

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

June 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  
 July 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 July 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 an increase of 0.047 cents per Kwh for primary service customers and an increase of 0.057 cents per Kwh for secondary service customers for service rendered in the month of July 2020 from current effective rates as shown below. The change was the result of an increase in the per unit cost of generation reflecting seasonal demand and volume changes.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective July 1, 2020	\$0.01702	\$0.01801
F&PP Effective June 1, 2020	0.01655	0.01744
Change	<u>\$0.00047</u>	<u>\$0.00057</u>

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 93,171 electric customers in North Dakota as of May 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  
JULY 2020 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01897	\$0.01988
Prior Cost of Fuel	0.01850	0.01931
Change in Cost of Fuel	<u>\$0.00047</u>	<u>\$0.00057</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	 \$0.01897	 \$0.01988
Surcharge Adjustment	<u>(0.00195)</u>	<u>(0.00187)</u>
Total	<u><u>\$0.01702</u></u>	<u><u>\$0.01801</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	\$15,559,424	\$10,934,158	\$1,928,958	\$9,005,200
Account 502 Reagent	818,523	575,205	101,475	473,730
Account 502 Sand	121,902	85,665	15,113	70,552
Account 555 Energy	2,007,223	1,410,547	248,843	1,161,704
Accounts 555 Demand and 547 Pipeline Charges	1,259,834	894,368	87,738	806,630
Account 575 Market Admin.	177,445	124,697	21,999	102,698
Total F&PP Cost	<u>\$19,944,351</u>	<u>\$14,024,640</u>	<u>\$2,404,126</u>	<u>\$11,620,514</u>
Less:				
Wholesale Sales Revenue	\$207,216	\$145,618	\$25,689	\$119,929
Sale of RECs Revenue 4/	479,237	447,440	78,935	368,505
Total Revenue	<u>\$686,453</u>	<u>\$593,058</u>	<u>\$104,624</u>	<u>\$488,434</u>
Net System Cost	\$19,257,898	\$13,431,582	\$2,299,502	\$11,132,080
Kwh Retail Sales	973,856,494	681,060,404	<u>121,236,500</u>	<u>559,823,904</u>
Cost Per Kwh	\$0.01977	\$0.01972	<u><u>\$0.01897</u></u>	<u><u>\$0.01988</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
	February	March	April	May	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$4,115,472	\$4,138,266	\$4,106,620	\$3,199,066	\$15,559,424
Account 502 Reagent	209,446	244,192	189,417	175,468	818,523
Account 502 Sand	29,056	28,655	38,300	25,891	121,902
Account 555 Energy 1/	957,643	797,262	(73,921)	326,239	2,007,223
Accounts 555 Demand and 547 Pipeline Charges	314,626	315,008	314,817	315,383	1,259,834
Account 575 Market Admin.	46,347	36,652	55,151	39,295	177,445
Total F&PP Cost	<u>\$5,672,590</u>	<u>\$5,560,035</u>	<u>\$4,630,384</u>	<u>\$4,081,342</u>	<u>\$19,944,351</u>
Less:					
Wholesale Sales Revenue	\$94,341	\$37,879	\$68,714	\$6,282	\$207,216
Sale of RECs Revenue	41,809	437,428	0	0	479,237
Total Revenue	<u>\$136,150</u>	<u>\$475,307</u>	<u>\$68,714</u>	<u>\$6,282</u>	<u>\$686,453</u>
Net System Cost	\$5,536,440	\$5,084,728	\$4,561,670	\$4,075,060	\$19,257,898
Kwh Retail Sales	265,009,229	275,553,260	244,198,262	189,095,743	<u>973,856,494</u>
Cost Per Kwh	\$0.02089	\$0.01845	\$0.01868	\$0.02155	<u><u>\$0.01977</u></u>

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

Account No.	Account Description	2020			
		February	March	April	May
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$1,597,253	\$1,358,132	\$719,870	\$846,066
555.114	Real-Time Asset Energy	(65,813)	(32,847)	(30,672)	(23,324)
555.117	Real-Time Excessive Energy	9	75	(81)	(111)
555.118	Real-Time Non-Excessive Energy	(439,171)	(366,735)	(281,361)	(140,466)
555.1230	Revenue Rights Transaction	(79,967)	(146,663)	(146,663)	(146,663)
555.1232	Revenue Rights Infeasible Uplift	1,921	817	817	817
555.1233	Revenue Rights Stage 2 Distribution	(32,730)	(22,738)	(22,738)	(22,738)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(4,807)	(4,462)	(706)	(716)
555.135	Real-Time Asset Loss	39,204	84,231	32,295	(61,101)
555.136	Real-Time Distribution of Loss	(17,919)	(11,791)	(15,446)	(8,500)
555.151	Day-Ahead Rev Suff Guarantee Distribution	3,456	3,716	5,515	3,539
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	(2)	(3)	(12)
555.153	Real-Time Miscellaneous	53	(4,955)	6,200	5
555.154	Real-Time Net Inadvertent Distribution	2,883	3,979	(1,960)	(1,963)
555.155	Real-Time Revenue Neutrality Uplift	18,550	16,073	42,374	42,836
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	705	999	3,401	1,306
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	0	(16,426)	0
555.159	Day-Ahead Schedule 24	5,927	6,306	6,020	4,684
555.160	Real-Time Schedule 24	971	1,026	1,100	979
555.162	Real-Time Price Volatility Make Whole Payment	(3,533)	(2,183)	(6,589)	(6,960)
555.164	Real-Time Schedule 49	16,247	19,022	6,214	5,487
555.1701	Day-Ahead Spinning Reserve Amount	(3,846)	(3,955)	(12,443)	(11,540)
555.1703	Day-Ahead Ramp Capability	(1,003)	(784)	(1,040)	(1,312)
555.1711	Real-Time Excessive Deficient Energy Deployment	14	33	18	14
555.1713	Real-Time Regulation Amount	(2)	(13)	0	0
555.1714	Real-Time Spinning Reserve Amount	(1,991)	(6,451)	(4,868)	(513)
555.1716	Real-Time Regulation Cost Distribution	8,498	10,379	9,890	7,739
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	4,553	5,120	6,733	6,169
555.1718	Real-Time Supplemental Reserve Cost Distribution	883	968	865	691
555.1720	Real-Time Ramp Capability	(28)	46	(74)	(76)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	\$19,674	\$9,792	(\$20,007)	(\$30,290)
555.186	Real-Time Over Collected Losses	(68,998)	(60,258)	(68,110)	(42,516)
555.1915	Real-Time Asset Congestion	28,778	16,485	(196,340)	(22,203)
555.1920	Auction Revenue Rights-Daily	(76,606)	(76,606)	(94,109)	(73,309)
	<u>Other</u>				
555.1	Purchased Power	\$4,478	\$506	\$4,376	\$192
555.5	Purchased Power Cogeneration	0	0	27	28
	<b>Total Account 555 Energy</b>	<b>\$957,643</b>	<b>\$797,262</b>	<b>(\$73,921)</b>	<b>\$326,239</b>