



# MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

# ORIGINAL

July 16, 2012

## RECEIVED

JUL 17 2012

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

### PUBLIC SERVICE COMMISSION

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	0.00044	(0.00036)
Subtotal	<u>\$0.02068</u>	<u>\$0.02051</u>
Deferred Generation	0.00154	0.00154
Total Adjustment billed under Rate 58	<u>\$0.02222</u>	<u>\$0.02205</u>

Montana-Dakota requests approval of the following tariff sheets provided in Exhibit A to be effective with service rendered on and after August 1, 2012.

- 4<sup>th</sup> Revised Sheet No. 1.1 – Revised Table of Contents
- 4<sup>th</sup> Revised Sheet No. 42 and 3<sup>rd</sup> Revised Sheet No. 42.1 – reflecting revised page numbers
- 3<sup>rd</sup> Revised Sheet No. 42.2 – showing the elimination of the Margin Sharing Adjustment (MSA) and the proposed Fuel and Purchased Power Adjustment
- Sheet No. 42.3 – no longer required and will be reserved for future use

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 August 2012. Pages 2-4 show the calculation of the adjustment for August 2012.

The adjustment also reflects the Big Stone II development costs established for the period August 1, 2012 through July 31, 2013 as authorized in Case Nos. PU-09-731 and PU-09-733, and reflects the final year of the three year amortization. The amortization rate effective with service rendered on and after August 1, 2012 represents a decrease of 0.007 cents from the currently effective rate.

Montana-Dakota is also eliminating the MSA effective August 1, 2012. Pursuant to the Commission's Order in Case No. PU-10-124 and the Fuel and Purchased Power adjustment tariff, 2<sup>nd</sup> Revised Sheet No. 42.2, Montana-Dakota has been recovering the unamortized balance of the MSA as part of the Fuel and Purchased Power Adjustment. Exhibit C shows the MSA balance as of June 30, 2012 along with the estimated balance as of July 31, 2012. Montana-Dakota will cease recovery effective with service rendered on and after August 1, 2012, and place the actual unamortized balance (estimated to be approximately \$280,000) in the deferred fuel cost account. Montana-Dakota will cease the amortization through the Fuel and Purchased Power adjustment.

The increase in the FCA for August is caused by the fact that the lower cost month of February, used in the July calculation, was replaced by the higher cost month of June.

The net effect of this F&PP adjustment is a decrease of 0.116 cents per Kwh for primary service customers and a decrease of 0.090 cents per Kwh for secondary service customers for service rendered in the month of August 2012. All of North Dakota's electric customers will be affected by this proposal. There were 81,098 electric customers in North Dakota as of June 30, 2012.

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,



Tamie A. Aberle  
Regulatory Affairs Manager

Attachment

Exhibit A

## Proposed Tariffs



# 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. 1.1  
Canceling 3<sup>rd</sup> Revised Sheet No. 1.1

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140	Small Qualifying Facilities (SQF) General Rules	74-74.2

Date Filed: July 16, 2012

Effective Date:

Issued By: Tamie A. Aberle  
Regulatory Affairs Manager

Case No.:



# 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  
Canceling 3<sup>rd</sup> Revised Sheet No. 42

### FUEL AND PURCHASED POWER ADJUSTMENT Rate 58

Page 1 of 3

#### 1. Applicability:

This rate schedule sets forth the procedure to be used in calculating the Fuel and Purchased Power Adjustment (FPPA). It specifies the procedure to be utilized to adjust the rates for electricity sold under Montana-Dakota's rate schedules in order to reflect: (a) changes in Montana-Dakota's average cost of fuel and purchased power, including electric wholesale sales margin credits as allocated to North Dakota; and (b) amortization of the Deferred Fuel Cost Account.

#### 2. Effective Date and Limitation on Adjustments:

- a. Unless otherwise ordered by the Commission, the effective dates of the Fuel and Purchased Power Adjustment shall be service rendered on and after the first day of each month. The effective date of the adjustment for amortization of the Deferred Fuel Cost Account shall be April 1 of each year.
- b. Montana-Dakota shall file an adjustment to reflect changes in its average cost of electric supply only when the amount of change in such adjustment is at least .001 cents per Kwh. The adjustment to be effective April 1 shall be filed each year, regardless of the amount of the change.

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

- a. The monthly Fuel and Purchased Power Adjustment shall be calculated separately for primary service and secondary service customers and shall reflect the changes in Montana-Dakota's cost of fuel and purchased power as compared to the cost of fuel and purchased power approved in its base rates plus the annual Surcharge Adjustment. The base fuel and purchased power cost shall be 2.024¢ per Kwh for primary service and 2.087¢ per Kwh for secondary service as established in the most recent general rate case.
- b. The cost of fuel and purchased power shall be calculated separately for primary service customers and secondary service customers, and shall be the sum of the following costs for the most recent four month period, as allocated to North Dakota and to the primary and secondary customer classes:
  1. The cost of fossil and other fuels recorded in Account Nos. 501 and 547.

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Case No.:



# 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

3<sup>rd</sup> Revised Sheet No. 42.1

Canceling 2<sup>nd</sup> Revised Sheet No. 42.1

### FUEL AND PURCHASED POWER ADJUSTMENT Rate 58

Page 2 of 3

2. The net cost of purchases and costs linked to the utility's load serving obligation associated with participation in wholesale electric energy and capacity markets and capacity purchases as recorded in Account No. 555.
  3. Regional Market Administration expenses recorded in Account No. 575.
  4. Less the cost of fuel and purchased power recovered from electric wholesale sales.
  5. Less 100 percent of the wholesale sales margin.
  6. Less the revenue from the sales of Renewable Energy Credits (RECs).
- c. The cost per Kwh for the month is the sum of 3(b) above divided by retail sales volumes for the most recent four month period for the primary and secondary service classes.

#### 4. Surcharge Adjustment:

All sales rate schedules shall be subject to a Surcharge Adjustment to be effective on April 1 each year. The Surcharge Adjustment per Kwh sold shall reflect the amortization of the applicable balance in the Deferred Fuel Cost Account calculated by dividing the applicable balance by the estimated Kwh sales for the twelve months following the effective date of the adjustment.

- a. The balance in the Deferred Fuel Cost Account (Account 182.3) includes:
1. The current month over or under recovery, determined as follows:
    - i. Montana-Dakota shall determine each month the unit cost for that month's fuel and purchased power.
    - ii. Montana-Dakota shall subtract from the month's unit cost the unit cost reflected in rates for that month.
    - iii. The resulting difference (positive or negative) shall be multiplied by the Kwh's sold that month under each rate schedule.

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Case No.:



# 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

3<sup>rd</sup> Revised Sheet No. 42.2

Canceling 2<sup>nd</sup> Revised Sheet No. 42.2

### FUEL AND PURCHASED POWER ADJUSTMENT Rate 58

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2. Refunds from supplier(s) and market operators with respect to fuel and purchased power costs.
3. Carrying charges or credits at a rate equal to the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.
4. The balance in the Deferred Fuel Cost Account shall be decreased each month by the amount of the Surcharge Adjustment multiplied by the Kwh sales for the month. The amount amortized shall be applied pro rata between the Deferred Fuel Cost Account and the interest balance.

#### 5. Other Adjustments:

The amortization of the Deferred Generation costs pursuant to Case No. PU-09-731 shall reflect the amount approved by the Commission. Costs shall be included in the Fuel and Purchased Power Adjustment on a per Kwh basis.

#### 6. Manner of Filing:

The Company shall file a monthly statement showing the calculation of the Fuel and Purchased Power Adjustment with the Commission prior to implementing the monthly adjustment. The adjustment in rates shall be effective with service rendered on and after the first day of each month, unless the Commission shall otherwise order.

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

	Primary	Secondary
Base Fuel	2.024¢	2.087¢
Fuel and Purchased Power Adjustment	0.044	(0.036)
Subtotal	2.068¢	2.051¢
Deferred Generation	0.154	0.154
Total FPPA	2.222¢	2.205¢

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Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

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NDPSC Volume 4  
13<sup>th</sup> Revised Sheet No. 42.3  
Canceling 12<sup>th</sup> Revised Sheet No. 42.3

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**Case No.:**

## Tariffs Reflecting Proposed Changes



# 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  
3<sup>rd</sup> Revised Sheet No. 1.1  
Canceling 2<sup>nd</sup> Revised Sheet No. 1.1

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## State of North Dakota Electric Rate Schedule

NDPSC Volume 4  
3<sup>rd</sup> Revised Sheet No. 42  
Canceling 2<sup>nd</sup> Revised Sheet No. 42

### FUEL AND PURCHASED POWER ADJUSTMENT Rate 58

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#### 1. Applicability:

This rate schedule sets forth the procedure to be used in calculating the Fuel and Purchased Power Adjustment (FPPA). It specifies the procedure to be utilized to adjust the rates for electricity sold under Montana-Dakota's rate schedules in order to reflect: (a) changes in Montana-Dakota's average cost of fuel and purchased power, including electric wholesale sales margin credits as allocated to North Dakota; and (b) amortization of the Deferred Fuel Cost Account.

#### 2. Effective Date and Limitation on Adjustments:

- a. Unless otherwise ordered by the Commission, the effective dates of the Fuel and Purchased Power Adjustment shall be service rendered on and after the first day of each month. The effective date of the adjustment for amortization of the Deferred Fuel Cost Account shall be April 1 of each year.
- b. Montana-Dakota shall file an adjustment to reflect changes in its average cost of electric supply only when the amount of change in such adjustment is at least .001 cents per Kwh. The adjustment to be effective April 1 shall be filed each year, regardless of the amount of the change.

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

- a. The monthly Fuel and Purchased Power Adjustment shall be calculated separately for primary service and secondary service customers and shall reflect the changes in Montana-Dakota's cost of fuel and purchased power as compared to the cost of fuel and purchased power approved in its base rates plus the annual Surcharge Adjustment. The base fuel and purchased power cost shall be 2.024¢ per Kwh for primary service and 2.087¢ per Kwh for secondary service as established in the most recent general rate case.
- b. The cost of fuel and purchased power shall be calculated separately for primary service customers and secondary service customers, and shall be the sum of the following costs for the most recent four month period, as allocated to North Dakota and to the primary and secondary customer classes:

1. The cost of fossil and other fuels recorded in Account Nos. 501 and 547.

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# Montana-Dakota Utilities Co.

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

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4

2<sup>nd</sup> Revised Sheet No. 42.1

Canceling 1<sup>st</sup> Revised Sheet No. 42.1

### FUEL AND PURCHASED POWER ADJUSTMENT Rate 58

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2. The net cost of purchases and costs linked to the utility's load serving obligation associated with participation in wholesale electric energy and capacity markets and capacity purchases as recorded in Account No. 555.
  3. Regional Market Administration expenses recorded in Account No. 575.
  4. Less the cost of fuel and purchased power recovered from electric wholesale sales.
  5. Less 100 percent of the wholesale sales margin.
  6. Less the revenue from the sales of Renewable Energy Credits (RECs).
- c. The cost per Kwh for the month is the sum of 3(b) above divided by retail sales volumes for the most recent four month period for the primary and secondary service classes.
- 4. Surcharge Adjustment:**  
All sales rate schedules shall be subject to a Surcharge Adjustment to be effective on April 1 each year. The Surcharge Adjustment per Kwh sold shall reflect the amortization of the applicable balance in the Deferred Fuel Cost Account calculated by dividing the applicable balance by the estimated Kwh sales for the twelve months following the effective date of the adjustment.
- a. The balance in the Deferred Fuel Cost Account (Account 182.3) includes:
    1. The current month over or under recovery, determined as follows:
      - i. Montana-Dakota shall determine each month the unit cost for that month's fuel and purchased power.
      - ii. Montana-Dakota shall subtract from the month's unit cost the unit cost reflected in rates for that month.
      - iii. The resulting difference (positive or negative) shall be multiplied by the Kwh's sold that month under each rate schedule.

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## State of North Dakota Electric Rate Schedule

NDPSC Volume 4

2<sup>nd</sup> Revised Sheet No. 42.2

Canceling 1<sup>st</sup> Revised Sheet No. 42.2

### FUEL AND PURCHASED POWER ADJUSTMENT Rate 58

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2. Refunds from supplier(s) and market operators with respect to fuel and purchased power costs.
3. Carrying charges or credits at a rate equal to the three-month Treasury Bill rate as published monthly by the Federal Reserve Board.
4. The balance in the Deferred Fuel Cost Account shall be decreased each month by the amount of the Surcharge Adjustment multiplied by the Kwh sales for the month. The amount amortized shall be applied pro rata between the Deferred Fuel Cost Account and the interest balance.

#### 5. Other Adjustments:

~~The amortization of the Margin Sharing Adjustment balance and the Deferred Generation. The amortization of the Deferred Generation costs pursuant to Case No. PU-09-731 shall reflect the amount approved by the Commission. Costs shall be included in the Fuel and Purchased Power Adjustment on a per Kwh basis.~~

- ~~1. The balance in the Margin Sharing Adjustment as of the time final rates in Case No. PU-10-124 become effective shall be divided by projected annual sales volumes to determine the adjustment per Kwh. This adjustment will cease twelve months after final rates are effective and any remaining balance, whether positive or negative, shall be added (deducted) to the deferred account.~~
- ~~2. The amortization of the Deferred Generation costs pursuant to Case No. PU-09-731 shall reflect the amount approved by the Commission.~~

#### 6. Manner of Filing:

The Company shall file a monthly statement showing the calculation of the Fuel and Purchased Power Adjustment with the Commission prior to implementing the monthly adjustment. The adjustment in rates shall be effective with service rendered on and after the first day of each month, unless the Commission shall otherwise order.

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Case No.:



# 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

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

Canceling 11<sup>th</sup> Revised Sheet No. 42.3

~~FUEL AND PURCHASED POWER ADJUSTMENT Rate 58~~

Page 1 of 1

### 7. Fuel and Purchased Power Adjustment:

	<u>Primary</u>	<u>Secondary</u>
Base Fuel	2.024¢	2.087¢
Fuel and Purchased Power Adjustment	<del>(0.047)</del> 0.044	<del>(0.153)</del> (0.036)
Subtotal	<u>1.977</u> 2.068¢	<u>1.934</u> 2.051¢
Margin Sharing Adjustment	<u>0.200</u>	<u>0.200</u>
Deferred Generation	<u>0.161</u> 0.154	<u>0.161</u> 0.154
Total FPPA	<u>2.338</u> 2.222¢	<u>2.295</u> 2.205¢

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Date Filed:

Effective Date:

Issued By: Tamie A. Aberle  
Regulatory Affairs Manager

Case No.:

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

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	(\$0.00059)	(\$0.00071)
Prior Adjustment	(0.00150)	(0.00188)
Change in Current Adjustment	<u>\$0.00091</u>	<u>\$0.00117</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	0.00000	0.00000
Prior Adjustment	0.00200	0.00200
Change in Margin Sharing Adjustment	<u>(0.00200)</u>	<u>(0.00200)</u>
 <u>Deferred Generation Development Costs:</u> 1/		
Current Adjustment	0.00154	0.00154
Prior Adjustment	0.00161	0.00161
Change in Deferred generation development costs	<u>(0.00007)</u>	<u>(0.00007)</u>
 Total Change in Fuel and Purchased Power	 <u><u>(\$0.00116)</u></u>	 <u><u>(\$0.00090)</u></u>
Base Cost of Fuel 2/	\$0.02024	\$0.02087
Current Adjustment	(0.00059)	(0.00071)
Surcharge Adjustment	0.00103	0.00035
Margin Sharing Adjustment	0.00000	0.00000
Deferred generation development costs	0.00154	0.00154
Total Adjustment billed under Rate 58	<u><u>\$0.02222</u></u>	<u><u>\$0.02205</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, 2012 through July 31, 2013 as filed on July 12, 2012.
- 2/ Established in Case No. PU-10-124.

**MONTANA-DAKOTA UTILITIES CO.  
FUEL AND PURCHASED POWER ADJUSTMENT - NORTH DAKOTA  
AUGUST 2012**

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$10,980,613	\$7,280,620	\$1,014,735	\$6,265,885
Account 555 Energy	5,166,247	3,425,445	477,421	2,948,024
Account 555 Demand 4/	370,000	265,852	18,477	247,375
Account 575 Market Admin. 4/	140,486	93,148	12,982	80,166
<b>Total Fuel &amp; Purchased Power</b>	<b>\$16,657,346</b>	<b>\$11,065,065</b>	<b>\$1,523,615</b>	<b>\$9,541,450</b>
Fuel Costs - Wholesale sales	53,834	35,694	4,975	30,719
System Costs	16,603,512	11,029,371	1,518,640	9,510,731
Wholesale sales Margin 4/	6,708	4,448	620	3,828
Revenue from Sale of RECs 5/	0	(73,316)	(10,218)	(63,098)
<b>Net System Costs</b>	<b>\$16,610,220</b>	<b>\$10,960,503</b>	<b>\$1,509,042</b>	<b>\$9,451,461</b>
Kwh Retail Sales	823,022,755	545,699,580	76,798,381	468,901,199
Cost of Fuel - per Kwh		\$0.02009	\$0.01965	\$0.02016
Base cost of Fuel			0.02024	0.02087
Current Adjustment			(0.00059)	(0.00071)

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  
AUGUST 2012**

	2012				Total
	March	April	May	June	
Fuel & Purchased Power Costs					
Account 151 and 547	\$3,304,230	\$2,275,710	\$2,681,349	\$2,719,324	\$10,980,613
Account 555 Energy 1/	631,837	1,285,326	1,483,559	1,765,525	5,166,247
Account 555 Demand 2/	12,750	12,750	12,750	331,750	370,000
Account 575 Market Admin. 2/	45,955	29,020	31,551	33,960	140,486
Total Fuel & Purchased Power	\$3,994,772	\$3,602,806	\$4,209,209	\$4,850,559	\$16,657,346
Fuel Costs - Sales for Resale	33,692	0	14,187	5,955	53,834
System Costs	\$3,961,080	\$3,602,806	\$4,195,022	\$4,844,604	\$16,603,512
Sales for Resale - Margin 2/	4,020	0	2,392	296	6,708
Total Costs - net of margin	\$3,965,100	\$3,602,806	\$4,197,414	\$4,844,900	\$16,610,220
Kwh Retail Sales	237,688,493	192,649,483	194,322,790	198,361,989	823,022,755
Cost Per Kwh	\$0.01668	\$0.01870	\$0.02160	\$0.02442	\$0.02018

1/ Page 4.

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

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

Account No.	Account Description	2012			
		March	April	May	June
555.1	Purchased Power			\$2,412	
555.111	Day-Ahead Asset Energy	\$914,024	\$2,221,145	2,038,810	\$2,816,436
555.114	Real-Time Asset Energy	272,868	(10,889)	33,968	55,331
555.117	Real-Time Excessive Energy	1,715	(1,908)	476	903
555.118	Real-Time Non-Excessive Energy	(437,056)	(451,247)	(354,894)	(565,120)
555.1211	Day-Ahead Asset Congestion	(218,982)	(407,696)	(286,011)	(458,477)
555.1215	Real-Time Asset Congestion	(46,455)	(79)	(17,405)	9,571
555.1219	Real-Time Non-Excessive Congestion	91,670	54,120	37,186	(13,168)
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	(1,294)	(1,294)	(1,294)	(43,604)
555.1232	Revenue Rights Infeasible Uplift	206	206	206	564
555.1233	Revenue Rights Stage 2 Distribution	(88,759)	(88,555)	(88,756)	(65,743)
555.130	Real-Time Non-Excessive Loss	48,348	46,835	36,990	62,488
555.131	Day-Ahead Asset Loss	14,674	(190,634)	(83,620)	(158,165)
555.135	Real-Time Asset Loss	(20,345)	75,627	111,483	64,823
555.136	Real-Time Distribution of Loss	(31,755)	(21,379)	(23,940)	(24,285)
555.151	Day-Ahead Rev Suff Guarantee Distribution	8,158	5,659	9,942	8,514
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt				(918)
555.153	Real-Time Miscellaneous		(3,345)	378	(324)
555.154	Real-Time Net Inadvertent Distribution	(4,482)	644	258	(1,552)
555.155	Real-Time Revenue Neutrality Uplift	107,963	39,801	65,535	54,581
555.156	R-T Rev Suff Guarantee First Pass Distribution	10,120	16,697	14,160	20,034
555.157	R-T Rev Suff Guarantee Make Whole Payment			(4,868)	(1,261)
555.159	Day Ahead Schedule 24	4,965	4,056	4,418	4,854
555.160	Real Time Schedule 24	747	544	605	677
555.162	Real Time Price Volume Make Whole Payment	(7,940)	(11,204)	(17,722)	(11,765)
555.1700	Day-Ahead Regulation Amount	(405)	(652)	(3,270)	(757)
555.1701	Day-Ahead Spinning Reserve Amount	(6,862)	(11,188)	(23,176)	(8,047)
555.1710	Real-Time Net Regulation Adjustment	(13)	87	77	62
555.1711	Real-Time Excessive Deficient Energy Deployment	21	21	62	30
555.1713	Real-Time Regulation Amount	(100)	(95)	143	471
555.1714	Real-Time Spinning Reserve Amount	988	(1,962)	3,256	(9,439)
555.1716	Real-Time Regulation Cost Distribution	10,042	10,745	12,997	12,189
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	5,827	8,038	10,738	9,985
555.1718	Real-Time Supplemental Reserve Cost Distribution	3,949	3,305	4,415	6,637
Total Account 555 Charges		<u>\$631,837</u>	<u>\$1,285,326</u>	<u>\$1,483,559</u>	<u>\$1,765,525</u>

**MONTANA-DAKOTA UTILITIES CO.  
NORTH DAKOTA ELECTRIC  
MARGIN SHARING ADJUSTMENT  
2011 ACTIVITY**

	Margin	North Dakota Amount 1/	To Customers 2/	Base Margin	(Over)Under Base Margin
June 2011	<u>(\$280)</u>	<u>(\$183)</u>	<u>\$266,973</u>	<u>\$542,000</u>	<u>\$275,027</u>
July	<u>206,826</u>	<u>89,758</u>	<u>194,335</u>	<u>367,161</u>	<u>172,826</u>
Total	<u><u>\$206,546</u></u>	<u><u>\$89,575</u></u>	<u><u>\$461,308</u></u>	<u><u>\$909,161</u></u>	<u><u>\$447,853</u></u>

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.  
NORTH DAKOTA ELECTRIC MARGIN SHARING ADJUSTMENT  
2012**

	<u>ND Margin</u>	<u>Interest 1/</u>	<u>Net Additions</u>	<u>MSA Recovery</u>	<u>Net Change</u>	<u>Cumulative Balance</u>
<b>Balance @ May 31, 2011</b>						<b>\$3,877,468</b>
June	\$275,027	\$85	\$275,112	\$263,819	\$11,293	3,888,761
July	172,826	85	172,911	271,486	(98,575)	3,790,186
August		42	42	106,894	(106,852)	3,683,334
September		40	40	(68)	108	3,683,442
October		0	0	1,017,074 2/	(1,017,074)	2,666,368
November		35	35	(12,279) 2/	12,314	2,678,682
December		15	15	319,053	(319,038)	2,359,644
January 2012		13	13	337,195	(337,182)	2,022,462
February		127	127	308,768	(308,641)	1,713,821
March		76	76	319,108	(319,032)	1,394,789
April		62	62	252,764	(252,702)	1,142,087
May		58	58	256,232	(256,174)	885,913
June		45	45	263,122	(263,077)	622,836
July - estimate		32	32	342,874	(342,842)	279,994
	<u>\$447,853</u>	<u>\$715</u>	<u>\$448,568</u>	<u>\$4,046,042</u>	<u>(\$3,597,474)</u>	
<b>Estimated Balance @ July 31, 2012</b>						<b><u>\$279,994</u></b>

1/ Interest calculated at 90 day Treasury Note rate.

2/ Correction to amounts recorded in July 21, 2011 - September 2011.