



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

November 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
December 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 December 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 0.100 cents per kWh for primary service customers and an increase of 0.104 cents per kWh for secondary service customers for service rendered in the month of December 2022 from current effective rates as shown below. The per unit increase was largely the result of the SPP Annual Auction Revenue falling off the 4 month average.

	Primary	Secondary
F&PP Effective December 1, 2022	\$0.02425	\$0.02569
F&PP Effective November 1, 2022	0.02325	0.02465
Change	\$0.00100	\$0.00104

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 93,688 electric customers in North Dakota as of October 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
DECEMBER 2022 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02125	\$0.02249
Prior Cost of Fuel	0.02025	0.02145
Change in Cost of Fuel	<u>\$0.00100</u>	<u>\$0.00104</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	 \$0.02125	 \$0.02249
Surcharge Adjustment	0.00300	0.00320
Total	<u><u>\$0.02425</u></u>	<u><u>\$0.02569</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	\$11,092,823	\$7,784,523	\$1,650,399	\$6,134,124
Account 502 Reagent	600,740	421,577	89,379	332,198
Account 555 Energy	9,621,597	6,752,073	1,431,509	5,320,564
Accounts 555 Demand and 547 Pipeline Charges	1,419,457	1,007,942	98,879	909,063
Account 575 Market Admin.	147,663	103,624	21,969	81,655
Total F&PP Cost	<u>\$22,882,280</u>	<u>\$16,069,739</u>	<u>\$3,292,135</u>	<u>\$12,777,604</u>
Less:				
Wholesale Sales Revenue	\$1,098,059	\$770,576	\$163,370	\$607,206
Sale of RECs Revenue 4/	112,838	79,297	16,812	62,485
Total Revenue	<u>\$1,210,897</u>	<u>\$849,873</u>	<u>\$180,182</u>	<u>\$669,691</u>
Net System Cost	\$21,671,383	\$15,219,866	\$3,111,953	\$12,107,913
kWh Retail Sales	980,785,013	684,947,714	<u>146,472,153</u>	<u>538,475,561</u>
Cost Per kWh	\$0.02210	\$0.02222	<u><u>\$0.02125</u></u>	<u><u>\$0.02249</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
	July	August	September	October	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$3,757,525	\$2,926,094	\$2,652,412	\$1,756,792	\$11,092,823
Account 502 Reagent	164,525	191,622	159,652	84,941	600,740
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	3,367,859	2,510,123	1,132,654	2,610,961	9,621,597
Account 575 Market Admin.	405,599	365,439	372,347	276,072	1,419,457
Total F&PP Cost	40,411	38,621	37,956	30,675	147,663
	<u>\$7,735,919</u>	<u>\$6,031,899</u>	<u>\$4,355,021</u>	<u>\$4,759,441</u>	<u>\$22,882,280</u>
Less:					
Wholesale Sales Revenue	\$202,130	\$273,966	\$497,423	\$124,540	\$1,098,059
Sale of RECs Revenue	0	0	0	112,838	112,838
Total Revenue	<u>\$202,130</u>	<u>\$273,966</u>	<u>\$497,423</u>	<u>\$237,378</u>	<u>\$1,210,897</u>
Net System Cost	\$7,533,789	\$5,757,933	\$3,857,598	\$4,522,063	\$21,671,383
kWh Retail Sales	229,854,711	282,254,179	256,873,753	211,802,370	<u>980,785,013</u>
Cost Per kWh	\$0.03278	\$0.02040	\$0.01502	\$0.02135	<u><u>\$0.02210</u></u>

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

Account No.	Account Description	2022			
		July	August	September	October
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$5,920,779	\$4,388,099	\$2,466,555	\$2,436,198
555.114	Real-Time Asset Energy	169,718	117,093	(127,082)	(34,655)
555.117	Real-Time Excessive Energy	1,137	(559)	2,404	1,530
555.118	Real-Time Non-Excessive Energy	(298,593)	43,962	209,750	119,155
555.1212	Day-Ahead Financial Bilateral Congestion Loss	703,866	187,329	188,048	194,848
555.1230	Revenue Rights Transaction	(1,874,145)	(1,874,145)	(1,281,988)	(1,281,988)
555.1232	Revenue Rights Infeasible Uplift	5,033	5,033	13,910	13,909
555.1233	Revenue Rights Stage 2 Distribution	(22,338)	(22,338)	(49,545)	(49,545)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	12	(6,223)	17	(2,657)
555.132	Day-Ahead Financial Bilateral Transaction Loss	88,270	107,352	84,884	40,288
555.135	Real-Time Asset Loss	351,844	362,165	396,607	36,952
555.136	Real-Time Distribution of Loss	(68,394)	(119,274)	(129,752)	(72,282)
555.151	Day-Ahead Rev Suff Guarantee Distribution	11,894	15,465	9,253	6,753
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(4,209)	0	0	0
555.153	Real-Time Miscellaneous	(422)	1,381	79,990	(4,811)
555.154	Real-Time Net Inadvertent Distribution	9,404	3,990	(2,522)	(2,694)
555.155	Real-Time Revenue Neutrality Uplift	18,564	27,971	36,843	32,142
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	30,176	36,574	11,010	6,718
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(617,588)	(2,013)	0	0
555.159	Day-Ahead Schedule 24	4,736	5,199	5,240	4,822
555.160	Real-Time Schedule 24	719	651	759	632
555.162	Real-Time Price Volatility Make Whole Payment	(70,973)	(38,985)	(36,044)	(25,668)
555.164	Real-Time Schedule 49	8,892	11,518	9,221	10,396
555.1701	Day-Ahead Spinning Reserve Amount	(6,096)	(4,731)	(9,259)	(9,087)
555.1702	Day-Ahead Supplemental Reserve Amount	(133)	4	(38)	0
555.1703	Day-Ahead Ramp Capability	(2,417)	(1,240)	(1,073)	(527)
555.1704	Day-Ahead Short Term Reserve Amount	(2,158)	(1,469)	(4,462)	(1,650)
555.1710	Real-Time Net Regulation Adjustment	845	0	0	1
555.1711	Real-Time Excessive Deficient Energy Deployment	35	50	60	36
555.1713	Real-Time Regulation Amount	(1,388)	0	0	(5)
555.1714	Real-Time Spinning Reserve Amount	(1,630)	759	(2,807)	(1,454)
555.1715	Real-Time Supplemental Reserve Amount	(1,743)	(262)	2	(1)
555.1716	Real-Time Regulation Cost Distribution	10,889	13,849	10,903	11,921
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	4,270	8,267	8,229	13,510
555.1718	Real-Time Supplemental Reserve Cost Distribution	8,919	3,583	1,395	1,601
555.1719	Real-Time Demand Response Allocation Uplift	12,089	5,115	2,913	1,094
555.1720	Real-Time Ramp Capability	(2,640)	(2)	(357)	(292)
555.1721	Real-Time Short Term Cost Distribution Amount	3,505	2,385	2,416	2,547
555.1723	Real-Time Short Term Reserve Amount	250	823	485	582
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$428,269)	(\$489,018)	(\$403,991)	(179,938)
555.186	Real-Time Over Collected Losses	(356,317)	(313,493)	(448,796)	(173,265)
555.1915	Real-Time Asset Congestion	(1,284,100)	(1,024,435)	(912,347)	431,959
555.1920	Auction Revenue Rights-Daily	(182,563)	(168,425)	(186,640)	(144,089)
	<u>Other</u>				
555.X	Purchased Power	1,227,600	1,227,600	1,188,000	1,227,600
555.5	Purchased Power Cogeneration	529	518	463	375
	Total Account 555 Energy	\$3,367,859	\$2,510,123	\$1,132,654	\$2,610,961