

September 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
October 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 October 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 0.092 cents per Kwh for primary service customers and a decrease of 0.097 cents per Kwh for secondary service customers for service rendered in the month of October 2021 from current effective rates as shown below. The decrease was largely the result of the revenue associated with the sale of RECs in August 2021.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective October 1, 2021	\$0.01906	\$0.02037
F&PP Effective September 1, 2021	0.01998	0.02134
Change	(\$0.00092)	(\$0.00097)

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 August 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
OCTOBER 2021 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01903	\$0.02037
Prior Cost of Fuel	0.01995	0.02134
Change in Cost of Fuel	<u>(\$0.00092)</u>	<u>(\$0.00097)</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	 \$0.01903	 \$0.02037
Surcharge Adjustment	0.00003	0.00000
Total	<u><u>\$0.01906</u></u>	<u><u>\$0.02037</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	\$15,546,720	\$10,921,211	\$2,269,655	\$8,651,556
Account 502 Reagent	881,968	619,562	128,758	490,804
Account 502 Sand	192,208	135,022	28,060	106,962
Account 555 Energy	3,405,913	2,392,575	497,227	1,895,348
Accounts 555 Demand and 547 Pipeline Charges	1,636,038	1,162,607	114,052	1,048,555
Account 575 Market Admin.	153,477	107,814	22,406	85,408
Total F&PP Cost	<u>\$21,816,324</u>	<u>\$15,338,791</u>	<u>\$3,060,158</u>	<u>\$12,278,633</u>
Less:				
Wholesale Sales Revenue	\$437,416	\$307,275	\$63,858	\$243,417
Sale of RECs Revenue 4/	1,345,050	1,257,068	261,245	995,823
Total Revenue	<u>\$1,782,466</u>	<u>\$1,564,343</u>	<u>\$325,103</u>	<u>\$1,239,240</u>
Net System Cost	\$20,033,858	\$13,774,448	\$2,735,055	\$11,039,393
Kwh Retail Sales	980,850,979	685,700,753	<u>143,742,165</u>	<u>541,958,588</u>
Cost Per Kwh	\$0.02042	\$0.02009	<u><u>\$0.01903</u></u>	<u><u>\$0.02037</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
	May	June	July	August	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$3,318,261	\$3,915,038	\$4,549,980	\$3,763,441	\$15,546,720
Account 502 Reagent	164,362	217,246	244,594	255,766	881,968
Account 502 Sand	41,910	44,861	49,649	55,788	192,208
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	1,749,666	(2,036,442)	1,677,183	2,015,506	3,405,913
Account 575 Market Admin.	312,246	436,127	511,865	375,800	1,636,038
Total F&PP Cost	40,647	38,184	37,658	36,988	153,477
	<u>\$5,627,092</u>	<u>\$2,615,014</u>	<u>\$7,070,929</u>	<u>\$6,503,289</u>	<u>\$21,816,324</u>
Less:					
Wholesale Sales Revenue	\$86,245	\$72,761	\$65,934	\$212,476	\$437,416
Sale of RECs Revenue	0	0	0	1,345,050	1,345,050
Total Revenue	<u>\$86,245</u>	<u>\$72,761</u>	<u>\$65,934</u>	<u>\$1,557,526</u>	<u>\$1,782,466</u>
Net System Cost	\$5,540,847	\$2,542,253	\$7,004,995	\$4,945,763	\$20,033,858
Kwh Retail Sales	200,230,540	234,424,278	261,279,652	284,916,509	<u>980,850,979</u>
Cost Per Kwh	\$0.02767	\$0.01084	\$0.02681	\$0.01736	<u><u>\$0.02042</u></u>

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

Account No.	Account Description	2021			
		May	June	July	August
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$2,054,536	\$2,139,071	\$3,575,866	\$3,556,705
555.114	Real-Time Asset Energy	(34,241)	102,471	(212,689)	(39,874)
555.117	Real-Time Excessive Energy	(203)	143	(171)	155
555.118	Real-Time Non-Excessive Energy	(598,968)	(977,253)	(1,012,180)	(778,005)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	0	177,206	116,537	11,925
555.1230	Revenue Rights Transaction	(76,648)	(652,582)	(652,582)	(652,582)
555.1232	Revenue Rights Infeasible Uplift	268	10,029	10,029	10,029
555.1233	Revenue Rights Stage 2 Distribution	(8,773)	(41,556)	(41,556)	(41,556)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(2,099)	(2,410)	4	(1,034)
555.132	Day-Ahead Financial Bilateral Transaction Loss	0	14,631	18,636	20,830
555.135	Real-Time Asset Loss	18,196	15,290	129,542	97,363
555.136	Real-Time Distribution of Loss	(38,711)	(68,286)	(93,964)	(85,977)
555.151	Day-Ahead Rev Suff Guarantee Distribution	6,635	6,927	5,988	9,066
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(6)	(1,564)	(133)	(6,127)
555.153	Real-Time Miscellaneous	9	730	(535)	(556)
555.154	Real-Time Net Inadvertent Distribution	392	(4,803)	(4,079)	2,908
555.155	Real-Time Revenue Neutrality Uplift	59,886	80,471	48,616	14,852
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	5,860	31,741	21,705	16,291
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	(115,425)	(82,665)	(52,612)
555.159	Day-Ahead Schedule 24	4,683	4,692	5,143	5,027
555.160	Real-Time Schedule 24	873	920	835	918
555.162	Real-Time Price Volatility Make Whole Payment	(30,251)	(45,465)	(34,557)	(37,214)
555.164	Real-Time Schedule 49	4,547	5,609	5,656	5,541
555.1700	Day-Ahead Regulation Amount	(395)	79	(492)	388
555.1701	Day-Ahead Spinning Reserve Amount	(38,253)	(70,706)	(54,408)	(50,413)
555.1702	Day-Ahead Supplemental Reserve Amount	0	(496)	(213)	(8)
555.1703	Day-Ahead Ramp Capability	(987)	(2,634)	(3,219)	(1,836)
555.1710	Real-Time Net Regulation Adjustment	0	0	(14)	(3)
555.1711	Real-Time Excessive Deficient Energy Deployment	42	45	39	2
555.1712	Real-Time Contingency Reserve Deployment	414	0	0	0
555.1713	Real-Time Regulation Amount	339	(302)	(50)	(443)
555.1714	Real-Time Spinning Reserve Amount	8,751	22,041	21,038	3,911
555.1715	Real-Time Supplemental Reserve Amount	(13)	(2,577)	(326)	(648)
555.1716	Real-Time Regulation Cost Distribution	11,175	12,680	13,336	13,151
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	11,269	14,243	16,254	14,235
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,096	7,097	5,190	2,975
555.1719	Real-Time Demand Response Allocation Uplift	198	5,456	2,080	5,456
555.1720	Real-Time Ramp Capability	26	(726)	(185)	(454)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	\$45,494	\$13,444	(\$23,876)	(\$21,909)
555.186	Real-Time Over Collected Losses	(54,377)	(2,573,990)	(111,703)	(146,622)
555.1915	Real-Time Asset Congestion	398,378	(89,452)	(372,140)	(252,457)
555.1920	Auction Revenue Rights-Daily	0	(52,114)	(98,093)	(59,915)
555.1921	Auction Revenue Rights-Annual	0	(453,218)	0	0
555.1922	Transmission Congestion Rights-Annual	0	0	0	(24,758)
555.1923	Misc. Uncollectible Obligation Amount	0	0	0	(265)
	<u>Other</u>				
555.X	Purchased Power	109	453,600	480,082	478,639
555.5	Purchased Power Cogeneration	415	501	437	407
	Total Account 555 Energy	\$1,749,666	(\$2,036,442)	\$1,677,183	\$2,015,506