

June 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
July 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 July 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 0.138 cents per Kwh for primary service customers and an increase of 0.149 cents per Kwh for secondary service customers for service rendered in the month of July 2021 from current effective rates as shown below. The change was the result of an increase in the per unit cost of MISO reflecting seasonal demand and volume changes.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective July 1, 2021	\$0.02100	\$0.02199
F&PP Effective June 1, 2021	0.01962	0.02050
Change	\$0.00138	\$0.00149

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 93,403 electric customers in North Dakota as of May 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 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)	\$0.02097	\$0.02199
Prior Cost of Fuel	0.01959	0.02050
Change in Cost of Fuel	<u>\$0.00138</u>	<u>\$0.00149</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	 \$0.02097	 \$0.02199
Surcharge Adjustment	0.00003	0.00000
Total	<u><u>\$0.02100</u></u>	<u><u>\$0.02199</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	\$14,859,403	\$10,511,372	\$2,025,442	\$8,485,930
Account 502 Reagent	815,917	577,170	111,215	465,955
Account 502 Sand	153,246	108,404	20,888	87,516
Account 555 Energy	4,289,759	3,034,526	584,725	2,449,801
Accounts 555 Demand and 547 Pipeline Charges	1,253,367	890,672	87,375	803,297
Account 575 Market Admin.	161,133	113,984	21,964	92,020
Total F&PP Cost	<u>\$21,532,825</u>	<u>\$15,236,128</u>	<u>\$2,851,609</u>	<u>\$12,384,519</u>
Less:				
Wholesale Sales Revenue	\$269,455	\$190,610	\$36,729	\$153,881
Sale of RECs Revenue 4/	3,549	3,318	639	2,679
Total Revenue	<u>\$273,004</u>	<u>\$193,928</u>	<u>\$37,368</u>	<u>\$156,560</u>
Net System Cost	\$21,259,821	\$15,042,200	\$2,814,241	\$12,227,959
Kwh Retail Sales	980,501,316	690,302,951	<u>134,193,947</u>	<u>556,109,004</u>
Cost Per Kwh	\$0.02168	\$0.02179	<u><u>\$0.02097</u></u>	<u><u>\$0.02199</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
	February	March	April	May	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$4,611,329	\$4,389,366	\$2,540,447	\$3,318,261	\$14,859,403
Account 502 Reagent	253,476	243,258	154,821	164,362	815,917
Account 502 Sand	41,531	45,557	24,248	41,910	153,246
Account 555 Energy 1/	5,493,880	(4,190,237)	1,236,450	1,749,666	4,289,759
Accounts 555 Demand and 547 Pipeline Charges	313,651	315,624	311,846	312,246	1,253,367
Account 575 Market Admin.	49,587	30,132	40,767	40,647	161,133
Total F&PP Cost	<u>\$10,763,454</u>	<u>\$833,700</u>	<u>\$4,308,579</u>	<u>\$5,627,092</u>	<u>\$21,532,825</u>
Less:					
Wholesale Sales Revenue	\$113,379	\$65,340	\$4,491	\$86,245	\$269,455
Sale of RECs Revenue	2,198	1,351	0	0	3,549
Total Revenue	<u>\$115,577</u>	<u>\$66,691</u>	<u>\$4,491</u>	<u>\$86,245</u>	<u>\$273,004</u>
Net System Cost	\$10,647,877	\$767,009	\$4,304,088	\$5,540,847	\$21,259,821
Kwh Retail Sales	263,858,496	285,398,673	231,013,607	200,230,540	<u>980,501,316</u>
Cost Per Kwh	\$0.04035	\$0.00269	\$0.01863	\$0.02767	<u><u>\$0.02168</u></u>

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

Account No.	Account Description	2021			
		February	March	April	May
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$7,066,033	\$1,386,179	\$2,425,947	\$2,054,536
555.114	Real-Time Asset Energy	(109,771)	(58,737)	7,756	(34,241)
555.117	Real-Time Excessive Energy	(611)	412	236	(203)
555.118	Real-Time Non-Excessive Energy	(1,287,647)	(398,113)	(504,887)	(598,968)
555.1230	Revenue Rights Transaction	(100,274)	(76,648)	(76,648)	(76,648)
555.1232	Revenue Rights Infeasible Uplift	1,336	268	268	268
555.1233	Revenue Rights Stage 2 Distribution	(16,741)	(8,773)	(8,773)	(8,773)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(2,793)	(2,992)	(2,165)	(2,099)
555.135	Real-Time Asset Loss	222,884	47,955	29,587	18,196
555.136	Real-Time Distribution of Loss	(193,982)	(36,299)	(30,797)	(38,711)
555.151	Day-Ahead Rev Suff Guarantee Distribution	24,282	8,663	6,461	6,635
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(6,729)	(21)	(10)	(6)
555.153	Real-Time Miscellaneous	399	(205)	554	9
555.154	Real-Time Net Inadvertent Distribution	876	1,143	(472)	392
555.155	Real-Time Revenue Neutrality Uplift	(234,020)	157,644	67,348	59,886
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	162,857	3,774	(18,629)	5,860
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(35,261)	0	0	0
555.159	Day-Ahead Schedule 24	6,417	5,113	4,374	4,683
555.160	Real-Time Schedule 24	1,186	1,087	1,071	873
555.162	Real-Time Price Volatility Make Whole Payment	(32,473)	(18,992)	(122,417)	(30,251)
555.164	Real-Time Schedule 49	2,595	3,812	4,297	4,547
555.1700	Day-Ahead Regulation Amount	(390)	(183)	(83)	(395)
555.1701	Day-Ahead Spinning Reserve Amount	(41,092)	(30,787)	(34,839)	(38,253)
555.1702	Day-Ahead Supplemental Reserve Amount	(4,991)	0	(77)	0
555.1703	Day-Ahead Ramp Capability	(228)	(931)	(1,377)	(987)
555.1710	Real-Time Net Regulation Adjustment	144	12	1,425	0
555.1711	Real-Time Excessive Deficient Energy Deployment	43	(26)	17	42
555.1712	Real-Time Contingency Reserve Deployment	0	497	0	414
555.1713	Real-Time Regulation Amount	(457)	566	(721)	339
555.1714	Real-Time Spinning Reserve Amount	(246)	4,879	7,504	8,751
555.1715	Real-Time Supplemental Reserve Amount	(6,238)	0	(234)	(13)
555.1716	Real-Time Regulation Cost Distribution	20,009	13,067	11,845	11,175
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	18,762	12,323	12,570	11,269
555.1718	Real-Time Supplemental Reserve Cost Distribution	24,976	1,293	2,890	1,096
555.1719	Real-Time Demand Response Allocation Uplift	10,802	970	1,235	198
555.1720	Real-Time Ramp Capability	(97)	(101)	(194)	26
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	\$116,744	(\$1,329,138)	(\$10,693)	\$45,494
555.186	Real-Time Over Collected Losses	(99,688)	(4,253,778)	(97,804)	(54,377)
555.1915	Real-Time Asset Congestion	(15,149)	264,092	(439,357)	398,378
	<u>Other</u>				
555.1	Purchased Power	\$2,293	\$111,454	\$907	\$109
555.5	Purchased Power Cogeneration	120	284	335	415
	Total Account 555 Energy	\$5,493,880	(\$4,190,237)	\$1,236,450	\$1,749,666