



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

June 26, 2014

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

Re: Ten-Year Plan

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith submits ten (10) copies of its North Dakota Ten-Year Plan in accordance with NDCC 49-22-04. Notice of the filing of this plan is given, pursuant to Article 69-06-02-02 of the North Dakota Administrative Code, to the state agencies and officers as designated in Article 69-06-01-05 of the Administrative Code and denoted on the attached Service List. The report can be found at the Public Service Commission's website: <http://www.psc.nd.gov/>.

Sincerely,

A handwritten signature in red ink that reads "Tamie A. Aberle".

Tamie A. Aberle
Director of Regulatory Affairs

Enclosure
cc: Service List (without enclosure)

Montana-Dakota Utilities Co., a Division of)
MDU Resources Group, Inc. Ten-Year Plan) CERTIFICATE OF SERVICE
Submitted on June 26, 2014)

I, Christina S. Zastawniak, being first duly sworn on oath, certifies that the following list contains the names and last address of each designated state agency and/or state official given notice of filing of Montana-Dakota Utilities Co.'s (Montana-Dakota) Ten-Year Plan pursuant to the Rules and Regulations of the North Dakota Public Service Commission. I hereby certify that I have, by depositing this Certificate of Service with the United States Postal Service, caused notice to be given all such required state agencies and state officials that Montana-Dakota has filed its Ten-Year Plan for North Dakota Electric Properties with the North Dakota Public Service Commission.

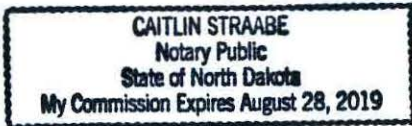
Name
See Exhibit A Attached

Last Known Address
See Exhibit A Attached

Christina Zastawniak
Christina S. Zastawniak

Subscribed and sworn to before me this 26th day of June, 2014.

Caitlin Straabe
Caitlin Straabe, Notary Public
Burleigh County, North Dakota
My Commission Expires: 09/28/2019



**Montana-Dakota Utilities Co.
2014 North Dakota Ten-Year Plan For North Dakota Electric Properties
Service List – Notice of Filing**

Department of Labor
600 East Boulevard Avenue Dept 406
Bismarck, ND 58505

Department of Human Services
State Capitol Judicial Wing
600 East Boulevard Avenue
Bismarck, ND 58505

North Dakota Department of Transportation
608 East Boulevard Avenue
Bismarck, ND 58505-0700

Energy Development Impact Office
P.O. Box 5523
Bismarck, ND 58506-5523

Department of Agriculture
State Capitol Building
600 East Boulevard Avenue
Bismarck, ND 58505

Department of Vocational Education
State Capitol Building, 15th Floor
600 East Boulevard Avenue
Bismarck, ND 58505

North Dakota Department of Commerce
Economic Development & Finance
1600 East Century Avenue, Suite 2
Bismarck, ND 58503

Governor's Office
State Capitol Building
600 East Boulevard Avenue
Bismarck, ND 58505

ND State Land Department
P.O. Box 5523
Bismarck, ND 58506-5523

Game & Fish Department
100 North Bismarck Expressway
Bismarck, ND 58501

State Historical Society
Heritage Center
612 East Boulevard Avenue
Bismarck, ND 58505

Attorney General
State Capitol Building
600 East Boulevard Avenue
Bismarck, ND 58505

Indian Affairs Commission
State Capitol Judicial Wing
600 East Boulevard Avenue
Bismarck, ND 58505

North Dakota Department of Commerce
P.O. Box 5523
1600 East Century Avenue, Suite 2
Bismarck, ND 58503

State Water Commission
900 East Boulevard Avenue
Bismarck, ND 58502

North Dakota Parks & Recreation Department
1600 East Century Avenue, Suite 3
Bismarck, ND 58505

Job Service of North Dakota
P.O. Box 5507
Bismarck, ND 58502

Aeronautics Commission
P.O. Box 5020
Bismarck, ND 58502

Soil Conservation Committee
State Capitol Building
600 East Boulevard Avenue
Bismarck, ND 58505

North Dakota Department of Mineral Resources
Geological Survey
600 East Boulevard Avenue
Bismarck, ND 58505

Department of Health
State Capitol Building
600 East Boulevard Avenue
Bismarck, ND 58505

MONTANA-DAKOTA UTILITIES CO.
TEN YEAR PLAN
FOR NORTH DAKOTA ELECTRIC PROPERTIES

For Planning Years July 1, 2014 through June 30, 2024

Submitted to
NORTH DAKOTA PUBLIC SERVICE COMMISSION
June 30, 2014



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MONTANA-DAKOTA UTILITIES CO.
A Division of MDU Resources Group, Inc.
400 North 4th Street
Bismarck, North Dakota 58501

INTRODUCTION

Enclosed are data comprising the Montana-Dakota Utilities Co. (Montana-Dakota) "Ten Year Plan" for North Dakota Electric Properties filed in compliance with NDCC §49-22-04 and NDAC §69-06-02-01 and 02.

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SCHEDULE A

EXISTING ENERGY CONVERSION FACILITIES

The existing energy conversion facilities subject to this filing and located in North Dakota are the 427 MW Coyote Station near Beulah in which Montana-Dakota has a 25 percent ownership interest, the 191 MW Heskett Station in Mandan, which is wholly owned by Montana-Dakota, a 5.3 MW waste heat recovery unit located near Glen Ullin, and the 19.5 MW Cedar Hills wind project located near Rhame. Otter Tail Power Company of Fergus Falls, Minnesota operates the Coyote Station and reports all information required by Schedule A.

No energy conversion facilities are committed to be retired in the next ten years.

SCHEDULE B

ENERGY CONVERSION FACILITIES UNDER CONSTRUCTION

NONE

SCHEDULE C

PROPOSED ENERGY CONVERSION FACILITIES ON WHICH CONSTRUCTION IS INTENDED WITHIN THE ENSUING FIVE YEARS

Montana-Dakota is studying the installation of new peaking generation within the Bakken region to help support the electric transmission system in the area and meet the Company's growing customer load requirements in Western North Dakota and Eastern Montana.

Montana-Dakota is also studying the development of a combined cycle generating resource to economically and reliably meet its future customer energy and demand requirements. Montana-Dakota is looking to develop this resource through partnerships, if available, to achieve greater economies of scale and efficiencies through the construction of a larger energy generating facility.

Locations and timing of these energy conversion facilities has not been determined at this time.

SCHEDULE D

PROPOSED ENERGY CONVERSION FACILITIES DURING THE NEXT TEN-YEAR TIME PERIOD

Montana-Dakota routinely studies additional resource options to meet its customer needs. These options are addressed in Montana-Dakota's Integrated Resource Plan (2013 IRP) filed with the Commission on July 1, 2013 and designated as Case No. PU-13-510.

SCHEDULE E

EXISTING TRANSMISSION FACILITIES (ELECTRIC)

Exhibit A is a system map of North Dakota showing the location of existing transmission facilities.

There are no retirements of any North Dakota transmission facilities planned within the next ten years.

SCHEDULE G

PROPOSED TRANSMISSION FACILITIES ON WHICH CONSTRUCTION IS INTENDED WITHIN THE ENSUING FIVE YEARS (ELECTRIC)

The Midcontinent Independent System Operator, Inc. (MISO) has established a classification of transmission expansion projects called Multi-Value Projects (MVPs). Cost allocation for MVPs will be shared across the entire MISO footprint on a per MWh basis. There is currently one approved MVP project that will connect to Montana-Dakota's transmission

system. This MVP project consists of a new substation near the existing Ellendale Junction Substation and a 345 KV line extending from Ellendale which will interconnect to a substation near the Big Stone Plant in South Dakota. Montana-Dakota will be a 50 percent owner of this MVP line which is scheduled to be placed in-service by December, 2019. The Companies filed an Application for a corridor certificate and route permit currently pending a Commission decision in Case No. PU-13-840.

Montana-Dakota is currently planning a 35 mile 115 kV line from the existing Kenmare Junction substation to a new substation near Lignite, ND. This line is being developed to support continuing load growth in the area. This project is expected to be completed by the end of third quarter 2015.

SCHEDULE I

PROPOSED TRANSMISSION FACILITIES DURING THE NEXT TEN YEAR TIME PERIOD (ELECTRIC)

NONE

SCHEDULE J

REGIONAL COORDINATION

Montana-Dakota has been coordinating planning, construction, and operation of electric facilities with other utilities and agencies serving North Dakota since 1945. Montana-Dakota has agreements for joint planning and common use of area facilities with Basin Electric Power Cooperative (Basin Electric) and Western Area Power Administration (Western) and interconnection agreements with Otter Tail Power Company, NorthWestern Energy Corporation, and Minnkota Power Cooperative, Inc. These agreements provide for the interconnection of Montana-Dakota's bulk transmission facilities with the Western Integrated System (WAPA IS) and MISO bulk transmission facilities.

Montana-Dakota is a transmission owning member of the MISO. The MISO is a FERC-

authorized Regional Transmission Organization (RTO). The MISO commenced tariff administration for the operational control of the transmission systems of its members in February 2002. The MISO commenced its energy market on April 1, 2005. The MISO Ancillary Services Market started on January 6, 2009 at which time Montana-Dakota became a Local Balancing Authority within the MISO. Montana-Dakota actively participates in the planning processes performed by the MISO, which has the obligation to coordinate the planning of transmission facilities. Two of the planning processes mandated by FERC are generator interconnection and delivery service. A third process is related to expansion planning through the MISO Transmission Expansion Plan.

Montana-Dakota and Western have an agreement that provides for mutual wheeling and coordinates construction of transmission facilities. The agreement is in effect through December 31, 2015. Montana-Dakota originally entered into this agreement with Western's predecessor, the United States Bureau of Reclamation, in 1945 and the agreement has been renewed several times since then. Over the years, cooperation among Montana-Dakota, Western, and rural electric cooperatives has resulted in numerous interconnections between Montana-Dakota's and Western's systems, avoiding duplication of hundreds of miles of transmission facilities.

With the expiration of the Western Transmission Service Agreement (TSA), Montana-Dakota will need to make transmission service arrangements to serve approximately one-third to one-half of its customer load in western North Dakota and eastern Montana. Western and Basin Electric are scheduled to join the Southwest Power Pool (SPP) in October 2015, so Montana-Dakota expects to take transmission service from SPP upon expiration of the Western TSA. Initial analysis shows a greater value for Montana-Dakota to remain a MISO member and take SPP transmission service to replace the Western TSA over a complete withdrawal from MISO. Montana-Dakota is concerned with the pancaking of transmission services by taking both SPP and MISO transmission services for the same load and is continuing to explore measures that will minimize customer cost impacts.

Montana-Dakota has an agreement with Basin Electric that provides for joint planning and common use of transmission facilities. This agreement, first signed in 1972, is perpetual until terminated by one of the parties with a five year notice required prior to termination. Joint planning involving Montana-Dakota and Basin Electric and its member cooperatives continues to provide maximum utilization and benefit of existing and new transmission facilities. Load flow studies provided for under this agreement assure that adequate facilities will be provided to meet expected long-range demands.

Montana-Dakota, Otter Tail Power Company, and NorthWestern Energy Corporation own the 475 MW Big Stone generating station near Big Stone City, South Dakota, and associated bulk transmission facilities. Montana-Dakota owns 22.7 percent of the Big Stone Plant. In addition, Montana-Dakota is a participant in another joint venture with Minnkota Power Cooperative, Inc. (agent for Northern Municipal Power Agency), Otter Tail Power Company, and NorthWestern Energy Corporation. This is the 427 MW Coyote generating plant near Beulah, North Dakota, and associated bulk transmission facilities. Montana-Dakota currently owns 25 percent of the Coyote Station. These cooperative efforts permit Montana-Dakota to realize economic benefits from ownership in a large generating station and to provide the electrical generation required of it and its partners using fewer facilities.

Montana-Dakota is also a member of the Midwest Reliability Organization (MRO). MRO is one of eight regional entities in North America operating under authority from regulators in the United States and Canada through a delegation agreement with the North American Electric Reliability Corporation (NERC). The primary focus of MRO is developing and ensuring compliance with regional and international standards and performing assessments of the grid's ability to meet the demands for electricity.

SCHEDULE K

ENVIRONMENTAL INFORMATION

The Corporate Environmental Policy of MDU Resources Group, Inc., the parent corporation of Montana-Dakota, states that:

Our company will operate efficiently to meet the needs of the present without compromising the ability of future generations to meet their own needs. Our environmental goals are:

- *To minimize waste and maximize resources;*
- *To support environmental laws and regulations that are based on sound science and cost-effective technology; and*
- *To comply with or exceed all applicable environmental laws, regulations and permit requirements.*

Montana-Dakota maintains good relations with local, state, and federal agencies involved with environmental protection and land use planning in its service area.

Transmission and energy conversion facilities will be designed and located in such a manner as to maximize operational efficiency and economic benefits and to minimize impacts on agriculture, extractable resources, health and safety, plant and animal life, communications, and the visual effect on the surrounding area. Transmission and energy conversion facilities will be sited in compliance with the federal, state, and local laws and with the Public Service Commission's rules and regulations.

Montana-Dakota strives to maintain compliance and operate its facilities in an environmentally proactive manner, while taking into consideration the cost to customers. Montana-Dakota actively monitors federal and state legislative and regulatory activity related to environmental issues, including air emissions, greenhouse gases (GHG), waste disposal, and water discharges. The Company has also established memberships in relevant trade organizations to assist in monitoring the potential impact of proposed legislation and regulation to the Company's operations.

The U.S. Environmental Protection Agency (EPA) has finalized significant air emissions regulations for coal-fired electric generating facilities and has made known that it intends to issue several other significant new air emissions, waste disposal and water discharge regulations aiming to reduce impacts from air emissions, including GHGs, from fossil-fired electric generating facilities, and pollutants in wastewater discharges and management of coal ash at coal-fired electric generating facilities. The culmination of all various pending environmental requirements may result in the retirement of existing coal-fired baseload units earlier than otherwise would occur.

Montana-Dakota is currently reviewing potential impacts from the EPA's proposed GHG rule for existing fossil-fired generation units that was released on June 2, 2014. In the rule, the EPA identifies a required CO₂ emissions reduction from each state and instructs each state, or group of states that work together, to submit a plan to the EPA by June 30, 2016 that demonstrates how the state will achieve the emission reductions by 2030. The plan will include performance standards for each existing fossil-fired generating unit, as well as the available compliance options. Montana-Dakota does not yet know what each state will require for emissions reductions from each Montana-Dakota owned and jointly-owned fossil-fired electric generation unit, but will continue to work with states where Montana-Dakota has fossil-fired

generation units to understand the potential impacts and will take these requirements into consideration when planning for future resource needs.

SCHEDULE L

PROJECTED DEMAND FOR SERVICE

The load data reported in this plan are the result of Montana-Dakota’s *2014-2033 Electric Load Forecast* dated December 31, 2013.

1. Projected Peak Load for 2014-2024

The demand forecast was developed using an econometric model whose methodology is documented in detail in Attachment A of the 2013 IRP.

The summer peak is the highest hourly demand value for the summer months in the given year. The winter peak is the highest hourly demand value for the winter season occurring at the end of the given year or the beginning of the following calendar year. The projected demands shown in MW below represent the load at the customer level plus the demand due to system losses. System losses include energy losses on the transmission and distribution systems and energy that is unaccounted for such as power theft or stray currents. The summer peak demand given is net of energy efficiency and prior to any reduction in load due to demand response.

a. Integrated System

PROJECTED PEAK DEMAND (MW)

YEAR	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
SUMMER	598.6	635.4	659.0	674.4	685.3	696.3	706.8	717.1	726.6	735.9	745.0
WINTER	558.0	605.2	634.3	652.4	664.5	676.6	688.0	699.2	709.3	719.2	728.6

GROWTH RATE (%)

YEAR	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
SUMMER	--	6.2	3.7	2.3	1.6	1.6	1.5	1.5	1.3	1.3	1.2
WINTER	--	8.5	4.8	2.9	1.9	1.8	1.7	1.6	1.4	1.4	1.3

Historically, for the period 2008-2013 the summer peak demand increased at an average rate of 3.9 percent per year while the winter peak demand increased at an average rate of 5.0 percent per year. The projected average growth rates for the period 2014-2024 are 2.0 percent for the summer peak and 2.3 percent for the winter peak.

b. North Dakota

PROJECTED PEAK DEMAND (MW)

YEAR	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
SUMMER	407.7	430.5	441.7	451.6	459.5	467.7	475.7	483.3	490.2	497.2	503.9
WINTER	380.1	410.1	425.2	436.8	445.5	454.5	463.0	471.3	478.5	485.9	492.8

GROWTH RATE (%)

YEAR	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
SUMMER	--	5.6	2.6	2.2	1.8	1.8	1.7	1.6	1.4	1.4	1.4
WINTER	--	7.9	3.7	2.7	2.0	2.0	1.9	1.8	1.5	1.6	1.4

2. Projected Energy for 2014-2024

The projected annual energy requirements, shown in gigawatt-hours (GWh), for Montana-Dakota's Integrated System are as follows:

Year	Annual Energy (GWh)	Year	Annual Energy (GWh)
2014	3,270.2	2020	4,060.8
2015	3,565.8	2021	4,128.2
2016	3,739.6	2022	4,188.7
2017	3,847.8	2023	4,247.5
2018	3,920.3	2024	4,304.2
2019	3,992.6		

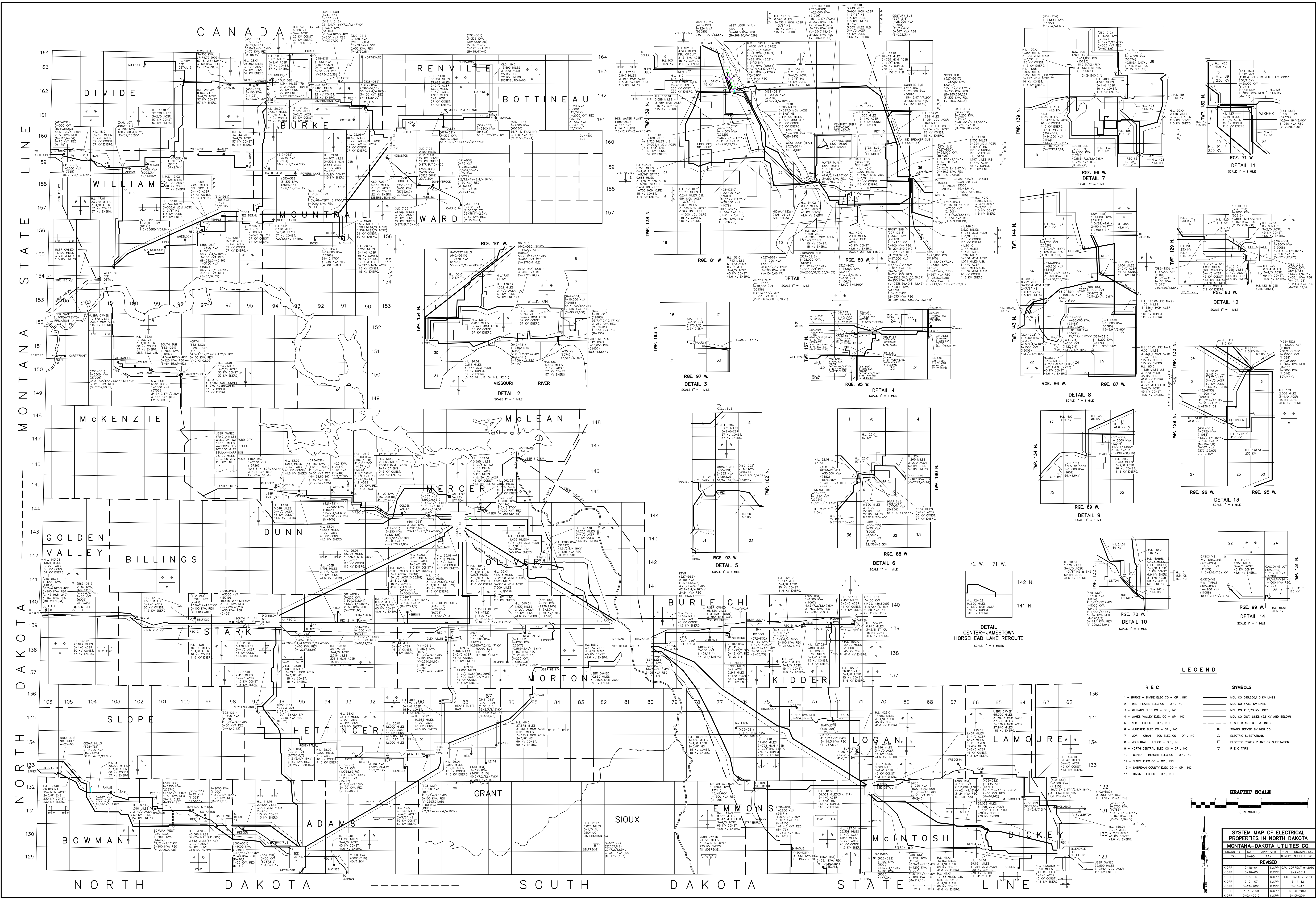
Historically, for the period 2008-2013, Montana-Dakota experienced an average annual increase of 3.7 percent for energy consumption. The projected average growth rate for the period 2014-2024 is 2.4 percent.

3. Load Centers

Montana-Dakota's load centers for the Integrated System, defined as areas with 10 MW or more of load in a limited geographical area, are, in North Dakota, Bismarck-Mandan, Dickinson, Stanley, Tioga, Watford City, and Williston and in Montana, Baker, Glendive, Sidney, and Miles City.

Exhibit A

North Dakota Electric System Map



LEGEND

SYMBOLS

- 1 - BURKE - OIDE ELEC CO - OP, INC
- 2 - WEST PLAINS ELEC CO - OP, INC
- 3 - WILLIAMS ELEC CO - OP, INC
- 4 - JAMES VALLEY ELEC CO - OP, INC
- 5 - JAMES VALLEY CO - OP, INC
- 6 - WARDNER ELEC CO - OP, INC
- 7 - MORRIS - GRAN - SOU ELEC CO - OP, INC
- 8 - MOUNTAIN ELEC CO - OP, INC
- 9 - NORTH CENTRAL ELEC CO - OP, INC
- 10 - OLIVER - MERCER ELEC CO - OP, INC
- 11 - BURKE ELEC CO - OP, INC
- 12 - SHERMAN COUNTY ELEC CO - OP, INC
- 13 - BASH ELEC CO - OP, INC

GRAPHIC SCALE

(1 IN = 1 MILE)

SYSTEM MAP OF ELECTRICAL PROPERTIES IN NORTH DAKOTA
MONTANA-DAKOTA UTILITIES CO.

REVISED

K.C.P.P. 2-18-08	K.C.P.P. C.W. CORP. 9-2010
K.C.P.P. 4-16-00	K.C.P.P. 2-9-2011
K.C.P.P. 2-9-06	K.C.P.P. T.C. STATE 2-2011
K.C.P.P. 3-22-07	K.C.P.P. 5-11-12
K.C.P.P. 3-19-08	K.C.P.P. 5-18-13
K.C.P.P. 5-4-2009	K.C.P.P. 6-25-2013
K.C.P.P. 3-24-00	K.C.P.P. 6-25-2014