

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

May 18, 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
June 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 June 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 a decrease of 0.134 cents per Kwh for primary service customers and a decrease of 0.131 cents per Kwh for secondary service customers for service rendered in the month of June 2021 from current effective rates as shown below. The decrease was largely the result of a per unit decrease in MISO market prices.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective June 1, 2021	\$0.01962	\$0.02050
F&PP Effective May 1, 2021	0.02096	0.02181
Change	(\$0.00134)	(\$0.00131)

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 93,423 electric customers in North Dakota as of April 30, 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 3, 2021. This payment will cover the filing fee associated with the Fuel and Purchased Power adjustment filings for March 2021 through February 2022 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
JUNE 2021 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01959	\$0.02050
Prior Cost of Fuel	0.02093	0.02181
Change in Cost of Fuel	<u>(\$0.00134)</u>	<u>(\$0.00131)</u>
 <u>Surcharge Adjustment</u>		
Current Adjustment	\$0.00003	\$0.00000
Prior Adjustment	0.00003	0.00000
Change in Surcharge Adjustment	<u>\$0.00000</u>	<u>\$0.00000</u>
 Cost of Fuel	 \$0.01959	 \$0.02050
Surcharge Adjustment	0.00003	0.00000
Total	<u><u>\$0.01962</u></u>	<u><u>\$0.02050</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	\$16,033,984	\$11,354,795	\$2,099,420	\$9,255,375
Account 502 Reagent	890,977	630,964	116,661	514,303
Account 502 Sand	149,211	105,667	19,537	86,130
Account 555 Energy	3,664,260	2,594,921	479,782	2,115,139
Accounts 555 Demand and 547 Pipeline Charges	1,257,029	893,274	87,630	805,644
Account 575 Market Admin.	165,182	116,977	21,628	95,349
Total F&PP Cost	<u>\$22,160,643</u>	<u>\$15,696,598</u>	<u>\$2,824,658</u>	<u>\$12,871,940</u>
Less:				
Wholesale Sales Revenue	\$325,892	\$230,787	\$42,671	\$188,116
Sale of RECs Revenue 4/	381,549	356,592	65,931	290,661
Total Revenue	<u>\$707,441</u>	<u>\$587,379</u>	<u>\$108,602</u>	<u>\$478,777</u>
Net System Cost	\$21,453,202	\$15,109,219	\$2,716,056	\$12,393,163
Kwh Retail Sales	1,054,385,092	743,210,193	<u>138,644,146</u>	<u>604,566,047</u>
Cost Per Kwh	\$0.02035	\$0.02033	<u><u>\$0.01959</u></u>	<u><u>\$0.02050</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**

	2021				Total
	January	February	March	April	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$4,492,842	\$4,611,329	\$4,389,366	\$2,540,447	\$16,033,984
Account 502 Reagent	239,422	253,476	243,258	154,821	890,977
Account 502 Sand	37,875	41,531	45,557	24,248	149,211
Account 555 Energy 1/	1,124,167	5,493,880	(4,190,237)	1,236,450	3,664,260
Accounts 555 Demand and 547 Pipeline Charges	315,908	313,651	315,624	311,846	1,257,029
Account 575 Market Admin.	44,696	49,587	30,132	40,767	165,182
Total F&PP Cost	<u>\$6,254,910</u>	<u>\$10,763,454</u>	<u>\$833,700</u>	<u>\$4,308,579</u>	<u>\$22,160,643</u>
Less:					
Wholesale Sales Revenue	\$142,682	\$113,379	\$65,340	\$4,491	\$325,892
Sale of RECs Revenue	378,000	2,198	1,351	0	381,549
Total Revenue	<u>\$520,682</u>	<u>\$115,577</u>	<u>\$66,691</u>	<u>\$4,491</u>	<u>\$707,441</u>
Net System Cost	\$5,734,228	\$10,647,877	\$767,009	\$4,304,088	\$21,453,202
Kwh Retail Sales	274,114,316	263,858,496	285,398,673	231,013,607	<u>1,054,385,092</u>
Cost Per Kwh	\$0.02092	\$0.04035	\$0.00269	\$0.01863	<u><u>\$0.02035</u></u>

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

		2021			
Account No.	Account Description	January	February	March	April
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$1,732,200	\$7,066,033	\$1,386,179	\$2,425,947
555.114	Real-Time Asset Energy	46,200	(109,771)	(58,737)	7,756
555.117	Real-Time Excessive Energy	(225)	(611)	412	236
555.118	Real-Time Non-Excessive Energy	(547,511)	(1,287,647)	(398,113)	(504,887)
555.1230	Revenue Rights Transaction	(100,274)	(100,274)	(76,648)	(76,648)
555.1232	Revenue Rights Infeasible Uplift	1,336	1,336	268	268
555.1233	Revenue Rights Stage 2 Distribution	(16,741)	(16,741)	(8,773)	(8,773)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	8	(2,793)	(2,992)	(2,165)
555.135	Real-Time Asset Loss	141,784	222,884	47,955	29,587
555.136	Real-Time Distribution of Loss	(27,664)	(193,982)	(36,299)	(30,797)
555.151	Day-Ahead Rev Suff Guarantee Distribution	4,886	24,282	8,663	6,461
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	(6,729)	(21)	(10)
555.153	Real-Time Miscellaneous	149	399	(205)	554
555.154	Real-Time Net Inadvertent Distribution	928	876	1,143	(472)
555.155	Real-Time Revenue Neutrality Uplift	46,946	(234,020)	157,644	67,348
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	2,519	162,857	3,774	(18,629)
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	(35,261)	0	0
555.159	Day-Ahead Schedule 24	5,977	6,417	5,113	4,374
555.160	Real-Time Schedule 24	974	1,186	1,087	1,071
555.162	Real-Time Price Volatility Make Whole Payment	(8,439)	(32,473)	(18,992)	(122,417)
555.164	Real-Time Schedule 49	2,396	2,595	3,812	4,297
555.1700	Day-Ahead Regulation Amount	(278)	(390)	(183)	(83)
555.1701	Day-Ahead Spinning Reserve Amount	(12,484)	(41,092)	(30,787)	(34,839)
555.1702	Day-Ahead Supplemental Reserve Amount	0	(4,991)	0	(77)
555.1703	Day-Ahead Ramp Capability	(374)	(228)	(931)	(1,377)
555.1710	Real-Time Net Regulation Adjustment	0	144	12	1,425
555.1711	Real-Time Excessive Deficient Energy Deployment	186	43	(26)	17
555.1712	Real-Time Contingency Reserve Deployment	0	0	497	0
555.1713	Real-Time Regulation Amount	140	(457)	566	(721)
555.1714	Real-Time Spinning Reserve Amount	1,352	(246)	4,879	7,504
555.1715	Real-Time Supplemental Reserve Amount	0	(6,238)	0	(234)
555.1716	Real-Time Regulation Cost Distribution	9,993	20,009	13,067	11,845
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	5,606	18,762	12,323	12,570
555.1718	Real-Time Supplemental Reserve Cost Distribution	804	24,976	1,293	2,890
555.1719	Real-Time Demand Response Allocation Uplift	803	10,802	970	1,235
555.1720	Real-Time Ramp Capability	(354)	(97)	(101)	(194)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$1,231)	\$116,744	(\$1,329,138)	(\$10,693)
555.186	Real-Time Over Collected Losses	(105,880)	(99,688)	(4,253,778)	(97,804)
555.1915	Real-Time Asset Congestion	(62,984)	(15,149)	264,092	(439,357)
	<u>Other</u>				
555.1	Purchased Power	\$3,352	\$2,293	\$111,454	\$907
555.5	Purchased Power Cogeneration	67	120	284	335
	Total Account 555 Energy	\$1,124,167	\$5,493,880	(\$4,190,237)	\$1,236,450