



A Subsidiary of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
701-222-7900
www.montana-dakota.com

October 17, 2023

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501-5070

Re: Docket No. EL23-30
2024 Avoided Costs Rate Update Supplemental Filing

Dear Ms. Van Gerpen:

On October 12, 2023, Montana-Dakota Utilities Co. (Montana-Dakota) submitted for the Commission's approval revisions to the Company's Occasional Power Purchase Non-Time Differentiated Rate 95 and Power Purchase Rate 96 tariff sheets. In that filing, Montana-Dakota stated that the Company had reviewed the metering charges applicable under Rates 95 and 96 and determined that no change in the daily metering charges was necessary in the update.

In response to an October 16, 2023 Commission staff inquiry, Supplemental Attachment A is being provided to show the metering charges the Company would have requested had Montana-Dakota decided to propose a change in the metering charges in this docket. For Rate 95 customers, the proposed change would have been an increase of \$0.01 per day for a single-phase meter and an increase of \$0.02 per day for a three-phase meter. For Rate 96 customers, the change would have been an increase of \$0.01 per day for a single-phase meter and an increase of \$0.02 per day for a three-phase meter.

Also included herein as Supplemental Attachment B is a history of the metering charges that have been reviewed annually for a Rate 95 single phase meter. As shown on the attachment, the various components that comprise the metering charge have increased each year since 2018. However, the Company chose to only update its Rate 95 single phase metering charge twice since 2018 with the most recent update in the 2022 docket. The Company focused on two primary reasons when choosing to include a change to the metering charge in its last avoided cost rate update. The first, and primary reason, is the the low participation in the Company's avoided cost rates with only one customer, on average, taking service under Rate 95 and no customers taking service under Rate 96. The second is the total annual cost of the meter for Rate 95 was approaching approximately a

twenty percent increase from that authorized in 2018. With a four year lapse since the last increase in the Rate 95 metering charge, Montana-Dakota chose to propose a change in all metering charges under the Company's avoided costs rates. Last year's change in metering charges amounted to an additional increase in annual revenue of \$3.65.

When reviewing the changes in metering charges for this year's avoided cost rate update, the Company again identified only the one customer taking service under Rate 95 and, when coupled with a 6.1 percent increase in the total annual cost of the meter from that authorized and only a one year lapse since the last increase in the metering charge, the Company determined it would not request a change in metering charges in this year's avoided cost rate update.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Attachments
cc: B. Koenecke