



# MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

June 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	0.00192	0.00196
Total Adjustment billed under Rate 58	<u>\$0.02216</u>	<u>\$0.02283</u>

Exhibit A is 14<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 July 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 July 2013. Pages 2-4 show the calculation of the adjustment for July 2013.

The net effect of this F&PP adjustment is a decrease of 0.074 cents per Kwh for primary service customers and a decrease of 0.066 cents per Kwh for secondary service customers for service rendered in the month of July 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.

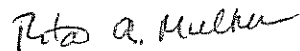
The decrease in the FCA for July is caused by the fact that the higher cost month of January, used in the July calculation, was replaced by the lower cost month of May.

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

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

Canceling 13<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:

	Primary	Secondary
Base Fuel	2.024¢	2.087¢
Fuel and Purchased Power Adjustment	0.192	0.196
Total FPPA	2.216¢	2.283¢

Date Filed: June 14, 2013

Effective Date:

Issued By: Tamie A. Aberle  
Director- Regulatory Affairs

Case No.:

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

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00084	\$0.00104
Prior Adjustment	0.00158	0.00170
Change in Current Adjustment	<u>(\$0.00074)</u>	<u>(\$0.00066)</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>(\$0.00074)</u></u>	 <u><u>(\$0.00066)</u></u>
 Base Cost of Fuel 1/	 \$0.02024	 \$0.02087
Current Adjustment	0.00084	0.00104
Surcharge Adjustment	0.00108	0.00092
Total Adjustment billed under Rate 58	<u><u>\$0.02216</u></u>	<u><u>\$0.02283</u></u>

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

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

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$12,837,826	\$8,698,780	\$941,074	\$7,757,706
Account 555 Energy	6,761,123	4,581,268	495,622	4,085,646
Account 555 Demand 4/	1,340,258	955,028	66,374	888,654
Account 575 Market Admin. 4/	168,174	113,953	12,328	101,625
Total Fuel & Purchased Power	\$21,107,381	\$14,349,029	\$1,515,398	\$12,833,631
Fuel Costs - Wholesale sales	160,674	108,871	11,778	97,093
System Costs	\$20,946,707	\$14,240,158	\$1,503,620	\$12,736,538
Wholesale sales Margin 4/	(41,694)	(28,251)	(3,056)	(25,195)
Revenue from Sale of RECs 5/	0	(87,524)	(9,469)	(78,055)
Total Costs - net of margin	\$20,905,013	\$14,124,383	\$1,491,095	\$12,633,288
Kwh Retail Sales	955,346,769	647,333,206	70,739,300	576,593,906
Cost Per Kwh		\$0.02182	\$0.02108	\$0.02191
Base Cost of Fuel			0.02024	0.02087
Current Adjustment			\$0.00084	\$0.00104

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  
JULY 2013

	2013				Total
	February	March	April	May	
Fuel & Purchased Power Costs					
Account 151 and 547	\$3,457,598	\$4,171,783	\$2,846,460	\$2,361,985	\$12,837,826
Account 555 Energy 1/	1,783,547	979,246	1,691,063	2,307,267	6,761,123
Account 555 Demand 2/	356,750	332,086	332,086	319,336	1,340,258
Account 575 Market Admin. 2/	44,983	53,623	39,362	30,206	168,174
<b>Total Fuel &amp; Purchased Power</b>	<b>\$5,642,878</b>	<b>\$5,536,738</b>	<b>\$4,908,971</b>	<b>\$5,018,794</b>	<b>\$21,107,381</b>
Fuel Costs - Sales for Resale	16,345	138,128	2,825	3,376	160,674
System Costs	\$5,626,533	\$5,398,610	\$4,906,146	\$5,015,418	\$20,946,707
Sales for Resale - Margin 2/	(2,110)	(38,933)	(248)	(403)	(41,694)
<b>Total Costs - net of margin</b>	<b>\$5,624,423</b>	<b>\$5,359,677</b>	<b>\$4,905,898</b>	<b>\$5,015,015</b>	<b>\$20,905,013</b>
Kwh Retail Sales	251,227,493	245,253,115	243,467,757	215,398,404	955,346,769
Cost Per Kwh	\$0.02239	\$0.02185	\$0.02015	\$0.02328	\$0.02188

1/ Page 4.

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

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

Account No.	Account Description	2013			
		February	March	April	May
555.1	Purchased Power				\$2,300
555.111	Day-Ahead Asset Energy	\$2,233,168	\$752,226	\$2,731,738	\$3,189,969
555.114	Real-Time Asset Energy	8,994	131,362	(58,885)	(16,771)
555.117	Real-Time Excessive Energy	(108)	(249)	(89)	10
555.118	Real-Time Non-Excessive Energy	(284,564)	(39,995)	(375,143)	(556,831)
555.1211	Day-Ahead Asset Congestion	(104,040)	120,864	(549,050)	(394,869)
555.1215	Real-Time Asset Congestion	(13,578)	31,299	9,769	(16,727)
555.1219	Real-Time Non-Excessive Congestion	75,568	(55,439)	(18,723)	181,733
555.1230	Revenue Rights Transaction	(78,672)	(19,636)	(19,636)	(19,636)
555.1232	Revenue Rights Infeasible Uplift	1,429	1,186	1,186	1,186
555.1233	Revenue Rights Stage 2 Distribution	(66,394)	(101,421)	(101,420)	(100,415)
555.130	Real-Time Non-Excessive Loss	10,557	(1,315)	32,261	69,265
555.131	Day-Ahead Asset Loss	(12,542)	119,586	(111,665)	(213,044)
555.135	Real-Time Asset Loss	(14,667)	(8,134)	66,279	85,513
555.136	Real-Time Distribution of Loss	(22,180)	(22,277)	(15,410)	(6,854)
555.151	Day-Ahead Rev Suff Guarantee Distribution	4,626	5,074	10,220	9,057
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt				(21)
555.153	Real-Time Miscellaneous		(774)	(13,995)	
555.154	Real-Time Net Inadvertent Distribution	(3,467)	(219)	(153)	(223)
555.155	Real-Time Revenue Neutrality Uplift	26,326	25,644	57,085	44,451
555.156	R-T Rev Suff Guarantee First Pass Distribution	8,146	24,821	50,557	50,891
555.157	R-T Rev Suff Guarantee Make Whole Payment				3,270
555.159	Day Ahead Schedule 24	5,715	6,473	5,698	4,088
555.160	Real Time Schedule 24	841	502	674	529
555.161	Real Time Schedule 24 Distribution				75
555.162	Real Time Price Volume Make Whole Payment	(3,320)	(4,167)	(12,408)	(17,748)
555.1700	Day-Ahead Regulation Amount		(117)	(5,920)	(8,180)
555.1701	Day-Ahead Spinning Reserve Amount	(245)	(2,553)	(29,920)	(21,347)
555.1710	Real-Time Net Regulation Adjustment	5	(10)	51	363
555.1711	Real-Time Excessive Deficient Energy Deployment	10	9	241	118
555.1712	Real-Time Contingency Reserve Deployment		450		
555.1713	Real-Time Regulation Amount	(72)	(364)	2,985	5,275
555.1714	Real-Time Spinning Reserve Amount	(1,703)	(6,973)	(2,980)	(5,928)
555.1716	Real-Time Regulation Cost Distribution	4,658	7,303	12,809	11,026
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	6,358	12,159	19,821	19,666
555.1718	Real-Time Supplemental Reserve Cost Distribution	2,698	3,931	5,086	7,076
Total Account 555 Charges		<u>\$1,783,547</u>	<u>\$979,246</u>	<u>\$1,691,063</u>	<u>\$2,307,267</u>