



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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Bismarck, ND 58501
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March 12, 2019

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

Re: Tax Cuts and Jobs Act Refund
Compliance Filing
Docket No. GE17-003

Montana-Dakota Utilities Co. (Montana-Dakota), a Subsidiary of MDU Resources Group, Inc., herewith electronically submits this Tax Cuts and Jobs Act Refund Compliance Filing in the above referenced docket.

On December 29, 2017, the South Dakota Public Utilities Commission (Commission) issued an Order Requiring Comments; Order Requiring Rates in Effect January 1, 2018 are Subject to Refund; and Order Granting Intervention. On October 23, 2018, the Commission approved a Settlement Stipulation between Commission Staff and Montana-Dakota that provided for reduced natural gas and electric rates to be effective January 1, 2019 and a Tax Act Refund, for customers who were billed for natural gas and electric service in 2018, to be applied no later than February 15, 2019. The bill credit was to include interest at a rate of seven percent to the average monthly balance during 2018. The total amount to be refunded to customers, prior to the application of interest, was \$591,424 for electric service and \$1,326,915 for natural gas service. The refund was to be allocated to the rate classes based on each class' share of the revenue application approved in the Company's last respective rate cases.

As shown on Attachment A, pages 1 and 3, a refund rate was determined for each respective rate class based on the rate class' 2018 consumption. The final amount to be refunded to electric customers was \$614,284 and \$1,378,200 to natural gas customers. The refund rates were then applied to each customer's 2018 consumption to determine each customer's Tax Act bill credit.

On February 15, 2019, a total of \$613,744 and \$1,374,174 were credited to active electric and natural gas customer accounts, respectively, or checks issued if a customer

account was no longer active and the refund was \$5.00 or greater in accordance with the Settlement Stipulation approved by the Commission on October 23, 2018. The remaining balance of \$540 and \$4,026 is the amount associated with inactive electric and natural gas customer accounts, respectively, where the refund was less than \$5.00 and the difference due to rounding. As the remaining amounts were less than \$5,000 no further regulatory action is required in compliance with the Settlement Stipulation. A breakdown of the refund by rate class is shown on Attachment B.

This filing has been electronically submitted to the Commission in accordance with ARSD 20:10:01:02:05. Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Attachments

cc: Brett Koenecke