



# MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

August 15, 2011

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

Re: Case No. PU-11-234  
2011-2012 Avoided Cost Updates

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group Inc., herewith submits this request to change the basis for billing the Basic Service Charge applicable under its Occasional Power Purchase Non-Time Differentiated Rate 95 and Parallel Generation Peaking Facility Purchase Rate 96 recently authorized by the Commission in the above referenced Case.

In Montana-Dakota's recent electric rate case, Docket No. PU-10-124, the Basic Service Charge applicable under Rates 10, 13, 16 and 20, 25, 26 and 40 was changed from a monthly charge to a daily Basic Service Charge. To provide consistency with those rate schedules, Montana-Dakota is proposing a daily Basic Service Charge for both the Occasional Power Purchase Non-Time Differentiated Rate 95 and Parallel Generation Peaking Facility Purchase Rate 96. As shown on the attached tariff sheets the following changes are proposed to reflect the conversion of the currently authorized monthly charge applicable under Rate 95 and Rate 96 to a daily charge:

## RATE 95

### Basic Service Charge:

Metering charge for single phase service:	\$1.60	per month	to	\$0.05	per day
With instrument transformers:	\$3.50	per month	to	\$0.12	per day
Metering charge for three phase service:	\$3.80	per month	to	\$0.13	per day
With instrument transformers:	\$6.60	per month	to	\$0.22	per day

## RATE 96

### Basic Service Charge:

Metering charge for single phase service:	\$5.20	per month	to	\$0.17	per day
With instrument transformers:	\$7.10	per month	to	\$0.23	per day
Metering charge for three phase service:	\$5.70	per month	to	\$0.19	per day
With instrument transformers:	\$8.50	per month	to	\$0.28	per day

An original and seven copies of this letter and the following proposed tariff sheets are enclosed:

- 10<sup>th</sup> Revised Sheet No. 44
- 10<sup>th</sup> Revised Sheet No. 45

The \$50 filing fee required in accordance with North Dakota Century Code Section 49-05-05 is also enclosed.

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,



Tamie A. Aberle  
Regulatory Affairs Manager

Attachments  
cc: D. Kuntz



# 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  
10<sup>th</sup> Revised Sheet No. 44  
Canceling 9<sup>th</sup> Revised Sheet No. 44

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

Page 1 of 2

#### 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: \$ 0.05 per day  
With instrument transformers: \$ 0.12 per day

Metering charge for three phase service: \$ 0.13 per day  
With instrument transformers: \$ 0.22 per day

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 = 2.873¢ per Kwh

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.

Date Filed: August 15, 2011

Effective Date:

Issued By: Tamie A. Aberle  
Regulatory Affairs Manager

Case No.:



# 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  
10<sup>th</sup> Revised Sheet No. 45  
Canceling 9<sup>th</sup> 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: \$ 0.17 per day  
With instrument transformers: \$ 0.23 per day  
  
Metering charge for three phase service: \$ 0.19 per day  
With instrument transformers: \$ 0.28 per day

#### 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	10.276	10.962	11.624	12.254	12.847	13.398	13.905

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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Regulatory Affairs Manager

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# Tariffs Reflecting Proposed Changes



# 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  
9<sup>th</sup> Revised Sheet No. 44  
Canceling 8<sup>th</sup> Revised Sheet No. 44

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

Page 1 of 2

#### Availability:

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#### Rate:

Metering charge for single phase service:	\$ <del>1.60 per month</del> <u>0.05 per day</u>
With instrument transformers:	\$ <del>3.50 per month</del> <u>0.12 per day</u>
Metering charge for three phase service:	\$ <del>3.80 per month</del> <u>0.13 per day</u>
With instrument transformers:	\$ <del>6.60 per month</del> <u>0.22 per day</u>

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