



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
(701) 222-7900

ORIGINAL

May 30, 2008

RECEIVED

MAY 30 2008

Executive Secretary
North Dakota Public Service Commission
State Capitol Building
Bismarck, ND 58505-0480

PUBLIC SERVICE COMMISSION

Re: Case No. PU-08-_____
2008-2009 Avoided Costs Update

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group Inc., herewith requests Commission approval to revise its Occasional Power Purchase Non-Time Differentiated Rate 95 and Parallel Generation Peaking Facility Purchase Time Differentiated Rate 96. This filing is made in compliance with the Order in Case No. 10,000 and in accordance with the Cogeneration and Small Power Producer Rules, Section 69-09-07-09 of the North Dakota Administrative Code.

The proposed energy payments for Rates 95 and 96 were generated using Montana-Dakota's production costing model (ProSym), updated to reflect a test year of July 2008 through June 2009. The proposed capacity payments for Rate 96 are the projected levelized costs of a new peaking facility. Included as Attachment A is the data used to support the proposed energy and capacity payments. For Qualifying Facilities (QFs) providing dispatchable capacity under Rate 96, two options are available for capacity payments: 1) avoided cost at time of delivery, or 2) a levelized payment based on the term of the contract. The capacity payment for QF's providing capacity on an "as available" basis is calculated based on a payment for avoided capacity per billing period.

The proposed metering charges for Rates 95 and 96 reflect updated meter costs and carrying charges. The workpapers supporting the proposed meter charges are provided in Attachment B.

Included herein is a second set of the affected tariffs on which Montana-Dakota has indicated the revisions requested by lining through the existing language which the Company proposes to delete and clearly highlighting the new language proposed. A report of tariff change reflecting Commission data requirements regarding filings is also attached hereto. Montana-Dakota has one customer served on Rate 95. A monthly history of the net energy billed under Rate 95 is included as Attachment C.

Montana-Dakota respectfully requests that the rate schedules set forth herein be approved within 30 days of this filing.

Please refer all inquiries regarding this filing to:

Ms. Tamie A. Aberle
Pricing & Tariff Manager
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

Also, please send copies of all written inquiries, correspondence and pleadings to:

Mr. Daniel S. Kuntz
Associate General Counsel
MDU Resources Group, Inc.
P. O. Box 5650
Bismarck, ND 58506-5650

The original and seven (7) copies of this Letter of Transmittal and tariffs have been provided to the North Dakota Public Service Commission.

Montana-Dakota submitted a check for the amount of \$400.00 in accordance with North Dakota Century Code Section 49-05-05 on May 10, 2008. Please take the \$50.00 filing fee associated with this filing from this balance.

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed, stamped envelope.

Sincerely,



Donald R. Ball
Vice President – Regulatory Affairs

Attachments

cc: D. Kuntz



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
5th Revised Sheet No. 44
Canceling 4th Revised Sheet No. 44

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 1 of 3

Availability:

To any qualifying cogeneration and small power production facilities for the purpose of generating occasional electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a design capacity of 100 Kw or less, that are Qualifying Facilities (QF) as defined under 18 CFR, Part 292.

Rate:

Metering charge for single phase service: \$ 1.45 per month
With instrument transformers: \$ 3.45 per month

Metering charge for three phase service: \$ 5.05 per month
With instrument transformers: \$ 8.00 per month

Energy delivered to and accepted by Company by a QF shall be paid for by Company in accordance with one of the following two options, elected by the QF:

1. Simultaneous Purchase and Sale:

Energy sales to QF - Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

Energy purchases by Company:

Energy Payment = 3.824¢ per Kwh

Date Filed: May 30, 2008

Effective Date:

Issued By: Donald R. Ball
Vice President -
Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4

5th Revised Sheet No. 44.1

Canceling 4th Revised Sheet No. 44.1

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 2 of 3

2. Net Billing:

Energy generated will be compensated on a net billing basis. The Company will install a meter to measure the energy generated by the QF. The Company will also install a meter to measure the energy consumed by the QF. Metered generation will be subtracted from the metered consumption for the billing period.

If metered generation is less than metered consumption, the QF will be billed the applicable retail rate. If metered generation is greater than the metered consumption, the QF will be paid for each Kwh an amount equal to:

3.824¢ per Kwh

General Terms and Conditions:

1. Change of Rates: This schedule shall be reviewed annually, updated if necessary, and revised upon the Commission's approval.
2. The Company shall install appropriate metering facilities to record all flows of energy necessary to bill and pay in accordance with the charges and payments contained in this rate schedule.
3. The customer shall, with prior written consent of the Company, furnish, install and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by the Company to properly meter usage and sales to the Company.
4. A written contract with the Company shall be signed stipulating the terms and conditions of the interconnection and sale of the electricity to the Company. The term of the contract hereunder shall be at least one year but less than five years.
5. In order to qualify for the net billing option, the generating equipment and the load of the facility must be located at the same "physical site". "Physical site" shall mean on the same tract of land and the generator output must be physically connected to the load service entrance.

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Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
5th Revised Sheet No. 45
Canceling 4th Revised Sheet No. 45

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 1 of 4

Availability:

To any qualifying cogeneration and small power production facilities for the purpose of generating electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a design capacity of 1000 Kw or less, that operate as a peaking facility (defined below), and are Qualifying Facilities (QF) as defined under 18 CFR, Part 292.

I. FACILITIES CAPABLE OF PROVIDING DISPATCHABLE CAPACITY AT THE TIME OF COMPANY'S SUMMER PEAK

Rate:

Metering charge for single phase service: \$ 4.80 per month
With instrument transformers: \$ 6.80 per month

Metering charge for three phase service: \$ 9.55 per month
With instrument transformers: \$12.50 per month

1. Capacity delivered to the Company:

QF has the option of one of two methods of payment for capacity:

- a. Actual avoided costs at the time of delivery, or
- b. Levelized payment for term of contract based on Table 1 below.

TABLE 1
Contract Length (YR.)

	5	10	15	20	25	30	35
\$/Kw-mo	4.193	7.804	9.425	10.514	11.361	12.060	12.652

Total capacity payment per month = The applicable contract length capacity payment from Table 1 times the maximum 1 hour capacity, as demonstrated by an annual capability test.

Date Filed: May 30, 2008

Effective Date:

Issued By: Donald R. Ball
Vice President -
Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
6th Revised Sheet No. 45.1
Canceling 5th Revised Sheet No. 45.1

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 2 of 4

2. Energy Payment:

ON-PEAK
4.654¢ per Kwh

OFF-PEAK
3.706¢ per Kwh

Peak Periods: The On-Peak Period is defined as those hours between 12 p.m. and 8 p.m. local time, Monday through Friday in the months of June through September. In 2008 the on-peak hours will be shifted one hour later (1 p.m. to 9 p.m.) during two periods; March 9 to March 30 and October 26 to November 2. The Off-Peak Period is defined as all other hours. Definitions of On-Peak and Off-Peak periods are subject to change with change in the Company's system operating characteristics.

II. FACILITIES WHICH ARE NOT DISPATCHABLE AND PROVIDE ENERGY AND CAPACITY ON AN "AS AVAILABLE" BASIS

Rate:

Metering charge for single phase service: \$ 4.80 per month
With instrument transformers: \$ 6.80 per month

Metering charge for three phase service: \$ 9.55 per month
With instrument transformers: \$12.50 per month

1. Total capacity payment per billing period = P X Maximum 15 minute capacity for billing period, where P is defined below.

$$P = QCF/PCF(VTable 1)$$

where: P = capacity payment in \$/Kw - month
QCF = Qualifying Facilities Capacity Factor
PCF = Projected Capacity Factor of the facility to be avoided
VTable 1 = Applicable value from Table 1
CF = Capacity Factor which equals average 15 minute on-peak metered capacity divided by the greatest 15 minute on-peak metered capacity during the billing period.

QCF/PCF cannot be greater than 1.

Date Filed: May 30, 2008

Effective Date:

Issued By: Donald R. Ball
Vice President -
Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
5th Revised Sheet No. 45.2
Canceling 4th Revised Sheet No. 45.2

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 3 of 4

2. Energy Payment:

ON-PEAK
4.654¢ per Kwh

OFF-PEAK
3.706¢ per Kwh

Energy Sales to Qualifying Facilities:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

General Terms and Conditions:

1. Change of Rates: This schedule shall be reviewed annually, updated if necessary, and revised upon the Commission's approval.
2. Service under this schedule shall be on a simultaneous purchase and sale basis only.
3. The Company shall install appropriate metering facilities to record all flows of energy necessary to bill and pay in accordance with the charges and payments contained in this rate schedule.
4. The customer shall, with prior written consent of the Company, furnish, install and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by the Company to properly meter usage and sales to the Company.
5. A written contract with the Company shall be signed stipulating the terms and conditions of the interconnection and sale of the electricity to the Company. The term of the contract hereunder shall be five years or more.
6. Line loss considerations will be determined on a site specific basis.
7. For dispatchable units, generator outages must be pre-scheduled with Company to provide coordination with Company units.

Date Filed: May 30, 2008

Effective Date:

Issued By: Donald R. Ball
Vice President -
Regulatory Affairs

Case No.:

Tariffs Reflecting Proposed Changes



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
4th Revised Sheet No. 44
Canceling 3rd Revised Sheet No. 44

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 1 of 3

Availability:

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Rate:

Metering charge for single phase service: \$ 1.45 per month
With instrument transformers: \$ 3.25-45 per month

Metering charge for three phase service: \$ 4.955.05 per month
With instrument transformers: \$ 7.658.00 per month

Energy delivered to and accepted by Company by a QF shall be paid for by Company in accordance with one of the following two options, elected by the QF:

1. Simultaneous Purchase and Sale:

Energy sales to QF - Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

Energy purchases by Company:

Energy Payment = 3.5393.824¢ per Kwh

Date Filed:

Effective Date:

Issued By: Donald R. Ball
Vice President -
Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
4th Revised Sheet No. 44.1
Canceling 3rd Revised Sheet No. 44.1

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 2 of 3

2. Net Billing:

Energy generated will be compensated on a net billing basis. The Company will install a meter to measure the energy generated by the QF. The Company will also install a meter to measure the energy consumed by the QF. Metered generation will be subtracted from the metered consumption for the billing period.

If metered generation is less than metered consumption, the QF will be billed the applicable retail rate. If metered generation is greater than the metered consumption, the QF will be paid for each Kwh an amount equal to:

3.5393.824¢ per Kwh

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5. In order to qualify for the net billing option, the generating equipment and the load of the facility must be located at the same "physical site". "Physical site" shall mean on the same tract of land and the generator output must be physically connected to the load service entrance.

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Vice President -
Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
4th Revised Sheet No. 45
Canceling 3rd Revised Sheet No. 45

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 1 of 4

Availability:

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I. FACILITIES CAPABLE OF PROVIDING DISPATCHABLE CAPACITY AT THE TIME OF COMPANY'S SUMMER PEAK

Rate:

Metering charge for single phase service: \$ ~~5.154.80~~ per month
With instrument transformers: \$ ~~7.256.80~~ per month

Metering charge for three phase service: \$ ~~9.95.55~~ per month
With instrument transformers: \$ ~~13.1012.50~~ per month

1. Capacity delivered to the Company:

QF has the option of one of two methods of payment for capacity:

- a. Actual avoided costs at the time of delivery, or
- b. Levelized payment for term of contract based on Table 1 below.

TABLE 1
Contract Length (YR.)

	5	10	15	20	25	30	35
\$/Kw-mo	3.562 <u>4.193</u>	6.634 <u>7.804</u>	8.017 <u>9.425</u>	8.953 <u>10.514</u>			
	9.686 <u>11.361</u>	10.296 <u>12.060</u>	10.816 <u>12.652</u>				

Total capacity payment per month = The applicable contract length capacity payment from Table 1 times the maximum 1 hour capacity, as demonstrated by an annual capability test.

Date Filed:

Effective Date:

Issued By: Donald R. Ball
Vice President -
Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
5th Revised Sheet No. 45.1
Canceling 4th Revised Sheet No. 45.1

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 2 of 4

2. Energy Payment:

<u>ON-PEAK</u>	<u>OFF-PEAK</u>
5.0854.654¢ per Kwh	3.4093.706¢ per Kwh

Peak Periods: The On-Peak Period is defined as those hours between 12 p.m. and 8 p.m. local time, Monday through Friday in the months of June through September. In ~~2007-2008~~ the on-peak hours will be shifted one hour later (1 p.m. to 9 p.m.) during two periods; March ~~11-9~~ to March ~~31-30~~ and October ~~28-26~~ to November ~~32~~. The Off-Peak Period is defined as all other hours. Definitions of On-Peak and Off-Peak periods are subject to change with change in the Company's system operating characteristics.

II. FACILITIES WHICH ARE NOT DISPATCHABLE AND PROVIDE ENERGY AND CAPACITY ON AN "AS AVAILABLE" BASIS

Rate:

Metering charge for single phase service:	\$ 5.154.80 per month
With instrument transformers:	\$ 7.256.80 per month

Metering charge for three phase service:	\$ 9.95.55 per month
With instrument transformers:	\$ 13.1012.50 per month

1. Total capacity payment per billing period = P X Maximum 15 minute capacity for billing period, where P is defined below.

$$P = QCF/PCF(VTable 1)$$

where:

P	= capacity payment in \$/Kw - month
QCF	= Qualifying Facilities Capacity Factor
PCF	= Projected Capacity Factor of the facility to be avoided
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CF	= Capacity Factor which equals average 15 minute on-peak metered capacity divided by the greatest 15 minute on-peak metered capacity during the billing period.

QCF/PCF cannot be greater than 1.

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Issued By: Donald R. Ball
Vice President -
Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
4th Revised Sheet No. 45.2
Canceling 3rd Revised Sheet No. 45.2

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 3 of 4

2. Energy Payment:

<u>ON-PEAK</u>	<u>OFF-PEAK</u>
5.0854.654¢ per Kwh	3.4093.706¢ per Kwh

Energy Sales to Qualifying Facilities:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

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6. Line loss considerations will be determined on a site specific basis.
7. For dispatchable units, generator outages must be pre-scheduled with Company to provide coordination with Company units.

Date Filed:

Effective Date:

Issued By: Donald R. Ball
Vice President -
Regulatory Affairs

Case No.:

North Dakota Report of Tariff Schedule Change

Case No. PU-08-_____

Name of Utility: Montana-Dakota Utilities Co.

Address Main Office: 400 North Fourth Street, Bismarck ND 58501

NEW TARIFF DESIGNATION

<u>Occasional Power Purchase Rate 95</u>	P.S.C. Tariff Volume <u>4</u>	Sheet No. <u>5th Revised 44 - 44.1</u>
<u>Parallel Generation Peaking Facility Purchase Rate 96</u>	P.S.C. Tariff Volume <u>4</u>	Sheet No. <u>5th Revised 45 and 45.2</u>
<u>Parallel Generation Peaking Facility Purchase Rate 96</u>	P.S.C. Tariff Volume <u>4</u>	Sheet No. <u>6th Revised 45.1</u>
_____	P.S.C. Tariff Volume _____	Sheet No. _____
_____	P.S.C. Tariff Volume _____	Sheet No. _____

Change: Rates

(State part of tariff affected by change, such as: applicability, availability, rates, etc.)

Reason for Change: Reflect updated avoided energy costs

Approximate annual reduction in revenue N/A

Approximate annual increase in revenue N/A

Points Affected	Estimated number of customers whose cost of service will be:		
	Reduced	Increased	Unchanged
	(DEPENDENT UPON ENERGY PRODUCED)		

Montana-Dakota Utilities Co.
Donald R. Ball
Vice President - Regulatory Affairs

Montana-Dakota Utilities Co.
North Dakota Lambda
July 2008 - June 2009

		Lambda		
		On-Peak	Off-Peak	Total
<u>Month</u>		<u>\$/MWh</u>	<u>\$/MWh</u>	<u>\$/MWh</u>
July	2008	49.27	31.98	36.26
Aug.	2008	47.44	27.29	31.84
Sep.	2008	43.47	34.23	36.49
Oct.	2008	--	27.47	27.47
Nov.	2008	--	28.95	28.95
Dec.	2008	--	37.47	37.47
Jan.	2009	--	36.79	36.79
Feb.	2009	--	45.18	45.18
Mar.	2009	--	32.16	32.16
Apr.	2009	--	58.31	58.31
May	2009	--	51.44	51.44
June	2009	45.97	33.47	36.52
Average		46.54	37.06	38.24

MONTANA-DAKOTA UTILITIES CO.
Monthly Capacity Payment Levels
Nominally Levelized
\$/kW-month
On line contract Year

<u>Contract Length</u>	<u>2008-2009</u>
5	\$4.193
10	7.804
15	9.425
20	10.514
25	11.361
30	12.060
35	12.652

**Montana-Dakota Utilities Co.
Supply-Side Resource Expansion Plan
2009 - 2043**

<u>Year</u>	<u>\$/KW - Year</u>	<u>Installed Facility</u>
2009	0.00	No capacity needed
2010	0.00	No capacity needed
2011	0.00	No capacity needed
2012	128.98	Cost of peaking combustion turbine
2013	132.85	Cost of peaking combustion turbine
2014	136.83	Cost of peaking combustion turbine
2015	140.94	Cost of peaking combustion turbine
2016	145.17	Cost of peaking combustion turbine
2017	149.52	Cost of peaking combustion turbine
2018	154.01	Cost of peaking combustion turbine
2019	158.63	Cost of peaking combustion turbine
2020	163.39	Cost of peaking combustion turbine
2021	168.29	Cost of peaking combustion turbine
2022	173.34	Cost of peaking combustion turbine
2023	178.54	Cost of peaking combustion turbine
2024	183.89	Cost of peaking combustion turbine
2025	189.41	Cost of peaking combustion turbine
2026	195.09	Cost of peaking combustion turbine
2027	200.95	Cost of peaking combustion turbine
2028	206.97	Cost of peaking combustion turbine
2029	213.18	Cost of peaking combustion turbine
2030	219.58	Cost of peaking combustion turbine
2031	226.17	Cost of peaking combustion turbine
2032	232.95	Cost of peaking combustion turbine
2033	239.94	Cost of peaking combustion turbine
2034	247.14	Cost of peaking combustion turbine
2035	254.55	Cost of peaking combustion turbine
2036	262.19	Cost of peaking combustion turbine
2037	270.05	Cost of peaking combustion turbine
2038	278.16	Cost of peaking combustion turbine
2039	286.50	Cost of peaking combustion turbine
2040	295.09	Cost of peaking combustion turbine
2041	303.95	Cost of peaking combustion turbine
2042	313.07	Cost of peaking combustion turbine
2043	322.46	Cost of peaking combustion turbine

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - NORTH DAKOTA
CALCULATION OF METERING CHARGES
(METERS WITHOUT INSTRUMENT TRANSFORMERS INSTALLED)
RATE 95
JUNE 2008**

Metering Charge for Single Phase Service

Estimated Cost of a Single Phase Meter Including Installation and Testing	\$90.00
Annual Carrying Cost Rate for Capital	<u>12.618%</u>
Annual Carrying Cost Per Meter	\$11.36
Annual O&M Expense Per Single Phase Meter (\$0.52*12)	<u>6.24</u>
Total Annual Cost of Meter	<u>\$17.60</u>
Monthly Customer Charge	<u>\$1.47</u>

Metering Charge for Three Phase Service

Estimated Cost of a Three Phase Meter Including Installation and Testing	\$285.00
Annual Carrying Cost Rate for Capital	<u>12.618%</u>
Annual Carrying Cost Per Meter	\$35.96
Annual O&M Expense Per Three Phase Meter (\$2.07*12)	<u>24.84</u>
Total Annual Cost of Meter	<u>\$60.80</u>
Monthly Customer Charge	<u>\$5.07</u>

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - NORTH DAKOTA
CALCULATION OF METERING CHARGES
(METERS WITH INSTRUMENT TRANSFORMERS INSTALLED)
RATE 95
JUNE 2008**

Metering Charge for Single Phase Service

Estimated Cost of a Single Phase Meter Including Installation and Testing	\$277.00
Annual Carrying Cost Rate for Capital	<u>12.618%</u>
Annual Carrying Cost Per Meter	\$34.95
Annual O&M Expense Per Single Phase Meter (\$0.52*12)	<u>6.24</u>
Total Annual Cost of Meter	<u>\$41.19</u>
Monthly Customer Charge	<u>\$3.43</u>

Metering Charge for Three Phase Service

Estimated Cost of a Three Phase Meter Including Installation and Testing	\$565.00
Annual Carrying Cost Rate for Capital	<u>12.618%</u>
Annual Carrying Cost Per Meter	\$71.29
Annual O&M Expense Per Three Phase Meter (\$2.07*12)	<u>24.84</u>
Total Annual Cost of Meter	<u>\$96.13</u>
Monthly Customer Charge	<u>\$8.01</u>

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - NORTH DAKOTA
CALCULATION OF METERING CHARGES
(METERS WITHOUT INSTRUMENT TRANSFORMERS INSTALLED)
RATE 96
JUNE 2008**

Metering Charge for Single Phase Service

Estimated Cost of a Single Phase TOD Demand Meter Including Installation and Testing	\$309.00
Annual Carrying Cost Rate for Capital	<u>12.618%</u>
Annual Carrying Cost Per Meter	\$38.99
Annual O&M Expense Per Single Phase TOD Meter (\$0.52*12*3)	<u>18.72</u>
Total Annual Cost of Meter	<u>\$57.71</u>
Monthly Customer Charge	<u>\$4.81</u>

Metering Charge for Three Phase Service

Estimated Cost of a Three Phase TOD Demand Meter Including Installation and Testing	\$319.00
Annual Carrying Cost Rate for Capital	<u>12.618%</u>
Annual Carrying Cost Per Meter	\$40.25
Annual O&M Expense Per Three Phase TOD Meter (\$2.07*12*3)	<u>74.52</u>
Total Annual Cost of Meter	<u>\$114.77</u>
Monthly Customer Charge	<u>\$9.56</u>

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - NORTH DAKOTA
CALCULATION OF METERING CHARGES
(METERS WITH INSTRUMENT TRANSFORMERS INSTALLED)
RATE 96
JUNE 2008**

Metering Charge for Single Phase Service

Estimated Cost of a Single Phase TOD Demand Meter Including Installation and Testing	\$496.00
Annual Carrying Cost Rate for Capital	<u>12.618%</u>
Annual Carrying Cost Per Meter	\$62.59
Annual O&M Expense Per Single Phase TOD Meter (\$0.52*12*3)	<u>18.72</u>
Total Annual Cost of Meter	<u>\$81.31</u>
Monthly Customer Charge	<u><u>\$6.78</u></u>

Metering Charge for Three Phase Service

Estimated Cost of a Three Phase TOD Demand Meter Including Installation and Testing	\$599.00
Annual Carrying Cost Rate for Capital	<u>12.618%</u>
Annual Carrying Cost Per Meter	\$75.58
Annual O&M Expense Per Three Phase TOD Meter (\$2.07*12*3)	<u>74.52</u>
Total Annual Cost of Meter	<u>\$150.10</u>
Monthly Customer Charge	<u><u>\$12.51</u></u>

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - NORTH DAKOTA
Cogeneration/Small Power Production
Rate 95 Net Energy Billed
Twelve Months Ended May 31, 2008**

	Kwh Delivered	Kwh Generated under Rate 95	Net Kwh Billed/(Purchased)
June 2007	1,815	1,857	(42)
July	2,473	1,222	1,251
August	3,749	996	2,753
September	2,461	843	1,618
October	1,877	1,122	755
November	1,749	1,054	695
December	1,747	292	1,455
January 2008	2,105	1,108	997
February	2,436	793	1,643
March	2,046	1,149	897
April	2,241	1,380	861
May	1,997	2,163	(166)
Total	<u>26,696</u>	<u>13,979</u>	<u>12,717</u>