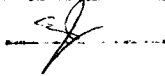


APPROVED

DATE: 7-30-08



MOTION

July 30, 2008

**Montana-Dakota Utilities Co.
Cogeneration/Small Power Producer
Rates**

Case No. PU-08-237

I move the Commission approve Montana-Dakota Utilities Co.'s
Cogeneration/Small Power Producer rates, Case No. PU-08-237.

JRL/jrm

MEMORANDUM

To: Commissioners Wefald, Cramer and Clark
Fr: Jerry Lein
Da: July 17, 2008
Re: MDU QF Purchase Rates, Case No. PU-08-237

MDU has filed its annual update revisions to its Cogeneration and Small Power Production Rates 95 and 96. These schedules set forth amounts MDU would pay for purchases from PURPA Qualifying Facilities (QFs) with generating capacity of 100 kW or less under Rate 95 and peaking QFs with 1,000 kW or less under Rate 96.

MDU has one customer operating a wind generator under Rate 95, and no customers under Rate 96. For that one customer, MDU provided consumption data indicates the only effect would be a slight decrease of 0.285 cents per kWh in energy payments to that customer, totaling approximately \$0.59 per year assuming his production and consumption habits do not change from last year.

Generally, capacity payments are increased due to tightening of supply in the MAPP region. Energy payments derived from MDU production cost modeling are decreased on-peak and increased for off-peak. Time-of-day and instrument transformer metering charges are increased slightly to reflect updated meter costs and carrying charges.

JRL