, if deemed appropriate, the Commission can determine the matter without a hearing. No comments or requests were received.

**Discussion**

Under its RRCA, MDU recovers costs associated with renewable generation resource additions or modifications 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 Cedar Hills, Diamond Willow, and Thunder Spirit wind projects and subsequent repowering. The updated rates also reflect a projected over-recovered RRCA revenue balance as of December 31, 2024. The updated rates reflect a levelization of the Production Tax Credits associated with the wind projects.

The updated RRCA rates by customer class are as follows:

<u>Customer Class</u>	<u>Proposed Rate</u>	<u>Current Rate</u>	<u>Change</u>
Residential & Small General Rate/kWh	\$0.00890	\$0.01033	(\$0.00143)
Large General/kWh	\$0.00832	\$0.00979	(\$0.00147)
Lighting/kWh	\$0.00832	\$0.00954	(\$0.00122)

The monthly billing impact of the updated RRCA rate on the bill of a residential customer using 800 kWh per month is a decrease of \$1.14 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 Utilities Co.'s 2025 Renewable Resource Cost Adjustment rates filed on November 1, 2024, are approved for electric service rendered on or after February 1, 2025.

### PUBLIC SERVICE COMMISSION

  
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Commissioner

  
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Randy Christmann  
Chair

  
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