



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
Original Sheet No. 74

SMALL QUALIFYING FACILITIES (SQF) GENERAL RULES Rate 140

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General Rules for Generation:

1. The interconnection between the utility and the qualifying facility will be limited to the service voltage and phases available at the qualifying facility. If different voltages or phases are required, the necessary changes will be provided by the qualifying facility.
2. The power factor and frequency of the qualifying facility shall be such as to not adversely affect the utility system. If corrective devices are required, they will be provided by the qualifying facility.
3. Fault protection equipment shall be provided by the qualifying facility. The utility and qualifying facility shall coordinate protective devices in order to limit damage to each system.
4. The qualifying facility's interconnection shall meet the requirements of local, state and federal codes.
5. The owner of the qualifying facility shall submit equipment specifications as requested by the utility prior to owner's installation of such equipment to assure compatibility and coordination with the utility system.
6. The owner of a qualifying facility will be requested to curtail, interrupt or reduce deliveries of electric energy, in order that the utility may construct, install, maintain, repair, replace, remove or inspect any of its equipment or any part of its system, or if it determines that curtailment, interruption or reduction of delivery is necessary because of safety, emergencies, forced outages or operating conditions on its system. Except in case of emergency, in order to minimize operating problems, the utility and qualifying facility shall give the other reasonable prior notice of any curtailment, interruption or reduction of delivery and its probable duration.
7. The Company reserves the right for periodic inspection of safety devices which are part of the interconnection. This does not affect the responsibility of the qualifying facility to assure the operating safety of the equipment on its side of the interconnection point.

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8. The Company reserves the right to disconnect any facility that has interconnected without utility authorization.
9. The Company has the right to disconnect and lock-out a qualifying facility's generating equipment with due notice whenever it has been determined that harmonics are being produced or other factors are present which would interfere with communications or otherwise cause degradation of service to other customers. If, in the judgment of the utility, an unsafe condition is created on the utility system by the operation of the qualifying facility the utility shall have the right to disconnect the facility until the cause of such condition is eliminated.
10. In the event of a utility system outage or interruption of service, a qualifying facility's generator shall be capable of automatically disconnecting itself to prevent the utility's line from being energized. Also, a qualifying facility's system shall not be capable of energizing the utility's line when that line is de-energized.
11. A manually operated generator disconnect switch, provided by the owner of a qualifying facility, shall be accessible to utility personnel at all times. Such a switch would be used, whether or not the owner is present to remove the qualifying facility's generator from the line in an emergency situation as determined by utility system conditions.
12. All necessary rights-of-way and easements to install, operate, maintain, replace and remove utility facilities, including adequate access rights are to be furnished by the owner of the qualifying facility on owner's property.
13. The metering shall be adequate to measure energy, or energy and capacity, from the qualifying facility to the utility, from the utility to the qualifying facility, and, if necessary, adequate to determine the time at which energy is transferred from one party to another.
14. If the qualifying facility is located at a site outside of Company service territory and energy is delivered to Company through facilities owned by another utility, energy payments will be adjusted reflecting losses occurring between point of metering and point of delivery.

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15. In the event the qualifying facility desires wheeling by the Company of its output, arrangements will be made subject to negotiation.
16. A Metering Charge will be assessed the qualifying facility for installation by the Company of additional metering equipment plus operation and maintenance costs.
17. An Interconnection Charge will be assessed for any additional facilities (exclusive of the items included in Metering Charge) or changes in existing facilities to permit interconnection with the Company. Payment shall be a one-time payment.
18. The owner of a qualifying facility will indemnify and save the utility harmless from all loss on account of injury, death or damage to property caused by the qualifying facility unless the injury, death or damage is the direct result of the negligence of the utility.
19. Qualifying facilities shall be required to execute a contract that specifies a one or five-year minimum term depending upon applicable rate schedule and describes the responsibilities, liabilities, ownership of equipment, and location.
20. The owner of a qualifying facility shall obtain and maintain general liability insurance in an amount established by negotiation between the owner of a qualifying facility and the Company.
21. Qualifying facilities with generating capacity greater than 1000 Kw, or operating as a base loaded unit regardless of size, will require individual negotiation.

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