

July 15, 2014

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

Re: Case No. PU-14-143
Compliance Filing – Environmental Cost
Recovery Rider

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith submits the original and two (2) copies of the following electric rate, provided in Attachment A, to be implemented effective with service rendered on and after July 15, 2014, in compliance with the Commission's approval of the update to the Environmental Cost Recovery Rider Tariff by the North Dakota Public Service Commission issued on July 10, 2014:

- 3rd Revised Sheet No. 41.1

A bill insert provided as Attachment B will start on July 17, 2014 which will be the first bill day with consumption under the rate effective July 15, notifying customers of the approval of the Environmental Cost Recovery Rider and the amount of the charge.

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

Attachment A

Attachment A



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. 41.1
Canceling 2nd Revised Sheet No. 41.1

Environmental Cost Recovery Rider Rate 57

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4. Environmental Cost Recovery Rider:

Residential and Small General	0.463¢ per Kwh
Large General	0.386¢ per Kwh
Lighting	0.280¢ per Kwh

Date Filed: April 8, 2014

Effective Date: Service rendered on and
after July 15, 2014

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

Case No.: PU-14-143

Other Rates Available:

Optional Time-of-Day General Electric Service – Rate 31; General Electric Space Heating Service – Rate 32; Firm Service Economic Development – Rate 34; Interruptible Large Power Demand Response – Rate 38; Municipal Lighting Service – Rate 41; Municipal Pumping Service – Rate 48; Outdoor Lighting Service – Rate 52.

Fuel and Purchased Power Adjustment (F&PP)

The fuel and purchased power adjustment is subject to a change on a monthly basis and includes the cost of fuel burned in generating plants to produce electricity and purchased capacity and energy costs.

Transmission Cost Adjustment (TCA)

A charge per Kwh applicable to electric service for the recovery of transmission related expenditures and investments net of revenues received from others. The TCA is subject to change on an annual basis.

Prorated Bill:

The bill you receive may be prorated, depending on the date your meter was read. Bills are prorated to reflect the rates in effect at the time service was rendered, rather than when your bill is processed. This means that any electricity used prior to July 15, 2014 will be billed at the previous ECRR and any electricity used on and after July 15, 2014 will be billed at the new ECRR.

Montana-Dakota's rates, rules, and regulations are available online at www.montana-dakota.com or by calling 1-800-638-3278.



Electric Service Rates

Effective July 15, 2014

The purpose of this brochure is to provide you with information regarding your electric energy rates and provide information regarding the Environmental Cost Recovery Rider.



Environmental Cost Recovery Rider

On April 8, 2014 Montana-Dakota Utilities Co. (Montana-Dakota) filed a request to the North Dakota Public Service Commission (Commission) for approval of its annual update to the Environmental Cost Recovery Rider (ECRR) for the ongoing construction costs for the installation of the Air Quality Control System at the Big Stone Generating Station. Montana-Dakota submitted its updated forecast including a new project budget of \$384 million, a decrease of 5 percent from the original filing of \$405 million. The Commission approved the following charges under the Environmental Cost Recovery Rider on July 10, 2014 with an effective date of July 15, 2014.

Residential & Small General.....	\$0.00463
Large General.....	\$0.00386
Lighting	\$0.00280

A typical residential customer using 894 Kwh will see an increase of \$2.32 per month.

Following is a review of Electric Service Rates effective as of July 15, 2014.

Residential Electric Service – Rate 10

Basic Service Charge.....	\$0.35 per day
Energy Charge October - May	
First 750 Kwh.....	\$0.05304 per Kwh
Over 750 Kwh.....	\$0.02304 per Kwh
Energy Charge June – September.....	\$0.05304 per Kwh
Fuel and Purchased Power Adjustment .	\$0.02414 per Kwh
Transmission Cost Adjustment.....	\$0.00192 per Kwh
Environmental Cost Recovery Rider	\$0.00463 per Kwh

Residential Optional Thermal Energy Storage – Rate 13

A Time-of-Day Seasonal rate is available to residential single-phase customers operating Company approved thermal energy storage facilities for the purpose of

utilizing off-peak electric energy for space conditioning purposes where electric space heating is the primary heating source. Service under this rate is not available when another energy source provided by the company is utilized as a back-up heating source.

Basic Service Charge.....	\$0.45 per day
Off-Peak Energy Charge 10:00 p.m to 8:00 a.m	
October – May	\$0.00804 per Kwh
On-Peak Energy Charge	
October - May	
First 750 Kwh	\$0.05304 per Kwh
Over 750 Kwh	\$0.02304 per Kwh
June – September	\$0.05304 per Kwh
Fuel and Purchased Power Adjustment .	\$0.02414 per Kwh
Transmission Cost Adjustment	\$0.00192 per Kwh
Environmental Cost Recovery Rider	\$0.00463 per Kwh

Residential Optional Time-of-Day – Rate 16

Basic Service Charge.....	\$0.45 per day
On-Peak Energy Charge	
October – May	\$0.07398 per Kwh
June – September	\$0.10398 per Kwh
Off-Peak Energy Charge	\$0.02304 per Kwh
Fuel and Purchased Power Adjustment .	\$0.02414 per Kwh
Transmission Cost Adjustment	\$0.00192 per Kwh
Environmental Cost Recovery Rider	\$0.00463 per Kwh

Small General Electric Service – Rate 20

Basic Service Charge.....	\$0.70 per day
Energy Charge October - May	
First 750 Kwh.....	\$0.06147 per Kwh
Over 750 Kwh	\$0.02304 per Kwh
Energy Charge June – September.....	\$0.06147 per Kwh
Fuel and Purchased Power Adjustment .	\$0.02414 per Kwh
Transmission Cost Adjustment	\$0.00192 per Kwh
Environmental Cost Recovery Rider	\$0.00463 per Kwh

Irrigation Power Service – Rate 25

Basic Service Charge.....	\$0.65 per day
Demand Charge	
October – May	\$1.25 per Kw
June – September	\$2.75 per Kw
Energy Charge	\$0.01209 per Kwh
Fuel and Purchased Power Adjustment .	\$0.02414 per Kwh
Transmission Cost Adjustment.....	\$0.00192 per Kwh
Environmental Cost Recovery Rider	\$0.00463 per Kwh

Small General Optional Time-of-Day – Rate 26

Basic Service Charge.....	\$0.80 per day
On-Peak Energy Charge	
October – May	\$0.07385 per Kwh
June – September	\$0.11385 per Kwh
Off-Peak Energy Charge	\$0.02304 per Kwh
Fuel and Purchased Power Adjustment .	\$0.02414 per Kwh
Transmission Cost Adjustment.....	\$0.00192 per Kwh
Environmental Cost Recovery Rider	\$0.00463 per Kwh

General Electric Service – Rate 30

Primary Service

Basic Service Charge.....	\$95.00 per month
Demand Charge	
October – May	\$6.25 per Kw
June – September	\$9.25 per Kw
Energy Charge	\$0.02296 per Kwh
Fuel and Purchased Power Adjustment .	\$0.02320 per Kwh
Transmission Cost Adjustment.....	\$0.00147 per Kwh
Environmental Cost Recovery Rider	\$0.00386 per Kwh

Secondary Service

Basic Service Charge.....	\$45.00 per month
Demand Charge	
October – May	\$8.25 per Kw
June – September	\$11.25 per Kw
Energy Charge	\$0.02376 per Kwh
Fuel and Purchased Power Adjustment .	\$0.02414 per Kwh
Transmission Cost Adjustment.....	\$0.00147 per Kwh
Environmental Cost Recovery Rider	\$0.00386 per Kwh