



**MONTANA-DAKOTA**  
**UTILITIES CO.**  
*A Division of MDU Resources Group, Inc.*

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

June 21, 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	\$0.02015
Base Cost/Kwh Included in Current Rates	<u>0.01303</u>
Total Billing Adjustment	\$0.00712

The net effect of this FCA is to increase the rate by 0.038 cents per Kwh for service rendered in the month of July 2010. All of North Dakota's electric customers will be affected by this proposal. There were 75,787 electric customers in North Dakota as of May 31, 2010.

The increase in the FCA for July is caused by the fact that the lower cost month of January, used in the June calculation, was replaced by the higher cost month of May.

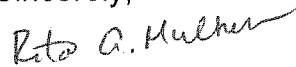
In response to Paragraph No. 11 of NDAC Section 69-09-02-39, Montana-Dakota purchases natural gas used for electric generation from its own gas operations or transports natural gas purchased from others under the applicable gas tariff approved and on file with the Commission in the state where the purchase 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.

- 14 PU-10-11 Filed 06/21/2010 Pages: 6  
 July 2010 Fuel Clause Adjustment  
 Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc.  
 Rita Mulkern, Reg. Analysis Manager
- 1 PU-10-302 Filed 06/21/2010 Pages: 6  
 July 2010 Fuel Clause Adjustment  
 Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc.  
 Rita Mulkern, Reg. Analysis Manager

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  
JULY 2010 BILLING ADJUSTMENT SUMMARY**

	<u>Amount</u>
Current cost per Kwh 1/	\$0.02039
Surcharge Adjustment	<u>(0.00024)</u>
Total Cost per Kwh	\$0.02015
Less: Base Cost 2/	<u>0.01303</u>
Total Fuel Cost Adjustment	<u><u>\$0.00712</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  
JULY 2010 BILLING ADJUSTMENT**

	2010				Total
	February	March	April	May	
Fuel & Purchased Power Costs					
Account 151 and Natural Gas Used for Generation	\$4,184,838	\$3,990,411	\$3,432,231	\$2,470,987	\$14,078,467
Account 555 (Excludes Demand) 1/	462,155	330,746	651,775	1,429,435	2,874,111
Total Energy Related Costs	\$4,646,993	\$4,321,157	\$4,084,006	\$3,900,422	\$16,952,578
Fuel Costs - Sales for Resale	203,813	181,931	126,702	20,454	532,900
Net System Costs	\$4,443,180	\$4,139,226	\$3,957,304	\$3,879,968	\$16,419,678
Kwh Retail Sales	215,432,271	233,633,942	194,066,617	162,243,283	805,376,113
Cost Per Kwh	\$0.02062	\$0.01772	\$0.02039	\$0.02391	\$0.02039

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

Account No.	Account Description	2010			
		February	March	April	May
555.111	Day-Ahead Asset Energy	(\$289,493)	\$93,699	\$552,094	\$1,850,192
555.114	Real-Time Asset Energy	56,324	(210,722)	(119,416)	(56,633)
555.117	Real-Time Excessive Energy	(158)	(41)	(630)	0
555.118	Real-Time Non-Excessive Energy	232,789	187,525	(285,982)	(286,621)
555.1211	Day-Ahead Asset Congestion	35,592	(9,025)	459,462	(90,906)
555.1215	Real-Time Asset Congestion	(509)	12,804	12,842	8,831
555.1219	Real-Time Non-Excessive Congestion	(12,402)	(15,408)	(177,336)	(19,966)
555.1225	Financial Transmission Rights Yearly Allocation	0	0	(82)	0
555.1226	Financial Transmission Rights Funding Guarantee Amt	0	0	82	0
555.1227	Financial Transmission Rights Guarantee Uplift Amt	0	0	714	0
555.1230	Revenue Rights Transaction	(4,445)	(3,148)	(3,148)	(3,148)
555.1232	Revenue Rights Infeasible Uplift	169	1,118	1,118	1,118
555.1233	Revenue Rights Stage 2 Distribution	(19,973)	(53,748)	(53,757)	(53,451)
555.130	Real-Time Non-Excessive Loss	(21,299)	(30,793)	26,938	24,039
555.131	Day-Ahead Asset Loss	289,109	193,264	91,679	(82,440)
555.135	Real-Time Asset Loss	195,611	207,255	182,474	101,882
555.136	Real-Time Distribution of Loss	(76,512)	(57,113)	(48,959)	(36,543)
555.151	Day-Ahead Rev Suff Guarantee Distribution	5,681	3,793	5,006	7,534
555.153	Real-Time Miscellaneous	9	(642)	(686)	23,453
555.154	Real-Time Net Inadvertent Distribution	4,040	4,392	1,387	(463)
555.155	Real-Time Revenue Neutrality Uplift	10,119	24,072	38,574	46,774
555.156	R-T Rev Suff Guarantee First Pass Distribution	9,585	22,173	21,083	13,219
555.157	R-T Rev Suff Guarantee Make Whole Payment	0	(48,730)	(12,272)	(13,581)
555.159	Day Ahead Schedule 24	5,397	5,348	4,594	4,108
555.160	Real Time Schedule 24	215	443	592	461
555.162	Real Time Price Volume Make Whole Payment	(2,508)	(17,725)	(22,846)	(18,671)
555.1700	Day-Ahead Regulation Amount	(53)	(1,782)	(11,749)	(659)
555.1701	Day-Ahead Spinning Reserve Amount	(394)	(15,205)	(65,459)	(16,299)
555.1702	Day-Ahead Supplemental Reserve Amount	0	(10,061)	0	0
555.1710	Real-Time Net Regulation Adjustment	(7)	23	184	465
555.1711	Real-Time Excessive Deficient Energy Deployment	62	5	12	3
555.1713	Real-Time Regulation Amount	(769)	(2,365)	(1,638)	(6,571)
555.1714	Real-Time Spinning Reserve Amount	(1,236)	(2,779)	17,696	(571)
555.1715	Real-Time Supplemental Reserve Amount	0	2,775	0	0
555.1716	Real-Time Regulation Cost Distribution	22,875	20,859	16,600	15,647
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	21,594	18,851	13,592	10,838
555.1718	Real-Time Supplemental Reserve Cost Distribution	2,742	11,634	9,012	7,394
Total Account 555 Charges		<u>\$462,155</u>	<u>\$330,746</u>	<u>\$651,775</u>	<u>\$1,429,435</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
April	0.732	0.185	0.00732
May	0.722	(0.010)	0.00722
June	0.674	(0.048)	0.00674
July	0.712	0.038	0.00712

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