

February 15, 2022

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
March 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 March 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 an increase of 0.204 cents per Kwh for primary service customers and an increase of 0.182 cents per Kwh for secondary service customers for service rendered in the month of March 2022 from current effective rates as shown below. The increase was largely the result of the increase in SPP asset congestion charges.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective March 1, 2022	\$0.03119	\$0.03250
F&PP Effective February 1, 2022	0.02915	0.03068
Change	\$0.00204	\$0.00182

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 93,529 electric customers in North Dakota as of January 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 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
MARCH 2022 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.03116	\$0.03250
Prior Cost of Fuel	0.02912	0.03068
Change in Cost of Fuel	<u>\$0.00204</u>	<u>\$0.00182</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	 \$0.03116	 \$0.03250
Surcharge Adjustment	0.00003	0.00000
Total	<u><u>\$0.03119</u></u>	<u><u>\$0.03250</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	\$16,334,019	\$11,470,679	\$2,306,972	\$9,163,707
Account 502 Reagent	717,422	503,814	101,327	402,487
Account 502 Sand	179,436	126,010	25,343	100,667
Account 555 Energy	13,949,090	9,795,845	1,970,131	7,825,714
Accounts 555 Demand and 547 Pipeline Charges	1,531,275	1,087,343	106,668	980,675
Account 575 Market Admin.	176,437	123,904	24,919	98,985
Total F&PP Cost	<u>\$32,887,679</u>	<u>\$23,107,595</u>	<u>\$4,535,360</u>	<u>\$18,572,235</u>
Less:				
Wholesale Sales Revenue	\$1,198,807	\$841,871	\$169,316	\$672,555
Sale of RECs Revenue 4/	0	(317,287) 5/	(63,812)	(253,475)
Total Revenue	<u>\$1,198,807</u>	<u>\$524,584</u>	<u>\$105,504</u>	<u>\$419,080</u>
Net System Cost	\$31,688,872	\$22,583,011	\$4,429,856	\$18,153,155
Kwh Retail Sales	1,002,679,239	700,737,053	<u>142,167,637</u>	<u>558,569,416</u>
Cost Per Kwh	\$0.03160	\$0.03223	<u><u>\$0.03116</u></u>	<u><u>\$0.03250</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.

5/ REC Revenue end of year adjustment.

Factor No. 15 ND	71.009009%
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			2022	Total
	October	November	December	January	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$3,744,865	\$3,462,928	\$4,678,402	\$4,447,824	\$16,334,019
Account 502 Reagent	105,982	173,381	199,044	239,015	717,422
Account 502 Sand	44,387	40,106	50,594	44,349	179,436
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	2,255,726	1,457,511	5,392,920	4,842,933	13,949,090
Account 575 Market Admin.	460,326	356,809	357,070	357,070	1,531,275
Total F&PP Cost	36,507	40,098	51,492	48,340	176,437
	<u>\$6,647,793</u>	<u>\$5,530,833</u>	<u>\$10,729,522</u>	<u>\$9,979,531</u>	<u>\$32,887,679</u>
Less:					
Wholesale Sales Revenue	\$123,992	\$602,804	\$43,754	\$428,257	\$1,198,807
Total Revenue	<u>\$123,992</u>	<u>\$602,804</u>	<u>\$43,754</u>	<u>\$428,257</u>	<u>\$1,198,807</u>
Net System Cost	\$6,523,801	\$4,928,029	\$10,685,768	\$9,551,274	\$31,688,872
Kwh Retail Sales	216,281,561	209,053,279	263,585,309	313,759,090	<u>1,002,679,239</u>
Cost Per Kwh	\$0.03016	\$0.02357	\$0.04054	\$0.03044	<u><u>\$0.03160</u></u>

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

Account No.	Account Description	2021			2022
		October	November	December	January
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$3,346,587	\$2,273,578	\$6,071,225	\$3,894,482
555.114	Real-Time Asset Energy	(71,366)	(55,946)	(175,438)	(229,293)
555.117	Real-Time Excessive Energy	(101)	630	45	(86)
555.118	Real-Time Non-Excessive Energy	(955,516)	(420,677)	(294,286)	(323,623)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	3,042	(76,874)	(25,945)	(78,968)
555.1230	Revenue Rights Transaction	(439,146)	(439,146)	(585,420)	(585,420)
555.1232	Revenue Rights Infeasible Uplift	12,572	12,572	4,590	4,590
555.1233	Revenue Rights Stage 2 Distribution	(58,914)	(58,914)	(37,035)	(37,035)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(621)	(662)	(697)	(1,749)
555.132	Day-Ahead Financial Bilateral Transaction Loss	11,045	9,013	5,295	12,782
555.135	Real-Time Asset Loss	170,276	40,018	(6,705)	40,713
555.136	Real-Time Distribution of Loss	(100,884)	(114,772)	(113,350)	(132,440)
555.151	Day-Ahead Rev Suff Guarantee Distribution	11,464	15,535	7,889	11,243
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(14,739)	(233)	(57,892)	(262)
555.153	Real-Time Miscellaneous	(3,858)	760	(93)	1,484
555.154	Real-Time Net Inadvertent Distribution	(4,462)	(14,486)	5,377	(8,133)
555.155	Real-Time Revenue Neutrality Uplift	109,753	265,822	52,418	58,593
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	20,680	5,838	10,396	15,768
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(43,723)	(8,227)	0	(41,619)
555.159	Day-Ahead Schedule 24	5,103	5,166	6,263	6,604
555.160	Real-Time Schedule 24	906	917	1,027	884
555.162	Real-Time Price Volatility Make Whole Payment	(10,510)	(35,424)	(29,970)	(26,537)
555.164	Real-Time Schedule 49	5,609	3,992	4,482	4,645
555.1700	Day-Ahead Regulation Amount	0	0	(170)	(820)
555.1701	Day-Ahead Spinning Reserve Amount	(21,348)	(8,915)	(20,317)	(18,784)
555.1702	Day-Ahead Supplemental Reserve Amount	(17)	0	0	0
555.1703	Day-Ahead Ramp Capability	(2,219)	(816)	(2,200)	(1,924)
555.1704	Day-Ahead Short Term Reserve Amount	0	0	(7,550)	(16,150)
555.1710	Real-Time Net Regulation Adjustment	0	2	(230)	0
555.1711	Real-Time Excessive Deficient Energy Deployment	9	11	6	44
555.1713	Real-Time Regulation Amount	1	(37)	(286)	1,199
555.1714	Real-Time Spinning Reserve Amount	(10,255)	660	6,556	1,889
555.1715	Real-Time Supplemental Reserve Amount	(186)	10	(194)	(343)
555.1716	Real-Time Regulation Cost Distribution	13,129	14,066	12,083	12,285
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	17,141	12,195	10,131	8,814
555.1718	Real-Time Supplemental Reserve Cost Distribution	2,908	1,636	1,644	1,579
555.1719	Real-Time Demand Response Allocation Uplift	15,275	12,568	13,830	9,442
555.1720	Real-Time Ramp Capability	(1,751)	(136)	(1,319)	(590)
555.1721	Real-Time Short Term Cost Distribution Amount	0	0	6,031	6,752
555.1723	Real-Time Short Term Reserve Amount	0	0	170	(7,913)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$19,048)	\$50,575	\$85,496	\$150,397
555.186	Real-Time Over Collected Losses	(203,283)	(178,403)	(118,839)	(194,665)
555.1915	Real-Time Asset Congestion	87,394	(262,743)	144,778	1,895,868
555.1920	Auction Revenue Rights-Daily	(84,224)	(45,411)	(47,718)	(68,298)
	<u>Other</u>				
555.X	Purchased Power	468,720	453,600	468,720	477,508
555.5	Purchased Power Cogeneration	283	169	122	20
	Total Account 555 Energy	\$2,255,726	\$1,457,511	\$5,392,920	\$4,842,933