

February 17, 2021

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-21-011  
March 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 March 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 0.129 cents per Kwh for primary service customers and an increase of 0.122 cents per Kwh for secondary service customers for service rendered in the month of March 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 March 1, 2021	\$0.02036	\$0.02148
F&PP Effective February 1, 2021	0.01907	0.02026
Change	\$0.00129	\$0.00122

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 93,369 electric customers in North Dakota as of January 31, 2021.

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  
MARCH 2021 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02231	\$0.02335
Prior Cost of Fuel	<u>0.02102</u>	<u>0.02213</u>
Change in Cost of Fuel	\$0.00129	\$0.00122
 <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	 \$0.02231	 \$0.02335
Surcharge Adjustment	<u>(0.00195)</u>	<u>(0.00187)</u>
Total	<u><u>\$0.02036</u></u>	<u><u>\$0.02148</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	\$16,922,739	\$11,879,911	\$2,280,123	\$9,599,788
Account 502 Reagent	870,382	611,016	117,273	493,743
Account 502 Sand	142,587	100,097	19,212	80,885
Account 555 Energy	4,026,813	2,826,858	542,562	2,284,296
Accounts 555 Demand and 547 Pipeline Charges	1,262,193	896,944	87,990	808,954
Account 575 Market Admin.	187,357	131,526	25,244	106,282
Total F&PP Cost	<u>\$23,412,071</u>	<u>\$16,446,352</u>	<u>\$3,072,404</u>	<u>\$13,373,948</u>
Less:				
Wholesale Sales Revenue	\$577,920	\$405,705	\$77,867	\$327,838
Sale of RECs Revenue 4/	381,400	355,688	68,268	287,420
Total Revenue	<u>\$959,320</u>	<u>\$761,393</u>	<u>\$146,135</u>	<u>\$615,258</u>
Net System Cost	\$22,452,751	\$15,684,959	\$2,926,269	\$12,758,690
Kwh Retail Sales	969,958,340	677,519,041	<u>131,190,652</u>	<u>546,328,389</u>
Cost Per Kwh	\$0.02315	\$0.02315	<u><u>\$0.02231</u></u>	<u><u>\$0.02335</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	71.062334%
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			2021	Total
	October	November	December	January	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$3,914,931	\$4,062,147	\$4,452,819	\$4,492,842	\$16,922,739
Account 502 Reagent	185,856	176,403	268,701	239,422	870,382
Account 502 Sand	31,597	35,056	38,059	37,875	142,587
Account 555 Energy 1/	478,801	880,610	1,543,235	1,124,167	4,026,813
Accounts 555 Demand and 547 Pipeline Charges	315,686	315,134	315,465	315,908	1,262,193
Account 575 Market Admin.	45,442	45,447	51,772	44,696	187,357
Total F&PP Cost	<u>\$4,972,313</u>	<u>\$5,514,797</u>	<u>\$6,670,051</u>	<u>\$6,254,910</u>	<u>\$23,412,071</u>
Less:					
Wholesale Sales Revenue	\$94,814	\$226,466	\$113,958	\$142,682	\$577,920
Sale of RECs Revenue	0	0	3,400	378,000	381,400
Total Revenue	<u>\$94,814</u>	<u>\$226,466</u>	<u>\$117,358</u>	<u>\$520,682</u>	<u>\$959,320</u>
Net System Cost	\$4,877,499	\$5,288,331	\$6,552,693	\$5,734,228	\$22,452,751
Kwh Retail Sales	212,364,838	212,542,530	270,936,656	274,114,316	<u>969,958,340</u>
Cost Per Kwh	\$0.02297	\$0.02488	\$0.02419	\$0.02092	<u><u>\$0.02315</u></u>

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

Account No.	Account Description	2020			2021
		October	November	December	January
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$1,239,489	\$1,709,507	\$1,939,810	\$1,732,200
555.114	Real-Time Asset Energy	44,399	(148,673)	(5,517)	46,200
555.117	Real-Time Excessive Energy	959	(191)	125	(225)
555.118	Real-Time Non-Excessive Energy	(646,104)	(738,074)	(969,111)	(547,511)
555.1230	Revenue Rights Transaction	(113,429)	(113,429)	(100,274)	(100,274)
555.1232	Revenue Rights Infeasible Uplift	982	982	1,336	1,336
555.1233	Revenue Rights Stage 2 Distribution	(14,221)	(14,221)	(16,741)	(16,741)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(280)	(329)	(3,221)	8
555.135	Real-Time Asset Loss	(56,753)	13,363	68,213	141,784
555.136	Real-Time Distribution of Loss	(19,849)	(29,958)	(30,786)	(27,664)
555.151	Day-Ahead Rev Suff Guarantee Distribution	6,783	8,606	10,298	4,886
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(1)	0	0	0
555.153	Real-Time Miscellaneous	883	155	88	149
555.154	Real-Time Net Inadvertent Distribution	(157)	(862)	(1,428)	928
555.155	Real-Time Revenue Neutrality Uplift	49,339	56,238	73,780	46,946
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	9,359	3,256	3,981	2,519
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(2,168)	(960)	0	0
555.159	Day-Ahead Schedule 24	5,154	5,511	5,871	5,977
555.160	Real-Time Schedule 24	1,205	1,300	1,182	974
555.162	Real-Time Price Volatility Make Whole Payment	(7,474)	(9,631)	(5,329)	(8,439)
555.164	Real-Time Schedule 49	4,805	3,293	4,008	2,396
555.1700	Day-Ahead Regulation Amount	(654)	0	(165)	(278)
555.1701	Day-Ahead Spinning Reserve Amount	(9,448)	(12,235)	(12,277)	(12,484)
555.1703	Day-Ahead Ramp Capability	(1,118)	(418)	(430)	(374)
555.1710	Real-Time Net Regulation Adjustment	0	(4)	1	0
555.1711	Real-Time Excessive Deficient Energy Deployment	71	2	18	186
555.1713	Real-Time Regulation Amount	520	(38)	66	140
555.1714	Real-Time Spinning Reserve Amount	(188)	2,642	(1,349)	1,352
555.1716	Real-Time Regulation Cost Distribution	9,659	10,528	10,969	9,993
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	4,991	6,040	7,155	5,606
555.1718	Real-Time Supplemental Reserve Cost Distribution	844	978	1,083	804
555.1719	Real-Time Demand Response Allocation Uplift	1	0	1,811	803
555.1720	Real-Time Ramp Capability	(212)	81	(194)	(354)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$2,675)	\$23,787	\$47,684	(\$1,231)
555.186	Real-Time Over Collected Losses	(71,513)	(112,834)	(121,526)	(105,880)
555.1915	Real-Time Asset Congestion	140,470	212,802	631,600	(62,984)
555.1920	Auction Revenue Rights-Daily	(95,009)	0	0	0
	<u>Other</u>				
555.1	Purchased Power	\$0	\$3,269	\$2,357	\$3,352
555.5	Purchased Power Cogeneration	141	127	147	67
	<b>Total Account 555 Energy</b>	<b>\$478,801</b>	<b>\$880,610</b>	<b>\$1,543,235</b>	<b>\$1,124,167</b>