

August 18, 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
September 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 September 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 increase of 0.691 cents per Kwh for primary service customers and a increase of 0.721 cents per Kwh for secondary service customers for service rendered in the month of September 2021 from current effective rates as shown below. The increase was largely the result of the absence of the SPP credit that was recorded in March 2021.

	Primary	Secondary
F&PP Effective September 1, 2021	\$0.01998	\$0.02134
F&PP Effective August 1, 2021	0.01307	0.01413
Change	\$0.00691	\$0.00721

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 93,391 electric customers in North Dakota as of July 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
SEPTEMBER 2021 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01995	\$0.02134
Prior Cost of Fuel	0.01304	0.01413
Change in Cost of Fuel	<u>\$0.00691</u>	<u>\$0.00721</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	 \$0.01995	 \$0.02134
Surcharge Adjustment	0.00003	0.00000
Total	<u><u>\$0.01998</u></u>	<u><u>\$0.02134</u></u>

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC INTEGRATED SYSTEM - NORTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
FUEL AND PURCHASED POWER COST TRACKING**

	Total 1/	Allocation to 2/ North Dakota	Allocation to 3/	
			Primary	Secondary
Fuel & Purchased Power Cost				
Accounts 501 Coal and 547 Gas	\$14,323,726	\$10,049,643	\$2,125,640	\$7,924,003
Account 502 Reagent	781,023	547,972	115,904	432,068
Account 502 Sand	160,668	112,726	23,843	88,883
Account 555 Energy	2,626,857	1,843,024	389,825	1,453,199
Accounts 555 Demand and 547 Pipeline Charges	1,572,084	1,117,160	109,593	1,007,567
Account 575 Market Admin.	157,256	110,332	23,337	86,995
Total F&PP Cost	<u>\$19,621,614</u>	<u>\$13,780,857</u>	<u>\$2,788,142</u>	<u>\$10,992,715</u>
Less:				
Wholesale Sales Revenue	<u>\$229,431</u>	<u>\$160,971</u>	<u>\$34,048</u>	<u>\$126,923</u>
Total Revenue	<u>\$229,431</u>	<u>\$160,971</u>	<u>\$34,048</u>	<u>\$126,923</u>
Net System Cost	\$19,392,183	\$13,619,886	\$2,754,094	\$10,865,792
Kwh Retail Sales	926,948,077	647,131,335	<u>138,062,127</u>	<u>509,069,208</u>
Cost Per Kwh	\$0.02092	\$0.02105	<u><u>\$0.01995</u></u>	<u><u>\$0.02134</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
	April	May	June	July	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$2,540,447	\$3,318,261	\$3,915,038	\$4,549,980	\$14,323,726
Account 502 Reagent	154,821	164,362	217,246	244,594	781,023
Account 502 Sand	24,248	41,910	44,861	49,649	160,668
Account 555 Energy 1/	1,236,450	1,749,666	(2,036,442)	1,677,183	2,626,857
Accounts 555 Demand and 547 Pipeline Charges	311,846	312,246	436,127	511,865	1,572,084
Account 575 Market Admin.	40,767	40,647	38,184	37,658	157,256
Total F&PP Cost	<u>\$4,308,579</u>	<u>\$5,627,092</u>	<u>\$2,615,014</u>	<u>\$7,070,929</u>	<u>\$19,621,614</u>
Less:					
Wholesale Sales Revenue	<u>\$4,491</u>	<u>\$86,245</u>	<u>\$72,761</u>	<u>\$65,934</u>	<u>\$229,431</u>
Total Revenue	<u>\$4,491</u>	<u>\$86,245</u>	<u>\$72,761</u>	<u>\$65,934</u>	<u>\$229,431</u>
Net System Cost	\$4,304,088	\$5,540,847	\$2,542,253	\$7,004,995	\$19,392,183
Kwh Retail Sales	231,013,607	200,230,540	234,424,278	261,279,652	<u>926,948,077</u>
Cost Per Kwh	\$0.01863	\$0.02767	\$0.01084	\$0.02681	<u><u>\$0.02092</u></u>

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

Account No.	Account Description	2021			
		April	May	June	July
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$2,425,947	\$2,054,536	\$2,139,071	\$3,575,866
555.114	Real-Time Asset Energy	7,756	(34,241)	102,471	(212,689)
555.117	Real-Time Excessive Energy	236	(203)	143	(171)
555.118	Real-Time Non-Excessive Energy	(504,887)	(598,968)	(977,253)	(1,012,180)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	0	0	177,206	116,537
555.1230	Revenue Rights Transaction	(76,648)	(76,648)	(652,582)	(652,582)
555.1232	Revenue Rights Infeasible Uplift	268	268	10,029	10,029
555.1233	Revenue Rights Stage 2 Distribution	(8,773)	(8,773)	(41,556)	(41,556)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(2,165)	(2,099)	(2,410)	4
555.132	Day-Ahead Financial Bilateral Transaction Loss	0	0	14,631	18,636
555.135	Real-Time Asset Loss	29,587	18,196	15,290	129,542
555.136	Real-Time Distribution of Loss	(30,797)	(38,711)	(68,286)	(93,964)
555.151	Day-Ahead Rev Suff Guarantee Distribution	6,461	6,635	6,927	5,988
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(10)	(6)	(1,564)	(133)
555.153	Real-Time Miscellaneous	554	9	730	(535)
555.154	Real-Time Net Inadvertent Distribution	(472)	392	(4,803)	(4,079)
555.155	Real-Time Revenue Neutrality Uplift	67,348	59,886	80,471	48,616
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	(18,629)	5,860	31,741	21,705
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	0	(115,425)	(82,665)
555.159	Day-Ahead Schedule 24	4,374	4,683	4,692	5,143
555.160	Real-Time Schedule 24	1,071	873	920	835
555.162	Real-Time Price Volatility Make Whole Payment	(122,417)	(30,251)	(45,465)	(34,557)
555.164	Real-Time Schedule 49	4,297	4,547	5,609	5,656
555.1700	Day-Ahead Regulation Amount	(83)	(395)	79	(492)
555.1701	Day-Ahead Spinning Reserve Amount	(34,839)	(38,253)	(70,706)	(54,408)
555.1702	Day-Ahead Supplemental Reserve Amount	(77)	0	(496)	(213)
555.1703	Day-Ahead Ramp Capability	(1,377)	(987)	(2,634)	(3,219)
555.1710	Real-Time Net Regulation Adjustment	1,425	0	0	(14)
555.1711	Real-Time Excessive Deficient Energy Deployment	17	42	45	39
555.1712	Real-Time Contingency Reserve Deployment	0	414	0	0
555.1713	Real-Time Regulation Amount	(721)	339	(302)	(50)
555.1714	Real-Time Spinning Reserve Amount	7,504	8,751	22,041	21,038
555.1715	Real-Time Supplemental Reserve Amount	(234)	(13)	(2,577)	(326)
555.1716	Real-Time Regulation Cost Distribution	11,845	11,175	12,680	13,336
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	12,570	11,269	14,243	16,254
555.1718	Real-Time Supplemental Reserve Cost Distribution	2,890	1,096	7,097	5,190
555.1719	Real-Time Demand Response Allocation Uplift	1,235	198	5,456	2,080
555.1720	Real-Time Ramp Capability	(194)	26	(726)	(185)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$10,693)	\$45,494	\$13,444	(\$23,876)
555.186	Real-Time Over Collected Losses	(97,804)	(54,377)	(2,573,990)	(111,703)
555.1915	Real-Time Asset Congestion	(439,357)	398,378	(89,452)	(372,140)
555.1920	Auction Revenue Rights-Daily	0	0	(52,114)	(98,093)
555.1921	Auction Revenue Rights-Annual	0	0	(453,218)	0
	<u>Other</u>				
555.X	Purchased Power	907	109	453,600	480,082
555.5	Purchased Power Cogeneration	335	415	501	437
	Total Account 555 Energy	\$1,236,450	\$1,749,666	(\$2,036,442)	\$1,677,183