



A Subsidiary of MDU Resources Group, Inc.

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August 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  
September 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 September 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 0.132 cents per kWh for primary service customers and an increase of 0.149 cents per kWh for secondary service customers for service rendered in the month of September 2023 from current effective rates as shown below. The per unit increase was the result of lower wind generation driving higher fuel costs.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective September 1, 2023	\$0.02155	\$0.02239
F&PP Effective August 1, 2023	0.02023	0.02090
Change	<u>\$0.00132</u>	<u>\$0.00149</u>

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 93,877 electric customers in North Dakota as of July 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 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  
SEPTEMBER 2023 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.02374	\$0.02451
Prior Cost of Fuel	0.02242	0.02302
Change in Cost of Fuel	<u>\$0.00132</u>	<u>\$0.00149</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	 \$0.02374	 \$0.02451
Surcharge Adjustment	<u>(0.00219)</u>	<u>(0.00212)</u>
Total	<u><u>\$0.02155</u></u>	<u><u>\$0.02239</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	\$9,321,712	\$6,683,076	\$1,436,810	\$5,246,266
Account 502 Reagent	400,241	286,947	61,691	225,256
Account 555 Energy	11,865,475	8,506,793	1,828,896	6,677,897
Accounts 555 Demand and 547 Pipeline Charges	1,445,681	1,016,206	157,811	858,395
Account 575 Market Admin.	164,637	118,034	25,376	92,658
Total F&PP Cost	<u>\$23,197,746</u>	<u>\$16,611,056</u>	<u>\$3,510,584</u>	<u>\$13,100,472</u>
Less:				
Wholesale Sales Revenue	\$316,548	\$226,945	\$48,791	\$178,154
Sale of RECs Revenue 4/	0	0	0	0
Total Revenue	<u>\$316,548</u>	<u>\$226,945</u>	<u>\$48,791</u>	<u>\$178,154</u>
Net System Cost	\$22,881,198	\$16,384,111	\$3,461,793	\$12,922,318
kWh Retail Sales	943,257,242	672,962,179	<u>145,828,128</u>	<u>527,134,051</u>
Cost Per kWh	\$0.02426	\$0.02435	<u><u>\$0.02374</u></u>	<u><u>\$0.02451</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
	April	May	June	July	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$1,736,586	\$2,349,441	\$2,433,213	\$2,802,472	\$9,321,712
Account 502 Reagent	79,234	99,079	93,523	128,405	400,241
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	4,704,309	3,291,683	399,157	3,470,326	11,865,475
Account 575 Market Admin.	267,927	254,574	439,079	484,101	1,445,681
Total F&PP Cost	46,754	38,457	42,027	37,399	164,637
	<u>\$6,834,810</u>	<u>\$6,033,234</u>	<u>\$3,406,999</u>	<u>\$6,922,703</u>	<u>\$23,197,746</u>
Less:					
Wholesale Sales Revenue	\$34,325	\$154,055	\$39,167	\$89,001	\$316,548
Sale of RECs Revenue	0	0	0	0	0
Total Revenue	<u>\$34,325</u>	<u>\$154,055</u>	<u>\$39,167</u>	<u>\$89,001</u>	<u>\$316,548</u>
Net System Cost	\$6,800,485	\$5,879,179	\$3,367,832	\$6,833,702	\$22,881,198
kWh Retail Sales	241,518,055	222,845,518	247,847,606	231,046,063	<u>943,257,242</u>
Cost Per kWh	\$0.02816	\$0.02638	\$0.01359	\$0.02958	<u><u>\$0.02426</u></u>

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

Account No.	Account Description	2023			
		April	May	June	July
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$3,383,814	\$1,231,714	\$1,200,805	\$3,028,361
555.114	Real-Time Asset Energy	(706,612)	(284,517)	(26,932)	(163,288)
555.117	Real-Time Excessive Energy	1,265	(636)	730	1,060
555.118	Real-Time Non-Excessive Energy	(345,361)	(101,769)	106,490	(107,044)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	421,352	133,940	86,120	195,991
555.1230	Revenue Rights Transaction	(1,206,035)	(1,206,035)	(1,204,838)	(1,204,838)
555.1232	Revenue Rights Infeasible Uplift	17,599	17,599	1,275	1,275
555.1233	Revenue Rights Stage 2 Distribution	(74,193)	(74,193)	(96,344)	(96,344)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(10,554)	(10,996)	(12,134)	10
555.132	Day-Ahead Financial Bilateral Transaction Loss	24,089	29,377	34,900	40,519
555.135	Real-Time Asset Loss	228,526	408,017	(58,956)	121,195
555.136	Real-Time Distribution of Loss	(41,756)	(10,155)	(95,373)	(14,116)
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(803)	(2)	(527)	(3,581)
555.153	Real-Time Miscellaneous	1,268	2	(13,248)	36,726
555.154	Real-Time Net Inadvertent Distribution	(811)	1,026	(2,999)	8,931
555.155	Real-Time Revenue Neutrality Uplift	126,531	5,897	97,761	26,991
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	2,004	7,374	10,887	7,357
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	(37,045)	(12,276)	(14,966)
555.159	Day-Ahead Schedule 24	4,973	4,647	4,592	4,856
555.160	Real-Time Schedule 24	1,155	997	762	776
555.162	Real-Time Price Volatility Make Whole Payment	(9,786)	(20,123)	(12,356)	(16,585)
555.164	Real-Time Schedule 49	15,496	14,907	10,932	12,901
555.1701	Day-Ahead Spinning Reserve Amount	(19,414)	(20,041)	(8,260)	(5,880)
555.1702	Day-Ahead Supplemental Reserve Amount	(92)	74	(135)	(13)
555.1703	Day-Ahead Ramp Capability	(944)	(1,476)	(1,519)	(1,438)
555.1704	Day-Ahead Short Term Reserve Amount	(7,626)	(4,175)	(8,952)	(32,130)
555.1710	Real-Time Net Regulation Adjustment	7	7	0	0
555.1711	Real-Time Excessive Deficient Energy Deployment	213	155	102	1,212
555.1713	Real-Time Regulation Amount	(130)	(61)	0	0
555.1714	Real-Time Spinning Reserve Amount	(1,161)	1,371	(3,860)	(1,248)
555.1715	Real-Time Supplemental Reserve Amount	0	(48)	14	1
555.1716	Real-Time Regulation Cost Distribution	9,769	11,762	7,728	7,884
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	9,914	9,757	8,221	7,871
555.1718	Real-Time Supplemental Reserve Cost Distribution	792	1,566	1,760	1,832
555.1719	Real-Time Demand Response Allocation Uplift	680	1	96	459
555.1720	Real-Time Ramp Capability	(1,322)	(536)	(873)	(531)
555.1721	Real-Time Short Term Cost Distribution Amount	8,222	8,511	16,695	29,482
555.1723	Real-Time Short Term Reserve Amount	763	(693)	(3,478)	(2,935)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	81,574	8,820	70,386	(19,888)
555.186	Real-Time Over Collected Losses	(135,646)	(143,190)	(77,835)	(171,306)
555.1915	Real-Time Asset Congestion	1,882,904	2,261,170	1,214,038	1,183,615
555.1920	Auction Revenue Rights-Daily	(145,878)	(179,506)	(360,844)	(676,847)
555.1921	Auction Revenue Rights-Annual	0	0	(1,716,203)	0
	<u>Other</u>				
555.X	Purchased Power	1,189,000	1,227,600	1,242,000	1,283,400
555.5	Purchased Power Cogeneration	523	589	805	599
	<b>Total Account 555 Energy</b>	<b>\$4,704,309</b>	<b>\$3,291,683</b>	<b>\$399,157</b>	<b>\$3,470,326</b>