

July 16, 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	0.00214	0.00236
Total Adjustment billed under Rate 58	<u>\$0.02238</u>	<u>\$0.02323</u>

Exhibit A is 15th Revised Sheet No. 42.2 showing the proposed Fuel and Purchased Power Adjustment to be effective with service rendered on and after August 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 August 2013. Pages 2-4 show the calculation of the adjustment for August 2013.

The net effect of this F&PP adjustment is an increase of 0.022 cents per Kwh for primary service customers and an increase of 0.040 cents per Kwh for secondary service customers for service rendered in the month of August 2013. All of North Dakota's electric customers will be affected by this proposal. There were 83,849 electric customers in North Dakota as of June 30, 2013.

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.

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 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

15th Revised Sheet No. 42.2

Canceling 14th 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	0.214	0.236
Total FPPA	2.238¢	2.323¢

Date Filed: July 16, 2013

Effective Date:

Issued By: Tamie A. Aberle
Director- Regulatory Affairs

Case No.:

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

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00106	\$0.00144
Prior Adjustment	0.00084	0.00104
Change in Current Adjustment	<u>\$0.00022</u>	<u>\$0.00040</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>\$0.00022</u></u>	 <u><u>\$0.00040</u></u>
 Base Cost of Fuel 1/	 \$0.02024	 \$0.02087
Current Adjustment	0.00106	0.00144
Surcharge Adjustment	0.00108	0.00092
Total Adjustment billed under Rate 58	<u><u>\$0.02238</u></u>	<u><u>\$0.02323</u></u>

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

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

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$12,964,885	\$8,759,210	\$1,052,317	\$7,706,893
Account 555 Energy	5,733,281	3,873,464	465,352	3,408,112
Account 555 Demand 4/	1,344,194	957,832	66,569	891,263
Account 575 Market Admin. 4/	163,092	110,187	13,238	96,949
	<u>\$20,205,452</u>	<u>\$13,700,693</u>	<u>\$1,597,476</u>	<u>\$12,103,217</u>
Total Fuel & Purchased Power				
Fuel Costs - Wholesale sales	312,269	210,972	25,346	185,626
System Costs	\$19,893,183	\$13,489,721	\$1,572,130	\$11,917,591
Wholesale sales Margin 4/	(74,871)	(50,584)	(6,077)	(44,507)
Revenue from Sale of RECs 5/	0	(87,524)	(10,515)	(77,009)
	<u>\$19,818,312</u>	<u>\$13,351,613</u>	<u>\$1,555,538</u>	<u>\$11,796,075</u>
Total Costs - net of margin				
Kwh Retail Sales	890,773,059	601,815,509	73,022,023	528,793,486
Cost Per Kwh		\$0.02219	\$0.02130	\$0.02231
Base Cost of Fuel			<u>0.02024</u>	<u>0.02087</u>
Current Adjustment			<u>\$0.00106</u>	<u>\$0.00144</u>

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 2013

	2013				Total
	March	April	May	June	
Fuel & Purchased Power Costs					
Account 151 and 547	\$4,171,783	\$2,846,460	\$2,361,985	\$3,584,657	\$12,964,885
Account 555 Energy 1/	979,246	1,691,063	2,307,267	755,705	5,733,281
Account 555 Demand 2/	332,086	332,086	319,336	360,686	1,344,194
Account 575 Market Admin. 2/	53,623	39,362	30,206	39,901	163,092
Total Fuel & Purchased Power	\$5,536,738	\$4,908,971	\$5,018,794	\$4,740,949	\$20,205,452
Fuel Costs - Sales for Resale	138,128	2,825	3,376	167,940	312,269
System Costs	\$5,398,610	\$4,906,146	\$5,015,418	\$4,573,009	\$19,893,183
Sales for Resale - Margin 2/	(38,933)	(248)	(403)	(35,287)	(74,871)
Total Costs - net of margin	\$5,359,677	\$4,905,898	\$5,015,015	\$4,537,722	\$19,818,312
Kwh Retail Sales	245,253,115	243,467,757	215,398,404	186,653,783	890,773,059
Cost Per Kwh	\$0.02185	\$0.02015	\$0.02328	\$0.02431	\$0.02225

1/ Page 4.

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

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

Account No.	Account Description	2013			
		March	April	May	June
555.1	Purchased Power			\$2,300	\$2,303
555.111	Day-Ahead Asset Energy	\$752,226	\$2,731,738	\$3,189,969	\$840,682
555.114	Real-Time Asset Energy	131,362	(58,885)	(16,771)	134,097
555.117	Real-Time Excessive Energy	(249)	(89)	10	(1,189)
555.118	Real-Time Non-Excessive Energy	(39,995)	(375,143)	(556,831)	52,763
555.1211	Day-Ahead Asset Congestion	120,864	(549,050)	(394,869)	(52,082)
555.1215	Real-Time Asset Congestion	31,299	9,769	(16,727)	(8,525)
555.1219	Real-Time Non-Excessive Congestion	(55,439)	(18,723)	181,733	(61,770)
555.1230	Revenue Rights Transaction	(19,636)	(19,636)	(19,636)	(177,437)
555.1232	Revenue Rights Infeasible Uplift	1,186	1,186	1,186	11,173
555.1233	Revenue Rights Stage 2 Distribution	(101,421)	(101,420)	(100,415)	(60,591)
555.130	Real-Time Non-Excessive Loss	(1,315)	32,261	69,265	(6,076)
555.131	Day-Ahead Asset Loss	119,586	(111,665)	(213,044)	37,511
555.135	Real-Time Asset Loss	(8,134)	66,279	85,513	(18,275)
555.136	Real-Time Distribution of Loss	(22,277)	(15,410)	(6,854)	(14,997)
555.151	Day-Ahead Rev Suff Guarantee Distribution	5,074	10,220	9,057	4,147
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt			(21)	
555.153	Real-Time Miscellaneous	(774)	(13,995)		(37)
555.154	Real-Time Net Inadvertent Distribution	(219)	(153)	(223)	3,394
555.155	Real-Time Revenue Neutrality Uplift	25,644	57,085	44,451	63,128
555.156	R-T Rev Suff Guarantee First Pass Distribution	24,821	50,557	50,891	7,453
555.157	R-T Rev Suff Guarantee Make Whole Payment			3,270	(3,272)
555.159	Day Ahead Schedule 24	6,473	5,698	4,088	4,779
555.160	Real Time Schedule 24	502	674	529	742
555.161	Real Time Schedule 24 Distribution			75	(75)
555.162	Real Time Price Volume Make Whole Payment	(4,167)	(12,408)	(17,748)	(9,683)
555.1700	Day-Ahead Regulation Amount	(117)	(5,920)	(8,180)	(1,701)
555.1701	Day-Ahead Spinning Reserve Amount	(2,553)	(29,920)	(21,347)	(9,858)
555.1710	Real-Time Net Regulation Adjustment	(10)	51	363	28
555.1711	Real-Time Excessive Deficient Energy Deployment	9	241	118	50
555.1712	Real-Time Contingency Reserve Deployment	450			
555.1713	Real-Time Regulation Amount	(364)	2,985	5,275	276
555.1714	Real-Time Spinning Reserve Amount	(6,973)	(2,980)	(5,928)	(6,120)
555.1716	Real-Time Regulation Cost Distribution	7,303	12,809	11,026	7,326
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	12,159	19,821	19,666	11,925
555.1718	Real-Time Supplemental Reserve Cost Distribution	3,931	5,086	7,076	5,616
Total Account 555 Charges		\$979,246	\$1,691,063	\$2,307,267	\$755,705