

# Montana-Dakota Witness Bruce Imsdahl

President & CEO

## Summary

# Electric Operations

- Montana-Dakota provides electric retail service to customers in portions of Montana, North Dakota and South Dakota through an integrated electric system.
- Integrated system resources
  - Baseload and peaking generation resources
  - Capacity and energy purchases
  - Demand Side Management programs
- Loss of 66.4 MW Baseload Resource in October 2006
- Big Stone II – 19.33% share determined to be best long-term resource addition

# Prudence Application

- Why file?
  - North Dakota legislature passed into law Section 49-05-16 of the NDCC – Advance Determination of Prudence
    - Level of regulatory certainty for projects of this magnitude with an extended planning horizon
  - Montana-Dakota's financial commitment of Company's intent to proceed with construction
  - Absent determination, shorter term resources will subject customers to increased costs and price volatility

# Prudence Application

- No change in electric rates being requested at this time.

# Future Generation

- While Montana-Dakota's participation in the Big Stone II project has been determined to be the best overall option for providing a reliable and stable resource addition, we continue to investigate additional resources for the future.

# Montana-Dakota Commits to...

- Provide periodic informational filings regarding progress of Big Stone II
- Construction cost reporting on forecasted and actual basis
- Implement measures to enhance the timely and efficient delivery of coal
- Conduct a study on rail cars necessary to serve the plant
- Conduct a study to determine cost effective coal inventory level taking into account cost of potential generation curtailments in the event of coal delivery issues