

Schedule No. CTC-QF-1

COMPETITIVE TRANSITION CHARGE FOR QUALIFYING FACILITIES

APPLICABILITY: Applicable to all retail electric service provided by the Utility beginning July 1, 2002 and under the jurisdiction of the Montana Public Service Commission. Not applicable for large new loads of 1,000 kW or greater, as defined below under Load Exclusion.

PURPOSE: The purpose of this Rate Schedule is to recover the out-of-market costs associated with Qualifying Facilities Power Contracts, pursuant to electric restructuring.

<u>Rate Classes:</u>		<u>Monthly \$/kWh</u>
Residential	All kWh @	0.003182
Residential - Employee	All kWh @	0.001909
General Service Secondary	All kWh @	0.003182
General Service Primary	All kWh @	0.003095
General Service Substation	All kWh @	0.003068
General Service Transmission	All kWh @	0.003050
Irrigation	All kWh @	0.003182
Lighting	All kWh @	0.003182

The above rates shall be modified annually beginning July 1, 2003 through July 1, 2031 to reflect the respective annual Qualifying Facility charges authorized by Commission Order No. 5986w.

APPLICATION OF RATES:

Monthly Billing: Each month, the CTC-QF Charge shall be the product of the actual monthly consumption, in kWh, delivered at Customer's meter, times the applicable rate set forth above.

TERM OF RATE SCHEDULE:

This Rate Schedule shall be applicable from the effective date of the final Order in Docket No. D97.7.90, until such time that the CTC-QF Charge is no longer needed.

(continued)



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Sheet No.

61.2

Sheet No.

61.2

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SPECIAL TERMS AND CONDITIONS:

1. Definitions: The definitions of the principal terms used in this Rate Schedule are contained in Rule No. 1.
2. Non-Bypassable Charge: Customer shall be required to pay the applicable CTC-QF Charge set forth above, even if Customer has physically bypassed either the Utility's transmission or distribution facilities.
3. Load Exclusion: The CTC-QF Charge set forth above shall not be assessed to new Customers with loads of 1,000 kilowatts, or existing Customers with new or additional loads of 1,000 kilowatts (the sum of the calendar year's monthly maximum demands divided by 12) or greater that were first served by the Utility after December 31, 1996, or to loads served by such Customer's own generation.

SERVICE AND RATES SUBJECT TO COMMISSION JURISDICTION: All rates and service conditions under this Rate Schedule are governed by the rules and regulations of the Public Service Commission of Montana and are subject to revision as the Commission may duly authorize in the exercise of its jurisdiction.

Date Approved June 25, 2002
Docket No. D97.7.90 (Order 5986w)
Agenda No. 02-06-25

Effective for service rendered on or after

July 1, 2002

PUBLIC SERVICE COMMISSION

Rhonda Simmons

Secretary