

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

April 17, 2020

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-20-011
 May 2020

Montana-Dakota Utilities Co. (Montana-Dakota) electronically submits its Fuel and Purchased Power (F&PP) adjustment pursuant to its Rate 58. In response to the COVID-19 pandemic, Montana-Dakota has provided an electronic copy only to further reduce the potential spread of the virus.

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 May 2020. 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 0.169 cents per Kwh for primary service customers and a decrease of 0.176 cents per Kwh for secondary service customers for service rendered in the month of May 2020 from current effective rates as shown below. The decrease was largely the result of a per unit decrease in MISO market prices.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective May 1, 2020	\$0.01748	\$0.01834
F&PP Effective April 1, 2020	0.01917	0.02010
Change	(\$0.00169)	(\$0.00176)

The current and historical Fuel and Purchased Power Adjustment for primary and secondary service customers can be found by selecting the Fuel and Purchased Power Adjustment link at <https://www.montana-dakota.com/rates-services/rates-tariffs>.

All of Montana-Dakota's retail electric customers in North Dakota will be affected by this proposal. There were 93,088 electric customers in North Dakota as of March 31, 2020.

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 19, 2020. This payment will cover the filing fee associated with the Fuel and Purchased Power adjustment filings for March 2020 through February 2021 in accordance with North Dakota Century Code Section 49-05-05.

Montana-Dakota respectfully requests this electronic filing, in lieu of an original and two (2) physical copies, be accepted as being in full compliance with the filing requirements of this Commission.

If you have any questions regarding this filing, please contact me at (701) 222-7855 or Travis.Jacobson@mdu.com.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Attachment

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC INTEGRATED SYSTEM - NORTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
MAY 2020 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01943	\$0.02021
Prior Cost of Fuel	0.02112	0.02197
Change in Cost of Fuel	<u>(\$0.00169)</u>	<u>(\$0.00176)</u>
 <u>Surcharge Adjustment</u>		
Current Adjustment	(\$0.00195)	(\$0.00187)
Prior Adjustment	<u>(0.00195)</u>	<u>(0.00187)</u>
Change in Surcharge Adjustment	<u>\$0.00000</u>	<u>\$0.00000</u>
 Cost of Fuel	 \$0.01943	 \$0.02021
Surcharge Adjustment	<u>(0.00195)</u>	<u>(0.00187)</u>
Total	<u><u>\$0.01748</u></u>	<u><u>\$0.01834</u></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/ Primary</u>	<u>Secondary</u>
Fuel & Purchased Power Cost				
Accounts 501 Coal and 547 Gas	\$16,127,445	\$11,320,201	\$1,902,779	\$9,417,422
Account 502 Reagent	912,610	640,580	107,673	532,907
Account 502 Sand	139,959	98,240	16,513	81,727
Account 555 Energy	4,836,590	3,394,907	570,640	2,824,267
Accounts 555 Demand and 547 Pipeline Charges	1,259,775	894,326	87,733	806,593
Account 575 Market Admin.	196,137	137,673	23,141	114,532
Total F&PP Cost	<u>\$23,472,516</u>	<u>\$16,485,927</u>	<u>\$2,708,479</u>	<u>\$13,777,448</u>
Less:				
Wholesale Sales Revenue	\$231,222	\$162,300	\$27,281	\$135,019
Sale of RECs Revenue 4/	479,237	447,440	75,209	372,231
Total Revenue	<u>\$710,459</u>	<u>\$609,740</u>	<u>\$102,490</u>	<u>\$507,250</u>
Net System Cost	\$22,762,057	\$15,876,187	\$2,605,989	\$13,270,198
Kwh Retail Sales	1,131,475,472	790,618,053	<u>134,106,871</u>	<u>656,511,182</u>
Cost Per Kwh	\$0.02012	\$0.02008	<u><u>\$0.01943</u></u>	<u><u>\$0.02021</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	70.990922%
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	2020			Total
	December	January	February	March	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$3,903,815	\$3,969,892	\$4,115,472	\$4,138,266	\$16,127,445
Account 502 Reagent	271,522	187,450	209,446	244,192	912,610
Account 502 Sand	35,240	47,008	29,056	28,655	139,959
Account 555 Energy 1/	1,593,367	1,488,318	957,643	797,262	4,836,590
Accounts 555 Demand and 547 Pipeline Charges	314,883	315,258	314,626	315,008	1,259,775
Account 575 Market Admin.	54,307	58,831	46,347	36,652	196,137
Total F&PP Cost	<u>\$6,173,134</u>	<u>\$6,066,757</u>	<u>\$5,672,590</u>	<u>\$5,560,035</u>	<u>\$23,472,516</u>
Less:					
Wholesale Sales Revenue	\$33,247	\$65,755	\$94,341	\$37,879	\$231,222
Sale of RECs Revenue	0	0	41,809	437,428	479,237
Total Revenue	<u>\$33,247</u>	<u>\$65,755</u>	<u>\$136,150</u>	<u>\$475,307</u>	<u>\$710,459</u>
Net System Cost	\$6,139,887	\$6,001,002	\$5,536,440	\$5,084,728	\$22,762,057
Kwh Retail Sales	273,034,655	317,878,328	265,009,229	275,553,260	<u>1,131,475,472</u>
Cost Per Kwh	\$0.02249	\$0.01888	\$0.02089	\$0.01845	<u><u>\$0.02012</u></u>

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

Account No.	Account Description	2019	2020		
		December	January	February	March
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$2,632,287	\$2,702,025	\$1,597,253	\$1,358,132
555.114	Real-Time Asset Energy	9,340	(103,539)	(65,813)	(32,847)
555.117	Real-Time Excessive Energy	461	(332)	9	75
555.118	Real-Time Non-Excessive Energy	(732,347)	(843,068)	(439,171)	(366,735)
555.1230	Revenue Rights Transaction	(79,967)	(79,967)	(79,967)	(146,663)
555.1232	Revenue Rights Infeasible Uplift	1,921	1,921	1,921	817
555.1233	Revenue Rights Stage 2 Distribution	(32,730)	(32,730)	(32,730)	(22,738)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(4,575)	(250)	(4,807)	(4,462)
555.135	Real-Time Asset Loss	(19,020)	(72,294)	39,204	84,231
555.136	Real-Time Distribution of Loss	(14,589)	(19,130)	(17,919)	(11,791)
555.151	Day-Ahead Rev Suff Guarantee Distribution	5,940	6,036	3,456	3,716
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	0	0	(2)
555.153	Real-Time Miscellaneous	15,732	(26)	53	(4,955)
555.154	Real-Time Net Inadvertent Distribution	1,946	2,683	2,883	3,979
555.155	Real-Time Revenue Neutrality Uplift	28,592	21,894	18,550	16,073
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	6,103	841	705	999
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(2,993)	0	0	0
555.159	Day-Ahead Schedule 24	5,817	5,942	5,927	6,306
555.160	Real-Time Schedule 24	985	1,059	971	1,026
555.162	Real-Time Price Volatility Make Whole Payment	(2,246)	(3,544)	(3,533)	(2,183)
555.164	Real-Time Schedule 49	0	11,132	16,247	19,022
555.1701	Day-Ahead Spinning Reserve Amount	(2,279)	(4,778)	(3,846)	(3,955)
555.1703	Day-Ahead Ramp Capability	(683)	(1,002)	(1,003)	(784)
555.1711	Real-Time Excessive Deficient Energy Deployment	5	47	14	33
555.1713	Real-Time Regulation Amount	0	0	(2)	(13)
555.1714	Real-Time Spinning Reserve Amount	(934)	(6,654)	(1,991)	(6,451)
555.1716	Real-Time Regulation Cost Distribution	10,808	9,245	8,498	10,379
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	4,598	5,791	4,553	5,120
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,274	1,530	883	968
555.1720	Real-Time Ramp Capability	(19)	(59)	(28)	46
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$27,434)	\$22,157	\$19,674	\$9,792
555.186	Real-Time Over Collected Losses	(126,047)	(72,765)	(68,998)	(60,258)
555.1915	Real-Time Asset Congestion	28,628	7,685	28,778	16,485
555.1920	Auction Revenue Rights-Daily	(120,193)	(76,606)	(76,606)	(76,606)
	<u>Other</u>				
555.1	Purchased Power	\$4,986	\$5,074	\$4,478	\$506
555.5	Purchased Power Cogeneration	0	0	0	0
	Total Account 555 Energy	\$1,593,367	\$1,488,318	\$957,643	\$797,262