

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

1. Background

The currently effective Rates 95, 96 and 97 were filed on July 7, 2015, approved by the Commission on August 5, 2015, and implemented on August 15, 2015. The energy payments currently on file for these rates were generated by Montana-Dakota's production costing model (PLEXOS) for the twelve months ending June 30, 2016. The capacity payments in effect for Rates 96 and 97 are based on the projected costs of an installed peaking facility and baseload unit, respectively. In addition, in accordance with the Commission's Decision and Order (F-3365), the currently effective rate schedules reflect the fact that no capacity payments will be made until capacity can actually be shown to be avoided.

After reviewing the energy and capacity payments currently on file for Rates 95, 96 and 97, Montana-Dakota recommends that these rate schedules be updated to reflect the projected avoided energy and capacity costs for the test year of July 1, 2016 through June 30, 2017. The methodology used in developing the proposed energy payments is identical to that used in developing the currently effective rates.

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, 1st Revised Sheet No. 35
Occasional Power Purchase Non-Time Differentiated Rate 95

Section No. 3, 1st Revised Sheet No. 36
Short-Term Power Purchase Rate 96 Time Differentiated

Section No. 3, 1st Revised Sheet No. 37
Long-Term Power Purchase Rate 97 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.