

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

July 15, 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  
August 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 August 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 0.071 cents per Kwh for primary service customers and a decrease of 0.060 cents per Kwh for secondary service customers for service rendered in the month of August 2020 from current effective rates as shown below. The decrease was largely the result of an annual SPP Auction Revenue Rights credit.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective August 1, 2020	\$0.01631	\$0.01741
F&PP Effective July 1, 2020	0.01702	0.01801
Change	(\$0.00071)	(\$0.00060)

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 93,260 electric customers in North Dakota as of June 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  
AUGUST 2020 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01826	\$0.01928
Prior Cost of Fuel	0.01897	0.01988
Change in Cost of Fuel	<u>(\$0.00071)</u>	<u>(\$0.00060)</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	 \$0.01826	 \$0.01928
Surcharge Adjustment	<u>(0.00195)</u>	<u>(0.00187)</u>
Total	<u><u>\$0.01631</u></u>	<u><u>\$0.01741</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	\$14,517,450	\$10,205,487	\$1,823,318	\$8,382,169
Account 502 Reagent	754,069	530,096	94,707	435,389
Account 502 Sand	125,940	88,533	15,817	72,716
Account 555 Energy	1,231,283	865,568	154,643	710,925
Accounts 555 Demand and 547 Pipeline Charges	1,338,078	949,914	93,187	856,727
Account 575 Market Admin.	171,603	120,634	21,553	99,081
Total F&PP Cost	<u>\$18,138,423</u>	<u>\$12,760,232</u>	<u>\$2,203,225</u>	<u>\$10,557,007</u>
Less:				
Wholesale Sales Revenue	\$112,225	\$78,892	\$14,095	\$64,797
Sale of RECs Revenue 4/	437,428	408,405	72,966	335,439
Total Revenue	<u>\$549,653</u>	<u>\$487,297</u>	<u>\$87,061</u>	<u>\$400,236</u>
Net System Cost	\$17,588,770	\$12,272,935	\$2,116,164	\$10,156,771
Kwh Retail Sales	918,922,579	642,802,431	<u>115,879,307</u>	<u>526,923,124</u>
Cost Per Kwh	\$0.01914	\$0.01909	<u><u>\$0.01826</u></u>	<u><u>\$0.01928</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
	March	April	May	June	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$4,138,266	\$4,106,620	\$3,199,066	\$3,073,498	\$14,517,450
Account 502 Reagent	244,192	189,417	175,468	144,992	754,069
Account 502 Sand	28,655	38,300	25,891	33,094	125,940
Account 555 Energy 1/	797,262	(73,921)	326,239	181,703	1,231,283
Accounts 555 Demand and 547 Pipeline Charges	315,008	314,817	315,383	392,870	1,338,078
Account 575 Market Admin.	36,652	55,151	39,295	40,505	171,603
Total F&PP Cost	<u>\$5,560,035</u>	<u>\$4,630,384</u>	<u>\$4,081,342</u>	<u>\$3,866,662</u>	<u>\$18,138,423</u>
Less:					
Wholesale Sales Revenue	\$37,879	\$68,714	\$6,282	(\$650)	\$112,225
Sale of RECs Revenue	437,428	0	0	0	437,428
Total Revenue	<u>\$475,307</u>	<u>\$68,714</u>	<u>\$6,282</u>	<u>(\$650)</u>	<u>\$549,653</u>
Net System Cost	\$5,084,728	\$4,561,670	\$4,075,060	\$3,867,312	\$17,588,770
Kwh Retail Sales	275,553,260	244,198,262	189,095,743	210,075,314	<u>918,922,579</u>
Cost Per Kwh	\$0.01845	\$0.01868	\$0.02155	\$0.01841	<u><u>\$0.01914</u></u>

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

Account No.	Account Description	2020			
		March	April	May	June
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$1,358,132	\$719,870	\$846,066	\$1,109,026
555.114	Real-Time Asset Energy	(32,847)	(30,672)	(23,324)	70,544
555.117	Real-Time Excessive Energy	75	(81)	(111)	3,418
555.118	Real-Time Non-Excessive Energy	(366,735)	(281,361)	(140,466)	(220,479)
555.1230	Revenue Rights Transaction	(146,663)	(146,663)	(146,663)	(129,575)
555.1232	Revenue Rights Infeasible Uplift	817	817	817	612
555.1233	Revenue Rights Stage 2 Distribution	(22,738)	(22,738)	(22,738)	(14,392)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(4,462)	(706)	(716)	(795)
555.135	Real-Time Asset Loss	84,231	32,295	(61,101)	(65,829)
555.136	Real-Time Distribution of Loss	(11,791)	(15,446)	(8,500)	(29,193)
555.151	Day-Ahead Rev Suff Guarantee Distribution	3,716	5,515	3,539	3,782
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(2)	(3)	(12)	(4)
555.153	Real-Time Miscellaneous	(4,955)	6,200	5	45,897
555.154	Real-Time Net Inadvertent Distribution	3,979	(1,960)	(1,963)	1,586
555.155	Real-Time Revenue Neutrality Uplift	16,073	42,374	42,836	9,796
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	999	3,401	1,306	1,762
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	(16,426)	0	0
555.159	Day-Ahead Schedule 24	6,306	6,020	4,684	3,927
555.160	Real-Time Schedule 24	1,026	1,100	979	894
555.162	Real-Time Price Volatility Make Whole Payment	(2,183)	(6,589)	(6,960)	(17,341)
555.164	Real-Time Schedule 49	19,022	6,214	5,487	4,992
555.1700	Day-Ahead Regulation Amount	0	0	0	(93)
555.1701	Day-Ahead Spinning Reserve Amount	(3,955)	(12,443)	(11,540)	(14,769)
555.1703	Day-Ahead Ramp Capability	(784)	(1,040)	(1,312)	(2,931)
555.1710	Real-Time Net Regulation Adjustment	0	0	0	6
555.1711	Real-Time Excessive Deficient Energy Deployment	33	18	14	36
555.1713	Real-Time Regulation Amount	(13)	0	0	(49)
555.1714	Real-Time Spinning Reserve Amount	(6,451)	(4,868)	(513)	3,145
555.1715	Real-Time Supplemental Reserve Amount	0	0	0	(3)
555.1716	Real-Time Regulation Cost Distribution	10,379	9,890	7,739	8,222
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	5,120	6,733	6,169	5,880
555.1718	Real-Time Supplemental Reserve Cost Distribution	968	865	691	816
555.1720	Real-Time Ramp Capability	46	(74)	(76)	72
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	\$9,792	(\$20,007)	(\$30,290)	(\$38,685)
555.186	Real-Time Over Collected Losses	(60,258)	(68,110)	(42,516)	(52,597)
555.1915	Real-Time Asset Congestion	16,485	(196,340)	(22,203)	75,856
555.1920	Auction Revenue Rights-Daily	(76,606)	(94,109)	(73,309)	(93,395)
555.1921	Auction Revenue Rights-Annual	0	0	0	(488,491)
	<u>Other</u>				
555.1	Purchased Power	\$506	\$4,376	\$192	\$0
555.5	Purchased Power Cogeneration	0	27	28	55
	<b>Total Account 555 Energy</b>	<b>\$797,262</b>	<b>(\$73,921)</b>	<b>\$326,239</b>	<b>\$181,703</b>