

EL99-011

EL 99-011

 **MONTANA-DAKOTA**
UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

May 28, 1999

RECEIVED

JUN 01 1999

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Mr. William Bullard, Jr.
Executive Director
South Dakota Public Utilities Commission
State Capitol
500 East Capitol
Pierre, SD 57501-5070

Re: Updated Cogeneration Rates

Dear Mr. Bullard:

In accordance with South Dakota Codified Laws, Chapter 49-34A, Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith requests Commission approval to revise its Occasional Power Purchase Non-Time Differentiated Rate 95, Short-Term Power Purchase Time Differentiated Rate 96 and Long-Term Power Purchase Time Differentiated Rate 97. This filing is made in compliance with the Commission's Order No. F-3365 and in accordance with the Special Terms and Conditions of these tariffs which state that the rate schedules will be reviewed annually and revised upon the Commission's approval.

The methodology used in developing the proposed rates is identical to that used in developing the rates currently on file. The proposed energy payments for Rates 95, 96 and 97 were generated by Montana-Dakota's production costing model (ProSym) and reflect a test year of July 1999 through June 2000. The capacity payments are based on the Mid-Continent Area Power Pool purchase prices. Included as Attachment A is the data used to support the proposed energy payments and monthly capacity payments. Workpapers depicting the calculation of the proposed metering charges are provided in Attachment B and reflect updated meter costs and carrying charges.

Included herein is a second set of the affected tariffs on which Montana-Dakota has indicated the revisions requested by lining through the existing language which the Company proposes to delete and clearly highlighting the new language proposed. In accordance with the Administrative Rules of South Dakota (ARSD), 20:10:13:39(6), it is noted that the proposed rate changes will not affect any customers since no customers are presently served on any of Montana-Dakota's cogeneration or small power production

rates in South Dakota. Included as Attachment C is the South Dakota "Report of Tariff Schedule Change" form required pursuant to ARSD 20:10:13:26. In addition, included as Attachment D is the "Data Requirements" in accordance with the Commission's Order No. F-3563 which discloses certain information for miscellaneous filings.

The Company will comply with ARSD 20:10:13:18 by posting the Notice shown in Attachment E in a conspicuous place in each business office in its affected electric service territory in South Dakota for at least 30 days before the change becomes effective.

Please refer all inquiries regarding this filing to:


Donald R. Ball
Regulatory Affairs Manager
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

The original and ten (10) copies of this Letter of Transmittal and tariffs have been provided to the South Dakota Public Utilities Commission in accordance with ARSD 20:10:13:27.

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

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,



C. Wayne Fox
Vice President
Regulatory Affairs & General Services

Attachment

cc: D. Ball

OCCASIONAL POWER PURCHASE Rate 95
NON-TIME DIFFERENTIATED

AVAILABILITY:

To any qualifying cogeneration and small power production (COG/SPP) 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 as defined under 18 CFR, Part 292.

RATE:

Metering charge for single phase service	\$1.95 per month
Metering charge for three phase service	\$7.70 per month

Energy delivered to and accepted by Company by a qualifying facility shall be paid for by Company as follows:

1.516¢ per Kwh

(Energy delivered per month to Company is limited to 600 Kwh per month. Delivery in excess of this limit will not be compensated.)

ENERGY SALES TO SMALL QUALIFYING FACILITY:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, general service, etc.) that is currently on file with the Commission.

SPECIAL TERMS AND CONDITIONS:

1. The rates 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.

(Continued)

Date Filed: June 1, 1999

Effective Date: _____

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services

SHORT-TERM POWER PURCHASE Rate 96
TIME DIFFERENTIATED

AVAILABILITY:

To any qualifying cogeneration and small power production (COG/SPP) facilities for the purpose of generating short-term 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 as defined under 18 CFR, Part 292.

RATE:

Metering charge for single phase service \$ 6.10 per month
 Metering charge for three phase service \$14.20 per month

Energy delivered to and accepted by Company by a qualifying facility shall be paid for by Company as follows:

SUMMER - April 1 through September 30

ON-PEAK

OFF-PEAK

1.812¢ per Kwh

1.167¢ per Kwh

Summer Peak Periods: The On-Peak Period is defined as those hours between 7 a.m. and 11 p.m. Central Time, Monday through Friday in Central Time zones, and between 6 a.m. and 10 p.m. Mountain Time, Monday through Friday in Mountain Time zones. The Off-Peak Period is defined as all other hours.

WINTER - October 1 through March 31

ON-PEAK

OFF-PEAK

1.946¢ per Kwh

1.287¢ per Kwh

Winter Peak Periods: The On-Peak Period is defined as those hours between 8 a.m. and 10 p.m. Central Time, Monday through Friday in Central Time zones, and between 7 a.m. and 9 p.m. Mountain Time, Monday through Friday in Mountain Time zones. 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 Company's system operating characteristics.

(Continued)

Date Filed: June 1, 1999

Effective Date: _____

Issued By: C. Wayne Fox, Vice President
 Regulatory Affairs & General Services

**MONTANA-DAKOTA STATE OF SOUTH DAKOTA
UTILITIES CO. ELECTRIC RATE SCHEDULE**

2. DUNDY ST. MOUNTAIN POWER CO. INC.
1100 NORTH FORT ST.
SIOUX FALLS, SD 57101

SD P.U.C. Section No. 3
10th Revised Sheet No. 29.1
Cancelling 9th Revised Sheet No. 29.1

(Continued)

Page 2 of 3

SHORT-TERM POWER PURCHASE Rate 96
TIME DIFFERENTIATED

Monthly capacity payments will be made on the basis of actual avoidance of capacity during the months of January, June through September, and December. Such payments are to be based on the capacity cost of combustion turbine peaking generation.

Monthly capacity payment = \$6.00 per Kw

Monthly capacity payments will be made based on a monthly 85 percent on-peak period capacity factor for the months of January, June through September, and December. The capacity factor is the quotient of the average monthly on-peak period metered capacity (Kw) delivered to the Company during a month, divided by the maximum monthly on-peak metered capacity (Kw) delivered to the Company during a month. All referenced metered capacity readings refer to one hour measured demands (Kw). The monthly capacity payment applicable for the months of January, June through September, and December will be made based on the following formula:

$$MCP = \frac{MCP \text{ per Kw} \times MCF}{.85} \times \text{maximum monthly on-peak demand (Kw)}$$

where: MCP = Monthly Capacity Payment
MCF = Monthly On-Peak Period Capacity Factor

ENERGY SALES TO SMALL QUALIFYING FACILITY:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, general service, etc.) that is currently on file with the Commission.

SPECIAL TERMS AND CONDITIONS:

1. The rates 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.

(Continued)

Date Filed: June 1, 1999

Effective Date:

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services



LONG-TERM POWER PURCHASE Rate 97
TIME DIFFERENTIATED

AVAILABILITY:

To any qualifying cogeneration and small power production (COG/SPP) facilities for the purpose of generating long-term 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 as defined under 18 CFR, Part 292.

RATE:

Metering charge for single phase service	\$ 6.10 per month
Metering charge for three phase service	\$14.20 per month

Energy delivered to and accepted by Company by a qualifying facility shall be paid for by Company as follows:

SUMMER - April 1 through September 30

ON-PEAK

OFF-PEAK

1.812¢ per Kwh

1.167¢ per Kwh

Summer Peak Periods: The On-Peak Period is defined as those hours between 7 a.m. and 11 p.m. Central Time, Monday through Friday in Central Time zones, and between 6 a.m. and 10 p.m. Mountain Time, Monday through Friday in Mountain Time zones. The Off-Peak Period is defined as all other hours.

WINTER - October 1 through March 31

ON-PEAK

OFF-PEAK

1.946¢ per Kwh

1.287¢ per Kwh

Winter Peak Periods: The On-Peak Period is defined as those hours between 8 a.m. and 10 p.m. Central Time, Monday through Friday in Central Time zones, and between 7 a.m. and 9 p.m. Mountain Time, Monday through Friday in Mountain Time zones. 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 Company's system operating characteristics.

(Continued)

Date Filed: June 1, 1999

Effective Date: _____

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services



(Continued)

Page 2 of 3

LONG-TERM POWER PURCHASE Rate 97
TIME DIFFERENTIATED

Monthly capacity payments will be made on the basis of actual avoidance of capacity during the months of January, June through September, and December. Such payments are to be based on the capacity cost of base load generation.

Monthly capacity payment = \$15.34 per Kw

Monthly capacity payments will be made based on a monthly 85 percent on-peak period capacity factor for the months of January, June through September, and December. The capacity factor is the quotient of the average monthly on-peak period metered capacity (Kw) delivered to the Company during a month, divided by the maximum monthly on-peak metered capacity (Kw) delivered to the Company during a month. All referenced metered capacity readings refer to one hour measured demands (Kw). The monthly capacity payment applicable for the months of January, June through September, and December will be made based on the following formula:

$$MCP = \frac{MCP \text{ per Kw} \times MCF}{.85} \times \text{maximum monthly on-peak demand (Kw)}$$

where: MCP = Monthly Capacity Payment
 MCF = Monthly On-Peak Period Capacity Factor

ENERGY SALES TO SMALL QUALIFYING FACILITY:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, general service, etc.) that is currently on file with the Commission.

SPECIAL TERMS AND CONDITIONS:

1. The rates 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.

(Continued)

Date Filed: June 1, 1999

Effective Date: _____

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services

OCCASIONAL POWER PURCHASE Rate 95
NON-TIME DIFFERENTIATED

AVAILABILITY:

To any qualifying cogeneration and small power production (COG/SPP) 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 as defined under 18 CFR, Part 292.

RATE:

Metering charge for single phase service \$1.85 ~~\$1.95~~ per month
Metering charge for three phase service \$7.70 per month

Energy delivered to and accepted by Company by a qualifying facility shall be paid for by Company as follows:

~~1.231~~ ~~1.516~~ per Kwh

(Energy delivered per month to Company is limited to 600 Kwh per month. Delivery in excess of this limit will not be compensated.)

ENERGY SALES TO SMALL QUALIFYING FACILITY:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, general service, etc.) that is currently on file with the Commission.

SPECIAL TERMS AND CONDITIONS:

1. The rates 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.

(Continued)

Date Filed: _____

Effective Date: _____

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services

Cancelling _____

SHORT-TERM POWER PURCHASE Rate 96
TIME DIFFERENTIATED

AVAILABILITY:

To any qualifying cogeneration and small power production (COG/SPP) facilities for the purpose of generating short-term 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 as defined under 18 CFR, Part 292.

RATE:

Metering charge for single phase service \$ 6.10 per month
 Metering charge for three phase service ~~\$14.00~~ \$14.20 per month

Energy delivered to and accepted by Company by a qualifying facility shall be paid for by Company as follows:

SUMMER - April 1 through September 30

ON-PEAK

OFF-PEAK

~~1.359~~ ~~1.812~~¢ per Kwh

~~1.671~~ ~~1.167~~¢ per Kwh

Summer Peak Periods: The On-Peak Period is defined as those hours between 7 a.m. and 11 p.m. Central Time, Monday through Friday in Central Time zones, and between 6 a.m. and 10 p.m. Mountain Time, Monday through Friday in Mountain Time zones. The Off-Peak Period is defined as all other hours.

WINTER - October 1 through March 31

ON-PEAK

OFF-PEAK

~~1.410~~ ~~1.946~~¢ per Kwh

~~1.243~~ ~~1.217~~¢ per Kwh

Winter Peak Periods: The On-Peak Period is defined as those hours between 8 a.m. and 10 p.m. Central Time, Monday through Friday in Central Time zones, and between 7 a.m. and 9 p.m. Mountain Time, Monday through Friday in Mountain Time zones. 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 Company's system operating characteristics.

(Continued)

Date Filed: _____ Effective Date: _____

Issued By: C. Wayne Fox, Vice President -
 Regulatory Affairs & General Services

Cancelling _____

(Continued)

SHORT-TERM POWER PURCHASE Rate 96
TIME DIFFERENTIATED

Monthly capacity payments will be made on the basis of actual avoidance of capacity during the months of January, June through September, and December. Such payments are to be based on the capacity cost of combustion turbine peaking generation.

Monthly capacity payment = ~~\$3.66~~\$6.00 per Kw

Monthly capacity payments will be made based on a monthly 85 percent on-peak period capacity factor for the months of January, June through September, and December. The capacity factor is the quotient of the average monthly on-peak period metered capacity (Kw) delivered to the Company during a month, divided by the maximum monthly on-peak metered capacity (Kw) delivered to the Company during a month. All referenced metered capacity readings refer to one hour measured demands (Kw). The monthly capacity payment applicable for the months of January, June through September, and December will be made based on the following formula:

$$MCP = \frac{MCP \text{ per Kw} \times MCF}{.85} \times \text{maximum monthly on-peak demand (Kw)}$$

where: MCP = Monthly Capacity Payment
MCF = Monthly On-Peak Period Capacity Factor

ENERGY SALES TO SMALL QUALIFYING FACILITY:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, general service, etc.) that is currently on file with the Commission.

SPECIAL TERMS AND CONDITIONS:

1. The rates 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.

(Continued)

Date Filed: _____ Effective Date: _____

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services

LONG-TERM POWER PURCHASE Rate 97
TIME DIFFERENTIATED

AVAILABILITY:

To any qualifying cogeneration and small power production (COG/SPP) facilities for the purpose of generating long-term 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 as defined under 18 CFR, Part 292.

RATE:

Metering charge for single phase service \$ 6.10 per month
 Metering charge for three phase service ~~\$14.00~~ \$14.20 per month

Energy delivered to and accepted by Company by a qualifying facility shall be paid for by Company as follows:

SUMMER - April 1 through September 30

ON-PEAK

OFF-PEAK

~~1.359~~ ~~1.812~~ per Kwh

~~1.071~~ ~~1.167~~ per Kwh

Summer Peak Periods: The On-Peak Period is defined as those hours between 7 a.m. and 11 p.m. Central Time, Monday through Friday in Central Time zones, and between 6 a.m. and 10 p.m. Mountain Time, Monday through Friday in Mountain Time zones. The Off-Peak Period is defined as all other hours.

WINTER - October 1 through March 31

ON-PEAK

OFF-PEAK

~~1.419~~ ~~1.906~~ per Kwh

~~1.143~~ ~~1.207~~ per Kwh

Winter Peak Periods: The On-Peak Period is defined as those hours between 8 a.m. and 10 p.m. Central Time, Monday through Friday in Central Time zones, and between 7 a.m. and 9 p.m. Mountain Time, Monday through Friday in Mountain Time zones. 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 Company's system operating characteristics.

(Continued)

Date Filed: _____

Effective Date: _____

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services

(Continued)

Page 2 of 3

LONG-TERM POWER PURCHASE Rate 97
TIME DIFFERENTIATED

Monthly capacity payments will be made on the basis of actual avoidance of capacity during the months of January, June through September, and December. Such payments are to be based on the capacity cost of base load generation.

Monthly capacity payment = ~~\$17.84~~\$15.34 per Kw

Monthly capacity payments will be made based on a monthly 85 percent on-peak period capacity factor for the months of January, June through September, and December. The capacity factor is the quotient of the average monthly on-peak period metered capacity (Kw) delivered to the Company during a month, divided by the maximum monthly on-peak metered capacity (Kw) delivered to the Company during a month. All referenced metered capacity readings refer to one hour measured demands (Kw). The monthly capacity payment applicable for the months of January, June through September, and December will be made based on the following formula:

$$MCP = \frac{MCP \text{ per Kw} \times MCF}{.85} \times \text{maximum monthly on-peak demand (Kw)}$$

where: MCP = Monthly Capacity Payment

MCF = Monthly On-Peak Period Capacity Factor

ENERGY SALES TO SMALL QUALIFYING FACILITY:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, general service, etc.) that is currently on file with the Commission.

SPECIAL TERMS AND CONDITIONS:

1. The rates 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.

(Continued)

Date Filed: _____

Effective Date: _____

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services

South Dakota Lambda 1999

Month		Lambda		Total \$/MWh
		On-Peak \$/MWh	Off-Peak \$/MWh	
July	1999	17.80	11.70	14.59
Aug.	1999	19.10	11.27	14.98
Sep	1999	16.50	11.65	14.02
Oct.	1999	18.10	11.89	14.35
Nov.	1999	19.17	12.58	15.40
Dec.	1999	18.09	12.71	15.04
Jan.	2000	20.12	13.40	16.05
Feb.	2000	20.70	13.73	16.67
Mar.	2000	20.59	12.91	16.23
Apr.	2000	20.08	12.47	15.85
May	2000	16.22	10.82	13.49
June	2000	19.04	12.11	15.24
Average		18.79	12.27	15.16
Summer		18.12	11.67	14.70
Winter		19.46	12.87	15.62
Rate 96	Monthly Capacity Payments \$6.00/kW-Month (Estimate for MAPP Schedule J)			
Rate 97	Monthly Capacity Payments \$15.34/kW-Month (MAPP Schedule B)			

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
CALCULATION OF METERING CHARGES
RATE 95
JUNE 1999**

Metering Charge for Single Phase Service

Estimated Cost of a Single Phase Meter Including Installation and Testing	\$119.00
Annual Carrying Cost Rate for Capital	<u>13.251%</u>
Annual Carrying Cost Per Meter	\$15.77
Annual O&M Expense Per Single Phase Meter (\$0.64*12)	<u>7.68</u>
Total Annual Cost of Meter	<u>\$23.45</u>
Monthly Customer Charge	<u>\$1.95</u>

Metering Charge for Three Phase Service

Estimated Cost of a Three Phase Meter Including Installation and Testing	\$565.00
Annual Carrying Cost Rate for Capital	<u>13.251%</u>
Annual Carrying Cost Per Meter	\$74.87
Annual O&M Expense Per Three Phase Meter (\$1.45*12)	<u>17.52</u>
Total Annual Cost of Meter	<u>\$92.39</u>
Monthly Customer Charge	<u>\$7.70</u>

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - SOUTH DAKOTA
CALCULATION OF METERING CHARGES
RATE 96
JUNE 1999**

Metering Charge for Single Phase Service

Estimated Cost of a Single Phase TOD Demand Meter Including Installation and Testing	\$329.00
Annual Carrying Cost Rate for Capital 1/	<u>15.251%</u>
Annual Carrying Cost Per Meter	\$50.18
Annual O&M Expense Per Single Phase TOD Meter ($\$0.64 \times 12 \times 3$) 2/	<u>23.04</u>
Total Annual Cost of Meter	<u>\$73.22</u>
Monthly Customer Charge	<u>\$6.10</u>

Metering Charge for Three Phase Service

Estimated Cost of a Three Phase TOD Demand Meter Including Installation and Testing	\$772.00
Annual Carrying Cost Rate for Capital 1/	<u>15.251%</u>
Annual Carrying Cost Per Meter	\$117.74
Annual O&M Expense Per Three Phase TOD Meter ($\$1.46 \times 12 \times 3$) 2/	<u>52.56</u>
Total Annual Cost of Meter	<u>\$170.30</u>
Monthly Customer Charge	<u>\$14.19</u>

- 1/ Per Malcolm R. Ketchum's testimony (Appendices C and D), for an EPRI rate design study, topic 5, task force 5, it was indicated that the annual carrying cost for an electric TOD meter is 3% higher than a conventional meter. We used 2%.
- 2/ Per Malcolm R. Ketchum's testimony (Appendices C and D), for an EPRI rate design study, topic 5, task force 5, it was indicated that the O&M for an electric TOD meter will be three times greater than a conventional meter.

Report of Tariff Schedule Change

NAME OF UTILITY: Montana-Dakota Utilities Co.
 ADDRESS: 400 North Fourth Street
 Bismarck, ND 58501

Section No.	Class of Service	New Sheet No.
3	Occasional Power Purchase Rate 95	28
3	Short-Term Power Purchase Rate 96	29 - 29.1
3	Long-Term Power Purchase Rate 97	30 - 30.1

Change: Rates
 (State part of tariff schedule affected by change, such as: Applicability, availability, rates, etc.)

Reason for Change: Reflect updated metering costs and avoided energy costs

Present Rates
 Proposed Rates
 Approximate annual reduction in revenue N/A
 Approximate annual increase in revenue N/A

Points Affected	Estimated Number of Customers Whose Cost of Service will be:					
	Reduced		Increased		Unchanged	
	# of Customers	Amount in \$	# of Customers	Amount in \$	# of Customers	Amount in \$
All	N/A	N/A	N/A	N/A	N/A	N/A

Include Statement of Facts, expert opinions, documents and exhibits supporting the change requested

Received: _____

Montana-Dakota Utilities Co.
 (Reporting Utility)

By: _____
 Executive Director
 South Dakota
 Public Utilities Commission

By: C. Wayne Fox, Vice President
 Regulatory Affairs & General Services
 (Name and Title)

DATA REQUIREMENTS
PURSUANT TO DOCKET NO. F-3563

1. Background

The currently effective Rates 95, 96 and 97 were filed on June 1, 1998, and were approved by the Commission on July 9, 1998. The energy payments currently on file for these rates were generated by Montana-Dakota's production costing model (ProSym) for the 12 months ending June 30, 1999. The capacity payments in effect for Rates 96 and 97 are based on the Mid-Continent Area Power Pool (MAPPP) purchase prices under which Montana-Dakota may purchase capacity in six-month increments which themselves are based on combustion turbine and base load generation costs. The current monthly capacity payment for Rate 95 reflects a MAPPP Schedule J purchase price. The current monthly capacity payment for Rate 97 reflects a MAPPP Schedule B purchase price. In addition, in accordance with the Commission's Decision and Order (F-3365), the currently effective rate schedules reflect the fact that no capacity payments will be made until capacity can actually be shown to be avoided.

After reviewing the metering charges and energy and capacity payments currently on file for Rates 95, 96 and 97, Montana-Dakota believes that these rate schedules need to be updated to reflect the projected metering costs and the avoided energy and capacity costs for the test year of July 1, 1999 through June 30, 2000. The methodology used in developing the proposed rates is identical to that used in developing the currently effective rates. The meter charges filed reflect updated meter costs and carrying charges.

2. Explanation

A. The proposed rate changes affect all classes of cogeneration and small power production service; however, there are no customers presently on any of Montana-Dakota's cogeneration or small power production rates in South Dakota.

B. The proposed tariff sheets are:

Section No. 3, 16th Revised Sheet No. 28
Occasional Power Purchase Non-Time Differentiated Rate 95

Section No. 3, 16th Revised Sheet No. 29 and 10th Revised Sheet No. 29.1
Short-Term Power Purchase Time Differentiated Rate 96

Section No. 3, 16th Revised Sheet No. 30 and 12th Revised Sheet No. 30.1
Long-Term Power Purchase Time Differentiated Rate 97

- C. The proposed rate changes apply to cogeneration and small power production services with a design capacity of 100 Kw or less, that are Qualifying Facilities as defined under 18 CFR, Part 292.
- D. The affected tariffs are applicable to all areas served by Montana-Dakota Utilities Co. in South Dakota.
- E. There are no additional special conditions, limitations, qualifications or restrictions upon the proposed tariffs.

3. Financial Impact

Not applicable since no customers are presently served on Rates 95, 96 or 97.

4. Precedential Effect

None.

**On June 1, 1999 Montana-Dakota Utilities Co.,
a Division of MDU Resources Group, Inc., filed
with the South Dakota Public Utilities
Commission revised Rates 95, 96, & 97 which
affect Montana-Dakota Utilities Co.'s
Cogeneration electric customers in South Dakota.
The revised rates and South Dakota rules and
regulations are available in this office for
inspection. Please inquire at the cashier's desk.**

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of May 27, 1999 through June 2, 1999

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact
Delaine Kolbo within five business days of this filing.
Phone: 605-773-3705 Fax: 605-773-3809

CONSUMER COMPLAINT

CT99-005 In the Matter of the Complaint filed by Nancy Manning and Elizabeth Frederick, Rapid City, South Dakota, against U S WEST Communications, Inc. and McLeodUSA Telecommunications Services, Inc. Regarding the Inability to Provide Service

On May 27, 1999, the Commission received a complaint from Nancy Manning and Elizabeth Frederick, Rapid City, South Dakota, against U S West Communications, Inc. and McLeodUSA Telecommunications Services, Inc. regarding the inability to provide service. The complainants are asking for immediate phone service, reimbursement for expenses, reimbursement for loss of business, an independent contractor allowed to enter USWC, and an explanation concerning discriminatory treatment.

Consumer Affairs: Leni Healy
Legal Intern: Jeff Koerselman
Date Filed: 05/27/99

ELECTRIC

~~EL99-017~~ In the Matter of the Filing by Montana-Dakota Utilities Co. for Approval of Revised Power Purchase Tariffs Rates 95, 96 and 97

Application by Montana-Dakota Utilities Company to revise power purchase rate schedules 95, 96 and 97 in compliance with the Commission's Order in Docket F-3365 which dictated annual review and if necessary, revision of these rates based on updated information. The rates filed apply to the purchase of power from cogeneration or small power production facilities of customers. No customers are currently served by these rates in South Dakota.

Staff Analyst: Dave Jacobson
Staff Attorney: Camron Hoseck
Date Filed: 06/01/99
Intervention Deadline: NA

GAS AND ELECTRIC

GE99-004 In the Matter of the Filing by Northwestern Public Service for Approval of Revised Customer Information Handbook

On June 1, 1999, Northwestern Public Service filed a docket requesting review and approval pursuant to Administrative Rule 20:10:16:02 for their new Customer Handbook.

Staff Analyst: Michele Farris
Staff Attorney: Karen Cremer
Date Filed: 06/01/99
Intervention Date: 06/18/99

NATURAL GAS

NG99-002 In the Matter of the Application of Northwestern Public Service for Authority to Increase Rates for Natural Gas Service

On June 1, 1999, the Commission received an application from NorthWestern Public Service, a division of Northwestern Corporation, for an increase in rates for natural gas service in South Dakota. The Company has requested that the proposed increase of \$2,108,112 or approximately 6.3% become effective July 1, 1999.

Staff Analyst: Bob Knadle
Staff Attorney: Karen Cremer
Date Filed: 06/01/99
Intervention Deadline: To be determined by Commission Order

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You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc/>**

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE FILING BY) ORDER APPROVING TARIFF
MONTANA-DAKOTA UTILITIES CO. FOR) REVISIONS
APPROVAL OF REVISED POWER PURCHASE)
TARIFFS RATES 95, 96 AND 97) EL99-011

On June 1, 1999, Montana-Dakota Utilities Co. (Montana-Dakota), filed with the Public Utilities Commission (Commission) proposed revisions to its cogeneration tariffs, specifically its Occasional Power Purchase Non-Time Differentiated Rate 95, Short-Term Power Purchase Time Differentiated Rate 96, and Long-Term Power Purchase Time Differentiated Rate 97:

Section No. 3, 16th Revised Sheet No. 28, cancelling 15th Revised Sheet No. 28

Section No. 3, 16th Revised Sheet No. 29, cancelling 15th Revised Sheet No. 29

Section No. 3, 10th Revised Sheet No. 29.1, cancelling 9th Revised Sheet No. 29.1

Section No. 3, 16th Revised Sheet No. 30, cancelling 15th Revised Sheet No. 30

Section No. 3, 12th Revised Sheet No. 30.1, cancelling 11th Revised Sheet No. 30.1

At a regularly scheduled meeting of June 22, 1999, the Commission considered approval of the application. Commission Staff recommended approval.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, and 49-34A-12. Further, the rates are just and reasonable and shall be approved. As the Commission's final decision in this matter, it is therefore

ORDERED, that Montana-Dakota's revised tariffs as described above are approved, and shall be effective for service rendered on and after the date of this order.

Dated at Pierre, South Dakota, this 25th day of June, 1999.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By: <u><i>Delaine Kalls</i></u>	
Date: <u>6/25/99</u>	
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

August 9, 1999

RECEIVED

AUG 11 1999

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Mr. William Bullard, Jr.
South Dakota Public Utilities
Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501

Re: Tariffs Reflecting Effective Dates
Docket Nos.:
NG98-012
~~EL99-011~~
NG99-001

Dear Mr. Bullard:

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith submits the following tariffs sheets reflecting the effective date(s) pursuant to the Commission's Orders approving the rates in the above referenced Dockets:

- Docket No. NG98-012: Section No. 3, 2nd Revised Sheet Nos. 5-5.1 effective May 5, 1999.
- Docket No. NG99-001: Section 5, 1st Revised Sheet Nos. 20-20.3 and Original Sheet No. 20.4 effective June 25, 1999.
- Docket No. EL99-011: Section No. 3, 16th Revised Sheet Nos. 28-29; 10th Revised Sheet No. 29.1; 16th Revised Sheet No. 30 and 12th Revised Sheet No. 30.1 effective June 25, 1999.

The original and ten (10) copies of this letter and tariff have been provided to the South Dakota Public Utilities Commission.

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. Aberis

Tamie A. Aberis
Pricing and Tariff Manager

Attachments

ELLSWORTH AIR FORCE BASE Rate 54

AVAILABILITY:

Service under this rate schedule is available to the Ellsworth Air Force Base (EAFB).

RATE:

Base Rate Per Meter: \$95.00 per month

Interruptible Sales

Commodity Charge: \$1.867 per dk

MINIMUM BILL:

Base Rate.

PAYMENT:

Billed amounts 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 100, 5V.11, or any amendments or alterations thereto.

COST OF PURCHASED GAS ADJUSTMENT:

Bills are subject to an adjustment for cost of purchased gas as provided in Rate 88 or any amendments or alterations thereto.

GAS DELIVERY MANAGEMENT FEE:

In addition to the Commodity Charge set forth above, all volumes of natural gas delivered under this rate schedule shall be subject to a Gas Delivery Management Fee. The charge per dk is a negotiable fee subject to approval by the South Dakota Public Utilities Commission.

GENERAL TERMS AND CONDITIONS:

1. **PRIORITY OF SERVICE** - Deliveries of gas under this schedule shall be subject at all times to the prior demands of customers served on the Company's firm general gas service rates, and the Company shall have the right to interrupt deliveries to customers under this schedule without being required to give previous notice of intention to so

Date Filed: April 13, 1999

Effective Date: Bills Rendered on or after May 5, 1999

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services

NG98-012



(Continued)

Page 2 of 2

ELLSWORTH AIR FORCE BASE Rate 64

interrupt whenever, in Company's sole judgment, it may be necessary to do so to protect the interest of its customers whose capacity requirements are otherwise and hereby given preference. The priority of service and allocation of capacity shall be accomplished in accordance with the Provisions of Rate 100, \$V.10.

2. PENALTY FOR FAILURE TO CURTAIL OR INTERRUPT - If customer fails to curtail or interrupt their use of gas hereunder when requested to do so by the Company, any gas taken shall be billed at the firm sales commodity charge rate set forth above, plus either an amount equal to any penalty payments or overrun charges the Company is required to make to its interconnecting pipeline(s) under the terms of its contract(s) as a result of such failure to curtail or interrupt, or \$10.00 per dk of gas used in excess of the volume of gas to which customer was requested to curtail or interrupt, whichever amount is greater. The Company, in its discretion, may shut off customer's supply of gas in the event of customer's failure to curtail or interrupt use of gas when requested to do so by the Company.
3. CONTRACT - Terms of service other than the rate shall be as specified in contracts between SAFB and the Company.
4. RULES - The foregoing schedule is subject to Rates 100 through 134 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed: April 13, 1999

Effective Date: Bills Rendered on or after May 5, 1999

Issued By: C. Wayne Fox, Vice President -

Regulatory Affairs & General Services

FIRM GAS SERVICE EXTENSION POLICY Rate 120

The policy of Montana-Dakota Utilities Co. for gas extensions necessary to provide firm sales or firm transportation service to customers is as follows:

A. General Rules and Regulations Applicable to all Firm Service Extensions

1. An extension will be constructed without a contribution if the estimated capital expenditure is cost justified as defined in paragraph A.3.
2. The Company may require customer or developer cost participation if the estimated capital expenditure is not cost justified.
3. The extension will be considered cost justified if the calculated maximum allowable investment equals or exceeds the estimated capital expenditure using the following formula:

Maximum Allowable Investment=

$$\frac{\text{Annual Customer Charge} + (\text{Project Estimated 3rd Year Annual Dk} \times \text{Unit Margin})}{\text{Levelized Annual Revenue Requirement Factor}}$$

4. Cost of the extension shall include, if applicable, the gas main extension(s), valves, tap setting and associated equipment, barricade, service stub(s), any required payments made by the Company to the transmission pipeline company to accommodate the extension(s), and other costs excluding the distribution meter and regulator.

The service stub is that portion of the gas service extending from the main to the private property line or easement boundary.

The service line is that portion of the gas service extending from the service stub to the connection at the house regulator and/or meter. Service lines are installed at customer's expense and are owned by and shall be maintained at customer's expense except for those customers served under General Services Rate 66.

For those customers served under General Services Rate 66, the service line will be treated in accordance with Rate 125.

5. Where cost participation is required, such extension is subject to execution of the Company's standard agreement for extensions by the customer or the developer and Company.
6. A refund will be made only when there is a reduction in the amount of contribution required within a five-year period from the extension(s) in service date. Interest will be calculated annually by the Company on any refund amounts and shall be equal to the average commercial paper interest rate (A1/P1), not to exceed 12 percent per annum.

No refund shall be made by Company after the five-year refund period and in no case shall the refund excluding interest, exceed the amount of the contribution.

Date Filed: February 1, 1999

Effective Date: Service Rendered on or after June 25, 1999

Docket No.
NG99-001

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services

FIRM GAS SERVICE EXTENSION POLICY Rate 120

B. Customer Extensions

Cost participation for extensions where customers will be immediately available for service is as follows:

1. Contribution -

- a. When a contribution is required, the customer(s) shall pay the Company the portion of the capital expenditure not cost justified as determined in accordance with paragraph A.3.
- b. The contribution shall be made by:
 - i. A one-time payment prior to construction, or
 - ii. Payment of 25% of the contribution prior to construction and the balance in no more than twenty-four equal monthly installments. If customer discontinues service within the twenty-four month period, the balance will be due and payable upon discontinuance of service, or
 - iii. Customer may post a bond, irrevocable letter of credit, or a written guarantee commitment in the amount of the required contribution prior to construction. Such bond, issued by a bonding company authorized to do business in the state, letter of credit, or written guarantee commitment, shall be effective for the original five-year term and is subject to approval and acceptance by the Company. If at the end of the original five-year term, a contribution requirement exists in the subject project based on a recalculated maximum expenditure, the surety or guarantor shall reimburse the Company for such recalculated contribution requirement, or
 - iv. Customer, upon approval by Company, may finance the amount of the required contribution subject to the following conditions: 1) maximum contribution to be financed shall be determined by the Company at its sole discretion, 2) maximum term shall be five years, 3) interest will be charged at the Company's incremental weighted cost of capital.
- c. Upon completion of construction, the contribution amount will be adjusted to reflect actual costs, and an additional charge may be levied or a refund may be made.
- d. If within the five-year period from the extension(s) in service date, the number of active customers and related volume exceeds the third-year projections, the Company shall recompute the contribution requirement by recalculating the maximum allowable investment.

Date Filed: February 1, 1999

Effective Date: Service Rendered on or after June 25, 1999

Docket No.
NG99-001

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services



FIRM GAS SERVICE EXTENSION POLICY Rate 120

B. Customer Extensions (Cont.)

1. e. The recalculated contribution requirement shall be collected from the new applicant(s).
2. Refund -
 - a. The Company will refund to the original contributor(s) the amount required to reduce their contribution to the recalculated contribution requirement. No refunds will be made for amounts less than \$25. Customers who have posted a bond, letter of credit, or written guarantee commitment will be notified of any reduction in surety or guarantee requirements.
 - b. No refunds will be made until the new applicants begin taking service from the Company.
 - c. If the addition of new customers will increase the contribution required from existing customer(s), the extension will be considered a new extension and treated separately.
3. Incremental Expansion Surcharge -
 - a. The Company, in its sole discretion, may offer an Incremental Expansion Surcharge (Surcharge) to groups of customers requesting service totaling 10 or more when the total estimated cost would otherwise have been prohibitive under the Company's present rates and gas service extension policy. The contribution requirement to be collected under the Surcharge shall be the amount of the capital expenditure in excess of the Maximum Allowable Investment determined in accordance with A.3.
 - i. A minimum up-front payment of \$100.00 will be collected from each customer who signs an agreement to participate in the expansion.
 - ii. For projects that are expected to be recovered within a 5-year period, the Surcharge shall be set at a fixed monthly charge of \$5.00 per month plus \$1.50 per dk.
 - iii. For projects that are not expected to be recovered within a 5-year period, the Surcharge shall be set at a fixed monthly charge of \$5.00 per month plus a commodity charge designed to provide recovery of the contribution requirement.
 - b. The Surcharge shall remain in effect until the net present value of the contribution requirement, calculated using a discount rate equal to the overall rate of return authorized in the last rate case, is collected.

Date Filed: February 1, 1999

Effective Date: Service Rendered on or after June 25, 1999

Docket No.
 NG99-001

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services



FIRM GAS SERVICE EXTENSION POLICY Rate 120

B. Customer Extensions (Cont.)

- 3. c. The Surcharge shall apply to all customers connecting to natural gas service within the expansion area until the contribution requirement is satisfied.
- d. The net present value of the Surcharge will be treated as a contribution-in-aid of construction for accounting purposes.

C. Developer Extensions

Cost participation may be required for extensions such as a subdivision or mobile home court, in which a developer is installing roads, utilities, etc., before housing is built.

1. Contribution -

- a. When a contribution is required, the developer shall pay the Company the portion of the capital expenditure not cost justified as determined in accordance with paragraph A.3.
- b. The contribution shall be made by:
 - i. A one-time payment prior to construction, or
 - ii. Developer may post a bond, irrevocable letter of credit, or a written guarantee commitment in the amount of the required contribution prior to construction. Such bond, issued by a bonding company authorized to do business in the state, letter of credit, or a written guarantee commitment, shall be effective for the original five-year term and is subject to approval and acceptance by the Company. If at the end of the original five-year term, a contribution requirement exists in the subject project based on a recalculated maximum expenditure, the surety shall reimburse the Company for such recalculated contribution requirement, or
 - iii. Customer, upon approval by Company, may finance the amount of the required contribution subject to the following conditions: 1) maximum contribution to be financed shall be determined by the Company at its sole discretion, 2) maximum term shall be five years, 3) interest will be charged at the Company's incremental weighted cost of capital.
- c. Upon completion of construction, the contribution amount will be adjusted to reflect actual costs, and an additional charge may be levied or a refund may be made.

Date Filed: February 1, 1999

Effective Date Service Rendered on or after June 25, 1999

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 NG99-001

Issued By: C. Wayne Fox, Vice President
 Regulatory Affairs & General Services

FIRM GAS SERVICE EXTENSION POLICY Rate 120

C. Developer Extensions (Cont.)

2. Refund -

- a. If within the five-year period from the extension(s) in service date, the number of active customers and related volumes exceeds the third-year projections, the Company shall recompute the contribution requirement by recalculating the maximum allowable investment. Such recalculation shall be done annually based upon the anniversary of the extension(s) in service date.
- b. The Company will refund to the developer the amount required to reduce their contribution to the recalculated contribution requirement. No refunds will be made for amounts less than \$25. Developers who have posted a bond, letter of credit, or written guarantee commitment will be notified of any reduction in surety or guaranty requirements.
- c. If the addition of new customer(s) will increase the contribution required from the developer, the extension will be considered a new extension and treated separately.

Date Filed: February 1, 1992

Effective Date Service Rendered on or after June 25, 1990

Docket No.
NG99-001

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services

OCCASIONAL POWER PURCHASE Rate 95
NON-TIME DIFFERENTIATED

AVAILABILITY:

To any qualifying cogeneration and small power production (COG/SPP) 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 as defined under 18 CFR, Part 292.

RATE:

Metering charge for single phase service \$1.95 per month
Metering charge for three phase service \$7.70 per month

Energy delivered to and accepted by Company by a qualifying facility shall be paid for by Company as follows:

1.516¢ per Kwh

(Energy delivered per month to Company is limited to 600 Kwh per month. Delivery in excess of this limit will not be compensated.)

ENERGY SALES TO SMALL QUALIFYING FACILITY:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, general service, etc.) that is currently on file with the Commission.

SPECIAL TERMS AND CONDITIONS:

1. The rates 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.

(Continued)

Date Filed: June 1, 1999

Effective Date: Bills rendered on or after
June 25, 1999

Docket No.
EL99-011

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services

SHORT-TERM POWER PURCHASE Rate 96
TIME DIFFERENTIATED

AVAILABILITY:

To any qualifying cogeneration and small power production (COG/SPP) facilities for the purpose of generating short-term 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 as defined under 18 CFR, Part 292.

RATE:

Metering charge for single phase service \$ 6.10 per month
 Metering charge for three phase service \$14.20 per month

Energy delivered to and accepted by Company by a qualifying facility shall be paid for by Company as follows:

SUMMER - April 1 through September 30

ON-PEAK

OFF-PEAK

1.812¢ per Kwh

1.167¢ per Kwh

Summer Peak Periods: The On-Peak Period is defined as those hours between 7 a.m. and 11 p.m. Central Time, Monday through Friday in Central Time zones, and between 6 a.m. and 10 p.m. Mountain Time, Monday through Friday in Mountain Time zones. The Off-Peak Period is defined as all other hours.

WINTER - October 1 through March 31

ON-PEAK

OFF-PEAK

1.946¢ per Kwh

1.287¢ per Kwh

Winter Peak Periods: The On-Peak Period is defined as those hours between 8 a.m. and 10 p.m. Central Time, Monday through Friday in Central Time zones, and between 7 a.m. and 9 p.m. Mountain Time, Monday through Friday in Mountain Time zones. 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 Company's system operating characteristics.

(Continued)

Date Filed: June 1, 1999

Effective Date: Bills rendered on or after
June 25, 1999

Docket No.
 EL99-011

Issued By: C. Wynne Fox, Vice President -
Regulatory Affairs & General Services



(Continued)

Page 2 of 3

SHORT-TERM POWER PURCHASE Rate 96
TIME DIFFERENTIATED

Monthly capacity payments will be made on the basis of actual avoidance of capacity during the months of January, June through September, and December. Such payments are to be based on the capacity cost of combustion turbine peaking generation.

Monthly capacity payment = \$6.00 per Kw

Monthly capacity payments will be made based on a monthly 85 percent on-peak period capacity factor for the months of January, June through September, and December. The capacity factor is the quotient of the average monthly on-peak period metered capacity (Kw) delivered to the Company during a month, divided by the maximum monthly on-peak metered capacity (Kw) delivered to the Company during a month. All referenced metered capacity readings refer to one hour measured demands (Kw). The monthly capacity payment applicable for the months of January, June through September, and December will be made based on the following formula:

$$\text{MCP} = \frac{\text{MCP per Kw} \times \text{MCF}}{.85} \times \text{maximum monthly on-peak demand (Kw)}$$

where: MCP = Monthly Capacity Payment
 MCF = Monthly On-Peak Period Capacity Factor

ENERGY SALES TO SMALL QUALIFYING FACILITY:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, general service, etc.) that is currently on file with the Commission.

SPECIAL TERMS AND CONDITIONS:

1. The rates 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.

(Continued)

Date Filed: June 1, 1999

Effective Date: Bills rendered on or after
June 25, 1999

Docket No.
 EL99-011

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services

LONG-TERM POWER PURCHASE Rate 97
TIME DIFFERENTIATED

AVAILABILITY:

To any qualifying cogeneration and small power production (COG/SPP) facilities for the purpose of generating long-term 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 as defined under 18 CFR, Part 292.

RATE:

Metering charge for single phase service \$ 6.10 per month
Metering charge for three phase service \$14.20 per month

Energy delivered to and accepted by Company by a qualifying facility shall be paid for by Company as follows:

SUMMER - April 1 through September 30

ON-PEAK

OFF-PEAK

1.812¢ per Kwh

1.167¢ per Kwh

Summer Peak Periods: The On-Peak Period is defined as those hours between 7 a.m. and 11 p.m. Central Time, Monday through Friday in Central Time zones, and between 6 a.m. and 10 p.m. Mountain Time, Monday through Friday in Mountain Time zones. The Off-Peak Period is defined as all other hours.

WINTER - October 1 through March 31

ON-PEAK

OFF-PEAK

1.946¢ per Kwh

1.287¢ per Kwh

Winter Peak Periods: The On-Peak Period is defined as those hours between 8 a.m. and 10 p.m. Central Time, Monday through Friday in Central Time zones, and between 7 a.m. and 9 p.m. Mountain Time, Monday through Friday in Mountain Time zones. 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 Company's system operating characteristics.

(Continued)

Date Filed: June 1, 1999

Effective Date: Bills rendered on or after
June 25, 1999

Docket No.
EL99-011

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services



(Continued)

Page 2 of 3

LONG-TERM POWER PURCHASE Rate 97
TIME DIFFERENTIATED

Monthly capacity payments will be made on the basis of actual avoidance of capacity during the months of January, June through September, and December. Such payments are to be based on the capacity cost of base load generation.

Monthly capacity payment = \$15.34 per Kw

Monthly capacity payments will be made based on a monthly 85 percent on-peak period capacity factor for the months of January, June through September, and December. The capacity factor is the quotient of the average monthly on-peak period metered capacity (Kw) delivered to the Company during a month, divided by the maximum monthly on-peak metered capacity (Kw) delivered to the Company during a month. All referenced metered capacity readings refer to one hour measured demands (Kw). The monthly capacity payment applicable for the months of January, June through September, and December will be made based on the following formula:

$$MCP = \frac{MCP \text{ per Kw} \times MCF}{.85} \times \text{maximum monthly on-peak demand (Kw)}$$

where: MCP = Monthly Capacity Payment
MCF = Monthly On-Peak Period Capacity Factor

ENERGY SALES TO SMALL QUALIFYING FACILITY:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, general service, etc.) that is currently on file with the Commission.

SPECIAL TERMS AND CONDITIONS:

1. The rates 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.

(Continued)

Date Filed: June 1, 1999

Effective Date: Bills rendered on or after June 25, 1999

Docket No.
EL99-011

Issued By: C. Wayne Fox, Vice President -
Regulatory Affairs & General Services