



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

April 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
May 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 May 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 0.355 cents per Kwh for primary service customers and a decrease of 0.371 cents per Kwh for secondary service customers for service rendered in the month of May 2022 from current effective rates as shown below. The decrease was largely the result of a per unit decrease in MISO market prices and the revenue associated with the sale of RECs in March 2022.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective May 1, 2022	\$0.03018	\$0.03136
F&PP Effective April 1, 2022	<u>0.03373</u>	<u>0.03507</u>
Change	(\$0.00355)	(\$0.00371)

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 may be affected by this proposal. There were 93,576 electric customers in North Dakota as of March 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 two checks totaling \$1,200.00 on March 3, 2021. These payments were intended to cover the filing fees associated with the monthly Fuel and Purchased Power adjustment and Cost of Gas adjustment filings in accordance with North Dakota Century Code Section 49-05-05. On October 5, 2021, Montana-Dakota was notified via letter that the North Dakota Public Service Commission is discontinuing the practice of accepting advance payment for filing fees when the existing advance payment balance is depleted. The filing fee associated with this filing should be taken from the current advance payment balance.

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
MAY 2022 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02718	\$0.02816
Prior Cost of Fuel	0.03073	0.03187
Change in Cost of Fuel	<u>(\$0.00355)</u>	<u>(\$0.00371)</u>
 <u>Surcharge Adjustment</u>		
Current Adjustment	\$0.00300	\$0.00320
Prior Adjustment	0.00300	0.00320
Change in Surcharge Adjustment	<u>\$0.00000</u>	<u>\$0.00000</u>
 Cost of Fuel	 \$0.02718	 \$0.02816
Surcharge Adjustment	0.00300	0.00320
Total	<u><u>\$0.03018</u></u>	<u><u>\$0.03136</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	\$13,908,970	\$9,881,655	\$1,740,826	\$8,140,829
Account 502 Reagent	696,330	494,709	87,152	407,557
Account 502 Sand	94,757	67,320	11,860	55,460
Account 555 Energy	17,030,943	12,099,667	2,131,567	9,968,100
Accounts 555 Demand and 547 Pipeline Charges	1,425,670	1,012,354	99,312	913,042
Account 575 Market Admin.	174,312	123,840	21,817	102,023
Total F&PP Cost	<u>\$33,330,982</u>	<u>\$23,679,545</u>	<u>\$4,092,534</u>	<u>\$19,587,011</u>
Less:				
Wholesale Sales Revenue	\$733,304	\$520,978	\$91,779	\$429,199
Sale of RECs Revenue 4/	1,324,094	613,248 5/	108,034	505,214
Total Revenue	<u>\$2,057,398</u>	<u>\$1,134,226</u>	<u>\$199,813</u>	<u>\$934,413</u>
Net System Cost	\$31,273,584	\$22,545,319	\$3,892,721	\$18,652,598
Kwh Retail Sales	1,138,958,334	805,575,126	<u>143,200,073</u>	<u>662,375,053</u>
Cost Per Kwh	\$0.02746	\$0.02799	<u><u>\$0.02718</u></u>	<u><u>\$0.02816</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 of (\$317,287) in December 2021, revenue of \$288,174 in February 2022, and revenue of \$642,361 in March 2022.

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
	December	January	February	March	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$4,678,402	\$4,447,824	\$2,385,400	\$2,397,344	\$13,908,970
Account 502 Reagent	199,044	239,015	134,522	123,749	696,330
Account 502 Sand	50,594	44,349	(186)	0	94,757
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	5,392,920	4,842,933	5,023,371	1,771,719	17,030,943
Account 575 Market Admin.	357,070	357,070	354,460	357,070	1,425,670
Total F&PP Cost	<u>\$10,729,522</u>	<u>\$9,979,531</u>	<u>\$7,925,174</u>	<u>\$4,696,755</u>	<u>\$33,330,982</u>
Less:					
Wholesale Sales Revenue	\$43,754	\$428,257	\$77,476	\$183,817	\$733,304
Sale of RECs Revenue	0	0	410,068	914,026	1,324,094
Total Revenue	<u>\$43,754</u>	<u>\$428,257</u>	<u>\$487,544</u>	<u>\$1,097,843</u>	<u>\$2,057,398</u>
Net System Cost	\$10,685,768	\$9,551,274	\$7,437,630	\$3,598,912	\$31,273,584
Kwh Retail Sales	263,585,309	313,759,090	263,197,611	298,416,324	<u>1,138,958,334</u>
Cost Per Kwh	\$0.04054	\$0.03044	\$0.02826	\$0.01206	<u><u>\$0.02746</u></u>

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

Account No.	Account Description	2021	2022		
		December	January	February	March
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$6,071,225	\$3,894,482	\$5,732,139	\$1,986,614
555.114	Real-Time Asset Energy	(175,438)	(229,293)	(5,308)	75,066
555.117	Real-Time Excessive Energy	45	(86)	173	2,766
555.118	Real-Time Non-Excessive Energy	(294,286)	(323,623)	(635,999)	(145,441)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	(25,945)	(78,968)	(71,833)	(29,443)
555.1230	Revenue Rights Transaction	(585,420)	(585,420)	(585,420)	(401,883)
555.1232	Revenue Rights Infeasible Uplift	4,590	4,590	4,590	8,358
555.1233	Revenue Rights Stage 2 Distribution	(37,035)	(37,035)	(37,035)	(48,809)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(697)	(1,749)	(1,572)	(1,631)
555.132	Day-Ahead Financial Bilateral Transaction Loss	5,295	12,782	13,312	10,389
555.135	Real-Time Asset Loss	(6,705)	40,713	86,603	133,154
555.136	Real-Time Distribution of Loss	(113,350)	(132,440)	(94,136)	(60,581)
555.151	Day-Ahead Rev Suff Guarantee Distribution	7,889	11,243	8,697	7,964
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(57,892)	(262)	0	0
555.153	Real-Time Miscellaneous	(93)	1,484	(1,401)	684
555.154	Real-Time Net Inadvertent Distribution	5,377	(8,133)	(1,856)	1,404
555.155	Real-Time Revenue Neutrality Uplift	52,418	58,593	82,320	78,803
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	10,396	15,768	12,392	4,591
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	(41,619)	0	0
555.159	Day-Ahead Schedule 24	6,263	6,604	5,011	5,658
555.160	Real-Time Schedule 24	1,027	884	716	843
555.162	Real-Time Price Volatility Make Whole Payment	(29,970)	(26,537)	(19,345)	(14,247)
555.164	Real-Time Schedule 49	4,482	4,645	4,414	6,018
555.1700	Day-Ahead Regulation Amount	(170)	(820)	(829)	0
555.1701	Day-Ahead Spinning Reserve Amount	(20,317)	(18,784)	(16,282)	(21,194)
555.1703	Day-Ahead Ramp Capability	(2,200)	(1,924)	(1,286)	(2,434)
555.1704	Day-Ahead Short Term Reserve Amount	(7,550)	(16,150)	(10,254)	(6,609)
555.1710	Real-Time Net Regulation Adjustment	(230)	0	135	(8)
555.1711	Real-Time Excessive Deficient Energy Deployment	6	44	362	28
555.1713	Real-Time Regulation Amount	(286)	1,199	341	(94)
555.1714	Real-Time Spinning Reserve Amount	6,556	1,889	2,742	1,726
555.1715	Real-Time Supplemental Reserve Amount	(194)	(343)	0	0
555.1716	Real-Time Regulation Cost Distribution	12,083	12,285	12,188	11,935
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	10,131	8,814	8,909	12,095
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,644	1,579	1,238	907
555.1719	Real-Time Demand Response Allocation Uplift	13,830	9,442	14,068	12,303
555.1720	Real-Time Ramp Capability	(1,319)	(590)	(216)	78
555.1721	Real-Time Short Term Cost Distribution Amount	6,031	6,752	5,514	4,428
555.1723	Real-Time Short Term Reserve Amount	170	(7,913)	742	518
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	\$85,496	\$150,397	(\$12,052)	\$8,891
555.186	Real-Time Over Collected Losses	(118,839)	(194,665)	(231,950)	(110,820)
555.1915	Real-Time Asset Congestion	144,778	1,895,868	390,878	(188,254)
555.1920	Auction Revenue Rights-Daily	(47,718)	(68,298)	(68,298)	(40,979)
555.1923	Misc. Uncollectible Obligation Amount	0	0	0	(84)
	<u>Other</u>				
555.X	Purchased Power	468,720	477,508	430,829	468,720
555.5	Purchased Power Cogeneration	122	20	130	289
	Total Account 555 Energy	\$5,392,920	\$4,842,933	\$5,023,371	\$1,771,719