



UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

April 15, 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	0.00305	0.00370
Subtotal	<u>\$0.02329</u>	<u>\$0.02457</u>

Exhibit A is 37<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 May 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 May 2015. Pages 2-4 show the calculation of the adjustment for May 2015.

The net effect of this F&PP adjustment is a decrease of 0.247 cents per Kwh for primary service customers and a decrease of 0.265 cents per Kwh for secondary service customers for service rendered in the month of May 2015.

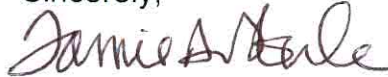
All of North Dakota's electric customers will be affected by this proposal. There were 90,048 electric customers in North Dakota as of March 31, 2015.

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.  
FUEL COST ADJUSTMENT - NORTH DAKOTA  
MAY 2015 BILLING ADJUSTMENT SUMMARY**

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00291	\$0.00347
Prior Adjustment	0.00538	0.00612
Change in Current Adjustment	<u>(\$0.00247)</u>	<u>(\$0.00265)</u>
 <u>Surcharge Adjustment:</u>		
Current Adjustment (Exhibit C)	0.00014	0.00023
Prior Adjustment	0.00014	0.00023
Change in Surcharge Adjustment	<u>0.00000</u>	<u>0.00000</u>
 Total Change in Fuel and Purchased Power	 <u><u>(\$0.00247)</u></u>	 <u><u>(\$0.00265)</u></u>
Base Cost of Fuel 1/	\$0.02024	\$0.02087
Current Adjustment	0.00291	0.00347
Surcharge Adjustment	0.00014	0.00023
Total Adjustment billed under Rate 58	<u><u>\$0.02329</u></u>	<u><u>\$0.02457</u></u>

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

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

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$13,198,720	\$9,159,544	\$1,177,023	\$7,982,521
Account 555 Energy	12,986,336	9,012,155	1,158,084	7,854,071
Account 555 Demand and 547 Pipeline Charges 4/	1,970,020	1,422,286	98,849	1,323,437
Account 575 Market Admin. 4/	147,807	102,574	13,181	89,393
<b>Total Fuel &amp; Purchased Power</b>	<b>\$28,302,883</b>	<b>\$19,696,559</b>	<b>\$2,447,137</b>	<b>\$17,249,422</b>
Fuel Costs - Wholesale sales	0	0	0	0
System Costs	\$28,302,883	\$19,696,559	\$2,447,137	\$17,249,422
Wholesale sales Margin 4/	0	0	0	0
Revenue from Sale of RECs 5/	0	0	0	0
<b>Total Costs - net of margin</b>	<b>\$28,302,883</b>	<b>\$19,696,559</b>	<b>\$2,447,137</b>	<b>\$17,249,422</b>
Kwh Retail Sales	1,173,563,201	814,420,137	105,688,416	708,731,721
Cost Per Kwh		\$0.02418	\$0.02315	\$0.02434
Base Cost of Fuel			0.02024	0.02087
Current Adjustment			\$0.00291	\$0.00347

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**  
**MAY 2015**

	2014	2015			Total
	December	January	February	March	
Fuel & Purchased Power Costs					
Account 151 and 547	\$3,413,480	\$3,879,299	\$3,511,916	\$2,394,025	\$13,198,720
Account 555 Energy 1/	4,244,717	2,660,046	3,165,506	2,916,067	12,986,336
Account 555 Demand and 547 Pipeline Charges 2/	252,774	572,934	578,977	565,335	1,970,020
Account 575 Market Admin. 2/	34,550	33,015	42,521	37,721	147,807
<b>Total Fuel &amp; Purchased Power</b>	<b>\$7,945,521</b>	<b>\$7,145,294</b>	<b>\$7,298,920</b>	<b>\$5,913,148</b>	<b>\$28,302,883</b>
Fuel Costs - Sales for Resale	0	0	0	0	0
System Costs	\$7,945,521	\$7,145,294	\$7,298,920	\$5,913,148	\$28,302,883
Sales for Resale - Margin 2/	0	0	0	0	0
<b>Total Costs - net of margin</b>	<b>\$7,945,521</b>	<b>\$7,145,294</b>	<b>\$7,298,920</b>	<b>\$5,913,148</b>	<b>\$28,302,883</b>
 Kwh Retail Sales	 303,286,491	 312,592,409	 266,692,576	 290,991,725	 <u>1,173,563,201</u>
Cost Per Kwh	\$0.02620	\$0.02286	\$0.02737	\$0.02032	<u><u>\$0.02412</u></u>

1/ Page 4.

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

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

Account No.	Account Description	2014		2015	
		December	January	February	March
555.111	Day-Ahead Asset Energy	5,457,133	3,915,115	4,632,544	4,398,334
555.114	Real-Time Asset Energy	(194,926)	7,990	(102,468)	(9,594)
555.117	Real-Time Excessive Energy	(426)	(309)	324	(27)
555.118	Real-Time Non-Excessive Energy	(446,433)	(567,427)	(396,014)	(475,870)
555.1211	Day-Ahead Asset Congestion	(395,170)	(473,471)	(685,009)	(738,529)
555.1215	Real-Time Asset Congestion	971	218	22,729	(1,076)
555.1219	Real-Time Non-Excessive Congestion	(2,793)	75,672	(1,069)	113,398
555.1230	Revenue Rights Transaction	(259,781)	(259,781)	(259,781)	(173,427)
555.1232	Revenue Rights Infeasible Uplift	13,359	13,360	13,359	18,047
555.1233	Revenue Rights Stage 2 Distribution	(24,023)	(17,427)	(24,258)	(30,915)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(8,790)	(105)	(5,948)	(6,094)
555.130	Real-Time Non-Excessive Loss	28,124	51,748	31,203	44,997
555.131	Day-Ahead Asset Loss	(273,411)	(183,653)	(175,192)	(331,461)
555.135	Real-Time Asset Loss	(19,347)	83,381	57,870	43,691
555.136	Real-Time Distribution of Loss	(50,804)	(19,747)	(19,251)	(12,391)
555.151	Day-Ahead Rev Suff Guarantee Distribution	14,642	12,524	14,528	37,104
555.153	Real-Time Miscellaneous	(9,588)	(20,716)	(19,801)	(21,924)
555.154	Real-Time Net Inadvertent Distribution	(3,676)	(4,994)	(3,322)	2,157
555.155	Real-Time Revenue Neutrality Uplift	70,203	29,610	48,742	40,327
555.156	R-T Rev Suff Guarantee First Pass Distribution	12,484	9,393	25,533	19,222
555.157	R-T Rev Suff Guarantee Make Whole Payment	0	0	0	(12,630)
555.159	Day Ahead Schedule 24	3,792	3,841	4,238	3,520
555.160	Real Time Schedule 24	300	365	394	264
555.162	Real Time Price Volume Make Whole Payment	(10,111)	(5,413)	(7,454)	(696)
555.163	Real Time Resource Adequacy Auction Amount	327,498	0	0	0
555.1701	Day-Ahead Spinning Reserve Amount	(2,991)	(1,879)	(3,142)	(1,347)
555.1711	Real-Time Excessive Deficient Energy Deployment	13	14	1	0
555.1713	Real-Time Regulation Amount	0	0	(8)	0
555.1714	Real-Time Spinning Reserve Amount	(260)	(865)	275	(6,877)
555.1716	Real-Time Regulation Cost Distribution	9,326	6,058	6,910	8,266
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	6,929	4,949	6,596	7,139
555.1718	Real-Time Supplemental Reserve Cost Distribution	2,473	1,517	2,957	2,417
555.5	Purchased Power Cogeneration	0	78	20	42
Total Account 555 Charges		<u>\$4,244,717</u>	<u>\$2,660,046</u>	<u>\$3,165,506</u>	<u>\$2,916,067</u>