



UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

October 26, 2015

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

Re: Application for Approval of a Renewable  
Resource Cost Adjustment Rate 55  
Tariff and Rate Adjustment  
Case No. PU-15-\_\_\_\_\_

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith submits for Commission approval an original and (7) copies of the Company's Application to implement a Renewable Resource Cost Adjustment Rate 55 tariff and rates to reflect the projected costs through 2016 related to the Company's investment in the Thunder Spirit Wind Project.

On October 21, 2015 Montana-Dakota submitted to the Commission an Application for Approval of an Update to the Generation Resource Recovery Rider Rate 56 and for a Renewable Resource Cost Adjustment Rate 55 Tariff and Rates. Following that filing and pursuant to Staff's request, the Company is now submitting two separate applications for the aforementioned riders. The application included herein is for the proposed Renewable Resource Cost Adjustment Rate 55 tariff and rates.

Montana-Dakota requests approval of the following tariff sheets to be effective with service rendered on and after January 1, 2016:

- Table of Contents 4<sup>th</sup> Revised Sheet No. 1
- Residential Electric Service 6<sup>th</sup> Revised Sheet No. 3
- Optional Residential Thermal Energy Storage 4<sup>th</sup> Revised Sheet No. 4.1
- Optional Time-of-Day Residential Electric Service 8<sup>th</sup> Revised Sheet No. 7 and 2<sup>nd</sup> Revised Sheet No. 7.1
- Small General Electric Service 6<sup>th</sup> Revised Sheet No. 10
- Irrigation Power Service 5<sup>th</sup> Revised Sheet No. 14.1
- Optional Time-of-Day Small General Electric Service 8<sup>th</sup> Revised Sheet No. 15 and 2<sup>nd</sup> Revised Sheet No. 15.1
- General Electric Service 5<sup>th</sup> Revised Sheet No. 18.1
- Optional Time-of-Day General Electric Service 8<sup>th</sup> Revised Sheet No. 19.1

- General Electric Space Heating Service 7<sup>th</sup> Revised Sheet No. 20.1
- Firm Service Economic Development 5<sup>th</sup> Revised Sheet No. 22.1 and 2<sup>nd</sup> Revised Sheet No. 22.2
- Interruptible Large Power Demand Response 5<sup>th</sup> Revised Sheet No. 23.1, 3<sup>rd</sup> Revised Sheet No. 23.2, and 2<sup>nd</sup> Revised Sheet No. 23.3
- Small Municipal Electric Service 6<sup>th</sup> Revised Sheet No. 25.1 and 3<sup>rd</sup> Revised Sheet No. 25.2
- Municipal Lighting Service 5<sup>th</sup> Revised Sheet No. 26
- Municipal Pumping Service 6<sup>th</sup> Revised Sheet No. 32.1 and Original Sheet No. 32.2
- Outdoor Lighting Service 6<sup>th</sup> Revised Sheet No. 36
- Renewable Resource Cost Adjustment Original Sheet No. 39 and Original Sheet No. 39.1

The total cost to be recovered through the proposed rates is \$15,411,361. Corresponding to the increased investment in the generation resources to be reflected in the proposed 2016 rates is a decrease in the fuel costs associated with the Thunder Spirit Wind Project expected to be operational by December 31, 2015. While a typical residential customer using 894 Kwh would see a total increase of \$7.06 per month under the proposed residential rates, the customer will also see a corresponding decrease in fuel costs of \$4.38 for a net increase of \$2.68 or a 3.14 percent increase from the current residential customer's bill.

The Renewable Resource Cost Adjustments (RRCA) rates, as proposed, are shown below:

	Proposed Rate
Residential Rate/Kwh	\$0.00790
Small General Rate/Kwh	\$0.00552
Large General/Kwh	\$0.00669
Lighting/Kwh	\$0.00491

If the Commission determines to investigate the implementation of the Renewable Resource Cost Adjustment Rate 55 tariff and associated rates, and such investigation is not completed by January 1, 2016, Montana-Dakota requests the affected rates be allowed to become effective for service rendered on and after January 1, 2016 subject to refund upon issuance of a final order.

Montana-Dakota respectfully requests that the Renewable Resource Cost Adjustment proposed herein and the Generation Resource Recovery Rider Rate 56 filed in a

separate application on this date be Noticed to consumers and the public under a single notice.

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 submits a check in the amount of \$10,000. In the event the Commission deems an additional deposit is required, Montana-Dakota will submit the required fees.

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  
Garret Senger

**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 ) Case No. PU-15-\_\_\_\_  
Approval to Implement a Renewable )  
Resource Cost Adjustment Rate 55 Tariff )  
and Rate )

**I. Summary of Application**

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (Montana-Dakota or Applicant), herewith submits this Application to implement a Renewable Resource Cost Adjustment Rate 55 tariff and rates, in accordance with N.D.C.C. § 49-02, 49-05, and 49-06, to reflect the projected costs through 2016 related to the Company's investment in renewable generation resources, specifically the Thunder Spirit Wind Project.

Montana-Dakota respectfully submits the following tariff sheets, included herein as Exhibit 1, reflecting the projected costs and the inclusion of the Renewable Resource Cost Adjustment Rate 55 under the Adjustment Clauses provision of the tariffs to be effective January 1, 2016.

- Table of Contents 4<sup>th</sup> Revised Sheet No. 1
- Residential Electric Service 6<sup>th</sup> Revised Sheet No. 3
- Optional Residential Thermal Energy Storage 4<sup>th</sup> Revised Sheet No. 4.1
- Optional Time-of-Day Residential Electric Service 8<sup>th</sup> Revised Sheet No. 7 and 2<sup>nd</sup> Revised Sheet No. 7.1
- Small General Electric Service 6<sup>th</sup> Revised Sheet No. 10
- Irrigation Power Service 5<sup>th</sup> Revised Sheet No. 14.1
- Optional Time-of-Day Small General Electric Service 8<sup>th</sup> Revised Sheet No. 15 and 2<sup>nd</sup> Revised Sheet No. 15.1
- General Electric Service 5<sup>th</sup> Revised Sheet No. 18.1
- Optional Time-of-Day General Electric Service 8<sup>th</sup> Revised Sheet No. 19.1

- General Electric Space Heating Service 7<sup>th</sup> Revised Sheet No. 20.1
- Firm Service Economic Development 5<sup>th</sup> Revised Sheet No. 22.1 and 2<sup>nd</sup> Revised Sheet No. 22.2
- Interruptible Large Power Demand Response 5<sup>th</sup> Revised Sheet No. 23.1, 3<sup>rd</sup> Revised Sheet No. 23.2, and 2<sup>nd</sup> Revised Sheet No. 23.3
- Small Municipal Electric Service 6<sup>th</sup> Revised Sheet No. 25.1 and 3<sup>rd</sup> Revised Sheet No. 25.2
- Municipal Lighting Service 5<sup>th</sup> Revised Sheet No. 26
- Municipal Pumping Service 6<sup>th</sup> Revised Sheet No. 32.1 and Original Sheet No. 32.2
- Outdoor Lighting Service 6<sup>th</sup> Revised Sheet No. 36
- Renewable Resource Cost Adjustment Original Sheet No. 39 and Original Sheet No. 39.1

In support of the Company's application, Montana-Dakota is also including the following Exhibits:

- Exhibit 2 – Renewable Resource Cost Adjustment
- Exhibit 3 – Thunder Spirit's Projected Revenue Requirement for December 2015 through December 2016
- Exhibit 4 – North Dakota Electric Returns

## **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 91,000 customers in North Dakota as of September 30, 2015.

### III. Renewable Resource Cost Adjustment Rate 55

The Company is proposing to implement a Renewable Resource Cost Adjustment Rate 55 tariff and rates, applicable to all North Dakota customers, excluding those served under special contracts, to recover the capital costs and related expenses associated with new or modified renewable resource projects, such as the Thunder Spirit Wind Project. N.D.C.C. § 49-02, 49-05, and 49-06 and Commission precedent in Otter Tail Power Co.'s Request for Approval of a Renewable Resource Cost Recovery Rider for all Customers in Case No. PU-06-466 allows for the recovery of costs of renewable resources developed in North Dakota. Montana-Dakota now requests approval of a similar mechanism to provide cost recovery of North Dakota's allocation of the Thunder Spirit Wind Project for which an Advance Determination of Prudence and Certificate of Public Convenience and Necessity was granted on June 30, 2015 in Case Nos. PU-14-843 and PU-14-844.

The proposed Renewable Resource Cost Adjustment Rate 56 tariff seeks to recover the projected 2015 and 2016 capital and related costs associated with the Thunder Spirit Wind Project as shown in Exhibits 6 and 7.

The revenue requirement was allocated to the rate classes using the AED Factor No. 2 established in the Company's last general electric rate case, Case No. PU-10-124. A separate RRCA is being proposed for each of the classes shown below:

Residential	\$0.00790 per Kwh
Small General	\$0.00552 per Kwh
Large General	\$0.00669 per Kwh
Lighting	\$0.00491 per Kwh

The rate classes being allocated costs are similar to those classes being allocated costs under the Company's Generation Resource Recovery Rider Rate 56 tariff with the exception of the lighting class. The Company is proposing to include the lighting class in the recovery of costs under the RRCA rates as those same customers will receive the benefit of lower fuel and purchased power costs from the respective generation resource for which cost recovery is now being requested. The adjustment will be shown as a separate line item on customers' bills denoted as "Renewable Cost Adjustment".

Montana-Dakota proposes to track all costs recovered through the Renewable Resource Cost Adjustment until the costs have been fully recovered for the Thunder Spirit Wind Project or the project or any future projects deemed recoverable under the adjustment are included in rate base in a general rate proceeding. Montana-Dakota will file a true-up of the Renewable Resource Cost Adjustment annually with the Commission to reflect the over/under recovery from the previous year and the projected costs and revenues for the subsequent year. The Company is proposing the rates proposed herein be effective with service rendered on and after January 1, 2016.

#### **IV. Thunder Spirit Wind Project**

Thunder Spirit is a 107.5 MW wind generation project currently under construction in Adams County in southwestern North Dakota, northeast of the city of Hettinger. The project is comprised of 43 Nordex 2.5 MW wind turbines and is expected to have a net capacity factor of 45.2 percent and be online the end of 2015. At a capacity factor of 45.2 percent, the projected average annual energy output is estimated

at 426,000 MWh. The total investment for the Thunder Spirit Wind Project is \$220 million which includes the project purchase from Allete Clean Energy (ACE), a subsidiary of Allete, Inc. and current developer of the Project, along with Project financing and Montana-Dakota's owner costs.

Thunder Spirit will interconnect at the adjacent Montana-Dakota Hettinger 230 kV Junction Substation. Thunder Spirit has all of the necessary land agreements and interconnection rights to expand the site to accommodate a project with a total size of 150 MW.

Montana-Dakota originally entered into a Power Purchase Agreement (PPA) to buy the output from the Project in October 2013 following a review of responses to a request for proposal (RFP) process utilized by the Company to solicit offers for additional generation in accordance with its 2013 IRP. Due to financing uncertainty by the Project's previous developer, Montana-Dakota determined it was advantageous and in the best interests of its customers to consider owning and operating Thunder Spirit as an alternative to the PPA arrangement. The Company subsequently entered into an amended PPA and a conditional asset purchase agreement for Thunder Spirit. Pursuant to the agreements, Montana-Dakota agreed to purchase Thunder Spirit after completion and prior to its commercial operations date conditioned upon approval by the North Dakota Public Service Commission of a Certificate of Public Convenience and Necessity (CPCN) and an Advance Determination of Prudence (ADP) in North Dakota. The Commission granted a CPCN and an ADP for the Thunder Spirit Wind Project on June 30, 2015 in Case Nos. PU-14-843 and PU-14-844. A Joint Application for a transfer of Certificate of Site Compatibility for the Thunder Spirit Wind Project is pending

before the Commission in Case No. PU-15-592.

As part of the Company's 2015 IRP process, Montana-Dakota considered the Thunder Spirit Wind Project as a new supply source available for selection under the least cost plan. The final 2015 IRP report selects the Project as a least cost resource under all scenarios.

Thunder Spirit will help keep energy prices as low as possible for Montana-Dakota customers. Since the expiration of the 66 MW Antelope Valley Station Unit II PPA with Basin Electric in 2006, Montana-Dakota has been a net purchaser of energy from others to meet its customers' energy requirements. Without the addition of a new energy supply source like Thunder Spirit, the amount of energy that Montana-Dakota purchases from the MISO market is forecasted to increase to almost 40 percent by 2016 based upon PLEXOS generation and market dispatch simulation runs. With Thunder Spirit, Montana-Dakota's energy purchases from MISO are expected to be almost 20 percent of its customers' annual energy requirements.

The Thunder Spirit Wind Project's revenue requirement for the thirteen months ending December 31, 2016 as allocated to North Dakota is \$15,411,361 as shown in Exhibit 7. The revenue requirement is comprised of:

- Average rate base of \$135,862,824
- Federal Production Tax Credits (PTCs): reflects a credit of 2.3 cents per Kwh of Thunder Spirit's production. The PTCs for the project are included as a reduction to taxes, but also as an addition to rate base as Montana-Dakota will not be able to claim the PTCs for 2015 and 2016 based upon the Company's 2016 income tax projections and the 2015 net operating loss

carryover.

- Return: reflective of Company's Projected 2016 Capital Structure and Return on Equity as authorized in the Company's last electric rate case
- O&M: reflects the annual costs of the facility, a maintenance service arrangement (MSA) with Nordex and the annual easement payments. Under the MSA, Nordex will provide for the initial operation and maintenance of the wind turbines, excluding major complements like turbine blades, generators, gearboxes, bedplates, and tower sections. Montana-Dakota will be responsible for the O&M of the balance of the plant equipment which includes all equipment from the turbine padmount transformers and back to the point of interconnection at Montana-Dakota's Hettinger 230 kV Junction Substation. Montana-Dakota anticipates hiring two employees for the balance of the plant O&M activities.
- Depreciation Expense: annual depreciation rate of 5% based on industry life estimates.
- Taxes Other than Income: reflective of production tax rate applicable under North Dakota Century Code Chapter 57-33.2.04: Wind Generation Taxation.
- Income Taxes: current federal and state income tax rates

The Thunder Spirit Wind Project is eligible for the North Dakota income tax credit (ITC) for installation of wind energy devices under N.D.C.C. Section 57-38-30. The amount of the credit for 2016 is approximately \$6 million. Based upon the 2016 North Dakota income tax projections for Montana-Dakota and the 2015 net operating loss carryover, the 2016 ITC will exceed the income tax. Since the credit allowed under

the statute may not exceed the liability for tax, the excess will carry forward for future use.

All of the Thunder Spirit Wind Project's roads and turbine foundations have been completed. Five turbine deliveries to the site remain and are scheduled to be completed the week of October 12th. As of October 12th, 23 of the project's 43 turbines have been fully erected. The collector substation was energized on October 9<sup>th</sup>, with initial test energy commencing the week of October 12th. The project's expected in-service date is the end of December 2015.

#### **V. Estimated Impact by Customer Class**

As shown in Exhibit 2, the total projected cost for the Thunder Spirit Wind Project to be recovered under the new RRCA rates is \$15,411,361. The typical residential customer using 894 Kwh would see an increase of \$7.06 per month.

However, corresponding to the increased generation investment is a decrease in the fuel costs associated with the Thunder Spirit Wind Project coming online of approximately \$9.6 million, as allocated to North Dakota. So while the typical residential customer using 894 Kwh would see a total increase of \$7.06 per month under the proposed residential rates, the customer will also see a corresponding decrease in their fuel costs of \$4.38 for a net increase of \$2.68, or 3.14 percent.

Montana-Dakota requests approval of the following RRCA rates to be effective January 1, 2016:

	Proposed Rate
Residential Rate/Kwh	\$0.00790
Small General Rate/Kwh	\$0.00552
Large General/Kwh	\$0.00669
Lighting/Kwh	\$0.00491

## **VI. North Dakota Electric Returns**

Exhibit 4 provides the Company's North Dakota electric returns for the twelve months ended August 31, 2015, along with the expected returns when the Thunder Spirit Wind Project and the Company's investment in the Reciprocating Internal Combustion Engines (RICE) at the Lewis & Clark Generating Station come on-line in December 2015 without any change in rates and finally the expected return reflecting the proposed cost recovery being requested in this application and in the Company's Application to update its Generation Resource Recovery Rider rates.

As shown on Exhibit 4, page 1, Montana-Dakota anticipates a return on equity of 10.65 percent for its North Dakota electric operations when including the proposed cost recovery for generation resources additions of Lewis and Clark RICE units and the Thunder Spirit Wind Project to the twelve months ended August 31, 2015 results.

Page 2 of Exhibit 4 provides the Company's rate base for August 31, 2015, along with the rate base reflecting the generation resource additions for 2016. Page 3 shows the adjustments made to the actual results as of August 31, 2015. Page 4 contains the Company's actual capital structure for August 31, 2015 and the Projected 2016 capital structure.

**VII. Conclusion**

Montana-Dakota respectfully requests that the Commission approve the proposed Renewable Resource Cost Adjustment Rate 55 tariff to be effective with service rendered on and after January 1, 2016.

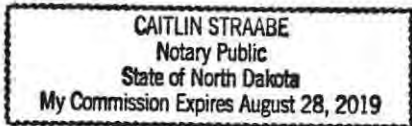
Dated this 26<sup>th</sup> day of October, 2015.



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Tamie A. Aberle  
Director of Regulatory Affairs

Subscribed and sworn to before me this 26<sup>th</sup> day of October, 2015.



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Caitlin Straabe, Notary Public  
Burleigh County, North Dakota  
My Commission Expires: 08/28/2019

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

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
4<sup>th</sup> Revised Sheet No. 1  
Canceling 3<sup>rd</sup> Revised Sheet No. 1

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Date Filed: October 21, 2015

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

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
6<sup>th</sup> Revised Sheet No. 3  
Canceling 5<sup>th</sup> 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. Renewable Resource Cost Adjustment Rate 55
2. Generation Resource Recovery Rider Rate 56
3. Environmental Cost Recovery Rider Rate 57
4. Fuel and Purchased Power Adjustment Rate 58
5. 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: October 21, 2015

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

## State of North Dakota Electric Rate Schedule

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NDPSC Volume 4  
4<sup>th</sup> Revised Sheet No. 4.1  
Canceling 3<sup>rd</sup> Revised Sheet No. 4.1

### OPTIONAL RESIDENTIAL ELECTRIC THERMAL ENERGY STORAGE SERVICE Rate 13

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Page 2 of 2

#### Adjustment Clauses:

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

1. Renewable Resource Cost Adjustment Rate 55
2. Generation Resource Recovery Rider Rate 56
3. Environmental Cost Recovery Rider Rate 57
4. Fuel and Purchased Power Adjustment Rate 58
5. 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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Date Filed: October 21, 2015

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# 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  
8<sup>th</sup> Revised Sheet No. 7  
Canceling 7<sup>th</sup> 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. Renewable Resource Cost Adjustment Rate 55
2. Generation Resource Recovery Rider Rate 56
3. Environmental Cost Recovery Rider Rate 57

Date Filed: October 21, 2015

Effective Date:

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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. 7.1  
Canceling 1<sup>st</sup> Revised Sheet No. 7.1

### OPTIONAL TIME-OF-DAY RESIDENTIAL ELECTRIC SERVICE Rate 16

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Page 2 of 2

4. Fuel and Purchased Power Adjustment Rate 58
5. Transmission Cost Adjustment Rate 59

#### **Contract Terms:**

Customer agrees to contract for service under the Optional Time-of-Day Residential Electric Service rate for a minimum period of one year. At the end of a one-year period, customer shall have the option of remaining under the Optional Time-of-Day Residential Electric Service rate or returning to the regular Residential Electric Service rate.

#### **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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**Date Filed:** October 21, 2015

**Effective Date:**

**Issued By:** Tamie A. Aberle  
Regulatory Affairs Manager

**Case No.:**



# Montana-Dakota Utilities Co.

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

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
6<sup>th</sup> Revised Sheet No. 10  
Canceling 5<sup>th</sup> 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:

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## State of North Dakota Electric Rate Schedule

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NDPSC Volume 4  
5<sup>th</sup> Revised Sheet No. 14.1  
Canceling 4<sup>th</sup> Revised Sheet No. 14.1

### IRRIGATION POWER SERVICE Rate 25

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Page 2 of 2

#### Adjustment Clauses:

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

1. Renewable Resource Cost Adjustment Rate 55
2. Generation Resource Recovery Rider Rate 56
3. Environmental Cost Recovery Rider Rate 57
4. Fuel and Purchased Power Adjustment Rate 58
5. 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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# 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  
8<sup>th</sup> Revised Sheet No. 15  
Canceling 7<sup>th</sup> 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. Renewable Resource Cost Adjustment Rate 55
2. Generation Resource Recovery Rider Rate 56
3. Environmental Cost Recovery Rider Rate 57

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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 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. 15.1  
Canceling 1<sup>st</sup> Revised Sheet No. 15.1

### OPTIONAL TIME-OF-DAY SMALL GENERAL ELECTRIC SERVICE Rate 26

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Page 2 of 2

4. Fuel and Purchased Power Adjustment Rate 58
5. Transmission Cost Adjustment Rate 59

#### **Contract Terms:**

Customer agrees to contract for service under the Optional Time-of-Day Small General Electric Service rate for a minimum period of one year. At the end of a one-year period, customer shall have the option of remaining under the Optional Time-of-Day Small General Electric Service rate or returning to the regular Small General Electric Service rate.

#### **General Terms and Conditions:**

1. Customers and 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. Customer may take service under this rate provided customer's monthly Kwh will not exceed 4,000 Kwh per month for four consecutive months or connected load will not exceed 20 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 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
5<sup>th</sup> Revised Sheet No. 18.1  
Canceling 4<sup>th</sup> Revised Sheet No. 18.1

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### GENERAL ELECTRIC SERVICE Rate 30

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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. Renewable Resource Cost Adjustment Rate 55
2. Generation Resource Recovery Rider Rate 56
3. Environmental Cost Recovery Rider Rate 57
4. Fuel and Purchased Power Adjustment Rate 58
5. 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.:



# 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  
8<sup>th</sup> Revised Sheet No. 19.1  
Canceling 7<sup>th</sup> 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. Renewable Resource Cost Adjustment Rate 55
2. Generation Resource Recovery Rider Rate 56
3. Environmental Cost Recovery Rider Rate 57
4. Fuel and Purchased Power Adjustment Rate 58
5. 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 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
7<sup>th</sup> Revised Sheet No. 20.1  
Canceling 6<sup>th</sup> Revised Sheet No. 20.1

### GENERAL ELECTRIC SPACE HEATING SERVICE Rate 32

Page 2 of 3

#### 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. Renewable Resource Cost Adjustment Rate 55
2. Generation Resource Recovery Rider Rate 56
3. Environmental Cost Recovery Rider Rate 57
4. Fuel and Purchased Power Adjustment Rate 58
5. 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.

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Case No.:



# 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

5<sup>th</sup> Revised Sheet No. 22.1

Canceling 4<sup>th</sup> 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. Renewable Resource Cost Adjustment Rate 55
2. Generation Resource Recovery Rider Rate 56
3. Environmental Cost Recovery Rider Rate 57
4. Fuel and Purchased Power Adjustment Rate 58
5. 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.

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Case No.:



# 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  
2<sup>nd</sup> Revised Sheet No. 22.2  
Canceling 1<sup>st</sup> Revised Sheet No. 22.2

### FIRM SERVICE ECONOMIC DEVELOPMENT Rate 34

Page 3 of 3

#### 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.
2. The negotiated demand charge shall be increased according to the differential between the negotiated rate and the ceiling as portrayed by the following schedule.

<u>Years</u>	<u>Differential Percent Decrease</u>
1-3	0%
4	25%
5	50%

At the end of the fifth year, the negotiated agreement hereunder expires.

3. Upon expiration of the contract, the customer shall be served under the otherwise applicable rate schedule.
4. Customers and 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.
5. 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.:



# 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

5<sup>th</sup> Revised Sheet No. 23.1

Canceling 4<sup>th</sup> Revised Sheet No. 23.1

### INTERRUPTIBLE LARGE POWER DEMAND RESPONSE Rate 38

Page 2 of 4

#### 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. Renewable Resource Cost Adjustment Rate 55
2. Generation Resource Recovery Rider Rate 56
3. Environmental Cost Recovery Rider Rate 57
4. Fuel and Purchased Power Adjustment Rate 58
5. 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.

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Case No.:



# 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  
3<sup>rd</sup> Revised Sheet No. 23.2  
Canceling 2<sup>nd</sup> Revised Sheet No. 23.2

### INTERRUPTIBLE LARGE POWER DEMAND RESPONSE Rate 38

Page 3 of 4

2. All equipment associated with the interruptible load must be of such voltage and electrical characteristics that it can be separately metered and served from the circuit provided for the interruptible portion of the customer's load. If the equipment to be served is such that this is impossible, the customer must either make special arrangements with the Company or furnish the necessary equipment suitable for connection and metering to the circuit for the interruptible portion of the load.
3. The customer must provide a load-break switch or circuit breaker equipped with electrical trip and close circuits allowing for remote operation of the customer's switch or circuit breaker by the Company. Customer must wire the trip and close circuits into a connection point designated by the Company to allow installation of control equipment by the Company. Customer must provide a continuous 120 volt AC power source at the connection point for operation of the Company's control system.
4. The Company may request the customer to interrupt at any time for up to 100 hours during an annual period starting with the in-service date of the contract between the Company and the customer and annually thereafter. Company shall reimburse customer for customer's fuel when interrupted at a mutually acceptable level and price.
5. Customer will be required to interrupt service within 10 minutes of the Company's signal to interrupt service.
6. The penalty for non-performance when the Company requests the customer to interrupt will be the greater of \$10.00 per Kw applicable to the Kw demand specified in the electric service agreement with the Company or the appropriate allocation of any penalties imposed on the Company by the Midwest Reliability Organization for the period of non-performance. After a second failure to perform, within a 12-month period, the customer shall be liable for the penalty and may be moved to the otherwise applicable rate.
7. The Company shall not be liable for any loss or damage caused by or resulting from any interruption of service.

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Case No.:



# 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. 23.3  
Canceling 1<sup>st</sup> Revised Sheet No. 23.3

### INTERRUPTIBLE LARGE POWER DEMAND RESPONSE Rate 38

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Page 4 of 4

8. 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 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
6<sup>th</sup> Revised Sheet No. 25.1  
Canceling 5<sup>th</sup> Revised Sheet No. 25.1

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### SMALL MUNICIPAL ELECTRIC SERVICE Rate 40 (CLOSED)

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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. Renewable Resource Cost Adjustment Rate 55
2. Generation Resource Recovery Rider Rate 56
3. Environmental Cost Recovery Rider Rate 57
4. Fuel and Purchased Power Adjustment Rate 58
5. Transmission Cost Adjustment Rate 59

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Case No.:



# 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  
3<sup>rd</sup> Revised Sheet No. 25.2  
Canceling 2<sup>nd</sup> Revised Sheet No. 25.2

### SMALL MUNICIPAL ELECTRIC SERVICE Rate 40 (CLOSED)

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Page 3 of 3

#### 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. Customer may take service under the non-demand rate provided customer's monthly Kwh will not exceed 4,000 Kwh per month for four consecutive months or connected load will not exceed 20 Kw.
3. Customers not qualifying for the non-demand rate shall be served under the demand rate.
4. 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.:



# 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  
5<sup>th</sup> Revised Sheet No. 26  
Canceling 4<sup>th</sup> 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. Renewable Resource Cost Adjustment Rate 55
2. Environmental Cost Recovery Rider Rate 57
3. Fuel and Purchased Power Adjustment Rate 58
4. Transmission Cost Adjustment Rate 59

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Case No.:



# 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  
6<sup>th</sup> Revised Sheet No. 32.2  
Canceling 5<sup>th</sup> Revised Sheet No. 32.2

### MUNICIPAL PUMPING SERVICE Rate 48

Page 2 of 3

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. Renewable Resource Cost Adjustment Rate 55
2. Generation Resource Recovery Rider Rate 56
3. Environmental Cost Recovery Rider Rate 57
4. Fuel and Purchased Power Adjustment Rate 58
5. 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.

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Director - Regulatory Affairs

Case No.:



# 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  
Original Sheet No. 32.2

### **MUNICIPAL PUMPING SERVICE Rate 48**

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Page 3 of 3

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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Director - Regulatory Affairs

**Case No.:**



# 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  
6<sup>th</sup> Revised Sheet No. 36  
Canceling 5<sup>th</sup> 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. Renewable Resource Cost Adjustment Rate 55
2. Generation Resource Recovery Rider Rate 56
3. Environmental Cost Recovery Rider Rate 57
4. Fuel and Purchased Power Adjustment Rate 58
5. 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.

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  
Original Sheet No. 39

### Renewable Resource Cost Adjustment Rate 55

Page 1 of 2

**1. Applicability:**

This rate schedule represents a Renewable Resource Cost Adjustment (RRCA) and specifies the procedure to be utilized to recover the jurisdictional costs associated with renewable generation resource modifications or additions approved by the Commission, but not recovered through retail rates. Costs to be recovered may include operation and maintenance expenditures, depreciation, taxes, and a current return on the project costs.

**2. Renewable Resource Cost Adjustment:**

- 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 RRCA rates. The return component of the revenue requirement calculation will include authorized return on equity from the Company's most recent general rate case.
- b. The RRCA 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 RRCA 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 recoverable under this schedule.
- d. A true-up will reflect any over or under collection of revenue under the RRCA 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 RRCA at least 60 days prior to the proposed effective date. The filing by Montana-Dakota shall be made by means of a revised RRCA tariff sheet identifying the amounts of the adjustment, the derivation of the RRCA and the resulting RRCA by class.

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Case No.:



# 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  
Original Sheet No. 39.1

### Renewable Resource Cost Adjustment Rate 55

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Page 2 of 2

#### 4. Generation Resource Recovery Rider:

Residential	\$0.00790 per Kwh
Small General	\$0.00552 per Kwh
Large General	\$0.00669 per Kwh
Lighting	\$0.00491 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 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
3<sup>rd</sup> Revised Sheet No. 1  
Canceling 2<sup>nd</sup> Revised Sheet No. 1

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# 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  
5<sup>th</sup> Revised Sheet No. 3  
Canceling 4<sup>th</sup> 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. Renewable Resource Cost Adjustment Rate 55
- 1.2 Generation Resource Recovery Rider Rate 56
- 2.3 Environmental Cost Recovery Rider Rate 57
- 3.4 Fuel and Purchased Power Adjustment Rate 58
- 4.5 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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# 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  
3<sup>rd</sup> Revised Sheet No. 4.1  
Canceling 2<sup>nd</sup> Revised Sheet No. 4.1

### OPTIONAL RESIDENTIAL ELECTRIC THERMAL ENERGY STORAGE SERVICE Rate 13

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#### Adjustment Clauses:

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

1. Renewable Resource Cost Adjustment Rate 55
- ~~1-2.~~ Generation Resource Recovery Rider Rate 56
- ~~2-3.~~ Environmental Cost Recovery Rider Rate 57
- ~~3-4.~~ Fuel and Purchased Power Adjustment Rate 58
- 4-5. 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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400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
7<sup>th</sup> Revised Sheet No. 7  
Canceling 6<sup>th</sup> Revised Sheet No. 7

### OPTIONAL TIME-OF-DAY RESIDENTIAL ELECTRIC SERVICE Rate 16

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#### 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. Renewable Resource Cost Adjustment Rate 55
- 1-2. Generation Resource Recovery Rider Rate 56
- 2-3. Environmental Cost Recovery Rider Rate 57
- 3-4. Fuel and Purchased Power Adjustment Rate 58

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## State of North Dakota Electric Rate Schedule

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7<sup>th</sup> Revised Sheet No. 7  
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### OPTIONAL TIME-OF-DAY RESIDENTIAL ELECTRIC SERVICE Rate 16

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4.5. \_\_\_\_\_ Transmission Cost Adjustment Rate 59

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# Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4<sup>th</sup> Street  
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## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
5<sup>th</sup> Revised Sheet No. 10  
Canceling 4<sup>th</sup> 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. Renewable Resource Cost Adjustment Rate 55
- 1-2. Generation Resource Recovery Rider Rate 56
- 2-3. Environmental Cost Recovery Rider Rate 57
- 3-4. Fuel and Purchased Power Adjustment Rate 58
- 4-5. Transmission Cost Adjustment Rate 59

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# 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  
4<sup>th</sup> Revised Sheet No. 14.1  
Canceling 3<sup>rd</sup> Revised Sheet No. 14.1

### IRRIGATION POWER SERVICE Rate 25

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#### Adjustment Clauses:

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

1. Renewable Resource Cost Adjustment Rate 55
- ~~1-2~~ Generation Resource Recovery Rider Rate 56
- ~~2-3~~ Environmental Cost Recovery Rider Rate 57
- ~~3-4~~ Fuel and Purchased Power Adjustment Rate 58
- ~~4-5~~ 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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# 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  
7<sup>th</sup> Revised Sheet No. 15  
Canceling 6<sup>th</sup> Revised Sheet No. 15

### OPTIONAL TIME-OF-DAY SMALL GENERAL ELECTRIC SERVICE Rate 26

Page 1 of 3

#### 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. Renewable Resource Cost Adjustment Rate 55
- 1-2. Generation Resource Recovery Rider Rate 56
- 2-3. Environmental Cost Recovery Rider Rate 57
- 3-4. Fuel and Purchased Power Adjustment Rate 58

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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  
7<sup>th</sup> Revised Sheet No. 15  
Canceling 6<sup>th</sup> Revised Sheet No. 15

### OPTIONAL TIME-OF-DAY SMALL GENERAL ELECTRIC SERVICE Rate 26

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4.5. \_\_\_\_\_ Transmission Cost Adjustment Rate 59

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# Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

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

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NDPSC Volume 4  
4<sup>th</sup> Revised Sheet No. 18.1  
Canceling 3<sup>rd</sup> Revised Sheet No. 18.1

### GENERAL ELECTRIC SERVICE Rate 30

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#### 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. Renewable Resource Cost Adjustment Rate 55
- ~~1-2~~ Generation Resource Recovery Rider Rate 56
- ~~2-3~~ Environmental Cost Recovery Rider Rate 57
- ~~3-4~~ Fuel and Purchased Power Adjustment Rate 58
- ~~4-5~~ 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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# Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

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

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NDPSC Volume 4  
7<sup>th</sup> Revised Sheet No. 19.1  
Canceling 6<sup>th</sup> Revised Sheet No. 19.1

### OPTIONAL TIME-OF-DAY GENERAL ELECTRIC SERVICE Rate 31

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#### 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. Renewable Resource Cost Adjustment Rate 55
- ~~1-2~~ Generation Resource Recovery Rider Rate 56
- ~~2-3~~ Environmental Cost Recovery Rider Rate 57
- ~~3-4~~ Fuel and Purchased Power Adjustment Rate 58
- ~~4-5~~ 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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# Montana-Dakota Utilities Co.

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400 N 4<sup>th</sup> Street  
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NDPSC Volume 4  
6<sup>th</sup> Revised Sheet No. 20.1  
Canceling 5<sup>th</sup> Revised Sheet No. 20.1

### GENERAL ELECTRIC SPACE HEATING SERVICE Rate 32

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#### 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. Renewable Resource Cost Adjustment Rate 55
- ~~1-2~~ Generation Resource Recovery Rider Rate 56
- ~~2-3~~ Environmental Cost Recovery Rider Rate 57
- ~~3-4~~ Fuel and Purchased Power Adjustment Rate 58
- ~~4-5~~ 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.

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# 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

4<sup>th</sup> Revised Sheet No. 22.1

Canceling 3<sup>rd</sup> Revised Sheet No. 22.1

### FIRM SERVICE ECONOMIC DEVELOPMENT Rate 34

Page 2 of 4

#### 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. Renewable Resource Cost Adjustment Rate 55
- ~~1-2.~~ Generation Resource Recovery Rider Rate 56
- ~~2-3.~~ Environmental Cost Recovery Rider Rate 57
- ~~3-4.~~ Fuel and Purchased Power Adjustment Rate 58
- ~~4-5.~~ 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:

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4<sup>th</sup> Revised Sheet No. 22.1  
Canceling 3<sup>rd</sup> Revised Sheet No. 22.1

### **FIRM SERVICE ECONOMIC DEVELOPMENT Rate 34**

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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.

A Division of MDU Resources Group, Inc.

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

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NDPSC Volume 4  
4<sup>th</sup> Revised Sheet No. 23.1  
Canceling 3<sup>rd</sup> Revised Sheet No. 23.1

### INTERRUPTIBLE LARGE POWER DEMAND RESPONSE Rate 38

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#### 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. Renewable Resource Cost Adjustment Rate 55
- ~~1.2~~ Generation Resource Recovery Rider Rate 56
- ~~2.3~~ Environmental Cost Recovery Rider Rate 57
- ~~3.4~~ Fuel and Purchased Power Adjustment Rate 58
- ~~4.5~~ 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.

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NDPSC Volume 4

4<sup>th</sup> Revised Sheet No. 23.1

Canceling 3<sup>rd</sup> Revised Sheet No. 23.1

### INTERRUPTIBLE LARGE POWER DEMAND RESPONSE Rate 38

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

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NDPSC Volume 4  
5<sup>th</sup> Revised Sheet No. 25.1  
Canceling 4<sup>th</sup> Revised Sheet No. 25.1

### SMALL MUNICIPAL ELECTRIC SERVICE Rate 40 (CLOSED)

Page 2 of 4

#### 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. Renewable Resource Cost Adjustment Rate 55
- 1-2 Generation Resource Recovery Rider Rate 56
- 2-3 Environmental Cost Recovery Rider Rate 57
- 3-4 Fuel and Purchased Power Adjustment Rate 58
- 4-5 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

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### SMALL MUNICIPAL ELECTRIC SERVICE Rate 40 (CLOSED)

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will be a substantial electric load, to make sure their equipment will meet requirements and receive adequate service.

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# Montana-Dakota Utilities Co.

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

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
4<sup>th</sup> Revised Sheet No. 26  
Canceling 3<sup>rd</sup> 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. Renewable Resource Cost Adjustment Rate 55
- 1-2 Environmental Cost Recovery Rider Rate 57
- 2-3 Fuel and Purchased Power Adjustment Rate 58
- 3-4 Transmission Cost Adjustment Rate 59

Date Filed: February 11, 2013

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

Issued By: Tamie A. Aberle  
Director - Regulatory Affairs

Case No.: PU-13-83 & PU-13-85



# 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  
5<sup>th</sup> Revised Sheet No. 32.1  
Canceling 4<sup>th</sup> Revised Sheet No. 32.1

### MUNICIPAL PUMPING SERVICE Rate 48

Page 2 of 3

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. Renewable Resource Cost Adjustment Rate 55
- 1-2. Generation Resource Recovery Rider Rate 56
- 2-3. Environmental Cost Recovery Rider Rate 57
- 3-4. Fuel and Purchased Power Adjustment Rate 58
- 4-5. 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.

Date Filed: February 26, 2014

Effective Date: Service rendered on and after January 9, 2015

Issued By: Tamie A. Aberle  
Director - Regulatory Affairs

Case No.: PU-14-109



# 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  
5<sup>th</sup> Revised Sheet No. 32.1  
Canceling 4<sup>th</sup> Revised Sheet No. 32.1

### MUNICIPAL PUMPING SERVICE Rate 48

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Page 3 of 3

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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**Date Filed:** February 26, 2014

**Effective Date:** Service rendered on and  
after January 9, 2015

**Issued By:** Tamie A. Aberle  
Director - Regulatory Affairs

**Case No.:** PU-14-109



# 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  
5<sup>th</sup> Revised Sheet No. 36  
Canceling 4<sup>th</sup> Revised Sheet No. 36

### OUTDOOR LIGHTING SERVICE Rate 52

Page 1 of 3

#### 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. Renewable Resource Cost Adjustment Rate 55
- ~~1.2~~ Generation Resource Recovery Rider Rate 56
- ~~2.3~~ Environmental Cost Recovery Rider Rate 57
- ~~3.4~~ Fuel and Purchased Power Adjustment Rate 58
- ~~4.5~~ 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

<b>Date Filed:</b> February 26, 2014	<b>Effective Date:</b> Service rendered on and after January 9, 2015
<b>Issued By:</b> Tamie A. Aberle Director - Regulatory Affairs	<b>Case No.:</b> PU-14-109



# 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  
5<sup>th</sup> Revised Sheet No. 36  
Canceling 4<sup>th</sup> Revised Sheet No. 36

### OUTDOOR LIGHTING SERVICE Rate 52

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Page 2 of 3

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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<b>Date Filed:</b>	February 26, 2014	<b>Effective Date:</b>	Service rendered on and after January 9, 2015
<b>Issued By:</b>	Tamie A. Aberle Director - Regulatory Affairs	<b>Case No.:</b>	PU-14-109



# 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  
Original Sheet No. 39

### Renewable Resource Cost Adjustment Rate 55

Page 1 of 2

#### 1. Applicability:

This rate schedule represents a Renewable Resource Cost Adjustment (RRCA) and specifies the procedure to be utilized to recover the jurisdictional costs associated with renewable generation resource modifications or additions approved by the Commission, but not recovered through retail rates. Costs to be recovered may include operation and maintenance expenditures, depreciation, taxes, and a current return on the project costs.

#### 2. Renewable Resource Cost Adjustment:

- 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 RRCA rates. The return component of the revenue requirement calculation will include authorized return on equity from the Company's most recent general rate case.
- b. The RRCA 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 RRCA 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 recoverable under this schedule.
- d. A true-up will reflect any over or under collection of revenue under the RRCA 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 RRCA at least 60 days prior to the proposed effective date. The filing by Montana-Dakota shall be made by means of a revised RRCA tariff sheet identifying the amounts of the adjustment, the derivation of the RRCA and the resulting RRCA 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 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

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NDPSC Volume 4  
Original Sheet No. 39.1

### Renewable Resource Cost Adjustment Rate 55

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Page 2 of 2

#### 4. Generation Resource Recovery Rider:

Residential	\$0.00790 per Kwh
Small General	\$0.00552 per Kwh
Large General	\$0.00669 per Kwh
Lighting	\$0.00491 per Kwh

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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  
Renewable Resource Cost Adjustment  
Rate Proposed to be Effective January 1, 2016**

Projected Thunder Spirit Revenue Requirement  
December 2015 through December 2016 1/ \$15,411,361

	Allocated RRCA Costs 2/	Projected Billing Determinants 3/	Proposed Rider
Residential	\$6,868,207	869,942,176	\$0.00790 per Kwh
Small General	954,561	173,034,514	0.00552 per Kwh
Large General	7,440,596	1,112,472,406	0.00669 per Kwh
Lighting	147,997	30,168,604	0.00491 per Kwh
	15,411,361	2,185,617,700	

1/ Exhibit 3

2/ Projected 2015 class demand allocation based on AED:

Residential	44.565868%	(Rates 10, 13)
Small General	6.193881%	(Rates 20, 25)
Large General	48.279940%	(Rates 30, 31, 32, 38, 40 & 48)
Lighting	0.960311%	(Rates 41, 52)
	100.000000%	

3/ Projected 2016 North Dakota electric billing determinants, excluding contracts.

**Montana-Dakota Utilities Co.**  
**Electric Utility - North Dakota**  
**Renewable Resource Cost Adjustment**  
**Revenue Requirement - Thunder Spirit Wind**  
**Projected 2015 and 2016**

	Total 12/15 - 12/16	Projected												
		Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	June 2016	July 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2016
<b>Rate Base</b>														
Plant Balance 1/		\$152,038,064	\$152,038,064	\$152,038,064	\$152,038,064	\$152,038,064	\$152,038,064	\$152,038,064	\$152,038,064	\$152,038,064	\$152,038,064	\$152,038,064	\$152,038,064	\$152,038,064
Accumulated Depreciation			633,492	1,266,984	1,900,476	2,533,968	3,167,460	3,800,952	4,434,444	5,067,936	5,701,428	6,334,920	6,968,412	7,601,904
Net Plant in Service		152,038,064	151,404,572	150,771,080	150,137,588	149,504,096	148,870,604	148,237,112	147,603,620	146,970,128	146,336,636	145,703,144	145,069,652	144,436,160
Accum Def Income Taxes		11,494,534	12,681,373	13,769,029	14,746,898	15,618,471	16,380,128	17,035,489	17,581,063	18,016,849	18,346,340	18,566,044	18,679,452	18,682,943
PTC Carryforward 2/		557,504	1,115,008	1,672,512	2,230,016	2,787,520	3,345,024	3,902,528	4,460,032	5,017,536	5,575,040	6,132,544	6,690,048	7,247,552
Total Plant in Service		141,101,034	139,838,207	138,674,563	137,620,706	136,673,145	135,835,500	135,104,151	134,482,589	133,970,815	133,565,336	133,269,644	133,080,248	133,000,769
<b>Average Rate Base</b>	\$135,862,824													
<b>Return on Rate Base 3/</b>	11,892,526	950,080	941,577	933,742	926,646	920,266	914,626	909,701	905,516	902,070	899,340	897,349	896,074	895,539
<b>Expenses</b>														
Operating Expenses														
O&M 4/	2,073,825	159,525	159,525	159,525	159,525	159,525	159,525	159,525	159,525	159,525	159,525	159,525	159,525	159,525
Depreciation 5/	7,601,904		633,492	633,492	633,492	633,492	633,492	633,492	633,492	633,492	633,492	633,492	633,492	633,492
Taxes Other Than Income 6/	530,793	197,985	27,734	27,734	27,734	27,734	27,734	27,734	27,734	27,734	27,734	27,734	27,734	27,734
Total Expenses	10,206,522	357,510	820,751	820,751	820,751	820,751	820,751	820,751	820,751	820,751	820,751	820,751	820,751	820,751
Income before Taxes	(10,206,522)	(357,510)	(820,751)	(820,751)	(820,751)	(820,751)	(820,751)	(820,751)	(820,751)	(820,751)	(820,751)	(820,751)	(820,751)	(820,751)
Interest Expense	3,723,775	297,488	294,826	292,372	290,150	288,153	286,387	284,845	283,534	282,455	281,600	280,977	280,578	280,410
Taxable income	(13,930,297)	(654,998)	(1,115,577)	(1,113,123)	(1,110,901)	(1,108,904)	(1,107,138)	(1,105,596)	(1,104,285)	(1,103,206)	(1,102,351)	(1,101,728)	(1,101,329)	(1,101,161)
Income Taxes 7/	(5,265,860)	(247,599)	(421,705)	(420,777)	(419,937)	(419,182)	(418,515)	(417,932)	(417,436)	(417,028)	(416,705)	(416,470)	(416,319)	(416,255)
Less: Production Tax Credit 2/	7,247,552	557,504	557,504	557,504	557,504	557,504	557,504	557,504	557,504	557,504	557,504	557,504	557,504	557,504
Net Income Taxes	(12,513,412)	(805,103)	(979,209)	(978,281)	(977,441)	(976,686)	(976,019)	(975,436)	(974,940)	(974,532)	(974,209)	(973,974)	(973,823)	(973,759)
Operating Income	2,306,890	447,593	158,458	157,530	156,690	155,935	155,268	154,685	154,189	153,781	153,458	153,223	153,072	153,008
Revenue Requirement	\$15,411,361	\$807,876	\$1,259,064	\$1,247,959	\$1,237,901	\$1,228,858	\$1,220,862	\$1,213,881	\$1,207,950	\$1,203,066	\$1,199,196	\$1,196,373	\$1,194,566	\$1,193,809

1/ Projected plant balance: Total Company \$220,000,000  
 (Factor 271 - Integrated Peak and Energy) ND Allocation 69.108211%  
152,038,064

2/ Production Tax Credit: 425,648,000 Kwh  
 \$0.023 PTC/Kwh  
 9,789,904 Total PTC  
 68.336137% ND Allocation Factor #16  
6,690,042

3/ Projected Capital Structure with Authorized Return on Equity

	Ratio	Cost	
Long Term Debt	41.250%	5.777%	2.383%
Short Term Debt	6.483%	2.274%	0.147%
Preferred Equity	1.126%	4.574%	0.052%
Common Equity	51.141%	10.750%	5.498%
	100.000%		8.080%

2.530%

4/ Projected O&M Expenses allocated to ND \$1,914,297

5/ Annual depreciation rate = 5.00%

6/ ND Wind Generation Tax allocated to ND on Factor 271 \$481,574

7/ Tax Rate 37.8015% (Federal Tax Rate = 35%, Tax Rate = 4.31%)

1- tax rate 62.1985%

**MONTANA-DAKOTA UTILITIES CO.  
NORTH DAKOTA - ELECTRIC UTILITY  
RESULTS OF ELECTRIC OPERATIONS  
(000's)**

	Actual 2014	Twelve Mo. Ended 8/31/15 1/	Twelve Mo. Ended 8/31/15	
			Including TSW and RICE W/O Recovery 2/	Including TSW and RICE With Recovery 2/
<b>Operating Revenues</b>				
Sales	\$170,425	\$172,854	\$163,267	\$184,415
Reserve for Refund	(450)	(879)	(879)	(879)
Sales for Resale	442	89	89	89
Other	7,179	6,896	6,896	6,896
<b>Total Revenues</b>	<b>\$177,596</b>	<b>\$178,960</b>	<b>\$169,373</b>	<b>\$190,521</b>
<b>Operating Expenses</b>				
Operation and Maintenance				
Cost of Fuel & Purch Power	\$53,434	\$50,920	\$41,333	\$41,333
Other O&M	53,665	56,084	57,998	57,998
<b>Total O&amp;M</b>	<b>107,099</b>	<b>107,004</b>	<b>99,331</b>	<b>99,331</b>
Depreciation	22,909	24,683	33,067	33,067
Taxes Other Than Income	5,580	5,916	6,592	6,592
Current Income Taxes	(12,444)	31,053	25,323	33,318
Deferred Income Taxes	21,683	(22,746)	(29,436)	(29,436)
<b>Total Expenses</b>	<b>\$144,827</b>	<b>\$145,910</b>	<b>\$134,877</b>	<b>\$142,872</b>
<b>Operating Income</b>	<b>\$32,769</b>	<b>\$33,050</b>	<b>\$34,496</b>	<b>\$47,649</b>
<b>Average Rate Base</b>	<b>\$389,530</b>	<b>\$428,112</b>	<b>\$593,533</b>	<b>\$593,533</b>
<b>Return on Rate Base</b>	<b>8.41%</b>	<b>7.72%</b>	<b>5.81%</b>	<b>8.03%</b>
<b>Return on Equity</b>	<b>11.18%</b>	<b>10.12%</b>	<b>6.31%</b>	<b>10.65%</b>

1/ Actual results for the twelve months ended August 31, 2015.

2/ See Exhibit 8, page 3.

**MONTANA-DAKOTA UTILITIES CO.  
NORTH DAKOTA - ELECTRIC UTILITY  
RESULTS OF ELECTRIC OPERATIONS  
(000's)**

	Actual 2014	Twelve Mo. Ended 8/31/15 1/	Twelve Mo. Ended 8/31/15	
			Including TSW and RICE W/O Recovery 2/	Including TSW and RICE With Recovery 2/
<b>Plant in Service</b>				
Electric Plant in Service	\$841,577	\$901,806	\$1,085,130	\$1,085,130
Accumulated Reserve	347,809	357,484	362,025	362,025
Net Electric Plant in Service	<u>\$493,768</u>	<u>\$544,322</u>	<u>\$723,105</u>	<u>\$723,105</u>
<b>Additions</b>				
Materials and Supplies	\$10,221	\$10,724	\$10,724	\$10,724
Fuel Stocks	3,029	3,251	3,251	3,251
Prepayments	511	598	598	598
Unamortized Loss on Debt	3,389	3,332	3,332	3,332
Decommission of Retired Plant	(278)	(252)	(252)	(252)
Total Additions	<u>\$16,872</u>	<u>\$17,653</u>	<u>\$17,653</u>	<u>\$17,653</u>
<b>Deductions</b>				
Accumulated DITs	\$116,873	\$129,404	\$142,766	\$142,766
Accumulated ITCs	1,589	1,934	1,934	1,934
Customer Advances	2,648	2,525	2,525	2,525
Total Deductions	<u>\$121,110</u>	<u>\$133,863</u>	<u>\$147,225</u>	<u>\$147,225</u>
<b>Total Average Rate Base</b>	<u>\$389,530</u>	<u>\$428,112</u>	<u>\$593,533</u>	<u>\$593,533</u>

1/ Actual results for the twelve months ended August 31, 2015.

2/ See Exhibit 8, page 3.

**MONTANA-DAKOTA UTILITIES CO.  
NORTH DAKOTA - ELECTRIC UTILITY  
RESULTS OF ELECTRIC OPERATIONS  
(000's)**

	Twelve Mo. Ended 8/31/15 1/	TSW and RICE Excl Recovery	Twelve Mo. Ended 8/31/15 Including TSW and RICE W/O Recovery	TSW and RICE Recovery 3/	Twelve Mo. Ended 8/31/15 Including TSW and RICE With Recovery
<b>Operating Revenues</b>					
Sales	\$172,854	(\$9,587) 4/	\$163,267	\$21,148	\$184,415
Reserve for Refund	(879)	0	(879)	0	(879)
Sales for Resale	89	0	89	0	89
Other	6,896	0	6,896	0	6,896
<b>Total Revenues</b>	<b>\$178,960</b>	<b>(\$9,587)</b>	<b>\$169,373</b>	<b>\$21,148</b>	<b>\$190,521</b>
<b>Operating Expenses</b>					
Operation and Maintenance					
Cost of Fuel & Purch Power	\$50,920	(\$9,587) 4/	\$41,333	\$0	\$41,333
Other O&M	56,084	1,914 2/	57,998	0	57,998
<b>Total O&amp;M</b>	<b>107,004</b>	<b>(7,673)</b>	<b>99,331</b>	<b>0</b>	<b>99,331</b>
Depreciation	24,683	8,384 2/	33,067	0	33,067
Taxes Other Than Income	5,916	676 2/	6,592	0	6,592
Current Income Taxes	31,053	(5,730) 2/	25,323	7,995	33,318
Deferred Income Taxes	(22,746)	(6,690) 2/	(29,436)	0	(29,436)
<b>Total Expenses</b>	<b>\$145,910</b>	<b>(\$11,033)</b>	<b>\$134,877</b>	<b>\$7,995</b>	<b>\$142,872</b>
<b>Operating Income</b>	<b>\$33,050</b>	<b>\$1,446</b>	<b>\$34,496</b>	<b>\$13,153</b>	<b>\$47,649</b>
<b>Average Rate Base</b>	<b>\$428,112</b>	<b>\$165,421 2/</b>	<b>\$593,533</b>	<b>\$0</b>	<b>\$593,533</b>

1/ Actual results for the twelve months ended August 31, 2015.

2/ Exhibit 5, page 2 and 2016 information presented on Exhibit 7.

3/ 2016 revenue for Thunder Spirit of \$14,603,485, RICE of \$4,560,978 and incremental Heskett III of \$1,983,188 (\$4,733,658 less actual GRRR revenue through 8/31/2015 of \$2,750,470). Exhibit 3, page 2 and Exhibit 7.

4/ Thunder Spirit generation offsets purchased power priced at the avoided cost (425,648 MWH \* \$32.96/MW \* ND allocation of 68.336137% = \$9,587,000).

**MONTANA-DAKOTA UTILITIES CO.  
NORTH DAKOTA - ELECTRIC UTILITY  
RESULTS OF ELECTRIC OPERATIONS  
(000's)**

<b><u>Ratio</u></b>	<u>2014</u>	<u>Projected 2015</u>	<u>Projected 2016</u>
Long Term Debt	42.554%	42.125%	41.250%
Short Term Debt	4.017%	6.476%	6.483%
Preferred Stock	1.662%	1.272%	1.126%
Common Equity	51.767%	50.127%	51.141%
Total	<u>100.000%</u>	<u>100.000%</u>	<u>100.000%</u>
<b><u>Cost</u></b>			
Long Term Debt	5.870%	5.945%	5.777%
Short Term Debt	1.213%	1.345%	2.274%
Preferred Stock	4.583%	4.579%	4.574%
Common Equity	10.750%	10.750%	10.750%
<b><u>Weighted</u></b>			
Long Term Debt	2.498%	2.504%	2.383%
Short Term Debt	0.049%	0.087%	0.147%
Preferred Stock	0.076%	0.058%	0.052%
Common Equity	5.565%	5.389%	5.498%
	<u>8.188%</u>	<u>8.038%</u>	<u>8.080%</u>

**MONTANA-DAKOTA UTILITIES CO.  
ANNUAL REPORT  
TO THE  
NORTH DAKOTA PUBLIC SERVICE COMMISSION**

Line #	Description	(B) 12 mos. ended August 2015	(D) 2014	(E) Variance (B-D/D)
<u>Operating Revenues:</u>				
1	Residential	\$69,082,603	\$68,998,361	0.12%
2	Small General	11,661,974	13,120,054	-11.11%
3	Large General	86,793,829	83,564,803	3.86%
4	Lighting Service	2,211,019	2,231,045	-0.90%
5	Municipal Pumping Service	2,549,917	2,492,498	2.30%
6	Sales for Resale	88,892	442,000	-79.89%
7	Margin Sharing Adjustment	0	0	0.00%
8	Other Operating Revenues	6,896,060	7,179,001	-3.94%
9	Unbilled Revenue	554,968	17,954	2991.05%
10	Reserve for Refunds	(879,018)	(450,000)	95.34%
11	<b>Total Operating Revenues</b>	<u>\$178,960,244</u>	<u>\$177,595,716</u>	0.77%
<u>Operating Expenses:</u>				
12	Production Expense	\$69,415,724	\$70,652,653	-1.75%
13	Transmission Expense	10,044,578	10,449,434	-3.87%
14	Distribution Expense	10,481,495	10,199,036	2.77%
15	Customer Accounts Expense	2,586,469	2,524,482	2.46%
16	Customer Service & Info. Exp.	172,460	175,402	-1.68%
17	Sales Expense	64,416	104,573	-38.40%
18	Administration & General Exp.	14,238,973	12,993,192	9.59%
19	Depreciation Expense	24,683,488	22,909,594	7.74%
20	Taxes Other than Income	5,915,575	5,579,666	6.02%
21	<b>Total Operating Expenses</b>	<u>\$137,603,178</u>	<u>\$135,588,032</u>	1.49%
23	<b>Net Operating Income</b>			
24	before Income Taxes	\$41,357,066	\$42,007,684	-1.55%
<u>Income Tax Expense:</u>				
25	Investment Tax Credits			
26	Deferred Income Taxes	(\$22,745,716)	\$21,683,004	-204.90%
27	Income Taxes	31,052,563	(12,444,065)	-349.54%
28	<b>Total Income Tax Expense</b>	<u>\$8,306,847</u>	<u>\$9,238,939</u>	-10.09%
29	<b>Net Regulated Earnings</b>	<u>\$33,050,219</u>	<u>\$32,768,745</u>	0.86%

**MONTANA-DAKOTA UTILITIES CO.  
ANNUAL REPORT  
TO THE  
NORTH DAKOTA PUBLIC SERVICE COMMISSION**

Line #	Description	(B) 12 mos. ended August 2015	(D) 2014	(E) Variance (B-D/D)
	<u>Rate Base:</u>			
1	Plant in Service	\$852,504,573	\$805,067,067	5.89%
2	Less: Accumulated Depreciation	357,484,063	347,808,727	2.78%
3	CWIP AQCS-Big Stone	49,301,200	36,509,377	35.04%
4	Net Plant in Service	<u>\$544,321,710</u>	<u>\$493,767,717</u>	10.24%
	<u>Additions:</u>			
5	Materials and Supplies 1/	\$10,724,363	\$10,221,083	4.92%
6	Fuel Stocks 1/	3,250,664	3,028,969	7.32%
7	Prepayments 1/	597,814	511,598	16.85%
8	Unamortized Loss on Debt	3,332,451	3,388,879	-1.67%
9	Decommissioning of Retired Plants	(251,696)	(277,847)	-9.41%
10	Total Additions	<u>\$17,653,596</u>	<u>\$16,872,682</u>	4.63%
	<u>Deductions:</u>			
11	Accum. Deferred Income Taxes	\$129,404,042	\$116,873,129	10.72%
12	Accumulated Deferred ITCs	1,933,330	1,589,533	21.63%
13	Cust. Advances for Construct. 1/	2,525,223	2,647,553	-4.62%
14	Total Deductions	<u>\$133,862,595</u>	<u>\$121,110,215</u>	10.53%
15	<b>Average Rate Base</b>	<u><u>\$428,112,711</u></u>	<u><u>\$389,530,184</u></u>	<u>9.90%</u>
16	Rate of Return on Avg. Rate Base	7.720%	8.412%	
17	Less: Weighted Cost of Debt 2/	2.591%	2.547%	
18	Weighted Cost of Pref. Stock 2/	<u>0.058%</u>	<u>0.076%</u>	
19	Weighted Return on Equity	5.071%	5.789%	
20	% of Equity to Capital Structure 2/	<u>50.127%</u>	<u>51.769%</u>	
21	<b>Return on Equity</b>	<u><u>10.116%</u></u>	<u><u>11.182%</u></u>	

1/ Thirteen month average.

2/ Projected average 2015.