



**MONTANA-DAKOTA**  
UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

June 16, 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  
July 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 July 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 0.114 cents per kWh for secondary service customers for service rendered in the month of July 2023 from current effective rates as shown below. The per unit increase was largely the result of higher per unit fuel costs due to lower wind generation.

	Primary	Secondary
F&PP Effective July 1, 2023	\$0.01920	\$0.01978
F&PP Effective June 1, 2023	0.01777	0.01864
Change	\$0.00143	\$0.00114

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 93,846 electric customers in North Dakota as of May 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 Generating 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  
JULY 2023 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02139	\$0.02190
Prior Cost of Fuel	0.01996	0.02076
Change in Cost of Fuel	<u>\$0.00143</u>	<u>\$0.00114</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	 \$0.02139	 \$0.02190
Surcharge Adjustment	<u>(0.00219)</u>	<u>(0.00212)</u>
Total	<u><u>\$0.01920</u></u>	<u><u>\$0.01978</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	\$8,316,798	\$5,987,389	\$1,203,402	\$4,783,987
Account 502 Reagent	359,980	259,155	52,087	207,068
Account 555 Energy	13,256,641	9,543,657	1,918,174	7,625,483
Accounts 555 Demand and 547 Pipeline Charges	1,078,832	758,338	117,765	640,573
Account 575 Market Admin.	164,818	118,655	23,848	94,807
Total F&PP Cost	<u>\$23,177,069</u>	<u>\$16,667,194</u>	<u>\$3,315,276</u>	<u>\$13,351,918</u>
Less:				
Wholesale Sales Revenue	\$263,731	\$189,864	\$38,161	\$151,703
Sale of RECs Revenue 4/	797,400	560,531	112,661	447,870
Total Revenue	<u>\$1,061,131</u>	<u>\$750,395</u>	<u>\$150,822</u>	<u>\$599,573</u>
Net System Cost	\$22,115,938	\$15,916,799	\$3,164,454	\$12,752,345
kWh Retail Sales	1,019,116,407	730,326,535	<u>147,971,874</u>	<u>582,354,661</u>
Cost Per kWh	\$0.02170	\$0.02179	<u><u>\$0.02139</u></u>	<u><u>\$0.02190</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 Case No. PU-22-194.

Factor No. 15 ND	70.292541%
Factor No. 2 Primary	15.529398%
Factor No. 2 Secondary	84.470602%

**MONTANA-DAKOTA UTILITIES CO.  
ELECTRIC INTEGRATED SYSTEM - NORTH DAKOTA  
FUEL AND PURCHASED POWER ADJUSTMENT  
FUEL AND PURCHASED POWER COST TRACKING**

	2023				Total
	February	March	April	May	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$1,674,362	\$2,556,409	\$1,736,586	\$2,349,441	\$8,316,798
Account 502 Reagent	62,493	119,174	79,234	99,079	359,980
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	1,122,023	4,138,626	4,704,309	3,291,683	13,256,641
Account 575 Market Admin.	283,371	272,960	267,927	254,574	1,078,832
Total F&PP Cost	45,230	34,377	46,754	38,457	164,818
	<u>\$3,187,479</u>	<u>\$7,121,546</u>	<u>\$6,834,810</u>	<u>\$6,033,234</u>	<u>\$23,177,069</u>
Less:					
Wholesale Sales Revenue	\$31,852	\$43,499	\$34,325	\$154,055	\$263,731
Sale of RECs Revenue	761,281	36,119	0	0	797,400
Total Revenue	<u>\$793,133</u>	<u>\$79,618</u>	<u>\$34,325</u>	<u>\$154,055</u>	<u>\$1,061,131</u>
Net System Cost	\$2,394,346	\$7,041,928	\$6,800,485	\$5,879,179	\$22,115,938
kWh Retail Sales	255,002,045	299,750,789	241,518,055	222,845,518	<u>1,019,116,407</u>
Cost Per kWh	\$0.00939	\$0.02349	\$0.02816	\$0.02638	<u><u>\$0.02170</u></u>

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

Account No.	Account Description	2023			
		February	March	April	May
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$2,204,657	\$3,565,395	\$3,383,814	\$1,231,714
555.114	Real-Time Asset Energy	(102,977)	(244,561)	(706,612)	(284,517)
555.117	Real-Time Excessive Energy	132	(239)	1,265	(636)
555.118	Real-Time Non-Excessive Energy	(367,708)	(697,158)	(345,361)	(101,769)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	(7,175)	71,427	421,352	133,940
555.1230	Revenue Rights Transaction	(1,664,181)	(1,206,035)	(1,206,035)	(1,206,035)
555.1232	Revenue Rights Infeasible Uplift	5,155	17,599	17,599	17,599
555.1233	Revenue Rights Stage 2 Distribution	(65,670)	(74,193)	(74,193)	(74,193)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(14,645)	(15,150)	(10,554)	(10,996)
555.132	Day-Ahead Financial Bilateral Transaction Loss	15,985	22,519	24,089	29,377
555.135	Real-Time Asset Loss	42,252	242,262	228,526	408,017
555.136	Real-Time Distribution of Loss	(46,402)	(80,582)	(41,756)	(10,155)
555.151	Day-Ahead Rev Suff Guarantee Distribution	8,475	0	0	0
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	0	(803)	(2)
555.153	Real-Time Miscellaneous	(18,825)	(276)	1,268	2
555.154	Real-Time Net Inadvertent Distribution	(5,143)	(3,636)	(811)	1,026
555.155	Real-Time Revenue Neutrality Uplift	74,359	121,460	126,531	5,897
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	1,179	2,203	2,004	7,374
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	0	0	(37,045)
555.159	Day-Ahead Schedule 24	5,043	5,508	4,973	4,647
555.160	Real-Time Schedule 24	876	969	1,155	997
555.162	Real-Time Price Volatility Make Whole Payment	(7,624)	(4,856)	(9,786)	(20,123)
555.164	Real-Time Schedule 49	33,548	14,433	15,496	14,907
555.1701	Day-Ahead Spinning Reserve Amount	(5,637)	(6,925)	(19,414)	(20,041)
555.1702	Day-Ahead Supplemental Reserve Amount	0	0	(92)	74
555.1703	Day-Ahead Ramp Capability	(150)	(400)	(944)	(1,476)
555.1704	Day-Ahead Short Term Reserve Amount	(599)	(1,427)	(7,626)	(4,175)
555.1710	Real-Time Net Regulation Adjustment	0	0	7	7
555.1711	Real-Time Excessive Deficient Energy Deployment	30	77	213	155
555.1713	Real-Time Regulation Amount	0	0	(130)	(61)
555.1714	Real-Time Spinning Reserve Amount	(489)	(1,463)	(1,161)	1,371
555.1715	Real-Time Supplemental Reserve Amount	0	0	0	(48)
555.1716	Real-Time Regulation Cost Distribution	10,435	12,880	9,769	11,762
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	5,911	8,863	9,914	9,757
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,043	1,027	792	1,566
555.1719	Real-Time Demand Response Allocation Uplift	1,725	566	680	1
555.1720	Real-Time Ramp Capability	34	(273)	(1,322)	(536)
555.1721	Real-Time Short Term Cost Distribution Amount	569	1,733	8,222	8,511
555.1723	Real-Time Short Term Reserve Amount	140	229	763	(693)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	64,938	164,943	81,574	8,820
555.186	Real-Time Over Collected Losses	(113,012)	(124,653)	(135,646)	(143,190)
555.1915	Real-Time Asset Congestion	67,457	1,302,703	1,882,904	2,261,170
555.1920	Auction Revenue Rights-Daily	(110,512)	(184,187)	(145,878)	(179,506)
	<u>Other</u>				
555.X	Purchased Power	1,108,800	1,227,600	1,189,000	1,227,600
555.5	Purchased Power Cogeneration	29	244	523	589
	<b>Total Account 555 Energy</b>	<b>\$1,122,023</b>	<b>\$4,138,626</b>	<b>\$4,704,309</b>	<b>\$3,291,683</b>