

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

September 5, 2008

RECEIVED

SEP 08 2008

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

PUBLIC SERVICE COMMISSION

Re: Margin Sharing Adjustment – Rate 57
and Fuel Clause–Rate 58
Case No. PU-08-_____

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith requests approval to revise its Margin Sharing Adjustment–Rate 57 tariff (MSA tariff) and its Fuel Clause–Rate 58 tariff (FCA tariff). Montana-Dakota submits an original and seven copies of this Letter of Transmittal along with Exhibit A in support of this request.

Paragraph two of the MSA tariff and the last paragraph of the FCA tariff state that the effective date of the MSA and FCA is to be on a bills rendered basis. Montana-Dakota herewith requests Commission approval to change the effective date of the MSA and FCA tariffs from bills rendered to a service rendered basis. The FCA tariff has also been revised to designate the referenced paragraph as Paragraph D on the revised tariff sheet.

Montana-Dakota is in the process of integrating its Automated Meter Reading (AMR) system. During the integration process, Montana-Dakota is rerouting some meter read cycles to take advantage of the efficiencies and flexibility that AMR offers. The Company also expects to reroute meter read cycles in the future, using knowledge gained through experience with the AMR system, to gain further efficiencies. To avoid potential effects on customers, both now and in the future, Montana-Dakota proposes to implement its FCA on a service rendered basis. An additional advantage of a service rendered FCA is that it will provide for an equitable sharing of costs among all customers, regardless of their meter read cycle.

The Company requests approval of 1st Revised Sheet No. 41 of its Margin Sharing Adjustment – Rate 57 tariff and its 1st Revised Sheet No. 42.2 of its Fuel Clause – Rate 58 tariff, as provided in Exhibit A. Also included are the two affected tariff sheets on which Montana-Dakota has indicated the revision requested by lining through the

1
PU-08-741 Filed: 9/8/2008 Pages: 7
margin Sharing Adjustment Rate 57 - Fuel Clause
Rate 58

existing language, which the Company proposes to delete, and underlining the new proposed language.

Please refer all inquiries regarding this filing to:

Ms. Rita A. Mulkern
Regulatory Analysis Manager
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

Also, please send copies of all written inquiries, correspondence and pleadings to:

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

Montana-Dakota also herewith submits a check for \$50.00 pursuant to the requirements of Section 49-05-05 of the North Dakota Century Code.

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

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

Attachments

cc: D. S. Kuntz

Exhibit A



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
1st Revised Sheet No. 41
Canceling Original Sheet No. 41

MARGIN SHARING ADJUSTMENT Rate 57

Page 1 of 3

1. Applicability:

This rate schedule constitutes an electric wholesale margin sharing adjustment (MSA) provision and specifies the procedure to be utilized to adjust the rates for electricity sold under Montana-Dakota's rate schedules in order to reflect: (a) changes in Montana-Dakota's electric wholesale sales margins as allocated to its North Dakota electric jurisdiction, and (b) amortization of the Margin Sharing Account.

2. Effective Date of Adjustment:

The effective date of the MSA shall be service rendered on and after the first day of April of each year, unless the Commission shall otherwise order. The initial adjustment under this tariff shall become effective April 1, 2005.

3. Margin Sharing Adjustment:

The MSA shall reflect changes in Montana-Dakota's electric wholesale margins as compared to the wholesale margins reflected in base rates. The MSA is made up of:

- (a) Current margin adjustment
- (b) Carrying charges on 3(a)
- (c) Surcharge adjustment

The adjustment per kwh shall be determined by dividing the amount determined above by the estimated kwh sales for the twelve months following the effective date of the adjustment.

4. Current Margin Adjustment:

The current margin adjustment shall be:

- (a) \$6,500,000 less
- (b) 85 percent of the actual wholesale sales margins for the preceding calendar year, unless

Date Filed: September 5, 2008

Effective Date:

Issued By: Donald R. Ball
Vice President -
Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
1st Revised Sheet No. 42.2
Canceling Original Sheet No. 42.2

FUEL CLAUSE Rate 58

Page 3 of 3

- D. The Company shall file a monthly statement showing the calculation of the Fuel Cost Adjustment with the Commission prior to implementing the monthly adjustment. The adjustment in rates shall be effective with service rendered on and after the first day of each month, unless the Commission shall otherwise order.

Date Filed: September 5, 2008

Effective Date:

Issued By: Donald R. Ball
Vice President -
Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
Original Sheet No. 41

MARGIN SHARING ADJUSTMENT Rate 57

Page 1 of 3

1. Applicability:

This rate schedule constitutes an electric wholesale margin sharing adjustment (MSA) provision and specifies the procedure to be utilized to adjust the rates for electricity sold under Montana-Dakota's rate schedules in order to reflect: (a) changes in Montana-Dakota's electric wholesale sales margins as allocated to its North Dakota electric jurisdiction, and (b) amortization of the Margin Sharing Account.

2. Effective Date of Adjustment:

The effective date of the MSA shall be bills-service rendered on and after the first day of April of each year, unless the Commission shall otherwise order. The initial adjustment under this tariff shall become effective April 1, 2005.

3. Margin Sharing Adjustment:

The MSA shall reflect changes in Montana-Dakota's electric wholesale margins as compared to the wholesale margins reflected in base rates. The MSA is made up of:

- (a) Current margin adjustment
- (b) Carrying charges on 3(a)
- (c) Surcharge adjustment

The adjustment per kwh shall be determined by dividing the amount determined above by the estimated kwh sales for the twelve months following the effective date of the adjustment.

4. Current Margin Adjustment:

The current margin adjustment shall be:

- (a) \$6,500,000 less
- (b) 85 percent of the actual wholesale sales margins for the preceding calendar year, unless

Date Filed:

Effective Date:

Issued By: Donald R. Ball
Vice President -
Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4
Original Sheet No. 42.2

FUEL CLAUSE Rate 58

Page 3 of 3

D. The Company shall file a monthly statement showing the calculation of the Fuel Cost Adjustment with the Commission prior to implementing the monthly adjustment. The adjustment in rates shall be effective with ~~the bills~~ service rendered on and after the first day of each month, unless the Commission shall otherwise order.

Date Filed:

Effective Date:

Issued By: Donald R. Ball
Vice President -
Regulatory Affairs

Case No.: