

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

March 15, 2013

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

Re: Fuel and Purchased Power Adjustment  
Case No. PU-13-\_\_

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith respectfully files an original and two (2) 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	0.00572	0.00575
Subtotal	\$0.02596	\$0.02662
Deferred Generation	0.00000	0.00000
Total Adjustment billed under Rate 58	<u>\$0.02596</u>	<u>\$0.02662</u>

Exhibit A is 11<sup>th</sup> Revised Sheet No. 42.2 showing the proposed Fuel and Purchased Power Adjustment to be effective with service rendered on and after April 1, 2013.

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 April 2013. Pages 2-4 show the calculation of the adjustment for April 2013.

Exhibit C shows the calculation of the surcharge adjustment that will be applicable to Montana-Dakota's customers from April 1, 2013 through March 31, 2014. The total surcharge is \$0.00108 per Kwh for primary service customers and \$0.00092 per Kwh for secondary service customers, an increase of 0.005 cents per Kwh and 0.057 cents per Kwh for primary and secondary service customers respectively, from the adjustment effective April 1, 2012.

Montana-Dakota is also eliminating the Big Stone II development costs effective April 1, 2013. Pursuant to the Commission's Order in Case Nos. PU-09-731, PU-09-733 and the Fuel and Purchased Power adjustment tariff, 10<sup>th</sup> Revised Sheet No. 42.2, Montana-Dakota has been recovering the unamortized balance of the Big Stone II development costs as part of the Fuel and Purchased Power Adjustment. Montana-Dakota will cease

the amortization through the Fuel and Purchased Power adjustment. Montana-Dakota will cease recovery effective with service rendered on and after April 1, 2013, and place the unamortized balance (estimated to be approximately \$198,000) in the deferred fuel cost account. The Big Stone II development costs were being amortized for the period August 1, 2012 through July 31, 2013. Montana-Dakota has experienced higher than expected volumes which allowed the Company to cease amortization prior to July 31, 2013.

The net effect of this F&PP adjustment is a decrease of 0.146 cents per Kwh for primary service customers and a decrease of 0.107 cents per Kwh for secondary service customers for service rendered in the month of April 2013. All of North Dakota's electric customers will be affected by this proposal. There were 83,502 electric customers in North Dakota as of January 31, 2013.

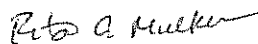
The decrease in the F&PP adjustment for April is caused by the elimination of the amortization of the Big Stone II development costs, partially offset by an increase in the surcharge adjustment and fuel and purchased power costs.

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 14, 2012. 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  
Director of Regulatory Affairs

Attachment

# Proposed Fuel and Purchased Power Cost Tracking 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

11<sup>th</sup> Revised Sheet No. 42.2

Canceling 10<sup>th</sup> Revised Sheet No. 42.2

### FUEL AND PURCHASED POWER ADJUSTMENT Rate 58

Page 3 of 3

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. 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.

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

	<u>Primary</u>	<u>Secondary</u>
Base Fuel	2.024¢	2.087¢
Fuel and Purchased Power Adjustment	0.572	0.575
Total FPPA	2.596¢	2.662¢

Date Filed: March 15, 2013

Effective Date:

Issued By: Tamie A. Aberle  
Director - Regulatory Affairs

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

10<sup>th</sup> Revised Sheet No. 42.2

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### FUEL AND PURCHASED POWER ADJUSTMENT Rate 58

Page 3 of 3

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.~~

**65. 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.

**76. Fuel and Purchased Power Adjustment:**

	<u>Primary</u>	<u>Secondary</u>
Base Fuel	2.024¢	2.087¢
Fuel and Purchased Power Adjustment	<u>0.5640.572</u>	<u>0.5280.575</u>
Subtotal Total FPPA	<u>2.5882.596¢</u>	<u>2.6152.662¢</u>
Deferred Generation	0.154	0.154
Total FPPA	<u>2.742¢</u>	<u>2.769¢</u>

Date Filed:

Effective Date:

Issued By: Tamie A. Aberle  
Director - Regulatory Affairs

Case No.:

**MONTANA-DAKOTA UTILITIES CO.  
FUEL COST ADJUSTMENT - NORTH DAKOTA  
APRIL 2013 BILLING ADJUSTMENT SUMMARY**

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00464	\$0.00483
Prior Adjustment	0.00461	0.00493
Change in Current Adjustment	<u>\$0.00003</u>	<u>(\$0.00010)</u>
 <u>Surcharge Adjustment:</u>		
Current Adjustment	0.00108	0.00092
Prior Adjustment	0.00103	0.00035
Change in Surcharge Adjustment	<u>0.00005</u>	<u>0.00057</u>
 <u>Deferred Generation Development Costs: 1/</u>		
Current Adjustment	0.00000	0.00000
Prior Adjustment	0.00154	0.00154
Change in Deferred generation development costs	<u>(0.00154)</u>	<u>(0.00154)</u>
 Total Change in Fuel and Purchased Power	 <u><u>(\$0.00146)</u></u>	 <u><u>(\$0.00107)</u></u>
Base Cost of Fuel 2/	\$0.02024	\$0.02087
Current Adjustment	0.00464	0.00483
Surcharge Adjustment	0.00108	0.00092
Deferred generation development costs	0.00000	0.00000
Total Adjustment billed under Rate 58	<u><u>\$0.02596</u></u>	<u><u>\$0.02662</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, however, due to higher than expected volumes this will cease with service rendered April 1, 2013.
- 2/ Established in Case No. PU-10-124.

**MONTANA-DAKOTA UTILITIES CO.  
FUEL AND PURCHASED POWER ADJUSTMENT - NORTH DAKOTA  
APRIL 2013**

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$13,104,749	\$8,808,823	\$913,613	\$7,895,210
Account 555 Energy	10,653,495	7,161,126	742,721	6,418,405
Account 555 Demand 4/	1,366,096	973,439	67,654	905,785
Account 575 Market Admin. 4/	174,025	116,977	12,132	104,845
<b>Total Fuel &amp; Purchased Power</b>	<b>\$25,298,365</b>	<b>\$17,060,365</b>	<b>\$1,736,120</b>	<b>\$15,324,245</b>
Fuel Costs - Wholesale sales	36,190	24,326	2,523	21,803
System Costs	25,262,175	17,036,039	1,733,597	15,302,442
Wholesale sales Margin 4/	(8,226)	(5,529)	(573)	(4,956)
Revenue from Sale of RECs 5/	0	0	0	0
<b>Net System Costs</b>	<b>\$25,253,949</b>	<b>\$17,030,510</b>	<b>\$1,733,024</b>	<b>\$15,297,486</b>
Kwh Retail Sales	989,017,643	664,803,391	69,650,973	595,152,418
Cost of Fuel - per Kwh		\$0.02562	\$0.02488	\$0.02570
Base cost of Fuel			0.02024	0.02087
Current Adjustment			0.00464	0.00483

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  
APRIL 2013**

	2012		2013		Total
	November	December	January	February	
Fuel & Purchased Power Costs					
Account 151 and 547	\$3,512,000	\$3,065,551	\$3,069,600	\$3,457,598	\$13,104,749
Account 555 Energy 1/	1,900,900	3,182,473	3,786,575	1,783,547	10,653,495
Account 555 Demand 2/	344,500	331,750	333,096	356,750	1,366,096
Account 575 Market Admin. 2/	44,785	37,648	46,609	44,983	174,025
<b>Total Fuel &amp; Purchased Power</b>	<b>\$5,802,185</b>	<b>\$6,617,422</b>	<b>\$7,235,880</b>	<b>\$5,642,878</b>	<b>\$25,298,365</b>
Fuel Costs - Sales for Resale	19,845	0	0	16,345	36,190
System Costs	\$5,782,340	\$6,617,422	\$7,235,880	\$5,626,533	\$25,262,175
Sales for Resale - Margin 2/	(6,116)	0	0	(2,110)	(8,226)
<b>Total Costs - net of margin</b>	<b>\$5,776,224</b>	<b>\$6,617,422</b>	<b>\$7,235,880</b>	<b>\$5,624,423</b>	<b>\$25,253,949</b>
 Kwh Retail Sales	 210,841,196	 241,201,209	 285,747,745	 251,227,493	 <u>989,017,643</u>
Cost Per Kwh	\$0.02740	\$0.02744	\$0.02532	\$0.02239	<u><u>\$0.02553</u></u>

1/ Page 4.

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

MONTANA-DAKOTA UTILITIES CO.  
ACCOUNT 555  
APRIL 2013 BILLING ADJUSTMENT

Account No.	Account Description	2012		2013	
		November	December	January	February
555.111	Day-Ahead Asset Energy	\$2,512,555	\$3,489,375	\$4,473,495	\$2,233,168
555.114	Real-Time Asset Energy	48,951	(16,113)	200,139	8,994
555.117	Real-Time Excessive Energy	(134)	(27)	(70)	(108)
555.118	Real-Time Non-Excessive Energy	(263,952)	(213,767)	(448,470)	(284,564)
555.1211	Day-Ahead Asset Congestion	(327,975)	29,523	(145,581)	(104,040)
555.1215	Real-Time Asset Congestion	9,194	(12,489)	(6,842)	(13,578)
555.1219	Real-Time Non-Excessive Congestion	(9,658)	(2,161)	7,510	75,568
555.1230	Revenue Rights Transaction	(24,965)	(78,672)	(78,672)	(78,672)
555.1232	Revenue Rights Infeasible Uplift	4,336	1,429	1,429	1,429
555.1233	Revenue Rights Stage 2 Distribution	(115,987)	(64,842)	(66,358)	(66,394)
555.130	Real-Time Non-Excessive Loss	31,178	13,036	29,781	10,557
555.131	Day-Ahead Asset Loss	(107,723)	(93,561)	(141,894)	(12,542)
555.135	Real-Time Asset Loss	5,014	79,317	(55,676)	(14,667)
555.136	Real-Time Distribution of Loss	(15,445)	(45,597)	(45,347)	(22,180)
555.151	Day-Ahead Rev Suff Guarantee Distribution	7,758	5,928	5,778	4,626
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(46)			
555.153	Real-Time Miscellaneous	39,908		1,726	
555.154	Real-Time Net Inadvertent Distribution	292	(59)	(4,108)	(3,467)
555.155	Real-Time Revenue Neutrality Uplift	82,798	62,944	30,067	26,326
555.156	R-T Rev Suff Guarantee First Pass Distribution	24,604	10,490	16,590	8,146
555.157	R-T Rev Suff Guarantee Make Whole Payment	1	(3,292)		
555.159	Day Ahead Schedule 24	5,850	5,351	5,316	5,715
555.160	Real Time Schedule 24	769	529	590	841
555.162	Real Time Price Volume Make Whole Payment	(26,081)	(5,823)	(6,369)	(3,320)
555.1700	Day-Ahead Regulation Amount	(1,539)	(441)		
555.1701	Day-Ahead Spinning Reserve Amount	(6,071)	(1,500)	(1,032)	(245)
555.1710	Real-Time Net Regulation Adjustment	3	4	(4)	5
555.1711	Real-Time Excessive Deficient Energy Deployment	42	11	10	10
555.1713	Real-Time Regulation Amount	552	274	(156)	(72)
555.1714	Real-Time Spinning Reserve Amount	(2,251)	(511)	(395)	(1,703)
555.1716	Real-Time Regulation Cost Distribution	14,178	13,226	6,407	4,658
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	8,120	6,043	5,221	6,358
555.1718	Real-Time Supplemental Reserve Cost Distribution	6,624	3,848	3,490	2,698
Total Account 555 Charges		<u>\$1,900,900</u>	<u>\$3,182,473</u>	<u>\$3,786,575</u>	<u>\$1,783,547</u>

**MONTANA-DAKOTA UTILITIES CO.**  
**COMPUTATION OF (OVER) / UNDER RECOVERED FUEL COST ADJUSTMENT**  
**APPLICABLE TO NORTH DAKOTA - PRIMARY**  
**TO BE EFFECTIVE APRIL 1, 2013 THROUGH MARCH 31, 2014**

(Over)/under recovered electric costs @ January 31, 2013 \$354,699

Less: Projected recovery from rates already established

	Volume	Rate	Amount
February	22,338,000	\$0.00138	\$30,826
March	22,255,000	0.00138	30,712
	44,593,000		\$61,538

(Over)/under recovered balance - All customers 1/ (\$6,497)

Additional recovery required \$299,658

Projected sales volumes (Kwh)

April 2013	21,605,000
May	22,105,000
June	21,953,000
July	24,798,000
August	23,724,000
September	23,242,000
October	22,360,000
November	22,395,000
December	23,785,000
January 2014	24,154,000
February	23,766,000
March	23,648,000

Total 277,535,000

Total (over)/under recovered fuel cost adjustment  
to be effective April 1, 2013 through March 31, 2014 \$0.00108

1/ Estimated all customer balance as of March 31, 2013 (Page 3)	
Over Recovered Balance	(\$50,726)
Allocation to Primary	12.807928%
Total Primary	<u>(\$6,497)</u>

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) / UNDER RECOVERED FUEL COST ADJUSTMENT  
APPLICABLE TO NORTH DAKOTA - SECONDARY  
TO BE EFFECTIVE APRIL 1, 2013 THROUGH MARCH 31, 2014**

(Over)/under recovered electric costs @ January 31, 2013 \$1,792,959

Less: Projected recovery from rates already established

	Volume	Rate	Amount
February	153,900,000	\$0.00070	\$107,730
March	141,016,000	0.00070	98,711
	294,916,000		\$206,441

(Over)/under recovered balance - All customers 1/ (\$44,229)

Additional recovery required \$1,630,747

Projected sales volumes (Kwh)

April 2013	127,828,000
May	129,403,000
June	131,385,000
July	164,802,000
August	152,451,000
September	138,796,000
October	131,802,000
November	147,052,000
December	165,073,000
January 2014	169,004,000
February	161,715,000
March	148,324,000

Total 1,767,635,000

Total (over)/under recovered fuel cost adjustment  
to be effective April 1, 2013 through March 31, 2014 \$0.00092

1/ Estimated all customer balance as of March 31, 2013 (Page 3)

Over Recovered balance	(\$50,726)
Allocation to Secondary	<u>87.192072%</u>
Total Primary	<u>(\$44,229)</u>

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) / UNDER RECOVERED FUEL COST ADJUSTMENT  
APPLICABLE TO NORTH DAKOTA  
TO BE EFFECTIVE APRIL 1, 2013 THROUGH MARCH 31, 2014**

(Over)/under recovered electric costs @ January 31, 2013 (\$169,554)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
February	176,238,000	(\$0.00035)	(\$61,683)
March	163,271,000	(0.00035)	(57,145)
	339,509,000		(\$118,828)
 Additional recovery required			 (\$50,726)

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) / UNDER RECOVERED  
UNRECOVERED FUEL COST ACCOUNT BALANCE  
APPLICABLE TO NORTH DAKOTA  
PRIMARY SERVICE**

	(Over) Under Recovery	Refunds & Other	Interest	Total Net Additions	Actual Kwh Sales	Adjustment Per Kwh	Total Adjustment Amount	Net Change- Additions less Adjustment	Cumulative Balance
<b>Balance @ January 31, 2012</b>									<b><u>\$340,584</u></b>
February	\$8,736	\$0	\$14 1/	\$8,750	18,638,624		\$0	\$8,750	\$349,334
March	(65,245)	6,125 2/	1 3/	(59,119)	19,025,116		0	(59,119)	290,215
April	(50,238)	0	19	(50,219)	18,941,753	0.00138	15,981 4/	(66,200)	224,015
May	(273)	0	18	(255)	19,104,328	0.00138	26,364	(26,619)	197,396
June	70,741	0	18	70,759	19,727,184	0.00138	27,223	43,536	240,932
July	260,176	0	26	260,202	17,804,623	0.00138	24,570	235,632	476,564
August	65,379	0	31	65,410	23,220,296	0.00138	32,044	33,366	509,930
September	(63,669)	13,990 5/	38	(49,641)	19,867,379	0.00138	27,417	(77,058)	432,872
October	(72,021)	0	32	(71,989)	19,804,988	0.00138	27,331	(99,320)	333,552
November	26,688	1 6/	25	26,714	18,571,097	0.00138	25,628	1,086	334,638
December	41,867	0	20	41,887	17,247,306	0.00138	23,801	18,086	352,724
January 2013	27,201	0	22	27,223	18,295,166	0.00138	25,248	1,975	354,699
	<u>\$249,342</u>	<u>\$20,116</u>	<u>\$264</u>	<u>\$269,722</u>	<u>230,247,860</u>		<u>\$255,607</u>	<u>\$14,115</u>	
<b>Balance @ January 31, 2013</b>									<b><u>\$354,699</u></b>

1/ Adjustment of (\$3) to correct interest to reflect three month treasury bill rate for the month of January 2012.

2/ Adjustment to correct allocation of costs from July 2011 through January 2012.

3/ Adjustment of (\$14) to correct interest from July 2011 through January 2012 to net total under recoveries of deferred income taxes.

4/ Reflects 11,580,633 Kwh @ \$0.00138 per Kwh.

5/ Reflects the unamortized portion of the Margin Sharing Adjustment.

6/ True-up of the Margin Sharing Adjustment for billed volumes.

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) / UNDER RECOVERED  
UNRECOVERED FUEL COST ACCOUNT BALANCE  
APPLICABLE TO NORTH DAKOTA  
SECONDARY SERVICE**

	(Over) Under Recovery	Refunds & Other	Interest	Total Net Additions	Actual Kwh Sales	Adjustment Per Kwh	Total Adjustment Amount	Net Change- Additions less Adjustment	Cumulative Balance
<b>Balance @ January 31, 2012</b>									<b><u>\$1,124,313</u></b>
February	(\$384,015)	\$0	\$67 1/	(\$383,948)	135,743,236		\$0	(\$383,948)	\$740,365
March	(920,394)	50,787 2/	34 3/	(869,573)	140,528,835		0	(869,573)	(129,208)
April	(440,072)	0	(9)	(440,081)	107,440,393	0.00070	36,715 4/	(476,796)	(606,004)
May	8,692	0	(43)	8,649	109,098,170	0.00070	76,369	(67,720)	(673,724)
June	524,568	0	(42)	524,526	111,833,801	0.00070	78,284	446,242	(227,482)
July	2,077,990	0	(3)	2,077,987	134,850,721	0.00070	94,396	1,983,591	1,756,109
August	524,837	0	111	524,948	148,741,056	0.00070	104,119	420,829	2,176,938
September	(322,013)	116,018 5/	153	(205,842)	119,470,707	0.00070	83,629	(289,471)	1,887,467
October	(396,711)	0	128	(396,583)	118,664,194	0.00070	83,066	(479,649)	1,407,818
November	200,838	6 6/	96	200,940	121,191,854	0.00070	84,835	116,105	1,523,923
December	311,429	0	82	311,511	146,479,955	0.00070	102,535	208,976	1,732,899
January 2013	181,351	0	94	181,445	173,407,244	0.00070	121,385	60,060	1,792,959
	<u>\$1,366,500</u>	<u>\$166,811</u>	<u>\$668</u>	<u>\$1,533,979</u>	<u>1,567,450,166</u>		<u>\$865,333</u>	<u>\$668,646</u>	
<b>Balance @ January 31, 2013</b>									<b><u>\$1,792,959</u></b>

1/ Adjustment of \$12 to correct interest to reflect three month treasury bill rate for the month of January 2012.

2/ Adjustment to correct allocation of costs from July 2011 through January 2012.

3/ Adjustment of \$2 to correct interest from July 2011 through January 2012 to net total under recoveries of deferred income taxes.

4/ Reflects 52,450,547 Kwh @ \$0.00070 per Kwh.

5/ Reflects the unamortized portion of the Margin Sharing Adjustment.

6/ True-up of the Margin Sharing Adjustment for billed volumes.

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) / UNDER RECOVERED  
UNRECOVERED FUEL COST ACCOUNT BALANCE  
APPLICABLE TO NORTH DAKOTA  
ALL CUSTOMERS**

	(Over) Under Recovery	Refunds & Other	Interest	Total Net Additions	Actual Kwh Sales	Adjustment Per Kwh	Total Adjustment Amount	Net Change- Additions less Adjustment	Cumulative Balance
<b>Balance @ January 31, 2012</b>									<b><u>(\$546,046)</u></b>
February		\$0	(\$28)	(\$28)	154,381,860	\$0.00032	\$49,402	(\$49,430)	(\$595,476)
March		0	(27)	(27)	159,553,951	0.00032	51,057	(51,084)	(646,560)
April		0	(45)	(45)	126,382,146	(0.00035)	(2,459) 1/	2,414	(644,146)
May		0	(54)	(54)	128,202,498	(0.00035)	(44,871)	44,817	(599,329)
June		0	(58)	(58)	131,560,985	(0.00035)	(46,046)	45,988	(553,341)
July		0	(70)	(70)	152,655,344	(0.00035)	(53,429)	53,359	(499,982)
August		0	(49)	(49)	171,961,352	(0.00035)	(60,186)	60,137	(439,845)
September		0	(58)	(58)	139,338,086	(0.00035)	(48,768)	48,710	(391,135)
October		0	(56)	(56)	138,469,182	(0.00035)	(48,464)	48,408	(342,727)
November		0	(54)	(54)	139,762,951	(0.00035)	(48,917)	48,863	(293,864)
December		0	(44)	(44)	163,727,261	(0.00035)	(57,305)	57,261	(236,603)
January 2013		0	(47)	(47)	191,702,410	(0.00035)	(67,096)	67,049	(169,554)
	<u>\$0</u>	<u>\$0</u>	<u>(\$590)</u>	<u>(\$590)</u>	<u>1,797,698,026</u>		<u>(\$377,082)</u>	<u>\$376,492</u>	
<b>Balance @ January 31, 2013</b>									<b><u>(\$169,554)</u></b>

1/ Reflects 62,350,966 Kwh @ \$0.00032 per Kwh and 64,031,180 Kwh @(\$0.00035) per Kwh

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) UNDER RECOVERY OF FUEL COSTS  
APPLICABLE TO NORTH DAKOTA  
PRIMARY SERVICE  
FEBRUARY 2012 - JANUARY 2013**

	<u>Kwh</u>	<u>Amount</u>	<u>Cost per Kwh</u>
<b>FEBRUARY 2012</b>			
Fuel and Purchased Power (net)	18,638,624	\$358,157	\$0.01922
Fuel and Purchased Power - Recovered			0.01875
(Over) Under recovery per kWh			0.00047
kWh billed			18,638,624
(Over) Under recovery			\$8,736
<b>MARCH</b>			
Fuel and Purchased Power (net)	19,025,116	\$305,189	\$0.01604
Fuel and Purchased Power - Recovered			0.01947
(Over) Under recovery per kWh			(0.00343)
kWh billed			19,025,116
(Over) Under recovery			(\$65,245)
<b>APRIL</b>			
Fuel and Purchased Power (net)	18,941,753	\$350,231	\$0.01849
Fuel and Purchased Power - Recovered			0.02114
(Over) Under recovery per kWh			(0.00265)
kWh billed			18,941,753
(Over) Under recovery			(\$50,238)
<b>MAY</b>			
Fuel and Purchased Power (net)	19,104,328	\$408,090	\$0.02136
Fuel and Purchased Power - Recovered			0.02138
(Over) Under recovery per kWh			(0.00001)
kWh billed			19,104,328
(Over) Under recovery			(\$273)
<b>JUNE</b>			
Fuel and Purchased Power (net)	19,727,184	\$460,686	\$0.02335
Fuel and Purchased Power - Recovered			0.01977
(Over) Under recovery per kWh			0.00359
kWh billed			19,727,184
(Over) Under recovery			\$70,741
<b>JULY</b>			
Fuel and Purchased Power	17,804,623	\$598,882	\$0.03364
Fuel and Purchased Power - Recovered			0.01902
(Over) Under recovery per kWh			0.01461
kWh billed			17,804,623
(Over) Under recovery			\$260,176
<b>AUGUST</b>			
Fuel and Purchased Power	23,220,296	\$512,123	\$0.02205
Fuel and Purchased Power - Recovered			0.01924
(Over) Under recovery per kWh			0.00282
kWh billed			23,220,296
(Over) Under recovery			\$65,379

**MONTANA-DAKOTA UTILITIES CO.  
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PRIMARY SERVICE  
FEBRUARY 2012 - JANUARY 2013**

	<u>Kwh</u>	<u>Amount</u>	<u>Cost per Kwh</u>
<b>SEPTEMBER</b>			
Fuel and Purchased Power	19,867,379	\$364,633	\$0.01835
Fuel and Purchased Power - Recovered			0.02156
(Over) Under recovery per kWh			(0.00320)
kWh billed			19,867,379
(Over) Under recovery			(\$63,669)
<b>OCTOBER</b>			
Fuel and Purchased Power	19,804,988	\$419,309	\$0.02117
Fuel and Purchased Power - Recovered			0.02481
(Over) Under recovery per kWh			(0.00364)
kWh billed			19,804,988
(Over) Under recovery			(\$72,021)
<b>NOVEMBER</b>			
Fuel and Purchased Power	18,571,097	\$490,529	\$0.02641
Fuel and Purchased Power - Recovered			0.02498
(Over) Under recovery per kWh			0.00144
kWh billed			18,571,097
(Over) Under recovery			\$26,688
<b>DECEMBER</b>			
Fuel and Purchased Power	17,247,306	\$461,084	\$0.02673
Fuel and Purchased Power - Recovered			0.02431
(Over) Under recovery per kWh			0.00243
kWh billed			17,247,306
(Over) Under recovery			\$41,867
<b>JANUARY 2013</b>			
Fuel and Purchased Power	18,295,166	\$453,673	\$0.02480
Fuel and Purchased Power - Recovered			0.02331
(Over) Under recovery per kWh			0.00149
kWh billed			18,295,166
(Over) Under recovery			\$27,201

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) UNDER RECOVERY OF FUEL COSTS  
APPLICABLE TO NORTH DAKOTA  
SECONDARY SERVICE  
FEBRUARY 2012 - JANUARY 2013**

	<u>Kwh</u>	<u>Amount</u>	<u>Cost per Kwh</u>
<b>FEBRUARY 2012</b>			
Fuel and Purchased Power	135,743,236	\$2,641,753	\$0.01946
Fuel and Purchased Power - Recovered			0.02229
(Over) Under recovery per kWh			(0.00283)
kWh billed			135,743,236
(Over) Under recovery			(\$384,015)
<b>MARCH</b>			
Fuel and Purchased Power	140,528,835	\$2,283,529	\$0.01625
Fuel and Purchased Power - Recovered			0.02280
(Over) Under recovery per kWh			(0.00655)
kWh billed			140,528,835
Fuel Cost adjustment (FCA)			1,165,549
(Over) Under recovery			(\$920,394)
<b>APRIL</b>			
Fuel and Purchased Power	107,440,393	\$2,013,850	\$0.01874
Fuel and Purchased Power - Recovered			0.02284
(Over) Under recovery per kWh			(0.00410)
kWh billed			107,440,393
(Over) Under recovery			(\$440,072)
<b>MAY</b>			
Fuel and Purchased Power	109,098,170	\$2,361,629	\$0.02165
Fuel and Purchased Power - Recovered			0.02157
(Over) Under recovery per kWh			0.00008
kWh billed			109,098,170
(Over) Under recovery			\$8,692
<b>JUNE</b>			
Fuel and Purchased Power	111,833,801	\$2,764,818	\$0.02472
Fuel and Purchased Power - Recovered			0.02003
(Over) Under recovery per kWh			0.00469
kWh billed			111,833,801
(Over) Under recovery			\$524,568
<b>JULY</b>			
Fuel and Purchased Power	134,850,721	\$4,676,255	\$0.03468
Fuel and Purchased Power - Recovered			0.01927
(Over) Under recovery per kWh			0.01541
kWh billed			134,850,721
(Over) Under recovery			\$2,077,990

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) UNDER RECOVERY OF FUEL COSTS  
APPLICABLE TO NORTH DAKOTA  
SECONDARY SERVICE  
FEBRUARY 2012 - JANUARY 2013**

	<u>Kwh</u>	<u>Amount</u>	<u>Cost per Kwh</u>
<b>AUGUST</b>			
Fuel and Purchased Power	148,741,056	\$3,433,517	\$0.02308
Fuel and Purchased Power - Recovered			0.01956
(Over) Under recovery per kWh			0.00353
kWh billed			148,741,056
(Over) Under recovery			\$524,837
<b>SEPTEMBER</b>			
Fuel and Purchased Power	119,470,707	\$2,335,494	\$0.01955
Fuel and Purchased Power - Recovered			0.02224
(Over) Under recovery per kWh			(0.00270)
kWh billed			119,470,707
(Over) Under recovery			(\$322,013)
<b>OCTOBER</b>			
Fuel and Purchased Power	118,664,194	\$2,654,588	\$0.02237
Fuel and Purchased Power - Recovered			0.02571
(Over) Under recovery per kWh			(0.00334)
kWh billed			118,664,194
(Over) Under recovery			(\$396,711)
<b>NOVEMBER</b>			
Fuel and Purchased Power	121,191,854	\$3,351,207	\$0.02765
Fuel and Purchased Power - Recovered			0.02599
(Over) Under recovery per kWh			0.00166
kWh billed			121,191,854
(Over) Under recovery			\$200,838
<b>DECEMBER</b>			
Fuel and Purchased Power	146,479,955	\$4,037,844	\$0.02757
Fuel and Purchased Power - Recovered			0.02544
(Over) Under recovery per kWh			0.00213
kWh billed			146,479,955
(Over) Under recovery			\$311,429
<b>JANUARY 2013</b>			
Fuel and Purchased Power	173,407,244	\$4,410,471	\$0.02543
Fuel and Purchased Power - Recovered			0.02439
(Over) Under recovery per kWh			0.00105
kWh billed			173,407,244
(Over) Under recovery			\$181,351