



MONTANA-DAKOTA
UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

ORIGINAL

June 20, 2012

RECEIVED

JUN 20 2012

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

PUBLIC SERVICE COMMISSION

Re: Case No. PU-12-_____
2012-2013 Avoided Costs Updates

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group Inc., herewith requests Commission approval to revise its Occassional Power Purchase Non-Time Differentiated Rate 95 and Parallel Generation Peaking Facility Purchase Rate 96 Time Differentiated. This filing is made in compliance with the Order in Case No. 10,000 and in accordance with the Cogeneration and Small Power Producer Rules, Section 69-09-07-09 of the North Dakota Administrative Code.

The methodology used to develop the proposed energy and capacity payments is consistent with the approved avoided cost rate tariffs. The proposed energy payments for Rates 95 and 96 were generated using Montana-Dakota's production costing model PLEXOS[®] for Power Systems (PLEXOS), reflecting a test year of July 2012 to June 2013. PLEXOS[®] is a power market simulation software that Montana-Dakota began using in 2011 replacing the Prosym production cost model used in past years. PLEXOS[®] provides Montana-Dakota similar modeling functionality as a production cost program.

The proposed energy payments under Rates 95 and 96 reflect an increase in the energy payment per Kwh attributable to forecasted increases in both coal prices and the Midwest Independent System Operator (MISO) market prices from those included in the currently approved energy payments. Montana-Dakota used the peaking facility approach, specifically, Montana-Dakota's new combustion turbine Heskett Station 3, to calculate the proposed capacity payments.

Montana-Dakota has updated the tariff language in Rate 96 Section I. Facilities Capable of Providing Dispatchable Capacity at the Time of Company's Summer Peak to reflect that the levelized payment for the capacity delivered to the Company will be based on Table 1, contract length (years). Tariff language has also been modified in Section II. Facilities

Which Are Not Dispatchable and Provide Energy and Capacity on an "As Available" Basis, to identify that the total capacity payment per billing period equals the amount of metered generation on Montana-Dakota's peak hour during the billing period based on the applicable payment from Table 1. Tariff language is included to advise that if a capacity payment is applicable, the payment will be paid in the subsequent billing period.

Montana-Dakota has reviewed the metering charges applicable under Rate 95 and 96 and has determined no change in the daily meter charges is necessary in this annual update.

Included herein is a second set of the affected tariffs on which Montana-Dakota has indicated the revisions requested by lining through the existing language which the Company proposes to delete and clearly highlighting the new language proposed.

A report of tariff change reflecting Commission data requirements regarding filings is also attached hereto. Montana-Dakota served two customers under Rate 95 as of May 31, 2012. A monthly history of the energy purchased under Rate 95 is included as Attachment B.

Montana-Dakota respectfully requests that the rate schedules set forth herein be approved with an effective date of service rendered July 20, 2012.

Please refer all inquiries regarding this filing to:

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

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

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

The original and seven (7) copies of this Letter of Transmittal and tariffs have been provided to the North Dakota Public Service Commission.

Enclosed is a check for \$50.00 in accordance with North Dakota Century Code Section 49-05-05 to cover the filing fee associated with this filing.

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 envelope.

Sincerely,



Tamie A. Aberle
Regulatory Affairs Manager

Attachments

cc: D. Kuntz



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
11th Revised Sheet No. 44
Canceling 10th Revised Sheet No. 44

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 1 of 2

Availability:

To any qualifying cogeneration and small power production facilities for the purpose of generating occasional electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a design capacity of 100 Kw or less, that are Qualifying Facilities (QF) as defined under 18 CFR, Part 292.

Rate:

Metering charge for single phase service: \$ 0.05 per day
With instrument transformers: \$ 0.12 per day

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

Energy delivered to and accepted by Company by a QF shall be paid for by Company in accordance with one of the following two options, elected by the QF:

1. Simultaneous Purchase and Sale:

Energy sales to QF - Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

Energy purchases by Company:

Energy Payment = 3.077¢ per Kwh

2. Net Billing:

Energy generated will be compensated on a net billing basis. The Company will install a meter to measure the energy generated by the QF. The Company will also install a meter to measure the energy consumed by the QF. Metered generation will be subtracted from the metered consumption for the billing period.

Date Filed: June 20, 2012

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
9th Revised Sheet No. 44.1
Canceling 8th Revised Sheet No. 44.1

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 2 of 2

If metered generation is less than metered consumption, the QF will be billed the applicable retail rate. If metered generation is greater than the metered consumption, the QF will be paid for each Kwh an amount equal to:
3.077¢ per Kwh

General Terms and Conditions:

1. Change of Rates: This schedule shall be reviewed annually, updated if necessary, and revised upon the Commission's approval.
2. The Company shall install appropriate metering facilities to record all flows of energy necessary to bill and pay in accordance with the charges and payments contained in this rate schedule.
3. The customer shall, with prior written consent of the Company, furnish, install and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by the Company to properly meter usage and sales to the Company.
4. A written contract with the Company shall be signed stipulating the terms and conditions of the interconnection and sale of the electricity to the Company. The term of the contract hereunder shall be at least one year but less than five years.
5. In order to qualify for the net billing option, the generating equipment and the load of the facility must be located at the same "physical site". "Physical site" shall mean on the same tract of land and the generator output must be physically connected to the load service entrance.
6. For general terms and conditions covering QF's, see Rate 140.
7. All services provided by the Company under this and all other schedules are governed by the rules and regulations approved by the North Dakota Public Service Commission. Rates charged hereunder may be modified by Company at any time by making a unilateral rate application with the North Dakota Public Service Commission or its successor. The new rates shall be effective upon approval by the Commission.

Date Filed: June 20, 2012

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
11th Revised Sheet No. 45
Canceling 10th Revised Sheet No. 45

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 1 of 4

Availability:

To any qualifying cogeneration and small power production facilities for the purpose of generating electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a design capacity of 1000 Kw or less, that operate as a peaking facility (defined below), and are Qualifying Facilities (QF) as defined under 18 CFR, Part 292.

I. FACILITIES CAPABLE OF PROVIDING DISPATCHABLE CAPACITY AT THE TIME OF COMPANY'S SUMMER PEAK

Rate:

Metering charge for single phase service: \$ 0.17 per day
With instrument transformers: \$ 0.23 per day

Metering charge for three phase service: \$ 0.19 per day
With instrument transformers: \$ 0.28 per day

1. Capacity delivered to the Company:

Levelized payment for term of contract based on Table 1 below.

TABLE 1
Contract Length (YR.)

	5	10	15	20	25	30	35
\$/Kw-mo	10.997	11.713	12.389	13.018	13.593	14.112	14.573

Total capacity payment per month = The applicable contract length capacity payment from Table 1 times the maximum one hour net unit capacity, as demonstrated by an annual capability test.

Capacity payments will be based on Montana-Dakota's peak hour and paid in the subsequent billing period.

Date Filed: June 20, 2012

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
11th Revised Sheet No. 45.1
Canceling 10th Revised Sheet No. 45.1

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 2 of 4

2. Energy Payment:

ON-PEAK

3.066¢ per Kwh

OFF-PEAK

2.957¢ per Kwh

Peak Periods: The On-Peak Period is defined as those hours between 12 p.m. and 8 p.m. local time, Monday through Friday in the months of June through September. The Off-Peak Period is defined as all other hours. Definitions of On-Peak and Off-Peak periods are subject to change with change in the Company's system operating characteristics.

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

Rate:

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

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

1. Total capacity payment per billing period equals the amount of metered net generation on Montana-Dakota's peak hour during the billing period times the applicable value from Table 1. The applicable capacity payment will be paid in the subsequent billing period.

2. Energy Payment:

ON-PEAK

3.066¢ per Kwh

OFF-PEAK

2.957¢ per Kwh

Date Filed: June 20, 2012

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
9th Revised Sheet No. 45.2
Canceling 8th Revised Sheet No. 45.2

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 3 of 4

Energy Sales to Qualifying Facilities:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

General Terms and Conditions:

1. Change of Rates: This schedule shall be reviewed annually, updated if necessary, and revised upon the Commission's approval.
2. Service under this schedule shall be on a simultaneous purchase and sale basis only.
3. The Company shall install appropriate metering facilities to record all flows of energy necessary to bill and pay in accordance with the charges and payments contained in this rate schedule.
4. The customer shall, with prior written consent of the Company, furnish, install and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by the Company to properly meter usage and sales to the Company.
5. A written contract with the Company shall be signed stipulating the terms and conditions of the interconnection and sale of the electricity to the Company. The term of the contract hereunder shall be five years or more.
6. Line loss considerations will be determined on a site specific basis.
7. For dispatchable units, generator outages must be pre-scheduled with Company to provide coordination with Company units.

Date Filed: June 20, 2012

Effective Date:

Issued By: Tamie A. Aberle
Regulatory Affairs Manager

Case No.:

Tariffs Reflecting Proposed Changes



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
10th Revised Sheet No. 44
Canceling 9th Revised Sheet No. 44

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 1 of 2

Availability:

To any qualifying cogeneration and small power production facilities for the purpose of generating occasional electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a design capacity of 100 Kw or less, that are Qualifying Facilities (QF) as defined under 18 CFR, Part 292.

Rate:

Metering charge for single phase service: \$ 0.05 per day
With instrument transformers: \$ 0.12 per day

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

Energy delivered to and accepted by Company by a QF shall be paid for by Company in accordance with one of the following two options, elected by the QF:

1. Simultaneous Purchase and Sale:

Energy sales to QF - Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

Energy purchases by Company:

Energy Payment = ~~2.8733~~ 2.077¢ per Kwh

2. Net Billing:

Energy generated will be compensated on a net billing basis. The Company will install a meter to measure the energy generated by the QF. The Company will also install a meter to measure the energy consumed by the QF. Metered generation will be subtracted from the metered consumption for the billing period.

Date Filed:

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
8th Revised Sheet No. 44.1
Canceling 7th Revised Sheet No. 44.1

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 2 of 2

If metered generation is less than metered consumption, the QF will be billed the applicable retail rate. If metered generation is greater than the metered consumption, the QF will be paid for each Kwh an amount equal to:
2.8733.077¢ per Kwh

General Terms and Conditions:

1. Change of Rates: This schedule shall be reviewed annually, updated if necessary, and revised upon the Commission's approval.
2. The Company shall install appropriate metering facilities to record all flows of energy necessary to bill and pay in accordance with the charges and payments contained in this rate schedule.
3. The customer shall, with prior written consent of the Company, furnish, install and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by the Company to properly meter usage and sales to the Company.
4. A written contract with the Company shall be signed stipulating the terms and conditions of the interconnection and sale of the electricity to the Company. The term of the contract hereunder shall be at least one year but less than five years.
5. In order to qualify for the net billing option, the generating equipment and the load of the facility must be located at the same "physical site". "Physical site" shall mean on the same tract of land and the generator output must be physically connected to the load service entrance.
6. For general terms and conditions covering QF's, see Rate 140.
7. All services provided by the Company under this and all other schedules are governed by the rules and regulations approved by the North Dakota Public Service Commission. Rates charged hereunder may be modified by Company at any time by making a unilateral rate application with the North Dakota Public Service Commission or its successor. The new rates shall be effective upon approval by the Commission.

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
10th Revised Sheet No. 45
Canceling 9th Revised Sheet No. 45

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 1 of 4

Availability:

To any qualifying cogeneration and small power production facilities for the purpose of generating electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a design capacity of 1000 Kw or less, that operate as a peaking facility (defined below), and are Qualifying Facilities (QF) as defined under 18 CFR, Part 292.

I. FACILITIES CAPABLE OF PROVIDING DISPATCHABLE CAPACITY AT THE TIME OF COMPANY'S SUMMER PEAK

Rate:

Metering charge for single phase service: \$ 0.17 per day
With instrument transformers: \$ 0.23 per day

Metering charge for three phase service: \$ 0.19 per day
With instrument transformers: \$ 0.28 per day

1. Capacity delivered to the Company:

~~QF has the option of one of two methods of payment for capacity:~~

~~a. Actual avoided costs at the time of delivery, or~~

b. Levelized payment for term of contract based on Table 1 below.

TABLE 1
Contract Length (YR.)

	5	10	15	20	25	30	35
\$/Kw-mo	10.276 10.997	10.962 11.713	11.624 12.389	12.254 13.018	12.847 13.593	13.398 14.112	13.905 14.573

Total capacity payment per month = The applicable contract length capacity payment from Table 1 times the maximum 4-one hour net unit capacity, as demonstrated by an annual capability test.

Capacity payments will be based on Montana-Dakota's peak hour and paid in the subsequent billing period.

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
10th Revised Sheet No. 45.1
Canceling 9th Revised Sheet No. 45.1

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 2 of 4

2. Energy Payment:

ON-PEAK

2.9443.066¢ per Kwh

OFF-PEAK

2.8562.957¢ per Kwh

Peak Periods: The On-Peak Period is defined as those hours between 12 p.m. and 8 p.m. local time, Monday through Friday in the months of June through September. The Off-Peak Period is defined as all other hours. Definitions of On-Peak and Off-Peak periods are subject to change with change in the Company's system operating characteristics.

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

Rate:

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

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

1. Total capacity payment per billing period equals the amount of metered net generation on Montana-Dakota's peak hour during the billing period times the applicable value from Table 1. The applicable capacity payment will be paid in the subsequent billing period. = ~~P X Maximum 15 minute capacity for billing period, where P is defined below:~~

~~$P = QCF/PCF(VTable 1)$~~

where: P = ~~capacity payment in \$/Kw-month~~
QCF = ~~Qualifying Facilities Capacity Factor~~
PCF = ~~Projected Capacity Factor of the facility to be avoided~~
VTable 1 = ~~Applicable value from Table 1~~
CF = ~~Capacity Factor which equals average 15 minute on-peak metered capacity divided by the greatest 15 minute on-peak metered capacity during the billing period.~~

~~QCF/PCF cannot be greater than 1.~~

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
8th Revised Sheet No. 45.2
Canceling 7th Revised Sheet No. 45.2

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 3 of 4

2. Energy Payment:

ON-PEAK

2.9443.066¢ per Kwh

OFF-PEAK

2.8562.957¢ per Kwh

Energy Sales to Qualifying Facilities:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

General Terms and Conditions:

1. Change of Rates: This schedule shall be reviewed annually, updated if necessary, and revised upon the Commission's approval.
2. Service under this schedule shall be on a simultaneous purchase and sale basis only.
3. The Company shall install appropriate metering facilities to record all flows of energy necessary to bill and pay in accordance with the charges and payments contained in this rate schedule.
4. The customer shall, with prior written consent of the Company, furnish, install and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by the Company to properly meter usage and sales to the Company.
5. A written contract with the Company shall be signed stipulating the terms and conditions of the interconnection and sale of the electricity to the Company. The term of the contract hereunder shall be five years or more.
6. Line loss considerations will be determined on a site specific basis.
7. For dispatchable units, generator outages must be pre-scheduled with Company to provide coordination with Company units.

Date Filed:

Effective Date:

Issued By: Tamie A. Aberle
Regulatory Affairs Manager

Case No.:

North Dakota Report of Tariff Schedule Change

Case No. PU-12-_____

Name of Utility: Montana-Dakota Utilities Co.
 Address Main Office: 400 North Fourth Street, Bismarck ND 58501

NEW TARIFF DESIGNATION

	P.S.C. Tariff Volume _____	Sheet No. _____	
<u>Occasional Power Purchase Rate 95</u>	<u>P.S.C. Tariff Volume 4</u>	<u>Sheet No. 11th Revised Sheet No. 44</u>	
<u>Occasional Power Purchase Rate 95</u>	<u>P.S.C. Tariff Volume 4</u>	<u>Sheet No. 9th Revised Sheet No. 44.1</u>	
<u>Parallel Generation Peaking Facility Purchase Rate 96</u>	<u>P.S.C. Tariff Volume 4</u>	<u>Sheet No. 11th Revised 45</u>	
<u>Time Differentiated</u>	<u>P.S.C. Tariff Volume _____</u>	<u>Sheet No. _____</u>	
<u>Parallel Generation Peaking Facility Purchase Rate 96</u>	<u>P.S.C. Tariff Volume 4</u>	<u>Sheet No. 11th Revised Sheet No. 45.1</u>	
<u>Time Differentiated</u>	<u>P.S.C. Tariff Volume _____</u>	<u>Sheet No. _____</u>	
<u>Parallel Generation Peaking Facility Purchase Rate 96</u>	<u>P.S.C. Tariff Volume 4</u>	<u>Sheet No. 9th Revised Sheet No. 45.2</u>	
<u>Time Differentiated</u>	<u>P.S.C. Tariff Volume _____</u>	<u>Sheet No. _____</u>	
_____	<u>P.S.C. Tariff Volume _____</u>	<u>Sheet No. _____</u>	
_____	<u>P.S.C. Tariff Volume _____</u>	<u>Sheet No. _____</u>	
_____	<u>P.S.C. Tariff Volume _____</u>	<u>Sheet No. _____</u>	

Change: Rates
 (State part of tariff affected by change, such as: applicability, availability, rates, etc.)

Reason for Change: Reflect updated avoided energy and capacity costs

Approximate annual reduction in revenue N/A

Approximate annual increase in revenue N/A

Points Affected	Estimated number of customers whose cost of service will be:		
	Reduced	Increased	Unchanged
	(DEPENDENT UPON ENERGY PRODUCED)		

Montana-Dakota Utilities Co.
 Tamie A. Aberle
 Regulatory Affairs Manager

Montana-Dakota Utilities Co.

**North Dakota Lambda
July 2012 through June 2013**

Month	Year	Lambda		
		On-Peak \$/MWh	Off-Peak \$/MWh	Total \$/MWh
July	2012	\$31.79	\$30.31	\$31.66
August	2012	31.79	29.39	31.59
September	2012	25.69	25.22	26.08
October	2012		23.78	23.78
November	2012		24.99	24.99
December	2012		37.54	37.54
January	2013		36.68	36.68
February	2013		40.91	40.91
March	2013		26.35	26.35
April	2013		26.47	26.47
May	2013		26.31	26.31
June	2013	33.38	26.92	36.82
Average		\$30.66	\$29.57	\$30.77

Montana-Dakota Utilities Co.
Monthly Capacity Payment Levels
Nominally Levelized \$/kW-Month
On Line Contract Year

Contract Length	2012-2013
5	10.997
10	11.713
15	12.389
20	13.018
25	13.593
30	14.112
35	14.573

Montana-Dakota-Utilities Co.

Monthly Capacity Payments Calculations
Payment in \$/kW-Month by Contract Length

Weighted Average Cost of Capital -
(Discount Rate) - 7.633%

North Dakota

Year	Annualized Cost of Avoided Capacity (\$/kW-Year)	Present Value of ACAC (\$/kW-Year)	Cumulative Present Value of ACAC (\$/kW-Year)	Monthly Capacity Payments		
				Contract Length (Years)	Capital Recovery Factor	Levelized Capacity Payment (\$/kW-Month)
2013	115.96	115.96	115.96	1		
2014	119.44	110.97	226.94	2		
2015	123.03	106.20	333.13	3		
2016	126.72	101.62	434.76	4		
2017	130.52	97.25	532.01	5	0.248039	10.997
2018	134.43	93.06	625.07	6		
2019	138.47	89.06	714.13	7		
2020	142.62	85.22	799.35	8		
2021	146.90	81.56	880.91	9		
2022	151.31	78.05	958.96	10	0.146572	11.713
2023	155.85	74.69	1,033.64	11		
2024	160.52	71.47	1,105.11	12		
2025	165.34	68.39	1,173.51	13		
2026	170.30	65.45	1,238.96	14		
2027	175.41	62.63	1,301.59	15	0.114225	12.389
2028	180.67	59.94	1,361.53	16		
2029	186.09	57.36	1,418.89	17		
2030	191.67	54.89	1,473.78	18		
2031	197.42	52.53	1,526.30	19		
2032	203.34	50.27	1,576.57	20	0.099087	13.018
2033	209.44	48.10	1,624.67	21		
2034	215.73	46.03	1,670.70	22		
2035	222.20	44.05	1,714.75	23		
2036	228.86	42.15	1,756.90	24		
2037	235.73	40.34	1,797.24	25	0.090760	13.593
2038	242.80	38.60	1,835.84	26		
2039	250.09	36.94	1,872.79	27		
2040	257.59	35.35	1,908.14	28		
2041	265.32	33.83	1,941.97	29		
2042	273.28	32.37	1,974.34	30	0.085770	14.112
2043	281.47	30.98	2,005.32	31		
2044	289.92	29.65	2,034.96	32		
2045	298.62	28.37	2,063.34	33		
2046	307.58	27.15	2,090.48	34		
2047	316.80	25.98	2,116.46	35	0.082625	14.573

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota**

**Rate 95 Customer History
Twelve Months Ended May 31, 2012**

	<u>Kwh Billed Customer 1/</u>	<u>Kwh Purchased under Rate 95</u>
June 2011	4,984	115
July	4,029	34
August	3,985	22
September	3,753	52
October	3,014	0
November	6,190	0
December	8,983	32
January 2012	7,951	28
February	8,790	22
March	7,708	87
April	5,042	123
May	4,692	94
Total	<u>69,121</u>	<u>609</u>

1/ Energy billed customers under other service's applicable tariff.