



# MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

November 17, 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	\$0.02216
Base Cost/Kwh Included in Current Rates	<u>0.01303</u>
Total Billing Adjustment	\$0.00913
Deferred generation development costs	<u>0.00201</u>
Total Adjustment billed under Rate 58	\$0.01114

The net effect of this FCA is to decrease the rate by 0.001 cents per Kwh for service rendered in the month of December 2010. All of North Dakota's electric customers will be affected by this proposal. There were 76,994 electric customers in North Dakota as of October 31, 2010.

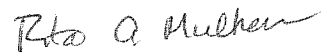
The slight decrease in the FCA for December is caused by the fact that the cost month of June, used in the November calculation, was replaced by the slightly lower cost month of October. The adjustment also reflects the Big Stone II development costs authorized in Case Nos. PU-09-731 and PU-09-733.

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 submitted a check in the amount of \$600.00 on October 14, 2010. 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  
DECEMBER 2010 BILLING ADJUSTMENT SUMMARY**

	<u>Amount</u>
Current cost per Kwh 1/	\$0.02240
Surcharge Adjustment	<u>(0.00024)</u>
Total Cost per Kwh	\$0.02216
Less: Base Cost 2/	<u>0.01303</u>
Total Fuel Cost Adjustment	<u><u>\$0.00913</u></u>
Deferred generation development costs 3/	\$0.00201
Total Adjustment billed under Rate 58	<u><u>\$0.01114</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  
DECEMBER 2010 BILLING ADJUSTMENT**

	2010				Total
	July	August	September	October	
Fuel & Purchased Power Costs					
Account 151 and Natural Gas					
Used for Generation	\$3,388,542	\$3,969,039	\$2,995,109	\$2,993,444	\$13,346,134
Account 555 (Excludes Demand) 1/	2,002,103	1,494,526	313,003	1,030,161	4,839,793
Total Energy Related Costs	\$5,390,645	\$5,463,565	\$3,308,112	\$4,023,605	\$18,185,927
Fuel Costs - Sales for Resale	10,250	51,558	192,695	70,714	325,217
Net System Costs	\$5,380,395	\$5,412,007	\$3,115,417	\$3,952,891	\$17,860,710
Kwh Retail Sales	200,882,199	203,889,179	218,696,655	173,762,479	797,230,512
Cost Per Kwh	\$0.02678	\$0.02654	\$0.01425	\$0.02275	\$0.02240

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

Account No.	Account Description	2010			
		July	August	September	October
555.1	Purchased Power			\$2,027	
555.111	Day-Ahead Asset Energy	\$3,000,643	\$1,897,666	298,413	\$690,024
555.112	Day-Ahead Non-Asset Energy				(5,468)
555.114	Real-Time Asset Energy	(48,258)	(42,011)	(62,489)	25,471
555.115	Real-Time Non-Asset Energy				4,542
555.117	Real-Time Excessive Energy	(741)	(35)	(1,070)	(32)
555.118	Real-Time Non-Excessive Energy	(779,300)	(543,483)	(8,073)	(167,295)
555.1211	Day-Ahead Asset Congestion	(282,270)	(53,315)	(30,181)	294,733
555.1213	Day-Ahead Non-Asset Congestion				1,318
555.1215	Real-Time Asset Congestion	12,321	23,843	3,044	1,153
555.1217	Real-Time Non-Asset Congestion				54
555.1219	Real-Time Non-Excessive Congestion	95,365	(590)	14,510	478
555.1221	Financial Transmission Rights Hourly Allocation	17,540	7,398	(9,719)	(50,348)
555.1223	Financial Transmission Rights Monthly Allocation		(735)		(747)
555.1226	Financial Transmission Rights Funding Guarantee Amt	(362)	206	(1,309)	(3,777)
555.1227	Financial Transmission Rights Guarantee Uplift Amt	(76)	228	1,309	3,629
555.1230	Revenue Rights Transaction	(17,343)	(17,343)	(11,839)	(11,839)
555.1231	Annual Transaction	3,655	3,655	1,009	1,009
555.1232	Revenue Rights Infeasible Uplift	1,001	1,001	2,217	2,217
555.1233	Revenue Rights Stage 2 Distribution	(47,441)	(47,350)	(47,166)	(47,215)
555.130	Real-Time Non-Excessive Loss	99,259	60,509	(9,705)	24,684
555.131	Day-Ahead Asset Loss	(102,840)	71,395	71,077	53,887
555.133	Day-Ahead Non-Asset Loss				908
555.135	Real-Time Asset Loss	113,569	188,081	104,193	176,864
555.136	Real-Time Distribution of Loss	(82,669)	(90,775)	(38,806)	(34,529)
555.138	Real-Time Non-Asset Loss				(547)
555.151	Day-Ahead Rev Suff Guarantee Distribution	15,505	13,319	7,273	6,914
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(8,691)	(28,849)		
555.153	Real-Time Miscellaneous	(381)	(449)	(561)	(339)
555.154	Real-Time Net Inadvertent Distribution	2,658	4,455	18,367	(6,206)
555.155	Real-Time Revenue Neutrality Uplift	23,490	21,692	436	42,763
555.156	R-T Rev Suff Guarantee First Pass Distribution	43,619	72,356	25,687	60,194
555.157	R-T Rev Suff Guarantee Make Whole Payment	(43,264)	(57,733)		3,629
555.159	Day Ahead Schedule 24	4,263	4,747	4,112	14,758
555.160	Real Time Schedule 24	457	653	1,685	443
555.162	Real Time Price Volume Make Whole Payment	(17,465)	(14,004)	(22,406)	(21,781)
555.1700	Day-Ahead Regulation Amount	(2,202)	(1,308)	(3,202)	(5,800)
555.1701	Day-Ahead Spinning Reserve Amount	(16,497)	(8,055)	(11,709)	(10,181)
555.1710	Real-Time Net Regulation Adjustment	6	86	(43)	50,442
555.1711	Real-Time Excessive Deficient Energy Deployment	20	2	34	17
555.1712	Real-Time Contingency Reserve Deployment	15			176,864
555.1713	Real-Time Regulation Amount	137	(946)	(2,051)	104,601
555.1714	Real-Time Spinning Reserve Amount	(15,185)	(7,341)	(3,997)	(284)
555.1716	Real-Time Regulation Cost Distribution	18,051	20,139	12,493	10,947
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	11,477	12,258	7,382	6,579
555.1718	Real-Time Supplemental Reserve Cost Distribution	4,037	5,159	3,061	3,320
<b>Total Account 555 Charges</b>		<b>\$2,002,103</b>	<b>\$1,494,526</b>	<b>\$313,003</b>	<b>\$1,030,161</b>

**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
December	1.114	(0.001)	0.01114

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