



UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

May 5, 2017

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

Montana-Dakota will not seek a cost of gas (COG) adjustment change for the month of June 2017 with the exception of the Optional Seasonal Gas Service Rate 72. The COG Adjustment tariff (Rate 88), Section 2(b) provides that "Montana-Dakota shall file to reflect changes in its average cost of gas supply only when the amount of change in such COG is at least 10 (ten) cents per dk." The COG adjustment for the month of June 2017 results in a change of less than 10 cents per dk, and therefore, in accordance with the authorized tariff, Montana-Dakota will not seek a COG adjustment change for the month of June.

Montana-Dakota will not seek a Cost of Gas - Propane (COG) adjustment change for the month of June 2017. The Purchased Propane Cost Adjustment tariff (Rate 99), Section 2(b) provides that "Montana-Dakota shall file to reflect changes in its average cost of propane supply only when the amount of such change in COG is at least 10 (ten) cents per dk." The COG adjustment for the month of June 2017 results in a change of less than 10 cents per dk, and therefore, in accordance with the authorized tariff, Montana-Dakota will not seek a purchased propane cost adjustment change for the month of June.

The Optional Seasonal Gas Service Rate 72 reflects the summer rate change to be effective June 1 in accordance with the Optional Seasonal Gas Service Rate 72 based on the gas costs submitted on April 7, 2017 and effective May 1, 2017. Attached hereto as Attachment A is the 159th Revised Sheet No. 3 reflecting the change in Optional Seasonal Gas Service Rate 72 to be effective June 1, 2017. Also attached are Exhibits A and B showing the derivation of the Optional Seasonal Gas Service Rate 72 cost of gas.

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

Attachment A

**Rate Summary Sheet
(Proposed)**



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7

159th Revised Sheet No. 3

Canceling 158th Revised Sheet No. 3

RATE SUMMARY SHEET

Page 1 of 2

| Rate Schedule | Sheet No. | Basic Service Charge | Distribution Delivery Charge | COG Items | Total Rate/ Dk |
|---------------------------------------|-----------|----------------------|------------------------------|-----------|----------------------|
| Residential Rate 60 | 4 | \$0.6443 per day | \$0.000 | \$3.892 | \$3.892 |
| Air Force Rate 64 | 7 | | | | |
| Minot Air Force Base | | \$2,000.00 per month | | | |
| PAR Site | | \$175.00 per month | | | |
| Firm Service | | | \$0.329 | \$3.892 | \$4.221 |
| Interruptible Service - PAR | | | \$0.177 | \$2.825 | \$3.002 |
| Interruptible Service - MAFB | | | \$0.177 | \$2.729 | \$2.906 |
| Firm General Service Rate 70 | 13 | | | | |
| Meters rated < 500 cubic feet | | \$0.67 per day | | | |
| Meters rated > 500 cubic feet | | \$1.90 per day | \$0.730 | \$3.892 | \$4.622 |
| Small Interruptible Gas Rate 71 | 14 | \$175.00 per month | (Maximum) \$1.112 | \$2.825 | (Maximum) \$3.937 |
| Optional Seasonal Gas Service Rate 72 | 15 | | | | |
| Meters rated < 500 cubic feet | | \$0.67 per day | | | |
| Meters rated > 500 cubic feet | | \$1.90 per day | \$0.730 | \$2.810 | \$3.540 |
| Transportation Service | 24 | | | | |
| Small Interruptible Rate 81 | | \$175.00 per month | | | |
| Maximum | | | \$0.668 | | |
| Minimum | | | \$0.102 | | |
| Fuel Charge | | | | \$0.013 | |
| Large Interruptible Rate 82 | | \$1,000.00 per month | | | |
| Maximum | | | \$0.297 | | |
| Minimum | | | \$0.061 | | |
| Fuel Charge | | | | \$0.013 | |
| Large Interruptible Gas Rate 85 | 27 | \$1,000.00 per month | (Maximum) \$0.718 | \$2.825 | (Maximum) \$3.543 |
| Residential Propane Rate 90 | 32 | \$0.6443 per day | \$0.000 | \$6.654 | \$6.654 |
| Firm General Propane Rate 92 | 34 | | | | |
| Meters rated < 500 cubic feet | | \$0.67 per day | | | |
| Meters rated > 500 cubic feet | | \$1.90 per day | \$0.730 | \$6.654 | \$7.384 |

Date Filed: May 5, 2017

Effective Date: June 1, 2017

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

Case No.: PU-17-008

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS TARIFF SHEET
NORTH DAKOTA GAS
EFFECTIVE MAY 2017

| | Firm | | Small & Large Interruptible | Air Force Interruptible |
|---|-------------------------------------|----------------------|-----------------------------------|----------------------------|
| | Residential & General Service | Optional Seasonal | | |
| <u>Gas Cost Adjustment:</u> | | | | |
| Gas Cost Level (Exhibit B) | \$4.011 | \$2.929 | \$2.972 | \$2.959 |
| Prior Filed Gas Cost | 3.856 | 4.119 | 2.820 | 2.807 |
| Current Gas Cost Adjustment | \$0.155 | (\$1.190) | \$0.152 | \$0.152 |
| <u>Surcharge Adjustment:</u> | | | | |
| Current Adjustment | (\$0.112) | (\$0.112) | (\$0.147) | (\$0.230) |
| Prior Filed Adjustment | (0.112) | (0.112) | (0.147) | (0.230) |
| Change in Surcharge Adjustment | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Gas Cost Level | \$4.011 | \$2.929 | \$2.972 | \$2.959 |
| Plus: Surcharge | (0.112) | (0.112) | (0.147) | (0.230) |
| Total Gas Cost Level in Tariff Rates | \$3.899 | \$2.817 | \$2.825 | \$2.729 |
| <u>Grain Drying Margin Sharing</u> | | | | |
| Current Adjustment | (\$0.007) | (\$0.007) | \$0.000 | \$0.000 |
| Prior Filed Adjustment | (0.007) | (0.007) | 0.000 | 0.000 |
| Change in Grain Drying Margin Sharing | \$0.000 | \$0.000 | \$0.000 | \$0.000 |
| Total Cost of Gas Items | \$3.892 | \$2.810 | \$2.825 | \$2.729 |
| Net Increase (Decrease) in Gas Costs | \$0.155 | (\$1.190) | \$0.152 | \$0.152 |

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
OPTIONAL SEASONAL - RATE 72
EFFECTIVE MAY 2017**

| | |
|--|--------------------------------|
| Total Gas Costs 1/ | \$65,164,816 |
| Less: Annual MDDQ Costs | <u>17,572,008</u> |
| Total Gas Costs excluding MDDQ | \$47,592,808 |
| Firm Service Requirements 1/ | 16,320,742 |
| Other Gas Costs per Dk (excluding MDDQ) | \$2.916 |
| <u>Summer - June - September</u> | |
| Summer Seasonal Rate, adjusted for losses 2/ | 2.929 |
| Less: Gas Cost Level in Rates 3/ | <u>4.119</u> |
| Current Gas Cost Adjustment | <u><u>(\$1.190)</u></u> |

1/ Exhibit B, page 1, as submitted on April 7, 2017.

2/ Loss factor of .45%.

3/ Gas Cost Level in Current Tariff Rates Case No. PU-17-008 effective May 1, 2017:

| | |
|-------------------------------------|---------------|
| | <u>Winter</u> |
| Cost of Purchased Gas | \$4.100 |
| Adjustment for Distribution Losses | 0.9955 |
| Gas Cost Level in Base Tariff Rates | \$4.119 |