

August 23, 2016

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

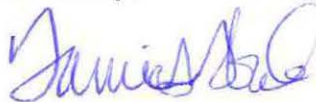
Re: Case No. PU-16-554
Compliance Filing – Cogeneration/
Small Power Producer Rates

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith submits the original and two (2) copies of the following electric rate schedules that were implemented effective with service rendered on and after September 1, 2016, in compliance with the Commission's approval of the updated Cogeneration/Small Power Production rates issued on August 19, 2016:

- 15th Revised Sheet No. 44
- 13th Revised Sheet No. 44.1
- 15th Revised Sheet No. 45
- 15th Revised Sheet No. 45.1

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



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
15th Revised Sheet No. 44
Canceling 14th Revised Sheet No. 44

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 1 of 2

Availability:

To any qualifying cogeneration and small power production facilities for the purpose of generating occasional electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a design capacity of 100 Kw or less, that are Qualifying Facilities (QF) as defined under 18 CFR, Part 292.

Rate:

Metering charge for single phase service: \$0.05 per day
With instrument transformers: \$0.16 per day

Metering charge for three phase service: \$0.11 per day
With instrument transformers: \$0.28 per day

Energy delivered to and accepted by Company by a QF shall be paid for by Company in accordance with one of the following two options, elected by the QF:

1. Simultaneous Purchase and Sale:

Energy sales to QF - Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

Energy purchases by Company:

Energy Payment = 2.581¢ per Kwh

2. Net Billing:

Energy generated will be compensated on a net billing basis. The Company will install a meter to measure the energy generated by the QF. The Company will also install a meter to measure the energy consumed by the QF. Metered generation will be subtracted from the metered consumption for the billing period.

Date Filed: July 20, 2016

Effective Date: Service rendered on and after September 1, 2016

Issued By: Tamie A. Aberle
Director of Regulatory Affairs

Case No.: PU-16-554



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
13th Revised Sheet No. 44.1
Canceling 12th Revised Sheet No. 44.1

OCCASIONAL POWER PURCHASE Rate 95 NON-TIME DIFFERENTIATED

Page 2 of 2

If metered generation is less than metered consumption, the QF will be billed the applicable retail rate. If metered generation is greater than the metered consumption, the QF will be paid for each Kwh an amount equal to:
2.581¢ per Kwh

General Terms and Conditions:

1. Change of Rates: This schedule shall be reviewed annually, updated if necessary, and revised upon the Commission's approval.
2. The Company shall install appropriate metering facilities to record all flows of energy necessary to bill and pay in accordance with the charges and payments contained in this rate schedule.
3. The customer shall, with prior written consent of the Company, furnish, install and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by the Company to properly meter usage and sales to the Company.
4. A written contract with the Company shall be signed stipulating the terms and conditions of the interconnection and sale of the electricity to the Company. The term of the contract hereunder shall be at least one year but less than five years.
5. In order to qualify for the net billing option, the generating equipment and the load of the facility must be located at the same "physical site". "Physical site" shall mean on the same tract of land and the generator output must be physically connected to the load service entrance.
6. For general terms and conditions covering QF's, see Rate 140.
7. All services provided by the Company under this and all other schedules are governed by the rules and regulations approved by the North Dakota Public Service Commission. Rates charged hereunder may be modified by Company at any time by making a unilateral rate application with the North Dakota Public Service Commission or its successor. The new rates shall be effective upon approval by the Commission.

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400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
15th Revised Sheet No. 45
Canceling 14th Revised Sheet No. 45

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 1 of 3

Availability:

To any qualifying cogeneration and small power production facilities for the purpose of generating electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a design capacity of 1000 Kw or less, that operate as a peaking facility (defined below), and are Qualifying Facilities (QF) as defined under 18 CFR, Part 292.

Rate:

Metering charge for single phase service: \$ 0.15 per day
With instrument transformers: \$ 0.26 per day

Metering charge for three phase service: \$ 0.16 per day
With instrument transformers: \$ 0.33 per day

1. Capacity delivered to the Company:

Levelized payment for term of contract based on Table 1 below.

TABLE 1
Contract Length (YR.)

	5	10	15	20
\$/Kw-mo	7.619	7.619	7.619	7.619

Total capacity payment per month = Monthly capacity payments for a QF will be made pursuant to the applicable contract length from Table 1 presented above. Such payments shall be based upon the amount of qualifying capacity assigned to an eligible resource under BPM-011-Resource Adequacy of the MISO Tariff.

Capacity payments will be paid in the subsequent billing period.

Date Filed: July 27, 2016

Effective Date: Service rendered on and after September 1, 2016

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Director – Regulatory Affairs

Case No.: PU-16-554



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
15th Revised Sheet No. 45.1
Canceling 14th Revised Sheet No. 45.1

PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED

Page 2 of 3

2. Energy Payment:

ON-PEAK

2.605¢ per Kwh

OFF-PEAK

2.580¢ per Kwh

Peak Periods: The On-Peak Period is defined as those hours between 12 p.m. and 8 p.m. local time, Monday through Friday in the months of June through September. The Off-Peak Period is defined as all other hours. Definitions of On-Peak and Off-Peak periods are subject to change with change in the Company's system operating characteristics.

Energy Sales to Qualifying Facilities:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, small and general electric service, etc.) that is currently on file with the Commission.

General Terms and Conditions:

1. Change of Rates: This schedule shall be reviewed annually, updated if necessary, and revised upon the Commission's approval.
2. Service under this schedule shall be on a simultaneous purchase and sale basis only.
3. The Company shall install appropriate metering facilities to record all flows of energy necessary to bill and pay in accordance with the charges and payments contained in this rate schedule.
4. The customer shall, with prior written consent of the Company, furnish, install and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by the Company to properly meter usage and sales to the Company.
5. A written contract with the Company shall be signed stipulating the terms and conditions of the interconnection and sale of the electricity to the Company. The term of the contract hereunder shall be five years or more.

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Effective Date: Service rendered on and after September 1, 2016

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