

February 18, 2015

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

Re: Fuel and Purchased Power Adjustment  
Case No. PU-15-011

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	0.00350	0.00425
Total Adjustment billed under Rate 58	<u>\$0.02374</u>	<u>\$0.02512</u>

Exhibit A is the 35<sup>th</sup> Revised Sheet No. 42.2 showing the proposed Fuel and Purchased Power Adjustment to be effective with service rendered on and after March 1, 2015.

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 March 2015. Pages 2-4 show the calculation of the adjustment for March 2015.

The net effect of this F&PP adjustment is an increase of 0.013 cents per Kwh for primary service customers and a decrease of 0.011 cents per Kwh for secondary service customers for service rendered in the month of March 2015.


All of North Dakota's electric customers will be affected by this proposal. There were 89,099 electric customers in North Dakota as of January 31, 2015.

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 \$650.00 on December 12, 2014. This payment will cover the filing fee associated with the Fuel and Purchased Power adjustment filings for February 2015 through December 2015 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 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Electric Rate Schedule

NDPSC Volume 4

35<sup>th</sup> Revised Sheet No. 42.2

Canceling 34<sup>th</sup> Revised Sheet No. 42.2

### FUEL AND PURCHASED POWER ADJUSTMENT Rate 58

Page 3 of 3

iii. The resulting difference (positive or negative) shall be multiplied by the Kwh's sold that month under each rate schedule.

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	0.350	0.425
Total FPPA	2.374¢	2.512¢

Date Filed: February 18, 2015

Effective Date:

Issued By: Tamie A. Aberle  
Director- Regulatory Affairs

Case No.:

**MONTANA-DAKOTA UTILITIES CO.  
FUEL COST ADJUSTMENT - NORTH DAKOTA  
MARCH 2015 BILLING ADJUSTMENT SUMMARY**

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00421	\$0.00509
Prior Adjustment	0.00408	0.00520
Change in Current Adjustment	<u>\$0.00013</u>	<u>(\$0.00011)</u>
 <u>Surcharge Adjustment:</u>		
Current Adjustment (Exhibit 3)	(0.00071)	(0.00084)
Prior Adjustment	(0.00071)	(0.00084)
Change in Surcharge Adjustment	<u>0.00000</u>	<u>0.00000</u>
 Total Change in Fuel and Purchased Power	 <u><u>\$0.00013</u></u>	 <u><u>(\$0.00011)</u></u>
 Base Cost of Fuel 1/	 \$0.02024	 \$0.02087
Current Adjustment	0.00421	0.00509
Surcharge Adjustment	(0.00071)	(0.00084)
Total Adjustment billed under Rate 58	<u><u>\$0.02374</u></u>	<u><u>\$0.02512</u></u>

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

**MONTANA-DAKOTA UTILITIES CO.  
FUEL AND PURCHASED POWER ADJUSTMENT - NORTH DAKOTA  
MARCH 2015**

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$14,730,370	\$10,104,496	\$1,408,693	\$8,695,803
Account 555 Energy	10,292,655	7,060,386	984,306	6,076,080
Account 555 Demand and 547 Pipeline Charges 4/	2,109,649	1,523,093	105,855	1,417,238
Account 575 Market Admin. 4/	144,755	99,297	13,843	85,454
<b>Total Fuel &amp; Purchased Power</b>	<b>\$27,277,429</b>	<b>\$18,787,272</b>	<b>\$2,512,697</b>	<b>\$16,274,575</b>
Fuel Costs - Wholesale sales	38,069	26,114	3,641	22,473
System Costs	\$27,239,360	\$18,761,158	\$2,509,056	\$16,252,102
Wholesale sales Margin 4/	(9,065)	(6,218)	(867)	(5,351)
Revenue from Sale of RECs 5/	(94,890)	(86,962)	(12,124)	(74,838)
<b>Total Costs - net of margin</b>	<b>\$27,135,405</b>	<b>\$18,667,978</b>	<b>\$2,496,065</b>	<b>\$16,171,913</b>
Kwh Retail Sales	1,057,050,523	725,098,098	102,073,380	623,024,718
Cost Per Kwh		\$0.02575	\$0.02445	\$0.02596
Base Cost of Fuel			0.02024	0.02087
Current Adjustment			\$0.00421	\$0.00509

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  
MARCH 2015**

	2014			2015	Total
	October	November	December	January	
Fuel & Purchased Power Costs					
Account 151 and 547	\$3,446,292	\$3,991,299	\$3,413,480	\$3,879,299	\$14,730,370
Account 555 Energy 1/	1,293,936	2,093,956	4,244,717	2,660,046	10,292,655
Account 555 Demand and 547 Pipeline Charges 2/	645,283	638,658	252,774	572,934	2,109,649
Account 575 Market Admin. 2/	31,122	46,068	34,550	33,015	144,755
<b>Total Fuel &amp; Purchased Power</b>	<b>\$5,416,633</b>	<b>\$6,769,981</b>	<b>\$7,945,521</b>	<b>\$7,145,294</b>	<b>\$27,277,429</b>
Fuel Costs - Sales for Resale	32,631	5,438	0	0	38,069
System Costs	\$5,384,002	\$6,764,543	\$7,945,521	\$7,145,294	\$27,239,360
Sales for Resale - Margin 2/	(6,952)	(2,113)	0	0	(9,065)
<b>Total Costs - net of margin</b>	<b>\$5,377,050</b>	<b>\$6,762,430</b>	<b>\$7,945,521</b>	<b>\$7,145,294</b>	<b>\$27,230,295</b>
Kwh Retail Sales	237,523,380	203,648,243	303,286,491	312,592,409	1,057,050,523
Cost Per Kwh	\$0.02264	\$0.03321	\$0.02620	\$0.02286	\$0.02576

1/ Page 4.

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

**MONTANA-DAKOTA UTILITIES CO.  
ACCOUNT 555  
MARCH 2015 BILLING ADJUSTMENT**

Account No.	Account Description	2014			2015
		October	November	December	January
555.1	Purchased Power	\$251,032	\$0	\$0	\$0
555.111	Day-Ahead Asset Energy	2,209,435	3,385,391	5,457,133	3,915,115
555.114	Real-Time Asset Energy	75,147	(11,166)	(194,926)	7,990
555.117	Real-Time Excessive Energy	(33)	(143)	(426)	(309)
555.118	Real-Time Non-Excessive Energy	(527,122)	(323,928)	(446,433)	(567,427)
555.1211	Day-Ahead Asset Congestion	(598,718)	(733,434)	(395,170)	(473,471)
555.1215	Real-Time Asset Congestion	(11,866)	7,814	971	218
555.1219	Real-Time Non-Excessive Congestion	157,055	(2,438)	(2,793)	75,672
555.1230	Revenue Rights Transaction	(223,348)	(223,348)	(259,781)	(259,781)
555.1232	Revenue Rights Infeasible Uplift	8,066	8,066	13,359	13,360
555.1233	Revenue Rights Stage 2 Distribution	(32,561)	(38,996)	(24,023)	(17,427)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(1,826)	(2,109)	(8,790)	(105)
555.130	Real-Time Non-Excessive Loss	67,808	25,713	28,124	51,748
555.131	Day-Ahead Asset Loss	(108,900)	(165,153)	(273,411)	(183,653)
555.135	Real-Time Asset Loss	10,876	130,912	(19,347)	83,381
555.136	Real-Time Distribution of Loss	(10,843)	(16,095)	(50,804)	(19,747)
555.151	Day-Ahead Rev Suff Guarantee Distribution	10,212	11,068	14,642	12,524
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt		(5,719)	0	0
555.153	Real-Time Miscellaneous	(37)	7,548	(9,588)	(20,716)
555.154	Real-Time Net Inadvertent Distribution	2,277	2,136	(3,676)	(4,994)
555.155	Real-Time Revenue Neutrality Uplift	59,625	95,401	70,203	29,610
555.156	R-T Rev Suff Guarantee First Pass Distribution	12,683	13,990	12,484	9,393
555.159	Day Ahead Schedule 24	3,787	4,521	3,792	3,841
555.160	Real Time Schedule 24	522	444	300	365
555.162	Real Time Price Volume Make Whole Payment	(8,658)	(34,064)	(10,111)	(5,413)
555.163	Real Time Resource Adequacy Auction Amount	(56,364)	(51,292)	327,498	0
555.1700	Day-Ahead Regulation Amount	(6,532)	(2,765)	0	0
555.1701	Day-Ahead Spinning Reserve Amount	(14,097)	(13,121)	(2,991)	(1,879)
555.1710	Real-Time Net Regulation Adjustment	17	9	0	0
555.1711	Real-Time Excessive Deficient Energy Deployment	29	87	13	14
555.1713	Real-Time Regulation Amount	3,962	777	0	0
555.1714	Real-Time Spinning Reserve Amount	(7)	624	(260)	(865)
555.1716	Real-Time Regulation Cost Distribution	8,534	10,691	9,326	6,058
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	8,391	9,726	6,929	4,949
555.1718	Real-Time Supplemental Reserve Cost Distribution	5,387	2,806	2,473	1,517
555.5	Purchased Power Cogeneration	3	3		78
Total Account 555 Charges		<u>\$1,293,936</u>	<u>\$2,093,956</u>	<u>\$4,244,717</u>	<u>\$2,660,046</u>