Subject Matter: First Data Request

Request to: Montana-Dakota Utilities Co. (Montana-Dakota or Company)

Request from: South Dakota Public Utilities Commission Staff

Date of Request: November 17, 2022 Responses Due: December 2, 2022

1-1. Does Montana-Dakota have any pending high density computer processing customers wishing to use this proposed tariff? If so, provide the expected demand and load factors of any such customers.

Response:

No. However, Montana-Dakota has had discussions with data centers, looking to locate in South Dakota, whose loads exceed the minimum expected demand and load factor stated in the Availability provision of the proposed rate schedule.

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1-2. If available, provide the expected demand and load factors of the high density computer processing customers that have made the recent inquiries.

Response:

Please see Response No. 1-1.

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1-3. Has Montana-Dakota received approval of similar tariffs in its other jurisdictions? If so, provide copies of the approved tariffs.

Response:

Montana-Dakota implemented High Density Contracted Demand Response Rate 45 in North Dakota on November 1, 2022. Please see Response No. 1-3 Attachment A for a copy of the approved tariff.

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1-4. Does Montana-Dakota have any high density computer processing customers (that would meet the requirements of this tariff) in its other jurisdictions? If so, provide the expected demand and load factors of these customers.

Response:

Montana-Dakota has a pending application for an electric service agreement before the North Dakota Public Service Commission for service under High Density Contracted Demand Response Rate 45. The expected demand and load factor of the data center exceed the minimum demand of 10,000 Kw and 85 percent load factor requirements included in the Availability provision of Rate 45.

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1-5. Does Montana-Dakota have any current South Dakota customers with an expected demand of at least 10,000 Kw and a minimum load factor of 85 percent?

Response:

No.

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1-6. How did Montana-Dakota determine the maximum 200 hours of annual interruption? How will Montana-Dakota determine the number of hours each individual high density computer processing customer can be interrupted annually? How many hours did each of Montana-Dakota's current interruptible customers get interrupted each of the last five years?

Response:

To qualify for an interruptible load that can be used for resource adequacy under the MISO tariff, a minimum of 50 hours of potential interruption capability is required. The 200 hours is an increase over the 50-hour requirement to ensure the data center loads are interruptible before Montana-Dakota's other customer loads and to provide a margin of additional hours over the 50-hour minimum in case the MISO tariff should change in the future.

Montana-Dakota was required to interrupt its interruptible customer load a total of 4 hours in 2019. No other interruptions have been required in the last five years.

UPDATED NOVEMBER 28, 2022:

Clarifying question:

This question is asking how MDU will determine the maximum annual interruption for each individual customer. For example, if Customer A's agreement has a 100 hour max but Customer B's agreement has a 200 hour max. How is this equitably addressed?

Clarifying answer:

Hours of interruption would be used for economic or reliability events that impact other MDU customers.

It is very likely that customers A and B would not be located at the same location on the transmission system. Interruptions could be driven by location that provides the most relief. This would allow us to call on customer A over B.

During a capacity and energy emergency, all interruptible loads would likely be called upon prior to firm load curtailments. In this case we would utilize both customers A and B interruptibility until their hourly limits were reached.

We want to have the most interruptible hours available for these types of customers as possible to minimize the impacts on our other tariff customers. If we have something posted in rates we can point to the 200 hours as a requirement and a starting point for contract negotiations.

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1-7. Will Montana-Dakota be including any analysis of the cost increases due to higher South Dakota jurisdictional allocations in the calculation of the individualized pricing structures reflected in the electric service agreements? Explain.

Response:

It is Montana-Dakota's intention to treat each high density computer processing customer in a stand alone fashion. To accomplish that, the Company will track each customer's actual volumes delivered in MISO to that customer's delivery point and separately bill those volumes. High density computer processing customers' volumes will be excluded from the fuel and purchased power calculations in each of Montana-Dakota's integrated system states and the Company does not expect that any jurisdictional allocations will be impacted should high density computer processing customers come online.

Because high density computer processing customers will take transmission service at Montana-Dakota's tariff rate, any revenue received from such customers will be passed back to integrated system customers through the Company's transmission rider.

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Date of Request: December 9, 2022 Responses Due: December 12, 2022

1-8. Explain how Montana-Dakota will ensure a customer added under this tariff won't increase the average price of energy and/or capacity for the other customers on the system.

Response:

Montana-Dakota will separately identify (via a specific node on the MISO system) each Rate 45 customer and pass along the costs directly. The separate settlement node ensures that the Company can assign the market charges for the data center load separately from the other customer market charges.

The impact of the data center loads will likely increase the energy cost for other customers. However, Montana-Dakota does not expect this to be material and wouldn't be any different if customers were added under a standard tariff service with the Company or if a neighbor added this load to their system.