



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

November 15, 2019

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

Re: American Colloid Company
Electric Service Agreement Amendment
Case No. PU-18-433

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 Restated Amendment No. 1 to American Colloid Company's (American Colloid) Electric Service Agreement with Montana-Dakota in accordance with Section 69-09-02-01 Subsection 3 of the North Dakota Public Service Commission's Electric Rules and Regulations.

On December 28, 2018 in the above referenced case, Montana-Dakota submitted Amendment No. 1 to the American Colloid Electric Service Agreement. On October 22, 2019, an informal hearing was held with the North Dakota Public Service Commission (Commission) to discuss the proposed amendment to the American Colloid agreement. Following the informal hearing, Montana-Dakota and American Colloid held further discussions to address concerns raised by Commission Staff regarding the proposed amendment. Consequently, a restated Amendment No. 1 was entered into between the Company and American Colloid. The restated amendment is now being submitted for Commission approval, replacing Amendment No. 1 as submitted to the Commission on December 28, 2018.

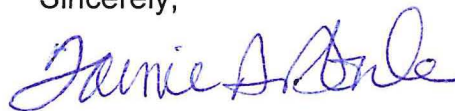
The rates, as outlined in Table 1 of Restated Amendment No. 1, continue to reflect a multi-year rate agreement; however, the number of years included in the agreement has been reduced from that proposed in the December 28, 2018 filing. In the final year of the Restated Amendment No. 1, or January 1, 2023, American Colloid will commence service under the Company's Interruptible Large Power Demand Response Rate 38 tariff. The attached Restated Amendment No. 1 replaces Section 6 of the December 19, 2011 agreement in its entirety. The rate phases are:

- Phase 1: Continuation of the electric service rates charged American Colloid today. These rates will continue until the Commission authorizes the proposed rates included in the Restated Amendment No. 1. If Commission action is taken prior to January 1, 2020, American Colloid's current rates will remain in effect until January 1, 2020.
- Phase 2: The Company's Renewable Resource Cost Adjustment and Transmission Cost Adjustment riders will become applicable to the American Colloid agreement effective January 1, 2020.
- Phase 3: The Company's remaining two riders, the Generation Resource Recovery Rider and the Environmental Cost Recover Rider will become applicable to the American Colloid agreement effective January 1, 2021.
- Phase 4: Increase in the energy and demand rates charged American Colloid to beginning on January 1, 2022.
- Phase 5: American Colloid will no longer be served under a contract service agreement and will commence service starting January 1, 2023 under the Company's Interruptible Large Power Demand Response Rate 38 at the charges applicable at that time.

Provision 1 of Restated Amendment No. 1 provides that the rates included in the agreement shall be modified subject to unilateral rate filings approved by the Commission in addition to future rate adjustment mechanisms approved by this Commission during the contract's remaining term.

Please contact me at (701) 222-7856 or at Tamie.Aberle@mdu.com with any questions regarding this filing.

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Attachments

cc: Karl Liepitz
Garret Senger

**RESTATED AMENDMENT NO. 1
INTERRUPTIBLE ELECTRIC SERVICE AGREEMENT**

THIS RESTATED AMENDMENT No. 1 to the ELECTRIC SERVICE AGREEMENT ("Amendment"), is dated and entered into this 14th day of November, 2019, by and between AMERICAN COLLOID COMPANY, whose address is 2870 Forbes Avenue, Hoffman Estates, Illinois 60192 ("Customer"), and MONTANA-DAKOTA UTILITIES CO., whose address is 400 North Fourth Street, Bismarck, North Dakota 58501 ("Company"), sometimes singularly referred to as "Party", or, collectively as "Parties".

WHEREAS, American Colloid Company ("Customer") and Company entered into an Interruptible Electric Service Agreement (the "Agreement") dated December 19, 2011, pursuant to which Company contracted to provide electric service to Customer's facility in Gascoyne, ND;

WHEREAS, said Agreement and its Exhibits were to remain in effect for a period of one (1) years from the December 19, 2011 date of commencement of said Agreement and year to year thereafter;

WHEREAS, Customer and Company entered into that Amendment No. 1 Interruptible Electric Service Agreement dated September 10, 2018 (the "First Amendment") subject to approval by the North Dakota Public Service Commission;

WHEREAS, Customer and Company now mutually desire to amend and restate the First Amendment as set forth herein to modify the Agreement;

NOW THEREFORE, in order to satisfy the purposes of the Parties as set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties hereby agree to amend and restate the First Amendment and thereby agree to amend the Agreement as follows:

1. The Parties agree to delete Section 6 of the Agreement as amended in its entirety and substitute the following in lieu thereof:

6. **RATE SCHEDULE:** All electric power delivered hereunder shall be purchased by Customer in accordance with the rate schedules attached hereto as Exhibit A. It is agreed any current or future electric rate adjustment mechanisms that are approved by the North Dakota Public Service Commission and applicable to the Company's Large Interruptible Large Power Demand Response Rate 38 shall also be applicable to the rate schedule under this Agreement. It is further agreed that in the event the Base Rate, Demand Charge, or Energy Charge, applicable under the Company's Interruptible Large Power Demand Response , are modified pursuant to a general rate case or other regulatory proceeding before the North Dakota Public Service Commission the charges applicable under Exhibit A, shall be modified to represent the same percentage differential between Exhibit A, as adjusted by rate adjustment mechanisms, and the Interruptible Large Power Demand Response Rate 38, as adjusted by rate adjustment mechanisms, applicable to the last consecutive twelve months of Customer's billing usage prior to implementation of interim or permanent rates from the general rate case or other regulatory proceeding before the

North Dakota Public Service Commission. It is further agreed and in accordance with adjustments discussed above that updated Exhibit A as applicable, will be provided by Company to Customer within, and effective, in 60 days of the approved effective date as ordered by the North Dakota Public Service Commission.

2. The Parties agree to delete Section 14 of the Agreement as amended in its entirety and substitute the following in lieu thereof:

14. **TERM:** The Agreement, as amended by this Amendment, shall become effective upon final approval from the North Dakota Public Service Commission and shall remain in full force and effect for a period extending from the date thereof for four (4) years, and from year to year thereafter. Either Party may cancel this Agreement at any time after the initial 4-year period, provided that no less than six (6) months written notice is furnished to the other Party prior to the termination date.

3. The Parties agree to delete Section 17 of the Agreement in its entirety as amended and substitute the following in lieu thereof:

17. **Twenty-Four Hour Communications:** Because of the periodic need to interrupt electric service, Customer shall provide Company in the space provided below with the names and telephone numbers of at least two Customer representatives who can be reached on a 24 basis for interrupting or restoring service, if necessary.

Name	Telephone Number
Jeremy Allen	701-275-8201
Miranda Carlson	701-275-8201

4. The Parties agree to delete Section 19 of the Agreement as amended in its entirety and substitute the following in lieu thereof:

19. **Notices:** Notices required hereunder shall be in writing and shall be sent by trackable letter delivery or electronically to the respective addresses below:

To Company: Montana-Dakota Utilities Co.
Attn: EVP Business Development and Gas Supply
400 N Fourth Street
Bismarck, ND 58501

With Copy To:
Montana-Dakota Utilities Co.
Attn: General Counsel
1200 W Century Avenue
Bismarck, ND 58503

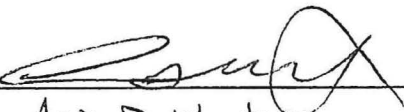
To Customer: American Colloid Company
Attn: Aric Wentz
35 Highland Ave.
Bethlehem, PA 18017

Either Party may change any address referenced above by sending Notice under this Agreement.

5. The Parties agree to delete Exhibit A (Rate Schedule) of the Agreement, as amended, in its entirety and replace it in its entirety with the revised Exhibit A, which is attached hereto. Exhibit A shall be applicable and in effect through the effective date of this Agreement and thereafter.
6. The Parties hereby ratify, adopt and confirm all the terms and conditions of the Agreement, as amended, except as specifically modified herein as of the Effective Date.
7. This Amendment is subject to filing with and approval by the North Dakota Public Service Commission pursuant to NDAC Rule 69-09-02-01.
8. This Amendment shall amend and replace in its entirety the First Amendment.

IN WITNESS WHEREOF, the Parties hereto have caused these presents to be duly executed as of the day and year first above written.

AMERICAN COLLOID COMPANY

By: 
Aric D. Wentz

Title: Director Global Supply Chain

MONTANA-DAKOTA UTILITIES CO.


By: 
Scott Madison
Executive Vice President –
Business Development and Gas Supply

Exhibit A
TO RESTATED AMENDMENT NO. 1
OF THE INTERRUPTIBLE ELECTRIC SERVICE AGREEMENT

RATE SCHEDULE

Base Rate: As defined in Table 1

Demand Charge:

October – May As defined in Table 1

June – September As defined in Table 1

Energy Charge: As defined in Table 1

MINIMUM BILL:

Base Rate plus Demand Charge

PAYMENT:

Bills will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 109 or any amendments or alterations thereto.

DETERMINATION OF BILLING DEMAND:

The demand in kilowatts for billing purposes shall be the maximum 15-minute measured demand in the current month. Demands will be determined to the nearest one-tenth kilowatt.

POWER FACTOR CLAUSE:

Company reserves the right to require Customer to install adequate equipment so that at all times it can operate its facility to maintain a power factor between 90% lagging and 90% leading. If Customer operates outside this range, the maximum 15-minute integrated reactive kilovolt amperes in excess of 50% of the maximum 15-minute integrated kilowatt demand for the same month will be billed at \$3.35 per Kvar of such demand.

ADJUSTMENT CLAUSES:

Bills are subject to the following adjustments or any amendments or alterations thereto:

1. Renewable Resource Cost Adjustment (RRCA) Rate 55
2. Generation Resource Recovery Rider (GRRR) Rate 56
3. Environmental Cost Recovery Rider (ECRR) Rate 57
4. Fuel and Purchased Power Adjustment (F&PP) Rate 58
5. Transmission Cost Adjustment (TCA) Rate 59

SPECIAL TERMS AND CONDITIONS:

1. The foregoing schedule is subject to Rate 100-112 and any amendments or alterations thereto or additional rules and regulations promulgated by Company under the laws of the state. This Rate Schedule is subject to filing with the North Dakota Public Service Commission pursuant to NDAC Rule 69-09-02-01.
2. As per Section 6 of the Restated Amendment No. 1 to the Electric Service Agreement this rate schedule and adjustment mechanisms are as per approved Company rates effective upon approval by the North Dakota Public Service Commission.

Table 1 – “Exhibit A” to Restated Amendment No. 1 of the Interruptible Electric Service Agreement

Exhibit A

	Thru 12/31/19	1/1/20-12/31/20	1/1/21-12/31/21	1/1/22-12/31/22	1/1/2023 Rate 38
Base Rate Per Month	\$300.00	\$300.00	\$300.00	\$300.00	
Demand Charge per Kw:					Rate 38 Applicable as of 1/1/23
October-May	\$5.638	\$5.638	\$5.638	\$6.819	
June-September	\$5.638	\$5.638	\$5.638	\$8.319	
Energy Charge per Kwh	\$0.00853	\$0.00853	\$0.00853	\$0.01053	
Adjustment Clauses 1/					
Fuel & Purchased Power (Rate 58)	X	X	X	X	X
Renewable Resource Cost Adjustment (Rate 55)		X	X	X	X
Transmission Cost Adjustment (Rate 59)		X	X	X	X
Generation Rider (Rate 56)			X	X	X
Environmental Cost Recovery Rider (Rate 57)			X	X	X

1/ Adjustment Clause mechanism are applicable starting in the Year noted. Any new adjustment mechanism will be applicable upon Commission approval. The Adjustment clause amounts are subject to change upon Commission approval.