

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

May 14, 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	0.00143	0.00236
Subtotal	<u>\$0.02167</u>	<u>\$0.02323</u>

Exhibit A is 38<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 June 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 June 2015. Pages 2-4 show the calculation of the adjustment for June 2015.

The net effect of this F&PP adjustment is a decrease of 0.162 cents per Kwh for primary service customers and a decrease of 0.134 cents per Kwh for secondary service customers for service rendered in the month of June 2015.

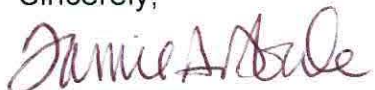
All of North Dakota's electric customers will be affected by this proposal. There were 90,299 electric customers in North Dakota as of April 30, 2015.

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

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

Canceling 37<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:

	Primary	Secondary
Base Fuel	2.024¢	2.087¢
Fuel and Purchased Power Adjustment	0.143	0.236
Total FPPA	2.167¢	2.323¢

Date Filed: May 14, 2015

Effective Date:

Issued By: Tamie A. Aberle  
Director- Regulatory Affairs

Case No.:

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

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00129	\$0.00213
Prior Adjustment	0.00291	0.00347
Change in Current Adjustment	(\$0.00162)	(\$0.00134)
 <u>Surcharge Adjustment:</u>		
Current Adjustment (Exhibit C)	0.00014	0.00023
Prior Adjustment	0.00014	0.00023
Change in Surcharge Adjustment	0.00000	0.00000
 Total Change in Fuel and Purchased Power	 <u>(\$0.00162)</u>	 <u>(\$0.00134)</u>
Base Cost of Fuel 1/	\$0.02024	\$0.02087
Current Adjustment	0.00129	0.00213
Surcharge Adjustment	0.00014	0.00023
Total Adjustment billed under Rate 58	<u>\$0.02167</u>	<u>\$0.02323</u>

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

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

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$12,039,683	\$8,347,411	\$1,139,345	\$7,208,066
Account 555 Energy	10,779,766	7,473,880	1,020,116	6,453,764
Account 555 Demand and 547 Pipeline Charges 4/	2,287,983	1,651,844	114,803	1,537,041
Account 575 Market Admin. 4/	141,732	98,266	13,412	84,854
<b>Total Fuel &amp; Purchased Power</b>	<b>\$25,249,164</b>	<b>\$17,571,401</b>	<b>\$2,287,676</b>	<b>\$15,283,725</b>
Fuel Costs - Wholesale sales	0	0	0	0
System Costs	\$25,249,164	\$17,571,401	\$2,287,676	\$15,283,725
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>\$25,249,164</b>	<b>\$17,571,401</b>	<b>\$2,287,676</b>	<b>\$15,283,725</b>
Kwh Retail Sales	1,111,789,939	770,831,597	106,240,750	664,590,847
Cost Per Kwh		\$0.02280	\$0.02153	\$0.02300
Base Cost of Fuel			0.02024	0.02087
Current Adjustment			\$0.00129	\$0.00213

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**  
**JUNE 2015**

	2015				Total
	January	February	March	April	
Fuel & Purchased Power Costs					
Account 151 and 547	\$3,879,299	\$3,511,916	\$2,394,025	\$2,254,443	\$12,039,683
Account 555 Energy 1/	2,660,046	3,165,506	2,916,067	2,038,147	10,779,766
Account 555 Demand and 547 Pipeline Charges 2/	572,934	578,977	565,335	570,737	2,287,983
Account 575 Market Admin. 2/	33,015	42,521	37,721	28,475	141,732
<b>Total Fuel &amp; Purchased Power</b>	<b>\$7,145,294</b>	<b>\$7,298,920</b>	<b>\$5,913,148</b>	<b>\$4,891,802</b>	<b>\$25,249,164</b>
Fuel Costs - Sales for Resale	0	0	0	0	0
System Costs	\$7,145,294	\$7,298,920	\$5,913,148	\$4,891,802	\$25,249,164
Sales for Resale - Margin 2/	0	0	0	0	0
<b>Total Costs - net of margin</b>	<b>\$7,145,294</b>	<b>\$7,298,920</b>	<b>\$5,913,148</b>	<b>\$4,891,802</b>	<b>\$25,249,164</b>
Kwh Retail Sales	312,592,409	266,692,576	290,991,725	241,513,229	1,111,789,939
Cost Per Kwh	\$0.02286	\$0.02737	\$0.02032	\$0.02025	<u><u>\$0.02271</u></u>

1/ Page 4.

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

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

Account No.	Account Description	2015			
		January	February	March	April
555.1	Purchased Power	\$0	\$0	\$0	\$255,000
555.111	Day-Ahead Asset Energy	3,915,115	4,632,544	4,398,334	2,752,772
555.114	Real-Time Asset Energy	7,990	(102,468)	(9,594)	(14,521)
555.117	Real-Time Excessive Energy	(309)	324	(27)	0
555.118	Real-Time Non-Excessive Energy	(567,427)	(396,014)	(475,870)	(209,219)
555.1211	Day-Ahead Asset Congestion	(473,471)	(685,009)	(738,529)	(456,872)
555.1215	Real-Time Asset Congestion	218	22,729	(1,076)	6,212
555.1219	Real-Time Non-Excessive Congestion	75,672	(1,069)	113,398	40,438
555.1230	Revenue Rights Transaction	(259,781)	(259,781)	(173,427)	(173,427)
555.1232	Revenue Rights Infeasible Uplift	13,360	13,359	18,047	18,047
555.1233	Revenue Rights Stage 2 Distribution	(17,427)	(24,258)	(30,915)	(30,556)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(105)	(5,948)	(6,094)	(4,478)
555.130	Real-Time Non-Excessive Loss	51,748	31,203	44,997	26,795
555.131	Day-Ahead Asset Loss	(183,653)	(175,192)	(331,461)	(250,966)
555.135	Real-Time Asset Loss	83,381	57,870	43,691	64,847
555.136	Real-Time Distribution of Loss	(19,747)	(19,251)	(12,391)	(5,864)
555.151	Day-Ahead Rev Suff Guarantee Distribution	12,524	14,528	37,104	(2,109)
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	0	0	(1)
555.153	Real-Time Miscellaneous	(20,716)	(19,801)	(21,924)	(11,417)
555.154	Real-Time Net Inadvertent Distribution	(4,994)	(3,322)	2,157	(2,006)
555.155	Real-Time Revenue Neutrality Uplift	29,610	48,742	40,327	20,381
555.156	R-T Rev Suff Guarantee First Pass Distribution	9,393	25,533	19,222	1,669
555.157	R-T Rev Suff Guarantee Make Whole Payment	0	0	(12,630)	0
555.159	Day Ahead Schedule 24	3,841	4,238	3,520	3,241
555.160	Real Time Schedule 24	365	394	264	253
555.162	Real Time Price Volume Make Whole Payment	(5,413)	(7,454)	(696)	(807)
555.1701	Day-Ahead Spinning Reserve Amount	(1,879)	(3,142)	(1,347)	(2,309)
555.1711	Real-Time Excessive Deficient Energy Deployment	14	1	0	0
555.1713	Real-Time Regulation Amount	0	(8)	0	0
555.1714	Real-Time Spinning Reserve Amount	(865)	275	(6,877)	114
555.1716	Real-Time Regulation Cost Distribution	6,058	6,910	8,266	5,856
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	4,949	6,596	7,139	5,203
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,517	2,957	2,417	1,866
555.5	Purchased Power Cogeneration	78	20	42	5
Total Account 555 Charges		\$2,660,046	\$3,165,506	\$2,916,067	\$2,038,147