

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

September 16, 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  
October 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 October 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 0.096 cents per Kwh for primary service customers and an increase of 0.101 cents per Kwh for secondary service customers for service rendered in the month of October 2020 from current effective rates as shown below. The increase was largely the result of a per unit increase in MISO market prices.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective October 1, 2020	\$0.01805	\$0.01923
F&PP Effective September 1, 2020	0.01709	0.01822
Change	\$0.00096	\$0.00101

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 93,391 electric customers in North Dakota as of August 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  
OCTOBER 2020 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02000	\$0.02110
Prior Cost of Fuel	0.01904	0.02009
Change in Cost of Fuel	<u>\$0.00096</u>	<u>\$0.00101</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	 \$0.02000	 \$0.02110
Surcharge Adjustment	<u>(0.00195)</u>	<u>(0.00187)</u>
Total	<u><u>\$0.01805</u></u>	<u><u>\$0.01923</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	\$14,119,669	\$9,954,843	\$1,709,859	\$8,244,984
Account 502 Reagent	717,443	505,822	86,881	418,941
Account 502 Sand	131,636	92,808	15,941	76,867
Account 555 Energy	2,342,625	1,651,630	283,687	1,367,943
Accounts 555 Demand and 547 Pipeline Charges	1,495,404	1,061,601	104,143	957,458
Account 575 Market Admin.	154,512	108,936	18,711	90,225
Total F&PP Cost	<u>\$18,961,289</u>	<u>\$13,375,640</u>	<u>\$2,219,222</u>	<u>\$11,156,418</u>
Less:				
Wholesale Sales Revenue	\$20,083	\$14,159	\$2,432	\$11,727
Sale of RECs Revenue 4/	262,500	245,084	42,096	202,988
Total Revenue	<u>\$282,583</u>	<u>\$259,243</u>	<u>\$44,528</u>	<u>\$214,715</u>
Net System Cost	\$18,678,706	\$13,116,397	\$2,174,694	\$10,941,703
Kwh Retail Sales	894,466,956	627,292,931	<u>108,724,873</u>	<u>518,568,058</u>
Cost Per Kwh	\$0.02088	\$0.02091	<u><u>\$0.02000</u></u>	<u><u>\$0.02110</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
	May	June	July	August	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$3,199,066	\$3,073,498	\$4,184,196	\$3,662,909	\$14,119,669
Account 502 Reagent	175,468	144,992	210,816	186,167	717,443
Account 502 Sand	25,891	33,094	36,140	36,511	131,636
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	326,239	181,703	695,440	1,139,243	2,342,625
Account 575 Market Admin.	315,383	392,870	393,686	393,465	1,495,404
Total F&PP Cost	39,295	40,505	35,614	39,098	154,512
	<u>\$4,081,342</u>	<u>\$3,866,662</u>	<u>\$5,555,892</u>	<u>\$5,457,393</u>	<u>\$18,961,289</u>
Less:					
Wholesale Sales Revenue	\$6,282	(\$650)	\$12,409	\$2,042	\$20,083
Sale of RECs Revenue	0	0	262,500	0	262,500
Total Revenue	<u>\$6,282</u>	<u>(\$650)</u>	<u>\$274,909</u>	<u>\$2,042</u>	<u>\$282,583</u>
Net System Cost	\$4,075,060	\$3,867,312	\$5,280,983	\$5,455,351	\$18,678,706
Kwh Retail Sales	189,095,743	210,075,314	250,746,610	244,549,289	<u>894,466,956</u>
Cost Per Kwh	\$0.02155	\$0.01841	\$0.02106	\$0.02231	<u><u>\$0.02088</u></u>

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

Account No.	Account Description	2020			
		May	June	July	August
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$846,066	\$1,109,026	\$1,813,412	\$1,877,543
555.114	Real-Time Asset Energy	(23,324)	70,544	27,796	9,278
555.117	Real-Time Excessive Energy	(111)	3,418	(184)	92
555.118	Real-Time Non-Excessive Energy	(140,466)	(220,479)	(396,822)	(345,301)
555.1230	Revenue Rights Transaction	(146,663)	(129,575)	(129,575)	(129,575)
555.1232	Revenue Rights Infeasible Uplift	817	612	611	611
555.1233	Revenue Rights Stage 2 Distribution	(22,738)	(14,392)	(14,279)	(14,336)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(716)	(795)	15	(533)
555.135	Real-Time Asset Loss	(61,101)	(65,829)	(9,198)	(2,155)
555.136	Real-Time Distribution of Loss	(8,500)	(29,193)	(11,322)	54,567
555.151	Day-Ahead Rev Suff Guarantee Distribution	3,539	3,782	4,817	6,789
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(12)	(4)	0	(323)
555.153	Real-Time Miscellaneous	5	45,897	80	154
555.154	Real-Time Net Inadvertent Distribution	(1,963)	1,586	17,093	4,289
555.155	Real-Time Revenue Neutrality Uplift	42,836	9,796	12,571	101,939
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	1,306	1,762	13,879	7,725
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	0	(53,241)	(958)
555.159	Day-Ahead Schedule 24	4,684	3,927	4,659	5,071
555.160	Real-Time Schedule 24	979	894	715	800
555.162	Real-Time Price Volatility Make Whole Payment	(6,960)	(17,341)	(20,417)	(15,915)
555.164	Real-Time Schedule 49	5,487	4,992	4,022	4,897
555.1700	Day-Ahead Regulation Amount	0	(93)	(326)	(44)
555.1701	Day-Ahead Spinning Reserve Amount	(11,540)	(14,769)	(36,062)	(29,852)
555.1703	Day-Ahead Ramp Capability	(1,312)	(2,931)	(4,460)	(2,957)
555.1710	Real-Time Net Regulation Adjustment	0	6	20	(13)
555.1711	Real-Time Excessive Deficient Energy Deployment	14	36	22	42
555.1713	Real-Time Regulation Amount	0	(49)	1	(298)
555.1714	Real-Time Spinning Reserve Amount	(513)	3,145	6,827	5,711
555.1715	Real-Time Supplemental Reserve Amount	0	(3)	(112)	(12)
555.1716	Real-Time Regulation Cost Distribution	7,739	8,222	8,033	9,462
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	6,169	5,880	6,967	8,368
555.1718	Real-Time Supplemental Reserve Cost Distribution	691	816	684	1,132
555.1720	Real-Time Ramp Capability	(76)	72	(117)	182
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$30,290)	(\$38,685)	(\$113,138)	(\$88,476)
555.186	Real-Time Over Collected Losses	(42,516)	(52,597)	(78,108)	(62,126)
555.1915	Real-Time Asset Congestion	(22,203)	75,856	(211,347)	(175,393)
555.1920	Auction Revenue Rights-Daily	(73,309)	(93,395)	(148,240)	(91,202)
555.1921	Auction Revenue Rights-Annual	0	(488,491)	0	0
	<u>Other</u>				
555.1	Purchased Power	\$192	\$0	\$119	\$0
555.5	Purchased Power Cogeneration	28	55	45	60
	<b>Total Account 555 Energy</b>	<b>\$326,239</b>	<b>\$181,703</b>	<b>\$695,440</b>	<b>\$1,139,243</b>