

October 18, 2013

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

Re: Case No. PU-13-\_\_\_\_  
Application for Approval of a  
Transmission Cost Adjustment

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., herewith files an original and seven (7) copies of an Application for approval of its annual Transmission Cost Adjustment (TCA) pursuant to N.D.C.C. §49-05-04.3 and §49-05-06 to be effective January 1, 2014.

Montana-Dakota requests approval of its Transmission Cost Adjustment Rate 59 2<sup>nd</sup> Revised Sheet No. 43.1 provided as Exhibit 1 of the Application to be effective January 1, 2014. This tariff change is necessary to reflect the currently effective charges assessed to Montana-Dakota under the Midcontinent Independent System Operator's (MISO) Schedule 26 – Network Upgrade Charges from the Transmission Expansion Plan and Schedule 26A – Charges Associated with Multi-Value Transmission Projects and revenues recovered through each of those schedules. The TCA also reflects Western Area Power Administration (WAPA) Network Integrated Transmission System (NITS) charges not recovered through retail electric rates. Montana-Dakota also requests approval to include the retail portion of the cost and revenue associated with the Big Stone South to Ellendale MVP project that Montana-Dakota is developing with Otter Tail Power Company as explained in the attached Application.

The projected 2014 net transmission expense as allocated to North Dakota is \$3,530,451 and is offset by an over-recovery balance of \$152,008 resulting in a total of \$3,378,443 to be recovered through the TCA over the period January 1, 2014 through December 31, 2014. A typical residential customer using 750 KWh would see an increase of \$1.22 per month under the proposed TCA rates. The following

charges per Kwh are proposed to be effective January 1, 2014 and the change from the TCA implemented on January 1, 2013 is shown below:

	Projected \$/KWh	Current \$/KWh	Change
Res & Small General (Rates 10, 13, 20 & 25)	\$0.00192	\$0.00030	\$0.00162
Large General (Rates 30, 31, 32, 38, 40, 48)	0.00147	0.00024	0.00123
Lighting (Rates 41 & 52)	0.00112	0.00018	0.00094

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:

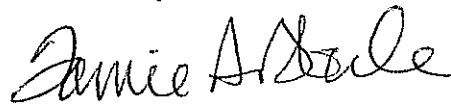
Daniel S. Kuntz  
Associate General Counsel  
MDU Resources Group, Inc.  
P.O. Box 5650  
Bismarck, ND 58506-5650

Montana-Dakota herewith submits a check for \$10,000 in accordance with North Dakota Century Code Section 49-05-04.3 and respectfully requests the Commission reduce the required \$50,000.00 filing fee pursuant to N.D.C.C. §49-05-04.3.2.d which states the North Dakota Public Service Commission may waive or reduce the fee.

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

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed, stamped envelope.

Sincerely,

A handwritten signature in black ink that reads "Tamie A. Aberle". The signature is written in a cursive style with a large initial "T".

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. ) Case No. PU-13-\_\_\_\_\_  
for approval of a Transmission Cost )  
Adjustment )

**I. Summary of Application**

Montana-Dakota Utilities Co. (Montana-Dakota or Applicant) submits this application pursuant to N.D.C.C. §49-05-04.3 and §49-05-06 for approval of the annual update to its Transmission Cost Adjustment (TCA) as promulgated under N.D.C.C. Section 49-05-04.3 and the North Dakota Public Service Commission Order dated May 16, 2012 in Case Nos. PU-11-672 and PU-11-681. In this update, Montana-Dakota also proposes to include the retail allocation of expenses and revenue from its Midcontinent Independent System Operator (MISO) Multi-Value Project (MVP) project entitled Big Stone South to Ellendale. Montana-Dakota requests approval of its Transmission Cost Adjustment Rate 59 tariff, 2<sup>nd</sup> Revised Sheet No. 43.1 to be effective with service rendered on and after January 1, 2014. In support of this application, Montana-Dakota provides the following Exhibits:

- Exhibit 1 – 2<sup>nd</sup> Revised Sheet No. 43.1
- Exhibit 2 – Transmission Cost Adjustment Allocation by Class
- Exhibit 3 – Transmission Cost Adjustment Summary
- Exhibit 4 – Transmission Cost Adjustment Balancing Account
- Exhibit 5 – WAPA NITS, MISO Schedule 26 and 26A Summary Sheet
- Exhibit 6 – Projected Schedule 26 Charges and Revenue
- Exhibit 7 – Projected Schedule 26A Charges and Revenue
- Exhibit 8 – Projected WAPA Network Integrated Transmission (NITS) Charges

## **II. Description of Applicant**

Montana-Dakota is a Division of MDU Resources Group, Inc., a Delaware corporation duly authorized to do business in the State of North Dakota as a foreign corporation, and doing business in the State of North Dakota as a public utility subject to the jurisdiction of and regulation by the North Dakota Public Service Commission (Commission) under Title 49, NDCC, as amended. Montana-Dakota's Certificate of Incorporation and amendments thereto have been previously filed with the Commission under Case No. PU-08-710 and such Certificate and Amendments are hereby incorporated by reference as though fully set forth herein. Montana-Dakota provides electric service to approximately 84,000 customers in North Dakota.

## **III. Big Stone to Ellendale MVP Project**

In its Order dated September 25, 2013, the North Dakota Public Service Commission approved Montana-Dakota's Application for a Certificate of Public Convenience & Necessity to construct a 345 kV transmission line from Big Stone South to Ellendale, North Dakota in its Case No. PU-13-272. The project is part of the MISO Multi Value Project portfolio, supported by Montana-Dakota and other MISO stakeholders, and approved by the MISO Board of Directors on December 8, 2011. The Big Stone South to Ellendale MVP is one of seventeen MVPs approved by MISO in Appendix A of the 2011 MISO Transmission Expansion Plan (MTEP11 Report). The Big Stone South to Ellendale MVP will consist of between 160 and 170 miles of single circuit 345 kV transmission line from a connection near Ellendale,

North Dakota and ending near Big Stone City, South Dakota. The facility is required to be in service by the end of 2019.

Pursuant to MISO's tariff approved by the Federal Energy Regulatory Commission, MVP Project costs are allocated across the MISO footprint and recovered through a system usage charge per MWh. This charge, called the MVP usage rate, is used to recover MVP costs on a postage stamp basis determined by system wide usage. The Commission's Order issued in Case No. PU-11-672, initially establishing the TCA, required the Company to specifically request authority to include costs and or revenues associated with the Big Stone to Ellendale MVP. Montana-Dakota proposes in this Application to include North Dakota's portion of the Big Stone to Ellendale MVP costs assessed by MISO and the retail share of the revenues derived from Montana-Dakota's investment in its MVP project.

As shown on Exhibit 7, North Dakota's portion, approximately 71 percent based on the integrated system demand factor, of Montana-Dakota's total 2014 Indicative Annual MVP Charge for approved MVPs by Local Balancing Authority equates to an annual amount of \$2,184,095. Montana-Dakota is also proposing to credit North Dakota's allocated share of the administrative and general expenses associated with the Big Stone to Ellendale MVP collected under MISO's Schedule 26A through the TCA. The offsetting revenue projected for 2014 allocated to North Dakota under Schedule 26A plus the proposed administrative and general credit results in projected revenue recovery of \$54,865 for 2014 as shown on Exhibit 7.

#### **IV. Projected 2014 Net Expense**

Montana-Dakota projects the following costs and revenues to be assessed under Schedule 26, Schedule 26A, and WAPA NITS in 2014:

- The Schedule 26 charges (Exhibit 6) allocated to North Dakota represent estimated charges posted by MISO as of August 23, 2013 by Pricing Zone for Approved Baseline Reliability Projects, Generation Interconnection Projects, and Market Efficiency Projects.
- The Schedule 26 revenue (Exhibit 6) allocated to North Dakota is equivalent to Montana-Dakota's projected 2014 revenue requirement for the Heskett Substation deemed a reliability project under MISO's 2009 Transmission Expansion Plan.
- As noted above, the Schedule 26A charges (Exhibit 7) allocated to North Dakota are based on MISO's indicative charge under Schedule 26A for 2014 and the Company's projected 2014 load requirements. Schedule 26A is charged equally to all MISO load for recovery of MISO's MVP portfolio and Montana-Dakota's cost is estimated at \$1.01 per MWh for 2014 by MISO.
- As also noted above, the Schedule 26A revenue (Exhibit 7) allocated to North Dakota is equivalent to North Dakota's retail share of the Big Stone South to Ellendale MVP project plus a revenue credit for administrative and general O&M expenses recovered under Montana-Dakota's electric retail rates.
- The WAPA NITS charges (Exhibit 8) assessed to Montana-Dakota continue to increase. The WAPA NITS charges proposed to be recovered through the

TCA exclude the \$166,000 level of expenditures Montana-Dakota is recovering in its base retail rates authorized in Case No. PU-10-124.

### V. True-up and Estimated Impact by Customer Class

As shown on Exhibit 3, Montana-Dakota's projected 2014 transmission expense allocated to North Dakota, net of revenue, is \$3,530,451 and is offset by an estimated over-recovery balance of \$152,008 as of year-end 2013 resulting in \$3,378,443 to be recovered through the TCA January 1, 2014 through December 31, 2014. A typical residential customer using 750 KWh would see an increase of \$1.22 per month under the proposed TCA rates. Montana-Dakota requests approval of the following charges per KWh proposed to be effective January 1, 2014 for the collection of the Transmission Cost Adjustment and the change from the TCA implemented on January 1, 2013:

	Projected \$/KWh	Current \$/KWh	Change
Res & Small General (Rates 10, 13, 20 & 25)	\$0.00192	\$0.00030	\$0.00162
Large General (Rates 30, 31, 32, 38, 40, 48)	0.00147	0.00024	0.00123
Lighting (Rates 41 & 52)	0.00112	0.00018	0.00094

### VI. Conclusion

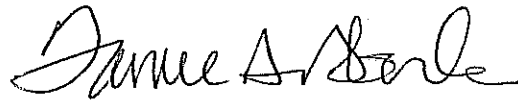
Applicant respectfully requests that the Commission:

1. Give Notice of Opportunity to request a hearing to interested parties and, if no hearing is requested within twenty days, to waive the hearing in accordance with §49-03.1-05, NDCC;

2. Enter an Order authorizing the implementation of the annual true-up Transmission Cost Adjustment, including the net expense from Montana-Dakota's MVP project, and the Transmission Cost Adjustment Rate 59 2<sup>nd</sup> Revised sheet No. 43.1 to be effective with service rendered on and after January 1, 2014.

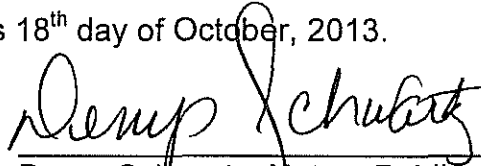
3. Grant such other relief as the Commission shall deem appropriate.

Dated this 18<sup>th</sup> day of October, 2013.

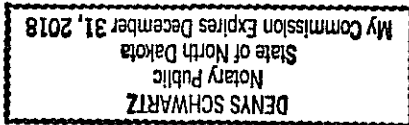


Tamie A. Aberle  
Director of Regulatory Affairs

Subscribed and sworn to before me this 18<sup>th</sup> day of October, 2013.



Denys Schwartz, Notary Public  
Burleigh County, North Dakota  
My Commission Expires: 12/31/2018



Of Counsel:

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

Exhibit 1

# Exhibit 1



# Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

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

## State of North Dakota Electric Rate Schedule

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NDPSC Volume 4  
2<sup>nd</sup> Revised Sheet No. 43.1  
1<sup>st</sup> Revised Sheet No. 43.1

### TRANSMISSION COST ADJUSTMENT Rate 59

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Page 2 of 2

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

#### 3. Time and Manner of Filing:

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

#### 4. Transmission Cost Adjustment Rate by class:

Residential & Small General	0.192¢
Large General	0.147¢
Lighting	0.112¢

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Date Filed: October 18, 2013

Effective Date:

Issued By: Tamie A. Aberle  
Director - Regulatory Affairs

Case No.:

## Tariffs Reflecting Proposed Changes



# Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

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

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
1<sup>st</sup> Revised Sheet No. 43.1  
Original Sheet No. 43.1

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### TRANSMISSION COST ADJUSTMENT Rate 59

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Page 2 of 2

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#### 3. Time and Manner of Filing:

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

#### 4. Transmission Cost Adjustment Rate by class:

Residential & Small General	<u>0.0300.192¢</u>
Large General	<u>0.0240.147¢</u>
Lighting	<u>0.0180.112¢</u>

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Date Filed:

Effective Date:

Issued By: Tamie A. Aberle  
Director - Regulatory Affairs

Case No.:

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Cost Adjustment Allocation by Class  
Projected 2014**

	Embedded Class COS Study Factor No. 2 1/	North Dakota Projected 2014 Transmission Costs 2/	2014 Projected KWh 3/	Projected \$/KWh	Current \$/KWh	Change
Res & Small General (Rates 10, 13, 20 & 25)	50.759749%	\$1,714,889	891,208,000	\$0.00192	\$0.00030	\$0.00162
Large General (Rates 30, 31, 32, 38, 40, 48)	48.279940%	1,631,110	1,107,255,000	0.00147	0.00024	0.00123
Lighting (Rates 41 & 52)	0.960311%	32,444	28,856,000	0.00112	0.00018	0.00094
	100.000000%	\$3,378,443	2,027,319,000			

1/ Class demand allocation from Case No. PU-10-124.

2/ Exhibit 3.

3/ 2014 projected sales (KWh) excluding contract sales.

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
Transmission Cost Adjustment Summary  
Projected 2014**

**Projected 2014 Net Expense**

Charges 1/

MISO Schedule 26 and 26A	\$4,242,535
WAPA NITS	<u>624,157</u>
Total Charges	\$4,866,692

MISO Schedule 26 and 26A Revenue 1/ \$1,336,241Total Projected 2014 Net Expense \$3,530,451Estimated Balance as of December 31, 2013 2/ (\$152,008)

Total to be Recovered through TCA	
January 1, 2014 through December 31, 2014	<u><u>\$3,378,443</u></u>

1/ Exhibit 5.

2/ Exhibit 4.

**Montana-Dakota Utilities, Co.**  
**Electric Utility - North Dakota**  
**Transmission Cost Adjustment Balancing Account**  
**November 2012 - December 31, 2013**

Month	Beginning Balance	Carrying Charge 1/	MISO Net Expenses	WAPA NITS Expense 2/	TCA Recovery 3/	Ending Balance
October 2012						(\$128,216)
November	(\$128,216)	(\$10)	\$6,280	\$0	\$41,698	(163,644)
December	(163,644)	(10)	(5,741)	0	49,899	(219,294)
January 2013	(219,294)	(13)	39,177	15,213	55,409	(220,326)
February	(220,326)	(18)	25,891	21,136	42,588	(215,905)
March	(215,905)	(16)	19,991	23,215	42,139	(214,854)
April	(214,854)	(11)	24,350	26,598	41,500	(205,417)
May	(205,417)	(7)	6,337	28,504	36,843	(207,426)
June	(207,426)	(9)	(5,710)	28,992	31,305	(215,458)
July	(215,458)	(7)	24,322	29,422	40,431	(202,152)
August	(202,152)	(7)	24,985	27,180	39,644	(189,638)
September - est. 4/	(189,638)	(7)	24,985	27,180	40,702	(178,182)
October - est. 4/	(178,182)	(7)	24,985	27,180	38,657	(164,681)
November - est. 4/	(164,681)	(7)	24,985	27,180	43,133	(155,656)
December - est. 4/	(155,656)	(7)	24,985	27,180	48,510	(152,008)
Total		(\$136)	\$259,822	\$308,980	\$592,458	

1/ Carrying charges calculated based on the three-month Treasury Bill rate pursuant to Rate 59.

2/ Allocated to North Dakota on Factor No. 15. Excludes charges recovered through base rates.

3/ Based on TCA Rate effective January 1, 2013 in Case No. PU-12-804 applied to actual sales January through August and estimated September through December sales.

4/ The estimated September through December net expense amount is based on August 2013.

**Montana-Dakota Utilities Co.  
North Dakota Transmission Cost Adjustment  
Summary of Net TCA Charges  
Electric Utility - North Dakota  
Projected 2014**

	Projected - North Dakota												Projected Total 2014
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	
<b>MISO Schedule 26 and 26A Expense</b>													
MISO Schedule 26 Expense 1/	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537	\$171,533	\$2,058,440
MISO Schedule 26A Expense 2/	195,889	191,681	174,553	163,565	164,217	164,922	205,014	185,433	178,440	166,910	185,295	208,176	2,184,095
Total Schedule 26 and 26A	\$367,426	\$363,218	\$346,090	\$335,102	\$335,754	\$336,459	\$376,551	\$356,970	\$349,977	\$338,447	\$356,832	\$379,709	\$4,242,535
<b>WAPA Network Integrated Transmission</b>													
WAPA NITS Expense 3/	\$52,013	\$52,013	\$52,013	\$52,013	\$52,013	\$52,013	\$52,013	\$52,013	\$52,013	\$52,013	\$52,013	\$52,014	\$624,157
<b>MISO Schedule 26 and 26A Revenue</b>													
MISO Schedule 26 Revenue 1/	\$106,781	\$106,781	\$106,781	\$106,781	\$106,781	\$106,781	\$106,781	\$106,781	\$106,781	\$106,781	\$106,781	\$106,785	\$1,281,376
MISO Schedule 26A Revenue 2/	4,572	4,572	4,572	4,572	4,572	4,572	4,572	4,572	4,572	4,572	4,572	4,573	54,865
	\$111,353	\$111,353	\$111,353	\$111,353	\$111,353	\$111,353	\$111,353	\$111,353	\$111,353	\$111,353	\$111,353	\$111,358	\$1,336,241
 Net North Dakota Charges	 \$308,086	 \$303,878	 \$286,750	 \$275,762	 \$276,414	 \$277,119	 \$317,211	 \$297,630	 \$290,637	 \$279,107	 \$297,492	 \$320,365	 \$3,530,451

1/ Exhibit 6.  
2/ Exhibit 7.  
3/ Exhibit 8.

Montana-Dakota Utilities Co.  
 Electric Utility - North Dakota  
 MISO Schedule 26 Expense and Revenue  
 Projected 2014

	Projected												Total 2014
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	
Sched 26 Charges 1/	\$240,730	\$240,730	\$240,730	\$240,730	\$240,730	\$240,730	\$240,730	\$240,730	\$240,730	\$240,730	\$240,730	\$240,725	\$2,888,755
ND allocation 2/	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537	\$171,533	\$2,058,440
Sched 26 Revenue 3/	\$149,854	\$149,854	\$149,854	\$149,854	\$149,854	\$149,854	\$149,854	\$149,854	\$149,854	\$149,854	\$149,854	\$149,859	\$1,798,253
ND Allocation 2/	\$106,781	\$106,781	\$106,781	\$106,781	\$106,781	\$106,781	\$106,781	\$106,781	\$106,781	\$106,781	\$106,781	\$106,785	\$1,281,376

1/ Schedule 26 indicative costs posted by MISO as of August 23, 2013. \$2,888,755

2/ Allocated to North Dakota based on the Integrated System 12 Month Peak Demand.

71.256990%

3/ Montana-Dakota's projected 2014 revenue requirement for its MTEP project 1355 (Heskett Substation) recovered under Schedule 26.

\$1,798,253

**Montana-Dakota Utilities Co.  
Electric Utility - North Dakota  
MISO Schedule 26A Expenses and Revenues  
Projected 2014**

Big Stone South to Ellendale MVP (BSSE)	Projected												Total 2014
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	
Total Revenue Requirement 1/	\$68,996	\$68,996	\$68,996	\$68,996	\$68,996	\$68,996	\$68,996	\$68,996	\$68,996	\$68,996	\$68,996	\$68,993	\$827,949
Non-Retail Allocation 2/	68,513	68,513	68,513	68,513	68,513	68,513	68,513	68,513	68,513	68,513	68,513	68,510	822,153
Retail Revenue Requirement 3/	\$483	\$483	\$483	\$483	\$483	\$483	\$483	\$483	\$483	\$483	\$483	\$483	\$5,796
A&G Retail Credit 4/	\$5,933	\$5,933	\$5,933	\$5,933	\$5,933	\$5,933	\$5,933	\$5,933	\$5,933	\$5,933	\$5,933	\$5,935	\$71,198
Total Retail Revenue with Credit	\$6,416	\$6,416	\$6,416	\$6,416	\$6,416	\$6,416	\$6,416	\$6,416	\$6,416	\$6,416	\$6,416	\$6,418	\$76,994
Allocated to ND 5/	\$4,572	\$4,572	\$4,572	\$4,572	\$4,572	\$4,572	\$4,572	\$4,572	\$4,572	\$4,572	\$4,572	\$4,573	\$54,865
<b>All Other MVP Projects</b>													
Integrated Sales MWh 6/	272,183	266,337	242,537	227,270	228,176	229,155	284,862	257,654	247,939	231,917	257,463	289,255	3,034,748
Total MVP Charges excl. BSSE 7/	\$274,422	\$268,517	\$244,479	\$229,060	\$229,975	\$230,964	\$287,228	\$259,748	\$249,935	\$233,753	\$259,555	\$291,665	\$3,059,301
Allocated to ND 5/	\$195,545	\$191,337	\$174,208	\$163,221	\$163,873	\$164,578	\$204,670	\$185,089	\$178,096	\$166,565	\$184,951	\$207,832	\$2,179,965
<b>Summary - North Dakota</b>													
Total MVP Charges 8/	\$195,889	\$191,681	\$174,553	\$163,565	\$164,217	\$164,922	\$205,014	\$185,433	\$178,440	\$166,910	\$185,295	\$208,176	\$2,184,095
Retail Revenue with Credit	\$4,572	\$4,572	\$4,572	\$4,572	\$4,572	\$4,572	\$4,572	\$4,572	\$4,572	\$4,572	\$4,572	\$4,573	\$54,865
Net ND Sched 26A Expense	\$191,317	\$187,109	\$169,981	\$158,993	\$159,645	\$160,350	\$200,442	\$180,861	\$173,868	\$162,338	\$180,723	\$203,603	\$2,129,230

1/ Montana-Dakota's projected 2014 Revenue Requirement (Attachment MM) for the BSSE MVP project recovered under Schedule 26A.

\$827,949

2/ Amount recovered from other MISO members.

99.3%

3/ Montana-Dakota's estimated retail portion of its BSSE project based on Montana-Dakota's load ratio share in the MISO footprint.

0.7%

4/ Revenue credit for administrative and general O&M expenses recovered through MISO Attachment MM.

Montana-Dakota's projected 2014 Attachment MM CWIP. Other O&M Expense, Line 4b.

1.28%

Projected Gross Plant in Service (CWIP) from Attachment MM

\$5,562,337

Annual A&G Retail Credit

\$71,198

5/ Integrated System 12 Month Peak Demand.

71.256990%

6/ Electric Load Forecast from 2014 Plan.

7/ Montana-Dakota's Indicative Annual MVP Charges for Approved MVPs excluding the BSSE MVP project.

\$1.01

8/ Montana-Dakota's total MVP charges including the BSSE project.

**Montana-Dakota Utilities Co.**  
**Electric Utility - North Dakota**  
**WAPA Network Integrated Transmission**  
**Projected 2014**

	Projected												Total 2014
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	
2013 WAPA NITS Estimate 1/	\$92,407	\$92,407	\$92,407	\$92,407	\$92,407	\$92,407	\$92,407	\$92,407	\$92,407	\$92,407	\$92,407	\$92,407	\$1,108,884
ND WAPA NITS Estimate 1/	65,846	65,846	65,846	65,846	65,846	65,846	65,846	65,846	65,846	65,846	65,846	65,851	790,157
WAPA NITS in base rates 2/	13,833	13,833	13,833	13,833	13,833	13,833	13,833	13,833	13,833	13,833	13,833	13,837	166,000
Net WAPA NITS	\$52,013	\$52,013	\$52,013	\$52,013	\$52,013	\$52,013	\$52,013	\$52,013	\$52,013	\$52,013	\$52,013	\$52,014	\$624,157

1/ Total 2014 Integrated System WAPA NITS Estimate of \$92,407 per month. North Dakota's allocation is Allocated to North Dakota based on the Integrated System 12 Month Peak Demand.

\$790,157  
71.256990%

2/ WAPA Network Integrated Transmission Expense recovered in ND Rate Case Case No. PU-10-124 of \$166,000