MDU proposes natural gas power plant near Mandan

The Associated Press

Montana-Dakota Utilities Co. has proposed building an $85 million natural gas-fired power plant near Mandan to serve customers in the Dakotas and Montana.

The Bismarck-based company filed an application Friday with the North Dakota Public Service Commission, asking regulators to determine as a first step in the approval process whether the project is a good option for meeting increased electric demand.

MDU hopes to have the plant running in early 2015.

MDU spokesman Mark Hanson said the 88-megawatt plant would be built next to the company's 100-megawatt coal-fired Heskett Station, two miles north of Mandan. That plant, built in 1954 and updated with a second unit in 1963, burns about 500,000 tons of lignite annually from a mine near Beulah, in western North Dakota.

MDU said the proposed power plant would be built on land it already owns and would share equipment and labor with the existing coal-fired plant.

Building a natural gas power plant was the cheapest option in terms of construction and meeting environmental standards, Hanson said.

"It is cleaner," Hanson said. "The best cost option was to build this."

MDU said the proposed gas-fired power plant would serve about 86,000 customers, mostly in North Dakota but also in South Dakota and Montana. The company would build a 24-mile pipeline from the proposed Mandan plant to tap into an existing natural pipeline near St. Anthony.

North Dakota residential customers would see an increase of about $4 a month on their electricity bills if the project was approved, the company said. Hanson said it hasn't yet estimated the additional cost for customers in other states.

MDU has 395 megawatts of coal-fired power. Along with the Heskett Station, it owns the Lewis and Clark Station in Montana and has partnerships in the Coyote Station in Beulah and the Big Stone Station in South Dakota.

The company has 103 megawatts of power from gas turbines and 55 megawatts of renewable power, including 49.5 megawatts from wind generation.

MDU Utilities is a unit of MDU Resources Group Inc., an energy, mining and construction company with operations in 44 states. It is North Dakota's only Fortune

500 company.

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