



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

ORIGINAL

October 14, 2010

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

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OCT 15 2010

PUBLIC SERVICE COMMISSION

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	\$0.02217
Base Cost/Kwh Included in Current Rates	0.01303
Total Billing Adjustment	\$0.00914
Deferred generation development costs	0.00201
Total Adjustment billed under Rate 58	\$0.01115

The net effect of this FCA is to decrease the rate by 0.270 cents per Kwh for service rendered in the month of November 2010. All of North Dakota's electric customers will be affected by this proposal. There were 76,869 electric customers in North Dakota as of September 30, 2010.

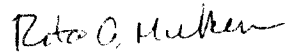
The decrease in the FCA for November is caused by the fact that the higher cost month of May, used in the October calculation, was replaced by the lower cost month of September. The adjustment also reflects the Big Stone II development costs authorized in Case Nos. PU-09-731 and PU-09-733.

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 also submits herewith a check for \$600.00 in accordance with North Dakota Century Code Section 49-05-05. This payment is to cover the filing fee associated with the Fuel Clause Adjustment filings for November 2010 through October 2011.

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
NOVEMBER 2010 BILLING ADJUSTMENT SUMMARY**

	<u>Amount</u>
Current cost per Kwh 1/	\$0.02241
Surcharge Adjustment	<u>(0.00024)</u>
Total Cost per Kwh	\$0.02217
Less: Base Cost 2/	<u>0.01303</u>
Total Fuel Cost Adjustment	<u><u>\$0.00914</u></u>
Deferred generation development costs 3/	\$0.00201
Total Adjustment billed under Rate 58	<u><u>\$0.01115</u></u>

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2/ Base cost of fuel per Case No. PU-399-03-296, Order dated December 18, 2003.

3/ Development costs associated with Big Stone II pursuant to Order Adopting Settlement dated June 28, 2010 in Case Nos. PU-09-731 and PU-09-733.

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

	2010				Total
	June	July	August	September	
Fuel & Purchased Power Costs					
Account 151 and Natural Gas Used for Generation	\$2,658,027	\$3,388,542	\$3,969,039	\$2,995,109	\$13,010,717
Account 555 (Excludes Demand) 1/	1,524,583	2,002,103	1,494,526	313,003	5,334,215
Total Energy Related Costs	\$4,182,610	\$5,390,645	\$5,463,565	\$3,308,112	\$18,344,932
Fuel Costs - Sales for Resale	2,789	10,250	51,558	192,695	257,292
Net System Costs	\$4,179,821	\$5,380,395	\$5,412,007	\$3,115,417	\$18,087,640
Kwh Retail Sales	183,827,820	200,882,199	203,889,179	218,696,655	807,295,853
Cost Per Kwh	\$0.02274	\$0.02678	\$0.02654	\$0.01425	<u>\$0.02241</u>

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

Account No.	Account Description	2010			
		June	July	August	September
555.1	Purchased Power	\$0	\$0	\$0	\$2,027
555.111	Day-Ahead Asset Energy	2,235,995	3,000,643	1,897,666	298,413
555.114	Real-Time Asset Energy	144,431	(48,258)	(42,011)	(62,489)
555.117	Real-Time Excessive Energy	(688)	(741)	(35)	(1,070)
555.118	Real-Time Non-Excessive Energy	(489,801)	(779,300)	(543,483)	(8,073)
555.1211	Day-Ahead Asset Congestion	(383,869)	(282,270)	(53,315)	(30,181)
555.1215	Real-Time Asset Congestion	(14,820)	12,321	23,843	3,044
555.1219	Real-Time Non-Excessive Congestion	70,056	95,365	(590)	14,510
555.1221	Financial Transmission Rights Hourly Allocation	(104)	17,540	7,398	(9,719)
555.1223	Financial Transmission Rights Monthly Allocation	(102)	0	(735)	0
555.1226	Financial Transmission Rights Funding Guarantee Amt	(37)	(362)	206	(1,309)
555.1227	Financial Transmission Rights Guarantee Uplift Amt	60	(76)	228	1,309
555.1230	Revenue Rights Transaction	(17,343)	(17,343)	(17,343)	(11,839)
555.1231	Annual Transaction	3,655	3,655	3,655	1,009
555.1232	Revenue Rights Infeasible Uplift	1,001	1,001	1,001	2,217
555.1233	Revenue Rights Stage 2 Distribution	(47,394)	(47,441)	(47,350)	(47,166)
555.130	Real-Time Non-Excessive Loss	68,989	99,259	60,509	(9,705)
555.131	Day-Ahead Asset Loss	(146,295)	(102,840)	71,395	71,077
555.135	Real-Time Asset Loss	100,881	113,569	188,081	104,193
555.136	Real-Time Distribution of Loss	(40,568)	(82,669)	(90,775)	(38,806)
555.151	Day-Ahead Rev Suff Guarantee Distribution	13,891	15,505	13,319	7,273
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	(8,691)	(28,849)	0
555.153	Real-Time Miscellaneous	(674)	(381)	(449)	(561)
555.154	Real-Time Net Inadvertent Distribution	2,320	2,658	4,455	18,367
555.155	Real-Time Revenue Neutrality Uplift	25,129	23,490	21,692	436
555.156	R-T Rev Suff Guarantee First Pass Distribution	28,495	43,619	72,356	25,687
555.157	R-T Rev Suff Guarantee Make Whole Payment	(18,981)	(43,264)	(57,733)	0
555.159	Day Ahead Schedule 24	3,397	4,263	4,747	4,112
555.160	Real Time Schedule 24	537	457	653	685
555.162	Real Time Price Volume Make Whole Payment	(18,556)	(17,465)	(14,004)	(22,406)
555.1700	Day-Ahead Regulation Amount	(2,892)	(2,202)	(1,308)	(3,202)
555.1701	Day-Ahead Spinning Reserve Amount	(8,834)	(16,497)	(8,055)	(11,709)
555.1710	Real-Time Net Regulation Adjustment	542	6	86	(43)
555.1711	Real-Time Excessive Deficient Energy Deployment	20	20	2	34
555.1712	Real-Time Contingency Reserve Deployment	0	15	0	0
555.1713	Real-Time Regulation Amount	(4,570)	137	(946)	(2,051)
555.1714	Real-Time Spinning Reserve Amount	(11,070)	(15,185)	(7,341)	(3,997)
555.1716	Real-Time Regulation Cost Distribution	17,414	18,051	20,139	12,493
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	9,836	11,477	12,258	7,382
555.1718	Real-Time Supplemental Reserve Cost Distribution	4,532	4,037	5,159	3,061
Total Account 555 Charges		<u>\$1,524,583</u>	<u>\$2,002,103</u>	<u>\$1,494,526</u>	<u>\$313,003</u>

**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
May	0.722	(0.010)	0.00722
June	0.674	(0.048)	0.00674
July	0.712	0.038	0.00712
August	0.962	0.250	0.00962
September	1.222	0.260	0.01222
October	1.385	0.163	0.01385
November	1.115	(0.270)	0.01115

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