

December 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-22-011
January 2022

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 January 2022. 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 0.088 cents per Kwh for primary service customers and a decrease of 0.091 cents per Kwh for secondary service customers for service rendered in the month of January 2022 from current effective rates as shown below. The decrease was largely the result of increased generation from the wind fleet driving down the per unit cost of generation.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective January 1, 2021	\$0.02149	\$0.02293
F&PP Effective December 1, 2021	0.02237	0.02384
Change	(\$0.00088)	(\$0.00091)

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 93,421 electric customers in North Dakota as of November 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.

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
JANUARY 2022 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02146	\$0.02293
Prior Cost of Fuel	0.02234	0.02384
Change in Cost of Fuel	<u>(\$0.00088)</u>	<u>(\$0.00091)</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	 \$0.02146	 \$0.02293
Surcharge Adjustment	0.00003	0.00000
Total	<u><u>\$0.02149</u></u>	<u><u>\$0.02293</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	\$14,085,515	\$9,894,438	\$2,123,972	\$7,770,466
Account 502 Reagent	703,727	494,336	106,116	388,220
Account 502 Sand	164,822	115,780	24,854	90,926
Account 555 Energy	7,432,398	5,220,924	1,120,740	4,100,184
Accounts 555 Demand and 547 Pipeline Charges	1,645,461	1,169,303	114,709	1,054,594
Account 575 Market Admin.	147,852	103,859	22,295	81,564
Total F&PP Cost	<u>\$24,179,775</u>	<u>\$16,998,640</u>	<u>\$3,512,686</u>	<u>\$13,485,954</u>
Less:				
Wholesale Sales Revenue	\$1,101,429	\$773,704	\$166,086	\$607,618
Sale of RECs Revenue 4/	1,345,050	1,257,068	269,846	987,222
Total Revenue	<u>\$2,446,479</u>	<u>\$2,030,772</u>	<u>\$435,932</u>	<u>\$1,594,840</u>
Net System Cost	\$21,733,296	\$14,967,868	\$3,076,754	\$11,891,114
Kwh Retail Sales	947,092,386	662,030,093	<u>143,338,667</u>	<u>518,691,426</u>
Cost Per Kwh	\$0.02295	\$0.02261	<u><u>\$0.02146</u></u>	<u><u>\$0.02293</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
	August	September	October	November	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$3,763,441	\$3,114,281	\$3,744,865	\$3,462,928	\$14,085,515
Account 502 Reagent	255,766	168,598	105,982	173,381	703,727
Account 502 Sand	55,788	24,541	44,387	40,106	164,822
Account 555 Energy 1/	2,015,506	1,703,655	2,255,726	1,457,511	7,432,398
Accounts 555 Demand and 547 Pipeline Charges	375,800	452,526	460,326	356,809	1,645,461
Account 575 Market Admin.	36,988	34,259	36,507	40,098	147,852
Total F&PP Cost	<u>\$6,503,289</u>	<u>\$5,497,860</u>	<u>\$6,647,793</u>	<u>\$5,530,833</u>	<u>\$24,179,775</u>
Less:					
Wholesale Sales Revenue	\$212,476	\$162,157	\$123,992	\$602,804	\$1,101,429
Sale of RECs Revenue	1,345,050	0	0	0	1,345,050
Total Revenue	<u>\$1,557,526</u>	<u>\$162,157</u>	<u>\$123,992</u>	<u>\$602,804</u>	<u>\$2,446,479</u>
Net System Cost	\$4,945,763	\$5,335,703	\$6,523,801	\$4,928,029	\$21,733,296
Kwh Retail Sales	284,916,509	236,841,037	216,281,561	209,053,279	<u>947,092,386</u>
Cost Per Kwh	\$0.01736	\$0.02253	\$0.03016	\$0.02357	<u><u>\$0.02295</u></u>

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

Account No.	Account Description	2021			
		August	September	October	November
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$3,556,705	\$2,894,686	\$3,346,587	\$2,273,578
555.114	Real-Time Asset Energy	(39,874)	(9,581)	(71,366)	(55,946)
555.117	Real-Time Excessive Energy	155	693	(101)	630
555.118	Real-Time Non-Excessive Energy	(778,005)	(690,953)	(955,516)	(420,677)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	11,925	28,723	3,042	(76,874)
555.1230	Revenue Rights Transaction	(652,582)	(439,146)	(439,146)	(439,146)
555.1232	Revenue Rights Infeasible Uplift	10,029	12,572	12,572	12,572
555.1233	Revenue Rights Stage 2 Distribution	(41,556)	(58,914)	(58,914)	(58,914)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(1,034)	1	(621)	(662)
555.132	Day-Ahead Financial Bilateral Transaction Loss	20,830	12,667	11,045	9,013
555.135	Real-Time Asset Loss	97,363	212,867	170,276	40,018
555.136	Real-Time Distribution of Loss	(85,977)	(109,781)	(100,884)	(114,772)
555.151	Day-Ahead Rev Suff Guarantee Distribution	9,066	7,592	11,464	15,535
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(6,127)	(1,030)	(14,739)	(233)
555.153	Real-Time Miscellaneous	(556)	(937)	(3,858)	760
555.154	Real-Time Net Inadvertent Distribution	2,908	(2,708)	(4,462)	(14,486)
555.155	Real-Time Revenue Neutrality Uplift	14,852	98,956	109,753	265,822
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	16,291	13,334	20,680	5,838
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(52,612)	(11,832)	(43,723)	(8,227)
555.159	Day-Ahead Schedule 24	5,027	4,756	5,103	5,166
555.160	Real-Time Schedule 24	918	906	906	917
555.162	Real-Time Price Volatility Make Whole Payment	(37,214)	(19,804)	(10,510)	(35,424)
555.164	Real-Time Schedule 49	5,541	6,011	5,609	3,992
555.1700	Day-Ahead Regulation Amount	388	(693)	0	0
555.1701	Day-Ahead Spinning Reserve Amount	(50,413)	(16,106)	(21,348)	(8,915)
555.1702	Day-Ahead Supplemental Reserve Amount	(8)	0	(17)	0
555.1703	Day-Ahead Ramp Capability	(1,836)	(711)	(2,219)	(816)
555.1710	Real-Time Net Regulation Adjustment	(3)	54	0	2
555.1711	Real-Time Excessive Deficient Energy Deployment	2	70	9	11
555.1713	Real-Time Regulation Amount	(443)	207	1	(37)
555.1714	Real-Time Spinning Reserve Amount	3,911	1,157	(10,255)	660
555.1715	Real-Time Supplemental Reserve Amount	(648)	(4)	(186)	10
555.1716	Real-Time Regulation Cost Distribution	13,151	11,419	13,129	14,066
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	14,235	10,480	17,141	12,195
555.1718	Real-Time Supplemental Reserve Cost Distribution	2,975	1,919	2,908	1,636
555.1719	Real-Time Demand Response Allocation Uplift	5,456	7,930	15,275	12,568
555.1720	Real-Time Ramp Capability	(454)	(291)	(1,751)	(136)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$21,909)	(\$130,369)	(\$19,048)	\$50,575
555.186	Real-Time Over Collected Losses	(146,622)	(163,683)	(203,283)	(178,403)
555.1915	Real-Time Asset Congestion	(252,457)	(356,918)	87,394	(262,743)
555.1920	Auction Revenue Rights-Daily	(59,915)	(63,830)	(84,224)	(45,411)
555.1922	Transmission Congestion Rights-Annual	(24,758)	0	0	0
555.1923	Misc. Uncollectible Obligation Amount	(265)	0	0	0
	<u>Other</u>				
555.X	Purchased Power	478,639	453,600	468,720	453,600
555.5	Purchased Power Cogeneration	407	346	283	169
	Total Account 555 Energy	\$2,015,506	\$1,703,655	\$2,255,726	\$1,457,511