

January 15, 2021

Executive Secretary  
North Dakota Public Service Commission  
State Capitol Building  
600 East Boulevard  
Bismarck, ND 58505-0480Re: Fuel and Purchased Power Adjustment  
Case No. PU-21-011  
February 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 February 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 0.061 cents per Kwh for primary service customers and an increase of 0.057 cents per Kwh for secondary service customers for service rendered in the month of February 2021 from current effective rates as shown below. The increase was largely the result of a per unit increase in MISO market prices.

	Primary	Secondary
F&PP Effective February 1, 2021	\$0.01907	\$0.02026
F&PP Effective January 1, 2021	0.01846	0.01969
Change	\$0.00061	\$0.00057

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 93,344 electric customers in North Dakota as of December 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](mailto: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  
FEBRUARY 2021 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02102	\$0.02213
Prior Cost of Fuel	0.02041	0.02156
Change in Cost of Fuel	<u>\$0.00061</u>	<u>\$0.00057</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	 \$0.02102	 \$0.02213
Surcharge Adjustment	<u>(0.00195)</u>	<u>(0.00187)</u>
Total	<u><u>\$0.01907</u></u>	<u><u>\$0.02026</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	\$15,080,404	\$10,568,365	\$2,031,784	\$8,536,581
Account 502 Reagent	795,852	557,734	107,225	450,509
Account 502 Sand	126,849	88,896	17,090	71,806
Account 555 Energy	3,455,355	2,421,517	465,540	1,955,977
Accounts 555 Demand and 547 Pipeline Charges	1,338,935	950,522	93,246	857,276
Account 575 Market Admin.	175,306	122,855	23,619	99,236
Total F&PP Cost	<u>\$20,972,701</u>	<u>\$14,709,889</u>	<u>\$2,738,504</u>	<u>\$11,971,385</u>
Less:				
Wholesale Sales Revenue	\$460,530	\$322,740	\$62,047	\$260,693
Sale of RECs Revenue 4/	3,400	2,414	464	1,950
Total Revenue	<u>\$463,930</u>	<u>\$325,154</u>	<u>\$62,511</u>	<u>\$262,643</u>
Net System Cost	\$20,508,771	\$14,384,735	\$2,675,993	\$11,708,742
Kwh Retail Sales	941,434,066	656,490,387	<u>127,330,626</u>	<u>529,159,761</u>
Cost Per Kwh	\$0.02178	\$0.02191	<u><u>\$0.02102</u></u>	<u><u>\$0.02213</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
	September	October	November	December	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$2,650,507	\$3,914,931	\$4,062,147	\$4,452,819	\$15,080,404
Account 502 Reagent	164,892	185,856	176,403	268,701	795,852
Account 502 Sand	22,137	31,597	35,056	38,059	126,849
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	552,709	478,801	880,610	1,543,235	3,455,355
Account 575 Market Admin.	392,650	315,686	315,134	315,465	1,338,935
Total F&PP Cost	32,645	45,442	45,447	51,772	175,306
	<u>\$3,815,540</u>	<u>\$4,972,313</u>	<u>\$5,514,797</u>	<u>\$6,670,051</u>	<u>\$20,972,701</u>
Less:					
Wholesale Sales Revenue	\$25,292	\$94,814	\$226,466	\$113,958	\$460,530
Sale of RECs Revenue	0	0	0	3,400	3,400
Total Revenue	<u>\$25,292</u>	<u>\$94,814</u>	<u>\$226,466</u>	<u>\$117,358</u>	<u>\$463,930</u>
Net System Cost	\$3,790,248	\$4,877,499	\$5,288,331	\$6,552,693	\$20,508,771
Kwh Retail Sales	245,590,042	212,364,838	212,542,530	270,936,656	<u>941,434,066</u>
Cost Per Kwh	\$0.01543	\$0.02297	\$0.02488	\$0.02419	<u><u>\$0.02178</u></u>

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

Account No.	Account Description	2020			
		September	October	November	December
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$1,214,776	\$1,239,489	\$1,709,507	\$1,939,810
555.114	Real-Time Asset Energy	(32,291)	44,399	(148,673)	(5,517)
555.117	Real-Time Excessive Energy	0	959	(191)	125
555.118	Real-Time Non-Excessive Energy	(483,494)	(646,104)	(738,074)	(969,111)
555.1230	Revenue Rights Transaction	(113,429)	(113,429)	(113,429)	(100,274)
555.1232	Revenue Rights Infeasible Uplift	982	982	982	1,336
555.1233	Revenue Rights Stage 2 Distribution	(14,221)	(14,221)	(14,221)	(16,741)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(15)	(280)	(329)	(3,221)
555.135	Real-Time Asset Loss	51,156	(56,753)	13,363	68,213
555.136	Real-Time Distribution of Loss	(89,940)	(19,849)	(29,958)	(30,786)
555.151	Day-Ahead Rev Suff Guarantee Distribution	6,111	6,783	8,606	10,298
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(4)	(1)	0	0
555.153	Real-Time Miscellaneous	(954)	883	155	88
555.154	Real-Time Net Inadvertent Distribution	(21,854)	(157)	(862)	(1,428)
555.155	Real-Time Revenue Neutrality Uplift	359,592	49,339	56,238	73,780
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	2,103	9,359	3,256	3,981
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	(2,168)	(960)	0
555.159	Day-Ahead Schedule 24	3,918	5,154	5,511	5,871
555.160	Real-Time Schedule 24	984	1,205	1,300	1,182
555.162	Real-Time Price Volatility Make Whole Payment	(7,028)	(7,474)	(9,631)	(5,329)
555.164	Real-Time Schedule 49	5,736	4,805	3,293	4,008
555.1700	Day-Ahead Regulation Amount	0	(654)	0	(165)
555.1701	Day-Ahead Spinning Reserve Amount	(7,036)	(9,448)	(12,235)	(12,277)
555.1703	Day-Ahead Ramp Capability	(158)	(1,118)	(418)	(430)
555.1710	Real-Time Net Regulation Adjustment	0	0	(4)	1
555.1711	Real-Time Excessive Deficient Energy Deployment	14	71	2	18
555.1713	Real-Time Regulation Amount	(10)	520	(38)	66
555.1714	Real-Time Spinning Reserve Amount	(1,156)	(188)	2,642	(1,349)
555.1716	Real-Time Regulation Cost Distribution	7,176	9,659	10,528	10,969
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	3,336	4,991	6,040	7,155
555.1718	Real-Time Supplemental Reserve Cost Distribution	615	844	978	1,083
555.1719	Real-Time Demand Response Allocation Uplift	22	1	0	1,811
555.1720	Real-Time Ramp Capability	(72)	(212)	81	(194)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$49,033)	(\$2,675)	\$23,787	\$47,684
555.186	Real-Time Over Collected Losses	(71,361)	(71,513)	(112,834)	(121,526)
555.1915	Real-Time Asset Congestion	(113,825)	140,470	212,802	631,600
555.1920	Auction Revenue Rights-Daily	(97,944)	(95,009)	0	0
	<u>Other</u>				
555.1	Purchased Power	\$0	\$0	\$3,269	\$2,357
555.5	Purchased Power Cogeneration	13	141	127	147
	<b>Total Account 555 Energy</b>	<b>\$552,709</b>	<b>\$478,801</b>	<b>\$880,610</b>	<b>\$1,543,235</b>