



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

January 17, 2011

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

Re: Fuel Clause Adjustment (FCA)
Case No. PU-11-__

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	\$0.01970
Base Cost/Kwh Included in Current Rates	<u>0.01303</u>
Total Billing Adjustment	\$0.00667
Deferred generation development costs	<u>0.00201</u>
Total Adjustment billed under Rate 58	\$0.00868

The net effect of this FCA is to decrease the rate by 0.109 cents per Kwh for service rendered in the month of February 2011. All of North Dakota's electric customers will be affected by this proposal. There were 76,851 electric customers in North Dakota as of December 31, 2010.

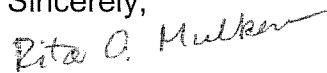
The decrease in the FCA for February is caused by the fact that the cost month of August, used in the January calculation, was replaced by the lower cost month of December. The adjustment also reflects the Big Stone II development costs authorized in Case Nos. PU-09-731 and PU-09-733.

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
FEBRUARY 2011 BILLING ADJUSTMENT SUMMARY**

	<u>Amount</u>
Current cost per Kwh 1/	\$0.01994
Surcharge Adjustment	<u>(0.00024)</u>
Total Cost per Kwh	\$0.01970
Less: Base Cost 2/	<u>0.01303</u>
Total Fuel Cost Adjustment	<u><u>\$0.00667</u></u>
Deferred generation development costs 3/	\$0.00201
Total Adjustment billed under Rate 58	<u><u>\$0.00868</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
FEBRUARY 2011 BILLING ADJUSTMENT**

	2010				Total
	September	October	November	December	
Fuel & Purchased Power Costs					
Account 151 and Natural Gas					
Used for Generation	\$2,995,109	\$2,993,444	\$3,414,369	\$4,146,903	\$13,549,825
Account 555 (Excludes Demand) 1/	313,003	1,030,161	656,781	1,213,089	3,213,034
Total Energy Related Costs	\$3,308,112	\$4,023,605	\$4,071,150	\$5,359,992	\$16,762,859
Fuel Costs - Sales for Resale	192,695	70,714	40,636	22,122	326,167
Net System Costs	\$3,115,417	\$3,952,891	\$4,030,514	\$5,337,870	\$16,436,692
Kwh Retail Sales	218,696,655	173,762,479	188,685,184	243,363,311	824,507,629
Cost Per Kwh	\$0.01425	\$0.02275	\$0.02136	\$0.02193	\$0.01994

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

Account No.	Account Description	2010			
		September	October	November	December
555.1	Purchased Power	\$2,027			
555.111	Day-Ahead Asset Energy	298,413	\$690,024	\$1,077,634	\$1,578,144
555.112	Day-Ahead Non-Asset Energy		(5,468)	(138,959)	144,427
555.114	Real-Time Asset Energy	(62,489)	25,471	106,478	17,462
555.115	Real-Time Non-Asset Energy		4,542	142,737	(147,279)
555.117	Real-Time Excessive Energy	(1,070)	(32)	218	(107)
555.118	Real-Time Non-Excessive Energy	(8,073)	(167,295)	(426,515)	(273,539)
555.1211	Day-Ahead Asset Congestion	(30,181)	294,733	(314,936)	(173,401)
555.1213	Day-Ahead Non-Asset Congestion		318	6,741	(7,649)
555.1215	Real-Time Asset Congestion	3,044	1,153	(26,547)	(9,046)
555.1217	Real-Time Non-Asset Congestion		54	7,293	(7,347)
555.1219	Real-Time Non-Excessive Congestion	14,510	478	153,482	(2,741)
555.1221	Financial Transmission Rights Hourly Allocation	(9,719)	(50,348)	(258)	(69)
555.1223	Financial Transmission Rights Monthly Allocation		(747)	(1,766)	(117)
555.1226	Financial Transmission Rights Funding Guarantee Amt	(1,309)	(3,777)	1,637	117
555.1227	Financial Transmission Rights Guarantee Uplift Amt	1,309	3,629	(1,683)	(117)
555.1230	Revenue Rights Transaction	(11,839)	(11,839)	(11,839)	(133)
555.1231	Annual Transaction	1,009	1,009	1,009	
555.1232	Revenue Rights Infeasible Uplift	2,217	2,217	2,217	29
555.1233	Revenue Rights Stage 2 Distribution	(47,166)	(47,215)	(46,997)	(62,205)
555.130	Real-Time Non-Excessive Loss	(9,705)	4,684	46,145	17,117
555.131	Day-Ahead Asset Loss	71,077	53,887	14,826	62,098
555.133	Day-Ahead Non-Asset Loss		908	14,375	(14,693)
555.135	Real-Time Asset Loss	104,193	176,864	36,715	76,715
555.136	Real-Time Distribution of Loss	(38,806)	(34,529)	(36,133)	(59,574)
555.138	Real-Time Non-Asset Loss		(547)	(6,806)	7,353
555.151	Day-Ahead Rev Suff Guarantee Distribution	7,273	6,914	5,205	7,556
555.153	Real-Time Miscellaneous	(561)	(339)	(431)	(535)
555.154	Real-Time Net Inadvertent Distribution	18,367	(6,206)	1,190	(16,086)
555.155	Real-Time Revenue Neutrality Uplift	436	42,763	22,106	48,447
555.156	R-T Rev Suff Guarantee First Pass Distribution	25,687	60,194	46,559	35,345
555.157	R-T Rev Suff Guarantee Make Whole Payment			(6,330)	
555.159	Day Ahead Schedule 24	4,112	4,758	6,031	5,543
555.160	Real Time Schedule 24	685	443	692	538
555.162	Real Time Price Volume Make Whole Payment	(22,406)	(21,781)	(35,072)	(24,884)
555.1700	Day-Ahead Regulation Amount	(3,202)	(5,800)	(6,568)	(1,989)
555.1701	Day-Ahead Spinning Reserve Amount	(11,709)	(10,181)	(7,106)	(543)
555.1710	Real-Time Net Regulation Adjustment	(43)	42	23	283
555.1711	Real-Time Excessive Deficient Energy Deployment	34	17	6	12
555.1713	Real-Time Regulation Amount	(2,051)	601	1,167	(1,605)
555.1714	Real-Time Spinning Reserve Amount	(3,997)	(284)	2,310	(11,186)
555.1716	Real-Time Regulation Cost Distribution	12,493	10,947	16,152	16,089
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	7,382	6,579	7,739	6,605
555.1718	Real-Time Supplemental Reserve Cost Distribution	3,061	3,320	4,040	4,054
Total Account 555 Charges		<u>\$313,003</u>	<u>\$1,030,161</u>	<u>\$656,781</u>	<u>\$1,213,089</u>