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North Dakota Public Service Commission
Montana-Dakota Utilities Co. Transmission Facility Cost Recovery Rates
Case No. PU-25-225
September 19, 2025

On July 16, 2025, Montana-Dakota Utilities Co. (MDU) filed an application requesting a change to its Transmission Cost Adjustment (TCA) rates. Among those costs are charges for transmission-related services provided by Midcontinent Independent System Operator (MISO) and Southwest Power Pool (SPP) and the projected net transmission-related costs including the transmission revenues from a large electric customer taking service under MDU's Rate 45 tariff.

The effect of the rate change on the bill for a residential customer using 800 kWh per month would be a significant increase of \$3.13 per month or \$37.56 per year, proposed to be effective December 1, 2025.

AARP has an obvious interest in this proceeding. We represent the over 50 population in North Dakota, many of whom are MDU electric customers and will be adversely affected by the increase. Indeed, we are often the lone intervenor representing all residential customers.

We are therefore submitting comments and requesting a hearing to elaborate on our problems with this filing as outlined below. AARP has the following comments:

1. Do the investments and associated costs for the new or modified electric transmission facilities qualify for recovery?

It is not clear from MDU's Application. The Application does not provide an indication of whether each of the requested projects to be included have yet been approved by the MISO or the SPP. To qualify, a project should be specifically approved by the MISO or the SPP and not simply assumed in some transmission forecast. Even if they are approved by MISO, the PSC (in conjunction with 4 other PSCs) has requested that the Tranche 2 projects be reviewed or rejected by FERC.

Many of the costs that are requested are speculative, and the Application does not specify why each potential project would belong in the TCA tariff. Such speculative costs include forecasts regarding MISO and SPPP projected charges, the projected costs of the Wishek rebuild, and

higher costs due to the Rate 45 large load of customer savings not being realized, as well as projected costs through June of 2026.

Speculatively, projected forecast costs have no business being in a rider and are only MDU's estimates.

Again, all MDU Tranche 2 MISO transmission project costs should be removed due to the PSC's complaint against MISO at FERC is resolved. No costs that are still subject to this legal controversy should be considered for addition to MDU's TCA, until the complaint has been resolved.

2. Do the proposed rates comply with the tariff?

Tariff 59 states this about eligible costs to be included in the TCA: *"Costs to be recovered under the Transmission Adjustment **shall include new or modified transmission facilities** such as transmission lines and other transmission related equipment such as substations, transformers and other equipment constructed to improve the power delivery capability or reliability of the transmission system as well as federally regulated costs charged to or incurred by the Company to increase regional transmission capacity or reliability that are not reflected in the rates established in the most recent general rate case."*

Based on this language, the tariff appears to refer to costs related to projects that have been completed, rather than speculative future projects.

As noted above, due to the speculative nature of certain projects for which costs are being requested, AARP believes the proposed rates may not comply with the tariff.

3. Are the proposed rates just reasonable?

AARP does not believe that the application includes sufficient proof that the proposed rates would be just and reasonable.

For these reasons, AARP North Dakota requests a hearing on this matter before the new TCA rates (interim or otherwise) are put into effect.

Sincerely yours,



Josh Askvig
State Director
AARP North Dakota