



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

February 11, 2013

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

Re: Case No. PU-13-____
Application for Approval of an
Environmental Cost Recovery Rider

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith submits for Commission approval an original and (7) copies of its Application requesting approval of an Environmental Cost Recovery Rider (ECRR), pursuant to North Dakota Century Code (NDCC) 49-05-04.2, for the recovery of Montana-Dakota's share of the costs resulting from the environmental retrofit required to be installed at the Big Stone Generating Station (Big Stone). The costs proposed to be recovered through the ECRR are associated with the ongoing construction costs for the installation of the Air Quality Control System (AQCS) at Big Stone. Montana-Dakota is requesting approval of the tariffs, provided as Exhibit 1, to be effective April 1, 2013.

Montana-Dakota is requesting authority to recover a current return on Construction Work in Progress (CWIP) costs related to the AQCS project, as provided in NDCC 49-05-04.2(1)(c), through the proposed ECRR as more fully explained in the attached Application. Cost recovery through the ECRR will allow for a gradual increase in customers' bills over time rather than a larger rate increase that would occur if the total cost of the AQCS equipment, plus the accrued Allowance for Funds Used During Construction (AFUDC), were introduced into rates at the time the AQCS project is expected to be completed in 2016. Montana-Dakota proposes to file an updated ECRR annually, to be effective April 1 of each year, with the Company ceasing collection of the rider at which time the equipment is operational and included in rate base. The proposed ECRR, by rate class, reflecting estimated costs for the period January 2013 through March 2014 are as shown below and set forth on the ECRR Rate Schedule 57. Future adjustments will be based on a thirteen-month average balance rather than a fifteen month average as proposed in this initial ECRR.

30 PU-13-85 Filed 09/17/2013 Pages: 53
Exhibit MDU-1 from Sept. 16 formal hearing
Montana-Dakota Utilities Co., a Division of MDU Resources
Group, Inc.

32 PU-13-83 Filed 09/17/2013 Pages: 53
Exhibit MDU-1 from Sept. 16 formal hearing
Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc.

32 PU-13-84 Filed 09/17/2013 Pages: 53
Exhibit MDU-1 from Sept. 16 formal hearing
Montana-Dakota Utilities Co., a Division of MDU Resources
Group, Inc.

31 PU-13-79 Filed 09/17/2013 Pages: 53
Exhibit MDU-1 from Sept. 16 formal hearing
Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc.

Residential and Small General	\$0.00147 per Kwh
Large General	\$0.00119 per Kwh
Lighting	\$0.00086 per Kwh

Please refer all inquiries regarding this filing to:

Tamie A. Aberle
Director of Regulatory Affairs
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 also submits a check in the amount of \$10,000.00 as partial payment of the fee required by NDCC Chapter 49-05-04.2(2)(d). Montana-Dakota will submit additional funds as ordered by the Public Service Commission up to the \$50,000.00 amount required by NDCC Chapter 49-05-04.2(2)(d). 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,



Tamie A. Aberle
Director of Regulatory Affairs

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.)
for Approval of an Environmental Cost) Case No. PU-13-____
Recovery Rider for Cost Recovery of the)
Big Stone Air Quality Control System)

I. Summary of Application

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (Montana-Dakota or Applicant), makes this Application pursuant to North Dakota Century Code 49-05-04.2(c), for Public Service Commission approval of an Environmental Cost Recovery Rider (ECRR). The Company is proposing the ECRR in order to recover Montana-Dakota's current return on its share of the Construction Work in Progress (CWIP) necessitated by the required environmental retrofit to be installed at the Big Stone Generating Station (Big Stone) as fully described supported in Montana-Dakota's North Dakota Application for Advance Determination of Prudence (ND ADP Case No. PU-11-163).

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 NDCC Title 49. Montana-Dakota's Certificate of Incorporation and

amendments thereto have been previously filed with the Commission and such Certificate and Amendments are hereby incorporated by reference as though fully set forth herein. Montana-Dakota provides electric service to approximately 116,000 in its integrated electric system within North Dakota, Montana and South Dakota with approximately 83,000 of those customers in North Dakota.

III. Proposed Tariffs

Montana-Dakota respectfully submits herewith the following tariff sheets as more fully described below and provided as Exhibit 1, to be effective April 1, 2013:

- Table of Contents 3rd Revised Sheet No. 1
- Residential Electric Service 4th Revised Sheet No. 3
- Optional Residential Thermal Energy Storage 2nd Revised Sheet No. 4.1
- Optional Time-of-Day Residential Electric Service 6th Revised Sheet No. 7
- Small General Electric Service 4th Revised Sheet No. 10
- Irrigation Power Service 3rd Revised Sheet No. 14.1
- Optional Time-of-Day Small General Electric Service 6th Revised Sheet No. 15
- General Electric Service 3rd Revised Sheet No. 18.1
- Optional Time-of-Day General Electric Service 6th Revised Sheet No. 19.1
- General Electric Space Heating Service 5th Revised Sheet No. 20.1
- Firm Service Economic Development 3rd Revised Sheet No. 22.1
- Interruptible Large Power Demand Response 3rd Revised Sheet No. 23.1
- Small Municipal Electric Service 4th Revised Sheet No. 25.1
- Municipal Lighting Service 4th Revised Sheet No. 26
- Municipal Pumping Service 4th Revised Sheet No. 32.1
- Outdoor Lighting Service 4th Revised Sheet No. 36
- Environmental Cost Recovery Rider 3rd Revised Sheet No. 41 & 2nd Revised Sheet No. 41.1

IV. Environmental Cost Recovery

A. Return on Construction Work In Progress Allowed

The North Dakota Century Code allows for the recovery of CWIP due to environmental mandates as provided in Section 49-05-04.2(1):

The commission may approve, reject, or modify a tariff filed under section 49-05-06, which provides for an adjustment of rates to recover jurisdictional capital costs and associated operating expenses incurred by a public utility to comply with federal environmental mandates on existing electricity generating stations. For purposes of this section, federal environmental mandates are limited to any requirements under the Clean Air Act, the Clean Water Act, or any other federal law or rule designed to protect the environment. Associated operating expenses are costs incurred by the public utility to comply with the environmental mandate. The tariff must:

- a. Allow the public utility to recover on a timely basis its investment in capital costs and associated operating expenses incurred to meet federal environmental mandates not reflected in the utility's general rate schedule.
- b. Allow a return on the public utility's investment made to meet federal environmental mandates at the level approved in the utility's most recent general rate case.
- c. **Provide a current return on construction work in progress to meet federal environmental mandates provided the cost recovery from retail customers of the allowance for funds used during construction is not sought through any other means.**
- d. Terminate cost recovery after the public utility's costs and expenses to meet federal environmental mandates have been recovered fully or have been reflected in the utility's general rate tariffs.[Emphasis Added]

B. Big Stone Air Quality Control System.

Big Stone is a 475 megawatt (MW) coal-fired power plant located near Big Stone City, South Dakota. The Big Stone plant is co-owned by Montana-Dakota, NorthWestern Corporation d/b/a NorthWestern Energy, and Otter Tail Power Company (OTP). OTP operates the Big Stone power plant. The Big Stone boiler was originally designed to burn lignite fuel and began operation in 1975. Designed by Babcock & Wilcox ("B&W"), the boiler is a Caroline-type balanced-draft pump-assisted radiant machine. In 1995, the boiler was converted to burn Powder River Basin ("PRB") fuel.

With the conversion to PRB fuel, a simplified Separated Overfire Air ("SOFA") system was installed to reduce nitrogen oxide ("NO_x") emissions. The boiler also has a flue gas recirculation ("FGR") system to control main steam and reheat temperatures. From the boiler, flue gas travels to two air heaters. The unit currently has a conventional pulse-jet fabric filter for control of particulate emissions that will be replaced as part of this project. Ash is currently sent to a fly ash storage silo located directly south of the plant, where it is then transported to a landfill. Flue gas from the fabric filter flows to four centrifugal-induced draft ("ID") fans. The ID fans discharge the flue gas to the chimney, which has two breech openings.

Pursuant to the South Dakota Department of Environmental and Natural Resources ("DENR") South Dakota Haze State Implementation Plan ("SD Haze SIP"), the Big Stone owners are required to install Air Quality Control System ("AQCS") equipment at the Big Stone Plant to reduce emissions of sulfur dioxide ("SO₂") and NO_x. The AQCS equipment is required based on a Best Available Retrofit Technology ("BART") determination adopted by the South Dakota DENR. The BART determination requires that the AQCS include flue gas desulfurization for SO₂ reduction and selective catalytic reduction with SOFA for NO_x reduction. The implementing rules and the SD Haze SIP require that the Big Stone AQCS be installed as expeditiously as practicable but no later than five years from the date of the United States Environmental Protection Agency's (EPA) approval of the SD Haze SIP. On March 29, 2012 the Administrator for EPA Region 8 signed as a final rule the approval of the SD Haze SIP. The final rule was published in the Federal Register on April 26, 2012 and became effective May 29,

2012. A copy of the relevant components of the SD Haze SIP is described in the NDPSC ADP Case No. PU-11-163.

The NDPSC order for the ADP provides a complete description of the project and the analysis completed by the Big Stone owners to determine the appropriateness of the project.

The total cost estimate for the AQCS project is \$490 million (2015 dollars). Montana-Dakota's ownership share in the Big Stone Plant is 22.7%, and therefore Montana-Dakota is responsible for 22.7% of the costs or \$111 million. Montana-Dakota's North Dakota jurisdictional share of this cost responsibility is approximately 71.3% or \$79 million.

Project costs of approximately \$33 million (\$5 million Montana-Dakota's North Dakota share) have been incurred as of December 31, 2012. The projection for project expenditures through March 2014 is an additional \$196 million (\$32 million Montana-Dakota's North Dakota share) for a total of \$229 million (\$37 million Montana-Dakota's North Dakota share) through March 31, 2014. This request is for a tariff effective for the period April 2013 through March 2014 setting the first annual rate for the Rider (the beginning balance of Construction Work in Progress includes Montana-Dakota's Allowance for Funds Used During Construction (AFUDC) accrued through December 31, 2012). The amounts will be trued up based on actual expenditures in the next ECRR adjustment filing. Also, future filings will reflect a thirteen month average balance for the determination of CWIP.

Montana-Dakota will update the forecasted revenue requirement in the compliance filing at the conclusion of this docket. Based on initial contracts, Montana-

Dakota anticipates a reduction in the overall costs of the project from the current budget for the project.

V. Environmental Cost Recovery Rider

Montana-Dakota is proposing an Environmental Cost Recovery Rider (ECRR) to recover a current return on Montana-Dakota's share of the Construction Work in Progress (CWIP) costs associated with the required environmental retrofit equipment to be installed at Big Stone, including AFUDC costs through December 31, 2012. The projected Construction Work in Progress costs to be included in the calculation of the ECRR will reflect an allocation of those costs to North Dakota based on the peak demand allocator applicable each year.

The revenue requirement for the AQCS at Big Stone as shown in Exhibit 2 reflects actual Construction Work in Progress costs incurred through December 31, 2012 plus projected costs for the period January 1, 2013 through March 31, 2014. The total amount requested is \$3,216,870. This amount represents the revenue requirement associated with the average CWIP balance for the period January 2013 through March 2014 based on the Company's rate of return authorized in the last electric rate case (Case No. PU-10-124). The revenue requirement was allocated to the rate classes using the demand factor identified in the Company's most recent general electric rate case. A separate ECRR amount is being proposed for each of the classes shown below, similar to Montana-Dakota's currently effective Transmission Cost Adjustment, and will be shown as a separate line item on customers' bills denoted as "Req Environmental Cost".

Residential and Small General	\$0.00147 per Kwh
Large General	\$0.00119 per Kwh
Lighting	\$0.00086 per Kwh

A typical residential customer using 750 Kwh would see an increase of \$1.10 per month under the proposed ECRR.

Montana-Dakota proposes to track all costs recovered through the ECRR until the costs have been fully recovered or the AQCS equipment is operational and included in rate base. Montana-Dakota will 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 ECRR annually with the Commission by February 1 to reflect the over/under recovery from the previous year and costs/revenues projected for the subsequent year. The first ECRR is proposed to be effective with service rendered on and after April 1, 2013.

VI. Conclusion

Montana-Dakota believes it is in the public interest that the Company be granted approval of the proposed Environmental Cost Recovery Rider to allow recovery of a current return on the ongoing construction costs associated with the installation of the environmental retrofit equipment at Big Stone rather than accrue AFUDC on the project and seek total cost recovery upon completion of the AQCS project in 2016. The Company's request allows for a gradual increase in customers' bills over time rather than a larger rate increase that would occur if the total cost of the AQCS equipment plus

the accrued AFUDC were introduced into rates at the time the AQCS project is expected to be completed in 2016.

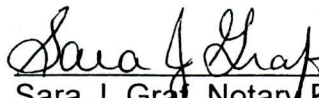
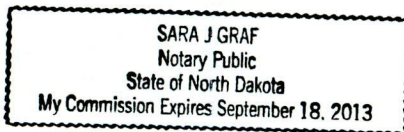
Montana-Dakota respectfully requests that the Commission approve its application for an Environmental Cost Recovery Rider for recovery of a current return on the CWIP costs at Big Stone related to the AQCS project.

Dated this 11th day of February, 2013.



Tamie A. Aberle
Director of Regulatory Affairs

Subscribed and sworn to before me this 11th day of February, 2013.



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
Canceling 2nd Revised Sheet No. 1

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Date Filed: February 11, 2013

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

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. 3
Canceling 3rd 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. Environmental Cost Recovery Rider Rate 57
2. Fuel and Purchased Power Adjustment Rate 58
3. 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: February 11, 2013

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

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. 4.1
Canceling 1st Revised 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. Environmental Cost Recovery Rider Rate 57
2. Fuel and Purchased Power Adjustment Rate 58
3. 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.

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Director - Regulatory Affairs

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
6th Revised Sheet No. 7
Canceling 5th 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. Environmental Cost Recovery Rider Rate 57
2. Fuel and Purchased Power Adjustment Rate 58
3. Transmission Cost Adjustment Rate 59

Date Filed: February 11, 2013

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

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. 10
Canceling 3rd 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. Environmental Cost Recovery Rider Rate 57
2. Fuel and Purchased Power Adjustment Rate 58
3. Transmission Cost Adjustment Rate 59

Date Filed: February 11, 2013

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

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. 14.1
Canceling 2nd 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. Environmental Cost Recovery Rider Rate 57
2. Fuel and Purchased Power Adjustment Rate 58
3. 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: February 11, 2013

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

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
6th Revised Sheet No. 15
Canceling 5th 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. Environmental Cost Recovery Rider Rate 57
2. Fuel and Purchased Power Adjustment Rate 58
3. Transmission Cost Adjustment Rate 59

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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
3rd Revised Sheet No. 18.1
Canceling 2nd 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. Environmental Cost Recovery Rider Rate 57
2. Fuel and Purchased Power Adjustment Rate 58
3. 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: February 11, 2013

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Director - Regulatory Affairs

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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
6th Revised Sheet No. 19.1
Canceling 5th 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. Environmental Cost Recovery Rider Rate 57
2. Fuel and Purchased Power Adjustment Rate 58
3. 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

5th Revised Sheet No. 20.1

Canceling 4th 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.

Adjustment Clauses:

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

1. Environmental Cost Recovery Rider Rate 57
2. Fuel and Purchased Power Adjustment Rate 58
3. 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: February 11, 2013

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

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. 22.1
Canceling 2nd 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. Environmental Cost Recovery Rider Rate 57
2. Fuel and Purchased Power Adjustment Rate 58
3. 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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Montana-Dakota Utilities Co.

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Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
3rd Revised Sheet No. 23.1
Canceling 2nd 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. Environmental Cost Recovery Rider Rate 57
2. Fuel and Purchased Power Adjustment Rate 58
3. 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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400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
4th Revised Sheet No. 25.1
Canceling 3rd 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. Environmental Cost Recovery Rider Rate 57
2. Fuel and Purchased Power Adjustment Rate 58
3. 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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Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
4th Revised Sheet No. 26
Canceling 3rd 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. Environmental Cost Recovery Rider Rate 57
2. Fuel and Purchased Power Adjustment Rate 58
3. Transmission Cost Adjustment Rate 59

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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
4th Revised Sheet No. 32.1
Canceling 3rd 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. Environmental Cost Recovery Rider Rate 57
2. Fuel and Purchased Power Adjustment Rate 58
3. 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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Case No.:



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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. 36
Canceling 3rd 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. Environmental Cost Recovery Rider Rate 57
2. Fuel and Purchased Power Adjustment Rate 58
3. 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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Case No.:



Montana-Dakota Utilities Co.

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Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
3rd Revised Sheet No. 41
Canceling 2nd Revised Sheet No. 41

Environmental Cost Recovery Rider Rate 57

Page 1 of 2

1. Applicability:

This rate schedule represents an Environmental Cost Recovery Rider (ECRR) and specifies the procedure to be utilized to recover the jurisdictional costs to be incurred by the Company in complying with federal and state environmental mandates determined to be eligible for recovery under NDCC 49-05-04.2. Costs to be recovered may include capital expenditures, depreciation, taxes, and a current return on the project costs during construction. Costs being recovered under this tariff are currently not included in the rates established at the time of the Company's last general rate case.

2. Environmental Cost Recovery Rider:

- a. An adjustment per Kwh will be calculated using the projected capital costs and related expenses, along with the forecasted Kwh sales, to determine a North Dakota jurisdictional revenue requirement to be recovered through the ECRR. The return component of the revenue requirement calculation will be the authorized rate of return from the Company's most recent general rate case.
- b. The ECRR is applicable to all retail customers for electric energy sold, except those served under special contracts, and are allocated amongst the rate classes based on the Company's AED Factor No. 2 established in the Company's most recent general rate case.
- c. The ECRR will be adjusted annually (or other period authorized by the Commission) to reflect the Company's most recent projected capital costs and related expenses for projects determined to be eligible under NDCC 49-05-04.2.
- d. A true-up will reflect any over or under collection of revenue under the ECRR based on actual expenditures from the preceding twelve month recovery 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 the Filing:

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

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Effective Date:

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Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
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State of North Dakota Electric Rate Schedule

NDPSC Volume 4
2nd Revised Sheet No. 41.1
Canceling 1st Revised Sheet No. 41.1

Environmental Cost Recovery Rider Rate 57

Page 2 of 2

4. Environmental Cost Recovery Rider:

Residential and Small General	0.147¢ per Kwh
Large General	0.119¢ per Kwh
Lighting	0.086¢ per Kwh

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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
2nd Revised Sheet No. 1
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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. 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. Environmental Cost Recovery Rider Rate 57
- 1.2. Fuel and Purchased Power Adjustment Rate 58
- 2.3. 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:

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Director - Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
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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. Environmental Cost Recovery Rider Rate 57
- 1-2. Fuel and Purchased Power Adjustment Rate 58
- 2-3. 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.

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Director - Regulatory Affairs

Case No.:



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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. Environmental Cost Recovery Rider Rate 57
- 1-2. Fuel and Purchased Power Adjustment Rate 58
- 2-3. Transmission Cost Adjustment Rate 59

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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. Environmental Cost Recovery Rider Rate 57
- 1-2. Fuel and Purchased Power Adjustment Rate 58
- 2-3. Transmission Cost Adjustment Rate 59

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State of North Dakota Electric Rate Schedule

NDPSC Volume 4

2nd Revised Sheet No. 14.1

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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. Environmental Cost Recovery Rider Rate 57
- ~~1.2.~~ Fuel and Purchased Power Adjustment Rate 58
- ~~2.3.~~ 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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A Division of MDU Resources Group, Inc.

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State of North Dakota Electric Rate Schedule

NDPSC Volume 4
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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. Environmental Cost Recovery Rider Rate 57
- ~~4~~2. Fuel and Purchased Power Adjustment Rate 58
- ~~2~~3. Transmission Cost Adjustment Rate 59

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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. 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. Environmental Cost Recovery Rider Rate 57
- ~~1-2.~~ Fuel and Purchased Power Adjustment Rate 58
- ~~2-3.~~ 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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Case No.:



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A Division of MDU Resources Group, Inc.

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State of North Dakota Electric Rate Schedule

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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. Environmental Cost Recovery Rider Rate 57
- ~~1-2.~~ Fuel and Purchased Power Adjustment Rate 58
- ~~2-3.~~ 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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A Division of MDU Resources Group, Inc.

400 N 4th Street
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State of North Dakota Electric Rate Schedule

NDPSC Volume 4
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. Environmental Cost Recovery Rider Rate 57
- 1-2. Fuel and Purchased Power Adjustment Rate 58
- 2-3. 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:

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

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. 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. Environmental Cost Recovery Rider Rate 57
- 1-2. Fuel and Purchased Power Adjustment Rate 58
- 2-3. 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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Director - Regulatory Affairs

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. 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. Environmental Cost Recovery Rider Rate 57
- 4-2. Fuel and Purchased Power Adjustment Rate 58
- 2-3. 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

Date Filed:

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

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. 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. Environmental Cost Recovery Rider Rate 57
- 1-2. Fuel and Purchased Power Adjustment Rate 58
- 2-3. 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.

Date Filed:

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

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. 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. Environmental Cost Recovery Rider Rate 57
- ~~1~~.2. Fuel and Purchased Power Adjustment Rate 58
- ~~2~~.3. Transmission Cost Adjustment Rate 59

Date Filed:

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

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. 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. Environmental Cost Recovery Rider Rate 57
- 1.2. Fuel and Purchased Power Adjustment Rate 58
- 2.3. 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:

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

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. 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. Environmental Cost Recovery Rider Rate 57
- ~~1.2.~~ Fuel and Purchased Power Adjustment Rate 58
- ~~2.3.~~ 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.

Date Filed:

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

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. 41
Canceling 1st Revised Sheet No. 41

Environmental Cost Recovery Rider Rate 57

Page 1 of 2

1. Applicability:

This rate schedule represents an Environmental Cost Recovery Rider (ECRR) and specifies the procedure to be utilized to recover the jurisdictional costs to be incurred by the Company in complying with federal and state environmental mandates determined to be eligible for recovery under NDCC 49-05-04.2. Costs to be recovered may include capital expenditures, depreciation, taxes, and a current return on the project costs during construction. Costs being recovered under this tariff are currently not included in the rates established at the time of the Company's last general rate case.

2. Environmental Cost Recovery Rider:

- a. An adjustment per Kwh will be calculated using the projected capital costs and related expenses, along with the forecasted Kwh sales, to determine a North Dakota jurisdictional revenue requirement to be recovered through the ECRR. The return component of the revenue requirement calculation will be the authorized rate of return from the Company's most recent general rate case.
- b. The ECRR is applicable to all retail customers for electric energy sold, except those served under special contracts, and are allocated amongst the rate classes based on the Company's AED Factor No. 2 established in the Company's most recent general rate case.
- c. The ECRR will be adjusted annually (or other period authorized by the Commission) to reflect the Company's most recent projected capital costs and related expenses for projects determined to be eligible under NDCC 49-05-04.2.
- d. A true-up will reflect any over or under collection of revenue under the ECRR based on actual expenditures from the preceding twelve month recovery 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 the Filing:

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

Date Filed:

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

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. 41.1
Canceling Original Sheet No. 41.1

Environmental Cost Recovery Rider Rate 57

Page 2 of 2

4. Environmental Cost Recovery Rider:

<u>Residential and Small General</u>	<u>0.147¢ per Kwh</u>
<u>Large General</u>	<u>0.119¢ per Kwh</u>
<u>Lighting</u>	<u>0.086¢ per Kwh</u>

Date Filed:

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

Case No.:

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Environmental Cost Recovery Rider Adjustment
Rate to be Effective April 1, 2013

Big Stone CWIP
Revenue Requirement 1/

\$3,216,870

		Embedded Class COS Factor #2	Total Projected Costs 3/2014	Forecasted Sales 2/	\$/Kwh
Res & Small General	(Rates 10, 13, 20 & 25)	50.759749%	\$1,632,875	1,110,836,006	0.00147
Large General	(Rates 30, 31, 32, 38, 40, 48)	48.279940%	1,553,103	1,304,751,136	0.00119
Lighting	(Rates 41 & 52)	0.960311%	30,892	35,936,315	0.00086
		100.000000%	\$3,216,870	2,451,523,457	

1/ Exhibit 2, page 2.

2/ North Dakota projected electric sales January 2013-March 2014.

Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Environmental Cost Recovery Rider Adjustment - AQCS Project
Revenue Requirement
Projected January 1, 2013 through March 31, 2014

	Total 1/2013-3/2014	Projected 2013						
		January	February	March	April	May	June	July
Rate Base								
Plant Balance								
Accumulated Depreciation		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Plant in Service		0	0	0	0	0	0	0
CWIP (Allocated to ND) 1/		0	0	0	0	0	0	0
Total Plant in Service		6,233,035	7,888,208	9,131,915	10,593,617	12,540,911	14,879,983	17,306,670
		6,233,035	7,888,208	9,131,915	10,593,617	12,540,911	14,879,983	17,306,670
Average Rate Base	\$20,986,849							
Return on Rate Base 2/	\$2,282,055	\$152,137	\$152,137	\$152,137	\$152,137	\$152,137	\$152,137	\$152,137
Expenses								
Income before Taxes	0	0	0	0	0	0	0	0
Interest Expense	779,130	51,942	51,942	51,942	51,942	51,942	51,942	51,942
Taxable income	(779,130)	(51,942)	(51,942)	(51,942)	(51,942)	(51,942)	(51,942)	(51,942)
Income Taxes 3/	(298,770)	(19,918)	(19,918)	(19,918)	(19,918)	(19,918)	(19,918)	(19,918)
Operating Income	\$298,770	\$19,918	\$19,918	\$19,918	\$19,918	\$19,918	\$19,918	\$19,918
Revenue Requirement	\$3,216,870	\$214,458	\$214,458	\$214,458	\$214,458	\$214,458	\$214,458	\$214,458
Total AQCS CWIP		8,747,261	11,070,083	12,815,466	14,866,776	17,599,552	20,882,138	24,287,680

1/ Allocated on Factor No. 15
Integrated System 12 Month Peak Demand.
71.256990%

	Ratio	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%
	100.000%		8.699%

3/ Tax Rate 38.3475%
1- tax rate 61.6525%

**Montana-Dakota Utilities Co.
Electric Utility - North Dakota
Big Stone CWIP
Revenue Requirement
Projected January 1, 2013 through March 31, 2014**

	Projected 2013					Projected 2014		
	August	September	October	November	December	January	February	March
Rate Base								
Plant Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumulated Depreciation	0	0	0	0	0	0	0	0
Net Plant in Service	0	0	0	0	0	0	0	0
CWIP (Allocated to ND) 1/	20,329,103	23,705,233	26,139,946	29,439,941	30,574,216	32,918,590	35,397,099	37,724,271
Total Plant in Service	20,329,103	23,705,233	26,139,946	29,439,941	30,574,216	32,918,590	35,397,099	37,724,271
Average Rate Base								
Return on Rate Base 2/	\$152,137	\$152,137	\$152,137	\$152,137	\$152,137	\$152,137	\$152,137	\$152,137
Expenses								
Income before Taxes	0	0	0	0	0	0	0	0
Interest Expense	51,942	51,942	51,942	51,942	51,942	51,942	51,942	51,942
Taxable income	(51,942)	(51,942)	(51,942)	(51,942)	(51,942)	(51,942)	(51,942)	(51,942)
Income Taxes 3/	(19,918)	(19,918)	(19,918)	(19,918)	(19,918)	(19,918)	(19,918)	(19,918)
Operating Income	\$19,918	\$19,918	\$19,918	\$19,918	\$19,918	\$19,918	\$19,918	\$19,918
Revenue Requirement	\$214,458	\$214,458	\$214,458	\$214,458	\$214,458	\$214,458	\$214,458	\$214,458
Total AQCS CWIP	28,529,275	33,267,239	36,684,044	41,315,162	42,906,971	46,196,997	49,675,265	52,941,152

1/ Allocated on Factor No. 15
Integrated System 12 Month Peak Demand.
71.256990%

2/ Capital structure authorized in
Case No. PU-10-124

3/ Tax Rate 38.3475%
1- tax rate 61.6525%