



*A Subsidiary of MDU Resources Group, Inc.*

400 North Fourth Street  
Bismarck, ND 58501  
701-222-7900  
www.montana-dakota.com

December 5, 2024

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

Re: Dakota Prairie Refining LLC Electric Service Agreement  
Case No. PU-24-\_\_\_\_\_

Montana-Dakota Utilities Co. (Montana-Dakota) herewith submits for North Dakota Public Service Commission (Commission) approval an original and seven (7) copies of an Electric Service Agreement by and between the Company and Dakota Prairie Refining, LLC (Dakota Prairie), a subsidiary of Marathon Petroleum, in accordance with Section 69-09-02-01 Subsection 3 of the Commission's Electric Rules and Regulations. Dakota Prairie owns and operates a renewable diesel facility in Dickinson, North Dakota that became fully operational in 2021.

On November 11, 2024, Montana-Dakota and Dakota Prairie entered into an Electric Service Agreement, pending Commission approval of the agreement. The agreement, attached hereto, provides for the sale of all firm electric power required by Dakota Prairie's Dickinson, North Dakota refinery location at a rate less than the otherwise applicable General Electric Service Rate 30 (Rate 30). In exchange, Dakota Prairie commits to not purchase electric power from any other supplier and not to install or operate any electric power generation equipment to self-serve their Dickinson facilities, unless used solely for emergency back-up purposes. Dakota Prairie maintains the right to install small microturbines under 310 kW where the primary purpose is to improve the energy efficiency of their process through waste heat or pressure utilization. The number of microturbines shall be limited to two units at the Dickinson location.

Electric power shall be sold to the two Dickinson delivery points specified in Exhibit A to the agreement at the contract rates defined in Exhibits B and B-1 to the agreement and summarized below. The customer's account number included within Exhibit A has been redacted to maintain the confidentiality of that information.

- Phase I rates effective through December 31, 2025:
  - Basic Service Charge of \$108.03 per month, which is the same Basic Service Charge applicable to Rate 30 primary service customers today.

- Demand Charge of \$9.05 per kW for October through May and \$12.05 per kW for June through September.
  - A blocked Energy Charge where the first 1.5 million Kwh is \$0.01800 per Kwh and \$0.01657 per Kwh for any energy exceeding 1.5 million Kwh in a month.
  - The Fuel and Purchased Power Adjustment and any rate riders applicable to the Rate 30 will also be applicable to Dakota Prairie under the contract.
  - The Phase I contract rates amount to an approximate five percent discount from the otherwise applicable rates under Rate 30.
- Phase II rates effective January 1, 2026
    - Basic Service Charge of \$108.03 will continue from Phase I.
    - Demand Charge of \$5.74 per kW for October through May and \$9.04 per kW for June through September, which are the same as the demand charges currently applicable under Amendment No. 2 of the Tesoro Agreement, first approved in Case No. PU-18-434 and updated in the Company's 2022 electric rate case.
    - A blocked Energy Charge with the first 1.5 million Kwh priced at \$0.02333 per Kwh and any energy exceeding 1.5 million Kwh priced at \$0.01657 per Kwh, the same as the energy charges applicable under amendment No. 2 of the Tesoro Agreement, first approved in Case No. PU-18-434 and updated in the Company's 2022 electric rate case.
    - The Phase II contract rates amount to an approximate nine percent discount from the otherwise applicable rates under Rate 30.
- Dakota Prairie's contract rates are subject to change upon the filing of a general rate case or electric rate rider filing approved by the Commission.

The Dakota Prairie Agreement is in the best interest of Montana-Dakota's North Dakota electric customers as it will minimize price increases in the future due to the retention of the customer's load, and potential growth, of electric power sales to Dakota Prairie at their Dickson location. Therefore Montana-Dakota respectfully requests Commission approval of the attached agreement with Dakota Prairie.

Please refer all inquiries regarding this filing to:

Mr. Travis R. Jacobson  
 Director of Regulatory Affairs  
 Montana-Dakota Utilities Co.  
 400 North Fourth Street  
 Bismarck, ND 58501  
 Travis.Jacobson@mdu.com

Also, please send copies of all written inquiries, correspondence, and pleadings to:

Ms. Allison Waldon  
Senior Attorney  
MDU Resources Group, Inc.  
P.O. Box 5650  
Bismarck, ND 58506-5650  
Allison.Waldon@MDUResources.com

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Sincerely,

*/s/ Travis R. Jacobson*

Travis R. Jacobson  
Director of Regulatory Affairs

Attachments

cc: A. Waldon

## **ELECTRIC SERVICE AGREEMENT**

THIS ELECTRIC SERVICE AGREEMENT (“Agreement”) is dated and entered into this 11 day of November, 2024, by and between Dakota Prairie Refining, LLC located at 539 South Main Street Findlay, OH 45840 (“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, Company is a public utility engaged in the generation, transmission and distribution of electric energy for consumption; and

WHEREAS, Customer is the owner of a renewable diesel facility (“RD Facility”) located 3815 116<sup>th</sup> Ave. S.W., Dickinson, ND; and

WHEREAS, Customer desires to purchase electric power for this RD Facility from Company; and

WHEREAS, Company desires to enter into an agreement (“Agreement”) to provide competitively priced electric power to this RD Facility ;

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. **PURCHASE AND SALE OF ELECTRIC POWER:**
  - a. Company shall deliver electric power necessary for Customer to operate existing equipment and facilities and any new equipment or facilities to be constructed by Customer. Customer agrees to consult with the Company before designing or installing new or upgraded facilities that will result in a significant increase in Customer’s electric load to assure Company’s equipment will meet the Customer’s electric requirements and Customer receives adequate service.
  - b. Customer agrees not to purchase electricity required for the operation of existing equipment and facilities or for new load associated with changes to equipment and facilities from any supplier other than Company during the term of this Agreement.
  - c. Except as provided in this Section 1(c) and in Section 1(d), for the entire term of this Agreement, Customer agrees not to install or operate any electric power generation equipment to serve Customer’s facilities. This Agreement shall not, however, restrict Customer’s right to install and operate generation facilities used solely for emergency back-up purposes.
  - d. This Agreement shall not restrict the Customer’s right to install small microturbines under 310 kW which primary purpose is to improve the energy efficiency of the Customer’s process through waste heat or pressure utilization. However, microturbine installation shall be limited to no more than two (2) units.

- e. Customer shall not have the right to resell electric power delivered and sold hereunder by Company.
  - f. Company's "existing facilities" under this Agreement means Company's facilities providing electric service at the RD Facility Delivery Points listed on the Exhibit A.
2. **POINTS OF DELIVERY:** All electric power delivered hereunder shall be metered by Company at the point of delivery listed on Exhibit A for the RD Facility as attached hereto. Company will read the meters monthly and report such readings to Customer.
  3. **MAINTENANCE:** Each Party hereto, to the extent reasonably possible, agrees to maintain the equipment owned by it and utilized by it in connection with the purchase and sale of the electric energy.
  4. **METERS AND METERING:** Company will test the meter according to approved rules of the North Dakota Public Service Commission. In the event that these rules cease to exist, the rules last in effect shall continue to govern meter testing for the term of this Agreement.
  5. **RATE SCHEDULE:** All electric power delivered hereunder shall be purchased by Customer in accordance with the rate schedule attached hereto as Exhibit B and Exhibit B1. It is agreed any current or future electric rate adjustments mechanisms that are approved by the North Dakota Public Service Commission and applicable to the Company's General Electric Service Rate 30 shall also be applicable to the rate schedule under this Agreement. It is further agreed that in the event the Base Service Charge, Power Factor Clause, Demand Charge, or Energy Charge, applicable under the Company's General Service Rate 30, are modified pursuant to a general rate case or other regulatory proceeding before the North Dakota Public Service Commission the charges applicable under Exhibit B and Exhibit B1 shall be subject to review and modification in order to represent the same percentage differential between Exhibit B and Exhibit B1, as adjusted by rate adjustment mechanisms, and the General Electric Service Rate 30, 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.
  6. **POWER UTILIZATION:** Electric power shall be taken and used so that the current will be balanced equally on all three phases, and whenever the difference between the currents shall exceed ten percent (10%) of the total amount taken from any one phase, either at the time of minimum or maximum demand, the load shall be so arranged that the unbalanced condition will not exceed ten percent (10%).
  7. **PRIORITY:** This Agreement shall not be construed as granting Customer a priority to the electric power supplied by Company, but Customer shall be on a parity with all other customers of Company.

8. **SERVICE AND LIABILITY:** Company shall maintain adequate service to Customer in accordance with accepted engineering practices in operation of electric utilities; provided however, that Company shall not be liable to Customer for interruptions or suspension of service for the purpose of making repairs or improvements in any part of its generation, transmission and distribution system, or if such performance is prevented by employee strikes or walkouts, accidents to machinery or apparatus, acts of God, fires, wars, armed conflict, insurrection, or any other unusual condition or contingency beyond the control of Company. However, in the case of Company's planned repairs or improvements which will cause an interruption in service to the RD Facility, Company give Customer thirty (30) days advanced written notice of such event.
9. **GOVERNMENT REGULATION:** This Agreement is subject to filing with the North Dakota Public Service Commission. 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.
10. **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.
11. **TERM:** This Agreement shall become effective upon approval of the North Dakota Public Service Commission and shall remain in full force and effect for a period extending from the date thereof for three (3) years, and from year to year thereafter. Either Party may cancel this Agreement at any time after the 3-year period, provided that no less than six (6) months written notice is furnished to the other Party prior to the termination date.
12. **BREACH OF AGREEMENT:** If either Party Breaches the material terms of this Agreement, including nonpayment by Customer of any amounts due Company hereunder, and does not correct the breach within thirty (30) days, the other Party may declare the Agreement null and void and terminate their obligations hereunder. If the breach is caused by Customer's installation of additional electric power generation equipment not expressly allowed in Sections 1(c) or 1(d) or by the purchase of electricity from a supplier other than Company, Customer shall be liable to Company for an amount equal to the difference in cost between the rate schedule under this Agreement and Company's General Electric Service Rate 30 retroactive to the effective date that the Customer began receiving service under this Agreement to a maximum limit of three (3) years.
13. **ASSIGNMENT:** This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective Parties.
14. **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: VP of Electric Supply  
400 N Fourth Street  
Bismarck, ND 58501

With Copy To:  
MDU Resources Group Inc.  
Attn: General Counsel  
1200 W Century Avenue  
Bismarck, ND 58503

To Customer: Dakota Prairie Refining, LLC  
Attn: Joshua A Dorfmueller,  
Refinery Manager  
900 Old Red Trail NE  
Mandan, ND 58554


With a copy of legal notices to:  
539 South Main Street  
Findlay, OH 45840  
Attn: Chief Legal Officer

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

15. **ENTIRE AGREEMENT**: This is the entire Agreement between the Parties hereto and may be amended only by written agreement, properly executed by both Parties.

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

Dakota Prairie Refining, LLC

By:   
John Robertson (Nov 11, 2024 18:01 CST)

FA  
FA


JLH  
JLH

SS  
SS

Approved as to form.

Title: VP, Specialty Products Supply and Trading

MONTANA-DAKOTA UTILITIES CO

By:   
Darcy Neigum  
Vice President of Electric Supply

**Exhibit A**  
**Electric Service Agreement**



**EXHIBIT "B"**

**RATE SCHEDULE**

This Exhibit "B" is effective through **January 1, 2025, to December 31, 2025**

**BASE RATE:** \$108.030 per month per delivery point  
**DEMAND CHARGE:**  
October – May \$9.05 per kW of Billing Demand  
June – September \$12.05 per kW of Billing Demand

**ENERGY CHARGE PER DELIVERY POINT:**  
1<sup>st</sup> 1,500,00 kWh per month - \$0.01800 per kWh  
Over 1,500,000 kWh per month - \$0.01657 per kWh

**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 greater of the maximum 15-minute measured demand in the current month or 1,000 kW. 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 the RD 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 130 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.

**EXHIBIT "B1"**

**RATE SCHEDULE**

This Exhibit "B1" is effective **January 1, 2026**.

<b>BASE RATE:</b>	\$108.03 per month per delivery point
<b>DEMAND CHARGE:</b>	
October – May	\$5.74 per kW of Billing Demand
June – September	\$9.04 per kW of Billing Demand

**ENERGY CHARGE PER DELIVERY POINT:**

1st 1,500,000 kWh per month - \$0.02333 per kWh  
Over 1,500,000 kWh per month - \$0.01657 per kWh

**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 or 1,000 kW. 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 the RD 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:**

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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 130 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.