



A Subsidiary of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
701-222-7900
www.montana-dakota.com

December 18, 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
January 2025**

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 January 2025. 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 0.093 cents per kWh for primary service customers and a reduction of 0.090 cents per kWh for secondary service customers for service rendered in the month of January 2025 from current effective rates as shown below. The per unit decrease was largely the result of a per unit decrease in MISO market prices.

| | <u>Primary</u> | <u>Secondary</u> |
|---------------------------------|----------------|------------------|
| F&PP Effective January 1, 2025 | \$0.02579 | \$0.02549 |
| F&PP Effective December 1, 2024 | 0.02672 | 0.02639 |
| Change | (\$0.00093) | (\$0.00090) |

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 94,211 electric customers in North Dakota as of November 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

Attachment

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC INTEGRATED SYSTEM - NORTH DAKOTA
FUEL AND PURCHASED POWER ADJUSTMENT
JANUARY 2025 ADJUSTMENT**

| | <u>Primary</u> | <u>Secondary</u> |
|---------------------------------|-------------------------|-------------------------|
| Current Cost of Fuel (Page 2) | \$0.01781 | \$0.01836 |
| Prior Cost of Fuel | 0.01874 | 0.01926 |
| Change in Cost of Fuel | <u>(\$0.00093)</u> | <u>(\$0.00090)</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 | \$0.01781 | \$0.01836 |
| Surcharge Adjustment | 0.00798 | 0.00713 |
| Total | <u><u>\$0.02579</u></u> | <u><u>\$0.02549</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 | \$8,596,361 | \$6,117,881 | \$1,191,844 | \$4,926,037 |
| Account 502 Reagent | 605,513 | 430,933 | 83,951 | 346,982 |
| Account 555 Energy | 9,335,130 | 6,643,651 | 1,294,271 | 5,349,380 |
| Accounts 555 Demand and 547 Pipeline Charges | 1,371,637 | 997,719 | 154,940 | 842,779 |
| Account 575 Market Admin. | 151,947 | 108,138 | 21,067 | 87,071 |
| Total F&PP Cost | <u>\$20,060,588</u> | <u>\$14,298,322</u> | <u>\$2,746,073</u> | <u>\$11,552,249</u> |
| Less: | | | | |
| Wholesale Sales Revenue | \$254,862 | \$181,381 | \$35,335 | \$146,046 |
| Sale of RECs Revenue | 0 | 0 | 0 | 0 |
| Rate 45 Margin Sharing 4/ | 1,977,865 | 1,977,865 | 385,314 | 1,592,551 |
| Total Revenue | <u>\$2,232,727</u> | <u>\$2,159,246</u> | <u>\$420,649</u> | <u>\$1,738,597</u> |
| Net System Cost | \$17,827,861 | \$12,139,076 | \$2,325,424 | \$9,813,652 |
| kWh Retail Sales | 934,369,585 | 664,974,668 | <u>130,598,898</u> | <u>534,375,770</u> |
| Cost Per kWh | \$0.01908 | \$0.01825 | <u><u>\$0.01781</u></u> | <u><u>\$0.01836</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 |
|--|--------------------|--------------------|--------------------|--------------------|-------------------------|
| | August | September | October | November | |
| Fuel & Purchased Power Cost | | | | | |
| Accounts 501 Coal and 547 Gas | \$2,415,144 | \$1,617,917 | \$1,909,341 | \$2,653,959 | \$8,596,361 |
| Account 502 Reagent | 190,733 | 95,035 | 123,005 | 196,740 | 605,513 |
| Account 555 Energy 1/ Accounts 555 Demand and 547 Pipeline Charges | 952,094 | 1,574,880 | 4,227,453 | 2,580,703 | 9,335,130 |
| Account 575 Market Admin. | 505,220 | 350,130 | 257,138 | 259,149 | 1,371,637 |
| Total F&PP Cost | 37,904 | 36,752 | 36,184 | 41,107 | 151,947 |
| | <u>\$4,101,095</u> | <u>\$3,674,714</u> | <u>\$6,553,121</u> | <u>\$5,731,658</u> | <u>\$20,060,588</u> |
| Less: | | | | | |
| Wholesale Sales Revenue | \$145,096 | \$36,514 | \$21,328 | \$51,924 | \$254,862 |
| Sale of RECs Revenue | (713) | 713 | 0 | 0 | 0 |
| Total Revenue | <u>\$144,383</u> | <u>\$37,227</u> | <u>\$21,328</u> | <u>\$51,924</u> | <u>\$254,862</u> |
| Net System Cost | \$3,956,712 | \$3,637,487 | \$6,531,793 | \$5,679,734 | \$19,805,726 |
| kWh Retail Sales | 264,726,500 | 240,278,631 | 235,062,688 | 194,301,766 | <u>934,369,585</u> |
| Cost Per kWh | \$0.01495 | \$0.01514 | \$0.02779 | \$0.02923 | <u><u>\$0.02120</u></u> |

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

| Account No. | Account Description | 2024 | | | |
|-------------|--|------------------|--------------------|--------------------|--------------------|
| | | August | September | October | November |
| | <u>Midcontinent Independent System Operator (MISO)</u> | | | | |
| 555.111 | Day-Ahead Asset Energy | \$1,031,339 | \$1,894,812 | \$2,610,497 | \$1,832,320 |
| 555.114 | Real-Time Asset Energy | (116,419) | (170,063) | (244,075) | (138,910) |
| 555.117 | Real-Time Excessive Energy | (65) | 1,194 | (612) | (5) |
| 555.118 | Real-Time Non-Excessive Energy | 131,064 | 15,289 | 306,971 | 277,345 |
| 555.1212 | Day-Ahead Financial Bilateral Congestion Loss | 81,915 | (52,249) | 72,500 | 107,362 |
| 555.1230 | Revenue Rights Transaction | (1,006,690) | (1,095,224) | (1,095,224) | (1,095,224) |
| 555.1232 | Revenue Rights Infeasible Uplift | 1,288 | 16,636 | 16,636 | 16,636 |
| 555.1233 | Revenue Rights Stage 2 Distribution | (140,857) | (117,775) | (117,776) | (117,776) |
| 555.1234 | Auction Revenue Rights Real-Time MVP Distribution | (7,872) | (12) | (2,161) | (2,131) |
| 555.132 | Day-Ahead Financial Bilateral Transaction Loss | 49,242 | 36,638 | 30,328 | 27,422 |
| 555.135 | Real-Time Asset Loss | 197,756 | 165,548 | 221,371 | 77,222 |
| 555.136 | Real-Time Distribution of Loss | (35,038) | (14,516) | (27,320) | (15,872) |
| 555.152 | Day-Ahead Rev Suff Guarantee Make Whole Pmt | (3) | 0 | (12,572) | (1,601) |
| 555.153 | Real-Time Miscellaneous | (1,438) | (1,075) | (4,591) | (3,669) |
| 555.154 | Real-Time Net Inadvertent Distribution | (4,816) | (2,560) | (7,173) | (1,483) |
| 555.155 | Real-Time Revenue Neutrality Uplift | 64,223 | 89,894 | 119,394 | 104,009 |
| 555.156 | Real-Time Rev Suff Guarantee First Pass Distribution | 7,447 | 3,009 | 1,342 | 1,203 |
| 555.157 | Real-Time Rev Suff Guarantee Make Whole Payment | 1,036 | (735) | (2,650) | 0 |
| 555.159 | Day-Ahead Schedule 24 | 4,993 | 5,087 | 4,545 | 5,852 |
| 555.160 | Real-Time Schedule 24 | 705 | 741 | 897 | 904 |
| 555.162 | Real-Time Price Volatility Make Whole Payment | (11,607) | (13,344) | (17,248) | (13,515) |
| 555.164 | Real-Time Schedule 49 | 9,588 | 17,190 | 17,419 | 19,093 |
| 555.1701 | Day-Ahead Spinning Reserve Amount | (26,156) | (17,115) | (21,708) | (16,494) |
| 555.1702 | Day-Ahead Supplemental Reserve Amount | (999) | (53) | 0 | 0 |
| 555.1703 | Day-Ahead Ramp Capability | (10,778) | (6,523) | (8,018) | (4,609) |
| 555.1704 | Day-Ahead Short Term Reserve Amount | (261,891) | (8,123) | (2,975) | (1,310) |
| 555.1710 | Real-Time Net Regulation Adjustment | (2) | 1 | 10 | 2 |
| 555.1711 | Real-Time Excessive Deficient Energy Deployment | 479 | 1,547 | 229 | 9 |
| 555.1713 | Real-Time Regulation Amount | (205) | (55) | (59) | (50) |
| 555.1714 | Real-Time Spinning Reserve Amount | 1,187 | 505 | (5,471) | (556) |
| 555.1715 | Real-Time Supplemental Reserve Amount | (1,086) | 21 | (1) | (34) |
| 555.1716 | Real-Time Regulation Cost Distribution | 14,054 | 16,953 | 18,981 | 19,309 |
| 555.1717 | Real-Time Spinning Reserve Cost Distribution Amount | 8,418 | 9,086 | 13,032 | 10,219 |
| 555.1718 | Real-Time Supplemental Reserve Cost Distribution | 2,450 | 1,624 | 1,691 | 1,285 |
| 555.1719 | Real-Time Demand Response Allocation Uplift | 5,952 | 2,453 | 5,276 | 243 |
| 555.1720 | Real-Time Ramp Capability | (1,330) | (880) | (1,424) | (1,049) |
| 555.1721 | Real-Time Short Term Cost Distribution Amount | 49,992 | 7,948 | 7,317 | 3,568 |
| 555.1723 | Real-Time Short Term Reserve Amount | 10,197 | (911) | (336) | (134) |
| | <u>Southwest Power Pool (SPP)</u> | | | | |
| 555.185 | Real-Time Asset Losses | (61,290) | 592 | 73,232 | 97,180 |
| 555.186 | Real-Time Over Collected Losses | (72,807) | (122,662) | (72,265) | (132,248) |
| 555.1915 | Real-Time Asset Congestion | (22,693) | 208,582 | 1,354,345 | 776,638 |
| 555.1920 | Auction Revenue Rights-Daily | (312,417) | (625,622) | (375,546) | (578,967) |
| | <u>Other</u> | | | | |
| 555.X | Purchased Power | 1,374,667 | 1,328,479 | 1,369,988 | 1,328,254 |
| 555.5 | Purchased Power Cogeneration | 561 | 548 | 657 | 265 |
| | Total Account 555 Energy | \$952,094 | \$1,574,880 | \$4,227,453 | \$2,580,703 |