

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

March 13, 2014

Executive Secretary
North Dakota Public Service
Commission
State Capitol Building
Bismarck, ND 58505-0480

Re: Fuel and Purchased Power Adjustment
Case No. PU-14-__

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	0.00883	0.00901
Total Adjustment billed under Rate 58	<u>\$0.02907</u>	<u>\$0.02988</u>

Exhibit A is the 23rd Revised Sheet No. 42.2 showing the proposed Fuel and Purchased Power Adjustment to be effective with service rendered on and after April 1, 2014.

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 April 2014. Pages 2-4 show the calculation of the adjustment for April 2014.

The net effect of this F&PP adjustment is an increase of 0.096 cents per Kwh for primary service customers and an increase of 0.085 cents per Kwh for secondary service customers for service rendered in the month of April 2014. All of North Dakota's electric customers will be affected by this proposal. There were 86,066 electric customers in North Dakota as of February 28, 2014.

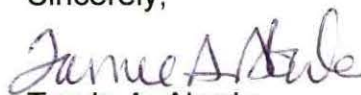
The increase in the F&PP for April is caused by the fact that the lower cost month of October, used in the March calculation, was replaced by the higher cost month of February.

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 for \$600.00 on December 13, 2013. 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,



Tamie A. Aberle

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
23rd Revised Sheet No. 42.2
Canceling 22nd 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	0.883	0.901
Total FPPA	2.907¢	2.988¢

Date Filed: March 13, 2014

Effective Date:

Issued By: Tamie A. Aberle
Director- Regulatory Affairs

Case No.:

**MONTANA-DAKOTA UTILITIES CO.
FUEL COST ADJUSTMENT - NORTH DAKOTA
APRIL 2014 BILLING ADJUSTMENT SUMMARY**

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00775	\$0.00809
Prior Adjustment	0.00679	0.00724
Change in Current Adjustment	<u>\$0.00096</u>	<u>\$0.00085</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>\$0.00096</u></u>	 <u><u>\$0.00085</u></u>
Base Cost of Fuel 1/	\$0.02024	\$0.02087
Current Adjustment	0.00775	0.00809
Surcharge Adjustment	0.00108	0.00092
Total Adjustment billed under Rate 58	<u><u>\$0.02907</u></u>	<u><u>\$0.02988</u></u>

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

**MONTANA-DAKOTA UTILITIES CO.
FUEL AND PURCHASED POWER ADJUSTMENT - NORTH DAKOTA
APRIL 2014**

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$17,102,201	\$11,709,968	\$1,371,752	\$10,338,216
Account 555 Energy	12,837,299	8,789,767	1,029,668	7,760,099
Account 555 Demand 4/	1,474,838	1,055,623	73,366	982,257
Account 575 Market Admin. 4/	145,595	99,690	11,678	88,012
Total Fuel & Purchased Power	\$31,559,933	\$21,655,048	\$2,486,464	\$19,168,584
Fuel Costs - Wholesale sales	9,363	6,411	751	5,660
System Costs	\$31,550,570	\$21,648,637	\$2,485,713	\$19,162,924
Wholesale sales Margin 4/	(3,654)	(2,502)	(293)	(2,209)
Revenue from Sale of RECs 5/	(42,500)	(38,949)	(4,563)	(34,386)
Total Costs - net of margin	\$31,504,416	\$21,607,186	\$2,480,857	\$19,126,329
Kwh Retail Sales	1,093,977,780	749,052,401	88,624,845	660,427,556
Cost Per Kwh		\$0.02885	\$0.02799	\$0.02896
Base Cost of Fuel			0.02024	0.02087
Current Adjustment			\$0.00775	\$0.00809

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
APRIL 2014

	2013		2014		Total
	November	December	January	February	
Fuel & Purchased Power Costs					
Account 151 and 547	\$4,076,660	\$4,000,968	\$4,643,349	\$4,381,224	\$17,102,201
Account 555 Energy 1/	1,213,358	4,694,070	3,592,783	3,337,088	12,837,299
Account 555 Demand 2/	352,611	380,811	370,274	371,142	1,474,838
Account 575 Market Admin. 2/	41,549	41,604	35,506	26,936	145,595
Total Fuel & Purchased Power	\$5,684,178	\$9,117,453	\$8,641,912	\$8,116,390	\$31,559,933
Fuel Costs - Sales for Resale	6,705	856	225	1,577	9,363
System Costs	\$5,677,473	\$9,116,597	\$8,641,687	\$8,114,813	\$31,550,570
Sales for Resale - Margin 2/	(1,168)	(189)	(1,328)	(969)	(3,654)
Total Costs - net of margin	\$5,676,305	\$9,116,408	\$8,640,359	\$8,113,844	\$31,546,916
Kwh Retail Sales	205,687,048	284,519,247	333,975,939	269,795,546	1,093,977,780
Cost Per Kwh	\$0.02760	\$0.03204	\$0.02587	\$0.03007	<u>\$0.02884</u>

1/ Page 4.

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

MONTANA-DAKOTA UTILITIES CO.
ACCOUNT 555
APRIL 2014 BILLING ADJUSTMENT

Account No.	Account Description	2013		2014	
		November	December	January	February
555.1	Purchased Power				
555.111	Day-Ahead Asset Energy	\$1,656,767	\$4,754,697	\$4,506,755	\$4,192,850
555.114	Real-Time Asset Energy	174,687	(29,331)	(101,398)	205,369
555.117	Real-Time Excessive Energy	(167)	(1,354)	(482)	(836)
555.118	Real-Time Non-Excessive Energy	(373,304)	(415,250)	(767,779)	(715,980)
555.1211	Day-Ahead Asset Congestion	(251,062)	359,438	(96,046)	(457,020)
555.1215	Real-Time Asset Congestion	(13,032)	(4,213)	(26,612)	(3,459)
555.1219	Real-Time Non-Excessive Congestion	(54,580)	9,877	(117,565)	(100,157)
555.1230	Revenue Rights Transaction	(163,007)	(151,556)	(151,556)	(151,556)
555.1232	Revenue Rights Infeasible Uplift	11,501	8,635	8,681	8,681
555.1233	Revenue Rights Stage 2 Distribution	(69,868)	(79,922)	(82,103)	(82,103)
555.130	Real-Time Non-Excessive Loss	32,028	24,460	37,648	41,476
555.131	Day-Ahead Asset Loss	(18,544)	43,157	120,742	95,379
555.135	Real-Time Asset Loss	162,761	109,653	256,216	220,656
555.136	Real-Time Distribution of Loss	(17,339)	(91,673)	(69,221)	(75,853)
555.151	Day-Ahead Rev Suff Guarantee Distribution	6,431	11,211	26,671	28,453
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt			(2,904)	0
555.153	Real-Time Miscellaneous	1,167	837	6	0
555.154	Real-Time Net Inadvertent Distribution	(4,426)	(2,342)	(3,142)	1,782
555.155	Real-Time Revenue Neutrality Uplift	100,506	96,752	99,896	122,410
555.156	R-T Rev Suff Guarantee First Pass Distribution	21,234	54,084	13,641	78,631
555.157	R-T Rev Suff Guarantee Make Whole Payment	(3,359)	(14,896)	(8,701)	(46,636)
555.159	Day Ahead Schedule 24	6,484	6,889	5,291	5,001
555.160	Real Time Schedule 24	734	866	560	519
555.162	Real Time Price Volume Make Whole Payment	(13,217)	(21,335)	(13,525)	(32,927)
555.163	Real Time Resource Adequacy Auction Amount	(193)	35	159	0
555.1700	Day-Ahead Regulation Amount	(4,569)	(718)	(1,751)	(2,511)
555.1701	Day-Ahead Spinning Reserve Amount	(13,733)	(7,113)	(4,224)	(3,968)
555.1710	Real-Time Net Regulation Adjustment	31	25	8	91
555.1711	Real-Time Excessive Deficient Energy Deployment	31	129	117	183
555.1713	Real-Time Regulation Amount	3,726	459	255	(20)
555.1714	Real-Time Spinning Reserve Amount	469	(212)	(55,040)	(17,905)
555.1716	Real-Time Regulation Cost Distribution	10,704	11,305	8,069	11,097
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	13,451	13,359	10,435	11,288
555.1718	Real-Time Supplemental Reserve Cost Distribution	11,046	8,117	(367)	4,127
555.5	Purchased Power Cogeneration	0	0	49	26
Total Account 555 Charges		\$1,213,358	\$4,694,070	\$3,592,783	\$3,337,088