



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

October 21, 2011

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

Re: Case No. PU-11-____
Application for Approval of a
Transmission Cost Adjustment

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., herewith files an original and seven (7) copies of an Application for approval of a Transmission Cost Adjustment (Transmission Adjustment) pursuant to N.D.C.C. §49-05-04.3 and §49-05-06. Montana-Dakota is requesting approval of the following tariff sheets provided as Exhibit 1 of the Application to be effective January 1, 2012:

- 3rd Revised Sheet No. 1.1
- 3rd Revised Sheet No. 3
- 1st Revised Sheet No. 4.1
- 5th Revised Sheet No. 7
- 3rd Revised Sheet No. 10
- 2nd Revised Sheet No. 14.1
- 5th Revised Sheet No. 15
- 2nd Revised Sheet No. 18.1
- 5th Revised Sheet No. 19.1
- 2nd Revised Sheet No. 19.2
- 4th Revised Sheet No. 20.1
- 2nd Revised Sheet No. 22.1
- 2nd Revised Sheet No. 23.1
- 2nd Revised Sheet No. 23.2
- 3rd Revised Sheet No. 25.1
- 2nd Revised Sheet No. 25.2
- 3rd Revised Sheet No. 26
- 2nd Revised Sheet No. 26.1

- 3rd Revised Sheet No. 32.1
- 3rd Revised Sheet No. 36
- Original Sheet No. 43
- Original Sheet No. 43.1

Montana-Dakota proposes to recover the North Dakota allocation of transmission related expenses and revenues assessed by the Midwest Independent System Operator, Western Area Power Administration, and the revenue requirement for transmission facilities not currently recovered through electric service rates through the Transmission Adjustment as described and supported in the attached Application.

A Transmission Adjustment of \$0.00001 per Kwh applicable to all electric retail sales, excluding customers on a contract rate, is proposed to be effective January 1, 2012. This change results in an increase of approximately \$0.09 annually for a typical residential customer.

Please refer all inquiries regarding this filing to:

Tamie A. Aberle
Regulatory Affairs Manager
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

Also, please send copies of all written inquiries, correspondence and pleadings to:

Daniel S. Kuntz
Associate General Counsel
MDU Resources Group, Inc.
P.O. Box 5650
Bismarck, ND 58506-5650

Montana-Dakota respectfully requests the Commission reduce the required \$50,000.00 filing fee pursuant to N.D.C.C. §49-05-04.3.2.d which states the North Dakota Public Service Commission may waive or reduce the fee. The Company requests the Commission assess a fee deemed appropriate requiring the publication of notices and the potential for a hearing upon request.

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

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
Regulatory Affairs Manager

Attachments

cc: Daniel S. Kuntz

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

In the Matter of the Application of)
MONTANA-DAKOTA UTILITIES CO., a)
Division of MDU Resources Group, Inc.) Case No. PU-11-_____
for approval of a Transmission Cost)
Adjustment)

I. Summary of Application

Montana-Dakota Utilities Co. (Montana-Dakota or Applicant) is the Applicant in the above-entitled proceeding, and makes application pursuant to N.D.C.C. §49-05-04.3 and §49-05-06 for approval of a Transmission Cost Adjustment and the tariff sheets set forth in Exhibit 1.

II. Description of Applicant

Montana-Dakota is a Division of MDU Resources Group, Inc., a Delaware corporation duly authorized to do business in the State of North Dakota as a foreign corporation, and doing business in the State of North Dakota as a public utility subject to the jurisdiction of and regulation by the North Dakota Public Service Commission (Commission) under Title 49, NDCC, as amended. Montana-Dakota's Certificate of Incorporation and amendments thereto have been previously filed with the Commission under Case No. PU-08-710 and such Certificate and Amendments are hereby incorporated by reference as though fully set forth herein. Montana-Dakota provides electric service to approximately 125,000 customers with approximately 77,000 of those customers located in North Dakota.

III. Description of the Proposed Transmission Cost Adjustment

Montana-Dakota proposes to implement a Transmission Cost Adjustment (Transmission Adjustment) as promulgated under N.D.C.C. Section 49-05-04.3 whereby the Commission has the authority to approve, reject, or modify a tariff filed under N.D.C.C. Section 49-05-06, which provides for an adjustment of rates to recover jurisdictional capital and operating costs incurred by a public utility for new or modified electric transmission facilities.

Montana-Dakota specifically seeks authorization to implement a tariff as provided for under N.D.C.C. Section 49-05-04.3:

- a. Allow the public utility to recover on a timely basis its investment and associated costs for new or modified electric transmission facilities not reflected in the utility's general rate schedule;
- b. Allow a return on the public utility's investment made for new or modified electric transmission facilities at the level approved in the utility's most recent general rate case;
- c. Provide a current return on construction work in progress for new or modified electric transmission facilities, provided the cost recovery from retail customers of the allowance for funds used during construction is not sought through any other means; and
- d. Terminate cost recovery after the public utility's costs for new or modified electric transmission facilities have been recovered fully or have been reflected in the utility's general rate tariffs.

Midwest Independent Transmission System Operator (MISO)

As a transmission-owning member of the Midwest Independent Transmission System Operator, Inc. (MISO), a Regional Transmission Organization (RTO) that oversees and coordinates regional transmission planning, transmission services and manages access to the transmission system, Montana-Dakota is subject to the MISO Open Access Transmission Tariff (OATT). Montana-Dakota incurs charges from

MISO pursuant to the Transmission Expansion Planning Protocol contained in Attachment FF of MISO's Open Access Transmission, Energy and Operating Reserve Markets Tariff. The charges are not always a result of direct service received by Montana-Dakota's customers, but a result of investments by other electric utilities in the MISO Market. Attachment FF to MISO's tariff defines the cost allocation procedures for new transmission projects eligible for inclusion in the MISO Transmission Expansion Plan (MTEP). MISO facilitates effective planning for the Midwest's transmission and generation needs in order to balance system reliability, market efficiency, and state and federal energy public policies through a stakeholder process. MISO determines whether a transmission project is eligible for cost sharing pursuant to Attachment FF of the MISO tariff through the MTEP process. The transmission projects eligible for cost sharing under Attachment FF fall into four categories:

- a. Baseline Reliability Projects – defined as projects built to ensure that the MISO transmission system is in compliance with applicable Electric Reliability Organization reliability standards adopted by Regional Reliability Organizations applicable within the MISO region. Baseline reliability projects that are greater than or equal to 345kV with a cost greater than \$5 million or 5 percent of the transmission owner's net present value of investment in transmission facilities are allocated at 80 percent to the pricing zone using the Line Outage Distribution Factor (LODF) and the remaining 20 percent is allocated to the Regional MISO footprint on a system-wide basis (postage stamp) allocation. For transmission facilities less than 345kV, the cost is

allocated to the pricing zone using the LODF. The LODF considers the flow effects of a given facility's outage on transmission facilities in each pricing zone, also taking into account the length of each affected transmission facility. The costs for Baseline Reliability projects recovered from neighboring pricing zones or on a system wide basis are assessed through MISO Schedule 26.

- b. Market Efficiency Projects – also known as Regional Beneficial projects are constructed for the economic benefit of the region where the facility is greater than 345kV and a minimum cost of \$5 million. Eighty percent of the cost is applied on a sub region-wide basis to all transmission customers in the applicable Planning Sub Region where the investment is made and the remaining 20 percent is allocated to the Regional MISO footprint as a postage stamp allocation. Each project must pass a benefit/cost (B/C) ratio based on the beginning service date of the project from the current year. The costs for market efficiency projects are assessed through MISO Schedule 26.
- c. Multi-Value Project (MVPs) are defined as projects addressing a common set of transmission issues including regional needs and public policy goals that increase stakeholder value across multiple MISO pricing zones. The cost of an MVP is allocated across the regional MISO footprint and recovered through a system usage (i.e., MWh) charge allocated to all load in, and exports from MISO, excluding PJM. The charge, called the MVP usage rate, will be used to recover costs of MVPs on a postage stamp basis determined by system wide usage. Each project is reviewed as part of a portfolio where the total portfolio B/C ratio must be 1.00 or greater to qualify and the project cost must be \$20

million or higher. MVP project costs are assessed through MISO Schedule 26A.

- d. Generator Interconnection Project Network Upgrades are network upgrades for the interconnection of new or increased generating capacity. The interconnection customer is allocated 100 percent of the upfront cost for the upgrades. Interconnection customers will be repaid 10 percent of the network upgrade costs for facilities in voltage classes at or above 345 kV once Commercial Operation is achieved. The 10 percent repayment is reimbursed by all transmission customers in MISO on a postage stamp basis through Schedule 26. The interconnection customer is allocated 100 percent of the Network Upgrades for facilities in voltage classes below 345kV.

The cost allocation criteria and recovery mechanisms applicable to each of the transmission project types described above are prescribed in MISO's Transmission Expansion Planning Protocols (Attachment FF) and Schedules 26 and 26A. The network upgrade charges associated with generator interconnection projects are specified in Attachment GG and, other than the 10 percent postage stamp component charged through Schedule 26, the generator interconnection projects will not affect the transmission adjustment.

As a transmission owner in MISO, Montana-Dakota is subject to cost allocations under Attachment FF as well as an allocation of revenue credits for Montana-Dakota projects qualifying for cost sharing under Attachment FF.

Western Area Power Administration (WAPA)

Montana-Dakota and the Western Area Power Administration (WAPA) have a long history of sharing transmission facilities and providing service across each other's system on a reciprocal wheeling arrangement which has worked well in the past for Montana-Dakota's customers. The agreement with WAPA is set to expire December 15, 2015 and although the Company has attempted to enter into negotiations with WAPA to extend the agreement, WAPA has indicated that it is unable to agree to an extension. With the expiration of the WAPA agreement, Montana-Dakota will be required to take Network Integrated Transmission Service (NITS) under the federally regulated WAPA Integrated System Transmission Tariff (IS Tariff). Montana-Dakota's customer load west of Beulah, North Dakota will be under the WAPA IS Tariff as Montana-Dakota only has a single transmission path west of Beulah to provide a connection to the rest of Montana-Dakota's interconnected service territory and the MISO transmission system.

IV. Transmission Cost Adjustment

Montana-Dakota is proposing to recover the above described MISO transmission costs (primarily in the form of net revenue credits and costs assessed under MISO's Schedules 26 and 26A), the revenue requirement associated with baseline reliability projects on Montana-Dakota's system and the WAPA NITS under the federally regulated WAPA IS Tariff through the Transmission Adjustment.

The costs to be included in the Transmission Adjustment will reflect an allocation of costs to North Dakota based on the 12 month peak demand allocation between the states of North Dakota, Montana and South Dakota.

At this time, Montana-Dakota's projected Schedule 26 charges and revenue credits recoverable under the proposed Transmission Adjustment for calendar year 2012 equate to only \$14,000 on a net basis or an adjustment of \$0.00001 per Kwh. The Company recognizes the insignificance of this amount compared to the total cost of service however; Montana-Dakota will continue to be charged expenses for transmission projects eligible for cost sharing through MISO Schedule 26 while revenue credits will remain flat in the near future. The expense allocated to Montana-Dakota through Schedules 26 and 26A is projected to increase over time as CapX2020 and other baseline reliability transmission facilities and multi-value projects are completed. As an example, the 2011 Candidate MVP Portfolio pending approval by the MISO Board of Directors as part of MTEP 2011 includes the construction of a 345 kV transmission line between Ellendale, North Dakota and the Big Stone Substation in South Dakota that Montana-Dakota intends to construct and own in partnership with Otter Tail Power Company. Montana-Dakota's ownership will provide the opportunity to offset cost allocations to retail customers with revenue credits associated with the Ellendale to Big Stone MVP project.

Exhibit 3 provides the Company's projected Schedule 26 balance by month. The projected Schedule 26 account reflects \$80,000 at this time with projected revenue credits of \$60,000 associated with the Heskett Substation completed in 2011, designated as a baseline reliability project in MTEP 2009 and included as part

of the Company's recent electric rate application in Case No. PU-10-124. As noted above, the net Schedule 26 balance for calendar year 2012 allocated to North Dakota electric customers is \$14,000.

Montana-Dakota does not have any transmission projects forecast for 2012 to be included in the Transmission Adjustment. An example of the revenue requirement determination for a future transmission project is provided in Exhibit 4. As shown, a monthly revenue requirement including a demonstration of the monthly rate base, construction work in progress, operating expenses, property taxes depreciation and income taxes will be provided for each project. The return on investment will be based on the cost of capital authorized in the most recent general rate case.

Montana-Dakota's MISO cost allocation and revenue recovery methodology is dependent on several factors including, the type of MTEP project as determined by MISO Attachment FF, the size of the project, and whether Montana-Dakota is owner of the transmission project. Company-owned transmission projects that provide local transmission benefits but do not meet the eligibility criteria for MISO cost allocation under Attachment FF may also be applicable for recovery through the Transmission Adjustment. Montana-Dakota's customers would be fully responsible for the costs associated with these projects.

Montana-Dakota proposes to track all costs to be recovered through the Transmission Adjustment by project until the costs have been fully recovered or reflected in base rates as the result of a general rate case. All expenses assessed and revenues received from MISO to be distributed to customers through the transmission tracker will also be tracked. Montana-Dakota seeks to accrue monthly

carrying charges or credits at a rate equal to the three-month Treasury Bill rate as published monthly by the Federal Reserve Board and file a true-up of the Transmission Tracker annually with the Commission by November 1 to update the Transmission Adjustment rate to reflect the over/under recovery from the previous year and costs/revenues projected for the subsequent year.

Montana-Dakota proposes to include a separate line item on the bill for the Transmission Adjustment rate recovery. The following tariff sheets provided in Exhibit 1 are proposed to be effective January 1, 2012 to effectuate the addition of the Transmission Adjustment:

- 3rd Revised Sheet No. 1.1
- 3rd Revised Sheet No. 3
- 1st Revised Sheet No. 4.1
- 5th Revised Sheet No. 7
- 3rd Revised Sheet No. 10
- 2nd Revised Sheet No. 14.1
- 5th Revised Sheet No. 15
- 2nd Revised Sheet No. 18.1
- 5th Revised Sheet No. 19.1
- 2nd Revised Sheet No. 19.2
- 4th Revised Sheet No. 20.1
- 2nd Revised Sheet No. 22.1
- 2nd Revised Sheet No. 23.1
- 2nd Revised Sheet No. 23.2
- 3rd Revised Sheet No. 25.1
- 2nd Revised Sheet No. 25.2
- 3rd Revised Sheet No. 26
- 2nd Revised Sheet No. 26.1
- 3rd Revised Sheet No. 32.1
- 3rd Revised Sheet No. 36
- Original Sheet No. 43
- Original Sheet No. 43.1

V. Reasonableness of Costs included in Transmission Adjustment

Montana-Dakota is dedicated to ensuring the lowest reasonable costs associated with transmission projects and service. As evident in the MISO Regional Expansion Criteria & Benefit (RECB) Task Force initiatives undertaken over the last two years, the Company has been very proactive in pointing out potential unintended consequences in the MISO Tariff that could have had a significant negative impact on customers and is being proactive in the MISO MVP filing in order to protect customers' interests.

Prior to July 15, 2009 the MISO Tariff allocated 50 percent of the transmission system network upgrades for generator interconnection requests to transmission owners without a corresponding revenue stream to recover these costs from the interconnecting generator. With almost 2,800 MW of interconnecting requests by wind generators on Montana-Dakota's transmission system, its customers potentially could have been directly responsible for a significant amount of transmission investments from which they receive little benefit. Montana-Dakota worked with the MISO, the RECB Task Force, and even visited FERC in an effort to modify the MISO Tariff to protect its customer's interests. The Company was ultimately successful in its efforts to modify the MISO Tariff which resulted in the assignment of all the network upgrade costs to the interconnecting generator, with the exception of 20 percent assigned to all MISO loads for network upgrades of 345kV voltage and higher.

Montana-Dakota also worked extensively with the MISO, the RECB Task Force, and state commissions to develop a suitable tariff to address the development

of regionally beneficial transmission which ultimately was the MVP provisions approved by FERC on December 16, 2010. Montana-Dakota argued diligently on behalf of its customers, against the intentions of the MISO and at times the Organization of MISO States (OMS), to develop a tariff mechanism for MVP projects that protected the interests of its customers and prevented potentially harmful inequities present in various stakeholder proposals.

Also on several occasions, Montana-Dakota has questioned specific cost allocation assignments to ensure the Company is allocated the appropriate dollars. It is the Company's obligation and commitment to customers to assure that they are assigned fair and reasonable costs from applied MISO tariffs.

Montana-Dakota is forecasting an increase in Schedule 26 and 26A charges allocated to its customers under the MISO Tariff due primarily to the completion of the CAPX 2020 transmission lines in Minnesota and the MISO Candidate MVP projects included in the 2011 MTEP. These transmission investments are large in nature and significant costs will be assigned to Montana-Dakota's customers under the MISO tariff. A Transmission Adjustment will allow Montana-Dakota to recover transmission related expenses on neighboring systems in a timely manner and reduce the frequency of general rate case proceedings.

VI. Estimated Impact by Rate or Customer Class

Montana-Dakota's seeks to use the transmission allocation factor No. 2 from the embedded cost of service study in Montana-Dakota's North Dakota general rate

case, Case No. PU-10-124 to allocate expenses among the rate classes as shown in Exhibit 2.

Montana-Dakota proposes to establish a separate Transmission Adjustment amount by the following classes. While the adjustment per Kwh is the same for each class based on the 2012 amount to be recovered of \$14,000, the amounts will vary as the amounts to be recovered increase.

	<u>Per Kwh</u>
Residential	\$0.00001
Small General	0.00001
Large General	0.00001
Lighting	0.00001
Pumping	0.00001

VII. Conclusion

Applicant respectfully requests that the Commission:

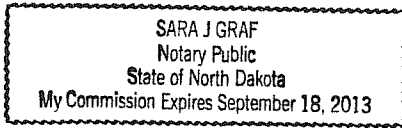
1. Give Notice of Opportunity to request a hearing to interested parties and, if no hearing is requested within twenty days, to waive the hearing in accordance with §49-03.1-05, NDCC;
2. Enter an Order authorizing the implementation of a Transmission Cost Adjustment mechanism, proposed tariff sheets and an adjustment to be effective with service rendered on and after January 1, 2012.
3. Grant such other relief as the Commission shall deem appropriate.

Dated this 21st day of October, 2011.



Tamie A. Aberle
Regulatory Affairs Manager

Subscribed and sworn to before me this 21st day of October, 2011.



Sara J. Graf

Sara J. Graf, Notary Public
Burleigh County, North Dakota
My Commission Expires: 09/18/2013

Of Counsel:

Daniel S. Kuntz
Associate General Counsel
MDU Resources Group, Inc.
P.O. Box 5650
Bismarck, ND 58506-5650

Exhibit 1



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
3rd Revised Sheet No. 1.1
Canceling 2nd Revised Sheet No. 1.1

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Date Filed: October 21, 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 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
3rd Revised Sheet No. 3
Canceling 2nd Revised Sheet No. 3

RESIDENTIAL ELECTRIC SERVICE Rate 10

Page 1 of 1

Availability:

In all communities served for single-phase residential electric service for domestic purposes only.

Rate:

Basic Service Charge:	\$0.35 per day
Energy Charge:	
October – May:	
First 750 Kwh per month	5.304¢ per Kwh
Over 750 Kwh per month	2.304¢ per Kwh
June – September:	5.304¢ per Kwh
Base Fuel and Purchased Power:	2.087¢ per Kwh

Minimum Bill:

Basic Service Charge.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed: October 21, 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 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
1st Revised Sheet No. 4.1
Canceling Original Sheet No. 4.1

OPTIONAL RESIDENTIAL ELECTRIC THERMAL ENERGY STORAGE SERVICE Rate 13

Page 2 of 2

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

1. Thermal storage space heating facilities can include the thermal storage device(s), air-source heat pumps, and associated air handling units.
2. Unless approved by the Company the maximum thermal storage facilities that may be connected under this rate schedule is 50 Kw.
3. The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed: October 21, 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 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
5th Revised Sheet No. 7
Canceling 4th Revised Sheet No. 7

OPTIONAL TIME-OF-DAY RESIDENTIAL ELECTRIC SERVICE Rate 16

Page 1 of 2

Availability:

In all communities served for single-phase residential electric service. The customer's wiring must be so arranged that all service can be measured through one meter.

Rate:

Basic Service Charge: \$0.45 per day

On-Peak Energy:

For all Kwh's used during peak hours designated as 12 p.m. to 8 p.m. local time, Monday through Friday.

October – May 7.398¢ per Kwh

June – September 10.398¢ per Kwh

Off-Peak Energy:

For all energy not covered by the On-Peak rating period. 2.304¢ per Kwh

Base Fuel and Purchased Power: 2.087¢ per Kwh

Minimum Bill:

Basic Service Charge.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

Date Filed: October 21, 2011

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Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
3rd Revised Sheet No. 10
Canceling 2nd Revised Sheet No. 10

SMALL GENERAL ELECTRIC SERVICE Rate 20

Page 1 of 2

Availability:

In all communities served for all types of general electric service with billing demands that do not warrant the installation of a demand meter except outside lighting, standby, resale or other customers covered by special contracts or rate schedules applicable to specific services. The customer's wiring must be so arranged so that all service can be measured through one meter. If the customer does not connect his wiring into a single system, each meter shall constitute a separate billing unit.

Rate:

Basic Service Charge:	\$0.70 per day
Energy Charge:	
October – May:	
First 750 Kwh per month	6.147¢ per Kwh
Over 750 Kwh per month	2.304¢ per Kwh
June – September:	6.147¢ per Kwh
Base Fuel and Purchased Power:	2.087¢ per Kwh

Minimum Bill:

Basic Service Charge.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

Date Filed: October 21, 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 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
2nd Revised Sheet No. 14.1
Canceling 1st Revised Sheet No. 14.1

IRRIGATION POWER SERVICE Rate 25

Page 2 of 2

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed: October 21, 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 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
5th Revised Sheet No. 15
Canceling 4th Revised Sheet No. 15

OPTIONAL TIME-OF-DAY SMALL GENERAL ELECTRIC SERVICE Rate 26

Page 1 of 2

Availability:

In all communities served for all types of general electric service with billing demands that do not warrant the installation of a demand meter except outside lighting, standby, resale, or other customers covered by special contracts or rate schedules applicable to specific services. The customer's wiring must be arranged so that all service can be measured through one meter.

Rate:

Basic Service Charge: \$0.80 per day

On-Peak Energy:

For all Kwh's used during peak hours designated as 12 p.m. to 8 p.m. local time, Monday through Friday.

October – May 7.385¢ per Kwh
June – September 11.385¢ per Kwh

Off-Peak Energy:

For all energy not covered by the On-Peak rating period. 2.304¢ per Kwh

Base Fuel and Purchased Power: 2.087¢ per Kwh

Minimum Bill:

Basic Service Charge.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

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Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
2nd Revised Sheet No. 18.1
Canceling 1st Revised Sheet No. 18.1

GENERAL ELECTRIC SERVICE Rate 30

Page 2 of 2

Determination of Billing Demand:

The demand in kilowatts for billing purposes shall be the maximum 15 minute measured demand in the current month. Demands will be determined to the nearest one-tenth kilowatt. Customers whose loads have rapidly fluctuating and/or intermittent demand characteristics shall be subject to special rules and regulations.

Power Factor Clause:

The Company reserves the right to require the customer to install adequate equipment so that at all times it can operate its facilities to maintain a power factor between 90% lagging and 90% leading. If the customer operates outside this range, the maximum 15 minute integrated reactive kilovolt amperes in excess of 50% of the maximum 15 minute integrated kilowatt demand for the same month will be billed at \$3.35 per Kvar of such excess demand.

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

1. Customers or their architects, contractors and electricians should consult with the Company before proceeding to design or erect installations in which there will be a substantial electric load, to make sure their equipment will meet requirements and receive adequate service.
2. Primary service rate is applicable to customers that own their own transformers, related equipment and distribution facilities downstream of the meter, satisfactory to the Company so customer can receive service and be metered at primary voltages of 2,400 volts or greater.
3. The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed: October 21, 2011

Effective Date:

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Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
5th Revised Sheet No. 19.1
Canceling 4th Revised Sheet No. 19.1

OPTIONAL TIME-OF-DAY GENERAL ELECTRIC SERVICE Rate 31

Page 2 of 3

On-Peak Energy:

For all Kwh's used during peak hours designated as 12 p.m. to 8 p.m. local time, Monday through Friday.

October – May 2.793¢ per Kwh
June – September 3.793¢ per Kwh

Off-Peak Energy:

For all energy not covered by
the On-Peak rating period. 0.793¢ per Kwh

Base Fuel and Purchased Power: 2.087¢ per Kwh

Minimum Bill:

Basic Service Charge.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

Determination of On-Peak Billing Demand:

The demand in kilowatts for billing purposes shall be the maximum 15 minute measured demand for the on-peak period in the current month. Demands will be determined to the nearest one-tenth kilowatt. Customers whose loads have rapidly fluctuating and/or intermittent demand characteristics shall be subject to special rules and regulations.

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OPTIONAL TIME-OF-DAY GENERAL ELECTRIC SERVICE Rate 31

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Power Factor Clause:

The Company reserves the right to require the customer to install adequate equipment so that at all times it can operate its facilities to maintain a power factor between 90% lagging and 90% leading. If the customer operates outside this range, the maximum 15 minute integrated reactive kilovolt amperes in excess of 50% of the maximum 15 minute integrated kilowatt demand for the same month will be billed at \$3.35 per Kvar of such excess demand.

Contract Terms:

Customer agrees to contract for service under the Optional Time-of-Day General Electric Service rate for a minimum period of one year. At the end of a one-year period, customer shall have the option of remaining under the Optional Time-of-Day General Electric Service rate or returning to the regular General Electric Service rate.

General Terms and Conditions:

1. Customers and their architects, contractors and electricians should consult with the Company before proceeding to design or erect installations in which there will be a substantial electric load, to make sure their equipment will meet requirements and receive adequate service.
2. Primary service rate is applicable to customers that own their own transformers, related equipment and distribution facilities downstream of the meter, satisfactory to the Company so customer can receive service and be metered at primary voltages of 2,400 volts or greater.
3. The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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4th Revised Sheet No. 20.1
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GENERAL ELECTRIC SPACE HEATING SERVICE Rate 32

Page 2 of 2

Determination of Billing Demand:

The demand in kilowatts for billing purposes shall be the maximum 15 minute measured demand in the current month. Demands will be determined to the nearest one-tenth kilowatt. Customers whose loads have rapidly fluctuating and/or intermittent demand characteristics shall be subject to special rules and regulations.

Power Factor Clause:

The Company reserves the right to require the customer to install adequate equipment so that at all times it can operate its facilities to maintain a power factor between 90% lagging and 90% leading. If the customer operates outside this range, the maximum 15 minute integrated reactive kilovolt amperes in excess of 50% of the maximum 15 minute integrated kilowatt demand for the same month will be billed at \$3.35 per Kvar of such excess demand.

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

1. Customers or their architects, contractors and electricians should consult with the Company before proceeding to design or erect installations in which there will be a substantial electric load, to make sure their equipment will meet requirements and receive adequate service.
2. Primary service rate is applicable to customers that own their own transformers, related equipment and distribution facilities downstream of the meter, satisfactory to the Company so customer can receive service and be metered at primary voltages of 2,400 volts or greater.
3. The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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2nd Revised Sheet No. 22.1

Canceling 1st Revised Sheet No. 22.1

FIRM SERVICE ECONOMIC DEVELOPMENT Rate 34

Page 2 of 3

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

Right to Discontinue Service:

The Company reserves the right to refuse applicants who have not previously signed a contract for service under this rate if it determines either system capacity or system energy supply is projected to be insufficient, or if service reliability is expected to be at jeopardy.

Determination of Billing Demand:

The demand in kilowatts for billing purposes shall be the greater of the maximum 15 minute measured demand in the current month or 200 Kw. Demands will be determined to the nearest one-tenth kilowatt. Customers whose loads have rapidly fluctuating and/or intermittent demand characteristics shall be subject to special rules and regulations.

Power Factor Clause:

The Company reserves the right to require the customer to install adequate equipment so that at all times it can operate its facilities to maintain a power factor between 90% lagging and 90% leading. If the customer operates outside this range, the maximum 15 minute integrated reactive kilovolt amperes in excess of 50% of the maximum 15 minute integrated kilowatt demand for the same month will be billed at \$3.35 per Kvar of such excess demand.

General Terms and Conditions:

1. The customer and the Company shall execute a contract for service to be effective under this rate for a period of five years from the date of service commencement.

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NDPSC Volume 4

2nd Revised Sheet No. 23.1

Canceling 1st Revised Sheet No. 23.1

INTERRUPTIBLE LARGE POWER DEMAND RESPONSE

Rate 38

Page 2 of 3

Determination of Billing Demand:

The demand in kilowatts for billing purposes shall be the greater of the maximum 15 minute measured demand in the current month or 500 Kw. Demands will be determined to the nearest one-tenth kilowatt. Customers whose loads have rapidly fluctuating and/or intermittent demand characteristics shall be subject to special rules and regulations.

Power Factor Clause:

The Company reserves the right to require the customer to install adequate equipment so that at all times it can operate its facilities to maintain a power factor between 90% lagging and 90% leading. If the customer operates outside this range, the maximum 15 minute integrated reactive kilovolt amperes in excess of 50% of the maximum 15 minute integrated kilowatt demand for the same month will be billed at \$3.35 per Kvar of such excess demand.

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

1. The customer shall execute an electric service agreement with the Company which will include, among other provisions, a minimum term of service and monthly Basic Service Charge payments to the Company. The monthly Basic Service Charge payments are determined on a customer by customer basis and shall include, but are not limited to, any additional costs incurred by Company for facilities, such as substations, electric lines, meters, switching devices, and circuit breakers that are necessary to provide service under this rate.
2. All equipment associated with the interruptible load must be of such voltage and electrical characteristics that it can be separately metered and served

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State of North Dakota Electric Rate Schedule

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2nd Revised Sheet No. 23.2

Canceling 1st Revised Sheet No. 23.2

INTERRUPTIBLE LARGE POWER DEMAND RESPONSE

Rate 38

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from the circuit provided for the interruptible portion of the customer's load. If the equipment to be served is such that this is impossible, the customer must either make special arrangements with the Company or furnish the necessary equipment suitable for connection and metering to the circuit for the interruptible portion of the load.

3. The customer must provide a load-break switch or circuit breaker equipped with electrical trip and close circuits allowing for remote operation of the customer's switch or circuit breaker by the Company. Customer must wire the trip and close circuits into a connection point designated by the Company to allow installation of control equipment by the Company. Customer must provide a continuous 120 volt AC power source at the connection point for operation of the Company's control system.
4. The Company may request the customer to interrupt at any time for up to 100 hours during an annual period starting with the in-service date of the contract between the Company and the customer and annually thereafter. Company shall reimburse customer for customer's fuel when interrupted at a mutually acceptable level and price.
5. Customer will be required to interrupt service within 10 minutes of the Company's signal to interrupt service.
6. The penalty for non-performance when the Company requests the customer to interrupt will be the greater of \$10.00 per Kw applicable to the Kw demand specified in the electric service agreement with the Company or the appropriate allocation of any penalties imposed on the Company by the Midwest Reliability Organization for the period of non-performance. After a second failure to perform, within a 12-month period, the customer shall be liable for the penalty and may be moved to the otherwise applicable rate.
7. The Company shall not be liable for any loss or damage caused by or resulting from any interruption of service.
8. The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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3rd Revised Sheet No. 25.1
Canceling 2nd Revised Sheet No. 25.1

SMALL MUNICIPAL ELECTRIC SERVICE Rate 40 (CLOSED)

Page 2 of 3

Minimum Bill:

Basic Service Charge.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

Determination of Billing Demand:

The demand in kilowatts for billing purposes shall be the maximum 15 minute measured demand in the current month. Demands will be determined to the nearest one-tenth kilowatt. Customers whose loads have rapidly fluctuating and/or intermittent demand characteristics shall be subject to special rules and regulations.

Power Factor Clause:

The Company reserves the right to require the customer to install adequate equipment so that at all times it can operate its facilities to maintain a power factor between 90% lagging and 90% leading. If the customer operates outside this range, the maximum 15 minute integrated reactive kilovolt amperes in excess of 50% of the maximum 15 minute integrated kilowatt demand for the same month will be billed at \$3.35 per Kvar of such excess demand.

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

1. Customers or their architects, contractors and electricians should consult with the Company before proceeding to design or erect installations in which there will be a substantial electric load, to make sure their equipment will meet requirements and receive adequate service.

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SMALL MUNICIPAL ELECTRIC SERVICE Rate 40 (CLOSED)

Page 3 of 3

2. Customer may take service under the non-demand rate provided customer's monthly Kwh will not exceed 4,000 Kwh per month for four consecutive months or connected load will not exceed 20 Kw.
3. Customers not qualifying for the non-demand rate shall be served under the demand rate.
4. The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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State of North Dakota Electric Rate Schedule

NDPSC Volume 4
3rd Revised Sheet No. 26
Canceling 2nd Revised Sheet No. 26

MUNICIPAL LIGHTING SERVICE Rate 41

Page 1 of 2

Availability:

For municipal lighting purposes including streets, alleys and other public grounds. Service will be provided all night, every night in the year with a minimum service requirement of 4,000 hours annually, and must be covered by written contract.

Rate:

Primary Service:
Energy Charge: 5.008¢ per Kwh

Base Fuel and Purchased Power: 2.024¢ per Kwh

Secondary Service:
Energy Charge: 5.508¢ per Kwh

Base Fuel and Purchased Power: 2.087¢ per Kwh

Discount: For contracts of ten years or more 10%

Kwh shall be computed according to the total rated capacity of lamps in use.

Minimum Bill:

As provided in contract.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

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2nd Revised Sheet No. 26.1

Canceling 1st Revised Sheet No. 26.1

MUNICIPAL LIGHTING SERVICE Rate 41

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General Terms and Conditions:

1. The Company will maintain the facilities and change the light bulbs when notified by the municipality that they are burned out except when the facilities are damaged or destroyed by vandalism, malicious mischief by third parties, or willful negligence on the part of employees of the municipality. In case of vandalism, malicious mischief, or willful negligence the Company will charge the municipality for the cost of repair and replacement.
2. Primary service rate is applicable to customers that own their own transformers, related equipment and distribution facilities downstream of the meter, satisfactory to the Company so customer can receive service and be metered at primary voltages of 2,400 volts or greater.
3. In municipally-owned street lighting systems, an additional charge will be made to cover lamp replacements, materials and labor whenever such services are supplied by the Company.
4. When service is not metered, the bill shall be computed on an annual basis, utilizing the minimum service requirement of 4,000 hours annually, and one-twelfth shall be payable each month.
5. The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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3rd Revised Sheet No. 32.1
Canceling 2nd Revised Sheet No. 32.1

MUNICIPAL PUMPING SERVICE Rate 48

Page 2 of 2

Base Fuel and Purchased Power: 2.087¢ per Kwh

Discount: For contracts of ten years or more 10%

Minimum Bill:

Basic Service Charge plus Demand Charge.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

Power Factor Clause:

The Company reserves the right to require the customer to install adequate equipment so that at all times it can operate its facilities to maintain a power factor between 90% lagging and 90% leading. If the customer operates outside this range, the maximum 15 minute integrated reactive kilovolt amperes in excess of 50% of the maximum 15 minute integrated kilowatt demand for the same month will be billed at \$3.35 per Kvar of such excess demand.

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

1. Primary service rate is applicable to customers that own their own transformers, related equipment and distribution facilities downstream of the meter, satisfactory to the Company so customer can receive service and be metered at primary voltages of 2,400 volts or greater.
2. The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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State of North Dakota Electric Rate Schedule

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3rd Revised Sheet No. 36
Canceling 2nd Revised Sheet No. 36

OUTDOOR LIGHTING SERVICE Rate 52

Page 1 of 2

Availability:

For all outdoor lighting including flood lights, billboard lighting, metallic vapor yard lights, and Christmas lights in all communities served. Lighting equipment may be Company-owned or customer-owned.

Rate:

Primary Service:	
Energy Charge:	6.288¢ per Kwh
Base Fuel and Purchased Power:	2.024¢ per Kwh
Secondary Service:	
Energy Charge:	6.694¢ per Kwh
Base Fuel and Purchased Power:	2.087¢ per Kwh

Discount: For contracts of ten years or more 10%

Kwh shall be computed according to the total rated capacity of the units in use.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

1. Applicable to Company-owned Facilities:
 - a. The Company will install, own and operate the flood light(s), and yard light(s) including a suitable reflector, bracket for mounting and automatic device to control operating hours set to operate from dusk to dawn.

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Original Sheet No. 43

TRANSMISSION COST ADJUSTMENT Rate 59

Page 1 of 2

1. **Applicability:**

This rate schedule represents a Transmission Cost Adjustment and specifies the procedure to be utilized to recover the net balance of the capital and operating costs and revenue credits of Montana-Dakota's transmission related expenses and revenues determined to be eligible for recovery in accordance with 49-05-04.3 NDCC. Costs to be recovered under the Transmission Adjustment shall include new or modified transmission facilities such as transmission lines and other transmission related equipment such as substations, transformers and other equipment constructed to improve the power delivery capability or reliability of the transmission system as well as federally regulated costs charged to or incurred by the Company to increase regional transmission capacity or reliability that are not reflected in the rates established in the most recent general rate case.

2. **Transmission Cost Adjustment:**

- a. An adjustment per Kwh will be determined based on the cumulative transmission related costs and revenue credits eligible for recovery and as allocated to the North Dakota jurisdiction as of November 1 of each year and the projected Kwh sales for the recovery period. The adjustment will also include a return requirement on the capital investments based on the authorized rate of return and a true-up of the previous year's adjustment, as described in 2(d).
- b. The adjustment will be applicable to all retail customers for electric energy sold, except those served under special contract and allocated among the rate classes based on the transmission allocation factor from Montana-Dakota's most recent North Dakota general rate case.
- c. The adjustment per Kwh will be revised annually to reflect the current level of costs to be recovered.

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TRANSMISSION COST ADJUSTMENT Rate 59

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- d. The true-up will reflect any over or under collection of revenue under the Transmission Adjustment from the preceding twelve month period plus carrying charges or credits accrued at a rate equal to the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.

3. Time and Manner of Filing:

Montana-Dakota shall file the Transmission Adjustment at least 30 days prior to the proposed effective date. The filing by Montana-Dakota shall be made by means of a revised Transmission Adjustment tariff sheet identifying the amounts of the adjustment, the derivation of the adjustment and the resulting Transmission Adjustment rate.

4. Transmission Cost Adjustment Rate by class:

Residential	0.001¢
Small General	0.001¢
Large General	0.001¢
Lighting	0.001¢
Pumping	0.001¢

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Tariffs Reflecting Proposed Changes



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

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Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
2nd Revised Sheet No. 1.1
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RESIDENTIAL ELECTRIC SERVICE Rate 10

Page 1 of 1

Availability:

In all communities served for single-phase residential electric service for domestic purposes only.

Rate:

Basic Service Charge:	\$0.35 per day
Energy Charge:	
October – May:	
First 750 Kwh per month	5.304¢ per Kwh
Over 750 Kwh per month	2.304¢ per Kwh
June – September:	5.304¢ per Kwh
Base Fuel and Purchased Power:	2.087¢ per Kwh

Minimum Bill:

Basic Service Charge.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

~~Fuel and Purchased Power Adjustment:~~

~~The Base Fuel and Purchased Power amount is subject to adjustment as provided in Rate 58, or any amendments or alterations thereto.~~

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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OPTIONAL RESIDENTIAL ELECTRIC THERMAL ENERGY STORAGE SERVICE Rate 13

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Fuel and Purchased Power Adjustment:

~~The Base Fuel and Purchased Power amount is subject to adjustment as provided in Rate 58, or any amendments or alterations thereto.~~

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

- Thermal storage space heating facilities can include the thermal storage device(s), air-source heat pumps, and associated air handling units.
- Unless approved by the Company the maximum thermal storage facilities that may be connected under this rate schedule is 50 Kw.
- The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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4th Revised Sheet No. 7
Canceling 3rd Revised Sheet No. 7

OPTIONAL TIME-OF-DAY RESIDENTIAL ELECTRIC SERVICE Rate 16

Page 1 of 2

Availability:

In all communities served for single-phase residential electric service. The customer's wiring must be so arranged that all service can be measured through one meter.

Rate:

Basic Service Charge: \$0.45 per day

On-Peak Energy:

For all Kwh's used during peak hours designated as 12 p.m. to 8 p.m. local time, Monday through Friday.

October – May 7.398¢ per Kwh

June – September 10.398¢ per Kwh

Off-Peak Energy:

For all energy not covered by the On-Peak rating period. 2.304¢ per Kwh

Base Fuel and Purchased Power: 2.087¢ per Kwh

Minimum Bill:

Basic Service Charge.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

~~Fuel and Purchased Power Adjustment:~~

~~The Base Fuel and Purchased Power amount is subject to the adjustment as provided in Rate 58, or any amendments or alterations thereto.~~

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

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State of North Dakota Electric Rate Schedule

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SMALL GENERAL ELECTRIC SERVICE Rate 20

Page 1 of 2

Availability:

In all communities served for all types of general electric service with billing demands that do not warrant the installation of a demand meter except outside lighting, standby, resale or other customers covered by special contracts or rate schedules applicable to specific services. The customer's wiring must be so arranged so that all service can be measured through one meter. If the customer does not connect his wiring into a single system, each meter shall constitute a separate billing unit.

Rate:

Basic Service Charge:	\$0.70 per day
Energy Charge:	
October – May:	
First 750 Kwh per month	6.147¢ per Kwh
Over 750 Kwh per month	2.304¢ per Kwh
June – September:	6.147¢ per Kwh
Base Fuel and Purchased Power:	2.087¢ per Kwh

Minimum Bill:

Basic Service Charge.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

Fuel and Purchased Power Adjustment:

The Base Fuel and Purchased Power amount is subject to adjustment as provided in Rate 58, or any amendments or alterations thereto.

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

Date Filed:

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 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
1st Revised Sheet No. 14.1
Canceling Original Sheet No. 14.1

IRRIGATION POWER SERVICE Rate 25

Page 2 of 2

~~Fuel and Purchased Power Adjustment:~~

~~The Base Fuel and Purchased Power amount is subject to adjustment as provided in Rate 58, or any amendments or alterations thereto.~~

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed:

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 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
4th Revised Sheet No. 15
Canceling 3rd Revised Sheet No. 15

OPTIONAL TIME-OF-DAY SMALL GENERAL ELECTRIC SERVICE Rate 26

Page 1 of 2

Availability:

In all communities served for all types of general electric service with billing demands that do not warrant the installation of a demand meter except outside lighting, standby, resale, or other customers covered by special contracts or rate schedules applicable to specific services. The customer's wiring must be arranged so that all service can be measured through one meter.

Rate:

Basic Service Charge: \$0.80 per day

On-Peak Energy:

For all Kwh's used during peak hours designated as 12 p.m. to 8 p.m. local time, Monday through Friday.

October – May 7.385¢ per Kwh

June – September 11.385¢ per Kwh

Off-Peak Energy:

For all energy not covered by the On-Peak rating period. 2.304¢ per Kwh

Base Fuel and Purchased Power: 2.087¢ per Kwh

Minimum Bill:

Basic Service Charge.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

Fuel and Purchased Power Adjustment:

The Base Fuel and Purchased Power amount is subject to adjustment as provided in Rate 58, or any amendments or alterations thereto.

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58

2. Transmission Cost Adjustment Rate 59

Date Filed:

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 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
1st Revised Sheet No. 18.1
Canceling Original Sheet No. 18.1

GENERAL ELECTRIC SERVICE Rate 30

Page 2 of 2

Determination of Billing Demand:

The demand in kilowatts for billing purposes shall be the maximum 15 minute measured demand in the current month. Demands will be determined to the nearest one-tenth kilowatt. Customers whose loads have rapidly fluctuating and/or intermittent demand characteristics shall be subject to special rules and regulations.

Power Factor Clause:

The Company reserves the right to require the customer to install adequate equipment so that at all times it can operate its facilities to maintain a power factor between 90% lagging and 90% leading. If the customer operates outside this range, the maximum 15 minute integrated reactive kilovolt amperes in excess of 50% of the maximum 15 minute integrated kilowatt demand for the same month will be billed at \$3.35 per Kvar of such excess demand.

Fuel and Purchased Power Adjustment:

~~The Base Fuel and Purchased Power amount is subject to adjustment as provided in Rate 58, or any amendments or alterations thereto.~~

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

1. Customers or their architects, contractors and electricians should consult with the Company before proceeding to design or erect installations in which there will be a substantial electric load, to make sure their equipment will meet requirements and receive adequate service.
2. Primary service rate is applicable to customers that own their own transformers, related equipment and distribution facilities downstream of the meter, satisfactory to the Company so customer can receive service and be metered at primary voltages of 2,400 volts or greater.
3. The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed:

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Issued By: Tamie A. Aberle
Regulatory Affairs Manager

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
4th Revised Sheet No. 19.1
Canceling 3rd Revised Sheet No. 19.1

OPTIONAL TIME-OF-DAY GENERAL ELECTRIC SERVICE Rate 31

Page 2 of 3

On-Peak Energy:

For all Kwh's used during peak hours designated as 12 p.m. to 8 p.m. local time, Monday through Friday.

October – May 2.793¢ per Kwh
June – September 3.793¢ per Kwh

Off-Peak Energy:

For all energy not covered by the On-Peak rating period. 0.793¢ per Kwh

Base Fuel and Purchased Power: 2.087¢ per Kwh

Minimum Bill:

Basic Service Charge.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

~~Fuel and Purchased Power Adjustment:~~

~~The Base Fuel and Purchased Power amount is subject to adjustment as provided in Rate 58, or any amendments or alterations thereto.~~

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

Determination of On-Peak Billing Demand:

The demand in kilowatts for billing purposes shall be the maximum 15 minute measured demand for the on-peak period in the current month. Demands will be determined to the nearest one-tenth kilowatt. Customers whose loads have rapidly fluctuating and/or intermittent demand characteristics shall be subject to special rules and regulations.

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Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
1st Revised Sheet No. 19.2
Canceling Original Sheet No. 19.2

OPTIONAL TIME-OF-DAY GENERAL ELECTRIC SERVICE Rate 31

Page 3 of 3

Power Factor Clause:

The Company reserves the right to require the customer to install adequate equipment so that at all times it can operate its facilities to maintain a power factor between 90% lagging and 90% leading. If the customer operates outside this range, the maximum 15 minute integrated reactive kilovolt amperes in excess of 50% of the maximum 15 minute integrated kilowatt demand for the same month will be billed at \$3.35 per Kvar of such excess demand.

Contract Terms:

Customer agrees to contract for service under the Optional Time-of-Day General Electric Service rate for a minimum period of one year. At the end of a one-year period, customer shall have the option of remaining under the Optional Time-of-Day General Electric Service rate or returning to the regular General Electric Service rate.

General Terms and Conditions:

1. Customers and their architects, contractors and electricians should consult with the Company before proceeding to design or erect installations in which there will be a substantial electric load, to make sure their equipment will meet requirements and receive adequate service.
2. Primary service rate is applicable to customers that own their own transformers, related equipment and distribution facilities downstream of the meter, satisfactory to the Company so customer can receive service and be metered at primary voltages of 2,400 volts or greater.
3. The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed:

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 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
3rd Revised Sheet No. 20.1
Canceling 2nd Revised Sheet No. 20.1

GENERAL ELECTRIC SPACE HEATING SERVICE Rate 32

Page 2 of 2

Determination of Billing Demand:

The demand in kilowatts for billing purposes shall be the maximum 15 minute measured demand in the current month. Demands will be determined to the nearest one-tenth kilowatt. Customers whose loads have rapidly fluctuating and/or intermittent demand characteristics shall be subject to special rules and regulations.

Power Factor Clause:

The Company reserves the right to require the customer to install adequate equipment so that at all times it can operate its facilities to maintain a power factor between 90% lagging and 90% leading. If the customer operates outside this range, the maximum 15 minute integrated reactive kilovolt amperes in excess of 50% of the maximum 15 minute integrated kilowatt demand for the same month will be billed at \$3.35 per Kvar of such excess demand.

Fuel and Purchased Power Adjustment:

~~The Base Fuel and Purchased Power amount is subject to adjustment as provided in Rate 58, or any amendments or alterations thereto.~~

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

- Customers or their architects, contractors and electricians should consult with the Company before proceeding to design or erect installations in which there will be a substantial electric load, to make sure their equipment will meet requirements and receive adequate service.
- Primary service rate is applicable to customers that own their own transformers, related equipment and distribution facilities downstream of the meter, satisfactory to the Company so customer can receive service and be metered at primary voltages of 2,400 volts or greater.
- The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed:

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Regulatory Affairs Manager

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
1st Revised Sheet No. 22.1
Canceling Original Sheet No. 22.1

FIRM SERVICE ECONOMIC DEVELOPMENT Rate 34

Page 2 of 3

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

Fuel and Purchased Power Adjustment:

~~The Base Fuel and Purchased Power amount is subject to adjustment as provided in Rate 58, or any amendments or alterations thereto.~~

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

Right to Discontinue Service:

The Company reserves the right to refuse applicants who have not previously signed a contract for service under this rate if it determines either system capacity or system energy supply is projected to be insufficient, or if service reliability is expected to be at jeopardy.

Determination of Billing Demand:

The demand in kilowatts for billing purposes shall be the greater of the maximum 15 minute measured demand in the current month or 200 Kw. Demands will be determined to the nearest one-tenth kilowatt. Customers whose loads have rapidly fluctuating and/or intermittent demand characteristics shall be subject to special rules and regulations.

Power Factor Clause:

The Company reserves the right to require the customer to install adequate equipment so that at all times it can operate its facilities to maintain a power factor between 90% lagging and 90% leading. If the customer operates outside this range, the maximum 15 minute integrated reactive kilovolt amperes in excess of 50% of the maximum 15 minute integrated kilowatt demand for the same month will be billed at \$3.35 per Kvar of such excess demand.

General Terms and Conditions:

1. The customer and the Company shall execute a contract for service to be effective under this rate for a period of five years from the date of service commencement.

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Regulatory Affairs Manager

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
1st Revised Sheet No. 23.1
Canceling Original Sheet No. 23.1

INTERRUPTIBLE LARGE POWER DEMAND RESPONSE

Rate 38

Page 2 of 3

Determination of Billing Demand:

The demand in kilowatts for billing purposes shall be the greater of the maximum 15 minute measured demand in the current month or 500 Kw. Demands will be determined to the nearest one-tenth kilowatt. Customers whose loads have rapidly fluctuating and/or intermittent demand characteristics shall be subject to special rules and regulations.

Power Factor Clause:

The Company reserves the right to require the customer to install adequate equipment so that at all times it can operate its facilities to maintain a power factor between 90% lagging and 90% leading. If the customer operates outside this range, the maximum 15 minute integrated reactive kilovolt amperes in excess of 50% of the maximum 15 minute integrated kilowatt demand for the same month will be billed at \$3.35 per Kvar of such excess demand.

~~**Fuel and Purchased Power Adjustment:**~~

~~The Base Fuel and Purchased Power amount is subject to adjustment as provided in Rate 58, or any amendments or alterations thereto.~~

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

- The customer shall execute an electric service agreement with the Company which will include, among other provisions, a minimum term of service and monthly Basic Service Charge payments to the Company. The monthly Basic Service Charge payments are determined on a customer by customer basis and shall include, but are not limited to, any additional costs incurred by Company for facilities, such as substations, electric lines, meters, switching devices, and circuit breakers that are necessary to provide service under this rate.
- All equipment associated with the interruptible load must be of such voltage and electrical characteristics that it can be separately metered and served

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Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
1st Revised Sheet No. 23.2
Canceling Original Sheet No. 23.2

INTERRUPTIBLE LARGE POWER DEMAND RESPONSE

Rate 38

Page 3 of 3

from the circuit provided for the interruptible portion of the customer's load. If the equipment to be served is such that this is impossible, the customer must either make special arrangements with the Company or furnish the necessary equipment suitable for connection and metering to the circuit for the interruptible portion of the load.

3. The customer must provide a load-break switch or circuit breaker equipped with electrical trip and close circuits allowing for remote operation of the customer's switch or circuit breaker by the Company. Customer must wire the trip and close circuits into a connection point designated by the Company to allow installation of control equipment by the Company. Customer must provide a continuous 120 volt AC power source at the connection point for operation of the Company's control system.
4. The Company may request the customer to interrupt at any time for up to 100 hours during an annual period starting with the in-service date of the contract between the Company and the customer and annually thereafter. Company shall reimburse customer for customer's fuel when interrupted at a mutually acceptable level and price.
5. Customer will be required to interrupt service within 10 minutes of the Company's signal to interrupt service.
6. The penalty for non-performance when the Company requests the customer to interrupt will be the greater of \$10.00 per Kw applicable to the Kw demand specified in the electric service agreement with the Company or the appropriate allocation of any penalties imposed on the Company by the Midwest Reliability Organization for the period of non-performance. After a second failure to perform, within a 12-month period, the customer shall be liable for the penalty and may be moved to the otherwise applicable rate.
7. The Company shall not be liable for any loss or damage caused by or resulting from any interruption of service.
8. The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed:

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Regulatory Affairs Manager

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
2nd Revised Sheet No. 25.1
Canceling 1st Revised Sheet No. 25.1

SMALL MUNICIPAL ELECTRIC SERVICE Rate 40 (CLOSED)

Page 2 of 3

Minimum Bill:

Basic Service Charge.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

Determination of Billing Demand:

The demand in kilowatts for billing purposes shall be the maximum 15 minute measured demand in the current month. Demands will be determined to the nearest one-tenth kilowatt. Customers whose loads have rapidly fluctuating and/or intermittent demand characteristics shall be subject to special rules and regulations.

Power Factor Clause:

The Company reserves the right to require the customer to install adequate equipment so that at all times it can operate its facilities to maintain a power factor between 90% lagging and 90% leading. If the customer operates outside this range, the maximum 15 minute integrated reactive kilovolt amperes in excess of 50% of the maximum 15 minute integrated kilowatt demand for the same month will be billed at \$3.35 per Kvar of such excess demand.

~~Fuel and Purchased Power Adjustment:~~

~~The Base Fuel and Purchased Power amount is subject to adjustment as provided in Rate 58, or any amendments or alterations thereto.~~

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

1. Customers or their architects, contractors and electricians should consult with

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Regulatory Affairs Manager

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
1st Revised Sheet No. 25.2
Canceling Original Sheet No. 25.2

SMALL MUNICIPAL ELECTRIC SERVICE Rate 40 (CLOSED)

Page 3 of 3

the Company before proceeding to design or erect installations in which there will be a substantial electric load, to make sure their equipment will meet requirements and receive adequate service.

2. Customer may take service under the non-demand rate provided customer's monthly Kwh will not exceed 4,000 Kwh per month for four consecutive months or connected load will not exceed 20 Kw.
3. Customers not qualifying for the non-demand rate shall be served under the demand rate.
4. The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed:

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Issued By: Tamie A. Aberle
Regulatory Affairs Manager

Case No.:



Montana-Dakota Utilities Co.

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400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
2nd Revised Sheet No. 26
Canceling 1st Revised Sheet No. 26

MUNICIPAL LIGHTING SERVICE Rate 41

Page 1 of 2

Availability:

For municipal lighting purposes including streets, alleys and other public grounds. Service will be provided all night, every night in the year with a minimum service requirement of 4,000 hours annually, and must be covered by written contract.

Rate:

Primary Service:	
Energy Charge:	5.008¢ per Kwh
Base Fuel and Purchased Power:	2.024¢ per Kwh
Secondary Service:	
Energy Charge:	5.508¢ per Kwh
Base Fuel and Purchased Power:	2.087¢ per Kwh

Discount: For contracts of ten years or more 10%

Kwh shall be computed according to the total rated capacity of lamps in use.

Minimum Bill:

As provided in contract.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

~~Fuel and Purchased Power Adjustment:~~

~~The Base Fuel and Purchased Power amount is subject to adjustment as provided in Rate 58, or any amendments or alterations thereto.~~

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

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Issued By: Tamie A. Aberle
Regulatory Affairs Manager

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
1st Revised Sheet No. 26.1
Canceling Original Sheet No. 26.1

MUNICIPAL LIGHTING SERVICE Rate 41

Page 2 of 2

General Terms and Conditions:

1. The Company will maintain the facilities and change the light bulbs when notified by the municipality that they are burned out except when the facilities are damaged or destroyed by vandalism, malicious mischief by third parties, or willful negligence on the part of employees of the municipality. In case of vandalism, malicious mischief, or willful negligence the Company will charge the municipality for the cost of repair and replacement.
2. Primary service rate is applicable to customers that own their own transformers, related equipment and distribution facilities downstream of the meter, satisfactory to the Company so customer can receive service and be metered at primary voltages of 2,400 volts or greater.
3. In municipally-owned street lighting systems, an additional charge will be made to cover lamp replacements, materials and labor whenever such services are supplied by the Company.
4. When service is not metered, the bill shall be computed on an annual basis, utilizing the minimum service requirement of 4,000 hours annually, and one-twelfth shall be payable each month.
5. The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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Regulatory Affairs Manager

Case No.:



Montana-Dakota Utilities Co.

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400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
2nd Revised Sheet No. 32.1
Canceling 1st Revised Sheet No. 32.1

MUNICIPAL PUMPING SERVICE Rate 48

Page 2 of 2

Base Fuel and Purchased Power: 2.087¢ per Kwh

Discount: For contracts of ten years or more 10%

Minimum Bill:

Basic Service Charge plus Demand Charge.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

Power Factor Clause:

The Company reserves the right to require the customer to install adequate equipment so that at all times it can operate its facilities to maintain a power factor between 90% lagging and 90% leading. If the customer operates outside this range, the maximum 15 minute integrated reactive kilovolt amperes in excess of 50% of the maximum 15 minute integrated kilowatt demand for the same month will be billed at \$3.35 per Kvar of such excess demand.

Fuel and Purchased Power Adjustment:

~~The Base Fuel and Purchased Power amount is subject to adjustment as provided in Rate 58, or any amendments or alterations thereto.~~

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

1. Primary service rate is applicable to customers that own their own transformers, related equipment and distribution facilities downstream of the meter, satisfactory to the Company so customer can receive service and be metered at primary voltages of 2,400 volts or greater.
2. The foregoing schedule is subject to Rates 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed:

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Issued By: Tamie A. Aberle
Regulatory Affairs Manager

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
2nd Revised Sheet No. 36
Canceling 1st Revised Sheet No. 36

OUTDOOR LIGHTING SERVICE Rate 52

Page 1 of 2

Availability:

For all outdoor lighting including flood lights, billboard lighting, metallic vapor yard lights, and Christmas lights in all communities served. Lighting equipment may be Company-owned or customer-owned.

Rate:

Primary Service:

Energy Charge: 6.288¢ per Kwh

Base Fuel and Purchased Power: 2.024¢ per Kwh

Secondary Service:

Energy Charge: 6.694¢ per Kwh

Base Fuel and Purchased Power: 2.087¢ per Kwh

Discount: For contracts of ten years or more 10%

Kwh shall be computed according to the total rated capacity of the units in use.

Payment:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100 or any amendments or alterations thereto.

~~Fuel and Purchased Power Adjustment:~~

~~The Base Fuel and Purchased Power amount is subject to adjustment as provided in Rate 58, or any amendments or alterations thereto.~~

Adjustment Clauses:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Fuel and Purchased Power Adjustment Rate 58
2. Transmission Cost Adjustment Rate 59

General Terms and Conditions:

1. Applicable to Company-owned Facilities:
 - a. The Company will install, own and operate the flood light(s), and yard light(s) including a suitable reflector, bracket for mounting and automatic device to control operating hours set to operate from dusk to dawn.

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Regulatory Affairs Manager

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
Original Sheet No. 43

TRANSMISSION COST ADJUSTMENT Rate 59

Page 1 of 2

1. Applicability:

This rate schedule represents a Transmission Cost Adjustment and specifies the procedure to be utilized to recover the net balance of the capital and operating costs and revenue credits of Montana-Dakota's transmission related expenses and revenues determined to be eligible for recovery in accordance with 49-05-04.3 NDCC. Costs to be recovered under the Transmission Adjustment shall include new or modified transmission facilities such as transmission lines and other transmission related equipment such as substations, transformers and other equipment constructed to improve the power delivery capability or reliability of the transmission system as well as federally regulated costs charged to or incurred by the Company to increase regional transmission capacity or reliability that are not reflected in the rates established in the most recent general rate case.

2. Transmission Cost Adjustment:

- a. An adjustment per Kwh will be determined based on the cumulative transmission related costs and revenue credits eligible for recovery and as allocated to the North Dakota jurisdiction as of November 1 of each year and the projected Kwh sales for the recovery period. The adjustment will also include a return requirement on the capital investments based on the authorized rate of return and a true-up of the previous year's adjustment, as described in 2(d).
- b. The adjustment will be applicable to all retail customers for electric energy sold, except those served under special contract and allocated among the rate classes based on the transmission allocation factor from Montana-Dakota's most recent North Dakota general rate case.
- c. The adjustment per Kwh will be revised annually to reflect the current level of costs to be recovered.

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Regulatory Affairs Manager

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Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
Original Sheet No. 43.1

RESERVED TRANSMISSION COST ADJUSTMENT Rate 59

Page 2 of 2

d. The true-up will reflect any over or under collection of revenue under the Transmission Adjustment from the preceding twelve month period plus carrying charges or credits accrued at a rate equal to the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.

3. Time and Manner of Filing:

Montana-Dakota shall file the Transmission Adjustment at least 30 days prior to the proposed effective date. The filing by Montana-Dakota shall be made by means of a revised Transmission Adjustment tariff sheet identifying the amounts of the adjustment, the derivation of the adjustment and the resulting Transmission Adjustment rate.

4. Transmission Cost Adjustment Rate by class:

<u>Residential</u>	<u>0.001¢</u>
<u>Small General</u>	<u>0.001¢</u>
<u>Large General</u>	<u>0.001¢</u>
<u>Lighting</u>	<u>0.001¢</u>
<u>Pumping</u>	<u>0.001¢</u>

Date Filed:

Effective Date:

Issued By: Tamie A. Aberle
Regulatory Affairs Manager

Case No.:

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Transmission Cost Adjustment Allocation by Class
Projected 2012**

	Embedded Class COS Study Factor No. 2 1/	Total Projected 2012 2/	Forecasted KWh 3/	\$/KWh
Residential	44.50%	\$6,230	662,867,184	0.00001
Small General	6.50%	910	120,670,893	0.00001
Large General	46.08%	6,451	853,814,387	0.00001
Lighting	0.96%	134	27,356,936	0.00001
Pumping	1.96%	275	29,633,600	0.00001
	100.00%	\$14,000	1,694,343,000	

1/ Case No. PU-10-124.

2/ Exhibit 3.

3/ 2012 Forecasted Sales (KWh) excluding special contract sales.

**Montana-Dakota Utilities Co.
North Dakota Transmission Cost Adjustment
MISO Schedule 26**

Line		Projected											Projected	
		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Total Dec-12
1	MISO Schedule 26 Expense	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,663	\$80,000
2	MISO Schedule 26 Revenue	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
3	Net MISO Schedule 26	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,663	20,000
4														
5	North Dakota Allocation 1/	\$1,167	\$1,167	\$1,167	\$1,167	\$1,167	\$1,167	\$1,167	\$1,167	\$1,167	\$1,167	\$1,167	\$1,163	\$14,000

1/ Allocated on Factor No. 15, Integrated System 12 Month Peak Demand.
69.9997263%

Montana-Dakota Utiliteis Co.
North Dakota Transmission Cost Adjustment
Project No. 1

Line		Projected											
		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
1	RATE BASE												
2	Plant Balance	0	0	0	0	0	0	0	0	0	0	0	0
3	Accumulated. Depreciation	0	0	0	0	0	0	0	0	0	0	0	0
4	Net Plant in Service	0	0	0	0	0	0	0	0	0	0	0	0
5	CWIP	0	0	0	0	0	0	0	0	0	0	0	0
6	Total Plant in Service	0	0	0	0	0	0	0	0	0	0	0	0
7													
8	Additions												
9	Materials & Supplies	0	0	0	0	0	0	0	0	0	0	0	0
10	Deductions												
11	Accum. Deferred Inc. Taxes - Fed & State	0	0	0	0	0	0	0	0	0	0	0	0
12													
13	Average rate base	0	0	0	0	0	0	0	0	0	0	0	0
14													
15	INCOME STATEMENT												
16	O&M Expense	0	0	0	0	0	0	0	0	0	0	0	0
17	Depreciation & Amortization	0	0	0	0	0	0	0	0	0	0	0	0
18	Taxes Other Than Income	0	0	0	0	0	0	0	0	0	0	0	0
19	Current Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0
20	Deferred Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0
21	Total Expenses	0	0	0	0	0	0	0	0	0	0	0	0
22													
23	REVENUE REQUIRMENT												
24	Expenses	0	0	0	0	0	0	0	0	0	0	0	0
25	Return on rate base 1/	0	0	0	0	0	0	0	0	0	0	0	0
26													
27	Total revenue requirement	0	0	0	0	0	0	0	0	0	0	0	0
28													
29	North Dakota Allocation	69.9997263%	0	0	0	0	0	0	0	0	0	0	0

1/ Capital Structure authorized in Case No. PU-10-124.

	Ratio	Cost	WA Cost
Long Term Debt	42.232%	6.845%	2.891%
Short Term Debt	3.136%	2.535%	0.079%
Preferred equity	2.333%	4.590%	0.107%
Common equity	52.299%	10.750%	5.622%
Total	100.00%		8.699%