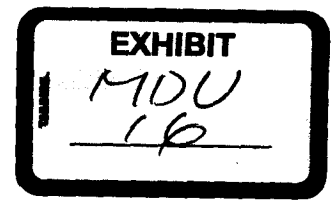


MONTANA-DAKOTA UTILITIES CO.
ADVOCACY STAFF – MARC, LLC
DATA REQUEST DATED AUGUST 23, 2010
CASE NO. PU-10-124



NDPSC-DR-046 Was the additional wear and tear of minimum generation considered when MDU decided to add wind to its own generation fleet? Please explain.

Response:

No. The 50 MW of wind generation that Montana-Dakota owns is not expected to cause additional "wear and tear" on the Montana-Dakota system, as Diamond Willow and Cedar Hills do not significantly impact the dispatch levels of Montana-Dakota's thermal generators. The thermal generators and customer load are bid into the MISO day ahead market. Real-time pricing is used to settle differences between day ahead and real-time market conditions. The dispatch levels on Montana-Dakota's thermal generators are a function of MISO load forecasts and generation awards in the day ahead market. Wind generators in the MISO footprint, as price takers in the real time market, serve incremental load in excess of the day ahead market or offset generation awards from the day ahead market. While this intermittent generation will impact MDU's thermal generation through this offset, MDU owns 50 MW, or 0.65 percent, of the 7,600 MW of wind generators connected to the MISO system, and is in itself inconsequential.