

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

July 8, 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), electronically submits a Cost of Gas (COG) change pursuant to the terms of Rate 99. Montana-Dakota will not seek a COG – Natural Gas adjustment change for the month of August 2020 for Rate 88. In response to the COVID-19 pandemic, Montana-Dakota has provided an electronic copy only to further reduce the potential spread of the virus.

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 August 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 August.

The Rate Summary Sheet (186<sup>th</sup> Revised Sheet No. 3) showing the proposed propane rates effective August 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 increased since the cost established in the May 2020 PGA filing.

The following Exhibits are provided in support of the propane rates to be effective August 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 August 2020. The net effect of this filing is an increase of \$1.317 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 May 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 August 2020. The average cost of propane for all customers, adjusted for losses, is \$5.269 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 \$790 for propane customers during the month of August 2020. All of Montana-Dakota's retail propane customers in North Dakota may be affected by this proposal. There were 335 propane customers in North Dakota as of May 29, 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 submitted a check on March 6, 2020 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 this electronic filing, in lieu of an original and two (2) physical copies, be accepted as being in full compliance with the filing requirements of this Commission.

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,

*/s/ Travis R. Jacobson*

Travis R. Jacobson  
Director of Regulatory Affairs

Attachment  
cc: K. Liepitz



# 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

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

Canceling 185<sup>th</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	\$3.240	\$3.240
Air Force Rate 64	7	\$2,000.00 per month			
Minot Air Force Base		\$175.00 per month			
PAR Site					
Firm Service			\$0.329	\$3.240	\$3.569
Interruptible Service - PAR			\$0.177	\$2.348	\$2.525
Interruptible Service - MAFB			\$0.177	\$2.152	\$2.329
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	\$3.240	\$4.051
Small Interruptible Gas Rate 71	14	\$190.00 per month	(Maximum) \$1.063	\$2.348	(Maximum) \$3.411
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	\$1.751	\$2.562
Contracted Demand Service Rate 74	16		(Demand Charge)	(Capacity Charge)	\$10.680
Meters rated < 500 cubic feet		\$0.70 per day			
Meters rated > 500 cubic feet		\$2.05 per day	\$6.510	(COG/Dk)	\$1.911
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	\$2.348	(Maximum) \$3.066
Residential Propane Rate 90	32	\$0.6860 per day	\$0.000	\$4.169	\$4.169
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	\$4.169	\$4.980

**Date Filed:** July 8, 2020

**Effective Date:** Service rendered on and after August 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 AUGUST 2020

Cost of Purchased Propane	\$3,147
Gallons Purchased	6,557
Projected dk Sales	600
Propane Cost per Dk	\$5.245
Average Cost of Propane as Adjusted for Losses @ 99.55%	5.269
Less: Propane Cost Level in Rates 1/	<u>3.952</u>
Current Propane Cost Adjustment	<u><u>\$1.317</u></u>

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

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

**Cost of Gas - Propane**

Current Propane Cost (Exhibit 2, Page 1)	\$5.269
Prior Filed Propane Cost	<u>3.952</u>
Current Propane Cost Adjustment	<u>\$1.317</u>

**Surcharge Adjustment**

Current Adjustment (Exhibit 8, Page 1)	(\$1.084)
Prior Filed Adjustment	<u>(1.084)</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** \$4.169

**Net Increase (Decrease) in Gas Costs** \$1.317

**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 29, 2020</b>									<b><u><u>(\$49,936)</u></u></b>
March 2020	(\$10,029)	\$0	(\$44)	(\$10,073)	5,863	(\$0.510)	(\$2,990)	(\$7,083)	(57,019)
April	428	0	(7)	421	4,341	(0.510)	(2,215)	2,636	(54,383)
May	2,530	0	(6)	2,524	2,095	(1.084)	(1,926) 2/	4,450	(49,933)
<b>Balance @ May 31, 2020</b>									<b><u><u>(\$49,933)</u></u></b>

1/ Interest calculated at Three Month Treasury Bill rate.

2/ Reflects 600.4 Dk @ (\$0.510) and 1,494.1 Dk @ (\$1.084).