

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Otter Tail Corporation, Advance
Determination of Prudence
Application

**APPLICANTS' RESPONSE TO
SECOND DATA REQUESTS OF
PUBLIC SERVICE COMMISSION
STAFF- PUBLIC VERSION**

Montana-Dakota Utilities Co.,
a Division of MDU Resources Group,
Inc., Advance Determination of Prudence
Application

Case Nos. PU-06-481, PU 06-482

**TO: Mike Diller & Terry Deason, Public Service Commission Staff, 600 E.
Boulevard, Dept. 408, Bismarck, ND 58505-0408.**

Objections of General Application

A. Applicants object to each request to the extent that the same seeks responses from Applicants' counsel of record, who are not parties to this matter; seek attorney-work product; or seek information which is privileged and therefore not subject to discovery.

B. Applicants object to each request to the extent that the request is not relevant to the subject matter of the issues in this proceeding and is not reasonably calculated to lead to the discovery of admissible evidence.

C. Applicants object to each request to the extent that the request is vague, overly broad, speculative, unreasonably cumulative or duplicative, or the information sought by the request is obtainable from some other source that is more convenient, less burdensome, or less expensive.

D. Applicants do not waive any of their general or particular objections in the event documents within the scope of any such objections are furnished.

E. Applicants object to any and all instructions or definitions beyond the requirements imposed by the North Dakota Rules of Civil Procedure.

Without waiving the foregoing general objections, and pursuant to the North Dakota Rules of Civil Procedure, Applicants herewith respond to the Second Set of Data Requests as follows:

3. Provide a historical summary of the type, sources and costs of coal used at BSI. Contract this historical use of coal at BSI to the anticipated fuel needs of BSII.

Response:

Year	BSP \$/ton	BSP Btu/lb	BSP \$/Mbtu	Type of Fuel	Source of Fuel
1990	14.083	6096	1.155	Lignite	Gascoyne Mine
1991	13.719	6026	1.138	Lignite	Gascoyne Mine
1992	13.862	6034	1.149	Lignite	Gascoyne Mine
1993	13.279	6060	1.096	Lignite	Gascoyne Mine
1994	13.224	6049	1.093	Lignite	Gascoyne Mine
1995	14.624	9033	0.809	Lignite/Subbituminous	Gascoyne Mine/Absaloka/Spring Creek
1996	16.847	8990	0.937	Subbituminous	Absaloka/Spring Creek
1997	15.946	8685	0.918	Subbituminous	Absaloka/Spring Creek
1998	16.186	8728	0.927	Subbituminous	Absaloka/Spring Creek
1999	16.244	8642	0.940	Subbituminous	Absaloka/Spring Creek
2000	17.349	8456	1.026	Subbituminous	Cordero Complex/Coal Creek
2001	17.933	8425	1.064	Subbituminous	Cordero Complex
→ 2002	22.748	8549	1.330	Subbituminous	Eagle Butte/Belle Ayr
2003	23.259	8551	1.360	Subbituminous	Eagle Butte/Belle Ayr
2004	24.095	8518	1.414	Subbituminous	Eagle Butte/Belle Ayr
2005	26.084	8687	1.501	Subbituminous	Cordero/Black Thunder
→ 2006	25.882	8538	1.516	Subbituminous	Cordero/Black Thunder

BSP II will burn subbituminous coal from the Power River Basin, similar to what BSP I has been doing since 1995. The BSP II unit is being designed to burn 8400 Btu/lb fuel, but will also be able to handle fuels with higher heat content.

Typical annual coal requirements at BSP I are approximately 2 million tons. BSP II is expected to burn approximately 2.5 million tons.

7. Compare the cost of coal (including transportation) incurred for Coyote Station with the projected cost of coal (including transportation) for Big Stone II.

Response: Cost of coal incurred for Coyote Station (there are no transportation costs)

Year	COY \$/ton	COY Btu/lb	COY \$/Mbtu	Type of Fuel	Source of Fuel
1990	10.151	6937	0.732	Lignite	Beulah Mine
1991	10.274	6884	0.746	Lignite	Beulah Mine
1992	10.314	6931	0.744	Lignite	Beulah Mine
1993	10.71	6937	0.772	Lignite	Beulah Mine
1994	10.994	6921	0.794	Lignite	Beulah Mine
1995	10.918	6973	0.783	Lignite	Beulah Mine
1996	11.251	6947	0.810	Lignite	Beulah Mine
1997	10.578	6948	0.761	Lignite	Beulah Mine
1998	11.517	6926	0.831	Lignite	Beulah Mine
1999	10.597	6974	0.760	Lignite	Beulah Mine
2000	10.884	6961	0.782	Lignite	Beulah Mine
2001	10.202	6952	0.734	Lignite	Beulah Mine
→ 2002	9.955	6941	0.717	Lignite	Beulah Mine
2003	10.426	6958	0.749	Lignite	Beulah Mine
2004	10.802	6962	0.776	Lignite	Beulah Mine
2005	12.086	6938	0.871	Lignite	Beulah Mine
→ 2006	13.717	6939	0.988	Lignite	Beulah Mine

Projected cost of coal (including transportation) for BSP II

Year	BSP II \$/ton	BSP II Btu/lb	BSP II \$/Mbtu
2010	28.668	8400	1.706
2011	29.055	8400	1.729
2012	29.854	8400	1.777
2013	30.449	8400	1.812
2014	31.286	8400	1.862
2015	32.722	8400	1.948
2016	33.578	8400	1.999
2017	34.463	8400	2.051
2018	35.487	8400	2.112
2019	36.948	8400	2.199
2020	38.083	8400	2.267
2021	39.266	8400	2.337
2022	40.371	8400	2.403
2023	41.508	8400	2.471
2024	42.678	8400	2.540
2025	43.882	8400	2.612