



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

February 7, 2020

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 COG – Natural Gas adjustment change for the month of March 2020 for Rate 88.

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." For Rate 88 – Natural Gas, the COG adjustment for the month of March 2020 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 March.

The Rate Summary Sheet (182<sup>nd</sup> Revised Sheet No. 3) showing the proposed propane rates effective March 1, 2020 is 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 February 2020 PGA filing.

The following Exhibits are provided in support of the propane rates to be effective March 1, 2020:

- Exhibit 2, page 1 summarizes the COG – propane calculated pursuant to the terms of Rate 99, which will apply during the month of March 2020. The net effect of this filing is a decrease of \$1.098 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 February 2020 PGA filing.
- Exhibit 2, page 2 shows the calculation of the current COG – propane that will be applicable to Montana-Dakota's customers for the month of March 2020. The average cost of propane for all customers, adjusted for losses, is \$7.685 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 a decrease of approximately \$6,200 for propane customers during the month of March 2020. 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 January 31, 2020.

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 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](mailto:tamie.aberle@mdu.com).

Sincerely,



Tamie A. Aberle  
Director 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

182<sup>nd</sup> Revised Sheet No. 3

Canceling 181<sup>st</sup> Revised Sheet No. 3

### RATE SUMMARY SHEET

Page 1 of 1

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	\$3.546	\$3.546
Air Force Rate 64	7	\$2,000.00 per month \$175.00 per month			
Minot Air Force Base					
PAR Site					
Firm Service			\$0.329	\$3.546	\$3.875
Interruptible Service - PAR			\$0.177	\$2.603	\$2.780
Interruptible Service - MAFB			\$0.177	\$2.406	\$2.583
Firm General Service Rate 70	13	\$0.70 per day \$2.05 per day	\$0.811	\$3.546	\$4.357
Meters rated < 500 cubic feet					
Meters rated > 500 cubic feet					
Small Interruptible Gas Rate 71	14	\$190.00 per month	(Maximum) \$1.063	\$2.603	(Maximum) \$3.666
Optional Seasonal Gas Service Rate 72	15	\$0.70 per day \$2.05 per day	\$0.811	\$3.675	\$4.486
Meters rated < 500 cubic feet					
Meters rated > 500 cubic feet					
Contracted Demand Service Rate 74	16	\$0.70 per day \$2.05 per day	(Demand Charge) \$6.510	(Capacity Charge) (COG/Dk)	\$10.910 \$2.162
Meters rated < 500 cubic feet					
Meters rated > 500 cubic feet					
Transportation Service	24	\$190.00 per month			
Small Interruptible Rate 81					
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	\$2.603	(Maximum) \$3.321
Residential Propane Rate 90	32	\$0.6860 per day	\$0.000	\$7.159	\$7.159
Firm General Propane Rate 92	34	\$0.70 per day \$2.05 per day	\$0.811	\$7.159	\$7.970
Meters rated < 500 cubic feet					
Meters rated > 500 cubic feet					

Date Filed: February 7, 2020

Effective Date: March 1, 2020

Issued By: Tamie A. Aberle  
Director - Regulatory Affairs

Case No.: PU-20-008

MONTANA-DAKOTA UTILITIES CO.  
COST OF GAS - PROPANE  
NORTH DAKOTA  
EFFECTIVE MARCH 2020

Cost of Purchased Propane	\$42,841
Gallons Purchased	61,201
Projected dk Sales	5,600
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>8.783</u>
Current Propane Cost Adjustment	<u><u>(\$1.098)</u></u>

1/ Propane Cost Level in Current Rates - Case No. PU-20-008, effective February 1, 2020.

MONTANA-DAKOTA UTILITIES CO.  
COST OF GAS - PROPANE TARIFF SHEET  
NORTH DAKOTA PROPANE  
EFFECTIVE MARCH 2020

**Cost of Gas - Propane**

Current Propane Cost (Exhibit 2, Page 1)	\$7.685
Prior Filed Propane Cost	<u>8.783</u>
Current Propane Cost Adjustment	<u><u>(\$1.098)</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

<b>Total Cost of Gas Items</b>	<u><u>\$7.159</u></u>
<b>Net Increase (Decrease) in Gas Costs</b>	<u><u>(\$1.098)</u></u>

**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
<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)
September	(3,993)	0	(67)	(4,060)	808	(0.510)	(412)	(3,648)	(46,862)
October	3,218	0	(63)	3,155	3,229	(0.510)	(1,647)	4,802	(42,060)
November	1,240	0	(53)	1,187	5,071	(0.510)	(2,585)	3,772	(38,288)
December	1,338	0	(48)	1,290	6,320	(0.510)	(3,224)	4,514	(33,774)
<b>Balance @ December 31, 2019</b>									<b><u>(\$33,774)</u></b>

1/ Interest calculated at Three Month Treasury Bill rate.

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