

March 6, 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-20-008

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 April 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 April 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 April.

The Rate Summary Sheet (183rd Revised Sheet No. 3) showing the proposed propane rates effective April 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 March 2020 PGA filing.

The following Exhibits are provided in support of the propane rates to be effective April 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 April 2020. The net effect of this filing is a decrease of \$0.549 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 March 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 April 2020. The average cost of propane for all customers, adjusted for losses, is \$7.136 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 \$2,300 for propane customers during the month of April 2020. All of Montana-Dakota's retail propane customers in North Dakota may be affected by this proposal. There were 336 propane customers in North Dakota as of February 28, 2020.

Please refer all inquiries regarding this filing to:

Mr. Travis R. Jacobson
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 herewith submits a check for \$600.00 to the North Dakota Public Service Commission pursuant to the requirements of North Dakota Century Code Section 49-05-05. This payment will cover the filing fee associated with the monthly Cost of Gas 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.

Sincerely,



Travis R. Jacobson
Director of Regulatory Affairs

Attachment



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

183rd Revised Sheet No. 3

Canceling 182nd 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				
Minot Air Force Base		\$2,000.00 per month			
PAR Site		\$175.00 per month			
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				
Meters rated < 500 cubic feet		\$0.70 per day			
Meters rated > 500 cubic feet		\$2.05 per day	\$0.811	\$3.546	\$4.357
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				
Meters rated < 500 cubic feet		\$0.70 per day			
Meters rated > 500 cubic feet		\$2.05 per day	\$0.811	\$3.675	\$4.486
Contracted Demand Service Rate 74	16		(Demand Charge)	(Capacity Charge)	\$10.910
Meters rated < 500 cubic feet		\$0.70 per day			
Meters rated > 500 cubic feet		\$2.05 per day	\$6.510	(COG/Dk)	\$2.162
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	\$2.603	(Maximum) \$3.321
Residential Propane Rate 90	32	\$0.6860 per day	\$0.000	\$6.610	\$6.610
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	\$6.610	\$7.421

Date Filed: March 6, 2020

Effective Date: April 1, 2020

Issued By: Travis R. Jacobson
 Director - Regulatory Affairs

Case No.: PU-20-008

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

Cost of Purchased Propane	\$29,836
Gallons Purchased	45,901
Projected dk Sales	4,200
Propane Cost per Dk	\$7.104
Average Cost of Propane as Adjusted for Losses @ 99.55%	7.136
Less: Propane Cost Level in Rates 1/	<u>7.685</u>
Current Propane Cost Adjustment	<u><u>(\$0.549)</u></u>

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

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

Cost of Gas - Propane

Current Propane Cost (Exhibit 7, Page 1)	\$7.136
Prior Filed Propane Cost	<u>7.685</u>
Current Propane Cost Adjustment	<u><u>(\$0.549)</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

\$6.610

Net Increase (Decrease) in Gas Costs

(\$0.549)

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, 2019									<u>(\$24,476)</u>
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)
January 2020	(13,570)	0	(42)	(13,612)	8,144	(0.510)	(4,154)	(9,458)	(43,232)
Balance @ January 31, 2020									<u>(\$43,232)</u>

1/ Interest calculated at Three Month Treasury Bill rate.

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