

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

March 18, 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	\$0.02035
Base Cost/Kwh Included in Current Rates	0.01303
Total Billing Adjustment	<u>\$0.00732</u>

The net effect of this FCA is to increase the rate by 0.185 cents per Kwh for service rendered in the month of April 2010. All of North Dakota's electric customers will be affected by this proposal. There were 75,387 electric customers in North Dakota as of February 28, 2010.

The increase in the FCA for April is caused by the fact that the lower cost month of October, used in the March calculation, was replaced by the higher cost month of February and an increase in the surcharge adjustment.

Exhibit B shows the calculation of the surcharge adjustment that will be applicable to Montana-Dakota's customers from April 1, 2010 through March 31, 2011. The total surcharge is a negative \$0.00024 per Kwh, an increase of .140 cents per Kwh from the adjustment effective April 1, 2009.

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,



Donald R. Ball  
Vice President – Regulatory Affairs

Attachment

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

	<u>Amount</u>
Current cost per Kwh 1/	\$0.02059
Surcharge Adjustment	<u>(0.00024)</u>
Total Cost per Kwh	\$0.02035
Less: Base Cost 2/	<u>0.01303</u>
Total Fuel Cost Adjustment	<u><u>\$0.00732</u></u>

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  
APRIL 2010 BILLING ADJUSTMENT**

	2009		2010		Total
	November	December	January	February	
Fuel & Purchased Power Costs					
Account 151 and Natural Gas Used for Generation	\$3,269,405	\$3,970,898	\$4,145,437	\$4,184,838	\$15,570,578
Account 555 (Excludes Demand) 1/	118,749	1,052,923	1,367,607	462,155	3,001,434
Total Energy Related Costs	\$3,388,154	\$5,023,821	\$5,513,044	\$4,646,993	\$18,572,012
Fuel Costs - Sales for Resale	270,013	94,533	209,740	203,813	778,099
Net System Costs	\$3,118,141	\$4,929,288	\$5,303,304	\$4,443,180	\$17,793,913
Kwh Retail Sales	179,586,129	220,383,892	248,703,439	215,432,271	864,105,731
Cost Per Kwh	\$0.01736	\$0.02237	\$0.02132	\$0.02062	\$0.02059

MONTANA-DAKOTA UTILITIES CO.  
ACCOUNT 555  
APRIL 2010 BILLING ADJUSTMENT

Account No.	Account Description	2009		2010	
		November	December	January	February
555.1	Purchased Power	\$0	\$0	\$0	\$0
555.111	Day-Ahead Asset Energy	(\$396,176)	\$978,853	\$586,949	(\$289,493)
555.114	Real-Time Asset Energy	(251,377)	(150,348)	(203,495)	56,324
555.117	Real-Time Excessive Energy	(338)	(288)	(4)	(158)
555.118	Real-Time Non-Excessive Energy	494,004	(232,062)	276,900	232,789
555.1211	Day-Ahead Asset Congestion	(8,647)	163,241	312,723	35,592
555.1215	Real-Time Asset Congestion	20,180	(658)	7,362	(509)
555.1219	Real-Time Non-Excessive Congestion	(52,871)	(39,702)	(191,178)	(12,402)
555.1230	Revenue Rights Transaction	(7,942)	(4,445)	(4,445)	(4,445)
555.1232	Revenue Rights Infeasible Uplift	3,652	169	169	169
555.1233	Revenue Rights Stage 2 Distribution	(31,568)	(19,969)	(19,975)	(19,973)
555.130	Real-Time Non-Excessive Loss	(53,013)	3,503	(26,893)	(21,299)
555.131	Day-Ahead Asset Loss	158,711	175,662	313,896	289,109
555.135	Real-Time Asset Loss	224,574	189,164	275,148	195,611
555.136	Real-Time Distribution of Loss	(32,904)	(85,112)	(61,304)	(76,512)
555.151	Day-Ahead Rev Suff Guarantee Distribution	5,729	11,458	9,844	5,681
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	0	(1,825)	0
555.153	Real-Time Miscellaneous	187	1,206	9	9
555.154	Real-Time Net Inadvertent Distribution	2,665	1,843	5,890	4,040
555.155	Real-Time Revenue Neutrality Uplift	41,478	39,386	28,244	10,119
555.156	R-T Rev Suff Guarantee First Pass Distribution	(10,849)	11,617	66,541	9,585
555.157	R-T Rev Suff Guarantee Make Whole Payment	(4,094)	(16,051)	(30,943)	0
555.159	Day Ahead Schedule 24	5,299	5,306	5,403	5,397
555.160	Real Time Schedule 24	549	484	389	215
555.162	Real Time Price Volume Make Whole Payment	(772)	(7,099)	(14,799)	(2,508)
555.1700	Day-Ahead Regulation Amount	0	(327)	(556)	(53)
555.1701	Day-Ahead Spinning Reserve Amount	(3,495)	(2,765)	(3,422)	(394)
555.1702	Day-Ahead Supplemental Reserve Amount	(1,321)	(1,022)	0	0
555.1710	Real-Time Net Regulation Adjustment	0	16	(5)	(7)
555.1711	Real-Time Excessive Deficient Energy Deployment	65	220	35	62
555.1713	Real-Time Regulation Amount	0	51	(139)	(769)
555.1714	Real-Time Spinning Reserve Amount	(6,045)	(1,477)	(2,478)	(1,236)
555.1715	Real-Time Supplemental Reserve Amount	(82)	117	0	0
555.1716	Real-Time Regulation Cost Distribution	13,456	19,003	21,209	22,875
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	8,932	11,988	17,194	21,594
555.1718	Real-Time Supplemental Reserve Cost Distribution	762	961	1,163	2,742
Total Account 555 Charges		<u>\$118,749</u>	<u>\$1,052,923</u>	<u>\$1,367,607</u>	<u>\$462,155</u>

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) / UNDER RECOVERED FUEL COST ADJUSTMENT  
APPLICABLE TO NORTH DAKOTA  
TO BE EFFECTIVE APRIL 1, 2010 THROUGH MARCH 31, 2011**

(Over)/under recovered electric costs @ January 31, 2010 (\$825,793)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
February	142,736,378	(\$0.00164)	(234,088)
March	128,702,000	(\$0.00164)	(211,071)
	271,438,378		(445,159)

Additional recovery required (\$380,634)

Projected sales volumes (Kwh)

April 2010	120,216,000
May	118,161,000
June	123,460,000
July	148,865,000
August	141,045,000
September	128,108,000
October	120,884,000
November	131,460,000
December	144,754,000
January 2011	142,033,000
February	135,656,000
March	130,002,000

Total 1,584,644,000

Total (over)/under recovered fuel cost adjustment  
to be effective April 1, 2010 through March 31, 2011 (\$0.00024)

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) / UNDER RECOVERED  
UNRECOVERED FUEL COST ACCOUNT BALANCE  
APPLICABLE TO NORTH DAKOTA**

	<u>(Over) Under Recovery</u>	<u>Refunds &amp; Other</u>	<u>Interest</u>	<u>Total Net Additions</u>	<u>Actual Kwh Sales</u>	<u>Adjustment Per Kwh</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
<b>Balance @ January 31, 2009</b>									<b><u>(\$2,233,940)</u></b>
February	(\$422,004)	\$0	(\$241)	(\$422,245)	138,262,641	\$0.00117	\$161,767	(\$584,012)	(\$2,817,952)
March	(557,318)	858,495 1/	(237)	300,940	143,383,543	0.00117	167,759	133,181	(2,684,771)
April	(765,083)	0	(235)	(765,318)	129,116,582	(0.00164)	(211,751)	(553,567)	(3,238,338)
May	(268,306)	0	(318)	(268,624)	107,190,370	(0.00164)	(175,792)	(92,832)	(3,331,170)
June	(173,647)	0	(327)	(173,974)	114,609,109	(0.00164)	(187,959)	13,985	(3,317,185)
July	(2,060)	0	(326)	(2,386)	132,272,327	(0.00164)	(216,927)	214,541	(3,102,644)
August	131,055	0	(305)	130,750	120,404,737	(0.00164)	(197,464)	328,214	(2,774,430)
September	(129,636)	0	(263)	(129,899)	129,681,974	(0.00164)	(212,678)	82,779	(2,691,651)
October	30,193	0	(158)	30,035	125,514,051	(0.00164)	(205,843)	235,878	(2,455,773)
November	(129,533)	0	(145)	(129,678)	115,874,332	(0.00164)	(190,034)	60,356	(2,395,417)
December	573,778	0	(59)	573,719	141,045,098	(0.00164)	(231,314)	805,033	(1,590,384)
January 2010	499,121	0	(52)	499,069	161,902,782	(0.00164)	(265,522)	764,591	(825,793)
	<u>(\$1,213,440)</u>	<u>\$858,495</u>	<u>(\$2,666)</u>	<u>(\$357,611)</u>	<u>1,559,257,546</u>		<u>(\$1,765,758)</u>	<u>\$1,408,147</u>	<b><u>(\$825,793)</u></b>
<b>Balance @ January 31, 2010</b>									<b><u>(\$825,793)</u></b>

1/ Reflects correction to (over)/under recovery for the months of April 2008 - February 2009 to reclassify surcharge adjustment.

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) UNDER RECOVERY OF FUEL COSTS  
APPLICABLE TO NORTH DAKOTA**

	<u>Kwh</u>	<u>Amount</u>	<u>Cost per Kwh</u>
<b>FEBRUARY 2009</b>			
Purchased power (net)	138,262,641	\$2,562,080	\$0.01853
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00550
kWh billed			138,262,641
Fuel Cost adjustment (FCA)			1,182,522
(Over) Under recovery			(\$422,004)
<b>MARCH 2009</b>			
Purchased power (net)	143,383,543	\$2,537,543	\$0.01770
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00467
kWh billed			143,383,543
Fuel Cost adjustment (FCA)			1,226,573
(Over) Under recovery			(\$557,318)
<b>APRIL 2009</b>			
Purchased power (net)	129,116,582	\$2,277,036	\$0.01764
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00461
kWh billed			129,116,582
Fuel Cost adjustment (FCA)			1,359,729
(Over) Under recovery			(\$765,083)
<b>MAY 2009</b>			
Purchased power (net)	107,190,370	\$2,025,334	\$0.01889
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00586
kWh billed			107,190,370
Fuel Cost adjustment (FCA)			896,949
(Over) Under recovery			(\$268,306)
<b>JUNE 2009</b>			
Purchased power (net)	114,609,109	\$2,103,083	\$0.01835
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00532
kWh billed			114,609,109
Fuel Cost adjustment (FCA)			783,373
(Over) Under recovery			(\$173,647)
<b>JULY 2009</b>			
Purchased power (net)	132,272,327	\$2,432,589	\$0.01839
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00536
kWh billed			132,272,327
Fuel Cost adjustment (FCA)			711,140
(Over) Under recovery			(\$2,060)

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) UNDER RECOVERY OF FUEL COSTS  
APPLICABLE TO NORTH DAKOTA**

	<u>Kwh</u>	<u>Amount</u>	<u>Cost per Kwh</u>
<b>AUGUST 2009</b>			
Purchased power (net)	120,404,737	\$2,313,368	\$0.01921
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00618
kWh billed			120,404,737
Fuel Cost adjustment (FCA)			613,439
(Over) Under recovery			\$131,055
<b>SEPTEMBER 2009</b>			
Purchased power (net)	129,681,974	\$2,226,235	\$0.01717
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00414
kWh billed			129,681,974
Fuel Cost adjustment (FCA)			666,115
(Over) Under recovery			(\$129,636)
<b>OCTOBER 2009</b>			
Purchased power (net)	125,514,051	\$2,346,184	\$0.01869
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00566
kWh billed			125,514,051
Fuel Cost adjustment (FCA)			680,542
(Over) Under recovery			\$30,193
<b>NOVEMBER 2009</b>			
Purchased power (net)	115,874,332	\$2,011,919	\$0.01736
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00433
kWh billed			115,874,332
Fuel Cost adjustment (FCA)			631,609
(Over) Under recovery			(\$129,533)
<b>DECEMBER 2009</b>			
Purchased power (net)	141,045,098	\$3,154,744	\$0.02237
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00934
kWh billed			141,045,098
Fuel Cost adjustment (FCA)			743,148
(Over) Under recovery			\$573,778
<b>JANUARY 2010</b>			
Purchased power (net)	161,902,782	\$3,452,398	\$0.02132
Base cost of purchased power			0.01303
(Over) Under recovery per kWh			0.00829
kWh billed			161,902,782
Fuel Cost adjustment (FCA)			843,683
(Over) Under recovery			\$499,121

**MONTANA-DAKOTA UTILITIES CO.  
INFORMATIONAL SUPPLEMENT  
TO RATE 58  
NORTH DAKOTA**

	Current Adjustment in Cents per Kwh	Amount of Change in Cents per Kwh	Current Adjustment in Dollars per Kwh
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
April	0.732	0.185	0.00732

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