Montana-Dakota Utilities Co.
A Division of MDU Resources Group, Inc.
400 N 4th Street
Bismarck, ND 58501

State of South Dakota
Electric Rate Schedule – SDPUC Volume No. 2

Section No. 3
Original Sheet No. 28

TRANSMISSION COST RECOVERY RIDER Rate 59

N

1. Applicability:

This rate schedule represents a Transmission Cost Adjustment and specifies the procedure to be utilized to recover the net balance of the capital and operating costs and revenue credits of Montana-Dakota's transmission related expenses and revenues determined to be eligible for recovery in accordance with SDCL 49-34A-25.1 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.

2. Transmission Cost Adjustment:

a. An adjustment per Kwh will be determined based on the cumulative transmission related costs and revenue credits eligible for recovery and as allocated to the South Dakota jurisdiction as of November 1 of each year and the projected Kwh sales for the recovery period. The adjustment will also include a return requirement on the capital investments based on the authorized rate of return and a true-up of the previous year's adjustment, as described in 2(d).

b. The adjustment will be applicable to all retail customers for electric energy sold, except those served under special contract and allocated among the rate classes based on the transmission allocation factor from Montana-Dakota's most recent South Dakota general rate case.

c. The adjustment per Kwh will be revised annually to reflect the current level of costs to be recovered.

d. The true-up will reflect any over or under collection of revenue under the Transmission Adjustment from the preceding twelve month period plus carrying charges or credits accrued at a rate equal to the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.

N

Date Filed: June 30, 2015 **Effective Date:**

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Docket No.:

Montana-Dakota Utilities Co.
A Division of MDU Resources Group, Inc.
400 N 4th Street
Bismarck, ND 58501

State of South Dakota
Electric Rate Schedule – SDPUC Volume No. 2

Section No. 3
Original Sheet No. 28.1

TRANSMISSION COST RECOVERY RIDER Rate 59

N

3. Time and Manner of Filing:
Montana-Dakota shall file the Transmission Adjustment at least 30 days prior to the proposed effective date. The filing by Montana-Dakota shall be made by means of a revised Transmission Adjustment tariff sheet identifying the amounts of the adjustment, the derivation of the adjustment and the resulting Transmission Adjustment rate.

4. Transmission Cost Adjustment Rate by class:

Residential & Small General	0.000¢
Large General	0.000¢
Lighting	0.000¢

N

Date Filed: June 30, 2015 **Effective Date:**

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Docket No.: