

705 West Fir Ave.
Mailing Address:
P.O. Box 176
Fergus Falls, MN 56538-0176
1-877-267-4764

July 29, 2016

Executive Secretary
North Dakota Public Service
Commission
State Capitol Building
Bismarck, ND 58505

Re: Cost of Gas Adjustment (COG)
August 2016

Great Plains Natural Gas Co. (Great Plains), a Division of MDU Resources Group, Inc., herewith submits an original and two (2) copies of a Cost of Gas Adjustment (COG) pursuant to North Dakota Century Code 49-05-05.

Attachment A is the Rate Summary Sheet (125th Revised Sheet No. 1.1) showing the proposed natural gas rates and the Cost of Gas Tariff (125th Revised Sheet No. 8), showing the August 2016 cost of gas and the resulting Cost of Gas Adjustment. The net effect of this filing is a decrease of \$0.0008 per dk for residential and firm general service customers and a decrease of \$0.0008 per dk for interruptible customers.

Attachment B shows the calculations supporting the gas costs for August 2016, including the calculation of the commodity cost of gas. The commodity cost of gas has decreased \$0.0008 per dk for all customers since the last COG filing due to a decrease in the market price of gas.

Attachment C explains the reasons for the change in the market price of gas.

Attachment D shows the calculation of the balancing account since April 30, 2016.

Great Plains submitted a check for \$600.00 on December 30, 2015 pursuant to the requirements of Section 49-05-05 of the North Dakota Century Code. This payment covers the \$50.00 filing fee associated with the monthly COG filings.

Great Plains respectfully requests this filing be accepted as being in full compliance with the filing requirements of this Commission.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed, stamped envelope.

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Attachments

Attachment A

Attachment A



GREAT PLAINS NATURAL GAS CO.
A Division of MDU Resources Group, Inc.

**State of North Dakota
 Gas Rate Schedule**

NDPSC Volume 2

125th Revised Sheet No. 1.1

Canceling 124th Revised Sheet No.1.1

RATE SUMMARY SHEET

Page 1 of 1

Rate Schedule	Sheet No.	Basic Service Charge	Distribution Delivery Charge	COG Items	Total Rate/dk
Firm Gas Service - General	2	\$3.50 per month	First 10 dk \$1.2869 Over 10 dk 1.0646	\$4.4276	\$5.7145 5.4922
Interruptible Gas Service - General	3	\$3.50 per month	First 400 dk \$1.1506 Next 2,600 dk 0.9021 Over 3,000 dk 0.7486	\$2.3826	\$3.5332 3.2847 3.1312
Interruptible Gas Service - Grain Processing	4	\$3.50 per month	All dk \$1.2516	\$2.3826	\$3.6342
Transportation Service	5	\$3.50 per month	First 400 dk \$1.1506 Next 2,600 dk 0.9021 Over 3,000 dk 0.7486		\$1.1506 0.9021 0.7486

Date Filed: July 29, 2016

Effective Date: Service rendered on and after August 1, 2016

Issued By: Tamie A. Aberle
 Director - Regulatory Affairs

Case No.:



GREAT PLAINS NATURAL GAS CO.
A Division of MDU Resources Group, Inc.

**State of North Dakota
 Gas Rate Schedule**

NDPSC Volume 2
 125th Revised Sheet No. 8
 Canceling 124th Revised Sheet No. 8

COST OF GAS

Page 1 of 1

Summary:	Firm			Interruptible			
	Est. Wtd. Demand Costs	Average Commodity	GCR Adj.	Est. Wtd. Total Firm	Average Commodity	GCR Adj.	Total Int.
Base Rate	\$0.0662	\$5.1708	\$0.0000	\$5.2370	\$5.1708	\$0.0000	\$5.1708
Accumulated Adj.	1.5841	(2.5013)	0.1086	(0.8086)	(2.5013)	(0.2861)	(2.7874)
Current Adj.	0.0000	(0.0008)	0.0000	(0.0008)	(0.0008)	0.0000	(0.0008)
Total Adj.	1.5841	(2.5021)	0.1086	(0.8094)	(2.5021)	(0.2861)	(2.7882)
Total Rate	\$1.6503	\$2.6687	\$0.1086	\$4.4276	\$2.6687	(\$0.2861)	\$2.3826

Date Filed: July 29, 2016

Effective Date: Service rendered on and after August 1, 2016

Issued By: Tamie A. Aberle
 Director - Regulatory Affairs

Case No.:

**GREAT PLAINS NATURAL GAS CO.
WAHPETON
COST OF GAS ADJUSTMENT
AUGUST 2016**

<u>Firm</u>	<u>Billing Determinants</u>	<u>Rate 1/</u>	<u>Demand Months</u>	<u>Amount</u>	<u>Amount Per Dk</u>
FT-A - Zone 1-1 (Cat. 3)	8,000	\$4.3706	12	\$419,578	\$0.3020
FT-A - Zone 1-1 (Cat. 1)	7,700	4.7507	5	182,902	0.1317
TFX - Winter/Seasonal	15,000	15.1530	5	1,136,475	0.8181
TFX - Summer	13,000	5.6830	7	517,153	0.3723
BP Seasonal Gas Contract	730	2/	5	36,376	0.0262
Total Demand Charges				<u>\$2,292,484</u>	<u>\$1.6503</u>
Estimated Weighted Average Commodity Cost	1,389,177	3/ 2.6687		<u>3,707,297</u>	2.6687
Gas Cost Reconciliation Adjustment					<u>0.1086</u>
Total Current Firm Gas Cost				<u><u>\$5,999,781</u></u>	<u><u>\$4.4276</u></u>
Base Cost of Gas					<u>5.2370</u>
Accumulated Adjustment					<u><u>(\$0.8094)</u></u>
 <u>Interruptible</u>					
Estimated Weighted Average Commodity Cost					\$2.6687
Gas Cost Reconciliation Adjustment					<u>(0.2861)</u>
Total Current Interruptible Gas Cost					<u>\$2.3826</u>
Base Cost of Gas					<u>5.1708</u>
Accumulated Adjustment					<u><u>(\$2.7882)</u></u>

1/ Rates Effective August 1, 2016

2/ Contract terms are 730 dk/day at \$0.33/dk for the period November 1, 2015 through March 31, 2016.

3/ Annual demand volume; combined MN North District and Wahpeton.

GREAT PLAINS NATURAL GAS CO.
WAHPETON
ESTIMATED GAS COSTS
AUGUST 2016

	Total System Supply	NNG	
		Base	Swing
<u>Estimated Cost Per Dk</u>			
Commodity Cost of Gas		\$2.5977	\$2.5000
<u>Transportation 1/</u>			
Northern Natural		0.0379	0.0379
Viking		0.0130	0.0130
<u>Fuel Transportation 2/</u>			
Northern Natural		0.0117	0.0114
Viking		0.0000	0.0000
LMS Demand 3/		0.0153	0.0153
Total Cost Per Dk		\$2.6756	\$2.5776
Total Estimated Dk Purchases 4/	47,238	43,909	3,329
Estimated Cost	\$126,064	\$117,483	\$8,581
Average Cost Per Dk	\$2.6687	\$2.6756	\$2.5777

1/ Northern 10th Revised Sheet 50 Market Area - Maximum
Viking V.23.0.0 FT-A Maximum Rates - Zone 1-1

2/ Transportation Fuel Percentage	Base	Swing
NNG	0.45%	0.45%
Viking	0.00%	0.00%

3/ Amount divided by the annual demand volume; combined MN North District and Wahpeton.

	Billing Determinants	Rate	Demand Months	Amount	Amount Per Dk
LMS Demand	2,500	\$1.0000	12	\$30,000	\$0.0153
4/ Dk requirements for August		Required Monthly	Days in Month	Required Daily	Percent Supply
Estimated System Supply		47,238	31	1,524	100%

STATEMENT OF RATES
 (Rates Per Dekatherm)

Currently Effective Term-Differentiated Rates

Rate Schedule	Base Tariff Rate
<u>Category 1 (Contract Term of Less than 3 Years)</u>	
Monthly Reservation Rates	
FT-A	
Zone 1-1 Maximum Rate	\$4.7507
Zone 1-1 Minimum Rate	\$0.0000
Zone 1-2 Maximum Rate 1/	\$5.7394
Zone 1-2 Minimum Rate	\$0.0000
Zone 2-2 Maximum Rate	\$3.3143
Zone 2-2 Minimum Rate	\$0.0000
<u>Category 2 (Contract Term of 3 Years to less than 5 Years)</u>	
Monthly Reservation Rates	
FT-A	
Zone 1-1 Maximum Rate	\$4.5607
Zone 1-1 Minimum Rate	\$0.0000
Zone 1-2 Maximum Rate	\$5.5494
Zone 1-2 Minimum Rate	\$0.0000
Zone 2-2 Maximum Rate	\$3.1243
Zone 2-2 Minimum Rate	\$0.0000
<u>Category 3 (Contract Term of 5 or more Years)</u>	
Monthly Reservation Rates	
FT-A	
Zone 1-1 Maximum Rate	\$4.3706
Zone 1-1 Minimum Rate	\$0.0000
Zone 1-2 Maximum Rate	\$5.3593
Zone 1-2 Minimum Rate	\$0.0000
Zone 2-2 Maximum Rate	\$2.9343
Zone 2-2 Minimum Rate	\$0.0000

1/ Throughout Viking's Statement of Rates and Tariff, "Zone 1-2" shall mean Transportation Service for quantities received in Zone 1 and delivered in Zone 2 or received in Zone 2 and delivered in Zone 1 whether by transport, exchange, or Displacement.

Rate Schedule	Base Tariff Rate	Fuel and Loss Retention Percentages 2/
Commodity Rates 1/		
FT-A – Maximum Rates		
Zone 1-1	\$0.0116	0.00%
Zone 1-2	\$0.0116	0.00%
Zone 2-2	\$0.0116	0.00%
Minimum Rate	\$0.0116	
IT and AOT		
Zone 1-1	\$0.1678	0.00%
Zone 1-2	\$0.2003	0.00%
Zone 2-2	\$0.1206	0.00%
Minimum Rate	\$0.0116	

1/ Pursuant to Section 19 of the General Terms and Conditions, the maximum and minimum commodity rates shall be increased to include the Commission-authorized Annual Charge Adjustment unit rate as published on the Commission's Web Site located at <http://www.ferc.gov>.

2/ The Fuel and Loss Retention Percentages shall be applicable to all transportation rate schedules and includes the following Gas Lost and Unaccounted For Percentages: 0.00% for Zone 1-1, 0.00% for Zone 1-2, and 0.00% for Zone 2-2. Transportation entirely by Displacement will incur only the Gas Lost and Unaccounted For Percentages.

Rate Schedule	Base Tariff Rate	Adjustment Under Section 27 1/	Rate After Current Adjustment
LMS – Monthly Demand Rate	\$1.00		\$1.00
LMS – Daily Overrun Rate	\$0.2003		\$0.2003
LMS – Load Management Cost Reconciliation Adjustment		(\$0.0273)	

1/ Pursuant to Section 27 of the General Terms and Conditions of this Tariff, a mechanism is established to reconcile through surcharges or credits to the Rate Schedule LMS rate, as appropriate, differences between the cost to maintain Company's line pack gas and the amounts Company receives or pays for such gas arising out of the purchase and sale of such gas.

Rate Schedule	Maximum Rate Per Dekatherm	Minimum Rate Per Dekatherm
PAL		
NPL, OPL, and APL Service:		
Daily Commodity Rate	\$0.2003	\$0.0000
RPL Service:		
Daily Reservation Rate	\$0.2003	\$0.0000

RATE SCHEDULE TF

RESERVATION RATES	MARKET-TO-MARKET			FIELD-TO-FIELD/MARKET DEMARCATION
	TF12		TF5	TFF
	TF12 Base	Variable		
Base Tariff Rates 1/				
Summer (Apr-Oct)	5.683	5.683	-0-	5.473
Winter (Nov-Mar)	<u>10.230</u>	<u>13.866</u>	<u>15.153</u>	<u>9.853</u>

COMMODITY RATES 2/		Market Area 3/ 6/		Field Mileage 5/		Carlton		Out-of Balance 3/	
TF12 Base, TF12 Var., TF5 & TFF		Maximum	Minimum	Rate per 100 miles	Minimum	Surcharge 4/	Minimum	Maximum	Minimum
Receipt Point	Delivery Point								
Market	Market	0.0365	0.0196			0.0175	0.0000	0.0365	0.0196
Field	Market	0.0365	0.0196	0.0122	0.0040	0.0175	0.0000		
Market	Field			0.0122	0.0040				
Field	Field			0.0122	0.0040			0.0276	0.0090

- 1/ The minimum reservation rate is equal to zero.
- 2/ The applicable Mileage Indicator Districts (MIDs) billing rate will be added to the TF rates for volumes received in the Field Area, or received in the Market Area and delivered to the Field Area. The MIDs rates shown on Sheet Nos. 59-60A represent the maximum Field Area throughput commodity rates for any transaction involving MIDs. For volumes transported through Northern's Ft. Buford compressor station, the commodity rate, fuel and unaccounted for apply only to volumes that are not ultimately confirmed for re-delivery into Northern's Market Area.
- 3/ The Maximum and Minimum rates include the Market Area Electric Compression charge of \$0.0006 where applicable. In addition, Shipper shall pay the ACA unit surcharge as posted on FERC's website at <http://www.ferc.gov>.
- 4/ Applicable to Market Area shippers as provided for in the Carlton Settlement filed in Docket No. RP96-347 dated October 28, 1996.
- 5/ Where applicable, the Field Area Electric Compression charge of \$0.0000 and the ACA unit surcharge as set forth on FERC's website at <http://www.ferc.gov> will be added to the mileage based rates.
- 6/ There will be no commodity charge for transportation from the Ventura pooling point (POI 78623) to the NBPL/NNG Ventura point (POI 192) and from the Ventura pooling point (POI 78623) to the MID 17 pooling point (POI 71458). In addition, there will be no commodity charge for transportation as set forth in Sheet Nos. 141, 142C and 147.

RATE SCHEDULES TFX and LFT

RESERVATION RATES		MARKET-TO-MARKET		FIELD-TO-FIELD					
		Apr-Oct	Nov-Mar	Apr-Oct	Nov-Mar				
Base Tariff Rates 1/		\$5.683	\$15.153	\$5.473	\$9.853				

COMMODITY RATES 2/ TFX and LFT		Market Area 3/ 7/		Field Mileage 5/ Rate per 100 miles		Carlton Surcharge 4/		Out-of-Balance 3/	
Receipt Point	Delivery Point	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
Market	Market	0.0365	0.0196			0.0175	0.0000	0.0365	0.0196
Field	Market	0.0365	0.0196	0.0122	0.0040	0.0175	0.0000		
Market	Field			0.0122	0.0040				
Field	Field			0.0122	0.0040			0.0276	0.0090

GULF COAST	Reservation 1/		Commodity 6/		Out-of-Balance 6/	
	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
Other Gulf Coast	4.8169	0.0000	0.0000	0.0000	0.0000	0.0000

- 1/ The minimum reservation rate is equal to zero.
- 2/ The applicable Mileage Indicator Districts (MIDs) billing rate will be added to the TF rates for volumes received in the Field Area, or received in the Market Area and delivered to the Field Area. The MIDs rates shown on Sheet Nos. 59-60A represent the maximum Field Area throughput commodity rates for any transaction involving MIDs. For volumes transported through Northern's Ft. Buford compressor station, the commodity rate, fuel and unaccounted for apply only to volumes that are not ultimately confirmed for re-delivery into Northern's Market Area.
- 3/ The Maximum and Minimum rates include the Market Area Electric Compression charge of \$0.0006 where applicable. In addition, Shipper shall pay the ACA unit surcharge as posted on FERC's website at <http://www.ferc.gov>.
- 4/ Applicable to Market Area shippers as provided for in the Carlton Settlement filed in Docket No. RP96-347 dated October 28, 1996.
- 5/ Where applicable, the Field Area Compression charge of \$0.0000 and the ACA unit surcharge as set forth on FERC's website at <http://www.ferc.gov> will be added to the mileage based rates.
- 6/ In addition to the Maximum and Minimum rates, Shipper shall pay the ACA unit surcharge as posted on FERC's website at <http://www.ferc.gov>.
- 7/ There will be no commodity charge for transportation from the Ventura pooling point (POI 78623) to the NBPL/NNG Ventura point (POI 192) and from the Ventura pooling point (POI 78623) to the MID 17 pooling point (POI 71458). In addition, there will be no commodity charge for transportation as set forth in Sheet Nos. 141, 142C and 147.

RATE SCHEDULES TF, TFX, LFT, GST, TI, & FDD

Fuel Percentages/Electric Compression Rates

	<u>Percentages</u>
FUEL PERCENTAGES:	1/ 7/
Market Area (including Out-of-Balance)	0.70%
Field Area	2/ 3/ 5/ 6/
UNACCOUNTED FOR PERCENTAGE (including Out-of-Balance)	-0.25% 4/ 5/ 7/
FDD Storage Fuel	1.19%
	<u>Electric Compression</u>
COMMODITY RATES:	1/ 7/
Market Area	\$0.0006
Field Area	\$0.0000

1/ Northern will adjust its Fuel percentages and electric compression commodity rates in accordance with Sections 53A and 53B, respectively, of the General Terms and Conditions of this Tariff.

2/ Fuel shall be determined by Mileage Indicator Districts (MIDS) for the Field Area.

3/ Fuel charged in the Field and Market Areas for a pooling transaction or for processing plant transactions will not exceed the fuel charged on a unified Field-to-Market transaction having the same initial Field receipt point and ultimate Market delivery point, i.e., the total fuel collected for transactions that go into and out of pooling points or processing plants in either the Field Area or the Market Area will be no greater than the fuel collected on the total path between the original receipt point and the ultimate delivery point, subject to the shipper(s) providing Northern the requisite information.

4/ The Unaccounted For percentage utilizes the most recent twelve-month period ending December 31, 2015. For deliveries subject only to UAF, the UAF rate is zero; provided, however Northern will issue a volume credit on the Shipper's monthly imbalance statement equivalent to the Unaccounted For Percentage listed above for the period April 2016 through March 2017 for such deliveries.

5/ Sheet No. 54A identifies the specific transportation transactions exempt from fuel and unaccounted-for retention charges.

6/ The Out-of-Balance Fuel Percentage for deliveries in MIDS 1-7 shall be the applicable Section 1 Mainline Fuel percentage, and for deliveries in MIDS 8-16B shall be the applicable Section 2 Mainline Fuel percentage.

7/ There will be no fuel, electric compression or UAF charges for transportation from the Ventura pooling point (POI 78623) to the NBPL/NNG Ventura point (POI 192) and from the Ventura pooling point (POI 78623) to the MID 17 pooling point (POI 71458). In addition, there will be no fuel, electric compression or UAF charges for transportation as set forth in Sheet Nos. 141, 142C and 147.

In the event facilities have been abandoned, Northern shall have the right to file to reduce the applicable MID fuel percentage(s) on a common basis for all transactions affected by the abandonment to reflect the reduction in use for the remainder of the PRA period. In the event such abandoned facilities (gas compressors) have been replaced with electric compressors installed after October 1, 1998, and Northern reduces the applicable MID fuel percentages, Northern has the right to file to increase the applicable electric compression commodity rate.

**Great Plains Natural Gas Co.
Market Conditions for Wahpeton's Natural Gas
August 2016**

The principal gas sources of natural gas for Wahpeton, North Dakota are from the mid-continent area of the United States. The pricing for the majority of this gas is the Northern Natural Gas Co. Ventura, Iowa point which is an actively traded market point in North America. The August monthly price for the NNG-Ventura Index is expected to trade in the same range as the previous month index. The NNG-Ventura Index is based on negotiated trades during the last five business days of the month, commonly known as bid week, and reported by Platt's Inside FERC's Gas Market Report published the beginning of each month.

Despite above normal temperatures over much of the U.S. resulting in increased natural gas usage for electric generation, the supply remains adequate to meet the increased usage resulting in the index price to remain in the same range as the previous month. While injection to storage has been lower than previous years, the storage level remains at the high end of the five year average which likely contributed to the estimated price. The EIA reported nationwide storage levels as of July 15, 2016 at 20.6 percent above the five-year average and 16.8 percent above last year's balance.

The Department of Energy's (DOE) Energy Information Administration (EIA) provides various publications on energy issues. The information is available on the DOE website: <http://www.eia.doe.gov>.

**GREAT PLAINS NATURAL GAS CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
FIRM**

	<u>(Over) Under Recovery</u>	<u>Refunds & Other</u>	<u>Interest 1/</u>	<u>Total Net Additions</u>	<u>Actual Dk Sales</u>	<u>Adjustment Per Dk</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ April 30, 2016									<u>\$31,576</u>
May 2016	(\$9,300)	\$0	\$4	(\$9,296)	15,497	\$0.2107	\$3,265	(\$12,561)	19,015
June	16,590	0	1	16,591	8,494	0.1086	1,530 2/	15,061	34,076
Total	<u>\$7,290</u>	<u>\$0</u>	<u>\$5</u>	<u>\$7,295</u>	<u>23,991</u>		<u>\$4,795</u>	<u>\$2,500</u>	
Balance @ June 30, 2016									<u>\$34,076</u>

1/ Effective October 1, 2015, interest calculated at the 3 Month Treasury Bill Rate.

2/ Reflects 5,953.6 dk @ \$0.2107 and 2,540.2 dk @ \$0.1086

**GREAT PLAINS NATURAL GAS CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
INTERRUPTIBLE**

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Dk Sales	Adjustment Per Dk	Total Adjustment Amount	Net Change- Additions less Adjustment	Cumulative Balance
Balance @ April 30, 2016									<u>(\$119,269)</u>
May 2016	\$2,350	\$0	(\$30)	\$2,320	65,297	\$0.0461	\$3,010	(\$690)	(119,959)
June	13,779	0	(28)	13,751	49,859	(0.2861)	(1,562) 2/	15,313	(104,646)
Total	<u>\$16,129</u>	<u>\$0</u>	<u>(\$58)</u>	<u>\$16,071</u>	<u>115,156</u>		<u>\$1,448</u>	<u>\$14,623</u>	
Balance @ June 30, 2016									<u>(\$104,646)</u>

1/ Effective October 1, 2015, interest calculated at the 3 Month Treasury Bill Rate.

2/ Reflects 38,239.3 dk @ \$0.0461 and 11,619.7 dk @ (\$0.2861).