



**MONTANA-DAKOTA**  
UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

May 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  
June 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 June 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 0.175 cents per kWh for primary service customers and a decrease of 0.174 cents per kWh for secondary service customers for service rendered in the month of June 2023 from current effective rates as shown below. The per unit decrease was largely the result of a per unit decrease in MISO market prices.

	Primary	Secondary
F&PP Effective June 1, 2023	\$0.01777	\$0.01864
F&PP Effective May 1, 2023	0.01952	0.02038
Change	(\$0.00175)	(\$0.00174)

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 93,863 electric customers in North Dakota as of April 30, 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](mailto: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  
JUNE 2023 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01996	\$0.02076
Prior Cost of Fuel	0.02171	0.02250
Change in Cost of Fuel	<u>(\$0.00175)</u>	<u>(\$0.00174)</u>
 <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	 \$0.01996	 \$0.02076
Surcharge Adjustment	<u>(0.00219)</u>	<u>(0.00212)</u>
Total	<u><u>\$0.01777</u></u>	<u><u>\$0.01864</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	\$7,488,040	\$5,410,323	\$1,033,292	\$4,377,031
Account 502 Reagent	329,976	238,417	45,534	192,883
Account 555 Energy	14,690,734	10,614,476	2,027,208	8,587,268
Accounts 555 Demand and 547 Pipeline Charges	1,102,155	774,733	76,001	698,732
Account 575 Market Admin.	159,948	115,567	22,072	93,495
Total F&PP Cost	<u>\$23,770,853</u>	<u>\$17,153,516</u>	<u>\$3,204,107</u>	<u>\$13,949,409</u>
Less:				
Wholesale Sales Revenue	\$138,788	\$100,278	\$19,152	\$81,126
Sale of RECs Revenue 4/	866,552	609,141	116,337	492,804
Total Revenue	<u>\$1,005,340</u>	<u>\$709,419</u>	<u>\$135,489</u>	<u>\$573,930</u>
Net System Cost	\$22,765,513	\$16,444,097	\$3,068,618	\$13,375,479
kWh Retail Sales	1,109,274,988	797,938,238	<u>153,748,113</u>	<u>644,190,125</u>
Cost Per kWh	\$0.02052	\$0.02061	<u><u>\$0.01996</u></u>	<u><u>\$0.02076</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**

	2023				Total
	January	February	March	April	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$1,520,683	\$1,674,362	\$2,556,409	\$1,736,586	\$7,488,040
Account 502 Reagent	69,075	62,493	119,174	79,234	329,976
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	4,725,776	1,122,023	4,138,626	4,704,309	14,690,734
Account 575 Market Admin.	277,897	283,371	272,960	267,927	1,102,155
Total F&PP Cost	33,587	45,230	34,377	46,754	159,948
	<u>\$6,627,018</u>	<u>\$3,187,479</u>	<u>\$7,121,546</u>	<u>\$6,834,810</u>	<u>\$23,770,853</u>
Less:					
Wholesale Sales Revenue	\$29,112	\$31,852	\$43,499	\$34,325	\$138,788
Sale of RECs Revenue	69,152	761,281	36,119	0	866,552
Total Revenue	<u>\$98,264</u>	<u>\$793,133</u>	<u>\$79,618</u>	<u>\$34,325</u>	<u>\$1,005,340</u>
Net System Cost	\$6,528,754	\$2,394,346	\$7,041,928	\$6,800,485	\$22,765,513
kWh Retail Sales	313,004,099	255,002,045	299,750,789	241,518,055	<u>1,109,274,988</u>
Cost Per kWh	\$0.02086	\$0.00939	\$0.02349	\$0.02816	<u><u>\$0.02052</u></u>

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

Account No.	Account Description	2023			
		January	February	March	April
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$6,033,636	\$2,204,657	\$3,565,395	\$3,383,814
555.114	Real-Time Asset Energy	(249,844)	(102,977)	(244,561)	(706,612)
555.117	Real-Time Excessive Energy	0	132	(239)	1,265
555.118	Real-Time Non-Excessive Energy	(779,289)	(367,708)	(697,158)	(345,361)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	76,991	(7,175)	71,427	421,352
555.1230	Revenue Rights Transaction	(1,664,181)	(1,664,181)	(1,206,035)	(1,206,035)
555.1232	Revenue Rights Infeasible Uplift	5,156	5,155	17,599	17,599
555.1233	Revenue Rights Stage 2 Distribution	(65,670)	(65,670)	(74,193)	(74,193)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	8	(14,645)	(15,150)	(10,554)
555.132	Day-Ahead Financial Bilateral Transaction Loss	20,749	15,985	22,519	24,089
555.135	Real-Time Asset Loss	324,404	42,252	242,262	228,526
555.136	Real-Time Distribution of Loss	(54,628)	(46,402)	(80,582)	(41,756)
555.151	Day-Ahead Rev Suff Guarantee Distribution	6,321	8,475	0	0
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	0	0	(803)
555.153	Real-Time Miscellaneous	2,619	(18,825)	(276)	1,268
555.154	Real-Time Net Inadvertent Distribution	(174)	(5,143)	(3,636)	(811)
555.155	Real-Time Revenue Neutrality Uplift	39,920	74,359	121,460	126,531
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	1,989	1,179	2,203	2,004
555.159	Day-Ahead Schedule 24	4,650	5,043	5,508	4,973
555.160	Real-Time Schedule 24	676	876	969	1,155
555.162	Real-Time Price Volatility Make Whole Payment	(8,899)	(7,624)	(4,856)	(9,786)
555.164	Real-Time Schedule 49	9,987	33,548	14,433	15,496
555.1701	Day-Ahead Spinning Reserve Amount	(876)	(5,637)	(6,925)	(19,414)
555.1702	Day-Ahead Supplemental Reserve Amount	0	0	0	(92)
555.1703	Day-Ahead Ramp Capability	0	(150)	(400)	(944)
555.1704	Day-Ahead Short Term Reserve Amount	(727)	(599)	(1,427)	(7,626)
555.1710	Real-Time Net Regulation Adjustment	0	0	0	7
555.1711	Real-Time Excessive Deficient Energy Deployment	0	30	77	213
555.1713	Real-Time Regulation Amount	0	0	0	(130)
555.1714	Real-Time Spinning Reserve Amount	(727)	(489)	(1,463)	(1,161)
555.1716	Real-Time Regulation Cost Distribution	13,046	10,435	12,880	9,769
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	9,339	5,911	8,863	9,914
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,251	1,043	1,027	792
555.1719	Real-Time Demand Response Allocation Uplift	488	1,725	566	680
555.1720	Real-Time Ramp Capability	(8)	34	(273)	(1,322)
555.1721	Real-Time Short Term Cost Distribution Amount	1,919	569	1,733	8,222
555.1723	Real-Time Short Term Reserve Amount	127	140	229	763
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	218,881	64,938	164,943	81,574
555.186	Real-Time Over Collected Losses	(177,487)	(113,012)	(124,653)	(135,646)
555.1915	Real-Time Asset Congestion	(102,199)	67,457	1,302,703	1,882,904
555.1920	Auction Revenue Rights-Daily	(184,186)	(110,512)	(184,187)	(145,878)
	<u>Other</u>				
555.X	Purchased Power	1,242,502	1,108,800	1,227,600	1,189,000
555.5	Purchased Power Cogeneration	12	29	244	523
	<b>Total Account 555 Energy</b>	<b>\$4,725,776</b>	<b>\$1,122,023</b>	<b>\$4,138,626</b>	<b>\$4,704,309</b>