

# MONTANA-DAKOTA UTILITIES CO.

Informal Hearing

Case No. PU-18-433

American Colloid Contract Agreement

NORTH DAKOTA PUBLIC SERVICE COMMISSION

October 22, 2019



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to Serve

# American Colloid

## Contract Agreement

- Montana-Dakota submitted Amendment No. 1 to the Electric Service Agreement with American Colloid on 12/28/18.
- The current American Colloid Agreement was established in 2011.
  - Prior to the current agreement, American Colloid took interruptible service under the former Industrial Power Service Rate 39. Rate 39 was eliminated in the Company's 2010 rate case.

# American Colloid Electric Service

- Located near Gascoyne North Dakota
- Produces and supplies bentonite clay products
- American Colloid use approximately 3.7 Million kWh annually with an average monthly demand of 950 kW.
- Served at a rate less than otherwise applicable Rate 38
  - Customer and load retention at this location
  - Current rate does provide an offset to fixed costs

# American Colloid Contract Agreement

- Key Contract Agreement Terms:
  - Amendment No. 1
    - 7 year agreement
    - Phased approach to minimize customer economic impact
    - Riders are phased in first
    - Energy and Demand rate are then increased to approved Rate 38 charges
    - After final phase customer will be on currently effective Rate 38

# American Colloid Contract Agreement 1/

	Phase 1 12-1-2018	Phase 2	Phase 3 1/1/20	Phase 4 1/1/22	Phase 5 1/1/23	Phase 6 1/1/24	Phase 7 (Move to Rate 38) 1/1/25
Rates Effective:							
Basic Service Charge/Month	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	*Specified in agreement
Energy Charge/Kwh	\$0.00853	\$0.00853	\$0.00853	\$0.01048	\$0.01239	\$0.01500	\$0.01252
Demand Charge/Kw	\$5.638	\$5.638	\$5.638				
October – May:				\$6.19	\$6.67	\$6.67	\$8.00
June – September				\$7.15	\$7.62	\$9.53	\$11.00
Fuel&PP/Kwh	Subject to change monthly	Subject to change monthly	Subject to change monthly	Subject to change monthly	Subject to change monthly	Subject to change monthly	Subject to change monthly
Transmission Rider / Kwh 2/			\$0.00372	\$0.00372	\$0.00372	\$0.00372	\$0.00372
Renewable Rider / Kwh 2/		\$0.00754	\$0.00754	\$0.00754	\$0.00754	\$0.00754	\$0.00754
Generation Rider /Kw 2/				\$0.55642	\$0.55642	\$0.55642	\$0.55642
Environmental Rider/Kwh 2/				\$0.00000	\$0.00000	\$0.00000	\$0.00000
% Increase	0%	11.39%	8.81%	10.71%	4.88%	5.88%	6.83%

1/ Contract rates through 2024 are subject to unilateral rate filings approved by the Commission in addition to future rate adjustments approved by the Commission during the seven phases.

2/ Subject to change annual. Table reflects current rider rate per Kwh.



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