



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

June 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
July 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 July 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 0.261 cents per kWh for primary service customers and a decrease of 0.251 cents per kWh for secondary service customers for service rendered in the month of July 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 July 1, 2022	\$0.02231	\$0.02355
F&PP Effective June 1, 2022	0.02492	0.02606
Change	(\$0.00261)	(\$0.00251)

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 93,630 electric customers in North Dakota as of May 31, 2022.

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 will submit the \$50.00 filing fee following this filing.

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
JULY 2022 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01931	\$0.02035
Prior Cost of Fuel	0.02192	0.02286
Change in Cost of Fuel	<u>(\$0.00261)</u>	<u>(\$0.00251)</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	 \$0.01931	 \$0.02035
Surcharge Adjustment	0.00300	0.00320
Total	<u><u>\$0.02231</u></u>	<u><u>\$0.02355</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	\$6,657,340	\$4,729,188	\$886,407	\$3,842,781
Account 502 Reagent	366,452	260,317	48,792	211,525
Account 502 Sand	(186)	(132)	(25)	(107)
Account 555 Energy	13,388,838	9,511,056	1,782,688	7,728,368
Accounts 555 Demand and 547 Pipeline Charges	1,410,784	1,001,784	98,275	903,509
Account 575 Market Admin.	138,735	98,553	18,472	80,081
Total F&PP Cost	<u>\$21,961,963</u>	<u>\$15,600,766</u>	<u>\$2,834,609</u>	<u>\$12,766,157</u>
Less:				
Wholesale Sales Revenue	\$280,437	\$199,215	\$37,340	\$161,875
Sale of RECs Revenue 4/	1,438,600	1,011,004	189,496	821,508
Total Revenue	<u>\$1,719,037</u>	<u>\$1,210,219</u>	<u>\$226,836</u>	<u>\$983,383</u>
Net System Cost	\$20,242,926	\$14,390,547	\$2,607,773	\$11,782,774
kWh Retail Sales	1,009,967,460	714,146,235	<u>135,049,034</u>	<u>579,097,201</u>
Cost Per kWh	\$0.02004	\$0.02015	<u><u>\$0.01931</u></u>	<u><u>\$0.02035</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
	February	March	April	May	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$2,385,400	\$2,397,344	\$657,911	\$1,216,685	\$6,657,340
Account 502 Reagent	134,522	123,749	43,798	64,383	366,452
Account 502 Sand	(186)	0	0	0	(186)
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	5,023,371	1,771,719	3,514,142	3,079,606	13,388,838
Account 575 Market Admin.	354,460	357,070	349,335	349,919	1,410,784
Total F&PP Cost	27,607	46,873	34,948	29,307	138,735
	<u>\$7,925,174</u>	<u>\$4,696,755</u>	<u>\$4,600,134</u>	<u>\$4,739,900</u>	<u>\$21,961,963</u>
Less:					
Wholesale Sales Revenue	\$77,476	\$183,817	\$1,933	\$17,211	\$280,437
Sale of RECs Revenue	410,068	914,026	114,506	0	1,438,600
Total Revenue	<u>\$487,544</u>	<u>\$1,097,843</u>	<u>\$116,439</u>	<u>\$17,211</u>	<u>\$1,719,037</u>
Net System Cost	\$7,437,630	\$3,598,912	\$4,483,695	\$4,722,689	\$20,242,926
kWh Retail Sales	263,197,611	298,416,324	235,077,789	213,275,736	<u>1,009,967,460</u>
Cost Per kWh	\$0.02826	\$0.01206	\$0.01907	\$0.02214	<u><u>\$0.02004</u></u>

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

Account No.	Account Description	2022			
		February	March	April	May
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$5,732,139	\$1,986,614	\$4,005,751	\$3,672,864
555.114	Real-Time Asset Energy	(5,308)	75,066	(156,802)	149,951
555.117	Real-Time Excessive Energy	173	2,766	14,030	7,876
555.118	Real-Time Non-Excessive Energy	(635,999)	(145,441)	(235,983)	84,782
555.1212	Day-Ahead Financial Bilateral Congestion Loss	(71,833)	(29,443)	322,130	(24,181)
555.1230	Revenue Rights Transaction	(585,420)	(401,883)	(401,883)	(401,883)
555.1232	Revenue Rights Infeasible Uplift	4,590	8,358	8,358	8,358
555.1233	Revenue Rights Stage 2 Distribution	(37,035)	(48,809)	(48,809)	(48,809)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(1,572)	(1,631)	(2,437)	(2,341)
555.132	Day-Ahead Financial Bilateral Transaction Loss	13,312	10,389	11,695	18,906
555.135	Real-Time Asset Loss	86,603	133,154	(17,123)	114,241
555.136	Real-Time Distribution of Loss	(94,136)	(60,581)	(81,042)	(53,949)
555.151	Day-Ahead Rev Suff Guarantee Distribution	8,697	7,964	8,944	12,767
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	0	(5)	0
555.153	Real-Time Miscellaneous	(1,401)	684	0	0
555.154	Real-Time Net Inadvertent Distribution	(1,856)	1,404	4,523	(498)
555.155	Real-Time Revenue Neutrality Uplift	82,320	78,803	202,886	151,836
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	12,392	4,591	28,498	44,145
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	0	(18,439)	(87,111)
555.159	Day-Ahead Schedule 24	5,011	5,658	4,662	3,950
555.160	Real-Time Schedule 24	716	843	767	692
555.162	Real-Time Price Volatility Make Whole Payment	(19,345)	(14,247)	(7,088)	(13,490)
555.164	Real-Time Schedule 49	4,414	6,018	12,690	9,583
555.1700	Day-Ahead Regulation Amount	(829)	0	0	(292)
555.1701	Day-Ahead Spinning Reserve Amount	(16,282)	(21,194)	(22,590)	(22,927)
555.1702	Day-Ahead Supplemental Reserve Amount	0	0	0	(34)
555.1703	Day-Ahead Ramp Capability	(1,286)	(2,434)	(1,554)	(1,587)
555.1704	Day-Ahead Short Term Reserve Amount	(10,254)	(6,609)	(10,447)	(7,106)
555.1710	Real-Time Net Regulation Adjustment	135	(8)	(9)	0
555.1711	Real-Time Excessive Deficient Energy Deployment	362	28	203	160
555.1713	Real-Time Regulation Amount	341	(94)	(271)	125
555.1714	Real-Time Spinning Reserve Amount	2,742	1,726	2,864	1,953
555.1715	Real-Time Supplemental Reserve Amount	0	0	(1)	(374)
555.1716	Real-Time Regulation Cost Distribution	12,188	11,935	15,980	17,865
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	8,909	12,095	16,784	16,228
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,238	907	1,567	1,203
555.1719	Real-Time Demand Response Allocation Uplift	14,068	12,303	10,391	22,407
555.1720	Real-Time Ramp Capability	(216)	78	309	(159)
555.1721	Real-Time Short Term Cost Distribution Amount	5,514	4,428	10,810	3,894
555.1723	Real-Time Short Term Reserve Amount	742	518	1,397	472
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$12,052)	\$8,891	(\$12,910)	(\$28,969)
555.186	Real-Time Over Collected Losses	(231,950)	(110,820)	(160,132)	(175,432)
555.1915	Real-Time Asset Congestion	390,878	(188,254)	(373,183)	(794,694)
555.1920	Auction Revenue Rights-Daily	(68,298)	(40,979)	(57,372)	(69,943)
555.1923	Misc. Uncollectible Obligation Amount	0	(84)	(17,486)	0
	<u>Other</u>				
555.X	Purchased Power	430,829	468,720	454,181	468,720
555.5	Purchased Power Cogeneration	130	289	288	407
	Total Account 555 Energy	<u>\$5,023,371</u>	<u>\$1,771,719</u>	<u>\$3,514,142</u>	<u>\$3,079,606</u>