



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

April 8, 2019

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-19-008

In accordance with North Dakota Century Code Section 49-05-05, Montana-Dakota Utilities Co. (Montana-Dakota), respectfully submits an original and two (2) copies of a Cost of Gas (COG) - Propane change pursuant to the terms of Rate 99.

Montana-Dakota will not seek a cost of gas (COG) adjustment change for the month of May 2019. 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 25 (twenty-five) cents per dk." The COG adjustment for the month of May 2019 results in a change of less than 25 cents per dk, and therefore, in accordance with the authorized tariff, Montana-Dakota will not seek a COG adjustment change for the month of May.

The Rate Summary Sheet (175th Revised Sheet No. 3) showing the proposed propane rates effective May 1, 2019 provided as Exhibit 1.

Montana-Dakota purchases propane supplies from various wholesale suppliers for the propane service provided in Hettinger, North Dakota. The cost of propane has decreased since the cost established in the November 2018 PGA filing.

The following Exhibits are provided in support of the propane rates to be effective May 1, 2019:

- Exhibit 2 summarizes the cost of gas – propane calculated pursuant to the terms of Rate 99, which will apply during the month of May 2019. The net effect of this filing is a decrease of \$2.334 per dk for all customers from the currently effective rates as a result of the annual change in the surcharge and a change in cost of propane from that established in the November 2018 PGA filing.
- Exhibit 3, shows the calculation of the current cost of gas – propane that will be applicable to Montana-Dakota's customers for the month of May 2019. The average cost of propane for all customers, adjusted for losses, is \$7.685 per dk.

- Exhibit 4 shows the calculation of the surcharge adjustment applicable to the cost of gas – propane which will apply during the period May 1, 2019 through April 30, 2020. The surcharge is (\$0.510) per dk, a decrease of \$0.139 per dk for all customers.

This proposed adjustment, calculated in accordance with Rate 99, will amount to a decrease of approximately \$5,600 for propane customers during the month of May 2019. All of Montana-Dakota's retail propane customers in North Dakota may be affected by this proposal. There were 340 propane customers in North Dakota as of March 31, 2019.

Please refer all inquiries regarding this filing to:

Ms. Tamie A. Aberle
Director of Regulatory Affairs
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

Also, please send copies of all written inquiries, correspondence and pleadings to:

Mr. Karl A. Liepitz
Assistant General Counsel
MDU Resources Group, Inc.
P. O. Box 5650
Bismarck, ND 58506-5650

Montana-Dakota submitted a check on March 8, 2019 to the North Dakota Public Service Commission for \$600 pursuant to the requirements of North Dakota Century Code Section 49-05-05. This payment will cover the filing fee associated with the monthly COG filings.

Montana-Dakota respectfully requests that 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.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Tamie A. Aberle". The signature is fluid and cursive, with the first name being the most prominent.

Tamie A. Aberle
Director of Regulatory Affairs

Attachment

Exhibit 1

Rate Summary Sheet
(Proposed)



Montana-Dakota Utilities Co.

A Subsidiary of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7

175th Revised Sheet No. 3

Canceling 174th 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	\$3.650	\$3.650
Air Force Rate 64	7				
Minot Air Force Base		\$2,000.00 per month			
PAR Site		\$175.00 per month			
Firm Service			\$0.329	\$3.650	\$3.979
Interruptible Service - PAR			\$0.177	\$2.485	\$2.662
Interruptible Service - MAFB			\$0.177	\$2.463	\$2.640
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	\$3.650	\$4.461
Small Interruptible Gas Rate 71	14	\$190.00 per month	(Maximum) \$1.063	\$2.485	(Maximum) \$3.548
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	\$3.773	\$4.584
Contracted Demand Service Rate 74	16		(Demand Charge)	(Capacity Charge)	\$10.690
Meters rated < 500 cubic feet		\$0.70 per day			
Meters rated > 500 cubic feet		\$2.05 per day	\$6.510	(COG/Dk)	\$2.125
Transportation Service	24				
Small Interruptible Rate 81		\$190.00 per month			
Maximum			\$0.668		\$0.668
Minimum			\$0.102		\$0.102
Large Interruptible Rate 82		\$1,500.00 per month			
Maximum			\$0.231		\$0.231
Minimum			\$0.061		\$0.061
Large Interruptible Gas Rate 85	27	\$1,500.00 per month	(Maximum) \$0.718	\$2.485	(Maximum) \$3.203
Residential Propane Rate 90	32	\$0.6860 per day	\$0.000	\$7.162	\$7.162
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	\$7.162	\$7.973

Date Filed: April 8, 2019

Effective Date: May 1, 2019

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

Case No.: PU-19-008

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE TARIFF SHEET
NORTH DAKOTA PROPANE
EFFECTIVE MAY 2019

Cost of Gas - Propane

Current Propane Cost (Exhibit 3, Page 1)	\$7.685
Prior Filed Propane Cost	<u>9.880</u>
Current Propane Cost Adjustment	<u><u>(\$2.195)</u></u>

Surcharge Adjustment

Current Adjustment (Exhibit 4, Page 1)	(\$0.510)
Prior Filed Adjustment	<u>(0.371)</u>
Change in Surcharge Adjustment	(\$0.139)

Grain Drying Margin Sharing

Current Adjustment	(\$0.013)
Prior Adjustment	<u>(0.013)</u>
Change in Grain Drying Margin Sharing	\$0.000
Total Cost of Gas Items	<u><u>\$7.162</u></u>
Net Increase (Decrease) in Gas Costs	<u><u>(\$2.334)</u></u>

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE
NORTH DAKOTA
EFFECTIVE MAY 2019

Cost of Purchased Propane	\$18,360
Gallons Purchased	26,229
Projected dk Sales	2,400
Propane Cost per Dk	\$7.650
Average Cost of Propane as Adjusted for Losses @ 99.55%	7.685
Less: Propane Cost Level in Rates 1/	<u>9.880</u>
Current Propane Cost Adjustment	<u><u>(\$2.195)</u></u>

1/ Propane Cost Level in Current Rates - Case No. PU-18-008, effective November 1, 2018.

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
PROPANE
TO BE EFFECTIVE MAY 1, 2019 THROUGH APRIL 30, 2020**

(Over)/under recovered gas costs @ February 28, 2019 (\$24,476)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
March	5,600	(\$0.371)	(2,078)
April	4,300	(\$0.371)	(1,595)
	9,900		(3,673)

Additional recovery required (\$20,803)

Projected sales volumes (dk)

May 2019	2,400		
June	1,000		
July	500		
August	500		
September	600		
October	1,600		
November	4,200		
December	5,900		
January 2020	7,200		
February	7,000		
March	5,600		
April	4,300		
Total			40,800

Total (over)/under recovered gas cost adjustment
to be effective May 1, 2019 through April 30, 2020. (\$0.510)

MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
PROPANE

	(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 @ February 28, 2018									<u><u>(\$9,083)</u></u>
March 2018	\$16,275	\$0	(\$7)	\$16,268	5,788	\$0.616	\$3,565	\$12,703	3,620
April	(6,549)	0	6	(6,543)	4,944	0.616	3,046	(9,589)	(5,969)
May	(3,510)	0	(9)	(3,519)	2,105	(0.371)	(125) 2/	(3,394)	(9,363)
June	1,670	0	(15)	1,655	776	(0.371)	(288)	1,943	(7,420)
July	(2,732)	0	(12)	(2,744)	654	(0.371)	(243)	(2,501)	(9,921)
August	(24,810)	0	(17)	(24,827)	638	(0.371)	(237)	(24,590)	(34,511)
September	(4,602)	0	(61)	(4,663)	787	(0.371)	(292)	(4,371)	(38,882)
October	7,441	0	(73)	7,368	3,299	(0.371)	(1,224)	8,592	(30,290)
November	6,968	0	(58)	6,910	4,477	(0.371)	(1,661)	8,571	(21,719)
December	1,360	0	(42)	1,318	5,342	(0.371)	(1,982)	3,300	(18,419)
January 2019	(5,426)	0	(36)	(5,462)	7,927	(0.371)	(2,941)	(2,521)	(20,940)
February	(6,717)	0	(41)	(6,758)	8,686	(0.371)	(3,222)	(3,536)	(24,476)
	<u>(\$20,632)</u>	<u>\$0</u>	<u>(\$365)</u>	<u>(\$20,997)</u>	<u>45,423</u>		<u>(\$5,604)</u>	<u>(\$15,393)</u>	
Balance @ February 28, 2019									<u><u>(\$24,476)</u></u>

1/ Interest calculated at Three Month Treasury Bill rate.

2/ Reflects 1,440 Dk @ (\$0.371) and 665 Dk @ \$0.616.

MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO NORTH DAKOTA
PROPANE

	1/	2/	3/	Total
<u>March 2018</u>				
Cost of Gas - Actual	\$13.82529	\$11.90585	\$13.82529	
Cost of Gas - Recovered	10.42900	11.41700	11.41700	
(Over) Under recovery per dk	<u>\$3.39629</u>	<u>\$0.48885</u>	<u>\$2.40829</u>	
dk billed	4,378	1,036	374	5,788
(Over) Under recovery	<u>\$14,869</u>	<u>\$506</u>	<u>\$900</u>	<u>\$16,275</u>
<u>April 2018</u>				
Cost of Gas - Actual	\$8.15740	\$13.82529	\$8.15740	
Cost of Gas - Recovered	7.68500	10.42900	10.42900	
(Over) Under recovery per dk	<u>\$0.47240</u>	<u>\$3.39629</u>	<u>(\$2.27160)</u>	
dk billed	0	826	4,118	4,944
(Over) Under recovery	<u>\$0</u>	<u>\$2,805</u>	<u>(\$9,354)</u>	<u>(\$6,549)</u>
<u>May 2018</u>				
Cost of Gas - Actual	\$6.64457	\$8.15740	\$6.64457	
Cost of Gas - Recovered	7.13600	10.42900	10.42900	
(Over) Under recovery per dk	<u>(\$0.49143)</u>	<u>(\$2.27160)</u>	<u>(\$3.78443)</u>	
dk billed	1,440	(188)	853	2,105
(Over) Under recovery	<u>(\$708)</u>	<u>\$427</u>	<u>(\$3,229)</u>	<u>(\$3,510)</u>
<u>June 2018</u>				
Cost of Gas - Actual	\$7.95297	\$6.64457	\$7.95297	
Cost of Gas - Recovered	7.13600	7.13600	7.13600	
(Over) Under recovery per dk	<u>\$0.81697</u>	<u>(\$0.49143)</u>	<u>\$0.81697</u>	
dk billed	0	(792)	1,568	776
(Over) Under recovery	<u>\$0</u>	<u>\$389</u>	<u>\$1,281</u>	<u>\$1,670</u>
<u>July 2018</u>				
Cost of Gas - Actual	\$5.59455	\$7.95297	\$5.59455	
Cost of Gas - Recovered	6.47700	7.13600	7.13600	
(Over) Under recovery per dk	<u>(\$0.88245)</u>	<u>\$0.81697</u>	<u>(\$1.54145)</u>	
dk billed	471	(862)	1,045	654
(Over) Under recovery	<u>(\$416)</u>	<u>(\$704)</u>	<u>(\$1,612)</u>	<u>(\$2,732)</u>
<u>August 2018</u>				
Cost of Gas - Actual	(\$10.09717)	\$5.59455	(\$10.09717)	
Cost of Gas - Recovered	6.47700	6.47700	6.47700	
(Over) Under recovery per dk	<u>(\$16.57417)</u>	<u>(\$0.88245)</u>	<u>(\$16.57417)</u>	
dk billed	0	(907)	1,545	638
(Over) Under recovery	<u>\$0</u>	<u>\$801</u>	<u>(\$25,611)</u>	<u>(\$24,810)</u>

MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO NORTH DAKOTA
PROPANE

	1/	2/	3/	Total
<u>September 2018</u>				
Cost of Gas - Actual	\$9.06866	(\$10.09717)	\$9.06866	
Cost of Gas - Recovered	6.47700	6.47700	6.47700	
(Over) Under recovery per dk	\$2.59166	(\$16.57417)	\$2.59166	
dk billed	0	346	441	787
(Over) Under recovery	\$0	(\$5,745)	\$1,143	(\$4,602)
<u>October 2018</u>				
Cost of Gas - Actual	\$8.62610	\$9.06866	\$8.62610	
Cost of Gas - Recovered	6.47700	6.47700	6.47700	
(Over) Under recovery per dk	\$2.14910	\$2.59166	\$2.14910	
dk billed	2,300	793	206	3,299
(Over) Under recovery	\$4,943	\$2,055	\$443	\$7,441
<u>November 2018</u>				
Cost of Gas - Actual	\$10.91621	\$8.62610	\$10.91621	
Cost of Gas - Recovered	9.88000	6.47700	6.47700	
(Over) Under recovery per dk	\$1.03621	\$2.14910	\$4.43921	
dk billed	3,192	892	393	4,477
(Over) Under recovery	\$3,308	\$1,917	\$1,743	\$6,968
<u>December 2018</u>				
Cost of Gas - Actual	\$9.56372	\$10.91621	\$9.56372	
Cost of Gas - Recovered	9.88000	9.88000	9.88000	
(Over) Under recovery per dk	(\$0.31628)	\$1.03621	(\$0.31628)	
dk billed	0	2,254	3,088	5,342
(Over) Under recovery	\$0	\$2,336	(\$976)	\$1,360
<u>January 2019</u>				
Cost of Gas - Actual	\$8.94278	\$9.56372	\$8.94278	
Cost of Gas - Recovered	9.88000	9.88000	9.88000	
(Over) Under recovery per dk	(\$0.93722)	(\$0.31628)	(\$0.93722)	
dk billed	0	3,228	4,699	7,927
(Over) Under recovery	\$0	(\$1,021)	(\$4,405)	(\$5,426)
<u>February 2019</u>				
Cost of Gas - Actual	\$9.17401	\$8.94278	\$9.17401	
Cost of Gas - Recovered	9.88000	9.88000	9.88000	
(Over) Under recovery per dk	(\$0.70599)	(\$0.93722)	(\$0.70599)	
dk billed	0	2,529	6,157	8,686
(Over) Under recovery	\$0	(\$2,370)	(\$4,347)	(\$6,717)

- 1/ Consumed in current month.
2/ Consumed in prior month.
3/ True-up of prior month volumes.