

**MONTANA-DAKOTA UTILITIES CO.
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
SET 1 - DATA REQUESTS
ISSUED NOVEMBER 9, 2017
DOCKET NO. EL17-046**

- 1-4. Explain why the building of Haskett III Station lowered capacity payments, including an explanation of Attachment B pages 3-5.**

Response:

The proposed capacity payments are lower primarily due to the Company anticipating a capacity surplus until 2024. As seen in column (6) on page 3 of Attachment A of the Company's filing, the capacity payment rate has been set to zero for years one through six (representing years 2018 through 2023) to reflect that no additional capacity is needed until the year 2024. This adjustment to the levelized fixed charge calculation to reflect the anticipated capacity surplus results in the lowered monthly capacity payments.