

August 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	0.00424	0.00456
Total Adjustment billed under Rate 58	<u>\$0.02448</u>	<u>\$0.02543</u>

Exhibit A is 16th Revised Sheet No. 42.2 showing the proposed Fuel and Purchased Power Adjustment to be effective with service rendered on and after September 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 September 2013. Pages 2-4 show the calculation of the adjustment for September 2013.

The net effect of this F&PP adjustment is an increase of 0.210 cents per Kwh for primary service customers and an increase of 0.220 cents per Kwh for secondary service customers for service rendered in the month of September 2013. All of North Dakota's electric customers will be affected by this proposal. There were 84,008 electric customers in North Dakota as of July 31, 2013.

The increase in the FCA for September is caused by the fact that the lower cost month of March, used in the August calculation, was replaced by the higher cost month of July.

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
16th Revised Sheet No. 42.2
Canceling 15th Revised Sheet No. 42.2

FUEL AND PURCHASED POWER ADJUSTMENT Rate 58

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	0.424	0.456
Total FPPA	2.448¢	2.543¢

Date Filed: August 15, 2013

Effective Date:

Issued By: Tamie A. Aberle
Director- Regulatory Affairs

Case No.:

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

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00316	\$0.00364
Prior Adjustment	0.00106	0.00144
Change in Current Adjustment	<u>\$0.00210</u>	<u>\$0.00220</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>\$0.00210</u></u>	 <u><u>\$0.00220</u></u>
Base Cost of Fuel 1/	\$0.02024	\$0.02087
Current Adjustment	0.00316	0.00364
Surcharge Adjustment	0.00108	0.00092
Total Adjustment billed under Rate 58	<u><u>\$0.02448</u></u>	<u><u>\$0.02543</u></u>

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

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

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$13,171,223	\$8,876,037	\$1,119,424	\$7,756,613
Account 555 Energy	6,890,963	4,643,794	585,664	4,058,130
Account 555 Demand 4/	1,371,836	977,529	67,938	909,591
Account 575 Market Admin. 4/	152,856	103,009	12,991	90,018
Total Fuel & Purchased Power	\$21,586,878	\$14,600,369	\$1,786,017	\$12,814,352
Fuel Costs - Wholesale sales	183,555	123,697	15,600	108,097
System Costs	\$21,403,323	\$14,476,672	\$1,770,417	\$12,706,255
Wholesale sales Margin 4/	(36,453)	(24,566)	(3,098)	(21,468)
Revenue from Sale of RECs 5/	0	2,244	283	1,961
Total Costs - net of margin	\$21,366,870	\$14,454,350	\$1,767,602	\$12,686,748
Kwh Retail Sales	880,235,259	593,187,183	75,552,100	517,635,083
Cost Per Kwh		\$0.02437	\$0.02340	\$0.02451
Base Cost of Fuel			0.02024	0.02087
Current Adjustment			\$0.00316	\$0.00364

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
SEPTEMBER 2013

	2013				Total
	April	May	June	July	
Fuel & Purchased Power Costs					
Account 151 and 547	\$2,846,460	\$2,361,985	\$3,584,657	\$4,378,121	\$13,171,223
Account 555 Energy 1/	1,691,063	2,307,267	755,705	2,136,928	6,890,963
Account 555 Demand 2/	332,086	319,336	360,686	359,728	1,371,836
Account 575 Market Admin. 2/	39,362	30,206	39,901	43,387	152,856
Total Fuel & Purchased Power	\$4,908,971	\$5,018,794	\$4,740,949	\$6,918,164	\$21,586,878
Fuel Costs - Sales for Resale	2,825	3,376	167,940	9,414	183,555
System Costs	\$4,906,146	\$5,015,418	\$4,573,009	\$6,908,750	\$21,403,323
Sales for Resale - Margin 2/	(248)	(403)	(35,287)	(515)	(36,453)
Total Costs - net of margin	\$4,905,898	\$5,015,015	\$4,537,722	\$6,908,235	\$21,366,870
Kwh Retail Sales	243,467,757	215,398,404	186,653,783	234,715,315	880,235,259
Cost Per Kwh	\$0.02015	\$0.02328	\$0.02431	\$0.02943	<u>\$0.02427</u>

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

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

Account No.	Account Description	2013			
		April	May	June	July
555.1	Purchased Power		\$2,300	\$2,303	
555.111	Day-Ahead Asset Energy	\$2,731,738	\$3,189,969	\$840,682	\$2,512,346
555.114	Real-Time Asset Energy	(58,885)	(16,771)	134,097	4,972
555.117	Real-Time Excessive Energy	(89)	10	(1,189)	(37)
555.118	Real-Time Non-Excessive Energy	(375,143)	(556,831)	52,763	(339,534)
555.1211	Day-Ahead Asset Congestion	(549,050)	(394,869)	(52,082)	(46,389)
555.1215	Real-Time Asset Congestion	9,769	(16,727)	(8,525)	1,405
555.1219	Real-Time Non-Excessive Congestion	(18,723)	181,733	(61,770)	1,106
555.1230	Revenue Rights Transaction	(19,636)	(19,636)	(177,437)	(177,437)
555.1232	Revenue Rights Infeasible Uplift	1,186	1,186	11,173	11,174
555.1233	Revenue Rights Stage 2 Distribution	(101,420)	(100,415)	(60,591)	(63,429)
555.130	Real-Time Non-Excessive Loss	32,261	69,265	(6,076)	38,322
555.131	Day-Ahead Asset Loss	(111,665)	(213,044)	37,511	(35,877)
555.135	Real-Time Asset Loss	66,279	85,513	(18,275)	132,539
555.136	Real-Time Distribution of Loss	(15,410)	(6,854)	(14,997)	(13,788)
555.151	Day-Ahead Rev Suff Guarantee Distribution	10,220	9,057	4,147	6,502
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt		(21)		
555.153	Real-Time Miscellaneous	(13,995)		(37)	3,899
555.154	Real-Time Net Inadvertent Distribution	(153)	(223)	3,394	(1,838)
555.155	Real-Time Revenue Neutrality Uplift	57,085	44,451	63,128	43,037
555.156	R-T Rev Suff Guarantee First Pass Distribution	50,557	50,891	7,453	47,857
555.157	R-T Rev Suff Guarantee Make Whole Payment		3,270	(3,272)	(12,188)
555.159	Day Ahead Schedule 24	5,698	4,088	4,779	5,649
555.160	Real Time Schedule 24	674	529	742	496
555.161	Real Time Schedule 24 Distribution		75	(75)	
555.162	Real Time Price Volume Make Whole Payment	(12,408)	(17,748)	(9,683)	(4,683)
555.1700	Day-Ahead Regulation Amount	(5,920)	(8,180)	(1,701)	
555.1701	Day-Ahead Spinning Reserve Amount	(29,920)	(21,347)	(9,858)	(982)
555.1710	Real-Time Net Regulation Adjustment	51	363	28	(1)
555.1711	Real-Time Excessive Deficient Energy Deployment	241	118	50	5
555.1713	Real-Time Regulation Amount	2,985	5,275	276	(56)
555.1714	Real-Time Spinning Reserve Amount	(2,980)	(5,928)	(6,120)	(7,114)
555.1716	Real-Time Regulation Cost Distribution	12,809	11,026	7,326	8,421
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	19,821	19,666	11,925	14,663
555.1718	Real-Time Supplemental Reserve Cost Distribution	5,086	7,076	5,616	7,887
Total Account 555 Charges		\$1,691,063	\$2,307,267	\$755,705	\$2,136,928