



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

March 1, 2011

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

Re: Margin Sharing Adjustment Rate 57

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith submits an original and seven copies of its margin sharing adjustment pursuant to Margin Sharing Adjustment (MSA) Rate 57 to be effective April 1, 2011.

Exhibit A is the calculation of the MSA that will be effective for the period April 1, 2011 through March 31, 2012. As shown on Exhibit A, page 3, North Dakota's share of the wholesale sales margin was \$3,233,900 for 2010, which is \$3,266,100 less than the base margin in current rates. The margin credit, including the annual surcharge adjustment, to be effective April 1, 2011 through March 31, 2012 is \$0.0019 per KWh for all North Dakota customers or a decrease of \$0.0002 per KWh. Exhibit B is the MSA informational sheet.

The MSA is shown as a separate line item on customers' bills where the proposed MSA of \$0.0019 per KWh will be applied to customers' energy usage each month effective with service rendered April 1, 2011.

Pursuant to the pending Settlement Agreement in Case No. PU-10-124 between Montana-Dakota and the North Dakota Public Service Commission Advocacy Staff dated November 8, 2010. Montana-Dakota will credit 100 percent of North Dakota's portion of the sales for resale margin to customers in the Fuel Clause Rate 58 (FCA). Montana-Dakota will, beginning with the month final rates are effective, include in its FCA calculation the actual amount of sales for resale margin for the applicable month. Any balance of unrecovered MSA amount remaining at the time final rates become effective will be recovered over a twelve month period based on forecasted KWh sales volumes and included in the FCA until fully recovered.

Please refer all inquiries regarding this filing to:

Rita A. Mulkern
Regulatory Affairs Manager
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

Also, please send copies of all written inquiries, correspondence and pleadings to:

Daniel S. Kuntz
Associate General Counsel
MDU Resources Group, Inc.
P.O. Box 5650
Bismarck, ND 58506-5650

Montana-Dakota also herewith submits a check for \$50 pursuant to the requirements of 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

Attachments

**MONTANA-DAKOTA UTILITIES CO.
NORTH DAKOTA ELECTRIC MARGIN SHARING ADJUSTMENT
TO BE EFFECTIVE APRIL 1, 2011 THROUGH MARCH 31, 2012**

Balance in margin sharing adjustment account at December 31, 2010 \$4,084,441

<u>Projected MSA Recovery</u>	<u>Kwh Sales</u>	<u>Rate</u>	<u>Amount</u>
January	174,399,541	\$0.0021	\$366,239
February	139,598,000	0.0021	293,156
March	133,843,000	0.0021	281,070
			<u>940,465</u>

Projected balance at March 31, 2011 \$3,143,976

Projected Kwh sales for the period April 2011 through March 2012 1,652,971,000

Total margin sharing adjustment to be effective
April 1, 2011 through March 31, 2012 \$0.0019

**MONTANA-DAKOTA UTILITIES CO.
NORTH DAKOTA ELECTRIC MARGIN SHARING ADJUSTMENT
2010**

	ND Margin	Interest 1/	Net Additions	MSA Recovery	Net Change	Cumulative Balance
Balance @ December 31, 2009						\$4,032,874
January	\$266,628	\$133	\$266,761	\$291,377	(\$24,616)	4,008,258
February	266,452	241	266,693	256,886	9,807	4,018,065
March	270,210	330	270,540	274,622	(4,082)	4,013,983
April	272,376	352	272,728	240,716	32,012	4,045,995
May	274,704	354	275,058	217,165	57,893	4,103,888
June	274,927	270	275,197	249,321	25,876	4,129,764
July	274,641	362	275,003	276,342	(1,339)	4,128,425
August	273,486	361	273,847	313,939	(40,092)	4,088,333
September	269,620	336	269,956	275,472	(5,516)	4,082,817
October	273,913	290	274,203	242,159	32,044	4,114,861
November	274,644	315	274,959	248,391	26,568	4,141,429
December	274,499	317	274,816	331,804	(56,988)	4,084,441
	<u>\$3,266,100</u>	<u>\$3,661</u>	<u>\$3,269,761</u>	<u>\$3,218,194</u>	<u>\$51,567</u>	
Balance @ December 31, 2010						<u>\$4,084,441</u>

1/ Interest calculated at 90 day Treasury Note rate.

**MONTANA-DAKOTA UTILITIES CO.
NORTH DAKOTA ELECTRIC
MARGIN SHARING ADJUSTMENT
2010 ACTIVITY**

	Margin	North Dakota Amount 1/	To Customers 2/	Base Margin	(Over)Under Base Margin	Carrying Charges 3/	Total
January	\$86,013	\$55,813	\$275,372	\$542,000	\$266,628	\$133	\$266,761
February	87,824	56,988	275,548	542,000	266,452	241	266,693
March	49,212	31,933	271,790	542,000	270,210	330	270,540
April	26,963	17,496	269,624	542,000	272,376	352	272,728
May	3,046	1,976	267,296	542,000	274,704	354	275,058
June	746	484	267,073	542,000	274,927	270	275,197
July	3,684	2,390	267,359	542,000	274,641	362	275,003
August	15,553	10,092	268,514	542,000	273,486	361	273,847
September	55,278	35,869	272,380	542,000	269,620	336	269,956
October	11,163	7,244	268,087	542,000	273,913	290	274,203
November	3,661	2,376	267,356	542,000	274,644	315	274,959
December	5,149	3,341	263,501	538,000	274,499	317	274,816
Total	\$348,292	\$226,002	\$3,233,900	\$6,500,000	\$3,266,100	\$3,661	\$3,269,761

1/ Allocated to North Dakota on interconnected system Kwh sales.

2/ Reflects annual base of \$3,200,000 plus 15% of margin.

3/ Three month Treasury Bill rate.

**MONTANA-DAKOTA UTILITIES CO.
MARGIN SHARING ADJUSTMENT
RATE 57
NORTH DAKOTA**

	<u>MSA</u>
Effective:	
April 1, 2005	(\$0.0008)
April 1, 2006	(0.0015)
April 1, 2007	0.0007
September 1, 2007	0.0014
April 1, 2008	0.0016
April 1, 2009	0.0018
April 1, 2010	0.0021
April 1, 2011	0.0019