



MONTANA-DAKOTA
UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

May 14, 2012

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

Re: Fuel and Purchased Power Adjustment
 Case No. PU-12-__

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	<u>0.00000</u>	<u>(0.00105)</u>
Subtotal	\$0.02024	\$0.01982
Margin Sharing Adjustment	0.00200	0.00200
Deferred Generation	<u>0.00161</u>	<u>0.00161</u>
Total Adjustment billed under Rate 58	<u>\$0.02385</u>	<u>\$0.02343</u>

Exhibit A is 11th Revised Sheet No. 42.3 showing the proposed Fuel and Purchased Power Adjustment to be effective with service rendered on and after June 1, 2012.

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 June 2012. Pages 2-4 show the calculation of the adjustment for June 2012. 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 a decrease of 0.087 cents per Kwh for primary service customers and a decrease of 0.088 cents per Kwh for secondary service customers for service rendered in the month of June 2012. All of North Dakota's electric customers will be affected by this proposal. There were 80,382 electric customers in North Dakota as of March 31, 2012.

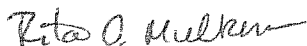
The decrease in the FCA for June is caused by the fact that the higher cost month of December, used in the May calculation, was replaced by the lower cost month of April.

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 December 15, 2011. 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 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4

11th Revised Sheet No. 42.3

Canceling 10th Revised Sheet No. 42.3

FUEL AND PURCHASED POWER ADJUSTMENT Rate 58

Page 4 of 4

7. Fuel and Purchased Power Adjustment:

	<u>Primary</u>	<u>Secondary</u>
Base Fuel	2.024¢	2.087¢
Fuel and Purchased Power Adjustment	0.000	(0.105)
Subtotal	2.024¢	1.982¢
Margin Sharing Adjustment	0.200	0.200
Deferred Generation	0.161	0.161
Total FPPA	<u>2.385¢</u>	<u>2.343¢</u>

Date Filed: May 14, 2012

Effective Date:

Issued By: Tamie A. Aberle
Regulatory Affairs Manager

Case No.:

**MONTANA-DAKOTA UTILITIES CO.
FUEL COST ADJUSTMENT - NORTH DAKOTA
JUNE 2012 BILLING ADJUSTMENT SUMMARY**

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	(\$0.00103)	(\$0.00140)
Prior Adjustment	(0.00016)	(0.00052)
Change in Current Adjustment	<u>(\$0.00087)</u>	<u>(\$0.00088)</u>
 <u>Surcharge Adjustment:</u>		
Current Adjustment	0.00103	0.00035
Prior Adjustment	0.00103	0.00035
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>(\$0.00087)</u></u>	 <u><u>(\$0.00088)</u></u>
Base Cost of Fuel 2/	\$0.02024	\$0.02087
Current Adjustment	(0.00103)	(0.00140)
Surcharge Adjustment	0.00103	0.00035
Margin Sharing Adjustment	0.00200	0.00200
Deferred generation development costs	0.00161	0.00161
Total Adjustment billed under Rate 58	<u><u>\$0.02385</u></u>	<u><u>\$0.02343</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
JUNE 2012**

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$12,442,418	\$8,255,401	\$1,039,783	\$7,215,618
Account 555 Energy	5,297,573	3,514,879	442,705	3,072,174
Account 555 Demand 4/	65,877	47,334	3,290	44,044
Account 575 Market Admin. 4/	171,465	113,765	14,329	99,436
Total Fuel & Purchased Power	\$17,977,333	\$11,931,379	\$1,500,107	\$10,431,272
Fuel Costs - Wholesale sales	37,817	25,091	3,160	21,931
System Costs	17,939,516	11,906,288	1,496,947	10,409,341
Wholesale sales Margin 4/	4,181	2,774	349	2,425
Revenue from Sale of RECs 5/	0	(73,316)	(9,234)	(64,082)
Net System Costs	\$17,943,697	\$11,835,746	\$1,488,062	\$10,347,684
Kwh Retail Sales	917,748,215	608,915,397	77,453,588	531,461,809
Cost of Fuel - per Kwh		\$0.01944	\$0.01921	\$0.01947
Base cost of Fuel			0.02024	0.02087
Current Adjustment			(0.00103)	(0.00140)

1/ Page 3.

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
JUNE 2012**

	2012				Total
	January	February	March	April	
Fuel & Purchased Power Costs					
Account 151 and 547	\$3,443,411	\$3,419,067	\$3,304,230	\$2,275,710	\$12,442,418
Account 555 Energy 1/	2,261,071	1,119,339	631,837	1,285,326	5,297,573
Account 555 Demand 2/	27,627	12,750	12,750	12,750	65,877
Account 575 Market Admin. 2/	47,399	49,091	45,955	29,020	171,465
Total Fuel & Purchased Power	\$5,779,508	\$4,600,247	\$3,994,772	\$3,602,806	\$17,977,333
Fuel Costs - Sales for Resale	3,056	1,069	33,692	0	37,817
System Costs	\$5,776,452	\$4,599,178	\$3,961,080	\$3,602,806	\$17,939,516
Sales for Resale - Margin 2/	338	(177)	4,020	0	4,181
Total Costs - net of margin	\$5,776,790	\$4,599,001	\$3,965,100	\$3,602,806	\$17,943,697
Kwh Retail Sales	254,444,448	232,965,791	237,688,493	192,649,483	917,748,215
Cost Per Kwh	\$0.02270	\$0.01974	\$0.01668	\$0.01870	<u>\$0.01955</u>

1/ Page 4.

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

**MONTANA-DAKOTA UTILITIES CO.
ACCOUNT 555
JUNE 2012 BILLING ADJUSTMENT**

Account No.	Account Description	2012			
		January	February	March	April
555.1	Purchased Power	\$5,513			
555.111	Day-Ahead Asset Energy	1,917,257	\$1,557,351	\$914,024	\$2,221,145
555.114	Real-Time Asset Energy	128,487	4,611	272,868	(10,889)
555.117	Real-Time Excessive Energy	176	(40)	1,715	(1,908)
555.118	Real-Time Non-Excessive Energy	(346,747)	(243,503)	(437,056)	(451,247)
555.1211	Day-Ahead Asset Congestion	(181,956)	(207,995)	(218,982)	(407,696)
555.1215	Real-Time Asset Congestion	99,999	(7,107)	(46,455)	(79)
555.1219	Real-Time Non-Excessive Congestion	701,049	17,892	91,670	54,120
555.1225	Financial Transmission Rights Yearly Allocation				(67)
555.1226	Financial Transmission Rights Funding Guarantee Amt				67
555.1227	Financial Transmission Rights Guarantee Uplift Amt				(77)
555.1230	Revenue Rights Transaction	(106)	(106)	(1,294)	(1,294)
555.1232	Revenue Rights Infeasible Uplift	12	12	206	206
555.1233	Revenue Rights Stage 2 Distribution	(59,934)	(73,327)	(88,759)	(88,555)
555.130	Real-Time Non-Excessive Loss	47,935	27,925	48,348	46,835
555.131	Day-Ahead Asset Loss	(98,022)	(41,685)	14,674	(190,634)
555.135	Real-Time Asset Loss	21,401	44,884	(20,345)	75,627
555.136	Real-Time Distribution of Loss	(43,797)	(37,136)	(31,755)	(21,379)
555.151	Day-Ahead Rev Suff Guarantee Distribution	4,747	5,689	8,158	5,659
555.153	Real-Time Miscellaneous	(4,489)			(3,345)
555.154	Real-Time Net Inadvertent Distribution	(6,844)	(7,147)	(4,482)	644
555.155	Real-Time Revenue Neutrality Uplift	50,818	56,829	107,963	39,801
555.156	R-T Rev Suff Guarantee First Pass Distribution	11,395	5,693	10,120	16,697
555.159	Day Ahead Schedule 24	5,382	5,444	4,965	4,056
555.160	Real Time Schedule 24	838	636	747	544
555.162	Real Time Price Volume Make Whole Payment	(9,755)	(6,687)	(7,940)	(11,204)
555.1700	Day-Ahead Regulation Amount	(773)	(285)	(405)	(652)
555.1701	Day-Ahead Spinning Reserve Amount	(2,529)	(3,376)	(6,862)	(11,188)
555.1710	Real-Time Net Regulation Adjustment	100	69	(13)	87
555.1711	Real-Time Excessive Deficient Energy Deployment	15	25	21	21
555.1712	Real-Time Contingency Reserve Deployment	35			
555.1713	Real-Time Regulation Amount	7	(217)	(100)	(95)
555.1714	Real-Time Spinning Reserve Amount	323	(1,072)	988	(1,962)
555.1716	Real-Time Regulation Cost Distribution	10,705	11,517	10,042	10,745
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	5,707	6,597	5,827	8,038
555.1718	Real-Time Supplemental Reserve Cost Distribution	4,122	3,848	3,949	3,305
Total Account 555 Charges		<u>\$2,261,071</u>	<u>\$1,119,339</u>	<u>\$631,837</u>	<u>\$1,285,326</u>