

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 \$1.80 per month
 Metering charge for three phase service \$5.20 per month

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

2.978¢ per Kwh

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, small or large 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: August 10, 2012 **Effective Date:** _____
Docket No. _____

Issued By: Tamie A. Aberle – Regulatory Affairs Manager

Tariff Reflecting Proposed Changes

| | | | |
|-------------------|--------------------------|--------------------|-----------|
| | SD P.U.C | Section No. | 3 |
| | 25 th Revised | Sheet No. | 28 |
| Cancelling | 24 th Revised | Sheet No. | 28 |

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RATE:

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

2.8732.978¢ 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.)~~

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**Montana-Dakota Utilities Co.
South Dakota Lambda and Capacity Costs
July 2012 through June 2013**

| <u>Month</u> | | Lambda | | |
|--------------|------|---------------------------------|----------------------------------|-------------------------------|
| | | <u>On-Peak</u> <u>\$/MWh</u> | <u>Off-Peak</u> <u>\$/MWh</u> | <u>Total</u> <u>\$/MWh</u> |
| July | 2012 | \$31.79 | \$30.31 | \$30.66 |
| Aug. | 2012 | 31.79 | 29.39 | 29.98 |
| Sep. | 2012 | 25.69 | 25.22 | 25.33 |
| Oct. | 2012 | | 23.78 | 23.78 |
| Nov. | 2012 | | 24.99 | 24.99 |
| Dec. | 2012 | | 37.54 | 37.54 |
| Jan. | 2013 | | 36.68 | 36.68 |
| Feb. | 2013 | | 40.91 | 40.91 |
| Mar. | 2013 | | 26.35 | 26.35 |
| Apr. | 2013 | | 26.47 | 26.47 |
| May | 2013 | | 26.31 | 26.31 |
| June | 2013 | 33.38 | 26.92 | 28.35 |
| Average | | \$30.66 | \$29.57 | \$29.78 |

Monthly Capacity Payments:
Rate 96 9.407 \$/kW-Month
(Cost of an installed peaking combustion turbine)

Monthly Capacity Payments:
Rate 97 25.969 \$/kW-Month
(Cost of an installed baseload unit)