

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

April 11, 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	0.00439	0.00433
Total Adjustment billed under Rate 58	<u>\$0.02463</u>	<u>\$0.02520</u>

Exhibit A is 12<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 May 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 May 2013. Pages 2-4 show the calculation of the adjustment for May 2013.

The net effect of this F&PP adjustment is a decrease of 0.133 cents per Kwh for primary service customers and a decrease of 0.142 cents per Kwh for secondary service customers for service rendered in the month of May 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 FCA for May is caused by the fact that the higher cost month of November, used in the April calculation, was replaced by the lower cost month of March.

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

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

Canceling 11<sup>th</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. 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	0.439	0.433
Total FPPA	2.463¢	2.520¢

Date Filed: April 11, 2013

Effective Date:

Issued By: Tamie A. Aberle  
Director - Regulatory Affairs

Case No.:

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

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00331	\$0.00341
Prior Adjustment	0.00464	0.00483
Change in Current Adjustment	<u>(\$0.00133)</u>	<u>(\$0.00142)</u>
 <u>Surcharge Adjustment:</u>		
Current Adjustment	0.00108	0.00092
Prior Adjustment	0.00108	0.00092
Change in Surcharge Adjustment	<u>0.00000</u>	<u>0.00000</u>
 Total Change in Fuel and Purchased Power	 <u><u>(\$0.00133)</u></u>	 <u><u>(\$0.00142)</u></u>
Base Cost of Fuel 1/	\$0.02024	\$0.02087
Current Adjustment	0.00331	0.00341
Surcharge Adjustment	0.00108	0.00092
Total Adjustment billed under Rate 58	<u><u>\$0.02463</u></u>	<u><u>\$0.02520</u></u>

1/ Established in Case No. PU-10-124.

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

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$13,764,532	\$9,313,054	\$927,471	\$8,385,583
Account 555 Energy	9,731,841	6,584,543	655,744	5,928,799
Account 555 Demand 4/	1,353,682	964,593	67,039	897,554
Account 575 Market Admin. 4/	182,863	123,725	12,322	111,403
<b>Total Fuel &amp; Purchased Power</b>	<b>\$25,032,918</b>	<b>\$16,985,915</b>	<b>\$1,662,576</b>	<b>\$15,323,339</b>
Fuel Costs - Wholesale sales	154,473	104,516	10,409	94,107
System Costs	24,878,445	16,881,399	1,652,167	15,229,232
Wholesale sales Margin 4/	(41,043)	(27,770)	(2,766)	(25,004)
Revenue from Sale of RECs 5/	0	(89,768)	(8,940)	(80,828)
<b>Net System Costs</b>	<b>\$24,837,402</b>	<b>\$16,763,861</b>	<b>\$1,640,461</b>	<b>\$15,123,400</b>
Kwh Retail Sales	1,023,429,562	692,450,314	69,663,780	622,786,534
Cost of Fuel - per Kwh		\$0.02421	\$0.02355	\$0.02428
Base cost of Fuel			0.02024	0.02087
Current Adjustment			0.00331	0.00341

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  
MAY 2013**

	2012	2013			Total
	December	January	February	March	
Fuel & Purchased Power Costs					
Account 151 and 547	\$3,065,551	\$3,069,600	\$3,457,598	\$4,171,783	\$13,764,532
Account 555 Energy 1/	3,182,473	3,786,575	1,783,547	979,246	9,731,841
Account 555 Demand 2/	331,750	333,096	356,750	332,086	1,353,682
Account 575 Market Admin. 2/	37,648	46,609	44,983	53,623	182,863
<b>Total Fuel &amp; Purchased Power</b>	<b>\$6,617,422</b>	<b>\$7,235,880</b>	<b>\$5,642,878</b>	<b>\$5,536,738</b>	<b>\$25,032,918</b>
Fuel Costs - Sales for Resale	0	0	16,345	138,128	154,473
System Costs	\$6,617,422	\$7,235,880	\$5,626,533	\$5,398,610	\$24,878,445
Sales for Resale - Margin 2/	0	0	(2,110)	(38,933)	(41,043)
<b>Total Costs - net of margin</b>	<b>\$6,617,422</b>	<b>\$7,235,880</b>	<b>\$5,624,423</b>	<b>\$5,359,677</b>	<b>\$24,837,402</b>
Kwh Retail Sales	241,201,209	285,747,745	251,227,493	245,253,115	1,023,429,562
Cost Per Kwh	\$0.02744	\$0.02532	\$0.02239	\$0.02185	<u>\$0.02427</u>

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

**MONTANA-DAKOTA UTILITIES CO.  
ACCOUNT 555  
MAY 2013 BILLING ADJUSTMENT**

Account No.	Account Description	2012	2013		
		December	January	February	March
555.111	Day-Ahead Asset Energy	\$3,489,375	\$4,473,495	\$2,233,168	\$752,226
555.114	Real-Time Asset Energy	(16,113)	200,139	8,994	131,362
555.117	Real-Time Excessive Energy	(27)	(70)	(108)	(249)
555.118	Real-Time Non-Excessive Energy	(213,767)	(448,470)	(284,564)	(39,995)
555.1211	Day-Ahead Asset Congestion	29,523	(145,581)	(104,040)	120,864
555.1215	Real-Time Asset Congestion	(12,489)	(6,842)	(13,578)	31,299
555.1219	Real-Time Non-Excessive Congestion	(2,161)	7,510	75,568	(55,439)
555.1230	Revenue Rights Transaction	(78,672)	(78,672)	(78,672)	(19,636)
555.1232	Revenue Rights Infeasible Uplift	1,429	1,429	1,429	1,186
555.1233	Revenue Rights Stage 2 Distribution	(64,842)	(66,358)	(66,394)	(101,421)
555.130	Real-Time Non-Excessive Loss	13,036	29,781	10,557	(1,315)
555.131	Day-Ahead Asset Loss	(93,561)	(141,894)	(12,542)	119,586
555.135	Real-Time Asset Loss	79,317	(55,676)	(14,667)	(8,134)
555.136	Real-Time Distribution of Loss	(45,597)	(45,347)	(22,180)	(22,277)
555.151	Day-Ahead Rev Suff Guarantee Distribution	5,928	5,778	4,626	5,074
555.153	Real-Time Miscellaneous		1,726		(774)
555.154	Real-Time Net Inadvertent Distribution	(59)	(4,108)	(3,467)	(219)
555.155	Real-Time Revenue Neutrality Uplift	62,944	30,067	26,326	25,644
555.156	R-T Rev Suff Guarantee First Pass Distribution	10,490	16,590	8,146	24,821
555.157	R-T Rev Suff Guarantee Make Whole Payment	(3,292)			
555.159	Day Ahead Schedule 24	5,351	5,316	5,715	6,473
555.160	Real Time Schedule 24	529	590	841	502
555.162	Real Time Price Volume Make Whole Payment	(5,823)	(6,369)	(3,320)	(4,167)
555.1700	Day-Ahead Regulation Amount	(441)			(117)
555.1701	Day-Ahead Spinning Reserve Amount	(1,500)	(1,032)	(245)	(2,553)
555.1710	Real-Time Net Regulation Adjustment	4	(4)	5	(10)
555.1711	Real-Time Excessive Deficient Energy Deployment	11	10	10	9
555.1712	Real-Time Contingency Reserve Deployment				450
555.1713	Real-Time Regulation Amount	274	(156)	(72)	(364)
555.1714	Real-Time Spinning Reserve Amount	(511)	(395)	(1,703)	(6,973)
555.1716	Real-Time Regulation Cost Distribution	13,226	6,407	4,658	7,303
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	6,043	5,221	6,358	12,159
555.1718	Real-Time Supplemental Reserve Cost Distribution	3,848	3,490	2,698	3,931
Total Account 555 Charges		<u>\$3,182,473</u>	<u>\$3,786,575</u>	<u>\$1,783,547</u>	<u>\$979,246</u>