

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

August 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  
September 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 September 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 0.078 cents per Kwh for primary service customers and an increase of 0.081 cents per Kwh for secondary service customers for service rendered in the month of September 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 September 1, 2020	\$0.01709	\$0.01822
F&PP Effective August 1, 2020	0.01631	0.01741
Change	\$0.00078	\$0.00081

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 93,368 electric customers in North Dakota as of July 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  
SEPTEMBER 2020 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01904	\$0.02009
Prior Cost of Fuel	0.01826	0.01928
Change in Cost of Fuel	<u>\$0.00078</u>	<u>\$0.00081</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	 \$0.01904	 \$0.02009
Surcharge Adjustment	<u>(0.00195)</u>	<u>(0.00187)</u>
Total	<u><u>\$0.01709</u></u>	<u><u>\$0.01822</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	\$14,563,380	\$10,270,688	\$1,787,160	\$8,483,528
Account 502 Reagent	720,693	508,262	88,441	419,821
Account 502 Sand	133,425	94,097	16,373	77,724
Account 555 Energy	1,129,461	796,542	138,603	657,939
Accounts 555 Demand and 547 Pipeline Charges	1,416,756	1,005,768	98,666	907,102
Account 575 Market Admin.	170,565	120,289	20,931	99,358
Total F&PP Cost	<u>\$18,134,280</u>	<u>\$12,795,646</u>	<u>\$2,150,174</u>	<u>\$10,645,472</u>
Less:				
Wholesale Sales Revenue	\$86,755	\$61,183	\$10,646	\$50,537
Sale of RECs Revenue 4/	262,500	245,084	42,646	202,438
Total Revenue	<u>\$349,255</u>	<u>\$306,267</u>	<u>\$53,292</u>	<u>\$252,975</u>
Net System Cost	\$17,785,025	\$12,489,379	\$2,096,882	\$10,392,497
Kwh Retail Sales	894,115,929	627,327,246	<u>110,148,813</u>	<u>517,178,433</u>
Cost Per Kwh	\$0.01989	\$0.01991	<u><u>\$0.01904</u></u>	<u><u>\$0.02009</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
	April	May	June	July	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$4,106,620	\$3,199,066	\$3,073,498	\$4,184,196	\$14,563,380
Account 502 Reagent	189,417	175,468	144,992	210,816	720,693
Account 502 Sand	38,300	25,891	33,094	36,140	133,425
Account 555 Energy 1/	(73,921)	326,239	181,703	695,440	1,129,461
Accounts 555 Demand and 547 Pipeline Charges	314,817	315,383	392,870	393,686	1,416,756
Account 575 Market Admin.	55,151	39,295	40,505	35,614	170,565
Total F&PP Cost	<u>\$4,630,384</u>	<u>\$4,081,342</u>	<u>\$3,866,662</u>	<u>\$5,555,892</u>	<u>\$18,134,280</u>
Less:					
Wholesale Sales Revenue	\$68,714	\$6,282	(\$650)	\$12,409	\$86,755
Sale of RECs Revenue	0	0	0	262,500	262,500
Total Revenue	<u>\$68,714</u>	<u>\$6,282</u>	<u>(\$650)</u>	<u>\$274,909</u>	<u>\$349,255</u>
Net System Cost	\$4,561,670	\$4,075,060	\$3,867,312	\$5,280,983	\$17,785,025
Kwh Retail Sales	244,198,262	189,095,743	210,075,314	250,746,610	<u>894,115,929</u>
Cost Per Kwh	\$0.01868	\$0.02155	\$0.01841	\$0.02106	<u><u>\$0.01989</u></u>

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

Account No.	Account Description	2020			
		April	May	June	July
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$719,870	\$846,066	\$1,109,026	\$1,813,412
555.114	Real-Time Asset Energy	(30,672)	(23,324)	70,544	27,796
555.117	Real-Time Excessive Energy	(81)	(111)	3,418	(184)
555.118	Real-Time Non-Excessive Energy	(281,361)	(140,466)	(220,479)	(396,822)
555.1230	Revenue Rights Transaction	(146,663)	(146,663)	(129,575)	(129,575)
555.1232	Revenue Rights Infeasible Uplift	817	817	612	611
555.1233	Revenue Rights Stage 2 Distribution	(22,738)	(22,738)	(14,392)	(14,279)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(706)	(716)	(795)	15
555.135	Real-Time Asset Loss	32,295	(61,101)	(65,829)	(9,198)
555.136	Real-Time Distribution of Loss	(15,446)	(8,500)	(29,193)	(11,322)
555.151	Day-Ahead Rev Suff Guarantee Distribution	5,515	3,539	3,782	4,817
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(3)	(12)	(4)	0
555.153	Real-Time Miscellaneous	6,200	5	45,897	80
555.154	Real-Time Net Inadvertent Distribution	(1,960)	(1,963)	1,586	17,093
555.155	Real-Time Revenue Neutrality Uplift	42,374	42,836	9,796	12,571
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	3,401	1,306	1,762	13,879
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(16,426)	0	0	(53,241)
555.159	Day-Ahead Schedule 24	6,020	4,684	3,927	4,659
555.160	Real-Time Schedule 24	1,100	979	894	715
555.162	Real-Time Price Volatility Make Whole Payment	(6,589)	(6,960)	(17,341)	(20,417)
555.164	Real-Time Schedule 49	6,214	5,487	4,992	4,022
555.1700	Day-Ahead Regulation Amount	0	0	(93)	(326)
555.1701	Day-Ahead Spinning Reserve Amount	(12,443)	(11,540)	(14,769)	(36,062)
555.1703	Day-Ahead Ramp Capability	(1,040)	(1,312)	(2,931)	(4,460)
555.1710	Real-Time Net Regulation Adjustment	0	0	6	20
555.1711	Real-Time Excessive Deficient Energy Deployment	18	14	36	22
555.1713	Real-Time Regulation Amount	0	0	(49)	1
555.1714	Real-Time Spinning Reserve Amount	(4,868)	(513)	3,145	6,827
555.1715	Real-Time Supplemental Reserve Amount	0	0	(3)	(112)
555.1716	Real-Time Regulation Cost Distribution	9,890	7,739	8,222	8,033
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	6,733	6,169	5,880	6,967
555.1718	Real-Time Supplemental Reserve Cost Distribution	865	691	816	684
555.1720	Real-Time Ramp Capability	(74)	(76)	72	(117)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$20,007)	(\$30,290)	(\$38,685)	(\$113,138)
555.186	Real-Time Over Collected Losses	(68,110)	(42,516)	(52,597)	(78,108)
555.1915	Real-Time Asset Congestion	(196,340)	(22,203)	75,856	(211,347)
555.1920	Auction Revenue Rights-Daily	(94,109)	(73,309)	(93,395)	(148,240)
555.1921	Auction Revenue Rights-Annual	0	0	(488,491)	0
	<u>Other</u>				
555.1	Purchased Power	\$4,376	\$192	\$0	\$119
555.5	Purchased Power Cogeneration	27	28	55	45
	<b>Total Account 555 Energy</b>	<b>(\$73,921)</b>	<b>\$326,239</b>	<b>\$181,703</b>	<b>\$695,440</b>