

November 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	0.00178	0.00303
Total Adjustment billed under Rate 58	<u>\$0.02202</u>	<u>\$0.02390</u>

Exhibit A is the 31st Revised Sheet No. 42.2 showing the proposed Fuel and Purchased Power Adjustment to be effective with service rendered on and after December 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 December 2014. Pages 2-4 show the calculation of the adjustment for December 2014.

The net effect of this F&PP adjustment is a decrease of 0.028 cents per Kwh for primary service customers and a decrease of 0.007 cents per Kwh for secondary service customers for service rendered in the month of November 2014. All of North Dakota's electric customers will be affected by this proposal. There were 88,539 electric customers in North Dakota as of October 31, 2014.

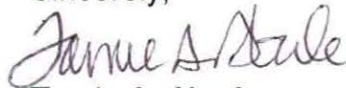
The decrease in the F&PP for December is caused by the fact that the higher cost month of June, used in the November calculation, was replaced by the lower cost month of October.

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 also has an agreement with its own gas operations associated with the pipeline utilized to transport firm natural gas service to the Heskett III Station pursuant to the order in Case Nos. PU-14-108 and PU-14-109.

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

31st Revised Sheet No. 42.2

Canceling 30th 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:

	<u>Primary</u>	<u>Secondary</u>
Base Fuel	2.024¢	2.087¢
Fuel and Purchased Power Adjustment	0.178	0.303
Total FPPA	2.202¢	2.390¢

Date Filed: November 13, 2014

Effective Date:

Issued By: Tamie A. Aberle
Director- Regulatory Affairs

Case No.:



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
30th Revised Sheet No. 42.2
Canceling 29th 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.

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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	0.206178	0.310303
Total FPPA	<u>2.230202¢</u>	<u>2.397390¢</u>

Date Filed: October 10, 2014

Effective Date: Service rendered on and after November 1, 2014

Issued By: Tamie A. Aberle
Director- Regulatory Affairs

Case No.: PU-14-011

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

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00249	\$0.00387
Prior Adjustment	0.00277	0.00394
Change in Current Adjustment	<u>(\$0.00028)</u>	<u>(\$0.00007)</u>
 <u>Surcharge Adjustment:</u>		
Current Adjustment (Exhibit 3)	(0.00071)	(0.00084)
Prior Adjustment	<u>(0.00071)</u>	<u>(0.00084)</u>
Change in Surcharge Adjustment	0.00000	0.00000
 Total Change in Fuel and Purchased Power	 <u><u>(\$0.00028)</u></u>	 <u><u>(\$0.00007)</u></u>
Base Cost of Fuel 1/	\$0.02024	\$0.02087
Current Adjustment	0.00249	0.00387
Surcharge Adjustment	<u>(0.00071)</u>	<u>(0.00084)</u>
Total Adjustment billed under Rate 58	<u><u>\$0.02202</u></u>	<u><u>\$0.02390</u></u>

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

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

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$15,322,282	\$10,360,527	\$1,691,063	\$8,669,464
Account 555 Energy	5,522,132	3,733,921	609,457	3,124,464
Account 555 Demand and 547 Pipeline Charges 4/	2,268,533	1,638,514	113,877	1,524,637
Account 575 Market Admin. 4/	115,002	77,761	12,692	65,069
Total Fuel & Purchased Power	\$23,227,949	\$15,810,723	\$2,427,089	\$13,383,634
Fuel Costs - Wholesale sales	183,537	124,103	20,256	103,847
System Costs	\$23,044,412	\$15,686,620	\$2,406,833	\$13,279,787
Wholesale sales Margin 4/	(32,752)	(22,146)	(3,615)	(18,531)
Revenue from Sale of RECs 5/	(450)	(412)	(67)	(345)
Total Costs - net of margin	\$23,011,210	\$15,664,062	\$2,403,151	\$13,260,911
Kwh Retail Sales	949,143,032	641,785,758	105,746,247	536,039,511
Cost Per Kwh		\$0.02441	\$0.02273	\$0.02474
Base Cost of Fuel			0.02024	0.02087
Current Adjustment			\$0.00249	\$0.00387

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 and PU-14-108.

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 2014

	2014				Total
	July	August	September	October	
Fuel & Purchased Power Costs					
Account 151 and 547	\$3,990,149	\$4,354,274	\$3,531,567	\$3,446,292	\$15,322,282
Account 555 Energy 1/	1,402,166	1,725,777	1,100,253	1,293,936	5,522,132
Account 555 Demand and 547 Pipeline Charges 2/	401,576	617,887	603,787	645,283	2,268,533
Account 575 Market Admin. 2/	30,762	27,965	25,153	31,122	115,002
Total Fuel & Purchased Power	\$5,824,653	\$6,725,903	\$5,260,760	\$5,416,633	\$23,227,949
Fuel Costs - Sales for Resale	17,721	61,404	71,781	32,631	183,537
System Costs	\$5,806,932	\$6,664,499	\$5,188,979	\$5,384,002	\$23,044,412
Sales for Resale - Margin 2/	2,117	(11,015)	(16,902)	(6,952)	(32,752)
Total Costs - net of margin	\$5,809,049	\$6,653,484	\$5,172,077	\$5,377,050	\$23,011,660
Kwh Retail Sales	235,398,069	241,828,577	234,393,006	237,523,380	949,143,032
Cost Per Kwh	\$0.02468	\$0.02751	\$0.02207	\$0.02264	<u>\$0.02424</u>

1/ Page 4.

2/ Authorized in Case No. PU-10-124 and PU-14-108.

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

Account No.	Account Description	2014			
		July	August	September	October
555.1	Purchased Power	\$0	\$4,705	\$0	\$251,032
555.111	Day-Ahead Asset Energy	1,874,906	2,486,335	1,664,734	2,209,435
555.114	Real-Time Asset Energy	61,422	8,596	194,390	75,147
555.117	Real-Time Excessive Energy	(1,261)	(215)	(758)	(33)
555.118	Real-Time Non-Excessive Energy	171,947	(76,464)	(637,395)	(527,122)
555.1211	Day-Ahead Asset Congestion	(300,220)	10,738	(48,005)	(598,718)
555.1215	Real-Time Asset Congestion	19,615	(2,985)	(39,532)	(11,866)
555.1219	Real-Time Non-Excessive Congestion	(44,340)	(32,570)	171,216	157,055
555.1230	Revenue Rights Transaction	(276,881)	(276,881)	(223,348)	(223,348)
555.1232	Revenue Rights Infeasible Uplift	11,460	11,460	8,067	8,066
555.1233	Revenue Rights Stage 2 Distribution	(55,698)	(55,661)	(33,397)	(32,561)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(16)	(4,558)	7	(1,826)
555.130	Real-Time Non-Excessive Loss	(20,608)	15,006	78,573	67,808
555.131	Day-Ahead Asset Loss	(60,673)	(50,702)	(79,925)	(108,900)
555.135	Real-Time Asset Loss	34,806	(317,067)	59,045	10,876
555.136	Real-Time Distribution of Loss	(17,808)	(17,126)	(8,651)	(10,843)
555.151	Day-Ahead Rev Suff Guarantee Distribution	6,730	12,156	11,316	10,212
555.153	Real-Time Miscellaneous	(1,553)	(26)	(958)	(37)
555.154	Real-Time Net Inadvertent Distribution	(5,303)	(22,771)	520	2,277
555.155	Real-Time Revenue Neutrality Uplift	52,507	51,315	32,139	59,625
555.156	R-T Rev Suff Guarantee First Pass Distribution	4,311	28,099	11,285	12,683
555.159	Day Ahead Schedule 24	3,637	3,888	3,591	3,787
555.160	Real Time Schedule 24	395	525	486	522
555.162	Real Time Price Volume Make Whole Payment	(9,159)	(3,290)	(12,240)	(8,658)
555.163	Real Time Resource Adequacy Auction Amount	(54,546)	(58,182)	(52,728)	(56,364)
555.1700	Day-Ahead Regulation Amount	(1,138)	(1,307)	(10,060)	(6,532)
555.1701	Day-Ahead Spinning Reserve Amount	(3,412)	(3,475)	(10,200)	(14,097)
555.1710	Real-Time Net Regulation Adjustment	(47)	(5)	29	17
555.1711	Real-Time Excessive Deficient Energy Deployment	52	11	60	29
555.1713	Real-Time Regulation Amount	511	1,072	7,682	3,962
555.1714	Real-Time Spinning Reserve Amount	(1,000)	137	594	(7)
555.1716	Real-Time Regulation Cost Distribution	6,013	6,306	5,751	8,534
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	4,866	6,048	5,414	8,391
555.1718	Real-Time Supplemental Reserve Cost Distribution	2,640	2,651	2,548	5,387
555.5	Purchased Power Cogeneration	11	13	3	3
Total Account 555 Charges		<u>\$1,402,166</u>	<u>\$1,725,777</u>	<u>\$1,100,253</u>	<u>\$1,293,936</u>