



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

NDPSC-DR-050 Did MDU consider allocating all MT wind farm costs to MT given MT's renewable requirement and MDU's desire to meet that requirement? If not, explain the reasons for the current approach taking by the Company.

Response:

No. Montana-Dakota operates all generation as system resources and allocates all generation resources, regardless of physical location, to the integrated jurisdictions of Montana, North Dakota and South Dakota.

Montana-Dakota's investment in renewable resources is first and foremost used and useful to meet the Company's generation requirements for its integrated system while also, over time, addressing the renewable standards in Montana as well as the renewable objectives in North Dakota and South Dakota. Montana-Dakota did not build renewable resource projects to meet renewable standards and objectives but to serve the energy needs of customers served by the integrated system. Renewable standards and objectives are a consideration in selecting the type and location of new generation resources, however, all resources are dedicated to serving customers of the integrated system. The location of Montana-Dakota's renewable energy projects was not a significant factor in the cost of the projects as in each instance the projects were sited in locations with excellent renewable energy resources close to existing transmission resources. On a projected 2010 basis, Montana-Dakota's investment in renewable generation on a system-wide basis is approximately nine percent of system capacity and the renewable resources provide about seven percent of total energy requirements.