

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

November 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  
December 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 December 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 0.101 cents per Kwh for primary service customers and an increase of 0.104 cents per Kwh for secondary service customers for service rendered in the month of December 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 December 1, 2020	\$0.01754	\$0.01872
F&PP Effective November 1, 2020	0.01653	0.01768
Change	\$0.00101	\$0.00104

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 93,318 electric customers in North Dakota as of October 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  
DECEMBER 2020 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01949	\$0.02059
Prior Cost of Fuel	0.01848	0.01955
Change in Cost of Fuel	<u>\$0.00101</u>	<u>\$0.00104</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	 \$0.01949	 \$0.02059
Surcharge Adjustment	<u>(0.00195)</u>	<u>(0.00187)</u>
Total	<u><u>\$0.01754</u></u>	<u><u>\$0.01872</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	\$14,412,543	\$10,094,501	\$1,811,634	\$8,282,867
Account 502 Reagent	747,731	523,708	93,989	429,719
Account 502 Sand	126,385	88,520	15,886	72,634
Account 555 Energy	2,866,193	2,007,473	360,276	1,647,197
Accounts 555 Demand and 547 Pipeline Charges	1,495,487	1,061,660	104,149	957,511
Account 575 Market Admin.	152,799	107,020	19,207	87,813
Total F&PP Cost	<u>\$19,801,138</u>	<u>\$13,882,882</u>	<u>\$2,405,141</u>	<u>\$11,477,741</u>
Less:				
Wholesale Sales Revenue	\$134,557	\$94,243	\$16,914	\$77,329
Sale of RECs Revenue 4/	262,500	245,084	43,985	201,099
Total Revenue	<u>\$397,057</u>	<u>\$339,327</u>	<u>\$60,899</u>	<u>\$278,428</u>
Net System Cost	\$19,404,081	\$13,543,555	\$2,344,242	\$11,199,313
Kwh Retail Sales	953,250,779	664,330,352	<u>120,299,984</u>	<u>544,030,368</u>
Cost Per Kwh	\$0.02036	\$0.02039	<u><u>\$0.01949</u></u>	<u><u>\$0.02059</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
	July	August	September	October	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$4,184,196	\$3,662,909	\$2,650,507	\$3,914,931	\$14,412,543
Account 502 Reagent	210,816	186,167	164,892	185,856	747,731
Account 502 Sand	36,140	36,511	22,137	31,597	126,385
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	695,440	1,139,243	552,709	478,801	2,866,193
Account 575 Market Admin.	393,686	393,465	392,650	315,686	1,495,487
Total F&PP Cost	<u>\$5,555,892</u>	<u>\$5,457,393</u>	<u>\$3,815,540</u>	<u>\$4,972,313</u>	<u>\$19,801,138</u>
Less:					
Wholesale Sales Revenue	\$12,409	\$2,042	\$25,292	\$94,814	\$134,557
Sale of RECs Revenue	262,500	0	0	0	262,500
Total Revenue	<u>\$274,909</u>	<u>\$2,042</u>	<u>\$25,292</u>	<u>\$94,814</u>	<u>\$397,057</u>
Net System Cost	\$5,280,983	\$5,455,351	\$3,790,248	\$4,877,499	\$19,404,081
Kwh Retail Sales	250,746,610	244,549,289	245,590,042	212,364,838	<u>953,250,779</u>
Cost Per Kwh	\$0.02106	\$0.02231	\$0.01543	\$0.02297	<u><u>\$0.02036</u></u>

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

Account No.	Account Description	2020			
		June	July	August	September
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$1,813,412	\$1,877,543	\$1,214,776	\$1,239,489
555.114	Real-Time Asset Energy	27,796	9,278	(32,291)	44,399
555.117	Real-Time Excessive Energy	(184)	92	0	959
555.118	Real-Time Non-Excessive Energy	(396,822)	(345,301)	(483,494)	(646,104)
555.1230	Revenue Rights Transaction	(129,575)	(129,575)	(113,429)	(113,429)
555.1232	Revenue Rights Infeasible Uplift	611	611	982	982
555.1233	Revenue Rights Stage 2 Distribution	(14,279)	(14,336)	(14,221)	(14,221)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	15	(533)	(15)	(280)
555.135	Real-Time Asset Loss	(9,198)	(2,155)	51,156	(56,753)
555.136	Real-Time Distribution of Loss	(11,322)	54,567	(89,940)	(19,849)
555.151	Day-Ahead Rev Suff Guarantee Distribution	4,817	6,789	6,111	6,783
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	(323)	(4)	(1)
555.153	Real-Time Miscellaneous	80	154	(954)	883
555.154	Real-Time Net Inadvertent Distribution	17,093	4,289	(21,854)	(157)
555.155	Real-Time Revenue Neutrality Uplift	12,571	101,939	359,592	49,339
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	13,879	7,725	2,103	9,359
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(53,241)	(958)	0	(2,168)
555.159	Day-Ahead Schedule 24	4,659	5,071	3,918	5,154
555.160	Real-Time Schedule 24	715	800	984	1,205
555.162	Real-Time Price Volatility Make Whole Payment	(20,417)	(15,915)	(7,028)	(7,474)
555.164	Real-Time Schedule 49	4,022	4,897	5,736	4,805
555.1700	Day-Ahead Regulation Amount	(326)	(44)	0	(654)
555.1701	Day-Ahead Spinning Reserve Amount	(36,062)	(29,852)	(7,036)	(9,448)
555.1703	Day-Ahead Ramp Capability	(4,460)	(2,957)	(158)	(1,118)
555.1710	Real-Time Net Regulation Adjustment	20	(13)	0	0
555.1711	Real-Time Excessive Deficient Energy Deployment	22	42	14	71
555.1713	Real-Time Regulation Amount	1	(298)	(10)	520
555.1714	Real-Time Spinning Reserve Amount	6,827	5,711	(1,156)	(188)
555.1715	Real-Time Supplemental Reserve Amount	(112)	(12)	0	0
555.1716	Real-Time Regulation Cost Distribution	8,033	9,462	7,176	9,659
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	6,967	8,368	3,336	4,991
555.1718	Real-Time Supplemental Reserve Cost Distribution	684	1,132	615	844
555.1719	Real-Time Demand Response Allocation Uplift	0	0	22	1
555.1720	Real-Time Ramp Capability	(117)	182	(72)	(212)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$113,138)	(\$88,476)	(\$49,033)	(\$2,675)
555.186	Real-Time Over Collected Losses	(78,108)	(62,126)	(71,361)	(71,513)
555.1915	Real-Time Asset Congestion	(211,347)	(175,393)	(113,825)	140,470
555.1920	Auction Revenue Rights-Daily	(148,240)	(91,202)	(97,944)	(95,009)
	<u>Other</u>				
555.1	Purchased Power	\$119	\$0	\$0	\$0
555.5	Purchased Power Cogeneration	45	60	13	141
	<b>Total Account 555 Energy</b>	<b>\$695,440</b>	<b>\$1,139,243</b>	<b>\$552,709</b>	<b>\$478,801</b>