

**MONTANA-DAKOTA UTILITIES CO.
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
FIRST DATA REQUEST ISSUED JUNE 28, 2022
RESPONSES DUE JULY 13, 2022
DOCKET NO. EL22-014**

1-1. What notice, if any, was given to the customers on Rate 53 that their rate would be eliminated in the next rate case? Provide a copy of any notice sent.

Response:

In July 2016, Rate 53 was closed to new customers as part of the 2015 rate case. At that time, the bill impact to move Rate 53 customers to the standard residential rate was too significant and therefore the Company had instead proposed to close the rate to new service and gradually move the rates closer to the cost of service in order to facilitate the elimination of Rate 53.

In this immediate filing, the Company is not proposing to eliminate Rate 53, but rather to remove select provisions regarding interruptions under the rate. Therefore, no notice has been provided to customers regarding the elimination of the rate. Consistent with the consideration given to Rate 53 customers in the Company's 2015 rate case, Montana-Dakota will analyze the bill impact of any proposed changes to Rate 53 customers within a future rate case and then determine the most appropriate course of action to take regarding the continuation of Rate 53.

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- 1-2. Provide the estimated total increase for all Rate 53 customers to be moved to Rate 10 customers at the current rates. Provide both total dollar increase and percentage.

Response:

Please see Response No. 1-2 Attachment A reflecting 2021 billing data.

**Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Summary of Customers Served Under Dual Fuel Space Heating Rate 53
Twelve Months Ended December 31, 2021
Bill Comparison - Current Rates**

Customers	Days	Rate 10		Rate 10	Rate 53	Rate 10 Bill					Rate 53 Bill					
		First 750 Kwh	Over 750 Kwh	Total Consumption	Consumption	BSC	Energy	F&PP	Riders	Total	BSC	Energy	F&PP	Riders	Total	Total Bill
January	279	31	157,392	112,676	270,068	\$ 2,136.30	\$ 17,852.47	\$ 6,230.47	\$ 6,427.62	\$ 32,646.86	\$ 2,136.30	\$ 19,896.86	\$ 15,634.22	\$ 16,128.93	\$ 53,796.31	\$ 86,443.17
February	277	28	145,317	86,231	231,548	\$ 1,915.73	\$ 15,617.37	\$ 5,341.81	\$ 5,510.84	\$ 28,385.75	\$ 1,915.73	\$ 20,693.19	\$ 16,259.94	\$ 16,774.45	\$ 55,643.31	\$ 84,029.06
March	277	31	151,170	100,802	251,972	\$ 2,120.99	\$ 16,785.98	\$ 5,812.99	\$ 5,996.93	\$ 30,716.89	\$ 2,120.99	\$ 22,716.65	\$ 17,849.90	\$ 18,414.73	\$ 61,102.27	\$ 91,819.16
April	276	30	141,164	60,046	201,210	\$ 2,045.16	\$ 14,017.75	\$ 4,641.91	\$ 4,788.80	\$ 25,493.62	\$ 2,045.16	\$ 11,837.72	\$ 9,301.64	\$ 9,595.97	\$ 32,780.49	\$ 58,274.11
May	275	31	135,075	44,310	179,385	\$ 2,105.68	\$ 12,773.95	\$ 4,138.41	\$ 4,269.36	\$ 23,287.40	\$ 2,105.68	\$ 8,633.72	\$ 6,784.06	\$ 6,998.72	\$ 24,522.18	\$ 47,809.58
June	274	30	155,240	74,177	229,417	\$ 2,030.34	\$ 18,036.76	\$ 5,292.65	\$ 5,460.12	\$ 30,819.87	\$ 2,030.34	\$ 3,902.03	\$ 3,066.07	\$ 3,163.09	\$ 12,161.53	\$ 42,981.40
July	273	31	165,662	105,162	270,824	\$ 2,090.36	\$ 21,292.18	\$ 6,247.91	\$ 6,445.61	\$ 36,076.06	\$ 2,090.36	\$ 2,004.73	\$ 1,575.24	\$ 1,625.09	\$ 7,295.42	\$ 43,371.48
August	270	31	171,922	148,366	320,288	\$ 2,067.39	\$ 25,181.04	\$ 7,389.04	\$ 7,622.85	\$ 42,260.32	\$ 2,067.39	\$ 2,038.49	\$ 1,601.77	\$ 1,652.46	\$ 7,360.11	\$ 49,620.43
September	269	30	160,490	93,659	254,149	\$ 1,993.29	\$ 19,981.19	\$ 5,863.22	\$ 6,048.75	\$ 33,886.45	\$ 1,993.29	\$ 1,784.38	\$ 1,402.10	\$ 1,446.47	\$ 6,626.24	\$ 40,512.69
October	269	31	145,534	52,123	197,657	\$ 2,059.73	\$ 13,976.10	\$ 4,559.95	\$ 4,704.24	\$ 25,300.02	\$ 2,059.73	\$ 1,941.31	\$ 1,525.41	\$ 1,573.68	\$ 7,100.13	\$ 32,400.15
November	267	30	139,169	50,131	189,300	\$ 1,978.47	\$ 13,378.84	\$ 4,367.15	\$ 4,505.34	\$ 24,229.80	\$ 1,978.47	\$ 6,821.47	\$ 5,360.06	\$ 5,529.67	\$ 19,689.67	\$ 43,919.47
December	263	31	147,075	84,867	231,942	\$ 2,013.79	\$ 15,689.27	\$ 5,350.90	\$ 5,520.22	\$ 28,574.18	\$ 2,013.79	\$ 14,404.46	\$ 11,318.49	\$ 11,676.64	\$ 39,413.38	\$ 67,987.56
	365		1,815,210	1,012,550	2,827,760	\$ 24,557.23	\$ 204,582.90	\$ 65,236.41	\$ 67,300.68	\$ 361,677.22	\$ 24,557.23	\$ 116,675.01	\$ 91,678.90	\$ 94,579.90	\$ 327,491.04	\$ 689,168.26

Customers	Days	Combined		Combined Total Consumption	Total Consumption Billed Under Rate 10					Total Bill		Average Customer Bill Impact
		Rate 10 & 53 First 750 Kwh	Rate 10 & 53 Over 750 Kwh		BSC	Energy	F&PP	Riders	Total	Impact	Percentage	
January	279	31	204,956	742,798	\$ 2,136.30	\$ 52,228.48	\$ 21,864.68	\$ 22,556.55	\$ 98,786.01	\$ 12,342.84	14%	\$ 44.24
February	277	28	201,165	735,192	\$ 1,915.73	\$ 51,560.63	\$ 21,601.76	\$ 22,285.30	\$ 97,363.42	\$ 13,334.36	16%	\$ 48.14
March	277	31	201,578	824,122	\$ 2,120.99	\$ 55,916.87	\$ 23,662.90	\$ 24,411.66	\$ 106,112.42	\$ 14,293.26	16%	\$ 51.60
April	276	30	199,291	405,111	\$ 2,045.16	\$ 35,364.76	\$ 13,943.55	\$ 14,384.77	\$ 65,738.24	\$ 7,464.13	13%	\$ 27.04
May	275	31	195,197	278,252	\$ 2,105.68	\$ 28,875.00	\$ 10,922.47	\$ 11,268.09	\$ 53,171.24	\$ 5,361.66	11%	\$ 19.50
June	274	30	184,142	178,178	\$ 2,030.34	\$ 28,485.60	\$ 8,358.72	\$ 8,623.22	\$ 47,497.88	\$ 4,516.48	11%	\$ 16.48
July	273	31	176,647	162,458	\$ 2,090.36	\$ 26,660.44	\$ 7,823.15	\$ 8,070.70	\$ 44,644.65	\$ 1,273.17	3%	\$ 4.66
August	270	31	179,669	210,050	\$ 2,067.39	\$ 30,639.71	\$ 8,990.82	\$ 9,275.31	\$ 50,973.23	\$ 1,352.80	3%	\$ 5.01
September	269	30	171,626	143,299	\$ 1,993.29	\$ 24,759.40	\$ 7,265.32	\$ 7,495.22	\$ 41,513.23	\$ 1,000.54	2%	\$ 3.72
October	269	31	167,963	95,815	\$ 2,059.73	\$ 17,863.78	\$ 6,085.36	\$ 6,277.92	\$ 32,286.79	\$ (113.36)	0%	\$ (0.42)
November	267	30	187,197	234,442	\$ 1,978.47	\$ 26,116.00	\$ 9,727.21	\$ 10,035.01	\$ 47,856.69	\$ 3,937.22	9%	\$ 14.75
December	263	31	190,700	531,857	\$ 2,013.79	\$ 40,851.72	\$ 16,669.39	\$ 17,196.86	\$ 76,731.76	\$ 8,744.20	13%	\$ 33.25
	365		2,260,131	4,541,574	\$ 24,557.23	\$ 419,322.39	\$ 156,915.33	\$ 161,880.61	\$ 762,675.56	\$ 73,507.30	11%	\$ 267.97

Current Rates	Rate 10	Rate 53	1/
Basic Service Charge	\$0.247	\$0.247	
Energy Charge		\$0.02936	
October - May			
First 750 Kwh	\$0.07862		
First 750 Kwh	\$0.04862		
June - September	\$0.07862		
F&PP	\$0.02307	\$0.02307	2/
TCRR	\$0.01734	\$0.01734	3/
IR	\$0.00646	\$0.00646	4/
(Riders)	\$0.02380	\$0.02380	

1/ Rate 10 and Rate 53 effective January 1, 2019 in Docket No. GE17-003
2/ Fuel & Purchased Power effective June 1, 2022
3/ Transmission Cost Recovery Rider effective June 1, 2022 in Docket No. EL22-006
4/ Infrastructure Rider effective May 1, 2022 in Docket No. EL22-007

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1-3. What would the increase have been, both total dollars and percentage, for Rate 53 customers if they would have been moved to Rate 10 in the last rate case?

Response:

Please see Response No. 1-3 Attachment A reflecting 2014 billing data.

**Montana-Dakota Utilities Co.
Electric Utility - South Dakota
Summary of Customers Served Under Duel Fuel Space Heating Rate 53
Twelve Months Ended December 31, 2014
Bill Comparison - Rates Implemented EL15-024**

	Rate 10 Bill						Rate 53 Bill					Total Bill					
	Customers	Days	Rate 10 First 750 Kwh	Rate 10 Over 750 Kwh	Rate 10 Total Consumption	Rate 53 Consumption	BSC	Energy	F&PP	Riders	Total		BSC	Energy	F&PP	Riders	Total
January	324	31	197,029	199,296	396,325	1,335,687	\$ 2,480.87	\$ 25,421.95	\$ 10,003.24	\$ 3,420.28	\$ 41,326.34	\$ 2,480.87	\$ 39,723.33	\$ 33,712.74	\$ 11,526.98	\$ 87,443.92	\$ 128,770.26
February	322	28	176,286	119,549	295,835	1,044,775	\$ 2,226.95	\$ 19,852.54	\$ 7,466.88	\$ 2,553.06	\$ 32,099.43	\$ 2,226.95	\$ 31,071.61	\$ 26,370.12	\$ 9,016.41	\$ 68,685.09	\$ 100,784.52
March	321	31	178,394	135,846	314,240	1,099,069	\$ 2,457.90	\$ 20,821.86	\$ 7,931.42	\$ 2,711.89	\$ 33,923.07	\$ 2,457.90	\$ 32,686.31	\$ 27,740.50	\$ 9,484.97	\$ 72,369.68	\$ 106,292.75
April	323	30	174,647	95,073	269,720	759,888	\$ 2,393.43	\$ 18,517.73	\$ 6,807.73	\$ 2,327.68	\$ 30,046.57	\$ 2,393.43	\$ 22,599.07	\$ 19,179.57	\$ 6,557.83	\$ 50,729.90	\$ 80,776.47
May	322	31	167,856	62,074	229,930	428,512	\$ 2,465.55	\$ 16,355.13	\$ 5,803.43	\$ 1,984.30	\$ 26,608.41	\$ 2,465.55	\$ 12,743.95	\$ 10,815.64	\$ 3,698.06	\$ 29,723.20	\$ 56,331.61
June	321	30	173,114	61,526	234,640	198,887	\$ 2,378.61	\$ 18,590.53	\$ 5,922.31	\$ 2,024.94	\$ 28,916.39	\$ 2,378.61	\$ 5,914.90	\$ 5,019.91	\$ 1,716.39	\$ 15,029.81	\$ 43,946.20
July	319	31	186,836	93,688	280,524	101,922	\$ 2,442.58	\$ 22,225.92	\$ 7,080.43	\$ 2,420.92	\$ 34,169.85	\$ 2,442.58	\$ 3,031.16	\$ 2,572.51	\$ 879.59	\$ 8,925.84	\$ 43,095.69
August	318	31	190,690	101,212	291,902	79,983	\$ 2,434.93	\$ 23,127.40	\$ 7,367.61	\$ 2,519.11	\$ 35,449.05	\$ 2,434.93	\$ 2,378.69	\$ 2,018.77	\$ 690.25	\$ 7,522.64	\$ 42,971.69
September	319	30	185,384	85,161	270,545	90,119	\$ 2,363.79	\$ 21,435.28	\$ 6,828.56	\$ 2,334.80	\$ 32,962.43	\$ 2,363.79	\$ 2,680.14	\$ 2,274.60	\$ 777.73	\$ 8,096.26	\$ 41,058.69
October	319	31	180,435	73,703	254,138	199,130	\$ 2,442.58	\$ 17,924.26	\$ 6,414.44	\$ 2,193.21	\$ 28,974.49	\$ 2,442.58	\$ 5,922.13	\$ 5,026.04	\$ 1,718.49	\$ 15,109.24	\$ 44,083.73
November	318	30	164,839	51,423	216,262	345,030	\$ 2,356.38	\$ 15,591.75	\$ 5,458.45	\$ 1,866.34	\$ 25,272.92	\$ 2,356.38	\$ 10,261.19	\$ 8,708.56	\$ 2,977.61	\$ 24,303.74	\$ 49,576.66
December	318	31	184,299	133,229	317,528	990,027	\$ 2,434.93	\$ 21,160.87	\$ 8,014.41	\$ 2,740.27	\$ 34,350.48	\$ 2,434.93	\$ 29,443.40	\$ 24,988.28	\$ 8,543.93	\$ 65,410.54	\$ 99,761.02
	365		2,159,809	1,211,780	3,371,589	6,673,029	\$ 28,878.50	\$ 241,025.22	\$ 85,098.91	\$ 29,096.80	\$ 384,099.43	\$ 28,878.50	\$ 198,455.88	\$ 168,427.24	\$ 57,588.24	\$ 453,349.86	\$ 837,449.29

	Total Consumption Billed Under Rate 10						Total Bill Impact		Average Customer Bill Impact			
	Customers	Days	Rate 10 & 53 First 750 Kwh	Rate 10 & 53 Over 750 Kwh	Combined Total Consumption	BSC	Energy	F&PP	Riders	Total	Percentage	
January	324	31	242,346	1,489,666	1,732,012	\$ 2,480.87	\$ 92,537.33	\$ 43,715.98	\$ 14,947.26	\$ 153,681.44	19%	\$ 76.89
February	322	28	239,474	1,101,136	1,340,610	\$ 2,226.95	\$ 73,182.45	\$ 33,837.00	\$ 11,569.46	\$ 120,815.86	20%	\$ 62.21
March	321	31	239,403	1,173,906	1,413,309	\$ 2,457.90	\$ 76,759.29	\$ 35,671.92	\$ 12,196.86	\$ 127,085.97	20%	\$ 64.78
April	323	30	238,358	791,250	1,029,608	\$ 2,393.43	\$ 57,838.34	\$ 25,987.31	\$ 8,885.52	\$ 95,104.60	18%	\$ 44.36
May	322	31	235,364	423,078	658,442	\$ 2,465.55	\$ 39,476.02	\$ 16,619.08	\$ 5,682.35	\$ 64,243.00	14%	\$ 24.57
June	321	30	218,631	214,896	433,527	\$ 2,378.61	\$ 34,348.34	\$ 10,942.22	\$ 3,741.34	\$ 51,410.51	17%	\$ 23.25
July	319	31	208,732	173,714	382,446	\$ 2,442.58	\$ 30,301.20	\$ 9,652.94	\$ 3,300.51	\$ 45,697.23	6%	\$ 8.16
August	318	31	206,468	165,417	371,885	\$ 2,434.93	\$ 29,464.45	\$ 9,386.38	\$ 3,209.37	\$ 44,495.13	4%	\$ 4.79
September	319	30	206,586	154,078	360,664	\$ 2,363.79	\$ 28,575.41	\$ 9,103.16	\$ 3,112.53	\$ 43,154.89	5%	\$ 6.57
October	319	31	224,459	228,809	453,268	\$ 2,442.58	\$ 29,048.15	\$ 11,440.48	\$ 3,911.70	\$ 46,842.91	6%	\$ 8.65
November	318	30	232,026	329,266	561,292	\$ 2,356.38	\$ 34,593.19	\$ 14,167.01	\$ 4,843.95	\$ 55,960.53	13%	\$ 20.08
December	318	31	240,662	1,066,893	1,307,555	\$ 2,434.93	\$ 71,590.79	\$ 33,002.69	\$ 11,284.20	\$ 118,312.61	19%	\$ 58.34
	365		2,732,509	7,312,109	10,044,618	\$ 28,878.50	\$ 597,714.96	\$ 253,526.17	\$ 86,685.05	\$ 966,804.68	15%	\$ 402.65

Current Rates 1/	Rate 10	Rate 53
Basic Service Charge	\$0.247	\$0.247
Energy Charge		\$0.02974
October - May		
First 750 Kwh	\$0.07923	
First 750 Kwh	\$0.04923	
June - September	\$0.07923	
F&PP	\$0.02524	\$0.02524
TCRR	\$0.00366	\$0.00366
IR	\$0.00497	\$0.00497
(Riders)	\$0.00863	\$0.00863

1/ Effective July 1, 2016 in Docket No. EL15-024

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1-4. How many times were customers on Rate 53 interrupted in each of the last 6 years?

Response:

A Rate 53 customer's service is automatically interrupted when the outside air temperature falls below 0°F between the hours of 5:00 pm and 9:00 pm Monday through Friday for space heating service and between the hours of 5:00 pm and 9:00 pm Monday through Friday for water heating service. Due to this automation and with no recording instrumentation, the Company is unable to provide the number of times Rate 53 customers were interrupted in each of the last 6 years.

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1-5. Provide the number of customers on Rate 53 in each of the last 6 years.

Response:

Please see the table below for the number of customers served under Rate 53 in each of the last 6 years.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Rate 53 Customers	401	354	335	315	305	281

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1-6. What type of meters will MDU be installing to replace the old Kv2c meters?

Response:

The Company will replace the Kv2c meters with a standard residential Itron meter, which is the same meter currently installed for all Residential Electric Service Rate 10 customers.

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1-7. When is MDU planning to install new meters, and will the install be system wide all at once?

Response:

Montana-Dakota will replace the Kv2c meter with a standard residential Itron meter for all Rate 53 customers the month following Commission approval, following each customer's regularly scheduled meter read that month.

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1-8. What is the cost per meter to install a new meter individually?

Response:

As noted in Response No. 1-7, the Company will replace the Kv2c meter at the time of each Rate 53 customer's regularly schedule meter read. As such, the Company is anticipating minimal incremental costs to replace the Kv2c meter with a standard residential meter as Company personnel will already be on site.

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1-9. What is the cost per meter for install if undertaken in a mass system wide project?

Response:

Please see Response Nos. 1-7 and 1-8.

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1-10. Explain why the new meters can't be programmed with the same conditions to interrupt customers on Rate 53.

Response:

Currently, the interruption of these customers is accomplished through the use of a Kv2c meter and a relay box. The Kv2c meter includes time of day functionality that is programmed for the hours and days of interruption provided for under the rate schedule. The meter then feeds pulses, during the designated times, into a relay box that includes a temperature sensor that then activates an interruption if the outside temperature falls below 0°F as provided for under Rate 53. In order to simulate the functionality of the Kv2c meter and the relay box once the Kv2c meter is removed, either the meter would need to accomplish both or the relay box would need to accomplish both. It is the Company's understanding that there is currently not an Itron – MDU Fixed Network compatible meter available that could provide this type of functionality.

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1-11. Can the new meters interrupt any customer remotely at all?

Response:

Please see Response No. 1-10.

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1-12. Were any type of secondary control boxes considered to control the load with the new meters?

Response:

The Company did not consider any type of secondary or alternative control box. The current load control program under Rate 53 was instituted over thirty years ago. The Company believes any change to or upgrade in technology surrounding the current load control program is probably significant enough to warrant a more in-depth review regarding not only the investment required for a new technology, but also from a broader lens of what type of load control or demand response program should the Company offer in South Dakota. Dependent on the decision, further review of these Rate 53 customers would then be required such as would these same customers now qualify for the new program, what type of investment would be required over and above what is currently at a customer's premise, and are they interested in participating in such a program.

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1-13. Does MDU have any interruptible customers other than Rate 53 customers?

Response:

Currently, there are no other interruptible electric service rates other than Rate 53 in South Dakota.

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- 1-14. What considerations has MDU made for the customers on Rate 53 who may have recently updated their dual fuel equipment who would no longer need the same equipment if the rate class were eliminated?

Response:

At this time, the Company is not proposing to eliminate the rate. As noted in Response Nos. 1-1 and 1-12, any changes to the rate would need to be explored further to determine the most appropriate course of action regarding Rate 53 at that time. While it is Montana-Dakota's intent to eliminate Rate 53 in a future rate case, the Company believes it may be premature to communicate such a change to customers without having the next steps and a timeframe further defined. The next steps could include continuation of the rate due to bill impact until another future rate case, elimination of the rate and moving that customer load under Rate 10, or some other alternative option customers taking service under Rate 53 may qualify for or want to participate in.

Montana-Dakota recognizes that the timing of any future action proposed by the Company could conflict with a customer's need to replace or upgrade their backup heat source. However, with the removal of the interruption provisions under Rate 53, any replacement or upgrading of a customer's backup heat source equipment would no longer be required for service under the rate.

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1-15. In the letter on page 2, MDU states it's the Company's intent to eliminate Rate 53 in a future rate case. Does the MDU have a tentative timeline on when the rate case will be filed?

Response:

At this time, the Company anticipates filing an electric rate case in South Dakota in 2023. As part of that rate case, Montana-Dakota will again review Rate 53 and determine the most appropriate course of action to take regarding Rate 53. Dependent on that review, Montana-Dakota may request either elimination or continuation of the rate, dependent on bill impact or some other alternative option.