



UTILITIES CO.

A Division of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
(701) 222-7900

April 19, 2017

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501

Re: Revised Annual Update to Transmission
Cost Recovery Rider Rate 59
Docket No. EL17-011

Montana-Dakota Utilities Co., a Division of MDU Resources Group Inc. (Montana-Dakota), herewith electronically submits revisions to its Transmission Cost Recovery Rider (TCRR) annual update as submitted in Docket No. EL17-011 on March 2, 2017. Montana-Dakota is requesting approval of 1st Revised Sheet No. 28.1 of its electric tariffs to be effective with service rendered on and after May 2, 2017.

During Commission Staff's review of the Company's request to update the TCRR rate, the following adjustments were identified and are reflected in this updated request:

- A reduction in the Projected 2017 MISO Schedules 1, 2, 7, 8, and 24 revenue and MISO Schedule 10 expenses, and an increase in the Projected 2017 SPP Schedule 9 Facility Credit
- An update to the Company's Projected 2016 Attachment MM Revenue Requirement and a correction to the Schedule 26A Return Credit for 2016 and 2017, with a corresponding update to the 2016 carrying charges

The above noted adjustments result in a decrease of \$19,525 in the total costs to be recovered from the Company's initial request submitted on March 2, 2017. The revised projected 2017 transmission costs, as allocated to South Dakota and including the O&M Revenue Credit and Schedule 26A Return Credit, are \$662,045 as shown in Revised Attachment A. The proposed TCRR rate of \$0.00438 per Kwh is applicable to all electric retail rate schedules and reflects an increase of \$0.00072 per Kwh from that currently authorized.

A complete set of the attachments are provided in support of the rate update and are included here:

Attachment A – Summary of the Transmission Costs and proposed TCRR rate.

Attachment B – Projected 2017 costs and revenues by MISO and SPP Schedule and as allocated to South Dakota. The calculation of the MISO Schedule 26A Other O&M and Return credits are included on Page 3.

Attachment C – Actual 2016 costs and revenues by MISO and SPP Schedules as allocated to South Dakota. The calculation of the MISO Schedule 26A Other O&M and Return credits are included on Revised Page 3.

Attachment D – Calculation of the under-recovered balance from 2016 based on the actual net expenses and the revenues collected through interim rates plus the TCRR charge implemented on July 1, 2016.

Attachment E - "Report of Tariff Schedule Change" form required pursuant to ARSD 20:10:13:26.

Attachment F – Proposed Bill Insert notifying customers of new TCRR rate to be included with customers' bills upon implementation of the new rate

If you have any questions regarding this filing, please contact me at (701) 222-7856 or tamie.aberle@mdu.com.

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Attachments

cc: B. Koenecke