

**Hamre, John G.**

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**Sent:** Thursday, March 25, 2021 8:58 AM  
**To:** -Info-Public Service Commission; Dawson, Timothy J.; Johnson, Brian L.;  
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**Cc:** travis.jacobson@mdu.com; Karl.Liepitz@MDUResources.com; Paul Sanderson  
**Subject:** RE: MDU 2020 Natural Gas Rate Increase: Case No: PU-20-379  
**Attachments:** Affidavit of Service - Exhibit 27.pdf; Exhibit No. MDU-27.pdf

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Attached for service and filing is Exhibit MDU-27.

Thanks.

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93 PU-20-379 Filed 03/25/2021 Pages: 12  
Email with attached proposed MDU Exhibit 27  
Montana-Dakota Utilities Co.  
Paul Sanderson, Evenson Sanderson PC



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Dated today, March 25, 2021.

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By:           /s/ Paul Sanderson            
Paul R. Sanderson (ID# 05830)

**Montana-Dakota Utilities Co.  
Gas Utility - North Dakota  
Cost of Service by Class**

	Total North Dakota	Total Residential	Total Small Firm General	Total Large Firm General	Total Air Force Delivery	Total Small Interruptible	Total Large Interruptible	Total MAFB Distribution
<b>Revenue to Cost Ratio Under Current Rates</b>	0.86	0.78	0.88	0.95	0.81	0.99	1.71	2.19
<b>Revenues at Equalized Rates of Return</b>								
Revenue Increase	6,886,079	6,699,635	622,700	502,466	26,414	23,085	(740,297)	(247,923)
Parity Ratio	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>INTERIM RATES ALLOCATION Equal Percentage Increase to eligible customers</b>								
Revenue Increase	6,886,079	4,159,151	772,411	1,529,901	18,872	297,994	107,751	0
Parity Ratio	1.00	0.92	1.03	1.11	0.94	1.16	1.81	2.19
<b>SETTLEMENT RATE REVENUE ALLOCATION - adjusted customer component Min. 25% of System Average to eligible customers</b>								
Revenue Increase	6,886,079	5,633,063	622,700	502,466	26,414	74,498	26,938	0
Parity Ratio	1.00	0.97	1.00	1.00	1.00	1.03	1.73	2.19
MDU Customers	112,659	96,225	11,217	5,059	3	148	7	0
Great Plains Customers	2,355	1,900	282	145		17	11	
Less: Flex Customers	(11)						(11)	
<b>Total Customers</b>	<b>115,003</b>	<b>98,125</b>	<b>11,499</b>	<b>5,204</b>	<b>3</b>	<b>165</b>	<b>7</b>	<b>0</b>

Rate class average increase by customer on the following pages:

- MDU Residential: Page 2
- Air Force - Firm Delivery: Page 3
- Air Force - Interruptible: Page 4
- MDU Firm General: Page 5
- MDU Small Interruptible: Page 6
- MDU Large Interruptible: Page 7
- Wahpeton Residential & Firm General: Page 8
- Wahpeton Interruptible: Page 9



**Montana-Dakota Utilities Co.  
 Gas Utility - North Dakota  
 Rate Reconciliation  
 Residential Gas Service - Rates 60 & 90  
 Projected 2021**

<u>Residential Rates</u>	<u>Billing Units</u>		<u>Current</u>		<u>Settlement</u>	
			<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
Basic Service Charge (60)	95,952	Customers	\$0.6860	\$24,025,421	\$0.8440	\$29,558,973
Basic Service Charge (90)	273	Customers	\$0.6860	68,356	\$0.8440	84,100
	<u>96,225</u>			<u>24,093,777</u>		<u>29,643,073</u>
Distribution Delivery Charge	8,467,441	dk	\$0.000	0	\$0.000	0
Cost of Gas (60)	8,450,493	dk	\$3.984	33,666,764	\$3.984	33,666,764
Cost of Gas (90)	16,948	dk	\$3.953	66,995	\$3.953	66,995
	<u>8,467,441</u>			<u>\$33,733,759</u>		<u>\$33,733,759</u>
Total Revenue Rates 60 & 90				<u>\$57,827,536</u>		<u>\$63,376,832</u>

**Rate 60 - Average Annual Increase:**

Basic Service Charge:	\$57.67
Distribution Charge:	<u>0.00</u>
Average Annual Increase:	\$57.67

**Rate 90 - Average Annual Increase:**

Basic Service Charge:	\$57.67
Distribution Charge:	<u>0.00</u>
Average Annual Increase:	\$57.67

**Montana-Dakota Utilities Co.  
 Gas Utility - North Dakota  
 Rate Reconciliation  
 Air Force Firm Service - Rate 64  
 Projected 2021**

<u>Air Force Rate 64 - Firm</u>	<u>Billing Units</u>	<u>Current</u>		<u>Settlement</u>	
		<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
Basic Service Charge	1 Customer	\$175.00	\$2,100	\$175.00	\$2,100
Distribution Delivery Charge	36,425 dk	\$0.329	11,984	\$0.418	15,226
Cost of Gas	36,425 dk	\$3.984	<u>145,117</u>	\$3.984	<u>145,117</u>
Total Revenue Rate 64			<u>\$159,201</u>		<u>\$162,443</u>

**Rate 64 Firm Service - Average Annual Increase:**

Basic Service Charge:	\$0.00
Distribution Charge:	<u>3,242.00</u>
Average Annual Increase:	<u>\$3,242.00</u>

**Montana-Dakota Utilities Co.  
 Gas Utility - North Dakota  
 Rate Reconciliation  
 Air Force Interruptible Service - Rate 64  
 Projected 2021**

<b>Air Force Rate 64 - Interruptible</b>	Billing Units	Current		Settlement	
		Rate	Amount	Rate	Amount
Basic Service Charge					
Minot Air Force Base	1 Customer	\$2,000.00	\$24,000	\$2,000.00	\$24,000
PAR Site	1 Customer	\$175.00	2,100	\$175.00	2,100
	<u>2</u>		<u>26,100</u>		<u>26,100</u>
Distribution Delivery Charge	396,550 dk	\$0.177	70,189	\$0.235	93,189
Cost of Gas					
Minot Air Force Base	369,780 dk	\$2.625	970,673	\$2.625	970,673
PAR Site	26,770 dk	\$2.637	70,592	\$2.637	70,592
	<u>396,550</u>		<u>1,041,265</u>		<u>1,041,265</u>
Total Revenue			<u>\$1,137,554</u>		<u>\$1,160,554</u>

**Rate 64 Interruptible Service - Average Annual Increase:**

Basic Service Charge:	\$0.00
Distribution Charge:	11,500.00
Average Annual Increase:	<u>\$11,500.00</u>

**Montana-Dakota Utilities Co.**  
**Gas Utility - North Dakota**  
**Rate Reconciliation**  
**Firm General Gas Service - Rates 70, 72, 74, & 92**  
**Projected 2021**

<b>Firm General Rates</b>	Billing Units		Current		Settlement	
			Rate	Amount	Rate	Amount
Basic Service Chg Rates (70 Small)	11,127	Customers	\$0.70	\$2,842,949	\$0.75	\$3,046,016
Basic Service Chg Rates (72 Small)	5	Customers	\$0.70	1,278	\$0.75	1,369
Basic Service Chg Rates (74 Small)	18	Customers	\$0.70	4,599	\$0.75	4,928
Basic Service Chg Rates (92 Small)	67	Customers	\$0.70	17,119	\$0.75	18,341
Basic Service Chg Rates (70 Large)	5,025	Customers	\$2.05	3,759,956	\$2.13	3,906,686
Basic Service Chg Rates (72 Large)	11	Customers	\$2.05	8,231	\$2.13	8,552
Basic Service Chg Rates (74 Large)	16	Customers	\$2.05	11,972	\$2.13	12,439
Basic Service Chg Rates (92 Large)	7	Customers	\$2.05	5,238	\$2.13	5,442
	<u>16,276</u>			<u>\$6,651,342</u>		<u>\$7,003,773</u>
Distribution Delivery Charge (Excl Rate 74)						
Small	1,949,155	Dk	\$0.811	1,580,765	\$1.016	1,980,341
Large	6,156,438	Dk	0.811	4,992,871	0.864	5,319,162
Distribution Demand Charge						
74 Small	336	Demand Dk	\$6.510	2,187	\$8.000	2,688
74 Large	14,880	Demand Dk	\$6.510	96,869	\$8.000	119,040
				<u>99,056</u>		<u>121,728</u>
Cost of Gas (70 Small)	1,936,766	Dk	\$3.984	7,716,076	\$3.984	7,716,076
Cost of Gas (72 Small)	1,022	Dk	\$2.502	2,557	\$2.502	2,557
Cost of Gas (92 Small)	11,367	Dk	\$3.953	44,934	\$3.953	44,934
Cost of Gas (70 Large)	6,130,793	Dk	\$3.984	24,425,079	\$3.984	24,425,079
Cost of Gas (72 Large)	12,357	Dk	\$2.502	30,917	\$2.502	30,917
Cost of Gas (92 Large)	13,288	Dk	\$3.953	52,527	\$3.953	52,527
	<u>8,105,593</u>			<u>32,272,090</u>		<u>32,272,090</u>
Cost of Gas (74 Small)	24	Dk	\$2.502	60	\$2.502	60
Capacity Charge (74 Small)	336	Demand Dk	\$10.620	3,568	\$10.620	3,568
Cost of Gas (74 Large)	272,866	Dk	\$2.502	682,711	\$2.502	682,711
Capacity Charge (74 Large)	14,880	Demand Dk	\$10.620	158,026	\$10.620	158,026
				<u>844,365</u>		<u>844,365</u>
Total Revenue				<u>\$46,440,489</u>		<u>\$47,541,459</u>

**Rate 70 Small - Average Annual Increase:**

Basic Service Charge:	\$18.25
Distribution Charge:	35.68
Average Annual Increase:	<u>\$53.93</u>

**Rate 70 Large - Average Annual Increase:**

Basic Service Charge:	\$29.20
Distribution Charge:	64.66
Average Annual Increase:	<u>\$93.86</u>

**Montana-Dakota Utilities Co.  
 Gas Utility - North Dakota  
 Rate Reconciliation  
 Small Interruptible Service - Rates 71 & 81  
 Projected 2021**

Small Interruptible Service Rates 71 & 81	Billing Units	Current		Settlement	
		Rate	Amount	Rate	Amount
Basic Service Charge					
Rate 71 Sales	87 Customers	\$190.00	\$198,360	\$450.00	\$469,800
Rate 81 Transport	61 Customers	190.00	139,080	\$450.00	329,400
	<u>148</u>		<u>337,440</u>		<u>799,200</u>
Distribution Delivery Charge					
Rate 71 Sales	514,844 dk	\$1.063	547,279	\$0.543	279,560
Rate 81 Transport	1,015,084 dk	\$0.668	678,076	\$0.543	551,191
Cost of Gas	514,844 dk	\$2.637	<u>1,357,644</u>	\$2.637	<u>1,357,644</u>
Sales			\$2,103,283		\$2,107,004
Transport			817,156		880,591
Total Revenue			<u>\$2,920,439</u>		<u>\$2,987,595</u>

**Rate 71 - Average Annual Increase:**

Basic Service Charge:	\$3,120.00
Distribution Charge:	<u>(3,077.23)</u>
Average Annual Increase:	<u>\$42.77</u>

**Rate 81 - Average Annual Increase:**

Basic Service Charge:	\$3,120.00
Distribution Charge:	<u>(2,080.08)</u>
Average Annual Increase:	<u>\$1,039.92</u>

**Montana-Dakota Utilities Co.**  
**Gas Utility - North Dakota**  
**Rate Reconciliation**  
**Large Interruptible Service - Rates 82 & 85**  
**(Excluding Flexed Contracts)**  
**Projected 2021**

Large Interruptible Service Rates 85 & 82	Billing Units	Current		Settlement	
		Rate	Amount	Rate	Amount
Basic Service Charge					
Rate 85 Sales	0 Customers	\$1,500.00	\$0	\$1,600.00	\$0
Rate 82 Transport	5 Customers	1,500.00	90,000	1,600.00	96,000
			90,000		96,000
Distribution Delivery Charge					
Rate 85 Sales	0 dk	\$0.718	0	\$0.235	0
Rate 82 Transport	774,189 dk	\$0.231	178,838	\$0.235	181,934
Cost of Gas	0 dk	\$2.637	0	\$2.637	0
Sales			\$0		\$0
Transport			268,838		277,934
Total Revenue			\$268,838		\$277,934

**Rate 82 - Average Annual Increase:**

Basic Service Charge: \$1,200.00  
 Distribution Charge: 619.20  
 Average Annual Increase: \$1,819.20

**Montana-Dakota Utilities Co.  
 Gas Utility - North Dakota  
 Rate Reconciliation  
 Firm Gas Service - GPNG Rate 65  
 Projected 2021**

<u>Wahpeton Firm Rates</u>	Billing Units		Current		Settlement	
			Rate	Amount	Rate	Amount
Basic Service Charge						
Residential	1,900	Customers	\$3.50	\$79,800	\$0.250	\$173,375
Firm General						
Small < 500 CFH	282	Customers	\$3.50	11,844	\$0.250	25,733
Large > 500 CFH	145	Customers	\$3.50	6,090	\$0.250	13,231
	<u>2,327</u>			<u>97,734</u>		<u>212,339</u>
Distribution Delivery Charge						
Residential						
First 10 Dk	104,506	dk	\$1.0720	112,030		
Over 10 Dk	47,532	dk	\$0.8220	39,071		
	<u>152,038</u>			<u>151,101</u>	\$0.915	139,115
Firm General - Small						
First 10 Dk	12,900	dk	\$1.0720	13,829		
Over 10 Dk	52,132	dk	\$0.8220	42,853		
	<u>65,032</u>			<u>56,682</u>	\$0.915	59,504
Firm General - Large						
First 10 Dk	15,101	dk	\$1.0720	16,188		
Over 10 Dk	61,029	dk	\$0.8220	50,166		
	<u>76,130</u>			<u>66,354</u>	\$0.915	69,659
Cost of Gas (Residential)	152,038	dk	\$4.3408	659,967	\$4.3408	659,967
Cost of Gas (Firm General Small)	65,032	dk	\$4.3408	282,291	\$4.3408	282,291
Cost of Gas (Firm General Large)	76,130	dk	\$4.3408	330,465	\$4.3408	330,465
	<u>293,200</u>			<u>1,272,723</u>		<u>1,272,723</u>
Residential				\$890,868		\$972,457
Firm General Small				350,817		367,528
Firm General Large				402,909		413,355
Total Revenue GPNG Firm Rate 65				<u>\$1,644,594</u>		<u>\$1,753,340</u>

**Rate 65 Residential - Average Annual Increase:**

Basic Service Charge:	\$49.25
Distribution Charge:	<u>(6.31)</u>
Average Annual Increase:	\$42.94

**Rate 65 Small Firm - Average Annual Increase:**

Basic Service Charge:	\$49.25
Distribution Charge:	<u>10.01</u>
Average Annual Increase:	\$59.26

**Rate 65 Large Firm - Average Annual Increase:**

Basic Service Charge:	\$49.25
Distribution Charge:	<u>22.79</u>
Average Annual Increase:	\$72.04

**Montana-Dakota Utilities Co.  
 Gas Utility - North Dakota  
 Rate Reconciliation  
 Interruptible Gas Service - GPNG Rate 71  
 Projected 2021**

Interruptible Service Rate 71	Billing Units	Current		Settlement	
		Rate	Amount	Rate	Amount
<b>Basic Service Charge</b>					
Annual Dk < 100,000	17 Customers	\$3.50	\$714	\$180.00	\$36,720
Annual Dk > 100,000	2 Customers	\$3.50	84	\$180.00	4,320
	<u>19</u>		<u>798</u>		<u>41,040</u>
<b>Distribution Delivery Charge</b>					
Annual Dk < 100,000					
First 400 Dk	50,615 dk	\$1.0160	51,425		
Next 2,600 Dk	118,783 dk	\$0.7675	91,166		
Over 3,000 Dk	<u>59,783 dk</u>	<u>\$0.6140</u>	<u>36,707</u>		
	229,181		179,298	\$0.661	151,489
Annual Dk > 100,000					
First 400 Dk	11,538 dk	\$1.0160	11,723		
Next 2,600 Dk	71,133 dk	\$0.7675	54,595		
Over 3,000 Dk	<u>480,359 dk</u>	<u>\$0.6140</u>	<u>294,940</u>		
	563,030		361,258	\$0.661	372,163
<b>Cost of Gas</b>					
Annual Dk < 100,000	229,181 dk	\$3.3480	767,298	\$3.3480	767,298
Annual Dk > 100,000	<u>563,030 dk</u>	<u>\$3.3480</u>	<u>1,885,024</u>	<u>\$3.3480</u>	<u>1,885,024</u>
	792,211 dk		2,652,322		2,652,322
Annual Dk < 100,000			\$947,310		\$955,507
Annual Dk > 100,000			<u>2,246,366</u>		<u>\$2,261,507</u>
Total Revenue - GPNG Interruptible Rate 71			<u>\$3,193,676</u>		<u>\$3,217,014</u>

**Rate 71 Small - Average Annual Increase:**

Basic Service Charge:	\$2,118.00
Distribution Charge:	<u>(1,635.82)</u>
Average Annual Increase:	<u>\$482.18</u>

**Rate 71 Large - Average Annual Increase:**

Basic Service Charge:	\$2,118.00
Distribution Charge:	<u>5,452.50</u>
Average Annual Increase:	<u>\$7,570.50</u>