

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

November 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
December 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 December 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 0.426 cents per Kwh for primary service customers and an increase of 0.440 cents per Kwh for secondary service customers for service rendered in the month of December 2021 from current effective rates as shown below. The increase was largely the result of a per unit increase in MISO market prices.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective December 1, 2021	\$0.02237	\$0.02384
F&PP Effective November 1, 2021	0.01811	0.01944
Change	<u>\$0.00426</u>	<u>\$0.00440</u>

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 93,365 electric customers in North Dakota as of October 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) 222-7955 or Tara.Vesey@mdu.com.

Sincerely,

/s/ Tara R. Vesey

Tara R. Vesey
Manager, Regulatory Affairs

Attachment

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC INTEGRATED SYSTEM - NORTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
DECEMBER 2021 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02234	\$0.02384
Prior Cost of Fuel	0.01808	0.01944
Change in Cost of Fuel	<u>\$0.00426</u>	<u>\$0.00440</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	 \$0.02234	 \$0.02384
Surcharge Adjustment	0.00003	0.00000
Total	<u><u>\$0.02237</u></u>	<u><u>\$0.02384</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	\$15,172,567	\$10,662,028	\$2,263,038	\$8,398,990
Account 502 Reagent	774,940	544,564	115,585	428,979
Account 502 Sand	174,365	122,529	26,007	96,522
Account 555 Energy	7,652,070	5,377,243	1,141,331	4,235,912
Accounts 555 Demand and 547 Pipeline Charges	1,800,517	1,279,489	125,518	1,153,971
Account 575 Market Admin.	145,412	102,184	21,689	80,495
Total F&PP Cost	<u>\$25,719,871</u>	<u>\$18,088,037</u>	<u>\$3,693,168</u>	<u>\$14,394,869</u>
Less:				
Wholesale Sales Revenue	\$564,559	\$396,726	\$84,206	\$312,520
Sale of RECs Revenue 4/	1,345,050	1,257,068	266,815	990,253
Total Revenue	<u>\$1,909,609</u>	<u>\$1,653,794</u>	<u>\$351,021</u>	<u>\$1,302,773</u>
Net System Cost	\$23,810,262	\$16,434,243	\$3,342,147	\$13,092,096
Kwh Retail Sales	999,318,759	698,904,117	<u>149,626,700</u>	<u>549,277,417</u>
Cost Per Kwh	\$0.02383	\$0.02351	<u><u>\$0.02234</u></u>	<u><u>\$0.02384</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
	July	August	September	October	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$4,549,980	\$3,763,441	\$3,114,281	\$3,744,865	\$15,172,567
Account 502 Reagent	244,594	255,766	168,598	105,982	774,940
Account 502 Sand	49,649	55,788	24,541	44,387	174,365
Account 555 Energy 1/	1,677,183	2,015,506	1,703,655	2,255,726	7,652,070
Accounts 555 Demand and 547 Pipeline Charges	511,865	375,800	452,526	460,326	1,800,517
Account 575 Market Admin.	37,658	36,988	34,259	36,507	145,412
Total F&PP Cost	<u>\$7,070,929</u>	<u>\$6,503,289</u>	<u>\$5,497,860</u>	<u>\$6,647,793</u>	<u>\$25,719,871</u>
Less:					
Wholesale Sales Revenue	\$65,934	\$212,476	\$162,157	\$123,992	\$564,559
Sale of RECs Revenue	0	1,345,050	0	0	1,345,050
Total Revenue	<u>\$65,934</u>	<u>\$1,557,526</u>	<u>\$162,157</u>	<u>\$123,992</u>	<u>\$1,909,609</u>
Net System Cost	\$7,004,995	\$4,945,763	\$5,335,703	\$6,523,801	\$23,810,262
Kwh Retail Sales	261,279,652	284,916,509	236,841,037	216,281,561	<u>999,318,759</u>
Cost Per Kwh	\$0.02681	\$0.01736	\$0.02253	\$0.03016	<u><u>\$0.02383</u></u>

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

Account No.	Account Description	2021			
		July	August	September	October
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$3,575,866	\$3,556,705	\$2,894,686	\$3,346,587
555.114	Real-Time Asset Energy	(212,689)	(39,874)	(9,581)	(71,366)
555.117	Real-Time Excessive Energy	(171)	155	693	(101)
555.118	Real-Time Non-Excessive Energy	(1,012,180)	(778,005)	(690,953)	(955,516)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	116,537	11,925	28,723	3,042
555.1230	Revenue Rights Transaction	(652,582)	(652,582)	(439,146)	(439,146)
555.1232	Revenue Rights Infeasible Uplift	10,029	10,029	12,572	12,572
555.1233	Revenue Rights Stage 2 Distribution	(41,556)	(41,556)	(58,914)	(58,914)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	4	(1,034)	1	(621)
555.132	Day-Ahead Financial Bilateral Transaction Loss	18,636	20,830	12,667	11,045
555.135	Real-Time Asset Loss	129,542	97,363	212,867	170,276
555.136	Real-Time Distribution of Loss	(93,964)	(85,977)	(109,781)	(100,884)
555.151	Day-Ahead Rev Suff Guarantee Distribution	5,988	9,066	7,592	11,464
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(133)	(6,127)	(1,030)	(14,739)
555.153	Real-Time Miscellaneous	(535)	(556)	(937)	(3,858)
555.154	Real-Time Net Inadvertent Distribution	(4,079)	2,908	(2,708)	(4,462)
555.155	Real-Time Revenue Neutrality Uplift	48,616	14,852	98,956	109,753
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	21,705	16,291	13,334	20,680
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(82,665)	(52,612)	(11,832)	(43,723)
555.159	Day-Ahead Schedule 24	5,143	5,027	4,756	5,103
555.160	Real-Time Schedule 24	835	918	906	906
555.162	Real-Time Price Volatility Make Whole Payment	(34,557)	(37,214)	(19,804)	(10,510)
555.164	Real-Time Schedule 49	5,656	5,541	6,011	5,609
555.1700	Day-Ahead Regulation Amount	(492)	388	(693)	0
555.1701	Day-Ahead Spinning Reserve Amount	(54,408)	(50,413)	(16,106)	(21,348)
555.1702	Day-Ahead Supplemental Reserve Amount	(213)	(8)	0	(17)
555.1703	Day-Ahead Ramp Capability	(3,219)	(1,836)	(711)	(2,219)
555.1710	Real-Time Net Regulation Adjustment	(14)	(3)	54	0
555.1711	Real-Time Excessive Deficient Energy Deployment	39	2	70	9
555.1713	Real-Time Regulation Amount	(50)	(443)	207	1
555.1714	Real-Time Spinning Reserve Amount	21,038	3,911	1,157	(10,255)
555.1715	Real-Time Supplemental Reserve Amount	(326)	(648)	(4)	(186)
555.1716	Real-Time Regulation Cost Distribution	13,336	13,151	11,419	13,129
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	16,254	14,235	10,480	17,141
555.1718	Real-Time Supplemental Reserve Cost Distribution	5,190	2,975	1,919	2,908
555.1719	Real-Time Demand Response Allocation Uplift	2,080	5,456	7,930	15,275
555.1720	Real-Time Ramp Capability	(185)	(454)	(291)	(1,751)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$23,876)	(\$21,909)	(\$130,369)	(\$19,048)
555.186	Real-Time Over Collected Losses	(111,703)	(146,622)	(163,683)	(203,283)
555.1915	Real-Time Asset Congestion	(372,140)	(252,457)	(356,918)	87,394
555.1920	Auction Revenue Rights-Daily	(98,093)	(59,915)	(63,830)	(84,224)
555.1921	Auction Revenue Rights-Annual	0	0	0	0
555.1922	Transmission Congestion Rights-Annual	0	(24,758)	0	0
555.1923	Misc. Uncollectible Obligation Amount	0	(265)	0	0
	<u>Other</u>				
555.X	Purchased Power	480,082	478,639	453,600	468,720
555.5	Purchased Power Cogeneration	437	407	346	283
	Total Account 555 Energy	\$1,677,183	\$2,015,506	\$1,703,655	\$2,255,726