



UTILITIES CO.
A Division of MDU Resources Group, Inc.

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

May 8, 2018

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-18-008

Montana-Dakota will not seek a cost of gas (COG) adjustment change for the month of June 2018 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 2018 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 2018. 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 2018 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 6, 2018 and effective May 1, 2018. Attached hereto as Attachment A is the 167th Revised Sheet No. 3 reflecting the change in Optional Seasonal Gas Service Rate 72 to be effective June 1, 2018. 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,

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

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

167th Revised Sheet No. 3

Canceling 166th 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 ¹	4	\$0.6443 per day	\$0.000	\$3.356	\$3.356
Air Force Rate 64 ¹	7	\$2,000.00 per month			
Minot Air Force Base		\$175.00 per month			
PAR Site					
Firm Service			\$0.329	\$3.356	\$3.685
Interruptible Service - PAR			\$0.177	\$2.286	\$2.463
Interruptible Service - MAFB			\$0.177	\$2.251	\$2.428
Firm General Service Rate 70 ¹	13				
Meters rated < 500 cubic feet		\$0.67 per day			
Meters rated > 500 cubic feet		\$1.90 per day	\$0.730	\$3.356	\$4.086
Small Interruptible Gas Rate 71 ¹	14	\$175.00 per month	(Maximum) \$1.112	\$2.286	(Maximum) \$3.398
Optional Seasonal Gas ¹					
Service Rate 72	15				
Meters rated < 500 cubic feet		\$0.67 per day			
Meters rated > 500 cubic feet		\$1.90 per day	\$0.730	\$2.245	\$2.975
Transportation Service ¹	24				
Small Interruptible Rate 81		\$175.00 per month			
Maximum			\$0.668		
Minimum			\$0.102		
Large Interruptible Rate 82		\$1,000.00 per month			
Maximum			\$0.297		
Minimum			\$0.061		
Large Interruptible Gas Rate 85 ¹	27	\$1,000.00 per month	(Maximum) \$0.718	\$2.286	(Maximum) \$3.004
Residential Propane Rate 90 ¹	32	\$0.6443 per day	\$0.000	\$6.753	\$6.753
Firm General Propane Rate 92 ¹	34				
Meters rated < 500 cubic feet		\$0.67 per day			
Meters rated > 500 cubic feet		\$1.90 per day	\$0.730	\$6.753	\$7.483

1/ Interim increase of 7.357% applicable to amounts billed under Basic Service Charge and Distribution Delivery Charge.

Date Filed: May 8, 2018

Effective Date: June 1, 2018

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

Case No.: PU-18-008

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS TARIFF SHEET
NORTH DAKOTA GAS
EFFECTIVE MAY 2018

	Firm		Small & Large Interruptible	Air Force Interruptible
	Residential & General Service	Optional Seasonal		
<u>Gas Cost Adjustment:</u>				
Gas Cost Level (Exhibit B)	\$3.343	\$2.232	\$2.281	\$2.271
Prior Filed Gas Cost	3.724	3.433	2.658	2.646
Current Gas Cost Adjustment	(\$0.381)	(\$1.201)	(\$0.377)	(\$0.375)
<u>Surcharge Adjustment:</u>				
Current Adjustment	\$0.025	\$0.025	\$0.005	(\$0.020)
Prior Filed Adjustment	0.025	0.025	0.005	(0.020)
Change in Surcharge Adjustment	\$0.000	\$0.000	\$0.000	\$0.000
Gas Cost Level	\$3.343	\$2.232	\$2.281	\$2.271
Plus: Surcharge	0.025	0.025	0.005	(0.020)
Total Gas Cost Level in Tariff Rates	\$3.368	\$2.257	\$2.286	\$2.251
<u>Grain Drying Margin Sharing</u>				
Current Adjustment	(\$0.012)	(\$0.012)	\$0.000	\$0.000
Prior Filed Adjustment	(0.012)	(0.012)	0.000	0.000
Change in Grain Drying Margin Sharing	\$0.000	\$0.000	\$0.000	\$0.000
Total Cost of Gas Items	\$3.356	\$2.245	\$2.286	\$2.251
Net Increase (Decrease) in Gas Costs	(\$0.381)	(\$1.201)	(\$0.377)	(\$0.375)

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
OPTIONAL SEASONAL - RATE 72
EFFECTIVE MAY 2018**

Total Gas Costs 1/	\$52,821,464
Less: Annual MDDQ Costs 1/	<u>17,560,869</u>
Total Gas Costs excluding MDDQ	\$35,260,595
Firm Service Requirements 1/	15,871,446
Other Gas Costs per Dk (excluding MDDQ)	\$2.222
<u>Summer - June - September</u>	
Summer Seasonal Rate, adjusted for losses 2/	2.232
Less: Gas Cost Level in Rates 3/	<u>3.433</u>
Current Gas Cost Adjustment	<u><u>(\$1.201)</u></u>

1/ Exhibit B, page 1, as submitted April 6, 2018.

2/ Loss factor of .45%.

3/ Gas Cost Level in Current Tariff Rates Case No. PU-18-008 effective May 1, 2018:

	<u>Winter</u>
Cost of Purchased Gas	\$3.418
Adjustment for Distribution Losses	0.9955
Gas Cost Level in Base Tariff Rates	\$3.433