



MONTANA-DAKOTA
UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

December 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-23-011
January 2023

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 January 2023. 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 0.281 cents per kWh for primary service customers and a decrease of 0.289 cents per kWh for secondary service customers for service rendered in the month of January 2023 from current effective rates as shown below. The decrease was largely the result of increased generation from the wind fleet driving down the per unit cost of generation.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective January 1, 2023	\$0.02144	\$0.02280
F&PP Effective December 1, 2022	<u>0.02425</u>	<u>0.02569</u>
Change	(\$0.00281)	(\$0.00289)

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 93,745 electric customers in North Dakota as of November 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
JANUARY 2023 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01844	\$0.01960
Prior Cost of Fuel	0.02125	0.02249
Change in Cost of Fuel	<u>(\$0.00281)</u>	<u>(\$0.00289)</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	 \$0.01844	 \$0.01960
Surcharge Adjustment	0.00300	0.00320
Total	<u><u>\$0.02144</u></u>	<u><u>\$0.02280</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	\$8,745,516	\$6,131,864	\$1,343,574	\$4,788,290
Account 502 Reagent	497,637	348,915	76,452	272,463
Account 555 Energy	9,673,386	6,782,434	1,486,123	5,296,311
Accounts 555 Demand and 547 Pipeline Charges	1,285,602	912,893	89,555	823,338
Account 575 Market Admin.	148,616	104,201	22,832	81,369
Total F&PP Cost	<u>\$20,350,757</u>	<u>\$14,280,307</u>	<u>\$3,018,536</u>	<u>\$11,261,771</u>
Less:				
Wholesale Sales Revenue	\$969,591	\$679,823	\$148,958	\$530,865
Sale of RECs Revenue 4/	807,453	567,435	124,333	443,102
Total Revenue	<u>\$1,777,044</u>	<u>\$1,247,258</u>	<u>\$273,291</u>	<u>\$973,967</u>
Net System Cost	\$18,573,713	\$13,033,049	\$2,745,245	\$10,287,804
kWh Retail Sales	965,479,593	673,686,544	148,879,119	524,807,425
Cost Per kWh	\$0.01924	\$0.01935	<u><u>\$0.01844</u></u>	<u><u>\$0.01960</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
	August	September	October	November	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$2,926,094	\$2,652,412	\$1,756,792	\$1,410,218	\$8,745,516
Account 502 Reagent	191,622	159,652	84,941	61,422	497,637
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	2,510,123	1,132,654	2,610,961	3,419,648	9,673,386
Account 575 Market Admin.	365,439	372,347	276,072	271,744	1,285,602
Total F&PP Cost	38,621	37,956	30,675	41,364	148,616
	<u>\$6,031,899</u>	<u>\$4,355,021</u>	<u>\$4,759,441</u>	<u>\$5,204,396</u>	<u>\$20,350,757</u>
Less:					
Wholesale Sales Revenue	\$273,966	\$497,423	\$124,540	\$73,662	\$969,591
Sale of RECs Revenue	0	0	112,838	694,615	807,453
Total Revenue	<u>\$273,966</u>	<u>\$497,423</u>	<u>\$237,378</u>	<u>\$768,277</u>	<u>\$1,777,044</u>
Net System Cost	\$5,757,933	\$3,857,598	\$4,522,063	\$4,436,119	\$18,573,713
kWh Retail Sales	282,254,179	256,873,753	211,802,370	214,549,291	<u>965,479,593</u>
Cost Per kWh	\$0.02040	\$0.01502	\$0.02135	\$0.02068	<u><u>\$0.01924</u></u>

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

Account No.	Account Description	2022			
		August	September	October	November
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$4,388,099	\$2,466,555	\$2,436,198	\$3,561,288
555.114	Real-Time Asset Energy	117,093	(127,082)	(34,655)	(169,153)
555.117	Real-Time Excessive Energy	(559)	2,404	1,530	876
555.118	Real-Time Non-Excessive Energy	43,962	209,750	119,155	(154,287)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	187,329	188,048	194,848	72,232
555.1230	Revenue Rights Transaction	(1,874,145)	(1,281,988)	(1,281,988)	(1,281,988)
555.1232	Revenue Rights Infeasible Uplift	5,033	13,910	13,909	13,914
555.1233	Revenue Rights Stage 2 Distribution	(22,338)	(49,545)	(49,545)	(49,545)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(6,223)	17	(2,657)	(2,872)
555.132	Day-Ahead Financial Bilateral Transaction Loss	107,352	84,884	40,288	30,821
555.135	Real-Time Asset Loss	362,165	396,607	36,952	285,956
555.136	Real-Time Distribution of Loss	(119,274)	(129,752)	(72,282)	(49,071)
555.151	Day-Ahead Rev Suff Guarantee Distribution	15,465	9,253	6,753	16,617
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	0	0	(1)
555.153	Real-Time Miscellaneous	1,381	79,990	(4,811)	(3,842)
555.154	Real-Time Net Inadvertent Distribution	3,990	(2,522)	(2,694)	6,666
555.155	Real-Time Revenue Neutrality Uplift	27,971	36,843	32,142	(22,133)
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	36,574	11,010	6,718	14,428
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(2,013)	0	0	(24,181)
555.159	Day-Ahead Schedule 24	5,199	5,240	4,822	5,373
555.160	Real-Time Schedule 24	651	759	632	935
555.162	Real-Time Price Volatility Make Whole Payment	(38,985)	(36,044)	(25,668)	(14,102)
555.164	Real-Time Schedule 49	11,518	9,221	10,396	10,335
555.1701	Day-Ahead Spinning Reserve Amount	(4,731)	(9,259)	(9,087)	(13,042)
555.1702	Day-Ahead Supplemental Reserve Amount	4	(38)	0	0
555.1703	Day-Ahead Ramp Capability	(1,240)	(1,073)	(527)	(266)
555.1704	Day-Ahead Short Term Reserve Amount	(1,469)	(4,462)	(1,650)	(1,415)
555.1710	Real-Time Net Regulation Adjustment	0	0	1	0
555.1711	Real-Time Excessive Deficient Energy Deployment	50	60	36	18
555.1713	Real-Time Regulation Amount	0	0	(5)	(3)
555.1714	Real-Time Spinning Reserve Amount	759	(2,807)	(1,454)	1,908
555.1715	Real-Time Supplemental Reserve Amount	(262)	2	(1)	0
555.1716	Real-Time Regulation Cost Distribution	13,849	10,903	11,921	14,543
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	8,267	8,229	13,510	18,032
555.1718	Real-Time Supplemental Reserve Cost Distribution	3,583	1,395	1,601	878
555.1719	Real-Time Demand Response Allocation Uplift	5,115	2,913	1,094	45
555.1720	Real-Time Ramp Capability	(2)	(357)	(292)	(428)
555.1721	Real-Time Short Term Cost Distribution Amount	2,385	2,416	2,547	5,794
555.1723	Real-Time Short Term Reserve Amount	823	485	582	1,780
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(\$489,018)	(\$403,991)	(179,938)	88,432
555.186	Real-Time Over Collected Losses	(313,493)	(448,796)	(173,265)	(165,576)
555.1915	Real-Time Asset Congestion	(1,024,435)	(912,347)	431,959	227,864
555.1920	Auction Revenue Rights-Daily	(168,425)	(186,640)	(144,089)	(195,320)
	<u>Other</u>				
555.X	Purchased Power	1,227,600	1,188,000	1,227,600	1,188,000
555.5	Purchased Power Cogeneration	518	463	375	138
	Total Account 555 Energy	\$2,510,123	\$1,132,654	\$2,610,961	\$3,419,648