

September 18, 2009

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

Re: Fuel Clause Adjustment (FCA)  
Case No. PU-09-\_\_\_

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	\$0.01706
Base Cost/Kwh Included in Current Rates	0.01303
Total Billing Adjustment	<u>\$0.00403</u>

The net effect of this FCA is to increase the rate by 0.041 cents per Kwh for service rendered in the month of October 2009. All of North Dakota's electric customers will be affected by this proposal. There were 75,167 electric customers in North Dakota as of August 31, 2009.

The increase in the FCA for October is caused by the fact that the lower cost month of April, used in the September calculation, was replaced by the higher cost month of August.

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 17, 2008. 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, 2009.

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,

A handwritten signature in cursive script that reads "Donald R. Ball".

Donald R. Ball  
Vice President – Regulatory Affairs

Attachment

**MONTANA-DAKOTA UTILITIES CO.  
FUEL COST ADJUSTMENT - NORTH DAKOTA  
OCTOBER 2009 BILLING ADJUSTMENT SUMMARY**

	<u>Amount</u>
Current cost per Kwh 1/	\$0.01870
Surcharge Adjustment	<u>(0.00164)</u>
Total Cost per Kwh	\$0.01706
Less: Base Cost 2/	<u>0.01303</u>
Total Fuel Cost Adjustment	<b><u><u>\$0.00403</u></u></b>

1/ Page 2.

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  
OCTOBER 2009 BILLING ADJUSTMENT**

	2009				Total
	May	June	July	August	
Fuel & Purchased Power Costs					
Account 151 and Natural Gas Used for Generation	\$2,760,475	\$3,000,504	\$2,936,142	\$2,990,156	\$11,687,277
Account 555 (Excludes Demand) 1/	532,048	459,835	841,213	635,201	2,468,297
Total Energy Related Costs	\$3,292,523	\$3,460,339	\$3,777,355	\$3,625,357	\$14,155,574
Fuel Costs - Sales for Resale	186,993	197,468	33,354	59,581	477,396
Net System Costs	\$3,105,530	\$3,262,871	\$3,744,001	\$3,565,776	\$13,678,178
Kwh Retail Sales	164,360,132	177,812,512	203,581,947	185,590,033	731,344,624
Cost Per Kwh	\$0.01889	\$0.01835	\$0.01839	\$0.01921	\$0.01870

**MONTANA-DAKOTA UTILITIES CO.**  
**ACCOUNT 555**  
**OCTOBER 2009 BILLING ADJUSTMENT**

Account No.	Account Description	2009			
		May	June	July	August
555.1	Purchased Power	\$1,786	\$952	(\$952)	\$0
555.111	Day-Ahead Asset Energy	\$448,737	(\$22,877)	\$1,044,274	\$569,581
555.114	Real-Time Asset Energy	(208,142)	(128,455)	(213,372)	48,748
555.117	Real-Time Excessive Energy	953	207	(52)	(32)
555.118	Real-Time Non-Excessive Energy	238,011	541,238	(44,332)	(27,775)
555.1211	Day-Ahead Asset Congestion	(79,734)	(35,289)	(121,613)	(61,303)
555.1215	Real-Time Asset Congestion	30,479	23,741	15,958	(21,395)
555.1219	Real-Time Non-Excessive Congestion	(26,739)	(117,149)	(7,775)	(29,302)
555.1221	Financial Transmission Rights Hourly Allocation	(3,144)	(39)	1	0
555.1223	Financial Transmission Rights Monthly Allocation	(292)	(1,800)	(7)	0
555.1226	Financial Transmission Rights Funding Guarantee Amt	(2,141)	2,476	6	0
555.1227	Financial Transmission Rights Guarantee Uplift Amt	2,875	(2,615)	155	(163)
555.1228	Financial Transmission Rights Monthly Transaction	0	(179)	0	0
555.1230	Revenue Rights Transaction	(11,051)	(38,014)	(43,451)	(43,451)
555.1231	Annual Transaction	14,254	0	0	0
555.1232	Revenue Rights Infeasible Uplift	0	2,642	2,642	2,642
555.1233	Revenue Rights Stage 2 Distribution	(41,581)	(55,355)	(55,355)	(55,355)
555.130	Real-Time Non-Excessive Loss	(37,696)	(61,843)	915	(5,424)
555.131	Day-Ahead Asset Loss	53,570	133,998	27,776	102,357
555.135	Real-Time Asset Loss	232,449	129,195	149,217	134,246
555.136	Real-Time Distribution of Loss	(34,215)	(59,843)	(67,610)	(62,547)
555.151	Day-Ahead Rev Suff Guarantee Distribution	4,804	5,970	3,158	4,599
555.153	Real-Time Miscellaneous	(31)	6,764	6,974	3,314
555.154	Real-Time Net Inadvertent Distribution	12,022	(4,060)	(68)	3,231
555.155	Real-Time Revenue Neutrality Uplift	(1,518)	28,902	46,071	(6,081)
555.156	R-T Rev Suff Guarantee First Pass Distribution	31,299	99,497	76,385	58,011
555.157	R-T Rev Suff Guarantee Make Whole Payment	(88,051)	(32)	(28)	0
555.159	Day Ahead Schedule 24	3,801	4,265	4,177	4,360
555.160	Real Time Schedule 24	502	457	330	416
555.162	Real Time Price Volume Make Whole Payment	(1,545)	(309)	(128)	(452)
555.1701	Day-Ahead Spinning Reserve Amount	(7,987)	(9,626)	(4,345)	(1,471)
555.1702	Day-Ahead Supplemental Reserve Amount	(1,884)	(2,427)	(1,838)	(1,453)
555.1711	Real-Time Excessive Deficient Energy Deployment	191	107	10	65
555.1714	Real-Time Spinning Reserve Amount	(20,882)	(6,325)	(445)	(3,007)
555.1715	Real-Time Supplemental Reserve Amount	307	(120)	132	(53)
555.1716	Real-Time Regulation Cost Distribution	14,383	15,250	15,550	14,627
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	7,499	9,712	7,984	7,347
555.1718	Real-Time Supplemental Reserve Cost Distribution	759	819	869	921
	Total MISO Market Charges	\$530,262	\$458,883	\$842,165	\$635,201
	Total Account 555 Charges	\$532,048	\$459,835	\$841,213	\$635,201

**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 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
September	1.263	0.224	0.01263
October	1.590	0.327	0.01590
November	1.352	(0.238)	0.01352
December	0.990	(0.362)	0.00990
January 2009	0.887	(0.103)	0.00887
February	0.950	0.063	0.00950
March	1.003	0.053	0.01003
April	0.720	(0.283)	0.00720
May	0.594	(0.126)	0.00594
June	0.389	(0.205)	0.00389
July	0.348	(0.041)	0.00348
August	0.342	(0.006)	0.00342
September	0.362	0.020	0.00362
October	0.403	0.041	0.00403

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