

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

May 18, 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
 June 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 June 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 0.093 cents per Kwh for primary service customers and a decrease of 0.090 cents per Kwh for secondary service customers for service rendered in the month of June 2020 from current effective rates as shown below. The decrease is largely due to the lower per unit energy purchase price, including transmission congestion payments from SPP.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective June 1, 2020	\$0.01655	\$0.01744
F&PP Effective May 1, 2020	0.01748	0.01834
Change	(\$0.00093)	(\$0.00090)

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 93,138 electric customers in North Dakota as of April 30, 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
JUNE 2020 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01850	\$0.01931
Prior Cost of Fuel	0.01943	0.02021
Change in Cost of Fuel	<u>(\$0.00093)</u>	<u>(\$0.00090)</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	\$0.00000	\$0.00000
 Cost of Fuel	 \$0.01850	 \$0.01931
Surcharge Adjustment	<u>(0.00195)</u>	<u>(0.00187)</u>
Total	<u><u>\$0.01655</u></u>	<u><u>\$0.01744</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/</u>	
			<u>Primary</u>	<u>Secondary</u>
Fuel & Purchased Power Cost				
Accounts 501 Coal and 547 Gas	\$16,330,250	\$11,461,781	\$1,969,039	\$9,492,742
Account 502 Reagent	830,505	582,910	100,139	482,771
Account 502 Sand	143,019	100,381	17,245	83,136
Account 555 Energy	3,169,302	2,224,451	382,142	1,842,309
Accounts 555 Demand and 547 Pipeline Charges	1,259,709	894,279	87,729	806,550
Account 575 Market Admin.	196,981	138,256	23,751	114,505
Total F&PP Cost	<u>\$21,929,766</u>	<u>\$15,402,058</u>	<u>\$2,580,045</u>	<u>\$12,822,013</u>
Less:				
Wholesale Sales Revenue	\$266,689	\$187,182	\$32,156	\$155,026
Sale of RECs Revenue 4/	479,237	447,440	76,867	370,573
Total Revenue	<u>\$745,926</u>	<u>\$634,622</u>	<u>\$109,023</u>	<u>\$525,599</u>
Net System Cost	\$21,183,840	\$14,767,436	\$2,471,022	\$12,296,414
Kwh Retail Sales	1,102,639,079	770,438,414	<u>133,558,835</u>	<u>636,879,579</u>
Cost Per Kwh	\$0.01921	\$0.01917	<u><u>\$0.01850</u></u>	<u><u>\$0.01931</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**

	2020				Total
	January	February	March	April	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$3,969,892	\$4,115,472	\$4,138,266	\$4,106,620	\$16,330,250
Account 502 Reagent	187,450	209,446	244,192	189,417	830,505
Account 502 Sand	47,008	29,056	28,655	38,300	143,019
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	1,488,318	957,643	797,262	(73,921)	3,169,302
Account 575 Market Admin.	315,258	314,626	315,008	314,817	1,259,709
Total F&PP Cost	58,831	46,347	36,652	55,151	196,981
	<u>\$6,066,757</u>	<u>\$5,672,590</u>	<u>\$5,560,035</u>	<u>\$4,630,384</u>	<u>\$21,929,766</u>
Less:					
Wholesale Sales Revenue	\$65,755	\$94,341	\$37,879	\$68,714	\$266,689
Sale of RECs Revenue	0	41,809	437,428	0	479,237
Total Revenue	<u>\$65,755</u>	<u>\$136,150</u>	<u>\$475,307</u>	<u>\$68,714</u>	<u>\$745,926</u>
Net System Cost	\$6,001,002	\$5,536,440	\$5,084,728	\$4,561,670	\$21,183,840
Kwh Retail Sales	317,878,328	265,009,229	275,553,260	244,198,262	<u>1,102,639,079</u>
Cost Per Kwh	\$0.01888	\$0.02089	\$0.01845	\$0.01868	<u><u>\$0.01921</u></u>

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

Account No.	Account Description	2020			
		January	February	March	April
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$2,702,025	\$1,597,253	\$1,358,132	\$719,870
555.114	Real-Time Asset Energy	(103,539)	(65,813)	(32,847)	(30,672)
555.117	Real-Time Excessive Energy	(332)	9	75	(81)
555.118	Real-Time Non-Excessive Energy	(843,068)	(439,171)	(366,735)	(281,361)
555.1230	Revenue Rights Transaction	(79,967)	(79,967)	(146,663)	(146,663)
555.1232	Revenue Rights Infeasible Uplift	1,921	1,921	817	817
555.1233	Revenue Rights Stage 2 Distribution	(32,730)	(32,730)	(22,738)	(22,738)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(250)	(4,807)	(4,462)	(706)
555.135	Real-Time Asset Loss	(72,294)	39,204	84,231	32,295
555.136	Real-Time Distribution of Loss	(19,130)	(17,919)	(11,791)	(15,446)
555.151	Day-Ahead Rev Suff Guarantee Distribution	6,036	3,456	3,716	5,515
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	0	(2)	(3)
555.153	Real-Time Miscellaneous	(26)	53	(4,955)	6,200
555.154	Real-Time Net Inadvertent Distribution	2,683	2,883	3,979	(1,960)
555.155	Real-Time Revenue Neutrality Uplift	21,894	18,550	16,073	42,374
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	841	705	999	3,401
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	0	0	(16,426)
555.159	Day-Ahead Schedule 24	5,942	5,927	6,306	6,020
555.160	Real-Time Schedule 24	1,059	971	1,026	1,100
555.162	Real-Time Price Volatility Make Whole Payment	(3,544)	(3,533)	(2,183)	(6,589)
555.164	Real-Time Schedule 49	11,132	16,247	19,022	6,214
555.1701	Day-Ahead Spinning Reserve Amount	(4,778)	(3,846)	(3,955)	(12,443)
555.1703	Day-Ahead Ramp Capability	(1,002)	(1,003)	(784)	(1,040)
555.1711	Real-Time Excessive Deficient Energy Deployment	47	14	33	18
555.1713	Real-Time Regulation Amount	0	(2)	(13)	0
555.1714	Real-Time Spinning Reserve Amount	(6,654)	(1,991)	(6,451)	(4,868)
555.1716	Real-Time Regulation Cost Distribution	9,245	8,498	10,379	9,890
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	5,791	4,553	5,120	6,733
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,530	883	968	865
555.1720	Real-Time Ramp Capability	(59)	(28)	46	(74)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	\$22,157	\$19,674	\$9,792	(\$20,007)
555.186	Real-Time Over Collected Losses	(72,765)	(68,998)	(60,258)	(68,110)
555.1915	Real-Time Asset Congestion	7,685	28,778	16,485	(196,340)
555.1920	Auction Revenue Rights-Daily	(76,606)	(76,606)	(76,606)	(94,109)
	<u>Other</u>				
555.1	Purchased Power	\$5,074	\$4,478	\$506	\$4,376
555.5	Purchased Power Cogeneration	0	0	0	27
	Total Account 555 Energy	\$1,488,318	\$957,643	\$797,262	(\$73,921)