

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

October 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  
 November 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 November 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 0.152 cents per Kwh for primary service customers and a decrease of 0.155 cents per Kwh for secondary service customers for service rendered in the month of November 2020 from current effective rates as shown below. The per unit decrease was the result of lower generation costs reflecting seasonal demand and volume changes.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective November 1, 2020	\$0.01653	\$0.01768
F&PP Effective October 1, 2020	0.01805	0.01923
Change	(\$0.00152)	(\$0.00155)

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 93,382 electric customers in North Dakota as of September 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  
NOVEMBER 2020 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01848	\$0.01955
Prior Cost of Fuel	0.02000	0.02110
Change in Cost of Fuel	<u>(\$0.00152)</u>	<u>(\$0.00155)</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	 \$0.01848	 \$0.01955
Surcharge Adjustment	<u>(0.00195)</u>	<u>(0.00187)</u>
Total	<u><u>\$0.01653</u></u>	<u><u>\$0.01768</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	\$13,571,110	\$9,545,795	\$1,643,906	\$7,901,889
Account 502 Reagent	706,867	497,204	85,625	411,579
Account 502 Sand	127,882	89,951	15,491	74,460
Account 555 Energy	2,569,095	1,807,078	311,202	1,495,876
Accounts 555 Demand and 547 Pipeline Charges	1,572,671	1,116,454	109,524	1,006,930
Account 575 Market Admin.	147,862	104,005	17,911	86,094
Total F&PP Cost	<u>\$18,695,487</u>	<u>\$13,160,487</u>	<u>\$2,183,659</u>	<u>\$10,976,828</u>
Less:				
Wholesale Sales Revenue	\$39,093	\$27,498	\$4,736	\$22,762
Sale of RECs Revenue 4/	262,500	245,084	42,207	202,877
Total Revenue	<u>\$301,593</u>	<u>\$272,582</u>	<u>\$46,943</u>	<u>\$225,639</u>
Net System Cost	\$18,393,894	\$12,887,905	\$2,136,716	\$10,751,189
Kwh Retail Sales	950,961,255	665,518,934	<u>115,652,700</u>	<u>549,866,234</u>
Cost Per Kwh	\$0.01934	\$0.01937	<u><u>\$0.01848</u></u>	<u><u>\$0.01955</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
	June	July	August	September	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$3,073,498	\$4,184,196	\$3,662,909	\$2,650,507	\$13,571,110
Account 502 Reagent	144,992	210,816	186,167	164,892	706,867
Account 502 Sand	33,094	36,140	36,511	22,137	127,882
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	181,703	695,440	1,139,243	552,709	2,569,095
Account 575 Market Admin.	392,870	393,686	393,465	392,650	1,572,671
Total F&PP Cost	40,505	35,614	39,098	32,645	147,862
	<u>\$3,866,662</u>	<u>\$5,555,892</u>	<u>\$5,457,393</u>	<u>\$3,815,540</u>	<u>\$18,695,487</u>
Less:					
Wholesale Sales Revenue	(\$650)	\$12,409	\$2,042	\$25,292	\$39,093
Sale of RECs Revenue	0	262,500	0	0	262,500
Total Revenue	<u>(\$650)</u>	<u>\$274,909</u>	<u>\$2,042</u>	<u>\$25,292</u>	<u>\$301,593</u>
Net System Cost	\$3,867,312	\$5,280,983	\$5,455,351	\$3,790,248	\$18,393,894
Kwh Retail Sales	210,075,314	250,746,610	244,549,289	245,590,042	<u>950,961,255</u>
Cost Per Kwh	\$0.01841	\$0.02106	\$0.02231	\$0.01543	<u><u>\$0.01934</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	\$1,109,026	\$1,813,412	\$1,877,543	\$1,214,776
555.114	Real-Time Asset Energy	70,544	27,796	9,278	(32,291)
555.117	Real-Time Excessive Energy	3,418	(184)	92	0
555.118	Real-Time Non-Excessive Energy	(220,479)	(396,822)	(345,301)	(483,494)
555.1230	Revenue Rights Transaction	(129,575)	(129,575)	(129,575)	(113,429)
555.1232	Revenue Rights Infeasible Uplift	612	611	611	982
555.1233	Revenue Rights Stage 2 Distribution	(14,392)	(14,279)	(14,336)	(14,221)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(795)	15	(533)	(15)
555.135	Real-Time Asset Loss	(65,829)	(9,198)	(2,155)	51,156
555.136	Real-Time Distribution of Loss	(29,193)	(11,322)	54,567	(89,940)
555.151	Day-Ahead Rev Suff Guarantee Distribution	3,782	4,817	6,789	6,111
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(4)	0	(323)	(4)
555.153	Real-Time Miscellaneous	45,897	80	154	(954)
555.154	Real-Time Net Inadvertent Distribution	1,586	17,093	4,289	(21,854)
555.155	Real-Time Revenue Neutrality Uplift	9,796	12,571	101,939	359,592
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	1,762	13,879	7,725	2,103
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	(53,241)	(958)	0
555.159	Day-Ahead Schedule 24	3,927	4,659	5,071	3,918
555.160	Real-Time Schedule 24	894	715	800	984
555.162	Real-Time Price Volatility Make Whole Payment	(17,341)	(20,417)	(15,915)	(7,028)
555.164	Real-Time Schedule 49	4,992	4,022	4,897	5,736
555.1700	Day-Ahead Regulation Amount	(93)	(326)	(44)	0
555.1701	Day-Ahead Spinning Reserve Amount	(14,769)	(36,062)	(29,852)	(7,036)
555.1703	Day-Ahead Ramp Capability	(2,931)	(4,460)	(2,957)	(158)
555.1710	Real-Time Net Regulation Adjustment	6	20	(13)	0
555.1711	Real-Time Excessive Deficient Energy Deployment	36	22	42	14
555.1713	Real-Time Regulation Amount	(49)	1	(298)	(10)
555.1714	Real-Time Spinning Reserve Amount	3,145	6,827	5,711	(1,156)
555.1715	Real-Time Supplemental Reserve Amount	(3)	(112)	(12)	0
555.1716	Real-Time Regulation Cost Distribution	8,222	8,033	9,462	7,176
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	5,880	6,967	8,368	3,336
555.1718	Real-Time Supplemental Reserve Cost Distribution	816	684	1,132	615
555.1719	Real-Time Demand Response Allocation Uplift	0	0	0	22
555.1720	Real-Time Ramp Capability	72	(117)	182	(72)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$38,685)	(\$113,138)	(\$88,476)	(\$49,033)
555.186	Real-Time Over Collected Losses	(52,597)	(78,108)	(62,126)	(71,361)
555.1915	Real-Time Asset Congestion	75,856	(211,347)	(175,393)	(113,825)
555.1920	Auction Revenue Rights-Daily	(93,395)	(148,240)	(91,202)	(97,944)
555.1921	Auction Revenue Rights-Annual	(488,491)	0	0	0
	<u>Other</u>				
555.1	Purchased Power	\$0	\$119	\$0	\$0
555.5	Purchased Power Cogeneration	55	45	60	13
	<b>Total Account 555 Energy</b>	<b>\$181,703</b>	<b>\$695,440</b>	<b>\$1,139,243</b>	<b>\$552,709</b>