



MONTANA-DAKOTA
UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

December 14, 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	\$0.02079
Base Cost/Kwh Included in Current Rates	<u>0.01303</u>
Total Billing Adjustment	\$0.00776
Deferred generation development costs	<u>0.00201</u>
Total Adjustment billed under Rate 58	\$0.00977

The net effect of this FCA is to decrease the rate by 0.137 cents per Kwh for service rendered in the month of January 2011. All of North Dakota's electric customers will be affected by this proposal. There were 76,168 electric customers in North Dakota as of November 30, 2010.

The decrease in the FCA for January is caused by the fact that the cost month of July, used in the December calculation, was replaced by the lower cost month of November. 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
JANUARY 2011 BILLING ADJUSTMENT SUMMARY**

	<u>Amount</u>
Current cost per Kwh 1/	\$0.02103
Surcharge Adjustment	<u>(0.00024)</u>
Total Cost per Kwh	\$0.02079
Less: Base Cost 2/	<u>0.01303</u>
Total Fuel Cost Adjustment	<u>\$0.00776</u>
Deferred generation development costs 3/	\$0.00201
Total Adjustment billed under Rate 58	<u>\$0.00977</u>

1/ Page 2.

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
JANUARY 2011 BILLING ADJUSTMENT**

	2010				Total
	August	September	October	November	
Fuel & Purchased Power Costs					
Account 151 and Natural Gas Used for Generation	\$3,969,039	\$2,995,109	\$2,993,444	\$3,414,369	\$13,371,961
Account 555 (Excludes Demand) 1/	1,494,526	313,003	1,030,161	656,781	3,494,471
Total Energy Related Costs	\$5,463,565	\$3,308,112	\$4,023,605	\$4,071,150	\$16,866,432
Fuel Costs - Sales for Resale	51,558	192,695	70,714	40,636	355,603
Net System Costs	\$5,412,007	\$3,115,417	\$3,952,891	\$4,030,514	\$16,510,829
Kwh Retail Sales	203,889,179	218,696,655	173,762,479	188,685,184	785,033,497
Cost Per Kwh	\$0.02654	\$0.01425	\$0.02275	\$0.02136	<u>\$0.02103</u>

1/ Page 3.

**MONTANA-DAKOTA UTILITIES CO.
ACCOUNT 555
JANUARY 2011 BILLING ADJUSTMENT**

Account No.	Account Description	2010			
		August	September	October	November
555.1	Purchased Power		\$2,027		
555.111	Day-Ahead Asset Energy	\$1,897,666	298,413	\$690,024	\$1,077,634
555.112	Day-Ahead Non-Asset Energy			(5,468)	(138,959)
555.114	Real-Time Asset Energy	(42,011)	(62,489)	25,471	106,478
555.115	Real-Time Non-Asset Energy			4,542	142,737
555.117	Real-Time Excessive Energy	(35)	(1,070)	(32)	218
555.118	Real-Time Non-Excessive Energy	(543,483)	(8,073)	(167,295)	(426,515)
555.1211	Day-Ahead Asset Congestion	(53,315)	(30,181)	294,733	(314,936)
555.1213	Day-Ahead Non-Asset Congestion			318	6,741
555.1215	Real-Time Asset Congestion	23,843	3,044	1,153	(26,547)
555.1217	Real-Time Non-Asset Congestion			54	7,293
555.1219	Real-Time Non-Excessive Congestion	(590)	14,510	478	153,482
555.1221	Financial Transmission Rights Hourly Allocation	7,398	(9,719)	(50,348)	(258)
555.1223	Financial Transmission Rights Monthly Allocation	(735)		(747)	(1,766)
555.1226	Financial Transmission Rights Funding Guarantee Amt	206	(1,309)	(3,777)	1,637
555.1227	Financial Transmission Rights Guarantee Uplift Amt	228	1,309	3,629	(1,683)
555.1230	Revenue Rights Transaction	(17,343)	(11,839)	(11,839)	(11,839)
555.1231	Annual Transaction	3,655	1,009	1,009	1,009
555.1232	Revenue Rights Infeasible Uplift	1,001	2,217	2,217	2,217
555.1233	Revenue Rights Stage 2 Distribution	(47,350)	(47,166)	(47,215)	(46,997)
555.130	Real-Time Non-Excessive Loss	60,509	(9,705)	4,684	46,145
555.131	Day-Ahead Asset Loss	71,395	71,077	53,887	14,826
555.133	Day-Ahead Non-Asset Loss			908	14,375
555.135	Real-Time Asset Loss	188,081	104,193	176,864	36,715
555.136	Real-Time Distribution of Loss	(90,775)	(38,806)	(34,529)	(36,133)
555.138	Real-Time Non-Asset Loss			(547)	(6,806)
555.151	Day-Ahead Rev Suff Guarantee Distribution	13,319	7,273	6,914	5,205
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(28,849)			
555.153	Real-Time Miscellaneous	(449)	(561)	(339)	(431)
555.154	Real-Time Net Inadvertent Distribution	4,455	18,367	(6,206)	1,190
555.155	Real-Time Revenue Neutrality Uplift	21,692	436	42,763	22,106
555.156	R-T Rev Suff Guarantee First Pass Distribution	72,356	25,687	60,194	46,559
555.157	R-T Rev Suff Guarantee Make Whole Payment	(57,733)			(6,330)
555.159	Day Ahead Schedule 24	4,747	4,112	4,758	6,031
555.160	Real Time Schedule 24	653	685	443	692
555.162	Real Time Price Volume Make Whole Payment	(14,004)	(22,406)	(21,781)	(35,072)
555.1700	Day-Ahead Regulation Amount	(1,308)	(3,202)	(5,800)	(6,568)
555.1701	Day-Ahead Spinning Reserve Amount	(8,055)	(11,709)	(10,181)	(7,106)
555.1710	Real-Time Net Regulation Adjustment	86	(43)	42	23
555.1711	Real-Time Excessive Deficient Energy Deployment	2	34	17	6
555.1713	Real-Time Regulation Amount	(946)	(2,051)	601	1,167
555.1714	Real-Time Spinning Reserve Amount	(7,341)	(3,997)	(284)	2,310
555.1716	Real-Time Regulation Cost Distribution	20,139	12,493	10,947	16,152
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	12,258	7,382	6,579	7,739
555.1718	Real-Time Supplemental Reserve Cost Distribution	5,159	3,061	3,320	4,040
Total Account 555 Charges		<u>\$1,494,526</u>	<u>\$313,003</u>	<u>\$1,030,161</u>	<u>\$656,781</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
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
January 2011	0.977	(0.137)	0.00977

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