

October 15, 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  
November 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 November 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 0.095 cents per Kwh for primary service customers and a decrease of 0.093 cents per Kwh for secondary service customers for service rendered in the month of November 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 November 1, 2021	\$0.01811	\$0.01944
F&PP Effective October 1, 2021	0.01906	0.02037
Change	(\$0.00095)	(\$0.00093)

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 93,382 electric customers in North Dakota as of September 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](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  
NOVEMBER 2021 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01808	\$0.01944
Prior Cost of Fuel	0.01903	0.02037
Change in Cost of Fuel	<u>(\$0.00095)</u>	<u>(\$0.00093)</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	 \$0.01808	 \$0.01944
Surcharge Adjustment	0.00003	0.00000
Total	<u><u>\$0.01811</u></u>	<u><u>\$0.01944</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	\$15,342,740	\$10,798,125	\$2,214,045	\$8,584,080
Account 502 Reagent	886,204	623,705	127,884	495,821
Account 502 Sand	174,839	123,051	25,230	97,821
Account 555 Energy	3,359,902	2,364,678	484,853	1,879,825
Accounts 555 Demand and 547 Pipeline Charges	1,776,318	1,262,293	123,831	1,138,462
Account 575 Market Admin.	147,089	103,520	21,226	82,294
Total F&PP Cost	<u>\$21,687,092</u>	<u>\$15,275,372</u>	<u>\$2,997,069</u>	<u>\$12,278,303</u>
Less:				
Wholesale Sales Revenue	\$513,328	\$361,277	\$74,076	\$287,201
Sale of RECs Revenue 4/	1,345,050	1,257,068	257,749	999,319
Total Revenue	<u>\$1,858,378</u>	<u>\$1,618,345</u>	<u>\$331,825</u>	<u>\$1,286,520</u>
Net System Cost	\$19,828,714	\$13,657,027	\$2,665,244	\$10,991,783
Kwh Retail Sales	1,017,461,476	712,702,565	<u>147,407,710</u>	<u>565,294,855</u>
Cost Per Kwh	\$0.01949	\$0.01916	<u><u>\$0.01808</u></u>	<u><u>\$0.01944</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
	June	July	August	September	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$3,915,038	\$4,549,980	\$3,763,441	\$3,114,281	\$15,342,740
Account 502 Reagent	217,246	244,594	255,766	168,598	886,204
Account 502 Sand	44,861	49,649	55,788	24,541	174,839
Account 555 Energy 1/	(2,036,442)	1,677,183	2,015,506	1,703,655	3,359,902
Accounts 555 Demand and 547 Pipeline Charges	436,127	511,865	375,800	452,526	1,776,318
Account 575 Market Admin.	38,184	37,658	36,988	34,259	147,089
Total F&PP Cost	<u>\$2,615,014</u>	<u>\$7,070,929</u>	<u>\$6,503,289</u>	<u>\$5,497,860</u>	<u>\$21,687,092</u>
Less:					
Wholesale Sales Revenue	\$72,761	\$65,934	\$212,476	\$162,157	\$513,328
Sale of RECs Revenue	0	0	1,345,050	0	1,345,050
Total Revenue	<u>\$72,761</u>	<u>\$65,934</u>	<u>\$1,557,526</u>	<u>\$162,157</u>	<u>\$1,858,378</u>
Net System Cost	\$2,542,253	\$7,004,995	\$4,945,763	\$5,335,703	\$19,828,714
Kwh Retail Sales	234,424,278	261,279,652	284,916,509	236,841,037	<u>1,017,461,476</u>
Cost Per Kwh	\$0.01084	\$0.02681	\$0.01736	\$0.02253	<u><u>\$0.01949</u></u>

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

Account No.	Account Description	2021			
		June	July	August	September
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$2,139,071	\$3,575,866	\$3,556,705	\$2,894,686
555.114	Real-Time Asset Energy	102,471	(212,689)	(39,874)	(9,581)
555.117	Real-Time Excessive Energy	143	(171)	155	693
555.118	Real-Time Non-Excessive Energy	(977,253)	(1,012,180)	(778,005)	(690,953)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	177,206	116,537	11,925	28,723
555.1230	Revenue Rights Transaction	(652,582)	(652,582)	(652,582)	(439,146)
555.1232	Revenue Rights Infeasible Uplift	10,029	10,029	10,029	12,572
555.1233	Revenue Rights Stage 2 Distribution	(41,556)	(41,556)	(41,556)	(58,914)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(2,410)	4	(1,034)	1
555.132	Day-Ahead Financial Bilateral Transaction Loss	14,631	18,636	20,830	12,667
555.135	Real-Time Asset Loss	15,290	129,542	97,363	212,867
555.136	Real-Time Distribution of Loss	(68,286)	(93,964)	(85,977)	(109,781)
555.151	Day-Ahead Rev Suff Guarantee Distribution	6,927	5,988	9,066	7,592
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(1,564)	(133)	(6,127)	(1,030)
555.153	Real-Time Miscellaneous	730	(535)	(556)	(937)
555.154	Real-Time Net Inadvertent Distribution	(4,803)	(4,079)	2,908	(2,708)
555.155	Real-Time Revenue Neutrality Uplift	80,471	48,616	14,852	98,956
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	31,741	21,705	16,291	13,334
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(115,425)	(82,665)	(52,612)	(11,832)
555.159	Day-Ahead Schedule 24	4,692	5,143	5,027	4,756
555.160	Real-Time Schedule 24	920	835	918	906
555.162	Real-Time Price Volatility Make Whole Payment	(45,465)	(34,557)	(37,214)	(19,804)
555.164	Real-Time Schedule 49	5,609	5,656	5,541	6,011
555.1700	Day-Ahead Regulation Amount	79	(492)	388	(693)
555.1701	Day-Ahead Spinning Reserve Amount	(70,706)	(54,408)	(50,413)	(16,106)
555.1702	Day-Ahead Supplemental Reserve Amount	(496)	(213)	(8)	0
555.1703	Day-Ahead Ramp Capability	(2,634)	(3,219)	(1,836)	(711)
555.1710	Real-Time Net Regulation Adjustment	0	(14)	(3)	54
555.1711	Real-Time Excessive Deficient Energy Deployment	45	39	2	70
555.1713	Real-Time Regulation Amount	(302)	(50)	(443)	207
555.1714	Real-Time Spinning Reserve Amount	22,041	21,038	3,911	1,157
555.1715	Real-Time Supplemental Reserve Amount	(2,577)	(326)	(648)	(4)
555.1716	Real-Time Regulation Cost Distribution	12,680	13,336	13,151	11,419
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	14,243	16,254	14,235	10,480
555.1718	Real-Time Supplemental Reserve Cost Distribution	7,097	5,190	2,975	1,919
555.1719	Real-Time Demand Response Allocation Uplift	5,456	2,080	5,456	7,930
555.1720	Real-Time Ramp Capability	(726)	(185)	(454)	(291)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	\$13,444	(\$23,876)	(\$21,909)	(\$130,369)
555.186	Real-Time Over Collected Losses	(2,573,990)	(111,703)	(146,622)	(163,683)
555.1915	Real-Time Asset Congestion	(89,452)	(372,140)	(252,457)	(356,918)
555.1920	Auction Revenue Rights-Daily	(52,114)	(98,093)	(59,915)	(63,830)
555.1921	Auction Revenue Rights-Annual	(453,218)	0	0	0
555.1922	Transmission Congestion Rights-Annual	0	0	(24,758)	0
555.1923	Misc. Uncollectible Obligation Amount	0	0	(265)	0
	<u>Other</u>				
555.X	Purchased Power	453,600	480,082	478,639	453,600
555.5	Purchased Power Cogeneration	501	437	407	346
	<b>Total Account 555 Energy</b>	<b>(\$2,036,442)</b>	<b>\$1,677,183</b>	<b>\$2,015,506</b>	<b>\$1,703,655</b>