



# MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

November 14, 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	0.00121	0.00175
Subtotal	<u>\$0.02145</u>	<u>\$0.02262</u>
Margin Sharing Adjustment	0.00200	0.00200
Deferred Generation	<u>0.00161</u>	<u>0.00161</u>
Total Adjustment billed under Rate 58	<u>\$0.02506</u>	<u>\$0.02623</u>

Exhibit A is 5<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 December 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 December 2011. Pages 2-4 show the calculation of the adjustment for December 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 0.067 cents per Kwh for primary service customers and an increase of 0.091 cents per Kwh for secondary service customers for service rendered in the month of December 2011. All of North Dakota's electric customers will be affected by this proposal. There were 78,759 electric customers in North Dakota as of October 31, 2011.

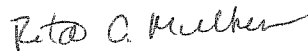
The increase in the FCA for December is caused by the fact that the lower cost month of June, used in the November calculation, was replaced by the higher cost month of October.

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

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

Canceling 4<sup>th</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	0.121	0.175
Subtotal	2.145¢	2.262¢
Margin Sharing Adjustment	0.200	0.200
Deferred Generation	0.161	0.161
Total FPPA	2.506¢	2.623¢

Date Filed: November 14, 2011

Effective Date:

Issued By: Tamie A. Aberle  
Regulatory Affairs Manager

Case No.:

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

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00089	\$0.00143
Prior Adjustment	0.00022	0.00052
Change in Current Adjustment	<u>0.00067</u>	<u>0.00091</u>
<u>Surcharge Adjustment:</u>		
Current Adjustment	0.00032	0.00032
Prior Adjustment	0.00032	0.00032
Change in Surcharge Adjustment	<u>0.00000</u>	<u>0.00000</u>
<u>Margin Sharing Adjustment:</u>		
Current Adjustment	0.00200	0.00200
Prior Adjustment	0.00200	0.00200
Change in Margin Sharing Adjustment	<u>0.00000</u>	<u>0.00000</u>
<u>Deferred Generation Development Costs: 1/</u>		
Current Adjustment	0.00161	0.00161
Prior Adjustment	0.00161	0.00161
Change in Deferred generation development costs	<u>0.00000</u>	<u>0.00000</u>
Total Change in Fuel and Purchased Power	<u><u>\$0.00067</u></u>	<u><u>\$0.00091</u></u>
Base Cost of Fuel 2/	\$0.02024	\$0.02087
Current Adjustment	0.00089	0.00143
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><u>\$0.02506</u></u>	<u><u>\$0.02623</u></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  
DECEMBER 2011**

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$14,547,190	\$9,562,994	\$1,284,232	\$8,278,762
Account 555 Energy	3,647,588	2,397,842	322,011	2,075,831
Account 555 Demand 4/	1,337,500	936,213	65,067	871,146
Account 575 Market Admin. 4/	140,898	92,623	12,439	80,184
<b>Total Fuel &amp; Purchased Power</b>	<b>\$19,673,176</b>	<b>\$12,989,672</b>	<b>\$1,683,749</b>	<b>\$11,305,923</b>
Fuel Costs - Wholesale sales	671,107	441,171	59,246	381,925
System Costs	19,002,069	12,548,501	1,624,503	10,923,998
Wholesale sales Margin 4/	(302,857)	(199,091)	(26,736)	(172,355)
Revenue from Sale of RECs 5/	0	0	0	0
<b>Net System Costs</b>	<b>\$18,699,212</b>	<b>\$12,349,410</b>	<b>\$1,597,767</b>	<b>\$10,751,643</b>
Kwh Retail Sales	848,421,734	557,733,298	75,633,695	482,099,603
Cost of Fuel - per Kwh		\$0.02214	\$0.02113	\$0.02230
Base cost of Fuel			0.02024	0.02087
Current Adjustment			0.00089	0.00143

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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  
DECEMBER 2011**

	2011				Total
	July	August	September	October	
Fuel & Purchased Power Costs					
Account 151 and 547	\$5,133,107	\$4,461,534	\$2,899,194	\$2,053,355	\$14,547,190
Account 555 Energy 1/	243,959	728,032	1,019,626	1,655,971	3,647,588
Account 555 Demand 2/	323,750	345,000	323,750	345,000	1,337,500
Account 575 Market Admin. 2/	36,751	38,519	30,126	35,502	140,898
<b>Total Fuel &amp; Purchased Power</b>	<b>\$5,737,567</b>	<b>\$5,573,085</b>	<b>\$4,272,696</b>	<b>\$4,089,828</b>	<b>\$19,673,176</b>
Fuel Costs - Sales for Resale	321,376	278,492	71,239	0	671,107
System Costs	\$5,416,191	\$5,294,593	\$4,201,457	\$4,089,828	\$19,002,069
Sales for Resale - Margin 2/	(206,826)	(94,875)	(1,156)	0	(302,857)
<b>Total Costs - net of margin</b>	<b>\$5,209,365</b>	<b>\$5,199,718</b>	<b>\$4,200,301</b>	<b>\$4,089,828</b>	<b>\$18,699,212</b>
Kwh Retail Sales	195,585,077	250,155,546	210,989,106	191,692,005	848,421,734
Cost Per Kwh	\$0.02663	\$0.02079	\$0.01991	\$0.02134	<u><u>\$0.02204</u></u>

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

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

Account No.	Account Description	2011			
		July	August	September	October
555.1	Purchased Power		\$1,103		
555.111	Day-Ahead Asset Energy	(\$941,350)	(57,225)	\$1,126,123	\$2,663,870
555.114	Real-Time Asset Energy	321,742	128,836	91,546	118,921
555.117	Real-Time Excessive Energy	(81)	(196)	(26)	
555.118	Real-Time Non-Excessive Energy	589,731	329,501	(70,062)	(444,142)
555.1211	Day-Ahead Asset Congestion	37,842	160,207	(157,371)	(602,155)
555.1215	Real-Time Asset Congestion	(25,618)	1,915	(3,836)	(23,995)
555.1219	Real-Time Non-Excessive Congestion	(59,498)	(88,789)	7,530	93,727
555.1230	Revenue Rights Transaction	(50,508)	(50,508)	(1,594)	(1,594)
555.1232	Revenue Rights Infeasible Uplift	4,585	4,585	258	258
555.1233	Revenue Rights Stage 2 Distribution	(38,887)	(38,812)	(71,742)	(71,748)
555.130	Real-Time Non-Excessive Loss	(82,863)	(37,304)	1,540	47,270
555.131	Day-Ahead Asset Loss	373,497	240,864	(25,719)	(202,654)
555.135	Real-Time Asset Loss	83,124	84,864	63,216	35,121
555.136	Real-Time Distribution of Loss	(53,433)	(73,125)	(7,599)	(38,165)
555.151	Day-Ahead Rev Suff Guarantee Distribution	16,818	9,508	7,196	5,272
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(6,049)	(3,723)	(3,317)	(2,117)
555.153	Real-Time Miscellaneous	(266)	(554)	(98)	(197)
555.154	Real-Time Net Inadvertent Distribution	(8,906)	(10,533)	23,356	(26,027)
555.155	Real-Time Revenue Neutrality Uplift	30,136	53,206	3,766	66,124
555.156	R-T Rev Suff Guarantee First Pass Distribution	57,978	60,345	24,837	19,611
555.157	R-T Rev Suff Guarantee Make Whole Payment	(8,238)	(3,571)	(21)	
555.159	Day Ahead Schedule 24	5,257	5,158	4,204	4,344
555.160	Real Time Schedule 24	503	475	499	498
555.162	Real Time Price Volume Make Whole Payment	(11,665)	(10,881)	(8,304)	(2,821)
555.1700	Day-Ahead Regulation Amount	(961)	(3,180)	(2,600)	(2,350)
555.1701	Day-Ahead Spinning Reserve Amount	(418)	(2,664)	(3,354)	(8,635)
555.1710	Real-Time Net Regulation Adjustment	95	30	149	49
555.1711	Real-Time Excessive Deficient Energy Deployment	25	3	11	
555.1713	Real-Time Regulation Amount	(4)	871	(1,219)	(573)
555.1714	Real-Time Spinning Reserve Amount	(20,329)	(7,010)	(1,362)	1,450
555.1716	Real-Time Regulation Cost Distribution	18,145	19,306	11,881	12,314
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	8,498	11,260	7,551	10,187
555.1718	Real-Time Supplemental Reserve Cost Distribution	5,057	4,070	4,187	4,128
Total Account 555 Charges		\$243,959	\$728,032	\$1,019,626	\$1,655,971