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JUL 17 2006

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE PETITION OF) DOCKET NO. EL06-011
MONTANA-DAKOTA UTILITIES CO.)
FOR APPROVAL TO PROVIDE ELECTRICAL)
SERVICE FOR THE NEW NORTH CENTRAL) AFFIDAVIT OF LARRY OSWALD
FARMERS ELEVATOR TO BE LOCATED)
NEAR BOWDLE, SOUTH DAKOTA,)

State of North Dakota)
County of Burleigh) ss

Larry Oswald, being first duly sworn, deposes and says that he is a Customer Energy Consultant for Montana-Dakota Utilities Co. and that he makes this affidavit for use in the above-entitled matter.

1. A meeting was held on March 17, 2006, regarding electric service with Keith Hainy, North Central Farmers Elevator Manager, in Ipswich, South Dakota. Bruce Brekke and I attended from MDU. Among other things, Bruce and I explained to Keith that MDU is committed to serving them at their Bowdle terminal and in order to assess the possibility of MDU providing service we would need to discuss the connected load and load profile. Bruce and I explained the process that would have to happen in order for MDU to provide service to the new plant. Keith seemed to be open to the idea and explained that he was entertaining rate offers from both MDU and FEM. Keith supplied billing data for a smaller plant located near Craven that he felt would be somewhat similar to the operation of the Bowdle plant. He also stated that they are planning to install a generator and would prefer an interruptible rate. Bruce and I left stating we would work on a rate offering and get back to him in 10 days or so.

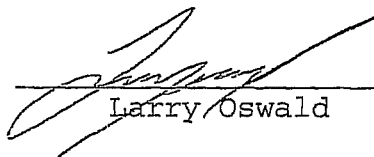
2. Another meeting was held with Keith Hainy on April 6, 2006. Among other things, we presented a proposed rate to him and discussed how this rate would impact plant operations if our projections were not on track. Keith believed that the kilowatt hour consumption estimate was high due to his belief that motors on

the plant were designed to do the same job as the Craven plant only in half the time. Keith indicated that FEM had a very similar estimate of kilowatt hours. Keith wanted us to rework the rate and get back to him. We again stated to him that MDU is committed to serve the new plant and would like his support. We also stated to him that we planned to proceed with our filing to serve the new plant even without their support because we believed MDU was in a better position to serve the plant because of proximity and reliability.

3. On April 11 Keith Hainy called me and indicated that he had decided to prefer FEM to serve the new plant. I again reiterated to Keith that MDU was committed to serve the new plant and that MDU was still planning the filing to serve the load.

Further affiant sayeth naught.

Dated this 14 day of July, 2006.


Larry Oswald

Subscribed and sworn to before me this 14 day of July, 2006.


Notary Public

(SEAL)

Notary Print Name: *Steven A. Fuller*
My Commission Expires:
12-21-2010

