



UTILITIES CO.
A Division of MDU Resources Group, Inc.

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

June 16, 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	0.00148	0.00268
Subtotal	<u>\$0.02172</u>	<u>\$0.02355</u>

Exhibit A is 39th Revised Sheet No. 42.2 showing the proposed Fuel and Purchased Power Adjustment to be effective with service rendered on and after July 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 July 2015. Pages 2-4 show the calculation of the adjustment for July 2015.

The net effect of this F&PP adjustment is an increase of 0.0005 cents per Kwh for primary service customers and an increase of 0.0032 cents per Kwh for secondary service customers for service rendered in the month of July 2015.

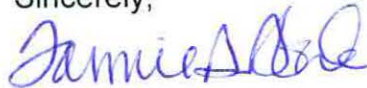
All of North Dakota's electric customers will be affected by this proposal. There were 90,191 electric customers in North Dakota as of May 31, 2015.

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 4th Street
Bismarck, ND 58501

State of North Dakota Electric Rate Schedule

NDPSC Volume 4

39th Revised Sheet No. 42.2

Canceling 38th Revised Sheet No. 42.2

FUEL AND PURCHASED POWER ADJUSTMENT Rate 58

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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	0.148	0.268
Total FPPA	2.172¢	2.355¢

Date Filed: June 16, 2015

Effective Date:

Issued By: Tamie A. Aberle
Director- Regulatory Affairs

Case No.:

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

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00134 ✓	\$0.00245 ✓
Prior Adjustment	0.00129 ✓	0.00213 ✓
Change in Current Adjustment	<u>\$0.00005 ✓</u>	<u>\$0.00032 ✓</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>\$0.00005</u></u> ✓	 <u><u>\$0.00032</u></u> ✓
Base Cost of Fuel 1/	\$0.02024 ✓	\$0.02087 ✓
Current Adjustment	0.00134 ✓	0.00245 ✓
Surcharge Adjustment	0.00014 ✓	0.00023 ✓
Total Adjustment billed under Rate 58	<u><u>\$0.02172</u></u> ✓	<u><u>\$0.02355</u></u> ✓

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

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

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$10,245,071	\$7,074,163	\$1,047,301	\$6,026,862
Account 555 Energy	10,325,099	7,129,422	1,055,482	6,073,940
Account 555 Demand and 547 Pipeline Charges 4/	2,299,881	1,660,434	115,400	1,545,034
Account 575 Market Admin. 4/	134,970	93,196	13,797	79,399
Total Fuel & Purchased Power	\$23,005,021	\$15,957,215	\$2,231,980	\$13,725,235
Fuel Costs - Wholesale sales	0	0	0	0
System Costs	\$23,005,021	\$15,957,215	\$2,231,980	\$13,725,235
Wholesale sales Margin 4/	0	0	0	0
Revenue from Sale of RECs 5/	1,066	977	145	832
Total Costs - net of margin	\$23,006,087	\$15,958,192	\$2,232,125	\$13,726,067
Kwh Retail Sales	1,002,135,841	691,969,069	103,431,971	588,537,098
Cost Per Kwh		\$0.02306	\$0.02158	\$0.02332
Base Cost of Fuel			0.02024	0.02087
Current Adjustment			\$0.00134	\$0.00245

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
JULY 2015**

	2015				Total
	February	March	April	May	
Fuel & Purchased Power Costs					
Account 151 and 547	\$3,511,916	\$2,394,025	\$2,254,443	\$2,084,687	\$10,245,071
Account 555 Energy 1/	3,165,506	2,916,067	2,038,147	2,205,379	10,325,099
Account 555 Demand and 547 Pipeline Charges 2/	578,977	565,335	570,737	584,832	2,299,881
Account 575 Market Admin. 2/	42,521	37,721	28,475	26,253	134,970
Total Fuel & Purchased Power	\$7,298,920	\$5,913,148	\$4,891,802	\$4,901,151	\$23,005,021
Fuel Costs - Sales for Resale	0	0	0	0	0
System Costs	\$7,298,920	\$5,913,148	\$4,891,802	\$4,901,151	\$23,005,021
Sales for Resale - Margin 2/	0	0	0	0	0
Total Costs - net of margin	\$7,298,920	\$5,913,148	\$4,891,802	\$4,901,151	\$23,005,021
Kwh Retail Sales	266,692,576	290,991,725	241,513,229	202,938,311	<u>1,002,135,841</u>
Cost Per Kwh	\$0.02737	\$0.02032	\$0.02025	\$0.02415	<u><u>\$0.02296</u></u>

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

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

Account No.	Account Description	2015			
		February	March	April	May
555.1	Purchased Power	\$0	\$0	\$255,000	\$1,207
555.111	Day-Ahead Asset Energy	4,632,544	4,398,334	2,752,772	3,380,239
555.114	Real-Time Asset Energy	(102,468)	(9,594)	(14,521)	94,473
555.117	Real-Time Excessive Energy	324	(27)	0	(27)
555.118	Real-Time Non-Excessive Energy	(396,014)	(475,870)	(209,219)	(195,354)
555.1211	Day-Ahead Asset Congestion	(685,009)	(738,529)	(456,872)	(788,013)
555.1215	Real-Time Asset Congestion	22,729	(1,076)	6,212	(25,519)
555.1219	Real-Time Non-Excessive Congestion	(1,069)	113,398	40,438	50,535
555.1230	Revenue Rights Transaction	(259,781)	(173,427)	(173,427)	(173,427)
555.1232	Revenue Rights Infeasible Uplift	13,359	18,047	18,047	18,047
555.1233	Revenue Rights Stage 2 Distribution	(24,258)	(30,915)	(30,556)	(30,907)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(5,948)	(6,094)	(4,478)	(4,173)
555.130	Real-Time Non-Excessive Loss	31,203	44,997	26,795	23,959
555.131	Day-Ahead Asset Loss	(175,192)	(331,461)	(250,966)	(302,233)
555.135	Real-Time Asset Loss	57,870	43,691	64,847	95,864
555.136	Real-Time Distribution of Loss	(19,251)	(12,391)	(5,864)	(16,099)
555.151	Day-Ahead Rev Suff Guarantee Distribution	14,528	37,104	(2,109)	4,999
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	0	(1)	1
555.153	Real-Time Miscellaneous	(19,801)	(21,924)	(11,417)	467
555.154	Real-Time Net Inadvertent Distribution	(3,322)	2,157	(2,006)	(1,823)
555.155	Real-Time Revenue Neutrality Uplift	48,742	40,327	20,381	51,925
555.156	R-T Rev Suff Guarantee First Pass Distribution	25,533	19,222	1,669	6,863
555.157	R-T Rev Suff Guarantee Make Whole Payment	0	(12,630)	0	0
555.159	Day Ahead Schedule 24	4,238	3,520	3,241	2,958
555.160	Real Time Schedule 24	394	264	253	234
555.162	Real Time Price Volume Make Whole Payment	(7,454)	(696)	(807)	(705)
555.1701	Day-Ahead Spinning Reserve Amount	(3,142)	(1,347)	(2,309)	(1,758)
555.1711	Real-Time Excessive Deficient Energy Deployment	1	0	0	1
555.1713	Real-Time Regulation Amount	(8)	0	0	0
555.1714	Real-Time Spinning Reserve Amount	275	(6,877)	114	(425)
555.1716	Real-Time Regulation Cost Distribution	6,910	8,266	5,856	6,733
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	6,596	7,139	5,203	5,539
555.1718	Real-Time Supplemental Reserve Cost Distribution	2,957	2,417	1,866	1,793
555.5	Purchased Power Cogeneration	20	42	5	5
Total Account 555 Charges		<u>\$3,165,506</u>	<u>\$2,916,067</u>	<u>\$2,038,147</u>	<u>\$2,205,379</u>