



MONTANA-DAKOTA
UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

February 17, 2023

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-23-010
March 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 March 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 an increase of 0.143 cents per kWh for primary service customers and an increase of 0.127 cents per kWh for secondary service customers for service rendered in the month of March 2023 from current effective rates as shown below. The per unit increase was largely the result of a per unit increase in MISO market prices.

	Primary	Secondary
F&PP Effective March 1, 2023	\$0.02692	\$0.02807
F&PP Effective February 1, 2023	0.02549	0.02680
Change	\$0.00143	\$0.00127

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 93,776 electric customers in North Dakota as of January 31, 2023.

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
MARCH 2023 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02392	\$0.02487
Prior Cost of Fuel	0.02249	0.02360
Change in Cost of Fuel	<u>\$0.00143</u>	<u>\$0.00127</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	 \$0.02392	 \$0.02487
Surcharge Adjustment	0.00300	0.00320
Total	<u><u>\$0.02692</u></u>	<u><u>\$0.02807</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/ Primary</u>	<u>Secondary</u>
Fuel & Purchased Power Cost				
Accounts 501 Coal and 547 Gas	\$6,632,136	\$4,717,949	\$966,636	\$3,751,313
Account 502 Reagent	281,452	200,218	41,022	159,196
Account 555 Energy	18,361,734	13,062,116	2,676,230	10,385,886
Accounts 555 Demand and 547 Pipeline Charges	1,094,230	769,162	75,455	693,707
Account 575 Market Admin.	141,499	100,659	20,624	80,035
Total F&PP Cost	<u>\$26,511,051</u>	<u>\$18,850,104</u>	<u>\$3,779,967</u>	<u>\$15,070,137</u>
Less:				
Wholesale Sales Revenue	\$252,314	\$179,490	\$36,775	\$142,715
Sale of RECs Revenue 4/	876,605	616,045	126,218	489,827
Total Revenue	<u>\$1,128,919</u>	<u>\$795,535</u>	<u>\$162,993</u>	<u>\$632,542</u>
Net System Cost	\$25,382,132	\$18,054,569	\$3,616,974	\$14,437,595
kWh Retail Sales	1,033,524,887	731,780,280	<u>151,239,451</u>	<u>580,540,829</u>
Cost Per kWh	\$0.02456	\$0.02467	<u><u>\$0.02392</u></u>	<u><u>\$0.02487</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	70.292541%
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			2023	Total
	October	November	December	January	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$1,756,792	\$1,410,218	\$1,944,443	\$1,520,683	\$6,632,136
Account 502 Reagent	84,941	61,422	66,014	69,075	281,452
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	2,610,961	3,419,648	7,605,349	4,725,776	18,361,734
Account 575 Market Admin.	276,072	271,744	268,517	277,897	1,094,230
Total F&PP Cost	30,675	41,364	35,873	33,587	141,499
	<u>\$4,759,441</u>	<u>\$5,204,396</u>	<u>\$9,920,196</u>	<u>\$6,627,018</u>	<u>\$26,511,051</u>
Less:					
Wholesale Sales Revenue	\$124,540	\$73,662	\$25,000	\$29,112	\$252,314
Sale of RECs Revenue	112,838	694,615	0	69,152	876,605
Total Revenue	<u>\$237,378</u>	<u>\$768,277</u>	<u>\$25,000</u>	<u>\$98,264</u>	<u>\$1,128,919</u>
Net System Cost	\$4,522,063	\$4,436,119	\$9,895,196	\$6,528,754	\$25,382,132
kWh Retail Sales	211,802,370	214,549,291	294,169,127	313,004,099	<u>1,033,524,887</u>
Cost Per kWh	\$0.02135	\$0.02068	\$0.03364	\$0.02086	<u><u>\$0.02456</u></u>

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

Account No.	Account Description	2022			2023
		October	November	December	January
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$2,436,198	\$3,561,288	\$7,921,815	\$6,033,636
555.114	Real-Time Asset Energy	(34,655)	(169,153)	(840,124)	(249,844)
555.117	Real-Time Excessive Energy	1,530	876	(190)	0
555.118	Real-Time Non-Excessive Energy	119,155	(154,287)	(12,558)	(779,289)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	194,848	72,232	48,068	76,991
555.1230	Revenue Rights Transaction	(1,281,988)	(1,281,988)	(1,664,180)	(1,664,181)
555.1232	Revenue Rights Infeasible Uplift	13,909	13,914	5,157	5,156
555.1233	Revenue Rights Stage 2 Distribution	(49,545)	(49,545)	(65,670)	(65,670)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(2,657)	(2,872)	(18,663)	8
555.132	Day-Ahead Financial Bilateral Transaction Loss	40,288	30,821	27,752	20,749
555.135	Real-Time Asset Loss	36,952	285,956	488,884	324,404
555.136	Real-Time Distribution of Loss	(72,282)	(49,071)	(116,589)	(54,628)
555.151	Day-Ahead Rev Suff Guarantee Distribution	6,753	16,617	7,194	6,321
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	(1)	0	0
555.153	Real-Time Miscellaneous	(4,811)	(3,842)	5,545	2,619
555.154	Real-Time Net Inadvertent Distribution	(2,694)	6,666	10,708	(174)
555.155	Real-Time Revenue Neutrality Uplift	32,142	(22,133)	(117,403)	39,920
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	6,718	14,428	41,400	1,989
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	(24,181)	(193,168)	0
555.159	Day-Ahead Schedule 24	4,822	5,373	5,919	4,650
555.160	Real-Time Schedule 24	632	935	934	676
555.162	Real-Time Price Volatility Make Whole Payment	(25,668)	(14,102)	(73,166)	(8,899)
555.164	Real-Time Schedule 49	10,396	10,335	10,252	9,987
555.1701	Day-Ahead Spinning Reserve Amount	(9,087)	(13,042)	(3,691)	(876)
555.1702	Day-Ahead Supplemental Reserve Amount	0	0	(101)	0
555.1703	Day-Ahead Ramp Capability	(527)	(266)	(94)	0
555.1704	Day-Ahead Short Term Reserve Amount	(1,650)	(1,415)	(8,735)	(727)
555.1710	Real-Time Net Regulation Adjustment	1	0	(22)	0
555.1711	Real-Time Excessive Deficient Energy Deployment	36	18	3,802	0
555.1713	Real-Time Regulation Amount	(5)	(3)	(122)	0
555.1714	Real-Time Spinning Reserve Amount	(1,454)	1,908	(42,301)	(727)
555.1715	Real-Time Supplemental Reserve Amount	(1)	0	(23,867)	0
555.1716	Real-Time Regulation Cost Distribution	11,921	14,543	16,517	13,046
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	13,510	18,032	16,517	9,339
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,601	878	(45)	1,251
555.1719	Real-Time Demand Response Allocation Uplift	1,094	45	12	488
555.1720	Real-Time Ramp Capability	(292)	(428)	(501)	(8)
555.1721	Real-Time Short Term Cost Distribution Amount	2,547	5,794	60,410	1,919
555.1723	Real-Time Short Term Reserve Amount	582	1,780	(57,375)	127
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	(179,938)	88,432	199,315	218,881
555.186	Real-Time Over Collected Losses	(173,265)	(165,576)	(164,469)	(177,487)
555.1915	Real-Time Asset Congestion	431,959	227,864	1,057,969	(102,199)
555.1920	Auction Revenue Rights-Daily	(144,089)	(195,320)	(152,121)	(184,186)
	<u>Other</u>				
555.X	Purchased Power	1,227,600	1,188,000	1,232,303	1,242,502
555.5	Purchased Power Cogeneration	375	138	31	12
	Total Account 555 Energy	\$2,610,961	\$3,419,648	\$7,605,349	\$4,725,776