



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of Montana Electric Rate Schedule

Volume No. 4
6th Revised Sheet No. 45
Canceling 5th Revised Sheet No. 45

POWER PURCHASE TIME DIFFERENTIATED Rate 93

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AVAILABILITY:

To any qualifying cogeneration and small power production facility (QF), as defined under the Administrative Rules of the Montana Public Service Commission, for the purpose of generating electric energy in parallel with the Company's system. This schedule is applicable to a QF with a nameplate capacity of 3 MW or less who enters into a Power Purchase Agreement (Agreement) with the Company for a term not to exceed 20 years.

RATE:

Metering charge for single phase service \$5.65 per month
Metering charge for three phase service \$8.75 per month

Energy delivered to and accepted by Company by a QF shall be paid for by Company in accordance with one of the following two options, elected by the QF:

1. Time Differentiated Energy Purchase Rate

<u>ON-PEAK</u>	<u>OFF-PEAK</u>
2.677¢ per Kwh	2.605¢ per Kwh

Rating Periods: The on-peak period is defined as those hours between 12 p.m. and 8 p.m. local time, Monday through Friday in the months of June through September. 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.

2. Actual time differentiated system lambda determined for the month prior to the month in which energy is delivered by a QF.

Monthly capacity payments for a QF shall be based upon the amount of qualifying capacity assigned to an eligible resource under BPM-011-Resource Adequacy of the MISO tariff subject to adjustment annually in accordance with BPM-011-Resource Adequacy of the MISO tariff.

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4th Revised Sheet No. 45.1

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Capacity payments will be paid in the subsequent billing period.

Monthly capacity payment = \$9.005 per Kw for the term of the contract executed at the time this capacity payment is in effect.

ENERGY SALES TO QF:

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.

GENERAL TERMS AND CONDITIONS:

1. All purchases and sales of electric power between the Company and a QF of 3 MWs or less shall be accomplished according to the terms of a written contract and in accordance with the terms of this tariff.
2. Change of Rates: This schedule shall be reviewed annually, updated if necessary, and revised upon the Commission's approval.
3. The QF must apply for and enter into an Interconnection Agreement with the Company or the Transmission Service Provider prior to actual installation of equipment.

A QF is responsible for all system Interconnection Facilities related costs and Network Upgrade costs. The QF shall be refunded its Network Upgrade related costs according to the terms and conditions of the applicable MISO tariff.

Interconnection Facilities means the Company's or the Transmission Service Provider's Interconnection Facilities and the QF Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the QF and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the QF to the Company's distribution or transmission system or Transmission Service Provider's transmission system.

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3rd Revised Sheet No. 45.2

Canceling 2nd Revised Sheet No. 45.2

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Network Upgrades are additions, modifications and upgrades to the Company's, Transmission Service Provider's or other affected parties' transmission system required at or beyond the point at which the QF interconnects with the transmission system to accommodate the interconnection with the QF to the Company's distribution or transmission system or Transmission Service Provider's transmission system.

The rates and terms and conditions set forth herein are subject to the provisions of the "Interconnection Cost Amortization Option" set forth in Rate 95.

4. 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.
5. The QF 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.
6. The QF has the option of contracting for either the "Standard Payment Option" or "Net Billing Option Rate 94" for purposes of computing payments as stipulated in the written contract.
7. The QF has the option of fixing the Energy Purchase Rate at the rate in effect at the time the contract is executed or accepting the Energy Purchase Rate subject to change on an annual basis. The QF shall make such determination at the time the contract is executed.

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8. Sales by the QF to the Company do not include the transfer of the RECs associated with the energy produced. The RECs shall remain with the QF to utilize at their discretion.
9. All services provided by the Company under this and all other schedules are governed by the rules and regulations approved by the Montana Public Service Commission.

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