

NORTH DAKOTA PUBLIC SERVICE COMMISSION

DATA REQUEST NO. 1

Requested From: Dakota Natural Gas, LLC
Requested By: Advisory Staff
Date of Request: 11/14/2018
Docket Number: PU-18-345-

If you feel your responses are trade secret or privileged, please indicate this on your response.

NDPSC Question No. 1: Please provide all schedules in spreadsheet format with formulas intact.

RESPONSE: **NON-PUBLIC RESPONSE—CONTAINS TRADE SECRET DATA**

Dakota Natural Gas, LLC's ("DNG") cost model schedules contained in the trade secret protected Attachment B to DNG's Request for Approval of a Firm Gas Transportation Agreement with American Crystal Sugar Company, submitted in Case No. PU-18-345 in the Matter of DNG's Request for Approval of its Tariff and Rates, is submitted herewith in an Excel workbook with all formulas intact.

DNG respectfully requests that the content of the entire Excel workbook submitted herewith be treated as protected data because the information was supplied by DNG; DNG has taken reasonable efforts to maintain its secrecy by redacting it from public view and protecting private customer data from nonorganization individuals; and, DNG derives independent economic value from its private customer information not being known by competitors, suppliers, and/or other members of the public who could obtain economic value from its use and whose use of the information could deleteriously impact DNG.

NDPSC Question No. 2: Please provide the following details on the last five communities the Company entered to provide natural gas service.

- a. What is the population of each town?
- b. How many customers signed up for service in the first 12 months of operation?
- c. How many customers signed up for service in the second 12 months of operation?
- d. What is the average usage by customer type for each town served?
- e. What is the basic service charge or customer charge for each town served?

RESPONSE: *DNG is gathering information to respond to this Request. In the interest of expediency, DNG submits the remaining responses herewith and will supplement its Response with the answer to this Request as soon as reasonably practicable.*

Response by Kristine Anderson
Title Regulatory Affairs and Corporate Attorney (Minnesota)
Department Legal & Regulatory Compliance
Telephone 507-665-8657
Date of Response November 14, 2018

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Dakota Natural Gas, LLC

NDPSC Question No. 3: The federal rate is 21% and ND state rate is 4.31%, this would take the total combined effective rate to 24.4049%. How does the Company calculate a 26% tax rate?

RESPONSE: DNG obtained information about the North Dakota tax rate from a web site (that was apparently not correct), thus leading to the utilization of 26% in DNG's cost model. DNG recalculated its model based on the tax information provided by PSC Staff in this Request; and, DNG notes that the comparative difference is negligible, resulting in a cumulative difference to the Net Present Value of approximately \$11,000 over the 15 year life of the project. The first year Return on Equity changes from 3.92% to 4% with the adjustment. DNG is not revising its proposed rates, as they remain just and reasonable under the circumstances. For comparative purposes, DNG submits a revised cost model reflecting the tax rate provided by Staff herein in an Excel workbook with all formulas intact.

DNG respectfully requests that the content of the entire Excel workbook submitted herewith be treated as protected data because the information was supplied by DNG; DNG has taken reasonable efforts to maintain its secrecy by redacting it from public view and protecting private customer data from nonorganization individuals; and, DNG derives independent economic value from its private customer information not being known by competitors, suppliers, and/or other members of the public who could obtain economic value from its use and whose use of the information could deleteriously impact DNG.

NDPSC Question No. 4: Staff has had discussions where companies have communicated that systems, properly installed, are capable of remaining in operation in the excess of 50 years. What is the justification for a 30-year depreciation and why is this a reasonable period?

RESPONSE: Depreciation is based on the useful life of an asset which, essentially, is an estimation of length of time that the asset can reasonably be used to generate income for the company. Useful life for purposes of depreciation does not necessarily refer to the length of time that the asset will actually last; and, the useful life of similar assets may vary by company based on a variety of factors including economic changes. Obsolescence can be either material or economic. In this case, DNG's election to depreciate the system over 30 years is predicated, in large part, on economic obsolescence. DNG has a 15 year contract with American Crystal Sugar Company (ACSC) that accounts for 74% of the projected revenue from the system. If ACSC departs at the end of the contract term, there will not be any foreseeable revenue stream to account for the loss of the ACSC revenue. While DNG believes that it would have been justified in depreciating the system over the 15 year life of the ACSC contract, it opted to depreciate the system over the span of 30 years for the benefit of its ratepayers.

NDPSC Question No. 5: Please provide data supporting the 3% property tax estimate and how this number was determined.

RESPONSE: Minnesota's property tax rate for the systems of GMS's family of companies has averaged approximately 2.96% over the last four years. For the DNG system, the TBS and most of the steel line will be placed in Minnesota, such that approximately 66% of DNG's project investment will be inside Minnesota. DNG does not have access to information regarding North Dakota property tax

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assessments on similar systems in North Dakota. Therefore, DNG applied a 3% property tax estimate in its cost model which is consistent with the modeling utilized in other GMS companies.

NDPSC Question No. 6: How does the Company propose to split the revenue requirement between the large industrial user and the other customer classes? What factors determine the split?

RESPONSE: *Approximately 26% of DNG's asset investment for the project, excluding the Viking-related CIAC, is strictly investment to serve the Drayton area community. DNG's rates are set to recover the same percentage of total cost from non-ACSC customers in the Drayton community.*

NDPSC Question No. 7: What factors determine the revenue allocations to each class of service?

RESPONSE: *DNG applied the same revenue calculations that are used for GMS companies for rural areas in Minnesota. Given that the proposed system is DNG's first in North Dakota, there is not North Dakota history to inform DNG's revenue allocation. While, at first blush, it may appear to be somewhat arbitrary to draw parallels to Minnesota, DNG believes that there are sufficient similarities between DNG's likely customer base and customer bases in rural parts of Northern Minnesota to make reasonable inferences about useage and revenue allocation.*

NDPSC Question No. 8: In North Dakota, it is generally assumed that the average residential customer uses approximately 100 dekatherms of gas in a year. Staff's understanding is that a rough conversion to CCFs that the company proposes to use for billing is 10 CCFs to 1 dekatherm. Using this calculation, the average residential customer using 100 dekatherms or 1000 CCFs of gas would pay \$102 in facility or customer charges in a year and pay \$460 in Distribution Delivery Charges. The Distribution Delivery Charges appear to be particularly high. Please provide details regarding this rough calculation and a justification for this rate design.

RESPONSE: *DNG's model is not based on providing natural gas service at a lesser rate than, or even an equal rate to, the rates charged by other natural gas providers in North Dakota. Rather, it is based on providing the safety and reliability of natural gas as a fuel source for an unserved area at cost that is more competitive than other existing fuel sources in that area. Natural gas companies that serve large markets with institutional customers such as universities and hospitals are afforded the benefit of those institutions essentially subsidizing the rate of gas in their residential markets. Moreover, they reap the benefit of decades of depreciation and the associated deferred taxes on their systems. Gas distribution cost is generally affected by two primary factors: the density or concentration of the customers which is necessarily higher in larger markets; and, the age of the distribution infrastructure. Just as an individual cannot purchase a new truck for the price of an old truck, a brand new natural gas system cannot be constructed for the cost of an old one. DNG believes that the rates it proposes are fair and reasonable in light of all of the facts and circumstances and will afford residents in the Drayton area an unmatched opportunity to avail themselves of the benefits of natural gas.*

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Date of Response November 14, 2018

NORTH DAKOTA PUBLIC SERVICE COMMISSION

DATA REQUEST NO. 1

SUPPLEMENTAL RESPONSE TO QUESTION NO. 2

Requested From: Dakota Natural Gas, LLC
Requested By: Advisory Staff
Date of Request: 11/14/2018
Docket Number: PU-18-345

If you feel your responses are trade secret or privileged, please indicate this on your response.

NDPSC Question No. 2: Please provide the following details on the last five communities the Company entered to provide natural gas service.

- a. What is the population of each town?
- b. How many customers signed up for service in the first 12 months of operation?
- c. How many customers signed up for service in the second 12 months of operation?
- d. What is the average usage by customer type for each town served?
- e. What is the basic service charge or customer charge for each town served?

SUPPLEMENTAL RESPONSE: DNG, being a new company, has not provided gas to any new communities. The proposed project is its first. DNG is a part of the GMS family of companies which includes Greater Minnesota Transmission, LLC (GMT) and Greater Minnesota Gas, Inc. (GMG). The majority of the previously unserved small communities that have been entered via a GMS-related project have been served via GMT projects. For those projects, GMT is the transporter and a different entity provides distribution. As such, no GMS-related company has access to the distribution data requested. With respect to the most recent GMG projects that are comparable to the proposed project, DNG is able to provide the requested information for four communities:

Flensburg, MN

- a. Total Population: 225
- b. Year 1 Customers (2016): 44 services
- c. Year 2 Customers: 3 services
- d. Average Residential Use: 520 therms (last twelve months)
Average Commercial Use: 2,644 therms (last twelve months)
- e. Basic Charge (Facility Fee):
 - Residential - \$8.50 per month
 - Small Commercial - \$10.00 or \$40.00 per month, depending on use
 - Large Commercial - \$100.00 or \$200.00 per month, depending on use

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Grey Eagle, MN

- a. Total Population: 334
- b. Year 1 Customers (2015): 89 services
- c. Year 2 Customers: 10 services
- d. Average Residential Use: 671 therms (last twelve months)
Average Commercial Use: 1,763 therms (last twelve months)
- e. Basic Charge (Facility Fee):
 - Residential - \$8.50 per month
 - Small Commercial - \$10.00 or \$40.00 per month, depending on use
 - Large Commercial - \$100.00 or \$200.00 per month, depending on use

Swanville, MN

- a. Total Population: 337
- b. Year 1 Customers (2013): 56 services
- c. Year 2 Customers: 85 services
- d. Average Residential Use: 738 therms (last twelve months)
Average Small Commercial Use: 1,240 therms (last twelve months)
Average Large Commercial Use: 18,765 therms (last twelve months)
- e. Basic Charge (Facility Fee):
 - Residential - \$8.50 per month
 - Small Commercial - \$10.00 or \$40.00 per month, depending on use
 - Large Commercial - \$100.00 or \$200.00 per month, depending on use

Upsala, MN

- a. Total Population: 428
- b. Year 1 Customers (2014): 55 services
- c. Year 2 Customers: 32 services
- d. Average Residential Use: 889 therms (last twelve months)
Average Small Commercial Use: 1,177 therms (last twelve months)
Average Large Commercial Use: 31,859 therms (last twelve months)
- e. Basic Charge (Facility Fee):
 - Residential - \$8.50 per month
 - Small Commercial - \$10.00 or \$40.00 per month, depending on use
 - Large Commercial - \$100.00 or \$200.00 per month, depending on use

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Date of Response November 15, 2018

PETROLEUM & OTHER LIQUIDS

OVERVIEW **DATA** ANALYSIS & PROJECTIONS

COMPASSY ENCLIP

Weekly Heating Oil and Propane Prices (October - March)

(Dollars per Gallon Excluding Taxes)

Area: North Dakota Period: Weekly

Download Series History		Definitions, Sources & Notes							
Show Data By:		Graph						View History	
<input checked="" type="radio"/> Data Series <input type="radio"/> Area		Clear							
Wholesale Heating Oil			2.506	2.554	2.457	2.449	2.423	2.307	2013-2018
Residential Propane			1.257	1.353	1.385	1.437	1.450	1.447	1990-2018
Wholesale Propane			0.665	0.804	0.843	0.882	0.811	0.707	2013-2018

Click on the source key icon to learn how to download series into Excel, or to embed a chart or map on your website.

- = No Data Reported; -- = Not Applicable; NA = Not Available; W = Withheld to avoid disclosure of individual company data.

Notes: Weekly heating oil and propane prices are only collected during the heating season which extends from October through March. Due to updated weighting methodology, national and regional residential heating oil and propane prices from October 2009 to March 2013 have been revised since they were first published. See Excel spreadsheet for changes to published data. Values shown for the previous week may be revised to account for late submissions and corrections. See Definitions, Sources, and Notes link above for more information on this table.

Release Date: 11/7/2018

Next Release Date: 11/

Greater Minnesota Gas, Inc.
Total Gas Cost By Customer Rate Class History
Including CIP

Rate Class	2018												\$/Gallon Propane	\$/Gallon #2 Oil
	January	February	March	April	May	June	July	August	September	October	November	December		
Residential	\$0.908	\$0.926	\$0.808	\$0.773	\$0.798	\$0.812	\$0.827	\$0.831	\$0.842	\$0.857	\$0.878	\$0.000	\$0.80	\$1.18
Small Commercial CS1	\$0.890	\$0.908	\$0.790	\$0.755	\$0.780	\$0.794	\$0.809	\$0.813	\$0.824	\$0.839	\$0.860	\$0.000	\$0.79	\$1.16
Commercial CS1	\$0.860	\$0.878	\$0.760	\$0.725	\$0.750	\$0.764	\$0.779	\$0.783	\$0.794	\$0.809	\$0.830	\$0.000	\$0.76	\$1.12
Commercial/Industrial MS1	\$0.840	\$0.858	\$0.740	\$0.705	\$0.730	\$0.744	\$0.759	\$0.763	\$0.774	\$0.789	\$0.810	\$0.000	\$0.74	\$1.09
Commercial/Industrial LS1	\$0.825	\$0.843	\$0.725	\$0.690	\$0.715	\$0.729	\$0.744	\$0.748	\$0.759	\$0.774	\$0.795	\$0.000	\$0.73	\$1.07
Agricultural - Interruptible	\$0.616	\$0.634	\$0.516	\$0.480	\$0.504	\$0.519	\$0.534	\$0.537	\$0.555	\$0.569	\$0.595	\$0.000	\$0.54	\$0.79
General Interruptible	\$0.636	\$0.654	\$0.537	\$0.500	\$0.525	\$0.539	\$0.554	\$0.558	\$0.572	\$0.587	\$0.612	\$0.000	\$0.55	\$0.79
						Including CIP								

Rate Class	2017												\$/Gallon Propane	\$/Gallon #2 Oil
	January	February	March	April	May	June	July	August	September	October	November	December		
Residential	\$0.990	\$0.954	\$0.941	\$0.838	\$0.834	\$0.851	\$0.832	\$0.821	\$0.824	\$0.830	\$0.845	\$0.898	\$0.82	\$1.24
Small Commercial CS1	\$0.972	\$0.936	\$0.923	\$0.820	\$0.816	\$0.833	\$0.814	\$0.803	\$0.814	\$0.827	\$0.842	\$0.880	\$0.81	\$1.21
Commercial CS1	\$0.942	\$0.906	\$0.893	\$0.790	\$0.786	\$0.803	\$0.784	\$0.773	\$0.776	\$0.782	\$0.797	\$0.850	\$0.78	\$1.17
Commercial/Industrial MS1	\$0.922	\$0.886	\$0.873	\$0.770	\$0.766	\$0.783	\$0.764	\$0.753	\$0.756	\$0.771	\$0.786	\$0.830	\$0.76	\$1.15
Commercial/Industrial LS1	\$0.907	\$0.871	\$0.858	\$0.755	\$0.751	\$0.768	\$0.749	\$0.738	\$0.741	\$0.747	\$0.762	\$0.815	\$0.75	\$1.12
Agricultural - Interruptible	\$0.699	\$0.663	\$0.650	\$0.547	\$0.543	\$0.560	\$0.541	\$0.530	\$0.524	\$0.530	\$0.563	\$0.606	\$0.55	\$0.84
General Interruptible	\$0.712	\$0.677	\$0.663	\$0.561	\$0.557	\$0.574	\$0.555	\$0.544	\$0.545	\$0.550	\$0.583	\$0.626	\$0.57	\$0.86

Rate Class	2016												\$/Gallon Propane	\$/Gallon #2 Oil
	January	February	March	April	May	June	July	August	September	October	November	December		
Residential	\$0.902	\$0.889	\$0.786	\$0.719	\$0.731	\$0.726	\$0.822	\$0.801	\$0.811	\$0.821	\$0.867	\$0.912	\$0.83	\$1.26
Small Commercial CS1	\$0.884	\$0.871	\$0.767	\$0.701	\$0.713	\$0.708	\$0.804	\$0.783	\$0.793	\$0.803	\$0.849	\$0.894	\$0.82	\$1.23
Commercial CS1	\$0.854	\$0.841	\$0.737	\$0.671	\$0.683	\$0.678	\$0.774	\$0.753	\$0.763	\$0.773	\$0.819	\$0.864	\$0.79	\$1.19
Commercial/Industrial MS1	\$0.834	\$0.821	\$0.717	\$0.651	\$0.663	\$0.658	\$0.754	\$0.733	\$0.743	\$0.753	\$0.799	\$0.844	\$0.77	\$1.16
Commercial/Industrial LS1	\$0.819	\$0.806	\$0.702	\$0.636	\$0.648	\$0.643	\$0.739	\$0.718	\$0.728	\$0.738	\$0.784	\$0.829	\$0.76	\$1.14
Agricultural - Interruptible	\$0.624	\$0.611	\$0.506	\$0.441	\$0.453	\$0.448	\$0.543	\$0.522	\$0.518	\$0.528	\$0.576	\$0.621	\$0.57	\$0.86
General Interruptible	\$0.623	\$0.610	\$0.505	\$0.440	\$0.452	\$0.447	\$0.542	\$0.521	\$0.532	\$0.542	\$0.589	\$0.635	\$0.58	\$0.88

Rate Class	2015												\$/Gallon Propane	\$/Gallon #2 Oil
	January	February	March	April	May	June	July	August	September	October	November	December		
Residential	\$0.901	\$0.865	\$0.890	\$0.819	\$0.803	\$0.816	\$0.810	\$0.821	\$0.803	\$0.804	\$0.819	\$0.855	\$0.783	\$1.180
Small Commercial CS1	\$0.883	\$0.847	\$0.872	\$0.801	\$0.785	\$0.798	\$0.792	\$0.803	\$0.785	\$0.786	\$0.801	\$0.837	\$0.766	\$1.156
Commercial CS1	\$0.853	\$0.817	\$0.842	\$0.771	\$0.755	\$0.768	\$0.762	\$0.773	\$0.755	\$0.756	\$0.771	\$0.807	\$0.739	\$1.114
Commercial/Industrial MS1	\$0.833	\$0.797	\$0.822	\$0.751	\$0.735	\$0.748	\$0.742	\$0.753	\$0.735	\$0.736	\$0.751	\$0.787	\$0.720	\$1.087
Commercial/Industrial LS1	\$0.818	\$0.782	\$0.807	\$0.736	\$0.720	\$0.733	\$0.727	\$0.738	\$0.720	\$0.721	\$0.736	\$0.772	\$0.707	\$1.066
Agricultural - Interruptible	\$0.600	\$0.559	\$0.579	\$0.508	\$0.492	\$0.505	\$0.499	\$0.510	\$0.510	\$0.532	\$0.532	\$0.578	\$0.529	\$0.798
General Interruptible	\$0.626	\$0.586	\$0.606	\$0.535	\$0.519	\$0.532	\$0.525	\$0.537	\$0.531	\$0.532	\$0.541	\$0.577	\$0.528	\$0.797

Dakota Natural Gas, LLC
Impact of Facility Fee Alternatives

<i>Illustration of Impact on Residential Customer</i>								
General Firm Service Rate - RS1								
	Monthly Facility Fee	Resulting Distribution Rate per CCF	Example Based on Annual Usage of 1,000 CCFs			Example Based on Annual Usage of 750 CCFs		
			Annual Facility Fee	Annual Distribution Charge	Total Annual Costs	Annual Facility Fee	Annual Distribution Charge	Total Annual Costs
DNG Proposed Option	\$ 8.50	\$ 0.460	\$ 102.00	\$ 460.00	\$ 562.00	\$ 102.00	\$ 345.00	\$ 447.00
Option Similar to Other ND Providers	\$ 20.00	\$ 0.322	\$ 240.00	\$ 322.00	\$ 562.00	\$ 240.00	\$ 241.50	\$ 481.50
Straight Fixed Variable Rate	\$ 46.83	\$ -	\$ 562.00	\$ -	\$ 562.00	\$ 562.00	\$ -	\$ 562.00

<i>Illustration of Impact on Small Commercial Customer</i>								
General Firm Service Rate - RS1								
	Monthly Facility Fee	Resulting Distribution Rate per CCF	Example Based on Annual Usage of 4,500 CCFs			Example Based on Annual Usage of 3,375 CCFs		
			Annual Facility Fee	Annual Distribution Charge	Total Annual Costs	Annual Facility Fee	Annual Distribution Charge	Total Annual Costs
DNG Proposed Option	\$ 10.00	\$ 0.410	\$ 120.00	\$ 1,845.00	\$ 1,965.00	\$ 120.00	\$ 1,383.75	\$ 1,503.75
Alternative 1	\$ 20.00	\$ 0.383	\$ 240.00	\$ 1,725.00	\$ 1,965.00	\$ 240.00	\$ 1,293.75	\$ 1,533.75
Alternative 2	\$ 46.83	\$ 0.312	\$ 561.96	\$ 1,403.04	\$ 1,965.00	\$ 561.96	\$ 1,052.28	\$ 1,614.24
Straight Fixed Variable Rate	\$ 163.75	\$ -	\$ 1,965.00	\$ -	\$ 1,965.00	\$ 1,965.00	\$ -	\$ 1,965.00

<i>Illustration of Impact of Single Small Firm Service Rate</i>								
Single Small Firm Service Rate (assumes Residential and Small Commercial rates are set at the same level)								
Monthly Facility Fee - \$20.00								
Distribution Rate per CCF - \$0.353								



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

XXX Revised Sheet No. 3

Canceling XXX 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	\$0.6860 per day	\$0.000	\$3.472	\$3.472
Air Force Rate 64	7				
Minot Air Force Base		\$2,000.00 per month			
PAR Site		\$175.00 per month			
Firm Service			\$0.329	\$3.472	\$3.801
Interruptible Service - PAR			\$0.177	\$2.628	\$2.805
Interruptible Service - MAFB			\$0.177	\$2.605	\$2.782
Firm General Service Rate 70	13				
Meters rated < 500 cubic feet		\$0.70 per day			
Meters rated > 500 cubic feet		\$2.05 per day	\$0.811	\$3.472	\$4.283
Small Interruptible Gas Rate 71	14	\$190.00 per month	(Maximum) \$1.063	\$2.628	(Maximum) \$3.691
Optional Seasonal Gas Service Rate 72	15				
Meters rated < 500 cubic feet		\$0.70 per day			
Meters rated > 500 cubic feet		\$2.05 per day	\$0.811	\$3.567	\$4.378
Contracted Demand Service Rate 74	16		(Demand Charge)	(Capacity Charge)	\$0.000
Meters rated < 500 cubic feet		\$0.70 per day			
Meters rated > 500 cubic feet		\$2.05 per day	\$6.510	(COG/Dk)	\$0.000
Transportation Service	24				
Small Interruptible Rate 81		\$190.00 per month			
Maximum			\$0.668		
Minimum			\$0.102		
Large Interruptible Rate 82		\$1,500.00 per month			
Maximum			\$0.231		
Minimum			\$0.061		
Large Interruptible Gas Rate 85	27	\$1,500.00 per month	(Maximum) \$0.718	\$2.628	(Maximum) \$3.346
Residential Propane Rate 90	32	\$0.6860 per day	\$0.000	\$6.093	\$6.093
Firm General Propane Rate 92	34				
Meters rated < 500 cubic feet		\$0.70 per day			
Meters rated > 500 cubic feet		\$2.05 per day	\$0.811	\$6.093	\$6.904

Date Filed: October 5, 2018

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

Case No.: PU-17-295

Electricity charges

(Effective January 1, 2015)

The amount of electricity you use is measured in kilowatt-hours (kWh), recorded on your electric meter and shown on your bill each month. The charges relating to electric service are listed below and appear on your bill under Electric Charges:

Basic service charge
Energy charge
Fuel cost charge

Basic service charge

A fixed monthly charge that covers the costs related to metering, billing, customer service, and other costs that are not dependent on how much electricity you use. This charge is the same each month.

Energy charge

A kilowatt-hour (kWh) charge that covers some of the costs of generating power and operating and maintaining the distribution and transmission system. The total energy charge on your bill depends on how much electricity you consume each month.

Fuel cost charge (FCC)

A kWh charge for the cost of fuel (coal, uranium, and natural gas) and purchased power used to provide electricity. These actual costs vary by month and are directly passed through to customers with no additional markup, as a part of the monthly bill for all classes of electric service.

Residential electric service	Rate
Standard service Available to any customer for domestic purposes while living in a single private residence, multiplex, townhouse, condominium, etc.	Basic service charge per month Overhead and underground: \$14.50 Energy charge per kWh: June – September \$0.07339 October – May \$0.05759 Without electric primary/heating \$0.05759 With electric primary/heating \$0.05064
Time of day service* Benefits customers who use 65% or more of their electricity at night or on weekends. The energy rate is higher during the peak period, 9 a.m. to 9 p.m. weekdays, when electricity is more expensive to generate. A lower, off-peak rate applies to all other hours of the day and all day on most major holidays.	Basic service charge per month Overhead and underground: \$16.50 On-peak time energy charge per kWh: June – September \$0.15340 October – May \$0.11115 Without electric primary/heating \$0.09596 With electric primary/heating \$0.09596 Off-peak time: All months \$0.02559
Energy-controlled service* Available to any customer with permanently connected, separately metered interruptible loads up to 50 kW.	Basic service charge per month Overhead & Underground: \$4.80 Energy Charge \$0.04044
Limited off-peak service* Available to any customer with permanently connected loads energized from 10 p.m. to 6:30 a.m. only.	Basic service charge per month Overhead & Underground: \$4.80 Energy Charge \$0.02437
Saver's Switch** Requires central air conditioning to be cycled on/off every 15 minutes, typically during summer high demand periods. Limited electric water heating and heat pump applications are also available.	Summer bills will reflect a 15% credit on the billed energy charge. Water heating customers will receive an additional 2% credit every month if energy use is at least 300 kWh.

*Requires 12 consecutive months of participation.

Natural gas charges

(Effective July 1, 2007)

The volume of natural gas you use is measured in units of 100 cubic feet (ccf), recorded on your natural gas meter and shown on your bill each month. The amount of heat energy, in therms, contained in the natural gas you consume becomes the basis for part of the bill. The charges relating to natural gas service are listed below and appear on your bill under Gas Charges:

Delivery Services Charge \$18.48
Cost of Gas varies monthly

Delivery services charge

A fixed monthly charge for the costs of delivering natural gas to your home. Those costs are not dependent on how much natural gas you consume. They include metering, billing, customer service and maintenance of natural gas pipes, valves and other equipment. This charge is the same every month.

Cost of gas charge

A per therm charge for the wholesale cost of natural gas purchased by Xcel Energy for your home or business. These costs vary from month to month. Xcel Energy does not mark up these costs, but instead passes them to consumers on a dollar-for-dollar basis. The Cost of Gas Charge is applied to the bills of all customer classes of natural gas service.

Determining heat content of natural gas

To determine the heat content, in therms, of the volume of natural gas measured by your meter, the company converts the volume of natural gas consumed (in ccf) to its heat content (in therms) by factoring in the energy value of the gas and the pressure it is being delivered under. These factors can vary by geographic region, so the conversion ensures bills accurately reflect the amount of heating energy each customer uses.

On your bill, the Heat Content Adjustment is used when the heat content of the natural gas consumed differs from the baseline value of 100,000 BTUs (or 1 therm) per 100 cubic feet. The Pressure Correction Adjustment comes into play when the gas is delivered at a pressure other than the baseline pressure.

Types of service	Description	Rate
Commercial and industrial service	Available to any firm commercial or industrial customer with peak daily demand requirements of less than 500 therms.	Monthly basic service charge \$30.00 Distribution charge \$0.1080 per therm Cost of Gas (COG) charge per therm (changes monthly depending on market forces)
Interruptible service	Available to any commercial or industrial customer with maximum hourly use requirements over 10 therms and who agrees to curtailment conditions. Your bill will show monthly prices for Small (gas use less than 2,000 therms per day) or Large (gas use of 2,000 therms or more per day) Interruptible Service.	Monthly basic service charge Small: \$75.00 Large: \$275.00 Distribution charge Small: \$0.0880 per therm Large: \$0.0512 per therm Cost of Gas (COG) charge per therm (changes monthly depending on market forces)
Interruptible transportation service	Available to any commercial or industrial customer who has made arrangements with an entity other than Xcel Energy to supply their natural gas using the Xcel Energy delivery system. Customers choosing this option are subject to curtailment.	Monthly basic service charge \$300.00 Distribution charge Negotiable price between \$0.0060 and \$0.0512 per therm. This service involves special terms and conditions. Contact Xcel Energy for more details.

City fees

Xcel Energy collects fees or additional charges as a requirement of our franchise or other agreement with the following cities: Casselton, Fargo and Grand Forks.

Sales tax

The charges for energy use and city fees are subject to a 2 percent state sales tax and city sales taxes in Buffalo, Casselton, Fargo and West Fargo. Customers who are exempt from state sales tax are also exempt from city and county sales tax.

Service processing charge

Xcel Energy will charge \$15 for the establishment of natural gas service. If a customer requests a disconnection of service and then reestablishes service at the same location within a 12-month period, additional fees will apply.

Service reconnection charge

Xcel Energy will charge \$50 for reconnecting service that has been disconnected for non-payment.