

March 17, 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-___

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	0.00552	0.00635
Subtotal	\$0.02576	\$0.02722

Exhibit A is 36th Revised Sheet No. 42.2 showing the proposed Fuel and Purchased Power Adjustment to be effective with service rendered on and after April 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 April 2015. Pages 2-4 show the calculation of the adjustment for April 2015.

Exhibit C shows the calculation of the surcharge adjustment that will be applicable to Montana-Dakota's customers from April 1, 2015 through March 31, 2016. The total surcharge is \$0.00014 per Kwh for primary service customers and \$0.00023 per Kwh for secondary service customers, an increase of 0.00085 cents per Kwh and 0.00107 cents per Kwh for primary and secondary service customers respectively, from the adjustment effective April 1, 2014.

The net effect of this F&PP adjustment is an increase of 0.202 cents per Kwh for primary service customers and an increase of 0.210 cents per Kwh for secondary service customers for service rendered in the month of April 2015.

All of North Dakota's electric customers will be affected by this proposal. There were 89,681 electric customers in North Dakota as of February 28, 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 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4

36th Revised Sheet No. 42.2

Canceling 35th 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	0.552	0.635
Total FPPA	2.576¢	2.722¢

Date Filed: March 17, 2015

Effective Date:

Issued By: Tamie A. Aberle
Director- Regulatory Affairs

Case No.:

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

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00538	\$0.00612
Prior Adjustment	0.00421	0.00509
Change in Current Adjustment	<u>\$0.00117</u>	<u>\$0.00103</u>
 <u>Surcharge Adjustment:</u>		
Current Adjustment (Exhibit C)	0.00014	0.00023
Prior Adjustment	<u>(0.00071)</u>	<u>(0.00084)</u>
Change in Surcharge Adjustment	0.00085	0.00107
 Total Change in Fuel and Purchased Power	 <u><u>\$0.00202</u></u>	 <u><u>\$0.00210</u></u>
Base Cost of Fuel 1/	\$0.02024	\$0.02087
Current Adjustment	0.00538	0.00612
Surcharge Adjustment	0.00014	0.00023
Total Adjustment billed under Rate 58	<u><u>\$0.02576</u></u>	<u><u>\$0.02722</u></u>

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

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

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$14,795,994	\$10,206,445	\$1,356,910	\$8,849,535
Account 555 Energy	12,164,225	8,391,021	1,115,556	7,275,465
Account 555 Demand and 547 Pipeline Charges 4/	2,043,343	1,475,222	102,528	1,372,694
Account 575 Market Admin. 4/	156,154	107,717	14,321	93,396
Total Fuel & Purchased Power	\$29,159,716	\$20,180,405	\$2,589,315	\$17,591,090
Fuel Costs - Wholesale sales	5,438	3,751	499	3,252
System Costs	\$29,154,278	\$20,176,654	\$2,588,816	\$17,587,838
Wholesale sales Margin 4/	(2,113)	(1,458)	(194)	(1,264)
Revenue from Sale of RECs 5/	(94,890)	(86,962)	(11,561)	(75,401)
Total Costs - net of margin	\$29,057,275	\$20,088,234	\$2,577,061	\$17,511,173
Kwh Retail Sales	1,086,219,719	749,286,706	100,593,635	648,693,071
Cost Per Kwh		\$0.02681	\$0.02562	\$0.02699
Base Cost of Fuel			0.02024	0.02087
Current Adjustment			\$0.00538	\$0.00612

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
APRIL 2015

	2014		2015		Total
	November	December	January	February	
Fuel & Purchased Power Costs					
Account 151 and 547	\$3,991,299	\$3,413,480	\$3,879,299	\$3,511,916	\$14,795,994
Account 555 Energy 1/	2,093,956	4,244,717	2,660,046	3,165,506	12,164,225
Account 555 Demand and 547 Pipeline Charges 2/	638,658	252,774	572,934	578,977	2,043,343
Account 575 Market Admin. 2/	46,068	34,550	33,015	42,521	156,154
Total Fuel & Purchased Power	\$6,769,981	\$7,945,521	\$7,145,294	\$7,298,920	\$29,159,716
Fuel Costs - Sales for Resale	5,438	0	0	0	5,438
System Costs	\$6,764,543	\$7,945,521	\$7,145,294	\$7,298,920	\$29,154,278
Sales for Resale - Margin 2/	(2,113)	0	0	0	(2,113)
Total Costs - net of margin	\$6,762,430	\$7,945,521	\$7,145,294	\$7,298,920	\$29,152,165
Kwh Retail Sales	203,648,243	303,286,491	312,592,409	266,692,576	1,086,219,719
Cost Per Kwh	\$0.03321	\$0.02620	\$0.02286	\$0.02737	\$0.02684

1/ Page 4.

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

MONTANA-DAKOTA UTILITIES CO.
ACCOUNT 555
APRIL 2015 BILLING ADJUSTMENT

Account No.	Account Description	2014		2015	
		November	December	January	February
555.111	Day-Ahead Asset Energy	3,385,391	5,457,133	3,915,115	4,632,544
555.114	Real-Time Asset Energy	(11,166)	(194,926)	7,990	(102,468)
555.117	Real-Time Excessive Energy	(143)	(426)	(309)	324
555.118	Real-Time Non-Excessive Energy	(323,928)	(446,433)	(567,427)	(396,014)
555.1211	Day-Ahead Asset Congestion	(733,434)	(395,170)	(473,471)	(685,009)
555.1215	Real-Time Asset Congestion	7,814	971	218	22,729
555.1219	Real-Time Non-Excessive Congestion	(2,438)	(2,793)	75,672	(1,069)
555.1230	Revenue Rights Transaction	(223,348)	(259,781)	(259,781)	(259,781)
555.1232	Revenue Rights Infeasible Uplift	8,066	13,359	13,360	13,359
555.1233	Revenue Rights Stage 2 Distribution	(38,996)	(24,023)	(17,427)	(24,258)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(2,109)	(8,790)	(105)	(5,948)
555.130	Real-Time Non-Excessive Loss	25,713	28,124	51,748	31,203
555.131	Day-Ahead Asset Loss	(165,153)	(273,411)	(183,653)	(175,192)
555.135	Real-Time Asset Loss	130,912	(19,347)	83,381	57,870
555.136	Real-Time Distribution of Loss	(16,095)	(50,804)	(19,747)	(19,251)
555.151	Day-Ahead Rev Suff Guarantee Distribution	11,068	14,642	12,524	14,528
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(5,719)	0	0	0
555.153	Real-Time Miscellaneous	7,548	(9,588)	(20,716)	(19,801)
555.154	Real-Time Net Inadvertent Distribution	2,136	(3,676)	(4,994)	(3,322)
555.155	Real-Time Revenue Neutrality Uplift	95,401	70,203	29,610	48,742
555.156	R-T Rev Suff Guarantee First Pass Distribution	13,990	12,484	9,393	25,533
555.159	Day Ahead Schedule 24	4,521	3,792	3,841	4,238
555.160	Real Time Schedule 24	444	300	365	394
555.162	Real Time Price Volume Make Whole Payment	(34,064)	(10,111)	(5,413)	(7,454)
555.163	Real Time Resource Adequacy Auction Amount	(51,292)	327,498	0	0
555.1700	Day-Ahead Regulation Amount	(2,765)	0	0	0
555.1701	Day-Ahead Spinning Reserve Amount	(13,121)	(2,991)	(1,879)	(3,142)
555.1710	Real-Time Net Regulation Adjustment	9	0	0	0
555.1711	Real-Time Excessive Deficient Energy Deployment	87	13	14	1
555.1713	Real-Time Regulation Amount	777	0	0	(8)
555.1714	Real-Time Spinning Reserve Amount	624	(260)	(865)	275
555.1716	Real-Time Regulation Cost Distribution	10,691	9,326	6,058	6,910
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	9,726	6,929	4,949	6,596
555.1718	Real-Time Supplemental Reserve Cost Distribution	2,806	2,473	1,517	2,957
555.5	Purchased Power Cogeneration	3	0	78	20
Total Account 555 Charges		<u>\$2,093,956</u>	<u>\$4,244,717</u>	<u>\$2,660,046</u>	<u>\$3,165,506</u>

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED FUEL COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA - PRIMARY
TO BE EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016**

(Over)/under recovered electric costs @ January 31, 2015 \$16,994

Less: Projected recovery from rates already established

	Volume	Rate	Amount
February	22,320,100	(\$0.00071)	(\$15,847)
March	21,282,400	(0.00071)	(15,111)
	43,602,500		(\$30,958)

Additional recovery required \$47,952

Projected sales volumes (Kwh)

April 2015	24,489,900
May	26,604,400
June	25,087,900
July	35,718,400
August	30,552,400
September	31,254,200
October	28,810,400
November	30,303,000
December	27,522,100
January 2016	28,244,400
February	24,052,100
March	22,954,200

Total 335,593,400

Total (over)/under recovered fuel cost adjustment
to be effective April 1, 2015 through March 31, 2016 \$0.00014

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED FUEL COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA - SECONDARY
TO BE EFFECTIVE APRIL 1, 2015 THROUGH MARCH 31, 2016**

(Over)/under recovered electric costs @ January 31, 2015 \$163,273

Less: Projected recovery from rates already established

	Volume	Rate	Amount
February	180,466,900	(\$0.00084)	(\$151,592)
March	163,959,600	(0.00084)	(137,726)
	344,426,500		(\$289,318)
Additional recovery required			\$452,591

Projected sales volumes (Kwh)

April 2015	146,058,100
May	143,052,600
June	146,916,100
July	177,358,600
August	165,376,600
September	153,692,800
October	144,040,600
November	164,592,000
December	190,785,900
January 2016	195,440,600
February	194,470,900
March	176,839,800

Total 1,998,624,600

Total (over)/under recovered fuel cost adjustment
to be effective April 1, 2015 through March 31, 2016 \$0.00023

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED
UNRECOVERED FUEL COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
PRIMARY SERVICE**

	<u>(Over) Under Recovery</u>	<u>Refunds & Other</u>	<u>Interest</u>	<u>Total Net Additions</u>	<u>Actual Kwh Sales</u>	<u>Adjustment Per Kwh</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ May 31, 2014									<u>(\$127,892)</u>
June	(\$90,910)	\$0	(\$24)	(\$90,934)	21,250,927	\$0.00108	\$22,951	(\$113,885)	(\$241,777)
July	(27,520)	0	(21)	(27,541)	27,047,996	(0.00071)	12,695 1/	(40,236)	(282,013)
August	67,608	0	(22)	67,586	25,306,731	(0.00071)	(17,968)	85,554	(196,459)
September	(30,360)	(2)	(14)	(30,376)	24,483,343	(0.00071)	(17,383)	(12,993)	(209,452)
October	(37,309)	9	(14)	(37,314)	26,765,898	(0.00071)	(19,004)	(18,310)	(227,762)
November	159,018	0	(14)	159,004	21,654,124	(0.00071)	(15,374)	174,378	(53,384)
December	70,680	0	(17)	70,663	26,411,027	(0.00071)	(18,752)	89,415	36,031
January 2015	(38,370)	0	(9)	(38,379)	27,242,331	(0.00071)	(19,342)	(19,037)	16,994
	<u>\$72,837</u>	<u>\$7</u>	<u>(\$135)</u>	<u>\$72,709</u>	<u>200,162,377</u>		<u>(\$72,177)</u>	<u>\$144,886</u>	
Balance @ January 31, 2015									<u>\$16,994</u>

1/ Reflects 17,820,470 @ \$0.00108 per Kwh and 9,227,526 @ (\$0.00071) Kwh.

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED
UNRECOVERED FUEL COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
SECONDARY SERVICE**

	<u>(Over) Under Recovery</u>	<u>Refunds & Other</u>	<u>Interest</u>	<u>Total Net Additions</u>	<u>Actual Kwh Sales</u>	<u>Adjustment Per Kwh</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ May 31, 2014									<u>(\$1,076,256)</u>
June	(\$464,706)	\$0	(\$16)	(\$464,722)	124,446,347	\$0.00092	\$114,491	(\$579,213)	(\$1,655,469)
July	(48,488)	0	(27)	(48,515)	134,306,048	(0.00084)	27,161 ^{1/}	(75,676)	(1,731,145)
August	513,229	0	(29)	513,200	136,982,517	(0.00084)	(115,065)	628,265	(1,102,880)
September	(78,739)	(13)	(9)	(78,761)	133,074,135	(0.00084)	(111,782)	33,021	(1,069,859)
October	(94,798)	68	(8)	(94,738)	133,819,090	(0.00084)	(112,408)	17,670	(1,052,189)
November	960,349	0	(8)	960,341	117,615,066	(0.00084)	(98,797)	1,059,138	6,949
December	281,966	0	15	281,981	183,083,848	(0.00084)	(153,790)	435,771	442,720
January 2015	(437,810)	0	17	(437,793)	188,506,714	(0.00084)	(158,346)	(279,447)	163,273
	<u>\$631,003</u>	<u>\$55</u>	<u>(\$65)</u>	<u>\$630,993</u>	<u>1,151,833,765</u>		<u>(\$608,536)</u>	<u>\$1,239,529</u>	
Balance @ January 31, 2015									<u>\$163,273</u>

^{1/} Reflects 79,532,800 @ \$0.00092 per Kwh and 54,773,248 @ (\$0.00084) Kwh.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF FUEL COSTS
APPLICABLE TO NORTH DAKOTA
PRIMARY SERVICE
FEBRUARY 2014 - JANUARY 2015

	<u>Kwh</u>	<u>Amount</u>	<u>Cost per Kwh</u>
JUNE			
Fuel and Purchased Power (net)	21,250,927	471,593	\$0.02219
Fuel and Purchased Power - Recovered			0.02647
(Over) Under recovery per kWh			(0.00428)
kWh billed			21,250,927
(Over) Under recovery			(\$90,909)
JULY			
Fuel and Purchased Power	27,047,996	635,058	\$0.02348
Fuel and Purchased Power - Recovered			0.02450
(Over) Under recovery per kWh			(0.00102)
kWh billed			27,047,996
(Over) Under recovery			(\$27,520)
AUGUST			
Fuel and Purchased Power	25,306,731	656,634	\$0.02595
Fuel and Purchased Power - Recovered			0.02328
(Over) Under recovery per kWh			0.00267
kWh billed			25,306,731
(Over) Under recovery			\$67,608
SEPTEMBER			
Fuel and Purchased Power	24,483,343	502,893	\$0.02054
Fuel and Purchased Power - Recovered			0.02178
(Over) Under recovery per kWh			(0.00124)
kWh billed			24,483,343
(Over) Under recovery			(\$30,360)
OCTOBER			
Fuel and Purchased Power	26,765,898	560,787	\$0.02095
Fuel and Purchased Power - Recovered			0.02235
(Over) Under recovery per kWh			(0.00139)
kWh billed			26,765,898
(Over) Under recovery			(\$37,309)
NOVEMBER			
Fuel and Purchased Power	21,654,124	664,078	\$0.03067
Fuel and Purchased Power - Recovered			0.02332
(Over) Under recovery per kWh			0.00734
kWh billed			21,654,124
(Over) Under recovery			\$159,018

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF FUEL COSTS
APPLICABLE TO NORTH DAKOTA
PRIMARY SERVICE
FEBRUARY 2014 - JANUARY 2015**

	<u>Kwh</u>	<u>Amount</u>	<u>Cost per Kwh</u>
DECEMBER			
Fuel and Purchased Power	26,411,027	676,016	\$0.02560
Fuel and Purchased Power - Recovered			0.02292
(Over) Under recovery per kWh			0.00268
kWh billed			26,411,027
(Over) Under recovery			\$70,680
JANUARY 2015			
Fuel and Purchased Power	27,242,331	595,904	\$0.02187
Fuel and Purchased Power - Recovered			0.02328
(Over) Under recovery per kWh			(0.00141)
kWh billed			27,242,331
(Over) Under recovery			(\$38,370)

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF FUEL COSTS
APPLICABLE TO NORTH DAKOTA
SECONDARY SERVICE
FEBRUARY 2014 - JANUARY 2015**

	<u>Kwh</u>	<u>Amount</u>	<u>Cost per Kwh</u>
JUNE			
Fuel and Purchased Power	124,446,347	2,933,490	\$0.02357
Fuel and Purchased Power - Recovered			0.02731
(Over) Under recovery per kWh			(0.00373)
kWh billed			124,446,347
(Over) Under recovery			(\$464,706)
JULY			
Fuel and Purchased Power	134,306,048	3,352,597	\$0.02496
Fuel and Purchased Power - Recovered			0.02532
(Over) Under recovery per kWh			(0.00036)
kWh billed			134,306,048
(Over) Under recovery			(\$48,488)
AUGUST			
Fuel and Purchased Power	136,982,517	3,840,093	\$0.02803
Fuel and Purchased Power - Recovered			0.02429
(Over) Under recovery per kWh			0.00375
kWh billed			136,982,517
(Over) Under recovery			\$513,229
SEPTEMBER			
Fuel and Purchased Power	133,074,135	3,003,571	\$0.02257
Fuel and Purchased Power - Recovered			0.02316
(Over) Under recovery per kWh			(0.00059)
kWh billed			133,074,135
(Over) Under recovery			(\$78,739)
OCTOBER			
Fuel and Purchased Power	133,819,090	3,105,430	\$0.02321
Fuel and Purchased Power - Recovered			0.02391
(Over) Under recovery per kWh			(0.00071)
kWh billed			133,819,090
(Over) Under recovery			(\$94,798)
NOVEMBER			
Fuel and Purchased Power	117,615,066	3,901,012	\$0.03317
Fuel and Purchased Power - Recovered			0.02500
(Over) Under recovery per kWh			0.00817
kWh billed			117,615,066
(Over) Under recovery			\$960,349

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF FUEL COSTS
APPLICABLE TO NORTH DAKOTA
SECONDARY SERVICE
FEBRUARY 2014 - JANUARY 2015**

	<u>Kwh</u>	<u>Amount</u>	<u>Cost per Kwh</u>
DECEMBER			
Fuel and Purchased Power	183,083,848	4,820,314	\$0.02633
Fuel and Purchased Power - Recovered			0.02479
(Over) Under recovery per kWh			0.00154
kWh billed			183,083,848
(Over) Under recovery			\$281,966
JANUARY 2015			
Fuel and Purchased Power	188,506,714	4,353,930	\$0.02310
Fuel and Purchased Power - Recovered			0.02542
(Over) Under recovery per kWh			(0.00232)
kWh billed			188,506,714
(Over) Under recovery			(\$437,810)