



MONTANA-DAKOTA
UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

April 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
May 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 May 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 0.069 cents per kWh for primary service customers and an increase of 0.063 cents per kWh for secondary service customers for service rendered in the month of May 2023 from current effective rates as shown below. The per unit increase was largely the result of an increase in per unit fuel costs.

	Primary	Secondary
F&PP Effective May 1, 2023	\$0.01952	\$0.02038
F&PP Effective April 1, 2023	0.01883	0.01975
Change	\$0.00069	\$0.00063

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 93,804 electric customers in North Dakota as of March 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
MAY 2023 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02171	\$0.02250
Prior Cost of Fuel	<u>0.02102</u>	<u>0.02187</u>
Change in Cost of Fuel	\$0.00069	\$0.00063
 <u>Surcharge Adjustment</u>		
Current Adjustment	(\$0.00219)	(\$0.00212)
Prior Adjustment	<u>(0.00219)</u>	<u>(0.00212)</u>
Change in Surcharge Adjustment	\$0.00000	\$0.00000
 Cost of Fuel	 \$0.02171	 \$0.02250
Surcharge Adjustment	<u>(0.00219)</u>	<u>(0.00212)</u>
Total	<u><u>\$0.01952</u></u>	<u><u>\$0.02038</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	\$7,695,897	\$5,541,396	\$1,039,804	\$4,501,592
Account 502 Reagent	316,756	228,079	42,797	185,282
Account 555 Energy	17,591,774	12,666,878	2,376,851	10,290,027
Accounts 555 Demand and 547 Pipeline Charges	1,102,745	775,147	76,042	699,105
Account 575 Market Admin.	149,067	107,335	20,141	87,194
Total F&PP Cost	<u>\$26,856,239</u>	<u>\$19,318,835</u>	<u>\$3,555,635</u>	<u>\$15,763,200</u>
Less:				
Wholesale Sales Revenue	\$129,463	\$93,219	\$17,492	\$75,727
Sale of RECs Revenue 4/	866,552	609,141	114,301	494,840
Total Revenue	<u>\$996,015</u>	<u>\$702,360</u>	<u>\$131,793</u>	<u>\$570,567</u>
Net System Cost	\$25,860,224	\$18,616,475	\$3,423,842	\$15,192,633
kWh Retail Sales	1,161,926,060	832,990,961	157,699,194	675,291,767
Cost Per kWh	\$0.02226	\$0.02235	<u>\$0.02171</u>	<u>\$0.02250</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
	December	January	February	March	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$1,944,443	\$1,520,683	\$1,674,362	\$2,556,409	\$7,695,897
Account 502 Reagent	66,014	69,075	62,493	119,174	316,756
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	7,605,349	4,725,776	1,122,023	4,138,626	17,591,774
Account 575 Market Admin.	268,517	277,897	283,371	272,960	1,102,745
Total F&PP Cost	35,873	33,587	45,230	34,377	149,067
	<u>\$9,920,196</u>	<u>\$6,627,018</u>	<u>\$3,187,479</u>	<u>\$7,121,546</u>	<u>\$26,856,239</u>
Less:					
Wholesale Sales Revenue	\$25,000	\$29,112	\$31,852	\$43,499	\$129,463
Sale of RECs Revenue	0	69,152	761,281	36,119	866,552
Total Revenue	<u>\$25,000</u>	<u>\$98,264</u>	<u>\$793,133</u>	<u>\$79,618</u>	<u>\$996,015</u>
Net System Cost	\$9,895,196	\$6,528,754	\$2,394,346	\$7,041,928	\$25,860,224
kWh Retail Sales	294,169,127	313,004,099	255,002,045	299,750,789	<u>1,161,926,060</u>
Cost Per kWh	\$0.03364	\$0.02086	\$0.00939	\$0.02349	<u><u>\$0.02226</u></u>

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

Account No.	Account Description	2022	2023		
		December	January	February	March
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$7,921,815	\$6,033,636	\$2,204,657	\$3,565,395
555.114	Real-Time Asset Energy	(840,124)	(249,844)	(102,977)	(244,561)
555.117	Real-Time Excessive Energy	(190)	0	132	(239)
555.118	Real-Time Non-Excessive Energy	(12,558)	(779,289)	(367,708)	(697,158)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	48,068	76,991	(7,175)	71,427
555.1230	Revenue Rights Transaction	(1,664,180)	(1,664,181)	(1,664,181)	(1,206,035)
555.1232	Revenue Rights Infeasible Uplift	5,157	5,156	5,155	17,599
555.1233	Revenue Rights Stage 2 Distribution	(65,670)	(65,670)	(65,670)	(74,193)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(18,663)	8	(14,645)	(15,150)
555.132	Day-Ahead Financial Bilateral Transaction Loss	27,752	20,749	15,985	22,519
555.135	Real-Time Asset Loss	488,884	324,404	42,252	242,262
555.136	Real-Time Distribution of Loss	(116,589)	(54,628)	(46,402)	(80,582)
555.151	Day-Ahead Rev Suff Guarantee Distribution	7,194	6,321	8,475	0
555.153	Real-Time Miscellaneous	5,545	2,619	(18,825)	(276)
555.154	Real-Time Net Inadvertent Distribution	10,708	(174)	(5,143)	(3,636)
555.155	Real-Time Revenue Neutrality Uplift	(117,403)	39,920	74,359	121,460
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	41,400	1,989	1,179	2,203
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(193,168)	0	0	0
555.159	Day-Ahead Schedule 24	5,919	4,650	5,043	5,508
555.160	Real-Time Schedule 24	934	676	876	969
555.162	Real-Time Price Volatility Make Whole Payment	(73,166)	(8,899)	(7,624)	(4,856)
555.164	Real-Time Schedule 49	10,252	9,987	33,548	14,433
555.1701	Day-Ahead Spinning Reserve Amount	(3,691)	(876)	(5,637)	(6,925)
555.1702	Day-Ahead Supplemental Reserve Amount	(101)	0	0	0
555.1703	Day-Ahead Ramp Capability	(94)	0	(150)	(400)
555.1704	Day-Ahead Short Term Reserve Amount	(8,735)	(727)	(599)	(1,427)
555.1710	Real-Time Net Regulation Adjustment	(22)	0	0	0
555.1711	Real-Time Excessive Deficient Energy Deployment	3,802	0	30	77
555.1713	Real-Time Regulation Amount	(122)	0	0	0
555.1714	Real-Time Spinning Reserve Amount	(42,301)	(727)	(489)	(1,463)
555.1715	Real-Time Supplemental Reserve Amount	(23,867)	0	0	0
555.1716	Real-Time Regulation Cost Distribution	16,517	13,046	10,435	12,880
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	16,517	9,339	5,911	8,863
555.1718	Real-Time Supplemental Reserve Cost Distribution	(45)	1,251	1,043	1,027
555.1719	Real-Time Demand Response Allocation Uplift	12	488	1,725	566
555.1720	Real-Time Ramp Capability	(501)	(8)	34	(273)
555.1721	Real-Time Short Term Cost Distribution Amount	60,410	1,919	569	1,733
555.1723	Real-Time Short Term Reserve Amount	(57,375)	127	140	229
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	199,315	218,881	64,938	164,943
555.186	Real-Time Over Collected Losses	(164,469)	(177,487)	(113,012)	(124,653)
555.1915	Real-Time Asset Congestion	1,057,969	(102,199)	67,457	1,302,703
555.1920	Auction Revenue Rights-Daily	(152,121)	(184,186)	(110,512)	(184,187)
	<u>Other</u>				
555.X	Purchased Power	1,232,303	1,242,502	1,108,800	1,227,600
555.5	Purchased Power Cogeneration	31	12	29	244
	Total Account 555 Energy	\$7,605,349	\$4,725,776	\$1,122,023	\$4,138,626