



MONTANA-DAKOTA
UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

September 16, 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
October 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 October 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 0.025 cents per kWh for primary service customers and an increase of 0.019 cents per kWh for secondary service customers for service rendered in the month of October 2022 from current effective rates as shown below. The per unit increase was largely the result of a reduction in wind generation.

	Primary	Secondary
F&PP Effective October 1, 2022	\$0.02512	\$0.02654
F&PP Effective September 1, 2022	0.02487	0.02635
Change	\$0.00025	\$0.00019

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 93,675 electric customers in North Dakota as of August 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
OCTOBER 2022 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02212	\$0.02334
Prior Cost of Fuel	0.02187	0.02315
Change in Cost of Fuel	<u>\$0.00025</u>	<u>\$0.00019</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	 \$0.02212	 \$0.02334
Surcharge Adjustment	0.00300	0.00320
Total	<u><u>\$0.02512</u></u>	<u><u>\$0.02654</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	\$11,265,217	\$7,931,710	\$1,620,222	\$6,311,488
Account 502 Reagent	562,977	396,386	80,970	315,416
Account 555 Energy	9,041,581	6,366,074	1,300,407	5,065,667
Accounts 555 Demand and 547 Pipeline Charges	1,396,410	991,577	97,274	894,303
Account 575 Market Admin.	137,814	97,033	19,821	77,212
Total F&PP Cost	<u>\$22,403,999</u>	<u>\$15,782,780</u>	<u>\$3,118,694</u>	<u>\$12,664,086</u>
Less:				
Wholesale Sales Revenue	<u>\$712,772</u>	<u>\$501,855</u>	<u>\$102,515</u>	<u>\$399,340</u>
Total Revenue	<u>\$712,772</u>	<u>\$501,855</u>	<u>\$102,515</u>	<u>\$399,340</u>
Net System Cost	\$21,691,227	\$15,280,925	\$3,016,179	\$12,264,746
kWh Retail Sales	944,593,283	661,745,314	<u>136,356,571</u>	<u>525,388,743</u>
Cost Per kWh	\$0.02296	\$0.02309	<u><u>\$0.02212</u></u>	<u><u>\$0.02334</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.

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
	May	June	July	August	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$1,216,685	\$3,364,913	\$3,757,525	\$2,926,094	\$11,265,217
Account 502 Reagent	64,383	142,447	164,525	191,622	562,977
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	3,079,606	83,993	3,367,859	2,510,123	9,041,581
Account 575 Market Admin.	349,919	275,453	405,599	365,439	1,396,410
Total F&PP Cost	29,307	29,475	40,411	38,621	137,814
	<u>\$4,739,900</u>	<u>\$3,896,281</u>	<u>\$7,735,919</u>	<u>\$6,031,899</u>	<u>\$22,403,999</u>
Less:					
Wholesale Sales Revenue	\$17,211	\$219,465	\$202,130	\$273,966	\$712,772
Total Revenue	<u>\$17,211</u>	<u>\$219,465</u>	<u>\$202,130</u>	<u>\$273,966</u>	<u>\$712,772</u>
Net System Cost	\$4,722,689	\$3,676,816	\$7,533,789	\$5,757,933	\$21,691,227
kWh Retail Sales	213,275,736	219,208,657	229,854,711	282,254,179	<u>944,593,283</u>
Cost Per kWh	\$0.02214	\$0.01677	\$0.03278	\$0.02040	<u><u>\$0.02296</u></u>

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

Account No.	Account Description	2022			
		May	June	July	August
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$3,672,864	\$2,217,064	\$5,920,779	\$4,388,099
555.114	Real-Time Asset Energy	149,951	129,236	169,718	117,093
555.117	Real-Time Excessive Energy	7,876	894	1,137	(559)
555.118	Real-Time Non-Excessive Energy	84,782	(27,906)	(298,593)	43,962
555.1212	Day-Ahead Financial Bilateral Congestion Loss	(24,181)	102,978	703,866	187,329
555.1230	Revenue Rights Transaction	(401,883)	(1,874,145)	(1,874,145)	(1,874,145)
555.1232	Revenue Rights Infeasible Uplift	8,358	5,033	5,033	5,033
555.1233	Revenue Rights Stage 2 Distribution	(48,809)	(22,338)	(22,338)	(22,338)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(2,341)	(4,874)	12	(6,223)
555.132	Day-Ahead Financial Bilateral Transaction Loss	18,906	63,113	88,270	107,352
555.135	Real-Time Asset Loss	114,241	58,380	351,844	362,165
555.136	Real-Time Distribution of Loss	(53,949)	(79,581)	(68,394)	(119,274)
555.151	Day-Ahead Rev Suff Guarantee Distribution	12,767	13,663	11,894	15,465
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	0	(4,209)	0
555.153	Real-Time Miscellaneous	0	120	(422)	1,381
555.154	Real-Time Net Inadvertent Distribution	(498)	3,518	9,404	3,990
555.155	Real-Time Revenue Neutrality Uplift	151,836	90,769	18,564	27,971
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	44,145	47,849	30,176	36,574
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(87,111)	(34,195)	(617,588)	(2,013)
555.159	Day-Ahead Schedule 24	3,950	3,969	4,736	5,199
555.160	Real-Time Schedule 24	692	612	719	651
555.162	Real-Time Price Volatility Make Whole Payment	(13,490)	(38,958)	(70,973)	(38,985)
555.164	Real-Time Schedule 49	9,583	8,959	8,892	11,518
555.1700	Day-Ahead Regulation Amount	(292)	0	0	0
555.1701	Day-Ahead Spinning Reserve Amount	(22,927)	(18,950)	(6,096)	(4,731)
555.1702	Day-Ahead Supplemental Reserve Amount	(34)	(267)	(133)	4
555.1703	Day-Ahead Ramp Capability	(1,587)	(2,348)	(2,417)	(1,240)
555.1704	Day-Ahead Short Term Reserve Amount	(7,106)	(8,391)	(2,158)	(1,469)
555.1710	Real-Time Net Regulation Adjustment	0	2	845	0
555.1711	Real-Time Excessive Deficient Energy Deployment	160	70	35	50
555.1713	Real-Time Regulation Amount	125	(44)	(1,388)	0
555.1714	Real-Time Spinning Reserve Amount	1,953	(472)	(1,630)	759
555.1715	Real-Time Supplemental Reserve Amount	(374)	(175)	(1,743)	(262)
555.1716	Real-Time Regulation Cost Distribution	17,865	12,616	10,889	13,849
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	16,228	12,855	4,270	8,267
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,203	2,915	8,919	3,583
555.1719	Real-Time Demand Response Allocation Uplift	22,407	21,066	12,089	5,115
555.1720	Real-Time Ramp Capability	(159)	(360)	(2,640)	(2)
555.1721	Real-Time Short Term Cost Distribution Amount	3,894	4,751	3,505	2,385
555.1723	Real-Time Short Term Reserve Amount	472	211	250	823
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$28,969)	(\$142,519)	(\$428,269)	(\$489,018)
555.186	Real-Time Over Collected Losses	(175,432)	(266,151)	(356,317)	(313,493)
555.1915	Real-Time Asset Congestion	(794,694)	(59,767)	(1,284,100)	(1,024,435)
555.1920	Auction Revenue Rights-Daily	(69,943)	(85,349)	(182,563)	(168,425)
555.1921	Auction Revenue Rights-Annual	0	(1,240,514)	0	0
	<u>Other</u>				
555.X	Purchased Power	468,720	1,190,137	1,227,600	1,227,600
555.5	Purchased Power Cogeneration	407	517	529	518
	Total Account 555 Energy	<u>\$3,079,606</u>	<u>\$83,993</u>	<u>\$3,367,859</u>	<u>\$2,510,123</u>