

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

July 22, 2008

RECEIVED

JUL 27 2008

PUBLIC UTILITIES COMMISSION

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	\$0.02342
Base Cost/Kwh Included in Current Rates	0.01303
Total Billing Adjustment	<u>\$0.01039</u>

The net effect of this FCA is to increase the rate by 0.329 cents per Kwh for bills rendered in the month of August 2008. All of North Dakota's electric customers will be affected by this proposal. There were 74,312 electric customers in North Dakota as of June 30, 2008.

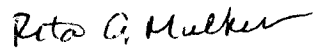
The increase in the FCA for July is caused by the fact that the lower cost month of February, used in the July calculation, was replaced by the higher cost month of June.

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,



Rita A. Mulkern
Regulatory Analysis Manager

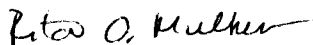
Attachment

VERIFICATION

STATE OF NORTH DAKOTA)
)
COUNTY OF BURLEIGH)

Rita A. Mulkern, being first duly sworn, deposes and says: That she is the Regulatory Analysis Manager of Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., that she 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 her knowledge, information and belief.


Dated this 22nd day of July, 2008.



Rita A. Mulkern

Subscribed and sworn to before me, a Notary Public for the state and county above named, this 22nd day of July, 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
AUGUST 2008 BILLING ADJUSTMENT SUMMARY**

	<u>Amount</u>
Current cost per Kwh 1/	\$0.02225
Surcharge Adjustment	<u>0.00117</u>
Total Cost per Kwh	\$0.02342
Less: Base Cost 2/	<u>0.01303</u>
Total Fuel Cost Adjustment	<u><u>\$0.01039</u></u>

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2/ 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
AUGUST 2008 BILLING ADJUSTMENT**

	2008				Total
	March	April	May	June	
Fuel & Purchased Power Costs					
Account 151 and Natural Gas					
Used for Generation	\$3,830,611	\$3,745,439	\$2,693,098	\$2,705,745	\$12,974,893
Account 555 (Excludes Demand) 1/	313,642	(881,221)	1,740,120	3,212,958	4,385,499
Total Energy Related Costs	\$4,144,253	\$2,864,218	\$4,433,218	\$5,918,703	\$17,360,392
Fuel Costs - Sales for Resale	396,627	625,888	94,443	32,704	1,149,662
Net System Costs	\$3,747,626	\$2,238,330	\$4,338,775	\$5,885,999	\$16,210,730
Kwh Retail Sales	199,546,442	194,826,646	163,445,771	170,732,891	728,551,750
Cost Per Kwh	\$0.01878	\$0.01149	\$0.02655	\$0.03447	\$0.02225

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

Account No.	Account Description	2008			
		March	April	May	June
555.1	Purchased Power	\$0	\$0	\$194,880	\$2,034
555.111	Day-Ahead Asset Energy	(\$489,225)	(\$2,090,095)	\$1,178,890	\$3,398,952
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	401,002	1,688,991	(243,834)	(186,688)
555.115	Real-Time Non-Asset Energy	(3,887)	(2,040)	760	(6,562)
555.116	Real-Time Virtual Energy	0	0	0	0
555.1211	Day-Ahead Asset Congestion	(34,452)	45,299	(38,236)	(935,299)
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	41,456	(108,574)	(17,203)	(59,868)
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	(9,558)	(3,691)	2,303	9,966
555.1222	Financial Transmission Rights Market Administration	0	0	0	0
555.1223	Financial Transmission Rights Monthly Allocation	(818)	(721)	(753)	(1,761)
555.1224	Financial Transmission Rights Transaction	0	0	0	0
555.1225	Financial Transmission Rights Yearly Allocation	0	(402,058)	0	0
555.1226	Financial Transmission Rights Funding Guarantee Amt	196	(926)	(232)	(472)
555.1227	Financial Transmission Rights Guarantee Uplift Amt	(54)	1,059	619	845
555.1230	Revenue Rights Transaction	0	0	0	(73,463)
555.1231	Annual Transaction	0	0	0	67,580
555.1233	Revenue Rights Stage 2 Distribution	0	0	0	(91,748)
555.131	Day-Ahead Asset Loss	442,175	472,034	198,769	70,258
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	71,208	(464,636)	488,827	963,169
555.136	Real-Time Distribution of Loss	(105,388)	(82,135)	(67,076)	(91,014)
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	7,339	2,921	4,025	11,972
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	0	0	0
555.153	Real-Time Miscellaneous	0	0	(424)	5,629
555.154	Real-Time Net Inadvertent Distribution	19,999	18,421	3,972	(573)
555.155	Real-Time Revenue Neutrality Uplift	39,558	43,082	29,396	113,771
555.156	R-T Rev Suff Guarantee First Pass Distribution	37,824	17,991	13,212	21,030
555.157	R-T Rev Suff Guarantee Make Whole Payment	(109,694)	(21,933)	(6,131)	(9,434)
555.158	Real-Time Uninstructed Deviation	0	89	94	1,233
555.159	Day Ahead Schedule 24	5,583	5,246	4,029	4,113
555.160	Real Time Schedule 24	378	455	329	228
555.162	Real Time Price Volume Make Whole Payment	0	0	(6,096)	(940)
	Total MISO Market Charges	\$313,642	(\$881,221)	\$1,545,240	\$3,210,924
	Total Account 555 Charges	\$313,642	(\$881,221)	\$1,740,120	\$3,212,958

**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
May	1.142	(0.085)	0.01142
June	0.653	(0.489)	0.00653
July	0.710	0.057	0.00710
August	1.039	0.329	0.01039

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