

February 19, 2010

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

Re: Fuel Clause Adjustment (FCA)
Case No. PU-10-___

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	\$0.01850
Base Cost/Kwh Included in Current Rates	0.01303
Total Billing Adjustment	<u>\$0.00547</u>

The net effect of this FCA is to increase the rate by 0.111 cents per Kwh for service rendered in the month of March 2010. All of North Dakota's electric customers will be affected by this proposal. There were 75,323 electric customers in North Dakota as of January 31, 2010.

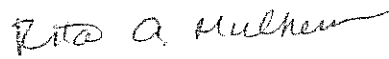
The increase in the FCA for March is caused by the fact that the lower cost month of September, used in the February calculation, was replaced by the higher cost month of January.

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 this monthly FCA filing, 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,



Rita A. Mulkern
Regulatory Analysis Manager

Attachment

**MONTANA-DAKOTA UTILITIES CO.
FUEL COST ADJUSTMENT - NORTH DAKOTA
MARCH 2010 BILLING ADJUSTMENT SUMMARY**

	<u>Amount</u>
Current cost per Kwh 1/	\$0.02014
Surcharge Adjustment	<u>(0.00164)</u>
Total Cost per Kwh	\$0.01850
Less: Base Cost 2/	<u>0.01303</u>
Total Fuel Cost Adjustment	<u><u>\$0.00547</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
MARCH 2010 BILLING ADJUSTMENT**

	2009			2010	Total
	October	November	December	January	
Fuel & Purchased Power Costs					
Account 151 and Natural Gas Used for Generation	\$3,893,399	\$3,269,405	\$3,970,898	\$4,145,437	\$15,279,139
Account 555 (Excludes Demand) 1/	249,757	118,749	1,052,923	1,367,607	2,789,036
Total Energy Related Costs	\$4,143,156	\$3,388,154	\$5,023,821	\$5,513,044	\$18,068,175
Fuel Costs - Sales for Resale	492,532	270,013	94,533	209,740	1,066,818
Net System Costs	\$3,650,624	\$3,118,141	\$4,929,288	\$5,303,304	\$17,001,357
Kwh Retail Sales	195,296,623	179,586,129	220,383,892	248,703,439	843,970,083
Cost Per Kwh	\$0.01869	\$0.01736	\$0.02237	\$0.02132	<u>\$0.02014</u>

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**MONTANA-DAKOTA UTILITIES CO.
ACCOUNT 555
MARCH 2010 BILLING ADJUSTMENT**

Account No.	Account Description	2009			2010
		October	November	December	January
555.1	Purchased Power	\$0	\$0	\$0	\$0
555.111	Day-Ahead Asset Energy	(\$588,742)	(\$396,176)	\$978,853	\$586,949
555.114	Real-Time Asset Energy	(227,970)	(251,377)	(150,348)	(203,495)
555.117	Real-Time Excessive Energy	(128)	(338)	(288)	(4)
555.118	Real-Time Non-Excessive Energy	687,570	494,004	(232,062)	276,900
555.1211	Day-Ahead Asset Congestion	(18,557)	(8,647)	163,241	312,723
555.1215	Real-Time Asset Congestion	19,304	20,180	(658)	7,362
555.1219	Real-Time Non-Excessive Congestion	(326)	(52,871)	(39,702)	(191,178)
555.1227	Financial Transmission Rights Guarantee Uplift Amt	(163)	0	0	0
555.1230	Revenue Rights Transaction	(7,942)	(7,942)	(4,445)	(4,445)
555.1232	Revenue Rights Infeasible Uplift	3,652	3,652	169	169
555.1233	Revenue Rights Stage 2 Distribution	(31,604)	(31,568)	(19,969)	(19,975)
555.130	Real-Time Non-Excessive Loss	(79,265)	(53,013)	3,503	(26,893)
555.131	Day-Ahead Asset Loss	220,094	158,711	175,662	313,896
555.135	Real-Time Asset Loss	213,605	224,574	189,164	275,148
555.136	Real-Time Distribution of Loss	(44,886)	(32,904)	(85,112)	(61,304)
555.151	Day-Ahead Rev Suff Guarantee Distribution	5,697	5,729	11,458	9,844
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	0	0	(1,825)
555.153	Real-Time Miscellaneous	1,265	187	1,206	9
555.154	Real-Time Net Inadvertent Distribution	(1,912)	2,665	1,843	5,890
555.155	Real-Time Revenue Neutrality Uplift	20,382	41,478	39,386	28,244
555.156	R-T Rev Suff Guarantee First Pass Distribution	64,671	(10,849)	11,617	66,541
555.157	R-T Rev Suff Guarantee Make Whole Payment	(7,250)	(4,094)	(16,051)	(30,943)
555.159	Day Ahead Schedule 24	5,137	5,299	5,306	5,403
555.160	Real Time Schedule 24	522	549	484	389
555.162	Real Time Price Volume Make Whole Payment	(903)	(772)	(7,099)	(14,799)
555.1700	Day-Ahead Regulation Amount	0	0	(327)	(556)
555.1701	Day-Ahead Spinning Reserve Amount	(12,520)	(3,495)	(2,765)	(3,422)
555.1702	Day-Ahead Supplemental Reserve Amount	(2,225)	(1,321)	(1,022)	0
555.1710	Real-Time Net Regulation Adjustment	0	0	16	(5)
555.1711	Real-Time Excessive Deficient Energy Deployment	51	65	220	35
555.1713	Real-Time Regulation Amount	0	0	51	(139)
555.1714	Real-Time Spinning Reserve Amount	401	(6,045)	(1,477)	(2,478)
555.1715	Real-Time Supplemental Reserve Amount	(50)	(82)	117	0
555.1716	Real-Time Regulation Cost Distribution	15,914	13,456	19,003	21,209
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	14,277	8,932	11,988	17,194
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,658	762	961	1,163
Total Account 555 Charges		<u>\$249,757</u>	<u>\$118,749</u>	<u>\$1,052,923</u>	<u>\$1,367,607</u>

**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 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
November	0.359	(0.044)	0.00359
December	0.368	0.009	0.00368
January 2010	0.344	(0.024)	0.00344
February	0.436	0.092	0.00436
March	0.547	0.111	0.00547

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