

BEFORE THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION

Montana-Dakota Utilities Co.

Advance Prudence – Badger Wind, Application, Case No. PU-25-75

150 MW Badger Wind, Public Convenience & Necessity, Case No. PU-25-76

DIRECT TESTIMONY
OF
ROBERT FRANK

ON BEHALF OF THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION
ADVOCACY STAFF

September 5, 2025

1 Q: Provide your name and qualifications.

2 A: My name is Robert Frank. I am a Public Utility Analyst for the North Dakota
3 Public Service Commission (Commission). I have 9 years of utility resource
4 planning experience and three years of utility regulatory experience.

5 I received a Bachelor of Business Administration in Business Economics as
6 well as a Master of Science in Applied Economics from the University of North
7 Dakota in 2010. Prior to my work with the Commission, I completed Long-Term
8 Load Forecasts on an annual basis for planning purposes for Basin Electric
9 Power Cooperative.

10
11 Q: What is the purpose of your testimony?

12 A: The Commission has appointed me to advocacy staff in this proceeding. As
13 such, I will provide the Commission with an analysis and recommendation
14 concerning the settlement agreement submitted by Montana-Dakota Utilities
15 Co. (Montana-Dakota) and North Dakota Public Service Commission Advocacy
16 Staff.

17
18 Q: Please summarize the settlement.

19 A: The settlement agreement, if approved by the Commission, grants approval of
20 the Advanced Determination of Prudence (ADP) requested by Montana-Dakota
21 for a 49% ownership share in the Badger Wind Energy Project (Project) up to
22 a total capital expenditure of \$295.5 million to be recovered in Montana-
23 Dakota's Renewable Resource Recovery Rider Rate 55 or eventually in rate
24 base. The settlement also grants approval of and recommends issuing the
25 Certificate of Public Convenience and Necessity to Montana-Dakota for this
26 Project. Analysis showed that the decision to exercise the ownership option
27 was comparable to the PPA over its 20-year timeframe and reasonable
28 considering the need to replace the capacity after the PPA terminates among
29 other factors. However, there is concern that if the actual generation is

1 significantly lower than the target it would adversely impact the benefits of
2 ownership versus the PPA option and that some degree of downside protection
3 for ratepayers is reasonable.
4

5 Q: Are there any conditions in the settlement pertaining to curtailment?

6 A: Yes. Montana-Dakota has agreed to report the annual capacity factor for its
7 ownership share in the Project to the Commission on a yearly basis. A
8 production threshold of 450,702 MWH was agreed to for determining the point
9 where ratepayers will receive downside protection. For a period of 10 years
10 beginning the 3rd year of start of commercial operation, Montana-Dakota will
11 calculate a 3-year rolling average and determine if their ownership share in the
12 Project will fall below the production threshold. If so, the revenue requirement
13 of MDU's ownership portion will be reduced by \$285,000 and will flow through
14 the Renewable Resource Recovery Rider Rate 55 during the yearly true-up
15 process. Finally, the agreement stipulates that any lost MWHs that are
16 compensated by third-parties through warranties and insurance proceeds will
17 be added back into the rolling average production calculation.
18

19 Q: Does the settlement propose treatment of Production Tax Credits associated
20 with MDU's ownership portion of Badger Wind?

21 A: Yes. MDU proposes to normalize Production Tax Credits consistent with past
22 precedent on existing wind projects Cedar Hills, Diamond Willow, and Thunder
23 Spirit.
24

25 Q: Do you recommend the Commission approve the settlement?

26 A: Yes.
27

28 Q: Does this conclude your testimony?

29 A: Yes it does.