

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

June 15, 2018

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501-5070

Re: Fuel and Purchased Power Adjustment
July 2018

Dear Ms. Van Gerpen:

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith respectfully files its fuel and purchased power adjustment (F&PP) pursuant to its Rate 58.

Base Fuel	\$0.02524
Fuel and Purchased Power Adjustment	<u>(0.00382)</u>
Total FPPA	\$0.02142

Exhibit A is the 25th Revised Sheet No. 27.2 showing the proposed Fuel and Purchased Power Adjustment to be effective with service rendered on and after July 1, 2018.

Exhibit B, page 1 summarizes the fuel and purchase power adjustment calculated pursuant to the terms of Rate 58 authorized in Docket No. EL15-024. The total F&PP adjustment is 2.142 cents per Kwh that will apply during the month of July 2018. The F&PP current adjustment portion of the rate that will apply during the month of July 2018 is a negative 0.408 cents per Kwh. Pages 2 through 4 show the calculation of the adjustment which is based on a four month historical average cost of fuel and purchased power.

Exhibit C shows the calculation of the surcharge adjustment that will be applicable to Montana-Dakota's customers from July 1, 2018 through June 30, 2019. The Deferred Fuel Cost Account has an unrecovered balance of \$64,404 which results in a surcharge adjustment of 0.026 cents per Kwh as shown on page 1, representing a decrease of \$0.00097 from the currently effective surcharge adjustment.

The net effect of this F&PP adjustment is a decrease of 0.040 cents per Kwh for service rendered in the month of July 2018 from currently effective rates.

All of Montana-Dakota's retail electric customers in South Dakota will be affected by this proposal. There were 8,568 customers in South Dakota as of May 31, 2018.

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

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Attachment