



MONTANA-DAKOTA UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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Bismarck, ND 58501
701-222-7900
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July 17, 2024

Executive Secretary
North Dakota Public Service Commission
600 E Boulevard Ave, Dept 408
Bismarck, ND 58505-0480

**RE: Fuel and Purchased Power Adjustment
Case No. PU-24-010
August 2024**

Montana-Dakota Utilities Co. (Montana-Dakota) herewith electronically submits its Fuel and Purchased Power (F&PP) adjustment to the North Dakota Public Service Commission (Commission) pursuant to the terms of the Rate 58 tariff.

Exhibit A, page 1 summarizes the fuel and purchased power adjustment calculated pursuant to the terms of Rate 58 that will apply during the month of August 2024. 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 reduction of 0.572 cents per kWh for primary service customers and a reduction of 0.564 cents per kWh for secondary service customers for service rendered in the month of August 2024 from current effective rates as shown below. The per unit decrease was the result of a decrease in per unit purchased power costs, and the credits associated with the Southwest Power Pool Auction Revenue Rights.

	<u>Primary</u>	<u>Secondary</u>
F&PP Effective August 1, 2024	\$0.01996	\$0.01981
F&PP Effective July 1, 2024	<u>0.02568</u>	<u>0.02545</u>
Change	(\$0.00572)	(\$0.00564)

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 94,121 electric customers in North Dakota as of June 30, 2024.

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

Attachments

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC INTEGRATED SYSTEM - NORTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
AUGUST 2024 ADJUSTMENT**

	<u>Primary</u>	<u>Secondary</u>
Current Cost of Fuel (Page 2)	\$0.01198	\$0.01268
Prior Cost of Fuel	0.01770	0.01832
Change in Cost of Fuel	<u>(\$0.00572)</u>	<u>(\$0.00564)</u>
 <u>Surcharge Adjustment</u>		
Current Adjustment	\$0.00798	\$0.00713
Prior Adjustment	0.00798	0.00713
Change in Surcharge Adjustment	<u>\$0.00000</u>	<u>\$0.00000</u>
 Cost of Fuel	 \$0.01198	 \$0.01268
Surcharge Adjustment	0.00798	0.00713
Total	<u><u>\$0.01996</u></u>	<u><u>\$0.01981</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	\$8,739,414	\$6,229,426	\$1,284,819	\$4,944,607
Account 502 Reagent	428,664	305,550	63,020	242,530
Account 555 Energy	3,700,501	2,637,705	544,027	2,093,678
Accounts 555 Demand and 547 Pipeline Charges	1,688,103	1,227,914	190,688	1,037,226
Account 575 Market Admin.	143,868	102,549	21,151	81,398
Total F&PP Cost	<u>\$14,700,550</u>	<u>\$10,503,144</u>	<u>\$2,103,705</u>	<u>\$8,399,439</u>
Less:				
Wholesale Sales Revenue	\$568,295	\$405,079	\$83,548	\$321,531
Sale of RECs Revenue	564,776	405,754	83,687	322,067
Rate 45 Margin Sharing 4/	1,410,175	1,410,175	290,849	1,119,326
Total Revenue	<u>\$2,543,246</u>	<u>\$2,221,008</u>	<u>\$458,084</u>	<u>\$1,762,924</u>
Net System Cost	\$12,157,304	\$8,282,136	\$1,645,621	\$6,636,515
kWh Retail Sales	926,772,441	660,600,365	<u>137,340,525</u>	<u>523,259,840</u>
Cost Per kWh	\$0.01312	\$0.01254	<u><u>\$0.01198</u></u>	<u><u>\$0.01268</u></u>

1/ Page 3.

2/ Energy is allocated on kWh sales, demand and pipeline are allocated on Allocation Factor No. 15, Integrated System 12 Month Peak Demand, and RECs revenue is allocated on Allocation Factor No. 271, Integrated Peak Demand and Energy.

3/ Energy, wholesale sales, and RECs revenue are allocated on kWh sales at generation. Demand and pipeline are allocated on Class Allocation Factor No. 2, Coincident Peak Demand from Case No. PU-22-194.

4/ Case No. PU-22-371.

Factor No. 15 ND	72.739303%
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**

	2024				Total
	March	April	May	June	
Fuel & Purchased Power Cost					
Accounts 501 Coal and 547 Gas	\$2,265,947	\$1,896,780	\$1,864,830	\$2,711,857	\$8,739,414
Account 502 Reagent	100,132	95,491	84,636	148,405	428,664
Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges	2,185,804	1,202,784	1,810,201	(1,498,288)	3,700,501
Account 575 Market Admin.	425,546	414,616	424,733	423,208	1,688,103
Total F&PP Cost	<u>\$5,010,319</u>	<u>\$3,651,441</u>	<u>\$4,219,689</u>	<u>\$1,819,101</u>	<u>\$14,700,550</u>
Less:					
Wholesale Sales Revenue	\$76,003	\$147,607	\$126,554	\$218,131	\$568,295
Sale of RECs Revenue	564,776	0	0	0	564,776
Total Revenue	<u>\$640,779</u>	<u>\$147,607</u>	<u>\$126,554</u>	<u>\$218,131</u>	<u>\$1,133,071</u>
Net System Cost	\$4,369,540	\$3,503,834	\$4,093,135	\$1,600,970	\$13,567,479
kWh Retail Sales	256,276,451	248,817,016	218,321,810	203,357,164	<u>926,772,441</u>
Cost Per kWh	\$0.01705	\$0.01408	\$0.01875	\$0.00787	<u><u>\$0.01464</u></u>

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

Account No.	Account Description	2024			
		March	April	May	June
	<u>Midcontinent Independent System Operator (MISO)</u>				
555.111	Day-Ahead Asset Energy	\$2,363,666	\$1,226,201	\$1,857,862	\$422,022
555.114	Real-Time Asset Energy	(90,428)	(73,744)	(78,872)	(113,649)
555.117	Real-Time Excessive Energy	(137)	800	85	(41)
555.118	Real-Time Non-Excessive Energy	(326,066)	(55,865)	23,595	203,767
555.1212	Day-Ahead Financial Bilateral Congestion Loss	25,285	(48,384)	169,397	(1,398)
555.1230	Revenue Rights Transaction	(1,141,422)	(1,141,422)	(1,141,422)	(1,006,690)
555.1232	Revenue Rights Infeasible Uplift	6,736	6,725	6,724	1,288
555.1233	Revenue Rights Stage 2 Distribution	(137,738)	(137,776)	(137,776)	(140,857)
555.1234	Auction Revenue Rights Real-Time MVP Distribution	(20,974)	(17,334)	(16,572)	(22,126)
555.132	Day-Ahead Financial Bilateral Transaction Loss	19,624	23,505	17,763	34,831
555.135	Real-Time Asset Loss	85,829	107,064	44,100	98,257
555.136	Real-Time Distribution of Loss	(67,883)	(18,444)	(19,540)	(35,852)
555.153	Real-Time Miscellaneous	(2,867)	157	972	520
555.154	Real-Time Net Inadvertent Distribution	(13,192)	10,894	2,177	(1,691)
555.155	Real-Time Revenue Neutrality Uplift	75,623	44,612	43,075	63,275
555.156	Real-Time Rev Suff Guarantee First Pass Distribution	645	3,623	1,265	1,652
555.157	Real-Time Rev Suff Guarantee Make Whole Payment	0	(3,391)	0	0
555.159	Day-Ahead Schedule 24	4,950	4,528	4,218	4,686
555.160	Real-Time Schedule 24	988	1,131	904	923
555.162	Real-Time Price Volatility Make Whole Payment	(17,146)	(33,556)	(18,435)	(14,714)
555.164	Real-Time Schedule 49	16,206	15,149	15,747	15,390
555.1700	Day-Ahead Regulation Amount	0	(117)	117	0
555.1701	Day-Ahead Spinning Reserve Amount	(15,705)	(17,971)	(15,225)	(24,323)
555.1702	Day-Ahead Supplemental Reserve Amount	(12)	12	(34)	26
555.1703	Day-Ahead Ramp Capability	(4,877)	(6,695)	(5,189)	(8,976)
555.1704	Day-Ahead Short Term Reserve Amount	(2,644)	(6,558)	(3,696)	(6,201)
555.1710	Real-Time Net Regulation Adjustment	0	1	21,528	(21,528)
555.1711	Real-Time Excessive Deficient Energy Deployment	53	41	39	1
555.1713	Real-Time Regulation Amount	0	441	(560)	79
555.1714	Real-Time Spinning Reserve Amount	(3,137)	(2,353)	(3,516)	(10,343)
555.1715	Real-Time Supplemental Reserve Amount	0	0	2	(156)
555.1716	Real-Time Regulation Cost Distribution	9,299	9,757	9,294	10,525
555.1717	Real-Time Spinning Reserve Cost Distribution Amount	8,725	8,704	11,404	8,193
555.1718	Real-Time Supplemental Reserve Cost Distribution	(621)	914	1,074	753
555.1719	Real-Time Demand Response Allocation Uplift	11,962	34	23	70
555.1720	Real-Time Ramp Capability	(924)	(814)	(1,158)	(295)
555.1721	Real-Time Short Term Cost Distribution Amount	5,445	7,319	11,759	6,068
555.1723	Real-Time Short Term Reserve Amount	145	(613)	(2,162)	(240)
	<u>Southwest Power Pool (SPP)</u>				
555.185	Real-Time Asset Losses	116,017	70,090	17,177	7,919
555.186	Real-Time Over Collected Losses	(46,832)	(57,801)	(58,666)	(88,682)
555.1915	Real-Time Asset Congestion	223,603	502,191	147,253	106,884
555.1920	Auction Revenue Rights-Daily	(213,294)	(486,293)	(410,667)	(782,509)
555.1921	Auction Revenue Rights-Annual	0	0	0	(1,534,303)
	<u>Other</u>				
555.X	Purchased Power	1,316,564	1,273,616	1,315,516	1,328,606
555.5	Purchased Power Cogeneration	338	471	621	551
	Total Account 555 Energy	\$2,185,804	\$1,202,784	\$1,810,201	(\$1,498,288)