



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
(701) 222-7900

March 17, 2008

Executive Secretary
North Dakota Public Service
Commission
State Capitol Building
Bismarck, ND 58505-0480

Re: Fuel Clause Adjustment (FCA)
Case No. PU-08-__

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith respectfully files an original and seven (7) copies of its fuel clause adjustment (FCA) per its Fuel Clause Rate 58. The attached statement shows the following:

Cost per Kwh	\$0.02530
Base Cost/Kwh Included in Current Rates	0.01303
Total Billing Adjustment	<u>\$0.01227</u>

The net effect of this FCA is to increase the rate by 0.062 cents per Kwh for bills rendered in the month of April 2008. All of North Dakota's electric customers will be affected by this proposal. There were 73,841 electric customers in North Dakota as of February 29, 2008.

The increase in the FCA for April is caused by the fact that the lower cost month of October, used in the March calculation, was replaced by the higher cost month of February. In addition, there is an increase in the surcharge adjustment.

Exhibit B shows the calculation of the surcharge adjustment that will be applicable to Montana-Dakota's customers from April 1, 2008 through March 31, 2009. The total surcharge is \$0.00117 per Kwh, an increase of 0.060 cents per Kwh from the adjustment effective July 1, 2008.

In response to Paragraph No. 11 of NDAC Section 69-09-02-39, Montana-Dakota purchases natural gas used for electric generation from its own gas operations or transports natural gas purchased from others under the applicable gas tariff approved and on file with the Commission in the state where the purchase is made or the transportation occurs.

Montana-Dakota submitted a check for the amount of \$600.00 on December 19, 2007. This payment will cover the filing fee associated with the monthly FCA filings, in accordance with North Dakota Century Code Section 49-05-05, for January through December, 2008.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed, stamped envelope.

Sincerely,



Donald R. Ball

Vice President – Regulatory Affairs

Attachment

VERIFICATION

STATE OF NORTH DAKOTA)
)
COUNTY OF BURLEIGH)

Donald R. Ball, being first duly sworn, deposes and says: That he is the Vice President – Regulatory Affairs of Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., that he has supervised the preparation of the foregoing statements, certifies that all of the statements are based upon the records of the respondent, and that the same is true and correct to the best of his knowledge, information and belief.

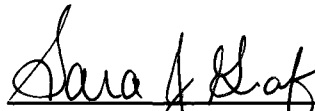
Dated this 17th day of March, 2008.



Donald R. Ball

Subscribed and sworn to before me, a Notary Public for the state and county above named, this 17th day of March, 2008.

SARA J GRAF
Notary Public
State of North Dakota
My Commission Expires September 18, 2013



Sara J. Graf, Notary Public
Burleigh County, North Dakota
My Commission Expires: 09/18/2013

**MONTANA-DAKOTA UTILITIES CO.
FUEL COST ADJUSTMENT - NORTH DAKOTA
APRIL 2008 BILLING ADJUSTMENT SUMMARY**

	<u>Amount</u>
Current cost per Kwh 1/	\$0.02413
Surcharge Adjustment 2/	<u>0.00117</u>
Total Cost per Kwh	\$0.02530
Less: Base Cost 3/	<u>0.01303</u>
Total Fuel Cost Adjustment	<u>\$0.01227</u>

1/ Page 2.

2/ Exhibit B, Page 1.

3/ Base cost of fuel per Case No. PU-399-03-296,
order dated December 18, 2003.

**MONTANA-DAKOTA UTILITIES CO.
FUEL COST ADJUSTMENT - NORTH DAKOTA
APRIL 2008 BILLING ADJUSTMENT**

	2007		2008		Total
	November	December	January	February	
Fuel & Purchased Power Costs					
Account 151 and Natural Gas Used for Generation	\$2,556,986	\$2,913,663	\$3,670,851	\$3,668,660	\$12,810,160
Account 555 (Excludes Demand) 1/	1,427,831	3,573,426	1,710,449	1,018,195	7,729,901
Total Energy Related Costs	\$3,984,817	\$6,487,089	\$5,381,300	\$4,686,855	\$20,540,061
Fuel Costs - Sales for Resale	19,786	7,434	96,659	246,592	370,471
Net System Costs	\$3,965,031	\$6,479,655	\$5,284,641	\$4,440,263	\$20,169,590
Kwh Retail Sales	178,342,621	197,744,604	238,589,485	221,120,814	835,797,524
Cost Per Kwh	\$0.02223	\$0.03277	\$0.02215	\$0.02008	\$0.02413

MONTANA-DAKOTA UTILITIES CO.
ACCOUNT 555
APRIL 2008 BILLING ADJUSTMENT

Account No.	Account Description	2007		2008	
		November	December	January	February
555.1	Purchased Power	\$0	\$0	\$0	\$0
555.111	Day-Ahead Asset Energy	\$1,121,101	\$2,925,132	\$1,095,137	\$277,764
555.112	Day-Ahead Non-Asset Energy	0	0	0	0
555.113	Day-Ahead Virtual Energy	0	0	0	0
555.114	Real-Time Asset Energy	5,771	(135,520)	59,897	44,534
555.115	Real-Time Non-Asset Energy	(510)	(9,290)	(1,969)	(10,903)
555.116	Real-Time Virtual Energy	0	0	0	0
555.1211	Day-Ahead Asset Congestion	176,616	634,452	93,359	17,237
555.1212	Day-Ahead Financial Bilateral Congestion Loss	0	0	0	0
555.1213	Day-Ahead Non-Asset Congestion	0	0	0	0
555.1214	Day-Ahead Virtual Congestion	0	0	0	0
555.1215	Real-Time Asset Congestion	(10,338)	(196,801)	(52,519)	5,475
555.1216	Real-Time Financial Bilateral Transaction Congestion	0	0	0	0
555.1217	Real-Time Non-Asset Congestion	0	0	0	0
555.1218	Real-Time Virtual Congestion	0	0	0	0
555.1221	Financial Transmission Rights Hourly Allocation	8,273	(24,890)	(9,695)	(13,468)
555.1222	Financial Transmission Rights Market Administration	0	0	0	0
555.1223	Financial Transmission Rights Monthly Allocation	(234)	(1,723)	(1)	(874)
555.1224	Financial Transmission Rights Transaction	0	0	0	0
555.1225	Financial Transmission Rights Yearly Allocation	0	0	0	0
555.1226	Financial Transmission Rights Funding Guarantee Amt	0	0	(784)	(1,704)
555.1227	Financial Transmission Rights Guarantee Uplift Amt	0	0	784	1,779
555.131	Day-Ahead Asset Loss	156,187	86,998	397,112	427,283
555.132	Day-Ahead Financial Bilateral Transaction Loss	0	0	0	0
555.133	Day-Ahead Non-Asset Loss	0	0	0	0
555.134	Day-Ahead Virtual Loss	0	0	0	0
555.135	Real-Time Asset Loss	222,806	404,613	312,468	316,751
555.136	Real-Time Distribution of Loss	(60,755)	(117,855)	(114,089)	(128,476)
555.137	Real-Time Financial Bilateral Transaction Loss	0	0	0	0
555.138	Real-Time Non-Asset Loss	0	0	0	0
555.139	Real-Time Virtual Loss	0	0	0	0
555.141	Day-Ahead Market Administration	0	0	0	0
555.142	Real-Time Market Administration	0	0	0	0
555.151	Day-Ahead Rev Suff Guarantee Distribution	2,299	10,106	10,319	12,227
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(882)	(1,868)	0	0
555.153	Real-Time Miscellaneous	(3,424)	10,179	(71)	15
555.154	Real-Time Net Inadvertent Distribution	5,155	(3,049)	(7,226)	(5,920)
555.155	Real-Time Revenue Neutrality Uplift	423,931	286,618	67,846	68,983
555.156	R-T Rev Suff Guarantee First Pass Distribution	(283,045)	(131,855)	36,892	30,706
555.157	R-T Rev Suff Guarantee Make Whole Payment	(338,928)	(173,955)	(180,224)	(24,955)
555.158	Real-Time Uninstructed Deviation	(614)	7,328	(2,198)	(3,849)
555.159	Day Ahead Schedule 24	4,159	4,445	5,124	5,299
555.160	Real Time Schedule 24	263	361	287	291
	Total MISO Market Charges	\$1,427,831	\$3,573,426	\$1,710,449	\$1,018,195
	Total Account 555 Charges	\$1,427,831	\$3,573,426	\$1,710,449	\$1,018,195

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED FUEL COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
TO BE EFFECTIVE APRIL 1, 2008 THROUGH MARCH 31, 2009**

(Over)/under recovered electric costs @ January 31, 2008 \$1,948,152

Less: Projected recovery from rates already established

	Volume	Rate	Amount
February	146,749,755	\$0.00057	83,647
March	123,566,000	\$0.00057	70,433
	270,315,755		154,080

Additional recovery required \$1,794,072

Projected sales volumes (Kwh)

April 2008	116,910,000
May	115,758,000
June	117,213,000
July	142,471,000
August	135,446,000
September	122,645,000
October	119,386,000
November	127,184,000
December	138,274,000
January 2009	138,377,000
February	131,399,000
March	126,496,000

Total 1,531,559,000

Total (over)/under recovered fuel cost adjustment
to be effective April 1, 2008 through March 31, 2009 \$0.00117

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED
UNRECOVERED FUEL COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA**

	<u>(Over) Under Recovery</u>	<u>Refunds & Other</u>	<u>Interest</u>	<u>Total Net Additions</u>	<u>Actual Kwh Sales</u>	<u>Adjustment Per Kwh</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ May 31, 2007									<u>\$648,141</u>
June	\$123,766	\$0	\$1,664	\$125,430	110,531,555	\$0.00000	\$0	\$125,430	773,571
July	870,308	0	2,074	872,382	134,987,284	0.00057	37,887	1/ 834,495	1,608,066
August	564,922	0	3,754	568,676	164,837,376	0.00057	93,957	474,719	2,082,785
September	(426,927)	0	4,485	(422,442)	121,754,506	0.00057	69,400	(491,842)	1,590,943
October	(541,073)	0	3,421	(537,652)	111,916,301	0.00057	63,792	(601,444)	989,499
November	(188,507)	0	1,768	(186,739)	113,552,165	0.00057	64,725	(251,464)	738,035
December	1,259,106	0	1,199	1,260,305	127,419,136	0.00057	72,629	1,187,676	1,925,711
January 2008	108,116	0	2,913	111,029	155,417,343	0.00057	88,588	22,441	1,948,152
	<u>\$1,769,711</u>	<u>\$0</u>	<u>\$21,278</u>	<u>\$1,790,989</u>	<u>1,040,415,666</u>		<u>\$490,978</u>	<u>\$1,300,011</u>	
Balance @ January 31, 2008									<u>\$1,948,152</u>

1/ Effective with service rendered July 1, 2007, reflecting 66,468,984 Kwh.

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF FUEL COSTS
APPLICABLE TO NORTH DAKOTA**

	<u>Kwh</u>	<u>Amount</u>	<u>Cost per Kwh</u>
JUNE 2007			
Purchased power (net)	110,531,555	\$2,541,182	\$0.02299
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00996
kWh billed			110,531,555
Fuel Cost adjustment (FCA)			977,189
(Over) Under recovery			\$123,766
JULY 2007			
Purchased power (net)	134,987,284	\$3,740,752	\$0.02771
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.01468
kWh billed			134,987,284
Fuel Cost adjustment (FCA)			1,111,560
(Over) Under recovery			\$870,308
AUGUST 2007			
Purchased power (net)	164,837,376	\$3,939,158	\$0.02390
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.01087
kWh billed			164,837,376
Fuel Cost adjustment (FCA)			1,226,405
(Over) Under recovery			\$564,922
SEPTEMBER 2007			
Purchased power (net)	121,754,506	\$2,418,552	\$0.01986
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00683
kWh billed			121,754,506
Fuel Cost adjustment (FCA)			1,259,017
(Over) Under recovery			(\$426,927)
OCTOBER 2007			
Purchased power (net)	111,916,301	\$2,109,708	\$0.01885
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00582
kWh billed			111,916,301
Fuel Cost adjustment (FCA)			1,192,512
(Over) Under recovery			(\$541,073)
NOVEMBER 2007			
Purchased power (net)	113,552,165	\$2,524,574	\$0.02223
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00920
kWh billed			113,552,165
Fuel Cost adjustment (FCA)			1,233,496
(Over) Under recovery			(\$188,507)

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF FUEL COSTS
APPLICABLE TO NORTH DAKOTA**

	<u>Kwh</u>	<u>Amount</u>	<u>Cost per Kwh</u>
DECEMBER 2007			
Purchased power (net)	127,419,136	\$4,175,230	\$0.03277
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.01974
kWh billed			127,419,136
Fuel Cost adjustment (FCA)			1,255,853
(Over) Under recovery			\$1,259,106
JANUARY 2008			
Purchased power (net)	155,417,343	\$3,442,416	\$0.02215
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00912
kWh billed			155,417,343
Fuel Cost adjustment (FCA)			1,309,212
(Over) Under recovery			\$108,116

**MONTANA-DAKOTA UTILITIES CO.
INFORMATIONAL SUPPLEMENT
TO RATE 58
NORTH DAKOTA**

	<u>Current Adjustment in Cents per Kwh</u>	<u>Amount of Change in Cents per Kwh</u>	<u>Current Adjustment in Dollars per Kwh</u>
January 2007	0.803	0.450	0.00803
February	0.731	(0.072)	0.00731
March	1.268	0.537	0.01268
April	1.208	(0.060)	0.01208
May	0.891	(0.317)	0.00891
June	0.870	(0.021)	0.00870
July	0.821	(0.049)	0.00821
August	0.801	(0.020)	0.00801
September	1.105	0.304	0.01105
October	1.155	0.050	0.01155
November	1.127	(0.028)	0.01127
December	1.038	(0.089)	0.01038
January 2008	0.899	(0.139)	0.00899
February	1.121	0.222	0.01121
March	1.165	0.044	0.01165
April	1.227	0.062	0.01227

Base rates effective on or after January 23, 2004. Base cost of fuel @ \$0.01303 per Kwh per Case No. PU-399-03-296