

October 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 November 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 November 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 November.

The Rate Summary Sheet (179<sup>th</sup> Revised Sheet No. 3) showing the proposed propane rates effective November 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 increased since the cost established in the October 2019 PGA filing.

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

- Exhibit 2, page 1 summarizes the cost of gas – propane calculated pursuant to the terms of Rate 99, which will apply during the month of November 2019. The net effect of this filing is an increase of \$3.294 per dk for all customers from the currently effective rates as a result of a change in cost of propane from that established in the October 2019 PGA filing.
- Exhibit 2, page 2 shows the calculation of the current cost of gas – propane that will be applicable to Montana-Dakota's customers for the month of November 2019. The average cost of propane for all customers, adjusted for losses, is \$8.234 per

dk.

- Exhibit 2, page 3 shows the computation of the (over)/under recovered gas cost account balance.

This proposed adjustment, calculated in accordance with Rate 99, will amount to an increase of approximately \$14,200 for propane customers during the month of November 2019. All of Montana-Dakota's retail propane customers in North Dakota may be affected by this proposal. There were 337 propane customers in North Dakota as of September 30, 2019.

Please refer all inquiries regarding this filing to:

Mr. Travis R. Jacobson  
Manager 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

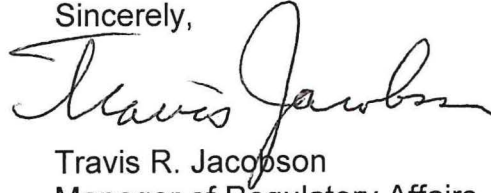
Montana-Dakota submitted a check on March 8, 2019 to the North Dakota Public Service Commission for \$600 pursuant to the requirements of North Dakota Century Code Section 49-05-05. This payment will cover the filing fee associated with the monthly COG filings.

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) 222-7855 or [travis.jacobson@mdu.com](mailto:travis.jacobson@mdu.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Travis Jacobson". The signature is written in a cursive style with a large initial 'T' and 'J'.

Travis R. Jacobson  
Manager of Regulatory Affairs

Attachment

**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

179<sup>th</sup> Revised Sheet No. 3

Canceling 178<sup>th</sup> 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	\$3.571	\$3.571
Air Force Rate 64	7				
Minot Air Force Base		\$2,000.00 per month			
PAR Site		\$175.00 per month			
Firm Service			\$0.329	\$3.571	\$3.900
Interruptible Service - PAR			\$0.177	\$2.595	\$2.772
Interruptible Service - MAFB			\$0.177	\$2.398	\$2.575
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	\$3.571	\$4.382
Small Interruptible Gas Rate 71	14	\$190.00 per month	(Maximum) \$1.063	\$2.595	(Maximum) \$3.658
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	\$3.702	\$4.513
Contracted Demand Service Rate 74	16		(Demand Charge)	(Capacity Charge)	\$10.990
Meters rated < 500 cubic feet		\$0.70 per day			\$2.162
Meters rated > 500 cubic feet		\$2.05 per day	\$6.510	(COG/Dk)	
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	\$2.595	(Maximum) \$3.313
Residential Propane Rate 90	32	\$0.6860 per day	\$0.000	\$7.708	\$7.708
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	\$7.708	\$8.519

Date Filed: October 8, 2019

Effective Date: November 1, 2019

Issued By: Tamie A. Aberle  
Director - Regulatory Affairs

Case No.: PU-19-008

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

Cost of Purchased Propane	\$35,246
Gallons Purchased	46,994
Projected dk Sales	4,300
Propane Cost per Dk	\$8.197
Average Cost of Propane as Adjusted for Losses @ 99.55%	8.234
Less: Propane Cost Level in Rates 1/	<u>4.940</u>
Current Propane Cost Adjustment	<u><u>\$3.294</u></u>

1/ Propane Cost Level in Current Rates - Case No. PU-19-008, effective October 1, 2019.

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

**Cost of Gas - Propane**

Current Propane Cost (Exhibit 2, Page 1)	\$8.234
Prior Filed Propane Cost	<u>4.940</u>
Current Propane Cost Adjustment	<u><u>\$3.294</u></u>

**Surcharge Adjustment**

Current Adjustment	(\$0.510)
Prior Filed Adjustment	<u>(0.510)</u>
Change in Surcharge Adjustment	\$0.000

**Grain Drying Margin Sharing**

Current Adjustment	(\$0.016)
Prior Adjustment	<u>(0.016)</u>
Change in Grain Drying Margin Sharing	\$0.000

**Total Cost of Gas Items**

\$7.708

**Net Increase (Decrease) in Gas Costs**

\$3.294

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

	<u>(Over) Under Recovery</u>	<u>Refunds &amp; Other</u>	<u>Interest 1/</u>	<u>Total Net Additions</u>	<u>Actual Dk Sales</u>	<u>Adjustment Per Dk</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
<b>Balance @ February 28, 2019</b>									<b><u>(\$24,476)</u></b>
March 2019	(\$6,095)	\$0	(\$48)	(\$6,143)	7,293	(\$0.371)	(\$2,705)	(\$3,438)	(27,914)
April	(12,603)	0	(55)	(12,658)	4,239	(0.371)	(1,574)	(11,084)	(38,998)
May	(9,134)	0	(76)	(9,210)	3,168	(0.510)	(1,497) 2/	(7,713)	(46,711)
June	114	0	(84)	30	1,270	(0.510)	(648)	678	(46,033)
July	7,885	0	(80)	7,805	855	(0.510)	(437)	8,242	(37,791)
August	(5,722)	0	(60)	(5,782)	706	(0.510)	(359)	(5,423)	(43,214)
<b>Balance @ August 31, 2019</b>									<b><u>(\$43,214)</u></b>

1/ Interest calculated at Three Month Treasury Bill rate.

2/ Reflects 854 Dk @ (\$0.371) and 2,314 Dk @ (\$0.510).