



# MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

# ORIGINAL

March 1, 2005

RECEIVED

MAR 02 2005

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Pam Bonrud  
Executive Director  
South Dakota Public Utilities Commission  
500 East Capitol Avenue  
Pierre, SD 57501

Re: Docket No. EL04-016

Dear Ms. Bonrud:

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith submits revised pages 1 and 6 of Mr. Edward Kee's Exhibit EDK-3, filed with Montana-Dakota's direct testimony in this Docket, to correct several clerical entry errors.

Included herein is a second set of the affected Exhibit EDK-3 pages on which the revisions have been highlighted.

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,

Donald R. Ball  
Assistant Vice President  
Regulatory Affairs

cc: Service list

Montana-Dakota Utilities Co.  
Docket No. EL04-016  
Service List

Pam Bonrud (Original plus 10 copies)  
Executive Secretary  
SD Public Utilities Commission  
500 East Capitol Avenue  
Pierre, SD 57501

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Public Utilities Commission  
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Karen Cremer  
Staff Attorney  
Public Utilities Commission  
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Pierre, SD 57501

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Christopher Clark  
Assistant General Counsel  
Northern States Power Company  
800 Nicollet Mall, Suite 3000  
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Washington, DC 20006

Jim Heidell  
PA Consulting Group  
390 Interlocken Crescent, Suite 400  
Broomfield, CO 80021

## Exhibit No. EDK-3 (corrected on March 1, 2005)

## Avoidable capacity cost

## Summary

Period	Year	Annual Avoidable Capacity Cost (\$/kW/year)
1	2006	\$0.00
2	2007	\$68.87
2	2008	\$70.35
2	2009	\$71.86
2	2010	\$73.41
3 <sup>1</sup>	2011	\$142.92
3	2012	\$263.86
3	2013	\$263.86
3	2014	\$263.86
3	2015	\$263.86
3	2016	\$263.86
3	2017	\$263.86
3	2018	\$263.86
3	2019	\$263.86
3	2020	\$263.86
3	2021	\$263.86
3	2022	\$263.86
3	2023	\$263.86
3	2024	\$263.86
3	2025	\$263.86

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<sup>1</sup> Period 3 starts on 15 June 2011

## Exhibit No. EDK-3 (corrected on March 1, 2005)

## Avoidable capacity cost

## Period 3 annual calculations

Year	Net Book Value	20 yr MACRS	Net Invested	Tax Dep.	Deferred Taxes	Debt Return	Equity Return	Book Dep.	Income Taxes	Property Taxes	O&M adder	Revenue Reqm't
2030	\$854	0.045	\$623	\$73	\$9	\$24	\$36	\$52	\$13	\$9	\$53	\$197
2031	\$802	0.017	\$562	\$28	(\$7)	\$22	\$33	\$52	\$27	\$8	\$54	\$190
2032	\$750	0	\$516	\$0	(\$16)	\$20	\$30	\$52	\$35	\$8	\$55	\$184
2033	\$698	0	\$480	\$0	(\$16)	\$19	\$28	\$52	\$34	\$7	\$57	\$180
2034	\$646	0	\$445	\$0	(\$16)	\$17	\$26	\$52	\$33	\$6	\$58	\$177
2035	\$595	0	\$409	\$0	(\$16)	\$16	\$24	\$52	\$32	\$6	\$59	\$173
2036	\$543	0	\$373	\$0	(\$16)	\$15	\$22	\$52	\$31	\$5	\$60	\$169
2037	\$491	0	\$338	\$0	(\$16)	\$13	\$20	\$52	\$30	\$5	\$62	\$165
2038	\$439	0	\$302	\$0	(\$16)	\$12	\$18	\$52	\$29	\$4	\$63	\$161
2039	\$387	0	\$266	\$0	(\$16)	\$10	\$15	\$52	\$28	\$4	\$64	\$157
2040	\$335	0	\$231	\$0	(\$16)	\$9	\$13	\$52	\$26	\$4	\$66	\$154
2041	\$283	0	\$195	\$0	(\$16)	\$8	\$11	\$52	\$25	\$4	\$67	\$151
2042	\$231	0	\$159	\$0	(\$16)	\$6	\$9	\$52	\$24	\$4	\$69	\$148
2043	\$179	0	\$123	\$0	(\$16)	\$5	\$7	\$52	\$23	\$4	\$70	\$145
2044	\$128	0	\$88	\$0	(\$16)	\$3	\$5	\$52	\$22	\$4	\$72	\$141
2045	\$76	0	\$52	\$0	(\$16)	\$2	\$3	\$52	\$21	\$4	\$73	\$138
2046	\$24	0	\$16	\$0	(\$7)	\$1	\$1	\$24	\$9	\$2	\$34	<u>\$63</u>
Net Present Value at 2011												\$2,606



**Exhibit No. EDK-3**  
**Avoidable capacity cost**  
**Summary**

Period	Year	Annual Avoidable Capacity Cost (\$/kW/year)
1	2006	\$0.00
2	2007	\$68.87
2	2008	\$70.35
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3	2016	<b>\$263.86</b>
3	2017	<b>\$263.86</b>
3	2018	<b>\$263.86</b>
3	2019	<b>\$263.86</b>
3	2020	<b>\$263.86</b>
3	2021	<b>\$263.86</b>
3	2022	<b>\$263.86</b>
3	2023	<b>\$263.86</b>
3	2024	<b>\$263.86</b>
3	2025	<b>\$263.86</b>

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<sup>1</sup> Period 3 starts on 15 June 2011

Exhibit No. EDK-3

Avoidable capacity cost

Period 3 annual calculations

Year	Net Book Value	20 yr MACRS	Net Invested	Tax Dep.	Deferred Taxes	Debt Return	Equity Return	Book Dep.	Income Taxes	Property Taxes	O&M adder	Revenue Reqmt'
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Net Present Value at 2011

\$2,606