

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

IN THE MATTER OF the Petition of
Montana-Dakota Utilities Co., a Division of
MDU Resources Group, Inc., for Certification
of Eligible Renewable Resources and
Community Renewable Energy Resources

UTILITY DIVISION

DOCKET NO. _____

PETITION

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. ("Montana-Dakota"), pursuant to the provisions of the Montana Renewable Power Production and Rural Economic Development Act ("Renewable Act"), Sections 69-3-2001 *et seq.* Mont. Code Ann., and the Commission's implementing rule, ARM 38.5.8301, respectfully petitions the Commission for the following certifications:

- (1) That the Diamond Willow 2 wind farm is an eligible renewable resource as defined by the Renewable Act, and;
- (2) That the Cedar Hills wind farm is an eligible renewable resource as defined by the Renewable Act, and;
- (3) That the Diamond Willow 1, Diamond Willow 2, and Cedar Hills wind farms are Community Renewable Energy Projects ("CREPs") as defined by the Renewable Act.

In support of its Petition, Montana-Dakota shows as follows.

I.

Montana-Dakota is a combination electric and gas utility subject to the Commission's jurisdiction under Title 69 of the Montana Code Annotated. The Renewable Act has been

re-codified under Chapter 3 of Title 69, and requires the electric utilities subject to the jurisdiction of the Commission to acquire certain amounts of eligible renewable resources as defined in Section 69-3-2003(10), MCA.

II.

Diamond Willow 1 was Montana-Dakota's first wind farm. It is a 19.5 Megawatt facility constructed in Fallon County, Montana, in 2007-2008. It was certified by the Commission as an eligible renewable resource in March of 2007. PSC Docket D2007.2.23, NCA dated March 7, 2007.

III.

Cedar Hills was Montana-Dakota's second wind farm. It is a 19.5 Megawatt facility located in Bowman County, North Dakota, approximately 20 miles east of the border between Montana and North Dakota. Construction was completed and the wind farm commenced commercial operation on June 6, 2010. It interconnects with the Montana-Dakota integrated system on the 57Kv transmission line between Bowman, North Dakota, and Baker, Montana, and delivers power into Montana.

IV.

Diamond Willow 2 was Montana-Dakota's third wind farm. It is a 10.5 Megawatt facility located in Fallon County, Montana, in close proximity to Diamond Willow 1. Construction was completed and the wind farm commenced commercial operation on June 28, 2010. Although MISO allows Montana-Dakota to treat the two Diamond Willow wind farms as a single facility for purposes of transmission interconnection requirements, and Montana-Dakota treats them as such, they are two separate wind farms with separate circuits connecting them to the 57 kv transmission line between the Baker Junction substation and

Little Beaver, Montana. Each of the Diamond Willow wind farms has its own step-up transformer, breakers, relays, and meter.

V.

Attached to this Petition as Exhibit 1 is a schematic diagram of Montana-Dakota's integrated electric system. All three wind farms are located on the previously described transmission lines. Power from all three wind farms flows through Montana-Dakota's integrated system, and provides electricity to Montana-Dakota customers in Montana, North Dakota, and South Dakota. The Commission treats all three wind farms in the same fashion as any other generation resource on the integrated system, and allocates a proportionate share of their cost to Montana-Dakota's customers in Montana. PSC Docket D2010.8.82, Order 7115d.

VI.

Diamond Willow 1 and 2, and Cedar Hills, were all acquired as generation resources in accordance with least cost planning principles and in compliance with Montana's Integrated Least-Cost Resource Planning and Acquisition Act, Sections 69-3-1201 *et seq*, Mont. Code Ann.

VII.

Diamond Willow 1 & 2, and Cedar Hills, are all Company owned resources. Accordingly, Montana-Dakota controls the Renewable Energy Credits ("RECs") associated with each of the three wind farms, and allocates those RECs in accordance with the allocation of wind generation resource costs approved by the Commission in Montana-Dakota's last general rate case, PSC Docket D2010.8.82. The RECs from all three wind farms are tracked and verified by the Midwest Renewable Energy Tracking System ("MRETS").

VIII.

Under the Renewable Act, Montana-Dakota is entitled to an Order or Notice of Commission Action which certifies that Diamond Willow 2 is an eligible renewable resource. It is physically located in Montana, provides renewable energy to Montana-Dakota's customers in Montana (along with associated RECs), and commenced commercial operation after January 1, 2005.

IX.

Under the Renewable Act, Montana-Dakota is entitled to an Order or Notice of Commission Action which certifies that Cedar Hills is an eligible renewable resource. It delivers electricity into Montana, provides Montana-Dakota's customers in Montana with renewable energy (along with associated RECs), and commenced commercial operation after January 1, 2005.

X.

Under the Renewable Act, Montana-Dakota is entitled to an Order or Notice of Commission Action which certifies that Diamond Willow 1, Diamond Willow 2, and Cedar Hills are CREPs. All three wind farms are owned by Montana-Dakota, and all three wind farms are under the 25 Megawatt size limitation imposed upon CREPs. Section 69-3-2003(4), MCA. Although Diamond Willow 2 is in close proximity to Diamond Willow 1, it was constructed more than two years after Diamond Willow 1 and, under the Renewable Act, is not to be included within the total calculated nameplate capacity of Diamond Willow 1. Section 69-3-2003(18)(b), MCA.

XI.

In addition to the undersigned legal counsel, the following individuals should be placed on the service list in this docket as representatives of the Petitioner, Montana-Dakota:

Darcy Neigum
System Operations and Planning Manager
Montana-Dakota Utilities Co.
400 North 4th Street
Bismarck, ND 58501

Tamie Aberle
Regulatory Affairs Manager
Montana-Dakota Utilities Co.
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Bismarck, ND 58501

Daniel S. Kuntz
Associate General Counsel
MDU Resources Group, Inc.
P. O. Box 5650
Bismarck, ND 58506-5650

WHEREFORE, Montana-Dakota requests the issuance of a Commission Order or Notice of Commission Action which certifies that:

- (1) The Diamond Willow 2 wind farm is an eligible renewable resource as defined by the Renewable Act, and;
- (2) The Cedar Hills wind farm is an eligible renewable resource as defined by the Renewable Act, and;
- (3) The Diamond Willow 1, Diamond Willow 2, and Cedar Hills wind farms are CREPs as defined by the Renewable Act.

Dated this 13~~th~~ day of March, 2012.

HUGHES, KELLNER, SULLIVAN & ALKE, PLLP

By _____

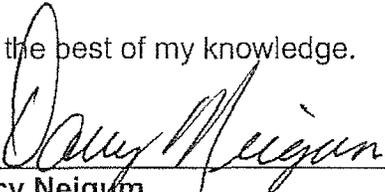

John Alke
40 W. Lawrence, Suite A
P.O. Box 1166
Helena, MT 59624-1166

Attorneys for Montana-Dakota Utilities

VERIFICATION

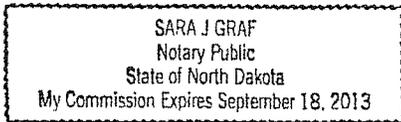
STATE OF NORTH DAKOTA)
 : ss.
County of Burleigh)

I, **Darcy Neigum**, being first duly sworn, upon oath, depose and say that I am the System Operations and Planning Manager of Montana-Dakota Utilities Co., and that I have read the foregoing Petition and it is true and correct to the best of my knowledge.

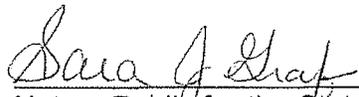


Darcy Neigum

SUBSCRIBED AND SWORN to before me this 13th day of March, 2012.



(S E A L)

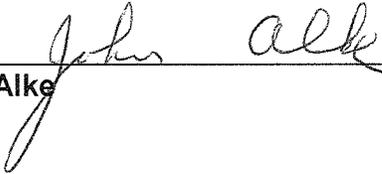


Notary Public for the State of North Dakota
Printed Name: Sara J Graf
Residing at Bismarck, North Dakota
My Commission expires: 9-18-2013

CERTIFICATE OF SERVICE BY MAIL

I HEREBY CERTIFY that a copy of the foregoing PETITION was served upon the following by mailing a true and correct copy thereof on this 13th day of March, 2012, addressed as follows:

**MONTANA CONSUMER COUNSEL
PO BOX 201703
HELENA MT 59620-1703**



John Alke

CANADA

MINNESOTA

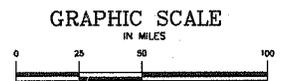
NORTH DAKOTA

MONTANA

EXHIBIT 1

SOUTH DAKOTA

WYOMING



REVISED 12/27/05

ELECTRIC SYSTEM
MONTANA-DAKOTA UTILITIES CO.

	ELECTRIC TRANSMISSION LINES
	PROPOSED ELECTRIC TRANSMISSION LINES
	TOWNS SERVED WITH ELECTRICITY
	TOWNS SERVED WITH ELECTRICITY & NATURAL GAS
	ELECTRIC GENERATING PLANTS
	PROPOSED ELECTRIC GENERATING PLANTS

SOURCE: MONTANA-DAKOTA UTILITIES CO. 12/27/05

