

Docket Number: EL25-023
Subject Matter: First Data Request
Request to: Montana-Dakota Utilities Co. (MDU or Company)
Request from: South Dakota Public Utilities Commission Staff
Date of Request: 7/2/25
Responses Due: 7/16/25

- 1-1. Refer to page 3 of the Petition. Provide the workpaper(s) for the 6.55 percent cost of debt.

Response:

There are no workpapers for the 6.55 percent cost of debt in the model. The percentage was based on the market percentage at the time of modeling.

- 1-2. Explain why the cost of debt from the most recent rate case is not the most appropriate cost of debt to use.

Response:

Montana-Dakota uses a conservative cost of debt in models to reflect the higher end of the cost of new debt. The reasoning is large capital projects have the potential to require new long-term debt issuances that the cost of debt in the most recent rate case would not account for.

- 1-3. Provide justification for estimating a capacity factor after repowering by increasing the average capacity factor for the years 2020 through 2022 by five percent. Why is 5 percent appropriate?

Response:

There are many factors that weigh into capacity factor (wind speeds, turbine faults, storm outages, etc.) that make it difficult to show proof year over year. However, Montana-Dakota contracted with an outside company, who designed the upgrades. They provided Montana-Dakota with an increase of 3-7 percent in overall capacity factor. As a result, Montana-Dakota estimated a 5 percent capacity increase in the model.

- 1-4. Would MDU consider the two repowering projects effectively resulting in a new turbine on top of an existing structure?

Response:

Yes, ultimately replacing all wear and tear items (pitch motors/drives, yaw motors/drives, blade bearings etc.), drivetrains (main shaft, gearbox, generator, etc.), and blade refurbishment effectively results in a new turbine on top of the existing structure.