MONTANA-DAKOTA
UTILITIES CO.
A Subsidiary of MDU Resources Group, Inc.

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

February 12, 2019

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

Re: Case No. PU-18-432
Compliance Filing – Cogeneration/
Small Power Producer Rates

Montana-Dakota Utilities Co. (Montana-Dakota), a Subsidiary 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 February 15, 2019, in compliance with the Commission's approval of the updated Cogeneration/Small Power Production rates issued on January 9, 2019:

- 19th Revised Sheet No. 44
- 15th Revised Sheet No. 44.1
- 19th Revised Sheet No. 45
- 17th Revised Sheet No. 45.1

Please note that the headers in the tariffs have been updated to reflect that effective January 1, 2019 Montana-Dakota became a wholly-owned subsidiary of MDU Resources Group, Inc. pursuant to a corporate reorganization approved by the Commission on June 27, 2018 in Case No. PU-18-75.

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

5 PU-18-432 Filed 02/12/2019 Pages: 5
Compliance filing - Cogeneration - Small Power Producer Rates schedules
Montana-Dakota Utilities Co.
Tamie Aberle

**Montana-Dakota Utilities Co.**
*A Subsidiary of MDU Resources Group, Inc.*
400 N 4th Street
Bismarck, ND 58501

**State of North Dakota**
**Electric Rate Schedule**



**OCCASIONAL POWER PURCHASE Rate 95**
**NON-TIME DIFFERENTIATED**



**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 = 2.254¢ 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.

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**State of North Dakota**
**Electric Rate Schedule**



**OCCASIONAL POWER PURCHASE Rate 95**
**NON-TIME DIFFERENTIATED**



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 at an amount equal to:

2.254¢ 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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**State of North Dakota**
**Electric Rate Schedule**



**PARALLEL GENERATION PEAKING FACILITY PURCHASE Rate 96 TIME DIFFERENTIATED**



**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:

   Monthly capacity payments for a QF (not registered as a MISO generator) shall be assigned by Montana-Dakota based upon the amount of qualifying capacity assigned to an eligible resource under BPM-011 Resource Adequacy of the MISO tariff subject to adjustment annually in accordance with BPM-011.

   Monthly capacity payments for a MISO-registered QF shall be based on the capacity credits assigned by MISO on an annual basis.

   Monthly capacity payment =

   a. $0.03 per Kw through May 31, 2019. The capacity payment is subject to change each June 1 through Year 2023 to reflect the MISO capacity clearing price for Zone 1.
   b. Effective June 1, 2024, the monthly capacity payment shall be $8.454 per Kw applicable for the remainder of the contract.

   Capacity payments will be paid in the subsequent billing period.

2. Energy Payment:

| ON-PEAK | OFF-PEAK |
|---|---|
| 2.405¢ per Kwh | 2.252¢ 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.