



**MONTANA-DAKOTA**  
UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

November 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-15-011

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	0.00432	0.00502
Subtotal	<u>\$0.02456</u>	<u>\$0.02589</u>

Exhibit A is the 44<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 December 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 December 2015. Pages 2-4 show the calculation of the adjustment for December 2015. The cost of fuel and purchased power reflects a four month historical average.

The net effect of this F&PP adjustment is a decrease of 0.039 cents per Kwh for primary service customers and a decrease of 0.037 cents per Kwh for secondary service customers for service rendered in the month of December 2015. The decrease was largely the result of lower MISO market prices reflecting seasonal demand.

All of North Dakota's electric customers will be affected by this proposal. There were 92,530 electric customers in North Dakota as of October 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.

If you have any questions regarding this filing, please contact me at (701) 222-7856 or [tamie.aberle@mdu.com](mailto:tamie.aberle@mdu.com).

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  
44<sup>th</sup> Revised Sheet No. 42.2  
Canceling 43<sup>rd</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	0.432	0.502
Total FPPA	2.456¢	2.589¢

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<b>Date Filed:</b> November 16, 2015	<b>Effective Date:</b> Service rendered on and after December 1, 2015
<b>Issued By:</b> Tamie A. Aberle Director- Regulatory Affairs	<b>Case No.:</b> PU-15-011

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

	<u>Primary</u>	<u>Secondary</u>
Current Adjustment (Page 2)	\$0.00418	\$0.00479
Prior Filed Adjustment	0.00457	0.00516
Change in Current Adjustment	<u>(\$0.00039)</u>	<u>(\$0.00037)</u>
<u>Surcharge Adjustment:</u>		
Current Adjustment	0.00014	0.00023
Prior Filed 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>(\$0.00039)</u></u>	<u><u>(\$0.00037)</u></u>
Base Cost of Fuel 1/	\$0.02024	\$0.02087
Current Adjustment	0.00418	0.00479
Surcharge Adjustment	0.00014	0.00023
Total Adjustment billed under Rate 58	<u><u>\$0.02456</u></u>	<u><u>\$0.02589</u></u>

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

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

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Costs				
Account 501 and 547	\$12,644,703	\$8,585,005	\$1,486,774	\$7,098,231
Account 555 Energy	11,419,549	7,753,198	1,342,720	6,410,478
Account 555 Demand and 547 Pipeline Charges	1,261,630	910,853	63,304	847,549
Account 575 Market Admin.	118,863	80,701	13,976	66,725
<b>Total Fuel &amp; Purchased Power</b>	<b>\$25,444,745</b>	<b>\$17,329,757</b>	<b>\$2,906,774</b>	<b>\$14,422,983</b>
Fuel Costs - Wholesale sales	1,155	784	136	648
System Costs	\$25,443,590	\$17,328,973	\$2,906,638	\$14,422,335
Wholesale sales Margin	661	449	78	371
Revenue from Sale of RECs 4/	(1,069)	(980)	(170)	(810)
<b>Total Costs - net of margin</b>	<b>\$25,443,182</b>	<b>\$17,328,442</b>	<b>\$2,906,546</b>	<b>\$14,421,896</b>
Kwh Retail Sales	1,003,066,857	681,023,039	119,045,823	561,977,216
Cost Per Kwh		\$0.02544	\$0.02442	\$0.02566
Base Cost of Fuel			0.02024	0.02087
Current Adjustment			\$0.00418	\$0.00479

1/ Page 3.

2/ Energy allocated on Kwh sales and demand is allocated on Allocation Factor No. 15, 2014 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 from PU-10-124.

4/ North Dakota's portion is allocated between primary and secondary based on Kwh sales at generation.

Factor No. 15 ND	72.196505%
Factor No. 2 Primary	6.950000%
Factor No. 2 Secondary	93.050000%

**MONTANA-DAKOTA UTILITIES CO.  
FUEL AND PURCHASED POWER TRACKING ADJUSTMENT - INTEGRATED SYSTEM  
DECEMBER 2015**

	2015				Total
	July	August	September	October	
Fuel & Purchased Power Costs					
Account 501 and 547	\$2,621,370	\$3,982,374	\$2,743,968	\$3,296,991	\$12,644,703
Account 555 Energy 1/ Account 555 Demand and 547 Pipeline Charges	4,725,431	2,711,317	2,218,189	1,764,612	11,419,549
Account 575 Market Admin.	314,298	336,474	284,688	326,170	1,261,630
	29,630	32,186	26,694	30,353	118,863
<b>Total Fuel &amp; Purchased Power</b>	<b>\$7,690,729</b>	<b>\$7,062,351</b>	<b>\$5,273,539</b>	<b>\$5,418,126</b>	<b>\$25,444,745</b>
Fuel Costs - Sales for Resale	0	874	281	0	1,155
System Costs	\$7,690,729	\$7,061,477	\$5,273,258	\$5,418,126	\$25,443,590
Sales for Resale - Margin	0	548	113	0	661
<b>Total Costs - net of margin</b>	<b>\$7,690,729</b>	<b>\$7,062,025</b>	<b>\$5,273,371</b>	<b>\$5,418,126</b>	<b>\$25,444,251</b>
Kwh Retail Sales	259,080,285	261,400,532	250,139,397	232,446,643	1,003,066,857
Cost Per Kwh	\$0.02968	\$0.02702	\$0.02108	\$0.02331	\$0.02537

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

Account No.	Account Description	2015			
		July	August	September	October
555.111	Day-Ahead Asset Energy	5,010,239	3,139,092	2,971,808	2,391,866
555.114	Real-Time Asset Energy	155,789	118,988	89,879	17,840
555.117	Real-Time Excessive Energy	(24)	(848)	(234)	345
555.118	Real-Time Non-Excessive Energy	(218,822)	(371,063)	(258,249)	(293,092)
555.1211	Day-Ahead Asset Congestion	(76,592)	(174,613)	(454,392)	(245,364)
555.1215	Real-Time Asset Congestion	(7,810)	(3,219)	(4,915)	(4,832)
555.1219	Real-Time Non-Excessive Congestion	4,710	107,729	58,609	78,241
555.1230	Revenue Rights Transaction	(67,938)	(67,938)	(83,057)	(83,057)
555.1232	Revenue Rights Infeasible Uplift	4,223	4,171	6,361	6,387
555.1233	Revenue Rights Stage 2 Distribution	(17,776)	(19,592)	(40,669)	(41,716)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(2)	(5,796)	0	(673)
555.130	Real-Time Non-Excessive Loss	19,818	53,004	30,082	34,501
555.131	Day-Ahead Asset Loss	(227,716)	(180,865)	(153,396)	(155,437)
555.135	Real-Time Asset Loss	113,849	73,263	19,048	17,820
555.136	Real-Time Distribution of Loss	(30,688)	(16,909)	(4,650)	(8,498)
555.151	Day-Ahead Rev Suff Guarantee Distribution	9,510	9,822	7,011	8,571
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(531)	0	(1,360)	(2)
555.153	Real-Time Miscellaneous	(649)	911	(3,286)	224
555.154	Real-Time Net Inadvertent Distribution	(2,243)	899	1,477	(3,011)
555.155	Real-Time Revenue Neutrality Uplift	33,699	23,643	34,993	23,003
555.156	R-T Rev Suff Guarantee First Pass Distribution	15,205	26,198	23,132	12,479
555.157	R-T Rev Suff Guarantee Make Whole Payment	(13,396)	(25,402)	(35,457)	(2,562)
555.159	Day Ahead Schedule 24	4,001	4,471	3,872	4,113
555.160	Real Time Schedule 24	281	461	455	553
555.162	RT Price Volatility Make Whole Payment	(274)	(1,416)	(1,717)	(6,066)
555.1701	Day-Ahead Spinning Reserve Amount	(1,317)	(2,900)	(2,632)	(6,283)
555.1711	Real-Time Excessive Deficient Energy Deployment	(1)	25	27	(1)
555.1712	Real-Time Contingency Reserve Deployment	0	551	0	0
555.1714	Real-Time Spinning Reserve Amount	(1,159)	327	(1,842)	(16)
555.1716	Real-Time Regulation Cost Distribution	5,986	6,811	5,397	6,259
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	11,295	8,003	7,243	7,462
555.1718	Real-Time Supplemental Reserve Cost Distribution	3,743	3,489	4,634	5,556
555.5	Purchased Power Cogeneration	21	20	17	2
Total Account 555 Charges		<u>\$4,725,431</u>	<u>\$2,711,317</u>	<u>\$2,218,189</u>	<u>\$1,764,612</u>