

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

December 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
January 2021

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 January 2021. 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 0.092 cents per Kwh for primary service customers and an increase of 0.097 cents per Kwh for secondary service customers for service rendered in the month of January 2021 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 January 1, 2021	\$0.01846	\$0.01969
F&PP Effective December 1, 2020	0.01754	0.01872
Change	\$0.00092	\$0.00097

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 93,359 electric customers in North Dakota as of November 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
JANUARY 2021 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02041	\$0.02156
Prior Cost of Fuel	0.01949	0.02059
Change in Cost of Fuel	<u>\$0.00092</u>	<u>\$0.00097</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	 \$0.02041	 \$0.02156
Surcharge Adjustment	<u>(0.00195)</u>	<u>(0.00187)</u>
Total	<u><u>\$0.01846</u></u>	<u><u>\$0.01969</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/ Primary</u>	<u>Secondary</u>
Fuel & Purchased Power Cost				
Accounts 501 Coal and 547 Gas	\$14,290,494	\$9,999,136	\$1,883,638	\$8,115,498
Account 502 Reagent	713,318	499,112	94,023	405,089
Account 502 Sand	125,301	87,674	16,516	71,158
Account 555 Energy	3,051,363	2,135,055	402,202	1,732,853
Accounts 555 Demand and 547 Pipeline Charges	1,416,935	1,005,895	98,678	907,217
Account 575 Market Admin.	162,632	113,794	21,437	92,357
Total F&PP Cost	<u>\$19,760,043</u>	<u>\$13,840,666</u>	<u>\$2,516,494</u>	<u>\$11,324,172</u>
Less:				
Wholesale Sales Revenue	<u>\$348,614</u>	<u>\$243,927</u>	<u>\$45,951</u>	<u>\$197,976</u>
Total Revenue	<u>\$348,614</u>	<u>\$243,927</u>	<u>\$45,951</u>	<u>\$197,976</u>
Net System Cost	\$19,411,429	\$13,596,739	\$2,470,543	\$11,126,196
Kwh Retail Sales	915,046,699	637,016,390	<u>121,070,624</u>	<u>515,945,766</u>
Cost Per Kwh	\$0.02121	\$0.02134	<u><u>\$0.02041</u></u>	<u><u>\$0.02156</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.

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
	August	September	October	November	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$3,662,909	\$2,650,507	\$3,914,931	\$4,062,147	\$14,290,494
Account 502 Reagent	186,167	164,892	185,856	176,403	713,318
Account 502 Sand	36,511	22,137	31,597	35,056	125,301
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	1,139,243	552,709	478,801	880,610	3,051,363
Account 575 Market Admin.	393,465	392,650	315,686	315,134	1,416,935
Total F&PP Cost	39,098	32,645	45,442	45,447	162,632
	<u>\$5,457,393</u>	<u>\$3,815,540</u>	<u>\$4,972,313</u>	<u>\$5,514,797</u>	<u>\$19,760,043</u>
Less:					
Wholesale Sales Revenue	\$2,042	\$25,292	\$94,814	\$226,466	\$348,614
Total Revenue	<u>\$2,042</u>	<u>\$25,292</u>	<u>\$94,814</u>	<u>\$226,466</u>	<u>\$348,614</u>
Net System Cost	\$5,455,351	\$3,790,248	\$4,877,499	\$5,288,331	\$19,411,429
Kwh Retail Sales	244,549,289	245,590,042	212,364,838	212,542,530	<u>915,046,699</u>
Cost Per Kwh	\$0.02231	\$0.01543	\$0.02297	\$0.02488	<u><u>\$0.02121</u></u>

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

Account No.	Account Description	2020			
		August	September	October	November
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$1,877,543	\$1,214,776	\$1,239,489	\$1,709,507
555.114	Real-Time Asset Energy	9,278	(32,291)	44,399	(148,673)
555.117	Real-Time Excessive Energy	92	0	959	(191)
555.118	Real-Time Non-Excessive Energy	(345,301)	(483,494)	(646,104)	(738,074)
555.1230	Revenue Rights Transaction	(129,575)	(113,429)	(113,429)	(113,429)
555.1232	Revenue Rights Infeasible Uplift	611	982	982	982
555.1233	Revenue Rights Stage 2 Distribution	(14,336)	(14,221)	(14,221)	(14,221)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(533)	(15)	(280)	(329)
555.135	Real-Time Asset Loss	(2,155)	51,156	(56,753)	13,363
555.136	Real-Time Distribution of Loss	54,567	(89,940)	(19,849)	(29,958)
555.151	Day-Ahead Rev Suff Guarantee Distribution	6,789	6,111	6,783	8,606
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(323)	(4)	(1)	0
555.153	Real-Time Miscellaneous	154	(954)	883	155
555.154	Real-Time Net Inadvertent Distribution	4,289	(21,854)	(157)	(862)
555.155	Real-Time Revenue Neutrality Uplift	101,939	359,592	49,339	56,238
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	7,725	2,103	9,359	3,256
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(958)	0	(2,168)	(960)
555.159	Day-Ahead Schedule 24	5,071	3,918	5,154	5,511
555.160	Real-Time Schedule 24	800	984	1,205	1,300
555.162	Real-Time Price Volatility Make Whole Payment	(15,915)	(7,028)	(7,474)	(9,631)
555.164	Real-Time Schedule 49	4,897	5,736	4,805	3,293
555.1700	Day-Ahead Regulation Amount	(44)	0	(654)	0
555.1701	Day-Ahead Spinning Reserve Amount	(29,852)	(7,036)	(9,448)	(12,235)
555.1703	Day-Ahead Ramp Capability	(2,957)	(158)	(1,118)	(418)
555.1710	Real-Time Net Regulation Adjustment	(13)	0	0	(4)
555.1711	Real-Time Excessive Deficient Energy Deployment	42	14	71	2
555.1713	Real-Time Regulation Amount	(298)	(10)	520	(38)
555.1714	Real-Time Spinning Reserve Amount	5,711	(1,156)	(188)	2,642
555.1715	Real-Time Supplemental Reserve Amount	(12)	0	0	0
555.1716	Real-Time Regulation Cost Distribution	9,462	7,176	9,659	10,528
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	8,368	3,336	4,991	6,040
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,132	615	844	978
555.1719	Real-Time Demand Response Allocation Uplift	0	22	1	0
555.1720	Real-Time Ramp Capability	182	(72)	(212)	81
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$88,476)	(\$49,033)	(\$2,675)	\$23,787
555.186	Real-Time Over Collected Losses	(62,126)	(71,361)	(71,513)	(112,834)
555.1915	Real-Time Asset Congestion	(175,393)	(113,825)	140,470	212,802
555.1920	Auction Revenue Rights-Daily	(91,202)	(97,944)	(95,009)	0
	<u>Other</u>				
555.1	Purchased Power	\$0	\$0	\$0	\$3,269
555.5	Purchased Power Cogeneration	60	13	141	127
	Total Account 555 Energy	\$1,139,243	\$552,709	\$478,801	\$880,610