



UTILITIES CO.

A Division of MDU Resources Group, Inc.

400 North Fourth Street  
Bismarck, ND 58501  
(701) 222-7900

December 14, 2016

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

Re: Cost of Gas Adjustment  
(COG) Rate 88 and Rate 99  
Case No. PU-17-008

Enclosed please find Montana-Dakota Utilities Co.'s Application for Trade Secret Protection to renew the request of confidential treatment of portions of the cost of gas calculation for 2017.

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.

If you have any questions regarding this filing, please contact me at (701) 222-7856 or [tamie.aberle@mdu.com](mailto:tamie.aberle@mdu.com)

Sincerely,

A handwritten signature in purple ink that reads 'Tamie A. Aberle'.

Tamie A. Aberle  
Director of Regulatory Affairs

Attachment  
cc: K. Liepitz

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

In the Matter of MONTANA-DAKOTA )  
UTILITIES CO., a Division of MDU )  
Resources Group, Inc. Cost of Gas ) Case No. PU-17-008  
Updates Filed Pursuant to Rate 88 )  
)

APPLICATION FOR TRADE SECRET PROTECTION

Pursuant to N.D. Admin. Code § 69-02-09-01, Montana-Dakota Utilities Co., a Division of MDU Resources Group In., (Montana-Dakota) respectfully requests that the Commission issue a trade secret protective order under N.D. Admin. Code § 69-02-09-04 and N.D. Cent. Code §44-04-18.4(1 & 2) . The purpose of the requested protective order is to protect against public disclosure of trade secrets as defined by N.D. Cent. Code § 47-25.1-01(4) .

I.

The information for which the Company seeks trade secret protection is a portion of the Cost of Gas filing that contains confidential information on gas commodity pricing.

The following components are identified as confidential:

- Demand charge monthly delivery quantities excluding FT-1 MDDQ
- Demand charge amounts excluding FT-1 MDDQ
- Commodity charge monthly delivery quantities excluding the Gas Commodity – System quantity
- Commodity charge amounts
- Fuel – Transp. WBI rate
- Fuel – Transp NB rate
- Fuel – Transp. NW rate
- Fuel – Storage rate
- Gas Commodity - System rate

The information contains confidential pricing information relating to Montana-Dakota's natural gas purchase practices in a competitive environment and should not

be disclosed or released to the public and that, if the information were released, competitors would be able to benefit from the information to the detriment of the Company and its customers. The confidential information is considered trade secret, as it provides an economic advantage in Montana-Dakota's gas contract negotiations. The Cost of Gas is subject to change each month. Montana-Dakota requests an Order protecting the information for January 2017 included herein and subsequent Cost of Gas submittals of similar nature.

II.

The above-referenced information is not publicly available and is confidential business information prepared specifically for Montana-Dakota. Vendors and competitors would have an opportunity to obtain economic value from disclosure or use of the information, to the detriment of Montana-Dakota. If publicly available, vendors could use the information to their advantage in contract negotiations, while competitors could use the information to leverage their positions in the marketplace to Montana-Dakota's detriment.

In accordance with N.D. Admin. Code § 69-02-09-02, one copy of the trade secret material is provided in the enclosed sealed envelope labeled TRADE SECRET – PRIVATE. Upon entry of an Order in this case, Montana-Dakota will submit this information as TRADE SECRET – PRIVATE in subsequent Cost of Gas Adjustment filings submitted to the North Dakota Public Service Commission.

Dated this 14<sup>th</sup> day of December 2016.

MONTANA-DAKOTA UTILITIES CO.  
A Division of MDU Resources Group, Inc.

By:   
\_\_\_\_\_  
Tamie A. Aberle  
Director of Regulatory Affairs



**MONTANA-DAKOTA UTILITIES CO.  
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA  
RESIDENTIAL AND GENERAL SERVICE  
EFFECTIVE JANUARY 2017**

<u>Billing Determinants</u>		<u>Rate 1/</u>	<u>Amount</u>
<b><u>Demand Charges</u></b>			
<b><i>Transportation</i></b>			
FT-1 MDDQ	155,014	dk/Month \$9.21000	\$17,132,147
FTN-1 MDDQ		dk/Month 0.24274	
Northern Border et. al.		dk/Month 0.34300	
T-FTG-1 MDDQ		dk/Month 9.94534	
Black Hills Gas		dk/Month 7.32500	
<b><i>Storage</i></b>			
FS-1 Capacity Reservation		dk/Month 0.01757	
FS-1 Deliverability Reservation		dk/Month 2.01507	
<b><i>Total Demand Charges</i></b>			<u>21,607,253</u>
<b><u>Commodity Charges</u></b>			
<b><i>Transportation Charges</i></b>			
FT-1 Commodity		dk 0.02972	
Fuel - Transp. WBI		dk	
Electric Power WBI		dk 0.00806	
Fuel - Transp. NB		dk	
T-FTG-1 Commodity		dk 0.06740	
Fuel - Transp. NW		dk	
SDIP		dk 2.39800	
Black Hills Gas		dk 0.08000	
<b><i>Storage Charges</i></b>			
FS-1 Injection		dk 0.01221	
FS-1 Withdrawal		dk 0.01221	
Fuel - Storage		dk	
Electric Power WBI		dk (0.00084)	
<b><i>Gas Commodity Charges</i></b>			
Gas Commodity - System	16,429,851	dk	2/
<b><i>Total Commodity Charges</i></b>			<u>45,320,584</u>
<b><u>Return on Rate Base</u></b>			
Demand Charges 3/			102,869
Prepaid Commodity Balances 3/			29,684
Cycle Storage Balances 3/			<u>544,033</u>
<b><i>Total Return</i></b>			676,586
<b><i>Total Gas Costs</i></b>			\$67,604,423
<b><i>Residential and General Service dk Requirements 4/</i></b>			16,429,851
Average Cost of Gas per dk			\$4.115
Average Cost of Gas as Adjusted for Losses @ 99.55%			4.134
Less: Gas Cost Level in Rates 5/			3.934
<b>Current Gas Cost Adjustment</b>			<u><u>\$0.200</u></u>

1/ WBI Energy's Thirteenth Revised Sheet No. 12, Third Revised Sheet No. 15, Fourteenth Revised Sheet No. 18 and SENDOUT Model for Gas Commodity.

2/ Weighted cost of gas for the month of January 2017.

3/ Exhibit C.

4/ Normalized dk sales for the twelve months ended September 30, 2016, adjusted for losses at .45%.

5/ Gas Cost Level in Current Tariff Rates Case No. PU-16-008 effective December 1, 2016:

Cost of Purchased Gas	\$3.916
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.934

**MONTANA-DAKOTA UTILITIES CO.  
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA  
INTERRUPTIBLE  
EFFECTIVE JANUARY 2017**

<u>Interruptible Billing Determinants 1/</u>	<u>Rate 2/</u>	<u>Amount</u>
<b><u>Demand Charges</u></b>		
<b><i>Transportation</i></b>		
FT-1 MDDQ	16,679 dk/Month	\$9.21000
FTN-1 MDDQ	dk/Month	0.24274
Northern Border et. al.	dk/Month	0.34300
T-FTG-1 MDDQ	dk/Month	9.94534
Black Hills Gas	dk/Month	7.32500
<b><i>Storage</i></b>		
FS-1 Capacity Reservation	dk/Month	0.01757
FS-1 Deliverability Reservation	dk/Month	2.01507
<b>Total Demand Charges</b>		2,327,951
<b><u>Commodity Charges</u></b>		
<b><i>Transportation Charges</i></b>		
FT-1 Commodity	dk	0.02972
Fuel - Transp. WBI	dk	
Electric Power WBI	dk	0.00806
Fuel - Transp. NB	dk	
T-FTG-1 Commodity	dk	0.06740
Fuel - Transp. NW	dk	
SDIP	dk	2.39800
Black Hills Gas	dk	0.08000
<b><i>Storage Charges</i></b>		
FS-1 Injection	dk	0.01221
FS-1 Withdrawal	dk	0.01221
Fuel - Storage	dk	
Electric Power WBI	dk	(0.00084)
<b><i>Gas Commodity Charges</i></b>		
Gas Commodity	6,198,292 dk	3/
<b>Total Commodity Charges</b>		16,746,401
<b><u>Return on Rate Base</u></b>		
Demand Charges 4/		11,269
Transportation Balances 4/		3,252
Cycle Storage Balances 4/		59,599
<b>Total Return</b>		74,120
<b>Total Gas Costs</b>		\$19,148,472
<b>Interruptible Service dk Requirements</b>		6,198,292
Average Cost of Gas per dk		\$3.089
Average Cost of Gas as Adjusted for Losses @ 99.55%		3.103
Less: Gas Cost Level in Rates 5/		2.907
<b>Current Gas Cost Adjustment</b>		<b>\$0.196</b>

1/ Reflects level of interruptible dk volumes included in Case No. PU-13-803, excluding the Air Force.

2/ WBI Energy's Thirteenth Revised Sheet No. 12, Third Revised Sheet No. 15, Fourteenth Revised Sheet No. 18 and SENDOUT Model for Gas Commodity.

3/ Weighted cost of gas for the month of January 2017.

4/ See Exhibit B, page 1. Allocated to interruptible on MDDQ.

5/ Gas Cost Level in Current Tariff Rates Case No. PU-16-008 effective December 1, 2016:

Cost of Purchased Gas	\$2.894
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$2.907

PUBLIC COPY

MONTANA-DAKOTA UTILITIES CO.  
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA  
AIR FORCE INTERRUPTIBLE  
EFFECTIVE JANUARY 2017

<u>Air Force Billing Determinants</u>	<u>Rate 1/</u>	<u>Amount</u>
<b><u>Demand Charges</u></b>		
<b><i>Transportation</i></b>		
FT-1 MDDQ	1,290 dk/Month	\$9.21000
FTN-1 MDDQ	dk/Month	0.24274
Northern Border et. al.	dk/Month	0.34300
T-FTG-1 MDDQ	dk/Month	9.94534
Black Hills Gas	dk/Month	7.32500
<b><i>Storage</i></b>		
FS-1 Capacity Reservation	dk/Month	0.01757
FS-1 Deliverability Reservation	dk/Month	2.01507
<b>Total Demand Charges</b>		<u>179,991</u>
<b><u>Commodity Charges</u></b>		
<b><i>Transportation Charges</i></b>		
FT-1 Commodity	dk	0.02972
Fuel - Trans. WBI	dk	
Electric Power WBI	dk	0.00806
Fuel - Trans. NB	dk	
T-FTG-1 Commodity	dk	0.06740
Fuel - Transp. NW	dk	
SDIP	dk	2.39800
Black Hills Gas	dk	0.08000
<b><i>Storage Charges</i></b>		
FS-1 Injection	dk	0.01221
FS-1 Withdrawal	dk	0.01221
Fuel - Storage	dk	
Electric Power WBI	dk	(0.00084)
<b><i>Gas Commodity Charges</i></b>		
Gas Commodity	479,120 dk	2/
<b>Total Commodity Charges</b>		<u>1,294,474</u>
<b><u>Return on Rate Base</u></b>		
Demand Charges 3/		871
Transportation Balances 3/		251
Cycle Storage Balances 3/		4,608
<b>Total Return</b>		<u>5,730</u>
<b>Total Gas Costs</b>		<b>\$1,480,195</b>
100% Load Factor dk Requirements		479,120
Average Cost of Gas per dk		\$3.089
Less: Gas Cost Level in Rates 4/		<u>2.894</u>
<b>Current Gas Cost Adjustment</b>		<b><u><u>\$0.195</u></u></b>

1/ WBI Energy's Thirteenth Revised Sheet No. 12, Third Revised Sheet No. 15, Fourteenth Revised Sheet No. 18 and SENDOUT Model for Gas Commodity.

2/ Weighted cost of gas for the month of January 2017.

3/ See Exhibit B, page 1. Allocated to 100% Load Factor on MDDQ.

4/ Gas Cost Level in Current Tariff Rates Case No. PU-16-008 effective December 1, 2016:  
Cost of Purchased Gas \$2.894