

November 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	0.00622	0.00671
Total Adjustment billed under Rate 58	<u>\$0.02646</u>	<u>\$0.02758</u>

Exhibit A is 19th Revised Sheet No. 42.2 showing the proposed Fuel and Purchased Power Adjustment to be effective with service rendered on and after December 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 December 2013. Pages 2-4 show the calculation of the adjustment for December 2013.

The net effect of this F&PP adjustment is an increase of 0.039 cents per Kwh for primary service customers and an increase of 0.039 cents per Kwh for secondary service customers for service rendered in the month of December 2013. All of North Dakota's electric customers will be affected by this proposal. There were 84,951 electric customers in North Dakota as of October 31, 2013.

The increase in the FCA for December is caused by the fact that the lower cost month of June, used in the November calculation, was replaced by the higher cost month of October.

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

19th Revised Sheet No. 42.2

Canceling 18th 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:

	Primary	Secondary
Base Fuel	2.024¢	2.087¢
Fuel and Purchased Power Adjustment	0.622	0.671
Total FPPA	2.646¢	2.758¢

Date Filed: November 14, 2013

Effective Date:

Issued By: Tamie A. Aberle
Director- Regulatory Affairs

Case No.:

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

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00514	\$0.00579
Prior Adjustment	0.00475	0.00540
Change in Current Adjustment	<u>\$0.00039</u>	<u>\$0.00039</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>\$0.00039</u></u>	 <u><u>\$0.00039</u></u>
Base Cost of Fuel 1/	\$0.02024	\$0.02087
Current Adjustment	0.00514	0.00579
Surcharge Adjustment	0.00108	0.00092
Total Adjustment billed under Rate 58	<u><u>\$0.02646</u></u>	<u><u>\$0.02758</u></u>

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

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

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$16,410,746	\$11,031,475	\$1,590,987	\$9,440,488
Account 555 Energy	6,817,175	4,582,576	660,911	3,921,665
Account 555 Demand 4/	1,443,929	1,028,900	71,509	957,391
Account 575 Market Admin. 4/	171,138	115,041	16,592	98,449
Total Fuel & Purchased Power	\$24,842,988	\$16,757,992	\$2,339,999	\$14,417,993
Fuel Costs - Wholesale sales	130,792	87,920	12,680	75,240
System Costs	\$24,712,196	\$16,670,072	\$2,327,319	\$14,342,753
Wholesale sales Margin 4/	(24,020)	(16,146)	(2,329)	(13,817)
Revenue from Sale of RECs 5/	0	0	0	0
Total Costs - net of margin	\$24,688,176	\$16,653,926	\$2,324,990	\$14,328,936
Kwh Retail Sales	935,703,525	628,989,715	91,593,994	537,395,721
Cost Per Kwh		\$0.02648	\$0.02538	\$0.02666
Base Cost of Fuel			0.02024	0.02087
Current Adjustment			\$0.00514	\$0.00579

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
DECEMBER 2013

	2013				Total
	July	August	September	October	
Fuel & Purchased Power Costs					
Account 151 and 547	\$4,378,121	\$4,577,182	\$3,827,849	\$3,627,594	\$16,410,746
Account 555 Energy 1/	2,136,928	1,833,549	883,032	1,963,666	6,817,175
Account 555 Demand 2/	359,728	359,728	357,902	366,571	1,443,929
Account 575 Market Admin. 2/	43,387	43,007	45,304	39,440	171,138
Total Fuel & Purchased Power	\$6,918,164	\$6,813,466	\$5,114,087	\$5,997,271	\$24,842,988
Fuel Costs - Sales for Resale	9,414	2,098	99,648	19,632	130,792
System Costs	\$6,908,750	\$6,811,368	\$5,014,439	\$5,977,639	\$24,712,196
Sales for Resale - Margin 2/	(515)	(105)	(18,376)	(5,024)	(24,020)
Total Costs - net of margin	\$6,908,235	\$6,811,263	\$4,996,063	\$5,972,615	\$24,688,176
 Kwh Retail Sales	 234,715,315	 236,505,718	 236,758,313	 227,724,179	 <u>935,703,525</u>
Cost Per Kwh	\$0.02943	\$0.02880	\$0.02110	\$0.02623	<u><u>\$0.02638</u></u>

1/ Page 4.

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

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

Account No.	Account Description	2013			
		July	August	September	October
555.1	Purchased Power				
555.111	Day-Ahead Asset Energy	\$2,512,346	\$2,001,576	\$1,106,109	\$2,082,803
555.114	Real-Time Asset Energy	4,972	56,265	109,636	26,163
555.117	Real-Time Excessive Energy	(37)	(93)	(164)	(156)
555.118	Real-Time Non-Excessive Energy	(339,534)	(133,398)	(8,457)	(810,148)
555.1211	Day-Ahead Asset Congestion	(46,389)	(96,736)	(203,862)	591,979
555.1215	Real-Time Asset Congestion	1,405	(5,053)	(11,357)	10,415
555.1219	Real-Time Non-Excessive Congestion	1,106	665	(4,003)	113,112
555.1230	Revenue Rights Transaction	(177,437)	(177,437)	(163,007)	(163,007)
555.1232	Revenue Rights Infeasible Uplift	11,174	11,174	11,623	11,623
555.1233	Revenue Rights Stage 2 Distribution	(63,429)	(63,932)	(72,394)	(72,496)
555.130	Real-Time Non-Excessive Loss	38,322	12,233	(6,695)	96,967
555.131	Day-Ahead Asset Loss	(35,877)	35,149	47,922	(93,827)
555.135	Real-Time Asset Loss	132,539	137,185	6,266	122,394
555.136	Real-Time Distribution of Loss	(13,788)	(30,101)	(12,952)	(12,393)
555.151	Day-Ahead Rev Suff Guarantee Distribution	6,502	5,815	8,719	8,490
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt			(2,287)	
555.153	Real-Time Miscellaneous	3,899	(308)	(180)	(5,202)
555.154	Real-Time Net Inadvertent Distribution	(1,838)	8,350	7,527	2,752
555.155	Real-Time Revenue Neutrality Uplift	43,037	32,695	30,947	53,055
555.156	R-T Rev Suff Guarantee First Pass Distribution	47,857	20,149	30,851	30,956
555.157	R-T Rev Suff Guarantee Make Whole Payment	(12,188)	(7,226)	(5,330)	(32,886)
555.159	Day Ahead Schedule 24	5,649	6,792	6,160	5,806
555.160	Real Time Schedule 24	496	476	796	895
555.162	Real Time Price Volume Make Whole Payment	(4,683)	(4,979)	(10,096)	(15,827)
555.1700	Day-Ahead Regulation Amount			(216)	(4,480)
555.1701	Day-Ahead Spinning Reserve Amount	(982)	(384)	(12,393)	(27,170)
555.1710	Real-Time Net Regulation Adjustment	(1)	11	32	571
555.1711	Real-Time Excessive Deficient Energy Deployment	5	60	27	52
555.1713	Real-Time Regulation Amount	(56)	(140)	(1,398)	1,199
555.1714	Real-Time Spinning Reserve Amount	(7,114)	(9,076)	1,866	1,620
555.1716	Real-Time Regulation Cost Distribution	8,421	9,418	6,877	9,657
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	14,663	16,229	13,185	16,452
555.1718	Real-Time Supplemental Reserve Cost Distribution	7,887	8,170	9,280	14,297
Total Account 555 Charges		<u>\$2,136,928</u>	<u>\$1,833,549</u>	<u>\$883,032</u>	<u>\$1,963,666</u>