



MONTANA-DAKOTA
UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

August 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
September 2022

Montana-Dakota Utilities Co. (Montana-Dakota) electronically submits its Fuel and Purchased Power (F&PP) adjustment pursuant to its Rate 58.

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 September 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 0.557 cents per kWh for primary service customers and an increase of 0.578 cents per kWh for secondary service customers for service rendered in the month of September 2022 from current effective rates as shown below. The increase was largely the result of a per unit increase in MISO market prices.

	Primary	Secondary
F&PP Effective September 1, 2022	\$0.02487	\$0.02635
F&PP Effective August 1, 2022	0.01930	0.02057
Change	\$0.00557	\$0.00578

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 93,607 electric customers in North Dakota as of July 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
SEPTEMBER 2022 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02187	\$0.02315
Prior Cost of Fuel	0.01630	0.01737
Change in Cost of Fuel	<u>\$0.00557</u>	<u>\$0.00578</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	 \$0.02187	 \$0.02315
Surcharge Adjustment	0.00300	0.00320
Total	<u><u>\$0.02487</u></u>	<u><u>\$0.02635</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	\$8,997,034	\$6,336,470	\$1,318,657	\$5,017,813
Account 502 Reagent	415,153	292,386	60,847	231,539
Account 555 Energy	10,045,600	7,074,958	1,472,341	5,602,617
Accounts 555 Demand and 547 Pipeline Charges	1,380,306	980,142	96,152	883,990
Account 575 Market Admin.	134,141	94,473	19,660	74,813
Total F&PP Cost	<u>\$20,972,234</u>	<u>\$14,778,429</u>	<u>\$2,967,657</u>	<u>\$11,810,772</u>
Less:				
Wholesale Sales Revenue	\$440,739	\$310,406	\$64,597	\$245,809
Sale of RECs Revenue 4/	114,506	80,469	16,746	63,723
Total Revenue	<u>\$555,245</u>	<u>\$390,875</u>	<u>\$81,343</u>	<u>\$309,532</u>
Net System Cost	\$20,416,989	\$14,387,554	\$2,886,314	\$11,501,240
kWh Retail Sales	897,416,893	628,801,357	<u>131,994,920</u>	<u>496,806,437</u>
Cost Per kWh	\$0.02275	\$0.02288	<u><u>\$0.02187</u></u>	<u><u>\$0.02315</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
	April	May	June	July	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$657,911	\$1,216,685	\$3,364,913	\$3,757,525	\$8,997,034
Account 502 Reagent	43,798	64,383	142,447	164,525	415,153
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	3,514,142	3,079,606	83,993	3,367,859	10,045,600
Account 575 Market Admin.	349,335	349,919	275,453	405,599	1,380,306
Total F&PP Cost	34,948	29,307	29,475	40,411	134,141
	<u>\$4,600,134</u>	<u>\$4,739,900</u>	<u>\$3,896,281</u>	<u>\$7,735,919</u>	<u>\$20,972,234</u>
Less:					
Wholesale Sales Revenue	\$1,933	\$17,211	\$219,465	\$202,130	\$440,739
Sale of RECs Revenue	114,506	0	0	0	114,506
Total Revenue	<u>\$116,439</u>	<u>\$17,211</u>	<u>\$219,465</u>	<u>\$202,130</u>	<u>\$555,245</u>
Net System Cost	\$4,483,695	\$4,722,689	\$3,676,816	\$7,533,789	\$20,416,989
kWh Retail Sales	235,077,789	213,275,736	219,208,657	229,854,711	<u>897,416,893</u>
Cost Per kWh	\$0.01907	\$0.02214	\$0.01677	\$0.03278	<u><u>\$0.02275</u></u>

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

Account No.	Account Description	2022			
		April	May	June	July
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$4,005,751	\$3,672,864	\$2,217,064	\$5,920,779
555.114	Real-Time Asset Energy	(156,802)	149,951	129,236	169,718
555.117	Real-Time Excessive Energy	14,030	7,876	894	1,137
555.118	Real-Time Non-Excessive Energy	(235,983)	84,782	(27,906)	(298,593)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	322,130	(24,181)	102,978	703,866
555.1230	Revenue Rights Transaction	(401,883)	(401,883)	(1,874,145)	(1,874,145)
555.1232	Revenue Rights Infeasible Uplift	8,358	8,358	5,033	5,033
555.1233	Revenue Rights Stage 2 Distribution	(48,809)	(48,809)	(22,338)	(22,338)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(2,437)	(2,341)	(4,874)	12
555.132	Day-Ahead Financial Bilateral Transaction Loss	11,695	18,906	63,113	88,270
555.135	Real-Time Asset Loss	(17,123)	114,241	58,380	351,844
555.136	Real-Time Distribution of Loss	(81,042)	(53,949)	(79,581)	(68,394)
555.151	Day-Ahead Rev Suff Guarantee Distribution	8,944	12,767	13,663	11,894
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(5)	0	0	(4,209)
555.153	Real-Time Miscellaneous	0	0	120	(422)
555.154	Real-Time Net Inadvertent Distribution	4,523	(498)	3,518	9,404
555.155	Real-Time Revenue Neutrality Uplift	202,886	151,836	90,769	18,564
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	28,498	44,145	47,849	30,176
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(18,439)	(87,111)	(34,195)	(617,588)
555.159	Day-Ahead Schedule 24	4,662	3,950	3,969	4,736
555.160	Real-Time Schedule 24	767	692	612	719
555.162	Real-Time Price Volatility Make Whole Payment	(7,088)	(13,490)	(38,958)	(70,973)
555.164	Real-Time Schedule 49	12,690	9,583	8,959	8,892
555.1700	Day-Ahead Regulation Amount	0	(292)	0	0
555.1701	Day-Ahead Spinning Reserve Amount	(22,590)	(22,927)	(18,950)	(6,096)
555.1702	Day-Ahead Supplemental Reserve Amount	0	(34)	(267)	(133)
555.1703	Day-Ahead Ramp Capability	(1,554)	(1,587)	(2,348)	(2,417)
555.1704	Day-Ahead Short Term Reserve Amount	(10,447)	(7,106)	(8,391)	(2,158)
555.1710	Real-Time Net Regulation Adjustment	(9)	0	2	845
555.1711	Real-Time Excessive Deficient Energy Deployment	203	160	70	35
555.1713	Real-Time Regulation Amount	(271)	125	(44)	(1,388)
555.1714	Real-Time Spinning Reserve Amount	2,864	1,953	(472)	(1,630)
555.1715	Real-Time Supplemental Reserve Amount	(1)	(374)	(175)	(1,743)
555.1716	Real-Time Regulation Cost Distribution	15,980	17,865	12,616	10,889
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	16,784	16,228	12,855	4,270
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,567	1,203	2,915	8,919
555.1719	Real-Time Demand Response Allocation Uplift	10,391	22,407	21,066	12,089
555.1720	Real-Time Ramp Capability	309	(159)	(360)	(2,640)
555.1721	Real-Time Short Term Cost Distribution Amount	10,810	3,894	4,751	3,505
555.1723	Real-Time Short Term Reserve Amount	1,397	472	211	250
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$12,910)	(\$28,969)	(\$142,519)	(\$428,269)
555.186	Real-Time Over Collected Losses	(160,132)	(175,432)	(266,151)	(356,317)
555.1915	Real-Time Asset Congestion	(373,183)	(794,694)	(59,767)	(1,284,100)
555.1920	Auction Revenue Rights-Daily	(57,372)	(69,943)	(85,349)	(182,563)
555.1921	Auction Revenue Rights-Annual	0	0	(1,240,514)	0
555.1923	Misc. Uncollectible Obligation Amount	(17,486)	0	0	0
	<u>Other</u>				
555.X	Purchased Power	454,181	468,720	1,190,137	1,227,600
555.5	Purchased Power Cogeneration	288	407	517	529
	Total Account 555 Energy	\$3,514,142	\$3,079,606	\$83,993	\$3,367,859