

Memorandum

To: Commissioners Christmann, Haugen-Hoffart and Kringstad

From: Victor Schock, Director of Public Utilities

TS

Date: July 21, 2026

Re: Montana-Dakota Utilities Co., 2027 Electric Rate Increase, Application, Case No. PU-26-241

On June 30, 2026, Montana-Dakota Utilities Co. (MDU) filed an application to increase its electric rates in North Dakota.

On July 20, 2026, MDU filed a revised interim rate design after realizing an error in the calculation of the proposed interim rate.

The primary drivers of the increase request as laid out by MDU are: Capital investments, increased operation and maintenance expenses, and depreciation.

The chart below provides a summary of the interim and full rate increase requests.

MDU 2027 Electric Rate Increase	
Date Filed	6/30/2026
Test Year	2027
Retail Electric Customers	94,700
Requested ROE	10.8%
Currently Authorized ROE	9.75%
Last Electric Case	PU-22-194
Last Electric Increase authorized	\$15.275M (7.4%)
Interim Rates Effective Date	9/1/2026
Commission's Deadline for final rates (49-05-06 (1))	2/1/2027

Breakdown	Interim	Full Request
2027 Base Rate Revenue at current rates	\$190,458,513	\$190,458,513
2027 Rider Revenue at current rates	\$48,029,649	\$48,029,649
Total 2027 Retail Revenue at current rates	\$238,488,162	\$238,488,162
Requested Increase	\$26,347,265	\$34,489,287
2026 Retail Revenue at requested rates	\$264,835,427	\$272,977,449
% Increase	11.0%	14.5%
Interim Rate Surcharge	26.118%	
Monthly bill impact to Residential	\$12.90	\$19.10