

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

April 9, 2021

Victor Schock
North Dakota Public Service Commission
600 E Boulevard Ave, Dept 408
Bismarck, ND 58505-0480

Re: PU-21-104 Extreme Cold Weather Event Investigation – Electric

Dear Mr. Schock:

Montana-Dakota Utilities Co. electronically submits its responses to the Commission's request set 1, 1.1 through 1.12 issued on March 8, 2021 in the above referenced case.

If you have any questions, please contact me at (701) 222-7855.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Attachments

**MONTANA-DAKOTA UTILITIES CO.
NORTH DAKOTA PUBLIC SERVICE COMMISSION
EXTREME COLD WEATHER EVENT INVESTIGATION
DATA REQUEST SET 1 (1.1-1.12)
ISSUED MARCH 8, 2021
CASE NO. PU-21-104**

1.1 Please provide forecasted February 2021 electric usage and cost estimates by customer class used to derive the Feb 2021 Fuel and Purchased Power (FCR) rate.

Response:

Montana-Dakota does not use a forecast to set fuel and purchase power rates. The Fuel and Purchased Power Adjustment Rate 58 Tariff is calculated based on a four-month historical average cost of fuel and purchase power. The table below represents the forecasted electric usage for February and the February 2021 fuel and purchase power rate charged to North Dakota customers.

	<u>Primary</u>	<u>Secondary</u>
Kwh Retail Sales	32,986,000	166,370,000
Cost per Kwh	\$0.01907	\$0.02026
System Cost	\$629,043	\$3,370,656

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1.2 Please provide the actual February 2021 electric usage and cost actuals by customer class.

Response:

The table below represents the actual February 2021 usage and cost for primary and secondary service customers.

	<u>Primary</u>	<u>Secondary</u>
System Cost 1/	\$639,596	\$3,174,805
Kwh Retail Sales	32,503,949	154,772,427
Cost per Kwh	\$0.01968	\$0.02051

1/ Includes a credit of approximately \$5,287,000 related to SPP congestion for the month of February that was received in March 2021.

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1.3 What is the total North Dakota difference between the forecast and actual electric cost/revenues for February 2021?

Response:

The table below represents the under collected balance for the month of February 2021.

	February 2021 Kwh Retail Sales	FCA February 2021 Rate	Actual February 2021 Rate	Rate Difference	(Over)/Under Recovered Balance
Primary	32,503,949	\$0.01907	\$0.01968	\$0.00061	\$19,827
Secondary	154,772,427	0.02026	0.02051	0.00025	38,693

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1.4 What amount of gas was forecasted to be used from storage for power generation during February? What actual amount of gas was used from storage for power generation?

Response:

Electric generation takes gas service under two types of gas services: Firm General Gas Service Rate 70 and Transportation Service Rate 81.

The Firm General Gas Service Rate 70 service does not forecast a specific amount of gas to be used from storage for power generation. There were 30,306 dekatherms scheduled from storage for power generation.

The Transportation Service Rate 81 service purchases all gas through the spot market for power generation and is not part of the Company's gas supply portfolio.

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1.5 What amount of gas is procured using contract prices versus spot pricing for power generation? Is the contracted percentage the same year to year?

Response:

As mentioned in Response 1.4 power generation takes gas service under two types of gas service: Firm General Gas Service Rate 70 and Transportation Service Rate 81.

Firm General Gas Service Rate 70 all gas delivered is charged at the currently effective rate under Montana-Dakota's Rate 70 service and the contract percent remains the same year to year.

The Transportation Service Rate 81 all gas is purchased in the spot market for power generation and the contract percent is the same year to year.

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1.6 How much of the electric usage during the events was used by customers on an interruptible rate?

Response:

There are five customers on an interruptible rate and make up 0.01% of electric usage for February. The usage data is not readily available for the dates of the event.

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1.7 How much interruptible customer electric usage was curtailed?

Response:

There was no interruptible customer electric usage curtailed.

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1.8 How much interruptible customer electric usage could have been curtailed during the events?

Response:

Interruptible customer electric usage can be curtailed up to 40.3 MW.

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1.9 What does your tariff or policy dictate regarding interruptible customers when electric supply is available, but the electric price is extreme?

Response:

Montana-Dakota's electric tariffs do not address interruptions due to pricing.

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1.10 What mechanism would normally be used to recoup the under collection of electric costs from question 1.3?

Response:

Montana-Dakota currently recovers under collected electric costs through the Fuel and Purchase Power Surcharge Adjustment as described in Section 4 of the Fuel and Purchased Power Adjustment Rate 58 tariff. It is an annual filing that establishes a per unit rate effective April 1 that reflects the amortization of the applicable over or under recovered balance over twelve months.

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1.11 What timeframe would the under collection normally be spread over? What return amount does the company earn on the under collected balance?

Response:

Montana-Dakota currently amortizes its unrecovered electric costs over a twelve-month period. Montana-Dakota applies a carry charge calculated based on the three-month U.S. Treasury Bill Rate.

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1.12 Are there alternatives to the mechanism and timeframe to recoup the under collected balance that would provide less rate shock to North Dakota ratepayers?

Response:

The impact, as referenced in Response No. 1.3, is minimal. Therefore, alternative mechanisms and/or time frames to recoup the under collected balance are not necessary.