



# MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

October 19, 2011

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

Re: Fuel and Purchased Power Adjustment  
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 and purchased power adjustment (F&PP) pursuant to its Rate 58.

	<u>Primary</u>	<u>Secondary</u>
Base Fuel	\$0.02024	\$0.02087
Fuel and Purchased Power Adjustment	0.00054	0.00084
Subtotal	\$0.02078	\$0.02171
Margin Sharing Adjustment	0.00200	0.00200
Deferred Generation	0.00161	0.00161
Total Adjustment billed under Rate 58	<u>\$0.02439</u>	<u>\$0.02532</u>

Exhibit A is 4<sup>th</sup> Revised Sheet No. 42.3 showing the proposed Fuel and Purchased Power Adjustment to be effective with service rendered on and after November 1, 2011.

Exhibit B, page 1 summarizes the fuel and power adjustment calculated pursuant to the terms of Rate 58 that will apply during the month of November 2011. Pages 2-4 show the calculation of the adjustment for November 2011. The adjustment also reflects the Big Stone II development costs established for the period August 1, 2011 through July 31, 2012 as authorized in Case Nos. PU-09-731 and PU-09-733.

The net effect of this F&PP adjustment is an increase of 0.036 cents per Kwh for primary service customers and an increase of 0.057 cents per Kwh for secondary service customers for service rendered in the month of November 2011. All of North Dakota's electric customers will be affected by this proposal. There were 78,561 electric customers in North Dakota as of September 30, 2011.

The increase in the FCA for November is caused by the fact that the lower cost month of May, used in the September calculation, was replaced by the higher cost month of September.

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

# Proposed Fuel and Purchased Power Adjustment



# Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4

4<sup>th</sup> Revised Sheet No. 42.3

Canceling 3<sup>rd</sup> Revised Sheet No. 42.3

### FUEL AND PURCHASED POWER ADJUSTMENT Rate 58

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#### 7. Fuel and Purchased Power Adjustment:

	Primary	Secondary
Base Fuel	2.024¢	2.087¢
Fuel and Purchased Power Adjustment	0.054	0.084
Subtotal	2.078¢	2.171¢
Margin Sharing Adjustment	0.200	0.200
Deferred Generation	0.161	0.161
Total FPPA	2.439¢	2.532¢

Date Filed: October 19, 2011

Effective Date:

Issued By: Tamie A. Aberle  
Regulatory Affairs Manager

Case No.:

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

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00022	\$0.00052
Prior Adjustment	<u>(0.00014)</u>	<u>(0.00005)</u>
Change in Current Adjustment	0.00036	0.00057
<u>Surcharge Adjustment:</u>		
Current Adjustment	0.00032	0.00032
Prior Adjustment	<u>0.00032</u>	<u>0.00032</u>
Change in Surcharge Adjustment	0.00000	0.00000
<u>Margin Sharing Adjustment:</u>		
Current Adjustment	0.00200	0.00200
Prior Adjustment	<u>0.00200</u>	<u>0.00200</u>
Change in Margin Sharing Adjustment	0.00000	0.00000
<u>Deferred Generation Development Costs: 1/</u>		
Current Adjustment	0.00161	0.00161
Prior Adjustment	<u>0.00161</u>	<u>0.00161</u>
Change in Deferred generation development costs	0.00000	0.00000
	<u>\$0.00036</u>	<u>\$0.00057</u>
Total Change in Fuel and Purchased Power		
Base Cost of Fuel 2/	\$0.02024	\$0.02087
Current Adjustment	0.00022	0.00052
Surcharge Adjustment	0.00032	0.00032
Margin Sharing Adjustment	0.00200	0.00200
Deferred generation development costs	<u>0.00161</u>	<u>0.00161</u>
Total Adjustment billed under Rate 58	<u>\$0.02439</u>	<u>\$0.02532</u>

- 1/ 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. Charge applicable August 1, 2011 through July 31, 2012 as filed on July 12, 2011.
- 2/ Established in Case No. PU-10-124.

**MONTANA-DAKOTA UTILITIES CO.  
FUEL AND PURCHASED POWER ADJUSTMENT - NORTH DAKOTA  
NOVEMBER 2011**

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$15,821,087	\$10,418,104	\$1,391,273	\$9,026,831
Account 555 Energy	2,314,421	1,524,034	203,525	1,320,509
Account 555 Demand 4/	992,500	694,723	48,283	646,440
Account 575 Market Admin. 4/	105,396	69,403	9,268	60,135
<b>Total Fuel &amp; Purchased Power</b>	<b>\$19,233,404</b>	<b>\$12,706,264</b>	<b>\$1,652,349</b>	<b>\$11,053,915</b>
Fuel Costs - Wholesale sales	848,369	558,647	74,604	484,043
System Costs	18,385,035	12,147,617	1,577,745	10,569,872
Wholesale sales Margin 4/	(302,857)	(199,430)	(26,633)	(172,797)
Revenue from Sale of RECs 5/	0	(63,321)	(8,456)	(54,865)
<b>Net System Costs</b>	<b>\$18,082,178</b>	<b>\$11,884,866</b>	<b>\$1,542,656</b>	<b>\$10,342,210</b>
Kwh Retail Sales	848,892,167	558,991,104	75,382,650	483,608,454
Cost of Fuel - per Kwh		\$0.02126	\$0.02046	\$0.02139
Base cost of Fuel			0.02024	0.02087
Current Adjustment			0.00022	0.00052

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2/ Energy allocated on Kwh sales and demand is allocated on Allocation Factor No. 15, Integrated System peak demand.

3/ Energy is allocated on Kwh sales at generation and demand is allocated on class Allocation Factor No. 2, Average and Excess Demand.

4/ Authorized in Case No. PU-10-124.

5/ Allocated to North Dakota based on REC sales by unit and allocated between primary service and secondary service based on Kwh sales at generation.

**MONTANA-DAKOTA UTILITIES CO.**  
**FUEL AND PURCHASED POWER TRACKING ADJUSTMENT - INTEGRATED SYSTEM**  
**NOVEMBER 2011**

	2011				Total
	June	July	August	September	
Fuel & Purchased Power Costs					
Account 151 and 547	\$3,327,252	\$5,133,107	\$4,461,534	\$2,899,194	\$15,821,087
Account 555 Energy 1/	322,804	243,959	728,032	1,019,626	2,314,421
Account 555 Demand 2/	0	323,750	345,000	323,750	992,500
Account 575 Market Admin. 2/	0	36,751	38,519	30,126	105,396
<b>Total Fuel &amp; Purchased Power</b>	<b>\$3,650,056</b>	<b>\$5,737,567</b>	<b>\$5,573,085</b>	<b>\$4,272,696</b>	<b>\$19,233,404</b>
Fuel Costs - Sales for Resale	177,262	321,376	278,492	71,239	848,369
System Costs	\$3,472,794	\$5,416,191	\$5,294,593	\$4,201,457	\$18,385,035
Sales for Resale - Margin 2/	0	(206,826)	(94,875)	(1,156)	(302,857)
<b>Total Costs - net of margin</b>	<b>\$3,472,794</b>	<b>\$5,209,365</b>	<b>\$5,199,718</b>	<b>\$4,200,301</b>	<b>\$18,082,178</b>
Kwh Retail Sales	192,162,438	195,585,077	250,155,546	210,989,106	848,892,167
Cost Per Kwh	\$0.01807	\$0.02663	\$0.02079	\$0.01991	<u><u>\$0.02130</u></u>

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2/ Authorized in Case No. PU-10-124.

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

Account No.	Account Description	2011			
		June	July	August	September
555.1	Purchased Power	\$3,189		\$1,103	
555.111	Day-Ahead Asset Energy	664,331	(\$941,350)	(57,225)	\$1,126,123
555.114	Real-Time Asset Energy	119,506	321,742	128,836	91,546
555.117	Real-Time Excessive Energy	(52)	(81)	(196)	(26)
555.118	Real-Time Non-Excessive Energy	(161,856)	589,731	329,501	(70,062)
555.1211	Day-Ahead Asset Congestion	(277,538)	37,842	160,207	(157,371)
555.1215	Real-Time Asset Congestion	2,259	(25,618)	1,915	(3,836)
555.1219	Real-Time Non-Excessive Congestion	(23,347)	(59,498)	(88,789)	7,530
555.1221	Financial Transmission Rights Hourly Allocation	(70)			
555.1223	Financial Transmission Rights Monthly Allocation	(79)			
555.1226	Financial Transmission Rights Funding Guarantee Amt	77			
555.1227	Financial Transmission Rights Guarantee Uplift Amt	(69)			
555.1230	Revenue Rights Transaction	(50,508)	(50,508)	(50,508)	(1,594)
555.1232	Revenue Rights Infeasible Uplift	4,585	4,585	4,585	258
555.1233	Revenue Rights Stage 2 Distribution	(38,961)	(38,887)	(38,812)	(71,742)
555.130	Real-Time Non-Excessive Loss	6,856	(82,863)	(37,304)	1,540
555.131	Day-Ahead Asset Loss	30,269	373,497	240,864	(25,719)
555.135	Real-Time Asset Loss	48,274	83,124	84,864	63,216
555.136	Real-Time Distribution of Loss	(31,007)	(53,433)	(73,125)	(7,599)
555.151	Day-Ahead Rev Suff Guarantee Distribution	9,455	16,818	9,508	7,196
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt		(6,049)	(3,723)	(3,317)
555.153	Real-Time Miscellaneous	(179)	(266)	(554)	(98)
555.154	Real-Time Net Inadvertent Distribution	(3,445)	(8,906)	(10,533)	23,356
555.155	Real-Time Revenue Neutrality Uplift	7,881	30,136	53,206	3,766
555.156	R-T Rev Suff Guarantee First Pass Distribution	31,987	57,978	60,345	24,837
555.157	R-T Rev Suff Guarantee Make Whole Payment	(15,780)	(8,238)	(3,571)	(21)
555.159	Day Ahead Schedule 24	4,406	5,257	5,158	4,204
555.160	Real Time Schedule 24	537	503	475	499
555.162	Real Time Price Volume Make Whole Payment	(7,172)	(11,665)	(10,881)	(8,304)
555.1700	Day-Ahead Regulation Amount	(6,401)	(961)	(3,180)	(2,600)
555.1701	Day-Ahead Spinning Reserve Amount	(16,032)	(418)	(2,664)	(3,354)
555.1710	Real-Time Net Regulation Adjustment	312	95	30	149
555.1711	Real-Time Excessive Deficient Energy Deployment	7	25	3	11
555.1713	Real-Time Regulation Amount	242	(4)	871	(1,219)
555.1714	Real-Time Spinning Reserve Amount	(2,830)	(20,329)	(7,010)	(1,362)
555.1716	Real-Time Regulation Cost Distribution	11,920	18,145	19,306	11,881
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	8,235	8,498	11,260	7,551
555.1718	Real-Time Supplemental Reserve Cost Distribution	3,802	5,057	4,070	4,187
Total Account 555 Charges		<u>\$322,804</u>	<u>\$243,959</u>	<u>\$728,032</u>	<u>\$1,019,626</u>