



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

February 18, 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	\$0.02107
Base Cost/Kwh Included in Current Rates	<u>0.01303</u>
Total Billing Adjustment	\$0.00804
Deferred generation development costs	<u>0.00201</u>
Total Adjustment billed under Rate 58	\$0.01005

The net effect of this FCA is to increase the rate by 0.137 cents per Kwh for service rendered in the month of March 2011. All of North Dakota's electric customers will be affected by this proposal. There were 77,264 electric customers in North Dakota as of January 31, 2011.

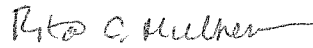
The increase in the FCA for March is caused by the fact that the lower cost month of September, used in the February calculation, was replaced by the higher cost month of January. The adjustment also reflects the Big Stone II development costs authorized in Case Nos. PU-09-731 and PU-09-733.

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 Affairs Manager

Attachment

**MONTANA-DAKOTA UTILITIES CO.
FUEL COST ADJUSTMENT - NORTH DAKOTA
MARCH 2011 BILLING ADJUSTMENT SUMMARY**

	<u>Amount</u>
Current cost per Kwh 1/	\$0.02131
Surcharge Adjustment	<u>(0.00024)</u>
Total Cost per Kwh	\$0.02107
Less: Base Cost 2/	<u>0.01303</u>
Total Fuel Cost Adjustment	<u><u>\$0.00804</u></u>
Deferred generation development costs 3/	\$0.00201
Total Adjustment billed under Rate 58	<u><u>\$0.01005</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
MARCH 2011 BILLING ADJUSTMENT**

	2010			2011	Total
	October	November	December	January	
Fuel & Purchased Power Costs					
Account 151 and Natural Gas					
Used for Generation	\$2,993,444	\$3,414,369	\$4,146,903	\$4,446,609	\$15,001,325
Account 555 (Excludes Demand) 1/	1,030,161	656,781	1,213,089	837,641	3,737,672
Total Energy Related Costs	\$4,023,605	\$4,071,150	\$5,359,992	\$5,284,250	\$18,738,997
Fuel Costs - Sales for Resale	70,714	40,636	22,122	70,553	204,025
Net System Costs	\$3,952,891	\$4,030,514	\$5,337,870	\$5,213,697	\$18,534,972
Kwh Retail Sales	173,762,479	188,685,184	243,363,311	263,958,201	869,769,175
Cost Per Kwh	\$0.02275	\$0.02136	\$0.02193	\$0.01975	\$0.02131

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

Account No.	Account Description	2010			2011
		October	November	December	January
555.111	Day-Ahead Asset Energy	\$690,024	\$1,077,634	\$1,578,144	\$1,092,663
555.112	Day-Ahead Non-Asset Energy	(5,468)	(138,959)	144,427	
555.114	Real-Time Asset Energy	25,471	106,478	17,462	190,587
555.115	Real-Time Non-Asset Energy	4,542	142,737	(147,279)	
555.117	Real-Time Excessive Energy	(32)	218	(107)	13
555.118	Real-Time Non-Excessive Energy	(167,295)	(426,515)	(273,539)	(513,773)
555.1211	Day-Ahead Asset Congestion	294,733	(314,936)	(173,401)	(110,579)
555.1213	Day-Ahead Non-Asset Congestion	318	6,741	(7,649)	
555.1215	Real-Time Asset Congestion	1,153	(26,547)	(9,046)	(3,134)
555.1217	Real-Time Non-Asset Congestion	54	7,293	(7,347)	
555.1219	Real-Time Non-Excessive Congestion	478	153,482	(2,741)	12,304
555.1221	Financial Transmission Rights Hourly Allocation	(50,348)	(258)	(69)	
555.1223	Financial Transmission Rights Monthly Allocation	(747)	(1,766)	(117)	
555.1226	Financial Transmission Rights Funding Guarantee Amt	(3,777)	1,637	117	
555.1227	Financial Transmission Rights Guarantee Uplift Amt	3,629	(1,683)	(117)	
555.1230	Revenue Rights Transaction	(11,839)	(11,839)	(133)	(133)
555.1231	Annual Transaction	1,009	1,009		
555.1232	Revenue Rights Infeasible Uplift	2,217	2,217	29	29
555.1233	Revenue Rights Stage 2 Distribution	(47,215)	(46,997)	(62,205)	(61,914)
555.130	Real-Time Non-Excessive Loss	4,684	46,145	17,117	38,323
555.131	Day-Ahead Asset Loss	53,887	14,826	62,098	87,392
555.133	Day-Ahead Non-Asset Loss	908	14,375	(14,693)	
555.135	Real-Time Asset Loss	176,864	36,715	76,715	54,804
555.136	Real-Time Distribution of Loss	(34,529)	(36,133)	(59,574)	(60,432)
555.138	Real-Time Non-Asset Loss	(547)	(6,806)	7,353	
555.151	Day-Ahead Rev Suff Guarantee Distribution	6,914	5,205	7,556	13,422
555.153	Real-Time Miscellaneous	(339)	(431)	(535)	(1,233)
555.154	Real-Time Net Inadvertent Distribution	(6,206)	1,190	(16,086)	(4,836)
555.155	Real-Time Revenue Neutrality Uplift	42,763	22,106	48,447	41,806
555.156	R-T Rev Suff Guarantee First Pass Distribution	60,194	46,559	35,345	43,581
555.157	R-T Rev Suff Guarantee Make Whole Payment		(6,330)		
555.159	Day Ahead Schedule 24	4,758	6,031	5,543	5,381
555.160	Real Time Schedule 24	443	692	538	492
555.162	Real Time Price Volume Make Whole Payment	(21,781)	(35,072)	(24,884)	(14,977)
555.1700	Day-Ahead Regulation Amount	(5,800)	(6,568)	(1,989)	(1,976)
555.1701	Day-Ahead Spinning Reserve Amount	(10,181)	(7,106)	(543)	(861)
555.1710	Real-Time Net Regulation Adjustment	42	23	283	65
555.1711	Real-Time Excessive Deficient Energy Deployment	17	6	12	8
555.1713	Real-Time Regulation Amount	601	1,167	(1,605)	(74)
555.1714	Real-Time Spinning Reserve Amount	(284)	2,310	(11,186)	(813)
555.1716	Real-Time Regulation Cost Distribution	10,947	16,152	16,089	17,852
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	6,579	7,739	6,605	9,755
555.1718	Real-Time Supplemental Reserve Cost Distribution	3,320	4,040	4,054	3,899
Total Account 555 Charges		<u>\$1,030,161</u>	<u>\$656,781</u>	<u>\$1,213,089</u>	<u>\$837,641</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 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
February	0.868	(0.109)	0.00868
March	1.005	0.137	0.01005

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