



MONTANA-DAKOTA UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
701-222-7900
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September 18, 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
October 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 October 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 0.632 cents per kWh for primary service customers and an increase of 0.647 cents per kWh for secondary service customers for service rendered in the month of October 2023 from current effective rates as shown below. The per unit increase was the result of increasing SPP Market congestion along with high temperatures and low wind events in the MISO footprint driving up the energy prices.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective October 1, 2023	\$0.02787	\$0.02886
F&PP Effective September 1, 2023	<u>0.02155</u>	<u>0.02239</u>
Change	\$0.00632	\$0.00647

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 93,910 electric customers in North Dakota as of August 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.

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
OCTOBER 2023 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.03006	\$0.03098
Prior Cost of Fuel	0.02374	0.02451
Change in Cost of Fuel	<u>\$0.00632</u>	<u>\$0.00647</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	 \$0.03006	 \$0.03098
Surcharge Adjustment	<u>(0.00219)</u>	<u>(0.00212)</u>
Total	<u><u>\$0.02787</u></u>	<u><u>\$0.02886</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	\$10,383,078	\$7,382,980	\$1,610,704	\$5,772,276
Account 502 Reagent	451,228	320,850	69,998	250,852
Account 555 Energy	17,941,308	12,757,326	2,783,195	9,974,131
Accounts 555 Demand and 547 Pipeline Charges	1,638,589	1,151,806	178,869	972,937
Account 575 Market Admin.	156,020	110,939	24,203	86,736
Total F&PP Cost	<u>\$30,570,223</u>	<u>\$21,723,901</u>	<u>\$4,666,969</u>	<u>\$17,056,932</u>
Less:				
Wholesale Sales Revenue	\$466,075	\$331,407	\$72,301	\$259,106
Sale of RECs Revenue 4/	0	0	0	0
Total Revenue	<u>\$466,075</u>	<u>\$331,407</u>	<u>\$72,301</u>	<u>\$259,106</u>
Net System Cost	\$30,104,148	\$21,392,494	\$4,594,668	\$16,797,826
kWh Retail Sales	977,537,641	695,086,797	<u>152,839,868</u>	<u>542,246,929</u>
Cost Per kWh	\$0.03080	\$0.03078	<u><u>\$0.03006</u></u>	<u><u>\$0.03098</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
	May	June	July	August	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$2,349,441	\$2,433,213	\$2,802,472	\$2,797,952	\$10,383,078
Account 502 Reagent	99,079	93,523	128,405	130,221	451,228
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	3,291,683	399,157	3,470,326	10,780,142	17,941,308
Account 575 Market Admin.	254,574	439,079	484,101	460,835	1,638,589
Total F&PP Cost	38,457	42,027	37,399	38,137	156,020
	<u>\$6,033,234</u>	<u>\$3,406,999</u>	<u>\$6,922,703</u>	<u>\$14,207,287</u>	<u>\$30,570,223</u>
Less:					
Wholesale Sales Revenue	\$154,055	\$39,167	\$89,001	\$183,852	\$466,075
Sale of RECs Revenue	0	0	0	0	0
Total Revenue	<u>\$154,055</u>	<u>\$39,167</u>	<u>\$89,001</u>	<u>\$183,852</u>	<u>\$466,075</u>
Net System Cost	\$5,879,179	\$3,367,832	\$6,833,702	\$14,023,435	\$30,104,148
kWh Retail Sales	222,845,518	247,847,606	231,046,063	275,798,454	<u>977,537,641</u>
Cost Per kWh	\$0.02638	\$0.01359	\$0.02958	\$0.05085	<u><u>\$0.03080</u></u>

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

Account No.	Account Description	2023			
		May	June	July	August
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$1,231,714	\$1,200,805	\$3,028,361	\$5,204,858
555.114	Real-Time Asset Energy	(284,517)	(26,932)	(163,288)	(85,790)
555.117	Real-Time Excessive Energy	(636)	730	1,060	1,395
555.118	Real-Time Non-Excessive Energy	(101,769)	106,490	(107,044)	(298,212)
555.1212	Day-Ahead Financial Bilateral Congestion Loss	133,940	86,120	195,991	755,564
555.1230	Revenue Rights Transaction	(1,206,035)	(1,204,838)	(1,204,838)	(1,204,838)
555.1232	Revenue Rights Infeasible Uplift	17,599	1,275	1,275	1,275
555.1233	Revenue Rights Stage 2 Distribution	(74,193)	(96,344)	(96,344)	(96,344)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(10,996)	(12,134)	10	(1,960)
555.132	Day-Ahead Financial Bilateral Transaction Loss	29,377	34,900	40,519	42,288
555.135	Real-Time Asset Loss	408,017	(58,956)	121,195	224,029
555.136	Real-Time Distribution of Loss	(10,155)	(95,373)	(14,116)	(90,504)
555.152	Day-Ahead Rev Suff Guarantee Make Whole Pmt	(2)	(527)	(3,581)	(2,273)
555.153	Real-Time Miscellaneous	2	(13,248)	36,726	(646)
555.154	Real-Time Net Inadvertent Distribution	1,026	(2,999)	8,931	(7,724)
555.155	Real-Time Revenue Neutrality Uplift	5,897	97,761	26,991	128,912
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	7,374	10,887	7,357	8,000
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	(37,045)	(12,276)	(14,966)	(264)
555.159	Day-Ahead Schedule 24	4,647	4,592	4,856	5,280
555.160	Real-Time Schedule 24	997	762	776	754
555.162	Real-Time Price Volatility Make Whole Payment	(20,123)	(12,356)	(16,585)	(31,804)
555.164	Real-Time Schedule 49	14,907	10,932	12,901	12,966
555.1701	Day-Ahead Spinning Reserve Amount	(20,041)	(8,260)	(5,880)	(5,320)
555.1702	Day-Ahead Supplemental Reserve Amount	74	(135)	(13)	(110)
555.1703	Day-Ahead Ramp Capability	(1,476)	(1,519)	(1,438)	(1,122)
555.1704	Day-Ahead Short Term Reserve Amount	(4,175)	(8,952)	(32,130)	(10,665)
555.1710	Real-Time Net Regulation Adjustment	7	0	0	0
555.1711	Real-Time Excessive Deficient Energy Deployment	155	102	1,212	159
555.1713	Real-Time Regulation Amount	(61)	0	0	0
555.1714	Real-Time Spinning Reserve Amount	1,371	(3,860)	(1,248)	(6,154)
555.1715	Real-Time Supplemental Reserve Amount	(48)	14	1	(241)
555.1716	Real-Time Regulation Cost Distribution	11,762	7,728	7,884	8,767
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	9,757	8,221	7,871	8,048
555.1718	Real-Time Supplemental Reserve Cost Distribution	1,566	1,760	1,832	2,046
555.1719	Real-Time Demand Response Allocation Uplift	1	96	459	1,046
555.1720	Real-Time Ramp Capability	(536)	(873)	(531)	(657)
555.1721	Real-Time Short Term Cost Distribution Amount	8,511	16,695	29,482	39,992
555.1723	Real-Time Short Term Reserve Amount	(693)	(3,478)	(2,935)	(17,619)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	8,820	70,386	(19,888)	91,015
555.186	Real-Time Over Collected Losses	(143,190)	(77,835)	(171,306)	(133,136)
555.1915	Real-Time Asset Congestion	2,261,170	1,214,038	1,183,615	5,409,315
555.1920	Auction Revenue Rights-Daily	(179,506)	(360,844)	(676,847)	(456,480)
555.1921	Auction Revenue Rights-Annual	0	(1,716,203)	0	0
	<u>Other</u>				
555.X	Purchased Power	1,227,600	1,242,000	1,283,400	1,285,678
555.5	Purchased Power Cogeneration	589	805	599	618
	Total Account 555 Energy	\$3,291,683	\$399,157	\$3,470,326	\$10,780,142