

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

December 16, 2016



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

Re: Bronson's Marketplace
Electric Service Agreement

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith submits for Commission approval an original and seven (7) copies of an Electric Service Agreement between Montana-Dakota and Bronson's Marketplace (Bronson) in accordance with the provision in the Company's Firm Service Economic Development Rate 34 tariff that states "Contracts shall be filed with and approved by the North Dakota Public Service Commission."

Bronson's Marketplace, a franchise of the Minnesota-based Super Valu, has owned and operated a grocery store in Beulah, North Dakota since 1979. In May of 2016, Kelly and Kim Kessler, the owners of Bronson's, purchased property in Bowman, North Dakota with plans to open a new grocery store. Construction began a month later in June with a tentative opening date of May 2017. Bronson's Marketplace will be the only full size grocery store operating in Bowman and surrounding communities. This Economic Development rate will assist in making the store's startup costs more economically feasible. The new store will result in economic growth in Bowman and the surrounding area and will also benefit other electric service customers of the Company.

The Economic Development Electric Service Agreement, provided herein as Attachment A, provides for electric service to Bronson's Marketplace under the Company's Firm Service Economic Development Rate 34 tariff wherein:

- The Basic Service and Energy Charges are outlined on the tariff.
- A negotiated seasonal Demand Charge for the first five years of service as outlined on page 1 of the attached Agreement. The first three years the summer demand charge is set at \$8.75 and the winter demand charge is set at \$5.75 or a

reduction in the otherwise applicable rate schedule (Rate 30 Secondary Service) of \$2.50 per Kw. This reduced demand charge is then increased as outlined in the table of Paragraph 2 of the General Terms and Conditions of Rate 34.

- The Agreement is subject to changes made in unilateral rate filings with the Commission.
- At the end of the fifth year in service, the Electric Service Agreement expires and Bronson will be served under the otherwise applicable rate schedule.
- Annual revenues of \$89,500 are expected the first year under the agreement, with that increasing each subsequent year until moving to the full rate under Rate 30 or the otherwise applicable rate schedule.

The Bronson Marketplace is expected to commence electric service under the Agreement the latter of the customer requested start date or date authorized by the Commission.

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:

Mr. Karl A. Liepitz
Senior Attorney
MDU Resources Group, Inc.
P. O. Box 5650
Bismarck, ND 58506-5650

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: Karl Liepitz
Garret Senger

ECONOMIC DEVELOPMENT ELECTRIC SERVICE AGREEMENT

THIS AGREEMENT, made as of the 2 day of Sept., 2016 by and between MONTANA-DAKOTA UTILITIES CO., a Division of MDU Resources Group, Inc., a corporation, 400 North Fourth Street, Bismarck, North Dakota 58501 hereinafter referred to as "Company", and Bowman Market Inc., dba Bronson's Marketplace, 312 Highway 12 East, Bowman, North Dakota 58623, hereinafter referred to as "Customer".

WITNESSETH:

WHEREAS, Montana-Dakota is a public utility engaged in the generation, transmission and distribution of electric energy for consumption; and

WHEREAS, Customer is a general electric service customer who qualifies for electric service under Company's Firm Service Economic Development Rate 34;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein to be kept and performed by the respective parties, the parties hereto agree as follows:

1. **TERM:** This Agreement shall become effective upon execution by both parties and approval of this Agreement by the North Dakota Public Service Commission and shall continue in effect thereafter for a period of five (5) years from the in-service date of the customer.
2. **RATE:** The demand rates charged for each of the five years are noted below. The demand rate is subject to change to ensure that it exceeds the cost floor, and to reflect recalculated "phased-in" demand rate levels due to unilateral rate changes by the Company. Also, if it is determined at any time during the term of the agreement that another applicable company rate schedule is more favorable to the customer based on annual actual demand and usage on a prospective basis, service shall be transferred to that appropriate Company rate schedule.

YEAR	DEMAND CHARGE	DEMAND CHARGE
	OCTOBER - MAY	JUNE - SEPTEMBER
1	\$5.75 per Kw	\$8.75 per Kw
2	\$5.75 per Kw	\$8.75 per Kw
3	\$5.75 per Kw	\$8.75 per Kw
4	\$6.375 per Kw	\$9.375 per Kw
5	\$7.00 per Kw	\$10.00 per Kw

3. TARIFF: Service under this Agreement is governed by the applicable Company tariffs as approved by the appropriate state utility regulatory agency. The currently effective rates are attached hereto and made a part hereof. Company shall have the right to modify the terms and conditions of service hereunder by making unilateral filings with the appropriate regulatory agency.
4. PRIORITY: This Agreement shall not be construed as granting Customer a priority to the electric power supplied by Company, but Customer shall be on parity with all other non-interruptible customers of Company.
5. GOVERNMENT REGULATION: This Agreement is subject to any present and future laws and Public Service Commission approved Company and public utility rules for providing electric service, including Company's Electric Service Rules and Regulations. Any provision herein inconsistent with such laws or rules is amended to comply therewith.
6. INDEMNIFICATION: Customer agrees to indemnify and hold Company harmless from any and all injury, loss or damage resulting solely from Customer's negligent or wrongful acts under and during the term of this Agreement. Company agrees to indemnify and hold Customer harmless from any and all injury, loss or damage resulting solely from Company's negligent or wrongful acts under and during the term of this Agreement.
7. ASSIGNMENT: This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties.
8. REPORTING REQUIREMENTS: Customer shall furnish Company all information as may be required or appropriate to comply with reporting requirements of duly constituted authorities having jurisdiction over the matter herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

By: Pat Darras
Pat Darras

By: Kelly Kessler
Kelly Kessler

Montana-Dakota Utilities Co.

Bowman Market Inc., dba Bronson's Marketplace

Title: VP-Operations

Title: President

Date: 9/26/16

Date: 9/2/16