

MEMORANDUM

To: Commissioners Fedorchak, Christmann, and Kalk
Fr: Jerry Lein
Da: August 17, 2016
Re: MDU QF Purchase Rates, Case No. PU-16-554

MDU has filed its annual update to its Cogeneration and Small Power Production Rates 95 and 96. These schedules set forth amounts MDU would pay for purchases from PURPA Qualifying Facilities (QFs) with generating capacity of 100 kW or less under Rate 95 and peaking QFs with 1,000 kW or less under Rate 96

Generally, energy payments derived from MDU production cost modeling and capacity payments under Rate 96 are decreased slightly. Metering charges are unchanged for metering without instrument transformers and increased slightly for metering with instrument transformers.

MDU informs that it has two customers on Rate 95, and no customers under Rate 96. Of the two under Rate 95, only one is under the net billing option. The effect on these customers would be an increase in metering charges of 1.0 cent per day and a decrease in energy payments of 0.715 cents per kWh. MDU estimates the total combined effect on both customers would be an increase of approximately \$12 per year assuming the customers' production does not change from last year.

JRL