

EL 95-031 ^{rel}

DOCKET NO. EL 95-031

In the Matter of _____

Public Utilities Commission of the State of South Dakota

DATE		MEMORANDA
10/30	95	Filed and docketed;
11/21	95	Order Denying Application;
11/21	95	Docket Closed

DOCKET
EL 95-031

 **MONTANA-DAKOTA**
UTILITIES CO.

A Division of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
(701) 222-1300

October 26, 1995

Mr. William Bullard
Executive Director
South Dakota Public Utilities
Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501-5070

Re: Fuel Clause Adjustment
Docket No. EL95-031

Dear Mr. Bullard:

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith respectfully files an original and two (2) copies of a fuel adjustment, statement attached hereto, in accordance with its Fuel Clause Rate 58. The attached statement shows the following:

Cost/Kwh - 3 months ended September 30, 1995	\$.011206
Base Cost/Kwh Included in Current Rate	<u>.014704</u>
Increase/(Decrease) from Base Cost	\$(-.003498)
Net Billing Adjustment after 90% Provision	\$(-.003148)

Montana-Dakota will, unless the Commission otherwise orders, apply the (.3148) cents per Kwh to all bills rendered during the month of November. This is a decrease of .1118 cents from the October level.

The change in the FCA has been caused by two factors: 1) the month of May, which was included in the FCA calculation for October, was replaced by the lower cost month of September and, 2) inclusion of the purchase of 5 MW of peaking capacity and related transmission charges from Basin Electric for the 1995 summer season to meet the peak requirements of its customers.

As item 2) above may be viewed as a deviation from the tariff, Montana-Dakota is hereby requesting approval to recover the required peaking power purchase effective November 1, 1995 and continuing over the next three months through the FCA. For a customer using 1,000 Kwh, the inclusion of the peaking power purchase in the FCA increases the customer's monthly bill by 10.6 cents. The Company believes that such

MONTANA-DAKOTA UTILITIES CO.

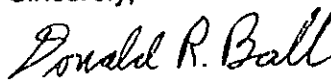
costs are appropriately included in the adjustment because the purchase of such capacity represents a one-time cost, not recoverable through any other means, and further recognizes the Company's path of least cost based upon perceived system peak requirements. For instance, the Company avoided the possibility of being required to purchase peaking capacity from the Mid-Continent Area Power Pool at a cost eight times higher than that actually paid to Basin Electric.

Absent the inclusion of the peaking power purchase requested herein, the total billing adjustment would be a negative .3254 cents per Kwh which would be a decrease in the rate of .1224 cents per Kwh.

Subject to the Commission's approval, the Company will apply the FCA of (0.3148) cents per Kwh effective with bills rendered on and after November 1.

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,


Donald R. Ball
Regulatory Affairs Manager

Attachment

VERIFICATION

STATE OF NORTH DAKOTA)
)
COUNTY OF BURLEIGH)

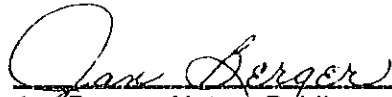
Donald R. Ball, being first duly sworn, deposes and says: That he is the Regulatory Affairs Manager of Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., that he supervised the preparation of the foregoing statements, certifies that all of the statements are based upon the records of the respondent, and that same are correct to the best of his knowledge, information and belief.

Dated this 26th of October, 1995.



Donald R. Ball
Regulatory Affairs Manager

Subscribed and sworn to before me, a Notary Public for the state and county above named, this 26th of October, 1995.



Jan Berger, Notary Public
Burleigh County, North Dakota
My Commission Expires: 9/25/97

**MONTANA-DAKOTA UTILITIES CO.
FUEL ADJUSTMENT - SOUTH DAKOTA
NOVEMBER 1995 BILLING ADJUSTMENT**

	<u>July 1995</u>	<u>August 1995</u>	<u>September 1995</u>	<u>Total</u>
Fuel & Purchased Power Costs				
Account 151 and Natural Gas Used for Generation	\$1,867,896	\$2,260,760	\$942,636	\$5,071,092
Account 555 (Excludes Demand)	<u>433,874</u>	<u>420,138</u>	<u>681,893</u>	<u>1,535,905</u>
Total Energy Related Costs	\$2,301,570	\$2,680,898	\$1,024,529	\$6,806,997
Fuel Costs - Sales for Resale	<u>486,587</u>	<u>726,658</u>	<u>152,294</u>	<u>1,365,540</u>
Net System Costs	\$1,814,983	\$1,954,239	\$1,472,235	\$5,241,457
Peaking Power Purchase 2/			<u>55,283</u>	<u>55,283</u>
Net System Costs			\$1,527,498	\$5,298,720
Kwh Retail Sales	157,889,110	148,123,313	166,671,022	472,683,445
Cost per Kwh				\$0.011206
Base Cost 1/				<u>0.014704</u>
Adjustment				(\$0.003498)
Total Billing Adjustment - .0009 per .001 increase or decrease				<u>(\$0.003148)</u>

1/ Base Cost per Docket No. F-3576 effective 6/1/86.

2/ Purchase of 5 MW of peaking capacity for May through October 1995.

MONTANA-DAKOTA UTILITIES CO.
 INFORMATIONAL SUPPLEMENT
 TO RATE 58
 SOUTH DAKOTA

Current Adjustment in Cents per Kwh	Amount of Change in Cents per Kwh	Current Adjustment in Dollars per Kwh
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Base rates effective with service rendered on and after June 1,
 1988. Base cost of fuel @ \$0.014704 per Kwh per Docket No.
 F-3576.

January 1994	(0.2170)	(0.0229)	(\$0.002170)
February	(0.1581)	0.0589	(\$0.001581)
March	(0.1562)	0.0019	(\$0.001562)
April	(0.1709)	(0.0147)	(\$0.001709)
May	(0.1982)	(0.0273)	(\$0.001982)
June	(0.2129)	(0.0147)	(\$0.002129)
July	(0.1809)	0.0320	(\$0.001809)
August	(0.1794)	0.0015	(\$0.001794)
September	(0.1742)	0.0052	(\$0.001742)
October	(0.1543)	0.0199	(\$0.001543)
November	(0.2142)	(0.0599)	(\$0.002142)
December	(0.1922)	0.0220	(\$0.001922)
January 1995	(0.2381)	(0.0459)	(\$0.002381)
February	(0.1865)	0.0516	(\$0.001865)
March	(0.2365)	(0.0500)	(\$0.002365)
April	(0.2793)	(0.0428)	(\$0.002793)
May	(0.2579)	0.0214	(\$0.002579)
June	(0.2829)	(0.0250)	(\$0.002829)
July	(0.2570)	0.0259	(\$0.002570)
August	(0.2600)	(0.0030)	(\$0.002600)
September	(0.2381)	0.0219	(\$0.002381)
October	(0.2030)	0.0351	(\$0.002030)
November	(0.3148)	(0.1118)	(\$0.003148)