

October 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	0.00583	0.00632
Total Adjustment billed under Rate 58	<u>\$0.02607</u>	<u>\$0.02719</u>

Exhibit A is 18th 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 November 2013. Pages 2-4 show the calculation of the adjustment for November 2013.

The net effect of this F&PP adjustment is a decrease of 0.068 cents per Kwh for primary service customers and a decrease of 0.065 cents per Kwh for secondary service customers for service rendered in the month of November 2013. All of North Dakota's electric customers will be affected by this proposal. There were 84,557 electric customers in North Dakota as of September 30, 2013.

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

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
18th Revised Sheet No. 42.2
Canceling 17th 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	0.583	0.632
Total FPPA	2.607¢	2.719¢

Date Filed: October 14, 2013

Effective Date:

Issued By: Tamie A. Aberle
Director- Regulatory Affairs

Case No.:

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

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00475	\$0.00540
Prior Adjustment	0.00543	0.00605
Change in Current Adjustment	<u>(\$0.00068)</u>	<u>(\$0.00065)</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>(\$0.00068)</u></u>	 <u><u>(\$0.00065)</u></u>
Base Cost of Fuel 1/	\$0.02024	\$0.02087
Current Adjustment	0.00475	0.00540
Surcharge Adjustment	0.00108	0.00092
Total Adjustment billed under Rate 58	<u><u>\$0.02607</u></u>	<u><u>\$0.02719</u></u>

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

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

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$16,367,809	\$10,989,096	\$1,542,805	\$9,446,291
Account 555 Energy	5,609,214	3,765,940	528,716	3,237,224
Account 555 Demand 4/	1,438,044	1,024,707	71,217	953,490
Account 575 Market Admin. 4/	171,599	115,209	16,175	99,034
Total Fuel & Purchased Power	\$23,586,666	\$15,894,952	\$2,158,913	\$13,736,039
Fuel Costs - Wholesale sales	279,100	187,383	26,307	161,076
System Costs	\$23,307,566	\$15,707,569	\$2,132,606	\$13,574,963
Wholesale sales Margin 4/	(54,283)	(36,445)	(5,117)	(31,328)
Revenue from Sale of RECs 5/	0	0	0	0
Total Costs - net of margin	\$23,253,283	\$15,671,124	\$2,127,489	\$13,543,635
Kwh Retail Sales	894,633,129	600,642,966	85,148,052	515,494,914
Cost Per Kwh		\$0.02609	\$0.02499	\$0.02627
Base Cost of Fuel			0.02024	0.02087
Current Adjustment			\$0.00475	\$0.00540

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
NOVEMBER 2013

	2013				Total
	June	July	August	September	
Fuel & Purchased Power Costs					
Account 151 and 547	\$3,584,657	\$4,378,121	\$4,577,182	\$3,827,849	\$16,367,809
Account 555 Energy 1/	755,705	2,136,928	1,833,549	883,032	5,609,214
Account 555 Demand 2/	360,686	359,728	359,728	357,902	1,438,044
Account 575 Market Admin. 2/	39,901	43,387	43,007	45,304	171,599
Total Fuel & Purchased Power	\$4,740,949	\$6,918,164	\$6,813,466	\$5,114,087	\$23,586,666
Fuel Costs - Sales for Resale	167,940	9,414	2,098	99,648	279,100
System Costs	\$4,573,009	\$6,908,750	\$6,811,368	\$5,014,439	\$23,307,566
Sales for Resale - Margin 2/	(35,287)	(515)	(105)	(18,376)	(54,283)
Total Costs - net of margin	\$4,537,722	\$6,908,235	\$6,811,263	\$4,996,063	\$23,253,283
Kwh Retail Sales	186,653,783	234,715,315	236,505,718	236,758,313	894,633,129
Cost Per Kwh	\$0.02431	\$0.02943	\$0.02880	\$0.02110	<u><u>\$0.02599</u></u>

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

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

Account No.	Account Description	2013			
		June	July	August	September
555.1	Purchased Power	\$2,303			
555.111	Day-Ahead Asset Energy	\$840,682	\$2,512,346	\$2,001,576	\$1,106,109
555.114	Real-Time Asset Energy	134,097	4,972	56,265	109,636
555.117	Real-Time Excessive Energy	(1,189)	(37)	(93)	(164)
555.118	Real-Time Non-Excessive Energy	52,763	(339,534)	(133,398)	(8,457)
555.1211	Day-Ahead Asset Congestion	(52,082)	(46,389)	(96,736)	(203,862)
555.1215	Real-Time Asset Congestion	(8,525)	1,405	(5,053)	(11,357)
555.1219	Real-Time Non-Excessive Congestion	(61,770)	1,106	665	(4,003)
555.1230	Revenue Rights Transaction	(177,437)	(177,437)	(177,437)	(163,007)
555.1232	Revenue Rights Infeasible Uplift	11,173	11,174	11,174	11,623
555.1233	Revenue Rights Stage 2 Distribution	(60,591)	(63,429)	(63,932)	(72,394)
555.130	Real-Time Non-Excessive Loss	(6,076)	38,322	12,233	(6,695)
555.131	Day-Ahead Asset Loss	37,511	(35,877)	35,149	47,922
555.135	Real-Time Asset Loss	(18,275)	132,539	137,185	6,266
555.136	Real-Time Distribution of Loss	(14,997)	(13,788)	(30,101)	(12,952)
555.151	Day-Ahead Rev Suff Guarantee Distribution	4,147	6,502	5,815	8,719
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt				(2,287)
555.153	Real-Time Miscellaneous	(37)	3,899	(308)	(180)
555.154	Real-Time Net Inadvertent Distribution	3,394	(1,838)	8,350	7,527
555.155	Real-Time Revenue Neutrality Uplift	63,128	43,037	32,695	30,947
555.156	R-T Rev Suff Guarantee First Pass Distribution	7,453	47,857	20,149	30,851
555.157	R-T Rev Suff Guarantee Make Whole Payment	(3,272)	(12,188)	(7,226)	(5,330)
555.159	Day Ahead Schedule 24	4,779	5,649	6,792	6,160
555.160	Real Time Schedule 24	742	496	476	796
555.161	Real Time Schedule 24 Distribution	(75)			
555.162	Real Time Price Volume Make Whole Payment	(9,683)	(4,683)	(4,979)	(10,096)
555.1700	Day-Ahead Regulation Amount	(1,701)			(216)
555.1701	Day-Ahead Spinning Reserve Amount	(9,858)	(982)	(384)	(12,393)
555.1710	Real-Time Net Regulation Adjustment	28	(1)	11	32
555.1711	Real-Time Excessive Deficient Energy Deployment	50	5	60	27
555.1713	Real-Time Regulation Amount	276	(56)	(140)	(1,398)
555.1714	Real-Time Spinning Reserve Amount	(6,120)	(7,114)	(9,076)	1,866
555.1716	Real-Time Regulation Cost Distribution	7,326	8,421	9,418	6,877
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	11,925	14,663	16,229	13,185
555.1718	Real-Time Supplemental Reserve Cost Distribution	5,616	7,887	8,170	9,280
Total Account 555 Charges		<u>\$755,705</u>	<u>\$2,136,928</u>	<u>\$1,833,549</u>	<u>\$883,032</u>