

May 14, 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	0.00266	0.00262
Total Adjustment billed under Rate 58	<u>\$0.02290</u>	<u>\$0.02349</u>

Exhibit A is 13th Revised Sheet No. 42.2 showing the proposed Fuel and Purchased Power Adjustment to be effective with service rendered on and after June 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 June 2013. Pages 2-4 show the calculation of the adjustment for June 2013.

The net effect of this F&PP adjustment is a decrease of 0.173 cents per Kwh for primary service customers and a decrease of 0.171 cents per Kwh for secondary service customers for service rendered in the month of June 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.

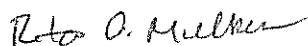
The decrease in the FCA for June is caused by the fact that the higher cost month of December, used in the May calculation, was replaced by the lower cost month of April.

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 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 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4

13th Revised Sheet No. 42.2

Canceling 12th 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	0.266	0.262
Total FPPA	2.290¢	2.349¢

Date Filed: May 14, 2013

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

Case No.:

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

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00158	\$0.00170
Prior Adjustment	0.00331	0.00341
Change in Current Adjustment	<u>(\$0.00173)</u>	<u>(\$0.00171)</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>(\$0.00173)</u></u>	 <u><u>(\$0.00171)</u></u>
 Base Cost of Fuel 1/	 \$0.02024	 \$0.02087
Current Adjustment	0.00158	0.00170
Surcharge Adjustment	0.00108	0.00092
Total Adjustment billed under Rate 58	<u><u>\$0.02290</u></u>	<u><u>\$0.02349</u></u>

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

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

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$13,545,441	\$9,165,170	\$937,730	\$8,227,440
Account 555 Energy	8,240,431	5,575,673	570,472	5,005,201
Account 555 Demand 4/	1,354,018	964,832	67,056	897,776
Account 575 Market Admin. 4/	184,577	124,889	12,778	112,111
Total Fuel & Purchased Power	\$23,324,467	\$15,830,564	\$1,588,036	\$14,242,528
Fuel Costs - Wholesale sales	157,298	106,432	10,890	95,542
System Costs	23,167,169	15,724,132	1,577,146	14,146,986
Wholesale sales Margin 4/	(41,291)	(27,938)	(2,858)	(25,080)
Revenue from Sale of RECs 5/	0	(87,524)	(8,955)	(78,569)
Net System Costs	\$23,125,878	\$15,608,670	\$1,565,333	\$14,043,337
Kwh Retail Sales	1,025,696,110	694,010,563	71,729,819	622,280,744
Cost of Fuel - per Kwh		\$0.02249	\$0.02182	\$0.02257
Base cost of Fuel			0.02024	0.02087
Current Adjustment			0.00158	0.00170

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 2013**

	2013				Total
	January	February	March	April	
Fuel & Purchased Power Costs					
Account 151 and 547	\$3,069,600	\$3,457,598	\$4,171,783	\$2,846,460	\$13,545,441
Account 555 Energy 1/	3,786,575	1,783,547	979,246	1,691,063	8,240,431
Account 555 Demand 2/	333,096	356,750	332,086	332,086	1,354,018
Account 575 Market Admin. 2/	46,609	44,983	53,623	39,362	184,577
Total Fuel & Purchased Power	\$7,235,880	\$5,642,878	\$5,536,738	\$4,908,971	\$23,324,467
Fuel Costs - Sales for Resale	0	16,345	138,128	2,825	157,298
System Costs	\$7,235,880	\$5,626,533	\$5,398,610	\$4,906,146	\$23,167,169
Sales for Resale - Margin 2/	0	(2,110)	(38,933)	(248)	(41,291)
Total Costs - net of margin	\$7,235,880	\$5,624,423	\$5,359,677	\$4,905,898	\$23,125,878
Kwh Retail Sales	285,747,745	251,227,493	245,253,115	243,467,757	1,025,696,110
Cost Per Kwh	\$0.02532	\$0.02239	\$0.02185	\$0.02015	<u>\$0.02255</u>

1/ Page 4.

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

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

Account No.	Account Description	2013			
		January	February	March	April
555.111	Day-Ahead Asset Energy	\$4,473,495	\$2,233,168	\$752,226	\$2,731,738
555.114	Real-Time Asset Energy	200,139	8,994	131,362	(58,885)
555.117	Real-Time Excessive Energy	(70)	(108)	(249)	(89)
555.118	Real-Time Non-Excessive Energy	(448,470)	(284,564)	(39,995)	(375,143)
555.1211	Day-Ahead Asset Congestion	(145,581)	(104,040)	120,864	(549,050)
555.1215	Real-Time Asset Congestion	(6,842)	(13,578)	31,299	9,769
555.1219	Real-Time Non-Excessive Congestion	7,510	75,568	(55,439)	(18,723)
555.1230	Revenue Rights Transaction	(78,672)	(78,672)	(19,636)	(19,636)
555.1232	Revenue Rights Infeasible Uplift	1,429	1,429	1,186	1,186
555.1233	Revenue Rights Stage 2 Distribution	(66,358)	(66,394)	(101,421)	(101,420)
555.130	Real-Time Non-Excessive Loss	29,781	10,557	(1,315)	32,261
555.131	Day-Ahead Asset Loss	(141,894)	(12,542)	119,586	(111,665)
555.135	Real-Time Asset Loss	(55,676)	(14,667)	(8,134)	66,279
555.136	Real-Time Distribution of Loss	(45,347)	(22,180)	(22,277)	(15,410)
555.151	Day-Ahead Rev Suff Guarantee Distribution	5,778	4,626	5,074	10,220
555.153	Real-Time Miscellaneous	1,726		(774)	(13,995)
555.154	Real-Time Net Inadvertent Distribution	(4,108)	(3,467)	(219)	(153)
555.155	Real-Time Revenue Neutrality Uplift	30,067	26,326	25,644	57,085
555.156	R-T Rev Suff Guarantee First Pass Distribution	16,590	8,146	24,821	50,557
555.159	Day Ahead Schedule 24	5,316	5,715	6,473	5,698
555.160	Real Time Schedule 24	590	841	502	674
555.162	Real Time Price Volume Make Whole Payment	(6,369)	(3,320)	(4,167)	(12,408)
555.1700	Day-Ahead Regulation Amount			(117)	(5,920)
555.1701	Day-Ahead Spinning Reserve Amount	(1,032)	(245)	(2,553)	(29,920)
555.1710	Real-Time Net Regulation Adjustment	(4)	5	(10)	51
555.1711	Real-Time Excessive Deficient Energy Deployment	10	10	9	241
555.1712	Real-Time Contingency Reserve Deployment			450	
555.1713	Real-Time Regulation Amount	(156)	(72)	(364)	2,985
555.1714	Real-Time Spinning Reserve Amount	(395)	(1,703)	(6,973)	(2,980)
555.1716	Real-Time Regulation Cost Distribution	6,407	4,658	7,303	12,809
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	5,221	6,358	12,159	19,821
555.1718	Real-Time Supplemental Reserve Cost Distribution	3,490	2,698	3,931	5,086
Total Account 555 Charges		<u>\$3,786,575</u>	<u>\$1,783,547</u>	<u>\$979,246</u>	<u>\$1,691,063</u>