



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

June 18, 2019

Executive Secretary
North Dakota Public Service Commission
State Capitol Building
600 East Boulevard
Bismarck, ND 58505-0480

Re: Fuel and Purchased Power Adjustment
Case No. PU-19-011
July 2019

Montana-Dakota Utilities Co. (Montana-Dakota) herewith respectfully files an original and two (2) copies of its fuel and purchased power (F&PP) adjustment pursuant to its Rate 58.

Exhibit A, page 1 summarizes the fuel and purchase power adjustment calculated pursuant to the terms of Rate 58 that will apply during the month of July 2019. 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.

The net effect of this F&PP adjustment is a decrease of 0.096 cents per Kwh for primary service customers and a decrease of 0.089 cents per Kwh for secondary service customers for service rendered in the month of July 2019 from current effective rates as shown below. The per unit decrease was the result of lower generation costs, primarily higher wind generation, and lower per unit MISO market prices.

	Primary	Secondary
F&PP Effective July 1, 2019	\$0.02470	\$0.02543
F&PP Effective June 1, 2019	0.02566	0.02632
Change	(\$0.00096)	(\$0.00089)

The current and historical Fuel and Purchased Power Adjustment for primary and secondary service customers can be found at www.montana-dakota.com/rates-and-services.

All of Montana-Dakota's retail electric customers in North Dakota will be affected by this proposal. There were 92,872 electric customers in North Dakota as of May 31, 2019.

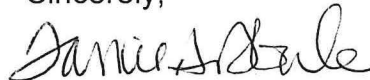
In response to Paragraph No. 11 of NDAC Section 69-09-02-39, Montana-Dakota purchases natural gas used for electric generation from its own gas operations or transports natural gas purchased from others under the applicable gas tariff approved and on file with the Commission in the state where the purchase 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 \$600.00 on March 18, 2019. This payment will cover the filing fee associated with the Fuel and Purchased Power adjustment filings for March 2019 through February 2020 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.

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Attachment

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC INTEGRATED SYSTEM - NORTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
JULY ADJUSTMENT

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02367	\$0.02453
Prior Cost of Fuel	0.02463	0.02542
Change in Cost of Fuel	<u>(\$0.00096)</u>	<u>(\$0.00089)</u>
<u>Surcharge Adjustment</u>		
Current Adjustment	\$0.00103	\$0.00090
Prior Adjustment	0.00103	0.00090
Change in Surcharge Adjustment	<u>\$0.00000</u>	<u>\$0.00000</u>
Cost of Fuel	\$0.02367	\$0.02453
Surcharge Adjustment	0.00103	0.00090
Total	<u>\$0.02470</u>	<u>\$0.02543</u>

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC INTEGRATED SYSTEM - NORTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
FUEL AND PURCHASED POWER COST TRACKING**

	<u>Total 1/</u>	<u>Allocation to 2/ North Dakota</u>	<u>Allocation to 3/</u>	
			<u>Primary</u>	<u>Secondary</u>
Fuel & Purchased Power Cost				
Accounts 501 Coal and 547 Gas	\$13,749,977	\$9,533,566	\$1,561,635	\$7,971,931
Account 502 Reagent	733,438	508,530	83,299	425,231
Account 502 Sand	92,910	64,419	10,552	53,867
Account 555 Energy	9,975,595	6,916,593	1,132,965	5,783,628
Accounts 555 Demand and 547 Pipeline Charges	1,286,630	912,544	89,521	823,023
Account 575 Market Admin.	175,277	121,529	19,907	101,622
Total F&PP Cost	<u>\$26,013,827</u>	<u>\$18,057,181</u>	<u>\$2,897,879</u>	<u>\$15,159,302</u>
Less:				
Wholesale Sales Revenue	\$210,153	\$145,710	\$23,868	\$121,842
Sale of RECs Revenue 4/	5,107	3,713	608	3,105
Total Revenue	<u>\$215,260</u>	<u>\$149,423</u>	<u>\$24,476</u>	<u>\$124,947</u>
Net System Cost	\$25,798,567	\$17,907,758	\$2,873,403	\$15,034,355
Kwh Retail Sales	1,058,984,660	734,248,533	<u>121,377,379</u>	<u>612,871,154</u>
Cost Per Kwh	\$0.02436	\$0.02439	<u><u>\$0.02367</u></u>	<u><u>\$0.02453</u></u>

1/ Page 3.

2/ Energy is allocated on Kwh sales and demand and pipeline are allocated on Allocation Factor No. 15, Integrated System 12 Month Peak Demand.

3/ Energy is allocated on Kwh sales at generation and demand and pipeline are allocated on class Allocation Factor No. 2, Coincident Peak Demand from PU-16-666.

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

Factor No. 15 ND	70.925157%
Factor No. 2 Primary	9.810000%
Factor No. 2 Secondary	90.190000%

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC INTEGRATED SYSTEM - NORTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
FUEL AND PURCHASED POWER COST TRACKING**

	2019				Total
	February	March	April	May	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$4,604,040	\$5,143,215	\$2,140,167	\$1,862,555	\$13,749,977
Account 502 Reagent	271,976	207,393	134,648	119,421	733,438
Account 502 Sand	32,679	31,289	4,775	24,167	92,910
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	4,120,447	1,828,103	1,933,523	2,093,522	9,975,595
Account 575 Market Admin.	314,391	341,951	314,926	315,362	1,286,630
Total F&PP Cost	42,756	56,029	40,657	35,835	175,277
	<u>\$9,386,289</u>	<u>\$7,607,980</u>	<u>\$4,568,696</u>	<u>\$4,450,862</u>	<u>\$26,013,827</u>
Less:					
Wholesale Sales Revenue	\$8,306	\$171,103	\$15,549	\$15,195	\$210,153
Sale of RECs Revenue	0	401	0	4,706	5,107
Total Revenue	<u>\$8,306</u>	<u>\$171,504</u>	<u>\$15,549</u>	<u>\$19,901</u>	<u>\$215,260</u>
Net System Cost	\$9,377,983	\$7,436,476	\$4,553,147	\$4,430,961	\$25,798,567
Kwh Retail Sales	284,038,545	301,400,741	252,969,480	220,575,894	<u>1,058,984,660</u>
Cost Per Kwh	\$0.03302	\$0.02467	\$0.01800	\$0.02009	<u><u>\$0.02436</u></u>

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC INTEGRATED SYSTEM
FUEL AND PURCHASED POWER ADJUSTMENT
ACCOUNT 555 ENERGY

Account No.	Account Description	2019			
		February	March	April	May
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$4,045,712	\$1,684,093	\$2,586,234	\$2,706,434
555.114	Real-Time Asset Energy	(77,147)	(34,244)	29,287	(44,031)
555.117	Real-Time Excessive Energy	523	1,010	2,634	(232)
555.118	Real-Time Non-Excessive Energy	(572,608)	(467,921)	(653,102)	(396,999)
555.1230	Revenue Rights Transaction	(7,662)	(8,764)	(8,764)	(8,764)
555.1232	Revenue Rights Infeasible Uplift	2,850	3,521	3,521	3,521
555.1233	Revenue Rights Stage 2 Distribution	(24,073)	(8,505)	(8,505)	(8,505)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(5,227)	(5,242)	(2,169)	(2,001)
555.135	Real-Time Asset Loss	16,401	(53,337)	(102,733)	(114,696)
555.136	Real-Time Distribution of Loss	(81,629)	(14,237)	(8,628)	(2,613)
555.151	Day-Ahead Rev Suff Guarantee Distribution	8,442	8,827	6,119	5,211
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(80)	0	0	0
555.153	Real-Time Miscellaneous	12,057	15,949	8,634	27,934
555.154	Real-Time Net Inadvertent Distribution	(5,759)	1,742	(7,424)	1,063
555.155	Real-Time Revenue Neutrality Uplift	92,656	35,509	23,173	19,825
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	14,590	8,994	4,436	5,176
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(197,387)	(17,463)	(4,378)	(13,651)
555.159	Day-Ahead Schedule 24	6,067	7,160	5,530	4,266
555.160	Real-Time Schedule 24	853	975	840	799
555.162	Real-Time Price Volatility Make Whole Payment	(1,602)	(1,950)	(3,925)	(2,516)
555.1701	Day-Ahead Spinning Reserve Amount	(1,443)	(5,836)	(9,333)	(6,825)
555.1702	Day-Ahead Supplemental Reserve Amount	0	(72)	0	(18)
555.1703	Day-Ahead Ramp Capability	(148)	(1,190)	(749)	(287)
555.1711	Real-Time Excessive Deficient Energy Deployment	182	214	285	44
555.1714	Real-Time Spinning Reserve Amount	(5,595)	(843)	3,492	(1,969)
555.1715	Real-Time Supplemental Reserve Amount	(1,213)	(58)	(33)	38
555.1716	Real-Time Regulation Cost Distribution	8,547	10,116	8,251	8,522
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	7,640	9,881	10,514	8,789
555.1718	Real-Time Supplemental Reserve Cost Distribution	2,161	3,117	2,140	1,741
555.1720	Real-Time Ramp Capability	(653)	(138)	190	(94)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	\$137,490	\$97,455	\$5,112	(\$19,384)
555.186	Real-Time Over Collected Losses	(79,856)	(118,492)	(105,955)	(41,907)
555.1915	Real-Time Asset Congestion	819,464	662,636	145,111	(28,137)
555.1920	Auction Revenue Rights-Daily	643	643	(7,007)	(9,770)
	<u>Other</u>				
555.1	Purchased Power	\$6,250	\$14,553	\$10,705	\$2,520
555.5	Purchased Power Cogeneration	1	0	20	38
	Total Account 555 Energy	<u>\$4,120,447</u>	<u>\$1,828,103</u>	<u>\$1,933,523</u>	<u>\$2,093,522</u>