



A Subsidiary of MDU Resources Group, Inc.

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July 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
August 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 August 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 0.103 cents per kWh for primary service customers and an increase of 0.112 cents per kWh for secondary service customers for service rendered in the month of August 2023 from current effective rates as shown below. The per unit increase was largely the result of a large sale of Renewable Energy Certificates (RECs) falling off the four month average.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective August 1, 2023	\$0.02023	\$0.02090
F&PP Effective July 1, 2023	0.01920	0.01978
Change	\$0.00103	\$0.00112

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 93,867 electric customers in North Dakota as of June 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 Generating Station pursuant to the order in Case Nos. PU-14-108 and PU-14-109.

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
AUGUST 2023 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02242	\$0.02302
Prior Cost of Fuel	<u>0.02139</u>	<u>0.02190</u>
Change in Cost of Fuel	\$0.00103	\$0.00112
 <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	 \$0.02242	 \$0.02302
Surcharge Adjustment	<u>(0.00219)</u>	<u>(0.00212)</u>
Total	<u><u>\$0.02023</u></u>	<u><u>\$0.02090</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	\$9,075,649	\$6,526,315	\$1,345,535	\$5,180,780
Account 502 Reagent	391,010	281,176	57,970	223,206
Account 555 Energy	12,533,775	9,013,059	1,858,229	7,154,830
Accounts 555 Demand and 547 Pipeline Charges	1,234,540	867,790	134,763	733,027
Account 575 Market Admin.	161,615	116,218	23,961	92,257
Total F&PP Cost	<u>\$23,396,589</u>	<u>\$16,804,558</u>	<u>\$3,420,458</u>	<u>\$13,384,100</u>
Less:				
Wholesale Sales Revenue	\$271,046	\$194,910	\$40,185	\$154,725
Sale of RECs Revenue 4/	36,119	25,390	5,235	20,155
Total Revenue	<u>\$307,165</u>	<u>\$220,300</u>	<u>\$45,420</u>	<u>\$174,880</u>
Net System Cost	\$23,089,424	\$16,584,258	\$3,375,038	\$13,209,220
kWh Retail Sales	1,011,961,968	724,448,217	<u>150,556,883</u>	<u>573,891,334</u>
Cost Per kWh	\$0.02282	\$0.02289	<u><u>\$0.02242</u></u>	<u><u>\$0.02302</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
	March	April	May	June	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$2,556,409	\$1,736,586	\$2,349,441	\$2,433,213	\$9,075,649
Account 502 Reagent	119,174	79,234	99,079	93,523	391,010
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	4,138,626	4,704,309	3,291,683	399,157	12,533,775
Account 575 Market Admin.	272,960	267,927	254,574	439,079	1,234,540
Total F&PP Cost	34,377	46,754	38,457	42,027	161,615
	<u>\$7,121,546</u>	<u>\$6,834,810</u>	<u>\$6,033,234</u>	<u>\$3,406,999</u>	<u>\$23,396,589</u>
Less:					
Wholesale Sales Revenue	\$43,499	\$34,325	\$154,055	\$39,167	\$271,046
Sale of RECs Revenue	36,119	0	0	0	36,119
Total Revenue	<u>\$79,618</u>	<u>\$34,325</u>	<u>\$154,055</u>	<u>\$39,167</u>	<u>\$307,165</u>
Net System Cost	\$7,041,928	\$6,800,485	\$5,879,179	\$3,367,832	\$23,089,424
kWh Retail Sales	299,750,789	241,518,055	222,845,518	247,847,606	<u>1,011,961,968</u>
Cost Per kWh	\$0.02349	\$0.02816	\$0.02638	\$0.01359	<u><u>\$0.02282</u></u>

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

Account No.	Account Description	2023			
		March	April	May	June
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$3,565,395	\$3,383,814	\$1,231,714	\$1,200,805
555.114	Real-Time Asset Energy	(244,561)	(706,612)	(284,517)	(26,932)
555.117	Real-Time Excessive Energy	(239)	1,265	(636)	730
555.118	Real-Time Non-Excessive Energy	(697,158)	(345,361)	(101,769)	106,490
555.1212	Day-Ahead Financial Bilateral Congestion Loss	71,427	421,352	133,940	86,120
555.1230	Revenue Rights Transaction	(1,206,035)	(1,206,035)	(1,206,035)	(1,204,838)
555.1232	Revenue Rights Infeasible Uplift	17,599	17,599	17,599	1,275
555.1233	Revenue Rights Stage 2 Distribution	(74,193)	(74,193)	(74,193)	(96,344)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(15,150)	(10,554)	(10,996)	(12,134)
555.132	Day-Ahead Financial Bilateral Transaction Loss	22,519	24,089	29,377	34,900
555.135	Real-Time Asset Loss	242,262	228,526	408,017	(58,956)
555.136	Real-Time Distribution of Loss	(80,582)	(41,756)	(10,155)	(95,373)
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	0	(803)	(2)	(527)
555.153	Real-Time Miscellaneous	(276)	1,268	2	(13,248)
555.154	Real-Time Net Inadvertent Distribution	(3,636)	(811)	1,026	(3,000)
555.155	Real-Time Revenue Neutrality Uplift	121,460	126,531	5,897	97,761
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	2,203	2,004	7,374	10,887
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	0	(37,045)	(12,276)
555.159	Day-Ahead Schedule 24	5,508	4,973	4,647	4,592
555.160	Real-Time Schedule 24	969	1,155	997	763
555.162	Real-Time Price Volatility Make Whole Payment	(4,856)	(9,786)	(20,123)	(12,356)
555.164	Real-Time Schedule 49	14,433	15,496	14,907	10,932
555.1701	Day-Ahead Spinning Reserve Amount	(6,925)	(19,414)	(20,041)	(8,260)
555.1702	Day-Ahead Supplemental Reserve Amount	0	(92)	74	(135)
555.1703	Day-Ahead Ramp Capability	(400)	(944)	(1,476)	(1,519)
555.1704	Day-Ahead Short Term Reserve Amount	(1,427)	(7,626)	(4,175)	(8,952)
555.1710	Real-Time Net Regulation Adjustment	0	7	7	0
555.1711	Real-Time Excessive Deficient Energy Deployment	77	213	155	102
555.1713	Real-Time Regulation Amount	0	(130)	(61)	0
555.1714	Real-Time Spinning Reserve Amount	(1,463)	(1,161)	1,371	(3,860)
555.1715	Real-Time Supplemental Reserve Amount	0	0	(48)	14
555.1716	Real-Time Regulation Cost Distribution	12,880	9,769	11,762	7,728
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	8,863	9,914	9,757	8,221
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,027	792	1,566	1,760
555.1719	Real-Time Demand Response Allocation Uplift	566	680	1	96
555.1720	Real-Time Ramp Capability	(273)	(1,322)	(536)	(873)
555.1721	Real-Time Short Term Cost Distribution Amount	1,733	8,222	8,511	16,695
555.1723	Real-Time Short Term Reserve Amount	229	763	(693)	(3,478)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	164,943	81,574	8,820	70,386
555.186	Real-Time Over Collected Losses	(124,653)	(135,646)	(143,190)	(77,835)
555.1915	Real-Time Asset Congestion	1,302,703	1,882,904	2,261,170	1,214,038
555.1920	Auction Revenue Rights-Daily	(184,187)	(145,878)	(179,506)	(360,844)
555.1921	Auction Revenue Rights-Annual	0	0	0	(1,716,203)
	<u>Other</u>				
555.X	Purchased Power	1,227,600	1,189,000	1,227,600	1,242,000
555.5	Purchased Power Cogeneration	244	523	589	805
	Total Account 555 Energy	\$4,138,626	\$4,704,309	\$3,291,683	\$399,157