



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

May 17, 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  
June 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 June 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 0.526 cents per kWh for primary service customers and a decrease of 0.530 cents per kWh for secondary service customers for service rendered in the month of June 2022 from current effective rates as shown below. The decrease was largely the result of a per unit decrease in MISO market prices.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective June 1, 2022	\$0.02492	\$0.02606
F&PP Effective May 1, 2022	0.03018	0.03136
Change	(\$0.00526)	(\$0.00530)

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 93,612 electric customers in North Dakota as of April 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 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. Beginning with the July 2022 filing, the Company will utilize the ACH payment process currently available.

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](mailto: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  
JUNE 2022 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02192	\$0.02286
Prior Cost of Fuel	0.02718	0.02816
Change in Cost of Fuel	<u>(\$0.00526)</u>	<u>(\$0.00530)</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	 \$0.02192	 \$0.02286
Surcharge Adjustment	0.00300	0.00320
Total	<u><u>\$0.02492</u></u>	<u><u>\$0.02606</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	\$9,888,479	\$7,027,202	\$1,253,679	\$5,773,523
Account 502 Reagent	541,084	384,518	68,599	315,919
Account 502 Sand	44,163	31,384	5,599	25,785
Account 555 Energy	15,152,165	10,767,816	1,921,018	8,846,798
Accounts 555 Demand and 547 Pipeline Charges	1,417,935	1,006,862	98,773	908,089
Account 575 Market Admin.	157,768	112,117	20,002	92,115
Total F&PP Cost	<u>\$27,201,594</u>	<u>\$19,329,899</u>	<u>\$3,367,670</u>	<u>\$15,962,229</u>
Less:				
Wholesale Sales Revenue	\$691,483	\$491,400	\$87,668	\$403,732
Sale of RECs Revenue 4/	1,438,600	1,011,004	180,367	830,637
Total Revenue	<u>\$2,130,083</u>	<u>\$1,502,404</u>	<u>\$268,035</u>	<u>\$1,234,369</u>
Net System Cost	\$25,071,511	\$17,827,495	\$3,099,635	\$14,727,860
Kwh Retail Sales	1,110,450,814	785,650,346	<u>141,427,527</u>	<u>644,222,819</u>
Cost Per Kwh	\$0.02258	\$0.02269	<u><u>\$0.02192</u></u>	<u><u>\$0.02286</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	71.009009%
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**

	2022				Total
	January	February	March	April	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$4,447,824	\$2,385,400	\$2,397,344	\$657,911	\$9,888,479
Account 502 Reagent	239,015	134,522	123,749	43,798	541,084
Account 502 Sand	44,349	(186)	0	0	44,163
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	4,842,933	5,023,371	1,771,719	3,514,142	15,152,165
Account 575 Market Admin.	357,070	354,460	357,070	349,335	1,417,935
Total F&PP Cost	48,340	27,607	46,873	34,948	157,768
	<u>\$9,979,531</u>	<u>\$7,925,174</u>	<u>\$4,696,755</u>	<u>\$4,600,134</u>	<u>\$27,201,594</u>
Less:					
Wholesale Sales Revenue	\$428,257	\$77,476	\$183,817	\$1,933	\$691,483
Sale of RECs Revenue	0	410,068	914,026	114,506	1,438,600
Total Revenue	<u>\$428,257</u>	<u>\$487,544</u>	<u>\$1,097,843</u>	<u>\$116,439</u>	<u>\$2,130,083</u>
Net System Cost	\$9,551,274	\$7,437,630	\$3,598,912	\$4,483,695	\$25,071,511
Kwh Retail Sales	313,759,090	263,197,611	298,416,324	235,077,789	<u>1,110,450,814</u>
Cost Per Kwh	\$0.03044	\$0.02826	\$0.01206	\$0.01907	<u><u>\$0.02258</u></u>

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

Account No.	Account Description	2022			
		January	February	March	April
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$3,894,482	\$5,732,139	\$1,986,614	\$4,005,751
555.114	Real-Time Asset Energy	(229,293)	(5,308)	75,066	(156,802)
555.117	Real-Time Excessive Energy	(86)	173	2,766	14,030
555.118	Real-Time Non-Excessive Energy	(323,623)	(635,999)	(145,441)	(235,983)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	(78,968)	(71,833)	(29,443)	322,130
555.1230	Revenue Rights Transaction	(585,420)	(585,420)	(401,883)	(401,883)
555.1232	Revenue Rights Infeasible Uplift	4,590	4,590	8,358	8,358
555.1233	Revenue Rights Stage 2 Distribution	(37,035)	(37,035)	(48,809)	(48,809)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(1,749)	(1,572)	(1,631)	(2,437)
555.132	Day-Ahead Financial Bilateral Transaction Loss	12,782	13,312	10,389	11,695
555.135	Real-Time Asset Loss	40,713	86,603	133,154	(17,123)
555.136	Real-Time Distribution of Loss	(132,440)	(94,136)	(60,581)	(81,042)
555.151	Day-Ahead Rev Suff Guarantee Distribution	11,243	8,697	7,964	8,944
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(262)	0	0	(5)
555.153	Real-Time Miscellaneous	1,484	(1,401)	684	0
555.154	Real-Time Net Inadvertent Distribution	(8,133)	(1,856)	1,404	4,523
555.155	Real-Time Revenue Neutrality Uplift	58,593	82,320	78,803	202,886
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	15,768	12,392	4,591	28,498
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(41,619)	0	0	(18,439)
555.159	Day-Ahead Schedule 24	6,604	5,011	5,658	4,662
555.160	Real-Time Schedule 24	884	716	843	767
555.162	Real-Time Price Volatility Make Whole Payment	(26,537)	(19,345)	(14,247)	(7,088)
555.164	Real-Time Schedule 49	4,645	4,414	6,018	12,690
555.1700	Day-Ahead Regulation Amount	(820)	(829)	0	0
555.1701	Day-Ahead Spinning Reserve Amount	(18,784)	(16,282)	(21,194)	(22,590)
555.1703	Day-Ahead Ramp Capability	(1,924)	(1,286)	(2,434)	(1,554)
555.1704	Day-Ahead Short Term Reserve Amount	(16,150)	(10,254)	(6,609)	(10,447)
555.1710	Real-Time Net Regulation Adjustment	0	135	(8)	(9)
555.1711	Real-Time Excessive Deficient Energy Deployment	44	362	28	203
555.1713	Real-Time Regulation Amount	1,199	341	(94)	(271)
555.1714	Real-Time Spinning Reserve Amount	1,889	2,742	1,726	2,864
555.1715	Real-Time Supplemental Reserve Amount	(343)	0	0	(1)
555.1716	Real-Time Regulation Cost Distribution	12,285	12,188	11,935	15,980
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	8,814	8,909	12,095	16,784
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,579	1,238	907	1,567
555.1719	Real-Time Demand Response Allocation Uplift	9,442	14,068	12,303	10,391
555.1720	Real-Time Ramp Capability	(590)	(216)	78	309
555.1721	Real-Time Short Term Cost Distribution Amount	6,752	5,514	4,428	10,810
555.1723	Real-Time Short Term Reserve Amount	(7,913)	742	518	1,397
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	\$150,397	(\$12,052)	\$8,891	(\$12,910)
555.186	Real-Time Over Collected Losses	(194,665)	(231,950)	(110,820)	(160,132)
555.1915	Real-Time Asset Congestion	1,895,868	390,878	(188,254)	(373,183)
555.1920	Auction Revenue Rights-Daily	(68,298)	(68,298)	(40,979)	(57,372)
555.1923	Misc. Uncollectible Obligation Amount	0	0	(84)	(17,486)
	<u>Other</u>				
555.X	Purchased Power	477,508	430,829	468,720	454,181
555.5	Purchased Power Cogeneration	20	130	289	288
	<b>Total Account 555 Energy</b>	<b>\$4,842,933</b>	<b>\$5,023,371</b>	<b>\$1,771,719</b>	<b>\$3,514,142</b>