

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

March 2, 2009

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

Re: Margin Sharing Adjustment Rate 57

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith submits an original and seven copies of its margin sharing adjustment pursuant to Margin Sharing Adjustment (MSA) Rate 57 to be effective April 1, 2009.

Exhibit A is the calculation of the MSA that will be effective for the period April 1, 2009 through March 31, 2010. As shown on Exhibit A, page 3, North Dakota's share of the wholesale sales margin was \$3,648,905 for 2008, which is \$2,851,905 less than the base margin in current rates. The margin credit, including the annual surcharge adjustment, to be effective April 1, 2009 through March 31, 2010 is \$.0018 per kwh for all North Dakota customers. Exhibit B is the MSA informational sheet.

The MSA is shown as a separate line item on customers' bills where the proposed MSA of \$.0018 will be applied to customers' energy usage each month effective with service rendered April 1, 2009. Any over or under recovery of the credit will be reflected in the next adjustment period pursuant to Rate 57.

Please refer all inquiries regarding this filing to:

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:

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

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PU-09-96 Filed: 3/2/2009 Pages: 6
Annual Margin Sharing Adjustment 4-1-09 thru
3-31-10 Rate 57

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc.

Montana-Dakota has previously submitted a check to cover the \$50 filing fee required for filings, in accordance with North Dakota Century Code Section 49-05-05.

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

**MONTANA-DAKOTA UTILITIES CO.
NORTH DAKOTA ELECTRIC MARGIN SHARING ADJUSTMENT
TO BE EFFECTIVE APRIL 1, 2009 THROUGH MARCH 31, 2010**

Balance in margin sharing adjustment account at December 31, 2008 \$3,500,018

| <u>Projected MSA Recovery</u> | <u>Kwh Sales</u> | <u>Rate</u> | <u>Amount</u> |
|-------------------------------|------------------|-------------|----------------|
| January | 167,949,189 | \$0.0016 | \$268,719 |
| February | 130,689,000 | 0.0016 | 209,102 |
| March | 125,323,000 | 0.0016 | 200,517 |
| | | | <u>678,338</u> |

Projected balance at March 31, 2009 \$2,821,680

Projected Kwh sales for the period April 2009 through March 2010 1,552,288,000

Total margin sharing adjustment to be effective
April 1, 2009 through March 31, 2010 \$0.0018

**MONTANA-DAKOTA UTILITIES CO.
NORTH DAKOTA ELECTRIC MARGIN SHARING ADJUSTMENT
2008**

| | <u>ND Margin</u> | <u>Interest 1/</u> | <u>Net Additions</u> | <u>MSA Recovery</u> | <u>Net Change</u> | <u>Cumulative Balance</u> |
|------------------------------------|----------------------|--------------------|--------------------------|-------------------------|-------------------|-------------------------------|
| Balance @ December 31, 2007 | | | | | | \$3,019,633 |
| January | \$261,204 | \$4,731 | \$265,935 | \$217,598 | \$48,337 | 3,067,970 |
| February | 225,959 | 3,692 | 229,651 | 205,444 | 24,207 | 3,092,177 |
| March | 183,369 | 2,192 | 185,561 | 177,693 | 7,868 | 3,100,045 |
| April | 149,137 | 2,247 | 151,384 | 204,931 | (53,547) | 3,046,498 |
| May | 265,676 | 2,966 | 268,642 | 169,370 | 99,272 | 3,145,770 |
| June | 273,953 | 3,284 | 277,237 | 176,610 | 100,627 | 3,246,397 |
| July | 260,470 | 2,972 | 263,442 | 214,523 | 48,919 | 3,295,316 |
| August | 250,343 | 3,176 | 253,519 | 217,965 | 35,554 | 3,330,870 |
| September | 254,673 | 2,108 | 256,781 | 207,930 | 48,851 | 3,379,721 |
| October | 211,952 | 1,282 | 213,234 | 201,132 | 12,102 | 3,391,823 |
| November | 247,580 | 354 | 247,934 | 169,225 | 78,709 | 3,470,532 |
| December | 266,779 | 57 | 266,836 | 237,350 | 29,486 | 3,500,018 |
| | <u>\$2,851,095</u> | <u>\$29,061</u> | <u>\$2,880,156</u> | <u>\$2,399,771</u> | <u>\$480,385</u> | |
| Balance @ December 31, 2008 | | | | | | <u>\$3,500,018</u> |

1/ Interest calculated at 90 day Treasury Note rate.

**MONTANA-DAKOTA UTILITIES CO.
NORTH DAKOTA ELECTRIC
MARGIN SHARING ADJUSTMENT
2008 ACTIVITY**

| | Margin | North Dakota Amount 1/ | To Customers 2/ | Base Margin | (Over)Under Base Margin | Carrying Charges 3/ | Total |
|--------------|--------------------|------------------------------|--------------------|--------------------|----------------------------|------------------------|--------------------|
| January | \$141,164 | \$91,974 | \$280,796 | \$542,000 | \$261,204 | \$4,731 | \$265,935 |
| February | 501,792 | 326,937 | 316,041 | 542,000 | 225,959 | 3,692 | 229,651 |
| March | 937,582 | 610,872 | 358,631 | 542,000 | 183,369 | 2,192 | 185,561 |
| April | 1,287,855 | 839,089 | 392,863 | 542,000 | 149,137 | 2,247 | 151,384 |
| May | 95,404 | 62,160 | 276,324 | 542,000 | 265,676 | 2,966 | 268,642 |
| June | 10,712 | 6,980 | 268,047 | 542,000 | 273,953 | 3,284 | 277,237 |
| July | 148,672 | 96,866 | 281,530 | 542,000 | 260,470 | 2,972 | 263,442 |
| August | 252,299 | 164,383 | 291,657 | 542,000 | 250,343 | 3,176 | 253,519 |
| September | 207,986 | 135,511 | 287,327 | 542,000 | 254,673 | 2,108 | 256,781 |
| October | 645,113 | 420,317 | 330,048 | 542,000 | 211,952 | 1,282 | 213,234 |
| November | 280,571 | 182,803 | 294,420 | 542,000 | 247,580 | 354 | 247,934 |
| December | 84,128 | 54,812 | 271,221 | 538,000 | 266,779 | 57 | 266,836 |
| Total | \$4,593,278 | \$2,992,704 | \$3,648,905 | \$6,500,000 | \$2,851,095 | \$29,061 | \$2,880,156 |

1/ Allocated to North Dakota on interconnected system Kwh sales.

2/ Reflects annual base of \$3,200,000 plus 15% of margin.

3/ Three month Treasury Bill rate.

**MONTANA-DAKOTA UTILITIES CO.
MARGIN SHARING ADJUSTMENT
RATE 57
NORTH DAKOTA**

| | <u>MSA</u> |
|-------------------|------------|
| Effective: | |
| April 1, 2005 | (\$0.0008) |
| April 1, 2006 | (0.0015) |
| April 1, 2007 | 0.0007 |
| September 1, 2007 | 0.0014 |
| April 1, 2008 | 0.0016 |
| April 1, 2009 | 0.0018 |