



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

July 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
August 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 August 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 0.301 cents per kWh for primary service customers and a decrease of 0.298 cents per kWh for secondary service customers for service rendered in the month of August 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 credits associated with the SPP and MISO Revenue Rights Auctions.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective August 1, 2022	\$0.01930	\$0.02057
F&PP Effective July 1, 2022	<u>0.02231</u>	<u>0.02355</u>
Change	(\$0.00301)	(\$0.00298)

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 93,596 electric customers in North Dakota as of June 30, 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
AUGUST 2022 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01630	\$0.01737
Prior Cost of Fuel	0.01931	0.02035
Change in Cost of Fuel	<u>(\$0.00301)</u>	<u>(\$0.00298)</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	 \$0.01630	 \$0.01737
Surcharge Adjustment	0.00300	0.00320
Total	<u><u>\$0.01930</u></u>	<u><u>\$0.02057</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	\$7,636,853	\$5,411,415	\$1,087,814	\$4,323,601
Account 502 Reagent	374,377	265,281	53,327	211,954
Account 555 Energy	8,449,460	5,987,222	1,203,564	4,783,658
Accounts 555 Demand and 547 Pipeline Charges	1,331,777	945,682	92,771	852,911
Account 575 Market Admin.	140,603	99,630	20,028	79,602
Total F&PP Cost	<u>\$17,933,070</u>	<u>\$12,709,230</u>	<u>\$2,457,504</u>	<u>\$10,251,726</u>
Less:				
Wholesale Sales Revenue	\$422,426	\$299,328	\$60,172	\$239,156
Sale of RECs Revenue 4/	1,028,532	722,830	145,305	577,525
Total Revenue	<u>\$1,450,958</u>	<u>\$1,022,158</u>	<u>\$205,477</u>	<u>\$816,681</u>
Net System Cost	\$16,482,112	\$11,687,072	\$2,252,027	\$9,435,045
kWh Retail Sales	965,978,506	681,277,150	<u>138,153,061</u>	<u>543,124,089</u>
Cost Per kWh	\$0.01706	\$0.01715	<u><u>\$0.01630</u></u>	<u><u>\$0.01737</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
	March	April	May	June	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$2,397,344	\$657,911	\$1,216,685	\$3,364,913	\$7,636,853
Account 502 Reagent	123,749	43,798	64,383	142,447	374,377
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	1,771,719	3,514,142	3,079,606	83,993	8,449,460
Account 575 Market Admin.	357,070	349,335	349,919	275,453	1,331,777
Total F&PP Cost	46,873	34,948	29,307	29,475	140,603
	<u>\$4,696,755</u>	<u>\$4,600,134</u>	<u>\$4,739,900</u>	<u>\$3,896,281</u>	<u>\$17,933,070</u>
Less:					
Wholesale Sales Revenue	\$183,817	\$1,933	\$17,211	\$219,465	\$422,426
Sale of RECs Revenue	914,026	114,506	0	0	1,028,532
Total Revenue	<u>\$1,097,843</u>	<u>\$116,439</u>	<u>\$17,211</u>	<u>\$219,465</u>	<u>\$1,450,958</u>
Net System Cost	\$3,598,912	\$4,483,695	\$4,722,689	\$3,676,816	\$16,482,112
kWh Retail Sales	298,416,324	235,077,789	213,275,736	219,208,657	<u>965,978,506</u>
Cost Per kWh	\$0.01206	\$0.01907	\$0.02214	\$0.01677	<u><u>\$0.01706</u></u>

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

Account No.	Account Description	2022			
		March	April	May	June
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$1,986,614	\$4,005,751	\$3,672,864	\$2,217,064
555.114	Real-Time Asset Energy	75,066	(156,802)	149,951	129,236
555.117	Real-Time Excessive Energy	2,766	14,030	7,876	894
555.118	Real-Time Non-Excessive Energy	(145,441)	(235,983)	84,782	(27,906)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	(29,443)	322,130	(24,181)	102,978
555.1230	Revenue Rights Transaction	(401,883)	(401,883)	(401,883)	(1,874,145)
555.1232	Revenue Rights Infeasible Uplift	8,358	8,358	8,358	5,033
555.1233	Revenue Rights Stage 2 Distribution	(48,809)	(48,809)	(48,809)	(22,338)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(1,631)	(2,437)	(2,341)	(4,874)
555.132	Day-Ahead Financial Bilateral Transaction Loss	10,389	11,695	18,906	63,113
555.135	Real-Time Asset Loss	133,154	(17,123)	114,241	58,380
555.136	Real-Time Distribution of Loss	(60,581)	(81,042)	(53,949)	(79,581)
555.151	Day-Ahead Rev Suff Guarantee Distribution	7,964	8,944	12,767	13,663
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	(5)	0	0
555.153	Real-Time Miscellaneous	684	0	0	120
555.154	Real-Time Net Inadvertent Distribution	1,404	4,523	(498)	3,518
555.155	Real-Time Revenue Neutrality Uplift	78,803	202,886	151,836	90,769
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	4,591	28,498	44,145	47,849
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	(18,439)	(87,111)	(34,195)
555.159	Day-Ahead Schedule 24	5,658	4,662	3,950	3,969
555.160	Real-Time Schedule 24	843	767	692	612
555.162	Real-Time Price Volatility Make Whole Payment	(14,247)	(7,088)	(13,490)	(38,958)
555.164	Real-Time Schedule 49	6,018	12,690	9,583	8,959
555.1700	Day-Ahead Regulation Amount	0	0	(292)	0
555.1701	Day-Ahead Spinning Reserve Amount	(21,194)	(22,590)	(22,927)	(18,950)
555.1702	Day-Ahead Supplemental Reserve Amount	0	0	(34)	(267)
555.1703	Day-Ahead Ramp Capability	(2,434)	(1,554)	(1,587)	(2,348)
555.1704	Day-Ahead Short Term Reserve Amount	(6,609)	(10,447)	(7,106)	(8,391)
555.1710	Real-Time Net Regulation Adjustment	(8)	(9)	0	2
555.1711	Real-Time Excessive Deficient Energy Deployment	28	203	160	70
555.1713	Real-Time Regulation Amount	(94)	(271)	125	(44)
555.1714	Real-Time Spinning Reserve Amount	1,726	2,864	1,953	(472)
555.1715	Real-Time Supplemental Reserve Amount	0	(1)	(374)	(175)
555.1716	Real-Time Regulation Cost Distribution	11,935	15,980	17,865	12,616
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	12,095	16,784	16,228	12,855
555.1718	Real-Time Supplemental Reserve Cost Distribution	907	1,567	1,203	2,915
555.1719	Real-Time Demand Response Allocation Uplift	12,303	10,391	22,407	21,066
555.1720	Real-Time Ramp Capability	78	309	(159)	(360)
555.1721	Real-Time Short Term Cost Distribution Amount	4,428	10,810	3,894	4,751
555.1723	Real-Time Short Term Reserve Amount	518	1,397	472	211
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	\$8,891	(\$12,910)	(\$28,969)	(\$142,519)
555.186	Real-Time Over Collected Losses	(110,820)	(160,132)	(175,432)	(266,151)
555.1915	Real-Time Asset Congestion	(188,254)	(373,183)	(794,694)	(59,767)
555.1920	Auction Revenue Rights-Daily	(40,979)	(57,372)	(69,943)	(85,349)
555.1921	Auction Revenue Rights-Annual	0	0	0	(1,240,514)
555.1923	Misc. Uncollectible Obligation Amount	(84)	(17,486)	0	0
	<u>Other</u>				
555.X	Purchased Power	468,720	454,181	468,720	1,190,137
555.5	Purchased Power Cogeneration	289	288	407	517
	Total Account 555 Energy	\$1,771,719	\$3,514,142	\$3,079,606	\$83,993