# NG99-001



UTILITIES CO.

A Division of MEE! Resources Group, inc.

ADD North Fasth Street Stanack, ND 59501 (701)222-7930

January 29, 1999

Mr. William Bullard, Jr. South Dakota Public Utilities Commission State Capitol Building 500 East Capitol Pierre, SD 57501

Re:

Gas Extension Policy Rate 120 Incremental Expansion Surcharge Docket No. NG99-

Dear Mr. Bullard:

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith submits for Commission approval Section No. 5, 1st Revised Sheet Nos. 20-20.3 and Original Sheet No. 20.4 of Gas Extension Policy Rate 120 (Attachment A).

The revision to the Gas Extension Policy Rate 120 schedule is proposed in order to provide for the use of an Incremental Expansion Surcharge (Surcharge) for certain gas main extension projects. In some cases, the cost to provide natural gas service to an area of either new or existing homes discourages customers from participating thereby resulting in insufficient load to make the project a viable or practical investment for the Company or the potential new customers. The proposed Surcharge provides for a payment option that may make the required contribution more palatable to the new customers while still ensuring that existing customers are not subsidizing the extension required for serving the new customers. As with the other payment options available under the Gas Extension Policy, the proposed Surcharge mechanism will be offered as an option to the affected customers, if the group of customers do not agree to a surcharge, the gas extension will not be constructed.

The Surcharge proposed by the Company is comprised of the following components:

- The Surcharge option will be made available, at the Company's discretion, to participating customer groups consisting of 10 or more homes.
- The contribution requirement associated with the project will be determined in accordance with the approved Gas Extension Policy Rate 120.

見が無法にはいる。これができているとのではある。

- An up-front payment of \$100 will be collected from each customer participating in the project.
- A standard Surcharge of \$5.00 per month plus \$1.50 per dir will be added to the otherwise applicable rate schedule for projects where the contribution requirement is expected to be recovered within a 5-year period.
- For projects where the standard Surcharge will not provide for recovery of the
  contribution requirement within a 5-year period, a charge of \$5.00 per month
  plus a per dk charge designed to recover the contribution requirement will be
  added to the otherwise applicable rate schedule.
- In any event, the Surcharge will continue until the net present value of the contribution requirement, calculated using a discount rate equal to the overall rate of return authorized in the last rate case, is recovered. The Surcharge will apply to the premise regardless if ownership changes prior to the time the Surcharge is removed.
- The net present value of the contribution requirement will be considered as a contribution in aid of construction and will not be refundable to customers.

This proposed mechanism will serve to provide customers desiring to use natural gas service another option for funding the investment that is uneconomical for the Company to make based on construction costs and the expected load to be served from the extension. Extensions that would not otherwise be made will also serve to benefit the existing firm customers by spreading the system fixed costs over additional sales volumes. As stated previously, the portion of the extension that will be recovered by the Surcharge will be treated as a contribution in aid of construction and will be not be recovered from the existing customers.

Included in Attachment A is a second set of the affected tariffs on which Montana-Dakota has indicated the revisions requested by lining through the existing language which the Company proposes to delete and clearly highlighting the new language proposed.

Included as Attachment B is the South Dakota "Report of Tariff Schedule Change" form required pursuant to ARSD 20:10:13:26. In addition, included as Attachment C is the "Data Requirements" in accordance with the Commission's Order No. F-3563 which discloses certain information for miscellaneous filings.

The Company will comply with ARSD 20:10:13:18 by posting the Notice shown in Attachment D in a conspicuous place in each business office in its affected gas service

territory in South Dakota for at least 30 days before the change becomes effective.

Please refer all inquires regarding this filing to:

Mr. Donald R. Ball Regulatory Affairs Manager Montana-Dakota Utilities Co. 400 North Fourth Street Bismarck, ND 58501

Also, please send copies of all written inquires, correspondence and pleadings to:

Mr. Tom K. Hopgood Senior Attorney Montana-Dakota Utilities Co. 400 North Fourth Street Bismarck, ND 58501

The original and ten (10) copies of this Letter of Transmittal and tariffs have been provided to the South Dakota Public Utilities Commission.

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

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,

C. Wayne Fox

Vice President

Regulatory Affairs & General Services

Attachments

cc: D. Ball

T. Hopgood

# MONTANA-DAKOTA

#### STATE OF SOUTH DAKOTA GAS RATE SCHEDULE

UTILITIES CO.
A Drisson of MOU Researces Group, Inc.
400 North Fourth Street
Becharick NOT Street

SD P.U.C.

Section No.\_\_5\_

Cancelling Original

1st Revised Simer No. 20

\_\_\_Sites(No.\_\_Zil Page I of 5

## FIRM GAS SERVICE EXTENSION POLICY Rate 120

The policy of Montana-Dakota Utilities Co. for gas extensions necessary to provide firm sales or firm transportation service to customers is as follows:

- A. General Rules and Regulations Applicable to all Firm Service Extensions
  - 1. An extension will be constructed without a contribution if the estimated capital expenditure is cost justified as defined in paragraph A.3.
  - The Company may require customer or developer cost participation if the estimated capital expenditure is not cost justified.
  - 3. The extension will be considered cost justified if the calculated maximum allowable investment equals or exceeds the estimated capital expenditure using the following formula:

Maximum Allowable Investment=

# Annual Customer Charge + (Project Estimated 3rd Year Annual Dk x Unit Margin) Levelized Annual Revenue Requirement Factor

4. Cost of the extension shall include, if applicable, the gas main extension(s), valves, tap setting and associated equipment, barricade, service stub(s), any required payments made by the Company to the transmission pipeline company to accommodate the extension(s), and other costs excluding the distribution meter and regulator.

The service stub is that portion of the gas service extending from the main to the private property line or easement boundary.

The service line is that portion of the gas service extending from the service stub to the connection at the house regulator and/or meter. Service lines are installed at customer's expense and are owned by and shall be maintained at customer's expense except for those customers served under General Services Rate 66.

For those customers served under General Services Rate 66, the service line will be treated in accordance with Rate 125.

- 5. Where cost participation is required, such extension is subject to execution of the Company's standard agreement for extensions by the customer or the developer and Company.
- 6. A refund will be made only when there is a reduction in the amount of contribution required within a five-year period from the extension(s) in service date. Interest will be calculated annually by the Company on any refund amounts and shall be equal to the average commercial paper interest rate (Al/Pl), not to exceed 12 percent per annum.

No refund shall be made by Company after the five-year refund period and in no case shall the refund excluding interest, exceed the amount of the contribution.

Date Filed: February 1, 1999	Effective Date:	and the second s	·	tule til so die
				- 1 1 2 2 2 aug



#### STATE OF SOUTH DAKOTA GAS RATE SCHEDULE

SDPUC.

Section No. 5

1st Revised Sheet No. 20 1

Canceling Original

Shart No. 20 1

(Continued)

Page 2 of 5

#### FIRM GAS SERVICE EXTENSION POLICY Rate 120

#### Customer Extensions

Cost participation for extensions where customers will be immediately available for service is as follows:

- 1. Contribution -
  - When a contribution is required, the customer(s) shall pay the Company the portion of the capital expenditure not cost justified as determined in accordance with paragraph A.3.
  - The contribution shall be made by: b.
    - A one-time payment prior to construction, or
    - ii. Payment of 25% of the contribution prior to construction and the balance in no more than twenty-four equal monthly installments. If customer discontinues service within the twenty-four month period, the balance will be due and payable upon discontinuance of service, or
    - iii. Customer may post a bond, irrevocable letter of credit, or a written guarantee commitment in the amount of the required contribution prior to construction. Such bond, issued by a bonding company authorized to do business in the state, letter of credit, or written guarantee commitment, shall be effective for the original five-year term and is subject to approval and acceptance by the Company. If at the end of the original five-year term, a contribution requirement exists in the subject project based on a recalculated maximum expenditure, the surety or quarantor shall reimburse the Company for such recalculated contribution requirement, or
      - iv. Customer, upon approval by Company, say finance the amount of the required contribution subject to the following conditions: 1) maximum contribution to be financed shall be determined by the Company at its sole discretion, 2) maximum term shall be five years, 3) interest will be charged at the Company's incremental weighted cost of capital.
  - Upon completion of construction, the contribution amount will be adjusted to reflect actual costs, and an additional charge may be levied or a refund may be made.
  - If within the five-year period from the extension(s) in service date, the number of active customers and related volume exceeds the third-year projections, the Company shall recompute the contribution requirement by recalculating the maximum allowable investment.

	· · · · · · · · · · · · · · · · · · ·		
Date Filed:	February 1, 1999	Effective Data	
. Market a storm.	Control of State of S	SHESS MINISTER OF THE PERSON P	The second secon
		- F	

# MONTANA-DAKOTA

## STATE OF SOUTH DAKOTA GAS RATE SCHEDULE

UTILITIES CO.
A Chicago of MAX Resources Group Inc.

400 Name Fourth Speed
Bearings and Speed
Bearings and Speed

SD P.U.C.

Section No. 5

Cancelling Original

Sheet No. 20,2 Sheet No. 20,2

Page 3 of 5

(Continued)

FIRM GAS SERVICE EXTENSION POLICY Rate 120

## B. <u>Customer Extensions</u> (Cont.)

- e. The recalculated contribution requirement shall be collected from the new applicant(s).
- 2. Refund
  - a. The Company will refund to the original contributor(s) the amount required to reduce their contribution to the recalculated contribution requirement. No refunds will be made for amounts less than \$25. Customers who have posted a bond, letter of credit, or written guarantee commitment will be notified of any reduction in surety or guarantee requirements.
  - b. No refunds will be made until the new applicants begin taking service from the Company.
  - c. If the addition of new customers will increase the contribution required from existing customer(s), the extension will be considered a new extension and treated separately.
- Incremental Expansion Surcharge -
  - Expansion Surcharge (Surcharge) to groups of customers requesting service totaling 10 or more when the total estimated cost would otherwise have been prohibitive under the Company's contribution requirement to be collected under the Surcharge shall be the amount of the capital expenditure in excess of the Maximum Allowable Investment determined in accordance with [A.3].
    - A minimum up-front payment of \$100.00 will be collected from each customer who signs an agreement to participate in the expansion.
    - ii. For projects that are expected to be recovered within a 5-year period, the Surcharge shall be set at a fixed monthly charge of \$5.00 per month plus \$1.50 per dk.
    - iii. For projects that are not expected to be recovered within a 5-year period, the Surcharge shall be set at a fixed monthly charge of \$5.00 per month plus a commodity charge designed to provide recovery of the contribution
  - b. The Surcharge shall remain in effect until the net present value of the contribution requirement, calculated using a discount rate equal to the overall rate of return authorized in the last rate case, is collected.

Date Filed: February 1, 1999 Effective Date:
--

# UTILITIES ON

#### STATE OF SOUTH DAKOTA GAS RATE SCHEDULE

A Design of MOU RESIDENCES Group INC ADADM Form Store

SD P.U.C.

(Continued)

Settion No. 5 <u>lst Revised</u> Sheetle 20 3

Cancelling Ocivins: "Snorthe 211

(Continued)

Page 4 of 5

## FIRM GAS SERVICE EXTENSION POLICY Rate 120

- Customer Extensions (Cont.)
  - The Surcharge shall apply to all customers connecting to natural C. gas service within the expansion area until the contribution requirement is satisfied.
    - The net present value of the Surcharge will be treated as a đ. contribution-in-aid of construction for accounting purposes.

#### C. <u>Developer Extensions</u>

Cost participation may be required for extensions such as a subdivision or mobile home court, in which a developer is installing roads, utilities, etc., before housing is built.

- Contribution -
  - When a contribution is required, the developer shall pay the Company the portion of the capital expenditure not cost justified as determined in accordance with paragraph A.3.
  - The contribution shall be made by:
    - i. A one-time payment prior to construction, or
    - ii. Developer may post a bond, irrevocable letter of credit. or a written guarantee commitment in the amount of the required contribution prior to construction. Such bond, issued by a bonding company authorized to do business in the state, letter of credit, or a written guarantee commitment, shall be effective for the original five-year term and is subject to approval and acceptance by the Company. If at the end of the original five year term, a contribution requirement exists in the subject project based on a recalculated maximum expenditure, the surety shall reimburse the Company for such recalculated contribution requirement, or
    - Customer, upon approval by Company, may finance the amount of the required contribution subject to the following conditions: 1) maximum contribution to be financed shall be determined by the Company at its sole discretion, 2) maximum term shall be five years, 3) interest will be charged at the Company's incremental weighted cost of capital.
  - Upon completion of construction, the contribution amount will be c. adjusted to reflect actual costs, and an additional charge may be levied or a refund may be made.

Date Filed: February 1, 1	999	TO A TO A STATE OF THE PARTY OF	<del>lana akaja aka kaja kija ak</del>	Effective Date	which the state of the land of the state of	oppler in the left of the left	A Grand of processing and the
					9		



#### STATE OF SOUTH DAKOTA GAS RATE SCHEDULE

A Dasson of MDU Harmons Group, Inc. 400 North Fourth Street Hismatok, NO 58501

	SD P.U.C.	Section No. 5
Cancelling	<u> </u>	Share No.
		Shad No.

(Continued)

Page 5 of 5

## FIRM GAS SERVICE EXTENSION POLICY Rate 120

- C. <u>Developer Extensions</u> (Cont.)
  - 2. Refund
    - a. If within the five-year period from the extension(s) in service date, the number of active customers and related volumes exceeds the third-year projections, the Company shall recompute the contribution requirement by recalculating the maximum allowable investment. Such recalculation shall be done annually based upon the anniversary of the extension(s) in service date.
    - b. The Company will refund to the developer the amount required to reduce their contribution to the recalculated contribution requirement. No refunds will be made for amounts less than \$25. Developers who have posted a bond, letter of credit, or written guarantee commitment will be notified of any reduction in surety or guaranty requirements.
    - c. If the addition of new customer(s) will increase the contribution required from the developer, the extension will be considered a new extension and treated separately.

# TARIFFS REFLECTING PROPOSED CHANGES

# MONTANA-DAKOTA

#### STATE OF SOUTH DAKOTA GAS RATE SCHEDULE

UTILITIES CO.
+ Dessens of ARU Recornes Grap Inc.

ADD North Form Sener
Recorner AD 04507

SD P.U.C.	Section No
	Sheet No.

Cancelling\_

Sheet No.

## FIRM GAS SERVICE EXTENSION POLICY Rate 120

The policy of Montana-Dakota Utilities Co. for gas extensions necessary to provide firm sales or firm transportation service to customers is as follows:

- A. General Rules and Regulations Applicable to all Firm Service Extensions
  - 1. An extension will be constructed without a contribution if the estimated capital expenditure is cost justified as defined in paragraph A.3.
  - The Company may require customer or developer cost participation if the estimated capital expenditure is not cost justified.
  - 3. The extension will be considered cost justified if the calculated maximum allowable investment equals or exceeds the estimated capital expenditure using the following formula:

Maximum Allowable Investment=

# Annual Customer Charge + (Project Estimated 3rd Year Annual Dk x Unit Margin) Levelized Annual Revenue Requirement Factor

4. Cost of the extension shall include, if applicable, the gas main extension(s), valves, tap setting and associated equipment, barricade, service stub(s), any required payments made by the Company to the transmission pipeline company to accommodate the extension(s), and other costs excluding the distribution meter and regulator.

The service stub is that portion of the gas service extending from the main to the private property line or easement boundary.

The service line is that portion of the gas service extending from the service stub to the connection at the house regulator and/or meter. Service lines are installed at customer's expense and are owned by and shall be maintained at customer's expense except for those customers served under General Services Rate 66.

For those customers served under General Services Rate 66, the service line will be treated in accordance with Rate 125.

- 5. Where cost participation is required, such extension is subject to execution of the Company's standard agreement for extensions by the customer or the developer and Company.
- 6. A refund will be made only when there is a reduction in the amount of contribution required within a five-year period from the extension(e) in service date. Interest will be calculated annually by the Company on any refund amounts and shall be equal to the average commercial paper interest rate (A1/P1), not to exceed 12 percent per annum.

No refund shall be made by Company after the five-year refund period and in no case shall the refund excluding interest, exceed the amount of the contribution.

Date Filed:	Effective Date:
-------------	-----------------

# MONTANA-DAKOTA

#### STATE OF SOUTH DAKOTA GAS RATE SCHEDULE

A Division of MDI) Resources Group, inc

SD P.U.C.	Section No
	Sheet No.

400 North Fount Street Geograph, NO 58501

Cancelling Shest No.

(Continued)

Page 2 of 4 5

#### FIRM GAS SERVICE EXTENSION POLICY Rate 120

#### B. Customer Extensions

Cost participation for extensions where customers will be immediately available for service is as follows:

- 1. Contribution
  - a. When a contribution is required, the customer(s) shall pay the Company the portion of the capital expenditure not cost justified as determined in accordance with paragraph A.3.
  - b. The contribution shall be made by:
    - I. A one-time payment prior to construction, or
    - ii. Payment of 25% of the contribution prior to construction and the balance in no more than twenty-four equal monthly installments. If customer discontinues service within the twenty-four month period, the balance will be due and payable upon discontinuance of service, or
    - iii. Customer may post a bond, irrevocable letter of credit, or a written guarantee commitment in the amount of the required contribution prior to construction. Such bond, issued by a bonding company authorized to do business in the state, letter of credit, or written guarantee commitment, shall be effective for the original five-year term and is subject to approval and acceptance by the Company. If at the end of the original five-year term, a contribution requirement exists in the subject project based on a recalculated maximum expenditure, the surety or guaranter shall reimburse the Company for such recalculated contribution requirement. or
    - iv. Customer, upon approval by Company, may finance the amount of the required contribution subject to the following conditions: 1) maximum contribution to be financed shall be determined by the Company at its sole discretion, 2) maximum term shall be five years, 3) interest will be charged at the Company's incremental weighted cost of capital.
  - c. Upon completion of construction, the contribution amount will be adjusted to reflect actual costs, and an additional charge may be levied or a refund may be made.
  - d. If within the five-year period from the extension(s) in service date, the number of active customers and related volume exceeds the third-year projections, the Company shall recompute the contribution requirement by recalculating the maximum allowable investment.

Date Filed: Effective Date:	and state of		
-----------------------------	--------------	--	--

# MONTANA-DAKOTA UTILITIES CO. A DROSSED OF MODE PRESIDENCES GOOD INC

#### STATE OF SOUTH DAKOTA GAS RATE SCHEDULE

SD P.U.C.	Section No
<del>n a min' na mandrantan kataka matapalinin</del>	Street No.

400 North Fourth Street Bemarck, MD 58501

Cancelling

Sheet No.

Page 3 of 4 5

(Continued)

FIRM GAS SERVICE EXTENSION POLICY Rate 120

- B. Customer Extensions (Cont.)
  - 1. e. The recalculated contribution requirement shall be collected from the new applicant(s).
  - 2. Refund
    - a. The Company will refund to the original contributor(s) the amount required to reduce their contribution to the recalculated contribution requirement. No refunds will be made for amounts less than \$25. Customers who have posted a bond, letter of credit, or written guarantee commitment will be notified of any reduction in surety or quarantee requirements.
    - b. No refunds will be made until the new applicants begin taking service from the Company.
    - c. If the addition of new customers will increase the contribution required from existing customer(s), the extension will be considered a new extension and treated separately.
  - 3. Incremental Expansion Surcharge -
    - The Company, in its sole discretion, may offer an Incremental Expansion Surcharge (Surcharge) to groups of customers requesting service totaling 10 or more when the total extimated cost would otherwise have been prohibitive under the Company's present rates and gas service extension policy. The contribution requirement to be collected under the Surcharge shall be the amount of the capital expenditure in excess of the Maximum Allowable Investment determined in accordance with §A.3.
      - i. A minimum up-front payment of \$100.00 will be collected from each customer who signs an agreement to participate in the expansion.
      - ii. For projects that are expected to be recovered within a 5year period, the Surcharge shall be set at a fixed monthly charge of \$5.00 per month plus \$1.50 per dk.
      - iii. For projects that are not expected to be recovered within a 5-year period, the Surcharge shall be set at a fixed monthly charge of \$5.00 per month plus a commodity charge designed to provide recovery of the contribution requirement.
    - b. The Surcharge shall remain in effect until the net present value of the contribution requirement, calculated using a discount rate equal to the overall rate of return authorized in the last rate case, is collected.

Requiatory Affairs & General Services

Date Filed:		Effective Date:	
	Issued By: <u>C. Wayne Fox. Vice</u>	President -	

# MONTANA-DAKOTA

## STATE OF SOUTH DAKOTA GAS RATE SCHEDULE

Cancelling

UTILITIES OD	gas	RAT
A Desson of All W Hesources Group Inc SD North Flants Scient Bishintok NU 58501	10 10 BT	T 44.4

SD P.U.C.	Section No.
tamengang and talking	Sheat No.
	Sheet No.

(Continued)
-------------

Page 4 of 6 5

# FIRM GAS SERVICE EXTENSION POLICY Rate 120

# B. Customer Extensions (Conc.)

- 3. c. The Surcharge shall suply to all customers connecting to natural gas service within the expansion area until the costribution
  - d. The net present value of the Surcharge will be treated as a contribution-in-aid of construction for accounting purposes.

## C. Developer Extensions

Cost participation may be required for extensions such as a subdivision or mobile home court, in which a developer is installing roads, utilities,

- 1. Contribution
  - a. When a contribution is required, the developer shall pay the Company the portion of the capital expenditure not cost justified as determined in accordance with paragraph A.3.
  - b. The contribution shall be made by:
    - I. A one-time payment prior to construction, or
    - ii. Developer may post a bond, irrevocable letter of credit, or a written guarantee commitment in the amount of the required contribution prior to construction. Such bond, issued by a bonding company authorized to do business in the state, letter of credit, or a written guarantee commitment, shall be effective for the original five-year term and is subject to approval and acceptance by the contribution requirement exists in the subject project based on a recalculated maximum expenditure, the sursty contribution requirement, or
    - iii. Customer, upon approval by Company, may finance the amount of the required contribution subject to the following conditions: 1) maximum contribution to be financed shall be determined by the Company at its sole discretion, 2) charged at the Company's incremental weighted cost of
  - C. Upon completion of construction, the contribution amount will be adjusted to reflect actual costs, and an additional charge may

Date Filed: Effective Date:	
Issued By: _C. Wayne Fox Vice Provident	



#### STATE OF SOUTH DAKOTA GAS RATE SCHEDULE

GAS MAIC SCHEDULE		
	SD P.U.C.	Section No.
Cancaling	The second secon	Shoet No.

(Continued)

400 Moth Forth Suses Restricts NO SESOL

Page 5 of 5

## FIRM GAS SERVICE EXTENSION POLICY Rate 120

- C. Developer Extensions (Cont.)
  - 2. Refund
    - a. If within the five-year period from the extension(s) in service date, the number of active customers and related volumes exceeds the third-year projections, the Company shall recompute the contribution requirement by recalculating the maximum allowable investment. Such recalculation shall be done annually based upon the anniversary of the extension(s) in service date.
    - b. The Company will refund to the developer the amount required to reduce their contribution to the recalculated contribution requirement. No refunds will be made for amounts less than \$25. Developers who have posted a bond, letter of credit, or written guarantee commitment will be notified of any reduction in surety or guaranty requirements.
    - If the addition of new customer(s) will increase the contribution required from the developer, the extension will be considered a new extension and treated separately.

Date Filed:	Effective Date:			
	· militarish mair:	The second section is the second of the second second section in the second sec	and the second s	Asia Maria

## Report of Tariff Schedule Change

NAME OF UTILITY: Montana-Dakota Utili			tilities Co.						
ADDRESS:	PRESS: 400 North Fourth Street								
		Bisma	rck, ND 585	501					
Section	No.						New Sheet No		
5		Firm G	as Service E	Extension Policy Ra	te 120		1st Revised 20-20.		
5		Firm C	Bas Service B	Extension Policy Re	te 120		Original 20 4		
Z. Westerland									
Sent and Continues and Continu	Contraction of the second contraction of the			· · · · · · · · · · · · · · · · · · ·					
							and the state of t		
or Historian years and a second					A CONTRACTOR OF THE PARTY OF TH	A CONTRACT OF THE PROPERTY OF	and the control of th		
Parameter and American Street Section 1979		Copperation of Section 1					an ales par i di la		
Change:	Expansion	Surch	arge provisio	n added to Firm Ga	s Service Exte	nsion Policy			
	CONTRACTOR CONTRACTOR CONTRACTOR		ra raus Silau komafa y i Dahlay in Aphini (1997) and i	fected by change, s	The second section in the second section is a second section in the second section in the second section is a second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a section in the second section in the section is a section in the section in the section is a section in the section in the section is a section in the section in the section is a section in the section in the section is a section in the section in the section in the section is a section in the section in the section in the section is a section in the section in the section in the section is a section in the section in the section in the section is a section in the section in	The second state of the second	rules alc.)		
	W. C. COLLEGE BOOKS		a the property of the model of the contract of	e de la maranta de la proposición de la composición y la	The second s				
Reason for	Change: A	dditiona	al ontion prov	ided to customers t	uhara nac ávia	nsian is remaired			
के जिल्लाक स्थापना स्थापना है। ज	arrantegar e			inna in arbitiliais	MINITING SHAWAIN	itani ia isquibu.	Comment section of prompted and the comments of the comments o		
Present rate	s								
				**************************			Market With an extended the large of the large transfer of the lar		
				*********************			Control by Character of a real principal and the principal and the control of the		
Whhinvillier	z eğilinden ilile	11 GGSC 11	ii levenue	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	*****************	rend kontarendombèhikutatājosija	<del>Na</del>		
Points			Catimated	Alizabar of Clinton			. Natura Politica del Politica de la Companya de l		
Affected			Ephiliatea	Number of Custom	iers vynose Co	er or Salvice will D			
/mgoleti		Redu	lood	institution of the second of t	creased		en e		
	# of	1	aceu Amount	Control of the Principle of the Principl	*/	And the second s	Inchanged		
	1	1		# of	Amount	#of	Amount		
	Customer	5	in \$	Customers	<u> </u>	Customers	in \$		
						40,240			
					and the second second second second second	er opper vermen van 1914 some bestellingen verden verde gebeure gebeure de sterrieben bestellingen bestelling			
Received:									
		No. of Street, or other		nacionale salvo Carresta de constitución en constitución en constitución de en esta de la constitución de esta	***				
						•			
						÷			
Ву:					Due O VA	Income Carro & Francisco			
56 <b>7</b> i	Executive	Directo			Andrea https://doi.org/	layne Fox, Vice P	al a li finale par i decelà si cata e espera de la trata de la company de la company de la company de la compa		
			) i		A.,	uletory Affairs & G	eneral Services		
	South Dal				(Nat	ne and Title)			
	Public Util	ities Co	mmission						

# DATA REQUIREMENTS PURSUANT TO DOCKET NO. F-3563

#### 1. Background

The currently effective Firm Gas Service Extension Policy Rate 120 was approved by the Commission on January 19, 1994.

#### 2. Explanation

A. Changes to the Firm Gas Service Extension Policy Rate 120 are proposed in order to provide for the use of an Incremental Expansion Surcharge (Surcharge) for certain gas main extension projects. The proposed Surcharge provides for a payment option that may make the required contribution more palatable to the new customers while still ensuring that existing customers are not subsidizing the extension required for serving the new customers.

## B. The proposed tariff sheets are:

Section No. 5, 1st Revised Sheet Nos. 20-20.3 Section No. 5, Original Sheet No. 20.4 Firm Gas Service Extension Policy Rate 120

- C. The proposed rate changes provides an additional payment option for customers requiring a gas service extension.
- 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

Not determinable.

## 4. Precedential Effect

None.

# South Dakota Public Utilities Commission WEEKLY FILINGS

For the Period of January 28, 1999 through February 3, 1999

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this filing.

Phone: 605-773-3705. Fax: 605-773-3809

#### NATURAL GAS

M659-001 In the Matter of the Filing by Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. for Approval of Gas Extension Policy Rate 120.

Montana-Dakota Utilities is proposing to revise the Gas Extension Policy Rate 120 schedule in order to provide for the use of an Incremental Expansion Surcharge (Surcharge) for certain gas main extension projects. The proposed Surcharge provides for a payment option that may make the required contribution more palatable to the new customers while still ensuring that existing customers are not subsidizing the extension required for serving the new customers.

Staff Attorney: Karen Cremer Staff Analyst: Keith Senger

Date Filed: 02/1/99

Intervention Deadline: 02/19/99

## **TELECOMMUNICATIONS**

TC99-011 In the Matter of the Application of CenturyTel Long Distance, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

Century Tel Long Distance, Inc. (Century Tel) is a switchless reseller of interexchange telecommunications services. Century Tel will offer outbound presubscribed and casual calling service, toll free inbound service and travel card service.

Staff Attorney: Karen Cremer Staff Analyst: Michele Farris

Date Filed: 01/29/99

Intervention Deadline: 02/19/99

TC99-012 In the Matter of the Application of Atlantic Telephone Company, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota

Atlantic Telephone Company, Inc. (Atlantic) is a reseller which intends to

offer 1+ and 101XXXX direct outbound dialing, 800/888 toll-free inbound dialing, and travel card service on a statewide basis. Atlantic intends to market its services primarily to small to mid-sized businesses and residential customers.

Staff Attorney: Camron Hoseck Staff Analyst: Harlan Best Date Filed: 02/02/99

Intervention Deadline: 02/19/99

TC99-013 In the Matter of the Application of TRI-M Communications, Inc. dba TMC Communications for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

TRI-M Communications, Inc. dba TMC Communications (TMC) proposess to provide intrastate long distance telecommunications service, including debit cards, over resold transmission facilities. TMC will also provide South Dakota customers with service to foreign countries.

Staff Attorney: Camron Hoseck Staff Analyst: Michele Farris

Date Filed: 02/3/99

Intervention Deadline: 02/19/99

You may receive this listing and other PUC publications via our website or via internet e-mail.

You may subscribe to the PUC mailing list at http://www.state.sd.us/puc/

# BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER MONTANA-DAKOTA DIVISION OF MDU REFOR APPROVAL	UTILITI SOURCES	ES CO., A GROUP. INC.		DER APPROVING GAS ENSION POLICY RATE 120
POLICY RATE 120	OF CM3	EXIENSION	) )	NG99-001

On February 1, 1999, the Public Utilities Commission (Commission) received an application from Montana-Dakota Utilities Company (MDU) for approval of Section No. 5, 1st Revised Sheet Nos. 20-20.3 and Original Sheet No. 20.4 of Gas Extension Policy Rate 120. According to the filing, "The revison to the Gas Extension Policy Rate 120 schedule is proposed in order to provide for the use of an Incremental Expansion Surcharge (Surcharge) for certain gas main extension projects."

On June 22, 1999, at its regularly scheduled meeting, Commission Staff reported that it had reviewed MDU's filing and recommended approval of the above referenced tariffs. Commission Staff also recommended that MDU file a report listing terms and conditions with Staff anytime that this tariff is applied. The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A-2, 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, 49-34A-11, and 49-34A-12. The Commission finds that the revisions to the tariff are just and reasonable and shall be approved. As the Commission's final decision in this matter, it is therefore

ORDERED that the revised tariffs Section No. 5, 1st Revised Sheet Nos. 20-20 3 and Original Sheet No. 20.4 of Gas Extension Policy Rate 120, are hereby approved and are effective for service rendered on and after the date of this order.

Dated at Pierre, South Dakota, this 25 day of June, 1999.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in property addressed envelopes, with charges prepaid thereon.
By: Allaines Kally
Date: 6/25/99
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

JAMES A. BURG, Chairman

PAM NELSON, Commissioner

ASKA SCHOENFELDER, Commissioner



METERIA

A Division of Medi Presonators Group Inc.

All News Form Seed

**August 9, 1999** 

AUL 1: 1207

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Mr. William Bullard, Jr. South Dakots Public Utilities Commission State Capitol Building 500 East Capitol Pierre, SD 57501

Re:

Tanifis Reliecting Effective Dates

Docket Nos : NG98-012

EL99-011 NGOGOWY:

Dear Mr. Bulland

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group. Inc., herewith submits the following tariffs sheets reflecting the effective date(s) pursuant to the Commission's Orders approving the rates in the above referenced Dockets:

- Docket No. NG98-012: Section No. 3, 2<sup>nd</sup> Revised Sheet Nos. 5-5.1 effective May 5.1999.
- Docket No. NG99-001: Section 5, 1st Revised Sheet Nos. 20-20.3 and Original Sheet No. 20.4 effective June 25,1999.
- Docket No. EL99-011: Section No. 3, 16" Revised Sheet Nos. 28-29, 10" Revised Sheet No. 29.1; 16th Revised Sheet No. 30 and 12th Revised Sheet No. 30.1 effective June 25.1999.

The original and ten (10) copies of this letter and tariff have been provided to the South Dakota Public Utilities Commission

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.

Tamie A. Aberle

Pricing and Tariff Manager

Jamie A Sterle

Atlachments



#### STATE OF SOUTH DAKOTA GAS RATE SCHEDULE

SD P.U.C. Souther Ma. 2nd Revised Short No.

Cancelling 1st Revised Shert No.

Page 1 of 2

#### ELLSWORTH AIR FORCE BASE Rate 64

#### AVAILABILITY:

Service under this rate schedule is available to the Elisworth Air Force Base (EAFB)

#### RATE.

Base Rate Per Meter:

\$95.00 per month

Interruptible Sales Commodity Charge:

\$1.867 per dk

#### MINIMUM BILL:

Base Rate.

#### PAYMENT:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

#### COST OF PURCHASED GAS ADJUSTMENT:

Bills are subject to an adjustment for cost of purchased gas as provided in Rate 88 or any amendments or alterations thereto.

#### GAS DELIVERY MANAGEMENT FEE:

In addition to the Commodity Charge set forth above, all volumes of natural gas delivered under this rate schedule shall be subject to a Gas Delivery Management Fee. The charge per dk is a negotiable fee subject to approval by the South Dakota Public Utilities Commission.

#### GENERAL TERMS AND CONDITIONS:

PRIORITY OF SERVICE - Deliveries of gas under this schedule shall be subject at all times to the prior demands of customers served on the Company's firm general gas service rates, and the Company shall have the right to interrupt deliveries to customers under this schedule without being required to give previous notice of intention to so

Date Filed: <u>April 13, 1999</u>

Effective Date: Bills Rendered on or after May 5, 1999



# GAS RATE SCHEDULE

വഴവട ഗ്രമം ജ

SDP.U.C.

Socilor No. 3

Conceing Let Revised

200 Revised Steams. 5.1 Show Ho. 5.1

(Continued)

Page 2 of 2

## ELLSWORTH AIR FORCE BASE RALE 64

interrupt whenever, in Company's sole judgment, it may be necessary to do so to protect the interest of its customers whose capacity. requirements are otherwise and hereby given preference. The priority of service and allocation of capacity shall be accomplished in accordance with the Provisions of Rate 100, SV.10.

- PENALTY FOR FAILURE TO CURTAIL OR INTERRUPT If customer fails to 2. curtail or interrupt their use of gas hereunder when requested to do so by the Company, any gas taken shall be billed at the firm sales commodity charge rate set forth above, plus either an amount equal to any penalty payments or overrun charges the Company is required to make to its interconnecting pipeline(s) under the terms of its contract(s) as a result of such failure to curtail or interrupt, or \$10.00 per dk of gas used in excess of the volume of gas to which customer was requested to curtail or interrupt, whichever amount is greater. The Company, in its discretion, may shut off customer's supply of gas in the event of customer's failure to curtail or interrupt use of gas when requested to do so by the Company.
- CONTRACT Terms of service other than the rate shall be as specified 3. in contracts between EAFB and the Company.
- RULES The foregoing schedule is subject to Rates 100 through 134 4 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state

Date Filed: April 13, 1999

Effective Date: Bills Rendered on or efter May 5, 1999



400 North Fourth Street Bosmarck, NO 58501

#### STATE OF SOUTH DAKOTA GAS RATE SCHEDULE

SD P.U.C.

Section No. 5

Lat Revised Sheet No. 20 Sheet No. \_20

Cancelling Original

Page 1 of 5

## FIRM GAS SERVICE EXTENSION POLICY Rate 120

The policy of Montana-Dakota Utilities Co. for gas extensions necessary to provide firm sales or firm transportation service to customers is as follows:

- A. General Rules and Regulations Applicable to all Firm Service Extensions
  - An extension will be constructed without a contribution if the estimated capital expenditure is cost justified as defined in paragraph A.3.
  - The Company may require customer or developer cost participation if the estimated capital expenditure is not cost justified.
  - The extension will be considered cost justified if the calculated maximum allowable investment equals or exceeds the estimated capital expenditure using the following formula:

Maximum Allowable Investment=

#### Annual Customer Charge + (Project Estimated 3rd Year Annual Dk x Unit Margin) Levelized Annual Revenue Requirement Factor

Cost of the extension shall include, if applicable, the gas main extension(s), valves, tap setting and associated equipment, barricade, service stub(s), any required payments made by the Company to the transmission pipeline company to accommodate the extension(s), and other costs excluding the distribution meter and regulator.

The service stub is that portion of the gas service extending from the main to the private property line or easement boundary.

The service line is that portion of the gas service extending from the service stub to the connection at the house regulator and/or meter. Service lines are installed at customer's expense and are owned by and shall be maintained at customer's expense except for those customers served under General Services Rate 66.

For those customers served under General Services Rate 66, the service line will be treated in accordance with Rate 125.

- Where cost participation is required, such extension is subject to execution of the Company's standard agreement for extensions by the customer or the developer and Company.
- A refund will be made only when there is a reduction in the amount of contribution required within a five-year period from the extension(s) in service date. Interest will be calculated annually by the Company on any refund amounts and shall be equal to the average commercial paper interest rate (A1/P1), not to exceed 12 percent per annum.

No refund shall be made by Company after the five-year refund period and in no case shall the refund excluding interest, exceed the amount of the contribution.

Date Filed: February 1, 1999

Effectiive Date: Service Rendered on or uffer June 25, 1999

Docket No. NG99-001

Issued By: C. Wayne Fox. Vice President -

Regulatory Affairs & General Services



STATE OF SOUTH DAKOTA GAS RATE SCHEDULE

A DEASON OF VIDE RESIDENCES SERVICE FOR

#GO Month Florish Street Breatmonk MD 59501

SD P.U.C.

Section No.\_\_ 1st Revised Sheet No. 20.1 Sheet No. 20.1

Cancelling Original

Page 2 of 5

## FIRM GAS SERVICE EXTENSION POLICY Rate 120

#### B. Customer Extensions

Cost participation for extensions where customers will be immediately available for service is as follows:

#### Contribution -

- When a contribution is required, the customer(s) shall pay the Company the portion of the capital expenditure not cost justified as determined in accordance with paragraph A.3.
- The contribution shall be made by: ъ.
  - A one-time payment prior to construction, or
  - ii. Payment of 25% of the contribution prior to construction and the balance in no more than twenty-four equal monthly installments. If customer discontinues service within the twenty-four month period, the balance will be due and payable upon discontinuance of service, or
  - iii. Customer may post a bond, irrevocable letter of credit, or a written guarantee commitment in the amount of the required contribution prior to construction. Such bond, issued by a bonding company authorized to do business in the state, letter of credit, or written guarantee commitment, shall be effective for the original five-year term and is subject to approval and acceptance by the Company. If at the end of the original five-year term, a contribution requirement exists in the subject project based on a recalculated maximum expenditure, the surety or guarantor shall reimburse the Company for such recalculated contribution requirement, or
    - iv. Customer, upon approval by Company, may finance the amount of the required contribution subject to the following conditions: 1) maximum contribution to be financed shall be determined by the Company at its sole discretion, 2) maximum term shall be five years, 3) interest will be charged at the Company's incremental weighted cost of capital.
  - Upon completion of construction, the contribution amount will be adjusted to reflect actual costs, and an additional charge c. may be levied or a refund may be made.
  - If within the five-year period from the extension(s) in service date, the number of active customers and related volume exceeds d. the third-year projections, the Company shall recompute the contribution requirement by recalculating the maximum allowable investment.

Effective Date: Service Rendered on or after June 25, 188 Date Filed: February 1, 1999

Issued By: C. Wayne Fox, Vice President -Docket No.

Services Affaire & General Services



400 Norm Fourth Street Assmarch: NO 58501

#### STATE OF SOUTH DAKOTA GAS RATE SCHEDULE

SDPUC. Section No. 5

LST REVISED Shed No. 20.2

Cancelling Original

Sheet No. 20 2

Page 3 of 5

FIRM GAS SERVICE EXTENSION POLICY Rate 120

В. Gustomer Extensions (Cont.)

> 1, The recalculated contribution requirement shall be collected from the new applicant(s).

Refund -2.

- a. The Company will refund to the original contributor(s) the amount required to reduce their contribution to the recalculated contribution requirement. No refunds will be made for amounts less than \$25. Customers who have posted a bond, letter of credit, or written guarantee commitment will be notified of any raduction in surety or quarantee requirements.
- No refunds will be made until the new applicants begin taking service from the Company.
- c. If the addition of new customers will increase the contribution required from existing customer(s), the extension will be considered a new extension and treated separately
- 3. Incremental Expansion Surcharge -
  - The Company, in its sole discretion, may offer an Incremental a. Expansion Surcharge (Surcharge) to groups of customern requesting service totaling 10 or more when the total estimated cost would otherwise have been prohibitive under the Company's present rates and gas service extension policy. The contribution requirement to be collected under the Surcharge shall be the amount of the capital expenditure in excess of the Maximum Allowable Investment determined in accordance with [A.]
    - i. A minimum up-front payment of \$100.00 will be collected from each customer who signs an agreement to participate in the expansion.
    - ii. For projects that are expected to be recovered within a 5year period, the Surcharge shall be sat at a fixed monthly charge of \$5.00 per month plus \$1.50 per dk.
    - For projects that are not expected to be recovered within a 5-year period, the Surcharge shall be set at a fixed monthly charge of \$5.00 per month plus a commodity charge designed to provide recovery of the contribution requirement.
  - The Surcharge shall remain in effect until the net present value b. of the contribution requirement, calculated using a discount rate equal to the overall rate of return authorized in the last rate case, is collected.

Date Filed: February 1, 1999

Effective Date: Sorvice Rendered on or after June 25, 1999

Docket No. NG99-001

Issued By: C. Wayne Fox, Vice President -Regulatory Affairs & General Services



STATE OF SOUTH DAKOTA **GAS RATE SCHEDULE** 

A Division of AEDU Frasturces Group, Inc.

400 Morth Fourth Street Bismarck, AID 58501

SD P.U.C. Section No. 1st Revised Sheet No. 20.3 Siveribo. 20.3

Cancelling Original

Puge 4 of 5

## FIRM GAS SERVICE EXTENSION POLICY Rate 120

#### Customer Extensions (Cont.)

- The Surcharge shall apply to all customers connecting to natural 3 0. gas service within the expansion area until the contribution requirement is satisfied.
  - The net present value of the Surcharge will be treated as a ď. contribution-in-aid of construction for accounting purposes.

#### C. <u>Developer Extensions</u>

Cost participation may be required for extensions such as a subdivision or mobile home court, in which a developer is installing roads, utilities, etc., before housing is built.

- Contribution -
  - When a contribution is required, the developer shall pay the B. Company the portion of the capital expenditure not cost justified as determined in accordance with paragraph A.3.
  - b. The contribution shall be made by:
    - i. A one-time payment prior to construction, or
    - ii. Developer may post a bond, irrevocable letter of credit, or a written guarantee commitment in the amount of the required contribution prior to construction. Such bend, issued by a bonding company authorized to do business in the state, letter of credit, or a written guarantee com-mitment, shall be effective for the original five-year term and is subject to approval and acceptance by the Company. If at the end of the original five-year term, a contribution requirement exists in the subject project based on a recalculated maximum expenditure, the surety shall reimburse the Company for such recalculated contribution requirement, or
    - Customer, upon approval by Company, may finance the sacunt of the required contribution subject to the following conditions: 1) maximum contribution to be financed shall be determined by the Company at its sole discretion, 2) maximum term shall be five years, 3) interest will be charged at the Company's incremental weighted cost of capital.
  - Upon completion of construction, the contribution amount will be adjusted to reflect actual costs, and an additional charge may be levied or a refund may be made.

Date Filed: February 1, 1999

\_ Effective Date <u>Service Rendered on o⊱after June 25, 1969</u>

Docket No. NG99-001

さりと言うとうというというなり、ドートリ

Issued By: C. Wavne Fox. Vice President-Regulatory Affairs & General Services



A Diversion of MICKI Hasourous Group Inc.

#### STATE OF SOUTH DAKOTA GAS RATE SCHEDULE

SD P.U.C.

Section No. 5 Sheet No. 20.4

ACC ACTO FORM STREET
BESTEEL NO 09507 Cancelling

Sheet No.

Page 5 of 5

#### FIRM GAS SERVICE EXTENSION POLICY Rate 120

#### C. Daveloper Extensions (Cont.)

#### 2. Refund -

- A. If within the five-year period from the extension(6) in service date, the number of active customers and related volumes exceeds the third-year projections, the Company shall recompute the contribution requirement by recalculating the maximum allowable investment. Such recalculation shall be done annually based upon the anniversary of the extension(6) in service date.
- b. The Company will refund to the developer the amount required to reduce their contribution to the recalculated contribution requirement. No refunds will be made for amounts less than \$25. Developers who have posted a bond, letter of credit, or written guarantee commitment will be notified of any reduction in surety or guaranty requirements.
- c. If the addition of new customer(s) will increase the contribution required from the developer, the extension will be considered a new extension and treated separately.

Date Filed:	<u>February 1, 1999</u>	Effective Date Service Rendered on or after June	:25.1	92
REMARKS & SECTIONS	produced in the day is the district the district the day of the da			7.7



450 Hours Fourth Sisses Gismarch, AID 56501

#### STATE OF SOUTH DAKOTA ELECTRIC RATE SCHEDULE

SDP.U.G. 15th Revised Carculling 15th Revised Section No. \_\_ Sheet No. \_\_ Sheet No. \_\_

- <u>- 25</u> - 25

Page 1 of 2

# OCCUSIONAL 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 dasign capacity of 100 Kw or less, that are Qualifying Facilities as defined under 18 CFR. Part 292.

#### RATE:

Metering charge for single phase service
Metering charge for three phase service

\$1.95 per month \$7.70 per month

Energy delivered to and accepted by Company by a qualifying facility shall

1.516¢ 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.)

#### ENERGY SALES TO SMALL QUALIFYING FACILITY:

be paid for by Company as follows:

Service provided to such customers by the Company shall be billed at the appropriate rate, by class of customers (i.e., residential, general service, etc.) that is currently on file with the Commission.

#### SPECIAL TERMS AND CONDITIONS:

- 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 mater usage and sales to the Company.

Date Filed: <u>June 1</u>	, 1999	Effective Date:	Bills	renc	ered	on	or i	after	A Company of the last
Docket No. EL99-011	Issued By: <u>C. Wayne Fox Vic</u>		June 1	<b>25,</b> 1	999				The state of the state of the





A Division of MDU Resources Group Inc.

400 Month Fourth Street Businarck, ND 58501

STATE OF SOUTH DAKOTA **ELECTRIC RATE SCHEDULE** 

> 16th Revised Cancelling 15th Reviews

Section its Silvered him

Page 1 of )

#### SHORT-TERM POWER PURCHASE Rate 96 TIME DIFFERENTIATED

#### AVAILABILITY:

To any qualifying cogeneration and small power production (COG/SPP) facilities for the purpose of generating short-term electric energy in parallel with the Company's system. This schedule is applicable to cogeneration and small power production facilities with a dasign capacity of 100 Kw or less, that are Qualifying Pacilities as defined under 18 CFR, Part 292.

#### RATE:

Metering charge for single phase service Metering charge for three phase service

\$ 6.10 per month

\$14.20 per month

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

SUMMER - April 1 through September 30

ON-PEAK

OPF-PRAK

1.812¢ per Kwh

1.167¢ cor Kwh

Summer Peak Periods: The On-Peak Period is defined as those hours between 7 a.m. and 11 p.m. Central Time, Monday through Friday in Central Time zones, and between 6 a.m. and 10 p.m. Mountain Time, Monday through Friday in Mountain Time zones. The Off-Peak Period is defined as all other hours.

WINTER - October 1 through March 31

ON-PEAK

OFF FRAK

1.945¢ per Kwh

1.287¢ per Kwh

Winter Peak Periods: The On-Peak Period is defined as those hours between 8 a.m. and 10 p.m. Central Time, Monday through Friday in Central Time zones, and between 7 a.m. and 9 p.m. Mountain Time, Monday through Friday in Mountain Time sones. The Off-Peak Period is defined as all other hours.

Definitions of on-peak and off-peak periods are subject to change with change in Company's system operating characteristics.

(Continued)

Date Filed: June 1, 1999

Effective Date: Bills rendered on or efter

June 25, 1999

Docket No. EL99-011

Issued By: C. Wayne Fox. Vice President -Regulatory Affairs & General Secuces



# MONTANA DAMOTA STATE OF SOUTH DAKOTA

DARROT OF MOU RESOURCES GROUP IX 430 Havan Fayara Sareya Rismorria AST SARCO

10th Royised Canceling 9th Revised Street Na

(Continued)

Page 2 of 3

#### SHORT-TERM POWER PURCHASE RATE 95 TIME DIFFERENCIATED

Monthly capacity payments will be made on the basis of actual avoidance of capacity during the months of January, June through September, and December. Such payments are to be based on the capacity cost of combustion turbine peaking generation.

Monthly capacity payment = \$6.00 per Kw

Monthly capacity payments will be made based on a monthly 85 percent on-peak period capacity factor for the months of January, June through September, and December. The capacity factor is the quotient of the average monthly on-peak period metered capacity (Kw) delivered to the Company during a month, divided by the maximum monthly on-peak metered capacity (Kw) delivered to the Company during a month. All referenced metered capacity readings refer to one bour measured demands (Kw). The monthly capacity payment applicable for the months of January, June through September, and December will be made based on the following formula:

MCP = MCP per Kw X MCF X maximum monthly on-peak demand (Xw) . 85

where: MCP = Monthly Capacity Payment MCF = Monthly On-Peak Period Capacity Factor

#### 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.g., residential, 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.

(Continued)

Effective Date: Bills rendered on or after Date Filed: June 1, 1999 June 25. 1999

Docket No. EL99-011

Issued By: C. Wayne Fox Vice President -Regulatory Affairs & General Services



#### STATE OF SOUTH DAKOTA ELECTRIC RATE SCHEDULE

A Division of MOU Fredounces Group Inc.

400 Hornin Freshi Statio
Bernardin, MO 50507

16th Revised
Carcelles 15th Revised

SD P.U.C.

Section No. 1 Stact No. 10 Shoot No. 10

Page 1 of 3

# LONG-TERM FOWER PURCHASE RATE 97 TIME DIFFERENTIATED

#### AVAILABILITY:

To any qualifying cogeneration and small power production (COG/SPP) facilities for the purpose of generating long-term 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 15 CPF, Part 292.

#### RATE:

Metering charge for single phase service
Metering charge for three phase service

\$ 6.10 per month \$14.20 per month

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

SUMMER - April 1 through September 30

ON-PEAK

OFF-PEAK

1.812¢ per Kwh

1.167¢ per Kwh

Summer Peak Periods: The <u>On-Peak Period</u> is defined as those hours between 7 a.m. and 11 p.m. Central Time, Monday through Friday in Central Time zones, and between 6 a.m. and 10 p.m. Mountain Time, Monday through Friday in Mountain Time zones. The <u>Off-Peak Period</u> is defined as all other hours.

WINTER - October 1 through March 31

on-peak

OFF-PEAK

1.946¢ per Kwh

1.287¢ per Kwh

Winter Peak Periods: The <u>On-Peak Period</u> is defined as those hours between 8 a.m. and 10 p.m. Central Time, Monday through Priday in Central Time zones, and between 7 a.m. and 9 p.m. Mountain Time, Monday through Priday in Mountain Time zones. The <u>Off-Peak Period</u> is defined as all other hours.

Definitions of on-peak and off-peak periods are subject to change with change in Company's system operating characteristics.

(Continued)

Date Filed: June 1, 1999

Effective Date: Bills rendered on or after

June 25. 1999

Docket No. EL99-011

Issued By: C. Wayne Fox, Vice President - Regulatory Affairs & General Services



## MINTANA-DARVIA ELECTRIC RATE SCHEDULE STATE OF SOUTH DAKOTA

SD P.U.C.

Section Lin Sheet blo

#17 Month Fourth Science Biotestos NO 50501

12th Revised Cancrating 11th Kevised Sheet No.

(Continued)

Page 2 of 3

#### LANG-YERM POWER PURCHASE Rate 97 TIME DIFFERENTIATED

Monthly capacity payments will be made on the basis of actual avoidance of capacity during the months of January, June through September, and December. Such payments are to be based on the capacity cost of base load generation.

Monthly capacity payment = \$15.34 per Kw

Manthly capacity payments will be made based on a monthly 85 percent on-peak period capacity factor for the months of January, June through September, and December. The capacity factor is the quotient of the average monthly on-peak period metered capacity (Kw) delivered to the Company during a month, divided by the maximum monthly on-peak metered capacity (Kw) delivered to the Company during a month. All referenced metered capacity readings refer to one hour measured demands (Kw). The monthly capacity payment applicable for the months of January, June through September, and December will be made based on the following formula:

MCP = MCP pex Kw K MCF

. 85

X maximum monthly on-peak demand (Kw)

where: MCP = Monthly Capacity Payment

MCF = Monthly On-Peak Period Capacity Factor

#### 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, 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.
- 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: June 1, 1999

Effective Date: Bills rendered on or after

June 25, 1999

Docket No. EL99-011

Issued By: C. Wayne Fox, Vice President -Regulatory Affairs & General Services