

**DATA REQUIREMENTS
PURSUANT TO DOCKET NO. F-3563**

1. Background

The currently effective Rates 95 and 96 were filed on October 19, 2017, approved by the Commission on December 20, 2017, and implemented on January 1, 2018. The energy payments currently on file for these rates were generated by Montana-Dakota's production costing model (PLEXOS) for the twelve months ending December 31, 2018. The capacity payment in effect for Rate 96 is based on the projected costs of an installed peaking turbine.

After reviewing the energy payments currently on file for Rates 95 and 96, Montana-Dakota recommends that these rate schedules be updated to reflect the projected avoided energy costs for the test year of calendar year 2019. The methodology used in developing the proposed energy payments is identical to that used in developing the currently effective rates.

The Company is proposing three modifications to the capacity payments provision of its Rate 96 tariff, which are discussed in detail in its application letter.

2. Explanation

A. The proposed rate changes affect all classes of cogeneration and small power production service. Montana-Dakota currently only has one customer on its Occasional Power Purchase Rate 95 Non-Time Differentiated in South Dakota.

B. The proposed tariff sheets are:

Section No. 3, 3rd Revised Sheet No. 35
Occasional Power Purchase Non-Time Differentiated Rate 95

Section No. 3, 3rd Revised Sheet No. 36
Short-Term Power Purchase Rate 96 Time Differentiated

Section No. 3, 2nd Revised Sheet No. 36.1
Short-Term Power Purchase Rate 96 Time Differentiated

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

The proposed change to customers would be minimal.

4. Precedential Effect

None.