

July 2, 2010

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

Re: 2010 – 2011 Avoided Cost Updates  
Case No. PU-10-203  
Compliance Tariffs

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith submits an original and seven copies of the following tariffs in compliance with Commission Action taken at its Agenda Meeting on June 30, 2010 approving the Company's request to revise its Occasional Power Purchase Non Time Differentiated Rate 95 and Parallel Generation Peaking Facility Purchase Time Differentiated Rate 96.

- Table of Contents, Volume 4, 1st Revised Sheet No. 1.1
- Occasional Power Purchase Non Time Differentiated Rate 95, Volume 4, 8th Revised Sheet No. 44
- Occasional Power Purchase Non Time Differentiated Rate 95, Volume 4, 7th Revised Sheet No. 44.1
- Parallel Generation Peaking Facility Purchase Rate 96, Volume 4, 8th Revised Sheet No. 45
- Parallel Generation Peaking Facility Purchase Rate 96, Volume 4, 9th Revised Sheet No. 45.1
- Parallel Generation Peaking Facility Purchase Rate 96, Volume 4, 7th Revised Sheet No. 45.2
- Parallel Generation Peaking Facility Purchase Rate 96, Volume 4, 1st Revised Sheet No. 45.3

The tariffs filed on June 4, 2010 in the above mentioned case did not include the Interim Rate Increase approved on June 16, 2010 in Case No. PU-10-124. The attached tariffs reflect the Interim Rate Increase approved on June 16, 2010 and the avoided cost rates approved on June 30, 2010 for service rendered on and after July 1, 2010.

If you have any questions, please contact me at (701) 222-7856.

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,

A handwritten signature in cursive script that reads "Tamie A. Aberle".

Tamie A. Aberle  
Pricing & Tariff Manager



# Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
1<sup>st</sup> Revised Sheet No. 1.1  
Canceling Original Sheet No. 1.1

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after July 1, 2010

**Issued By:** Tamie A. Aberle  
Pricing & Tariff Manager

**Case No.:** PU-10-203



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A Division of MDU Resources Group, Inc.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
8<sup>th</sup> Revised Sheet No. 44  
Canceling 7<sup>th</sup> 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: \$ 1.60 per month  
With instrument transformers: \$ 3.50 per month

Metering charge for three phase service: \$ 3.80 per month  
With instrument transformers: \$ 6.60 per month

Interim Rate Increase: 7.91% of amount billed under metering charge.

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 = 2.494¢ per Kwh

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Pricing & Tariff Manager

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400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
7<sup>th</sup> Revised Sheet No. 44.1  
Canceling 6<sup>th</sup> Revised Sheet No. 44.1

### OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

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#### 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:

2.494¢ 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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Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
8<sup>th</sup> Revised Sheet No. 45  
Canceling 7<sup>th</sup> Revised Sheet No. 45

### PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96

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: \$ 5.20 per month  
With instrument transformers: \$ 7.10 per month

Metering charge for three phase service: \$ 5.70 per month  
With instrument transformers: \$ 8.50 per month

Interim Rate Increase: 7.91% of amount billed under metering charge.

#### 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	1.789	5.849	7.731	9.056	10.142	11.088	11.935

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.

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400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
9<sup>th</sup> Revised Sheet No. 45.1  
Canceling 8<sup>th</sup> Revised Sheet No. 45.1

### PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96

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2. Energy Payment: 2.494¢ per Kwh

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

**Rate:**

Metering charge for single phase service: \$ 5.20 per month  
With instrument transformers: \$ 7.10 per month

Metering charge for three phase service: \$ 5.70 per month  
With instrument transformers: \$ 8.50 per month

Interim Rate Increase: 7.91% of amount billed under  
metering charge.

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.

2. Energy Payment: 2.494¢ per Kwh

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NDPSC Volume 4  
7<sup>th</sup> Revised Sheet No. 45.2  
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### PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96

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#### 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.
8. A Peaking Unit is a unit not designed for continuous operation and is capable of supplying capacity and energy during periods of peak electric consumption. Generally, peaking units have a capacity factor of 20% or less.

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## State of North Dakota Electric Rate Schedule

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NDPSC Volume 4  
1<sup>st</sup> Revised Sheet No. 45.3  
Canceling Original Sheet No. 45.3

### PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96

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9. For general terms and conditions covering QF's, see Rate 140.
10. All services provided by the Company under this and all other schedules are governed by the rules and regulations approved by the North Dakota Public Service Commission. Rates charged hereunder may be modified by Company at any time by making a unilateral rate application with the North Dakota Public Service Commission or its successor. The new rates shall be effective upon approval by the Commission.

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