

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

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

Case No. PU-25-279

ORDER

January 26, 2026

Preliminary Statement

On October 31, 2025, 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, 2026.

On November 19, 2025, the Commission issued a Notice of Opportunity for Hearing, which provided until January 2, 2026, 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.

On January 7, 2026, the Commission discussed this matter with MDU during an informal hearing.

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, Thunder Spirit and Badger wind projects. The updated

rates also reflect a projected under-recovered RRCA revenue balance as of December 31, 2025. 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	\$0.02138	\$0.00890	\$0.01248
Large General/kWh	\$0.02028	\$0.00832	\$0.01196
Lighting/kWh	\$0.02077	\$0.00832	\$0.01245

The monthly billing impact of the updated RRCA rate on the bill of a residential customer using 800 kWh per month is an increase of \$9.98 for a total rate of \$17.10 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 2026 Renewable Resource Cost Adjustment rates filed on October 31, 2025, are approved for electric service rendered on or after February 1, 2026.

PUBLIC SERVICE COMMISSION

 Sheri Haugen-Hoffart Commissioner	 Randy Christmann Chair	 Jill Kringstad Commissioner
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