

**Docket Number:** EL23-031  
**Subject Matter:** First Data Request  
**Request to:** Montana Dakota Utilities  
**Request from:** South Dakota Public Utilities Commission Staff  
**Date of Request:** 10/23/2023  
**Responses Due:** 10/30/2023

1-1. File a chart showing the total bill impact for a residential customer with 900 kWh for the estimates for November and December.

**Response:**

Please see the table below:

**MONTANA-DAKOTA UTILITIES CO.  
 ELECTRIC UTILITY - SOUTH DAKOTA**

**Residential Electric Service Rate 10  
 Bill Impact**

| <b>Usage</b>                   |           | <b>900 Kwh</b>       |                      |                 |                   |
|--------------------------------|-----------|----------------------|----------------------|-----------------|-------------------|
|                                |           | <b>November 2023</b> | <b>December 2023</b> |                 |                   |
| Basic Service Charge @ 30 days | \$        | 7.41                 | \$                   | 7.41            |                   |
| Energy                         |           |                      |                      |                 |                   |
| Summer Kwh (June-Sept)         |           |                      |                      |                 |                   |
| Winter First 750               |           | 58.97                |                      | 58.97           |                   |
| Winter Over 750                |           | 7.29                 |                      | 7.29            |                   |
| Fuel & Purchased Power         |           | 40.24                |                      | 55.81           |                   |
| Transmission Cost Rider        |           | 14.69                |                      | 14.69           |                   |
| Infrastructure Rider           |           | 4.71                 |                      | 4.71            |                   |
| <b>Total</b>                   | <b>\$</b> | <b>133.31</b>        | <b>\$</b>            | <b>148.88</b>   |                   |
|                                |           |                      |                      | <b>Change</b>   | <b>% Increase</b> |
|                                |           |                      |                      | <b>\$ 15.57</b> | <b>12%</b>        |

|                         |                 |
|-------------------------|-----------------|
| Basic Service Charge    | 0.247 per day   |
| Energy                  |                 |
| Summer Kwh (June-Sept)  | 0.07862 per Kwh |
| Winter First 750        | 0.07862 per Kwh |
| Winter Over 750         | 0.04862 per Kwh |
| Fuel & Purchased Power  |                 |
| November 2023           | 0.04471 per Kwh |
| Projected December 2023 | 0.06201 per Kwh |
| Transmission Cost Rider | 0.01632 per Kwh |
| Infrastructure Rider    | 0.00523 per Kwh |

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1-2. Provide actual/estimated fuel and purchased power rates for August through December

**Response:**

Please see the table below:

**MONTANA-DAKOTA UTILITIES CO.**  
**ELECTRIC INTEGRATED SYSTEM - SOUTH DAKOTA**  
**FUEL AND PURCHASED POWER ADJUSTMENT**

|                                       | Aug-23<br><u>Actual</u> | Sep-23<br><u>Actual</u> | Oct-23<br><u>Actual</u> | Nov-23<br><u>Actual</u> | Dec-23<br><u>Estimate</u> |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|
| Base Cost of Fuel 1/                  | \$0.02524               | \$0.02524               | \$0.02524               | \$0.02524               | \$0.02524                 |
| Current Adjustment                    | (0.00232)               | (0.00083)               | 0.00564                 | 0.01960                 | 0.03690                   |
| Surcharge Adjustment                  | (0.00013)               | (0.00013)               | (0.00013)               | (0.00013)               | (0.00013)                 |
| Total Adjustment Billed Under Rate 58 | <u>\$0.02279</u>        | <u>\$0.02428</u>        | <u>\$0.03075</u>        | <u>\$0.04471</u>        | <u>\$0.06201</u>          |

1/ Established in Docket No. EL15-024.

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1-3. Provide actual/estimated total bills for a residential customer with 900 kWh for August through December.

**Response:**

Please see the table below:

**MONTANA-DAKOTA UTILITIES CO.**  
**ELECTRIC UTILITY - SOUTH DAKOTA**  
  
**Residential Electric Service Rate 10**  
**Bill Impact**

| Usage                          | 900 Kwh          |                  |                  |                  |                  |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                | August 2023      | September 2023   | October 2023     | November 2023    | December 2023    |
| Basic Service Charge @ 30 days | \$ 7.41          | \$ 7.41          | \$ 7.41          | \$ 7.41          | \$ 7.41          |
| Energy                         |                  |                  |                  |                  |                  |
| Summer Kwh (June-Sept)         | 70.76            | 70.76            |                  |                  |                  |
| Winter First 750               |                  |                  | 58.97            | 58.97            | 58.97            |
| Winter Over 750                |                  |                  | 7.29             | 7.29             | 7.29             |
| Fuel & Purchased Power (F&PP)  | 20.51            | 21.85            | 27.68            | 40.24            | 55.81            |
| Transmission Cost Rider        | 14.69            | 14.69            | 14.69            | 14.69            | 14.69            |
| Infrastructure Rider           | 4.71             | 4.71             | 4.71             | 4.71             | 4.71             |
| <b>Total</b>                   | <b>\$ 118.08</b> | <b>\$ 119.42</b> | <b>\$ 120.75</b> | <b>\$ 133.31</b> | <b>\$ 148.88</b> |
|                                |                  | <b>\$ 1.34</b>   | <b>\$ 5.83</b>   | <b>\$ 12.56</b>  | <b>\$ 15.57</b>  |
|                                |                  | <b>7%</b>        | <b>27%</b>       | <b>45%</b>       | <b>39%</b>       |

|                         |                 |
|-------------------------|-----------------|
| Basic Service Charge    | 0.247 per day   |
| Energy                  |                 |
| Summer Kwh (June-Sept)  | 0.07862 per Kwh |
| Winter First 750        | 0.07862 per Kwh |
| Winter Over 750         | 0.04862 per Kwh |
| Fuel & Purchased Power  |                 |
| August 2023             | 0.02279 per Kwh |
| September 2023          | 0.02428 per Kwh |
| October 2023            | 0.03075 per Kwh |
| November 2023           | 0.04471 per Kwh |
| Projected December 2023 | 0.06201 per Kwh |
| Transmission Cost Rider | 0.01632 per Kwh |
| Infrastructure Rider    | 0.00523 per Kwh |

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1-4. When does MDU anticipate fuel and purchased power costs to stabilize and return to normal historic levels?

**Response:**

Montana-Dakota continues to monitor purchase power costs but does not have a set timeframe for stabilization. There are a couple short-term solutions that if either of them happens could have an effect on minimizing congestion costs in the Bakken area in the next couple of months. Those two events for short-term solutions are:

1. Winter transmission ratings go into effect November 1, 2023.
2. Resetting of Basin Electric Cooperative, Inc. (Basin Electric) gas runtime hours for the year start January 1, 2024.

Long-term solutions are:

1. New Basin Electric 345kV transmission line from Roundup to Kummer Ridge in-service the end of 2025 at the earliest.
2. New Basin Electric 345kV transmission line from Nessel to Leland Olds Station in-service the end of 2025 at the earliest.
3. Additional 600 MWs of Basin Electric generation at Pioneer Station in 2025 and 2026.

Montana-Dakota may continue to see some volatility around seasonal ratings and gas turbine runtime hours until long-term solutions are put in place. Montana-Dakota is working on other mitigation options including market congestion coordination and use of financial transmission rights (FTRs).

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1-5. Explain how any under collection prior to the July 2024 filing would be accounted for and collected in the July 2024 filing.

**Response:**

Pursuant to Section 4 of the Fuel and Purchased Power Adjustment Tariff - Rate 58, Montana-Dakota prepares an annual filing of its Surcharge Adjustment to true-up the Fuel and Purchase Power Cost in a twelve-month period. All sales rate schedules are subject to a Surcharge Adjustment which is effective every July 1<sup>st</sup>. The Surcharge Adjustment reflects the amortization of the applicable balance in the Deferred Fuel Cost Account calculated by dividing the applicable balance by the estimated kWh sales for the twelve months following the effective date of the adjustment.

The balance in the Deferred Fuel Cost Account includes:

- 1) The current month over or under recovery determined by comparing the fuel and purchased power actual costs subtracted from the month's unit cost reflected in rates. The resulting difference (positive or negative) is multiplied by the kWh's sold that month under each rate schedule;
- 2) Any refunds from suppliers or market operators with respect to fuel and purchased power costs;
- 3) Carrying charges or credits at a rate equal to the three-month Treasury Bill rate as published monthly; and
- 4) The balance in the Deferred Fuel Cost Account is decreased each month by the amount of the Surcharge Adjustment multiplied by the kWh sales for the month. The amount amortized shall be applied pro rata between the Deferred Fuel cost Account and the interest balance.

For a little bit more perspective, through September 30, 2023, the deferral and carrying charge balance has an under recovered balance of \$1,014,549. The projected sales volumes (kWh) from the July 2023 annual filing is 143,121,000 which would equate to an under recovered fuel cost adjustment of \$0.00709.