

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

April 27, 2021

Executive Secretary
 North Dakota Public Service Commission
 State Capitol Building
 Bismarck, ND 58505

Re: Cost of Gas Adjustment (COG)
 Rate 88
 Case No. PU-21-8

On April 23, 2021, Montana-Dakota Utilities Co. (Montana-Dakota) participated in an Informal Hearing with the North Dakota Public Service Commission (Commission) on the Cost of Gas Adjustment and the associated tariff. The Company proposed a 17-month timeframe (May 1, 2021 through September 30, 2022) for the under-collected balance with a staggered recovery approach of summer months (May through Sept) and winter months (October through April). During the hearing, the Commission requested the Company update the proposed recovery timeframe to 16-months (June 1, 2021 through September 30, 2022) and move the shoulder month of October from the winter to the summer pricing strategy.

The table below represents the changes on the customer classes. Due to the volume forecasted in October, moving this shoulder month to the summer pricing strategy allowed for a lower summer rate per dk.

	May 2021 – Sept 2022	June 2021 – Sept 2022
Firm	Summer: \$2.046 Winter: \$0.391	Summer: \$1.850 Winter: \$0.391
Small & Large Interruptible	\$0.267	\$0.276
Air Force Interruptible	\$0.486	\$0.501
Contract Demand	\$0.342	\$0.353

The following Exhibits are provided in support of the Purchased Gas Cost Adjustment to be effective June 1, 2021:

- Exhibit 1 shows the anticipated amortization of the deferred gas costs that

- Montana-Dakota incurred as of February 28, 2021.
- Exhibit 2 demonstrates the impact Montana-Dakota's proposed recovery will have on its residential customers.

Please contact me at (701) 222-7855 or travis.jacobson@mdu.com if you have any questions regarding this submittal.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Attachments

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
FIRM
TO BE EFFECTIVE JUNE 1, 2021 THROUGH SEPTEMBER 30, 2022

(Over)/under recovered gas costs @ February 28, 2021 \$12,860,236

	<u>Projected DK</u>	<u>Rate</u>	<u>Collected</u>	<u>Interest 1/</u>	
May 2021			\$0	\$429	\$12,860,665
June	247,000	\$1.850	456,950	429	12,404,144
July	298,000	\$1.850	551,300	413	11,853,257
August	298,000	\$1.850	551,300	395	11,302,352
September	385,000	\$1.850	712,250	377	10,590,479
October	1,140,000	\$1.850	2,109,000	353	8,481,832
November	2,008,000	\$0.391	785,128	283	7,696,987
December	2,736,000	\$0.391	1,069,776	257	6,627,468
January 2022	2,945,000	\$0.391	1,151,495	221	5,476,194
February	2,479,000	\$0.391	969,289	183	4,507,088
March	1,972,000	\$0.391	771,052	150	3,736,186
April	1,174,000	\$0.391	459,034	125	3,277,277
May	531,000	\$1.850	982,350	109	2,295,036
June	249,000	\$1.850	460,650	77	1,834,463
July	301,000	\$1.850	556,850	61	1,277,674
August	301,000	\$1.850	556,850	43	720,867
September	389,000	\$1.850	719,650	24	1,241
Ending Balance					\$1,241

1/ Estimated interest rate is .04%.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
INTERRUPTIBLE
TO BE EFFECTIVE JUNE 1, 2021 THROUGH SEPTEMBER 30, 2022

(Over)/under recovered gas costs @ February 28, 2021 \$282,579

	<u>Projected DK</u>	<u>Rate</u>	<u>Collected</u>	<u>Interest 1/</u>	
May 2021			\$0	\$9	\$282,588
June	27,000	\$0.276	7,451	9	275,146
July	24,000	\$0.276	6,623	9	268,532
August	27,000	\$0.276	7,451	9	261,090
September	31,000	\$0.276	8,555	9	252,544
October	92,000	\$0.276	25,389	8	227,163
November	175,000	\$0.276	48,294	8	178,877
December	119,000	\$0.276	32,840	6	146,043
January 2022	120,000	\$0.276	33,116	5	112,932
February	106,000	\$0.276	29,252	4	83,684
March	102,000	\$0.276	28,148	3	55,539
April	59,000	\$0.276	16,282	2	39,259
May	33,000	\$0.276	9,107	1	30,153
June	27,000	\$0.276	7,451	1	22,703
July	24,000	\$0.276	6,623	1	16,081
August	27,000	\$0.276	7,451	1	8,631
September	31,000	\$0.276	8,555	0	76
Ending Balance					\$76

1/ Estimated interest rate is .04%.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
AIR FORCE INTERRUPTIBLE
TO BE EFFECTIVE JUNE 1, 2021 THROUGH SEPTEMBER 30, 2022

(Over)/under recovered gas costs @ February 28, 2021 \$270,749

	<u>Projected DK</u>	<u>Rate</u>	<u>Collected</u>	<u>Interest 1/</u>	
May 2021			\$0	\$9	\$270,758
June	12,000	\$0.501	6,017	9	264,750
July	12,000	\$0.501	6,017	9	258,742
August	20,000	\$0.501	10,028	9	248,723
September	29,000	\$0.501	14,541	8	234,190
October	42,000	\$0.501	21,059	8	213,139
November	51,000	\$0.501	25,572	7	187,574
December	67,000	\$0.501	33,594	6	153,986
January 2022	71,000	\$0.501	35,600	5	118,391
February	62,000	\$0.501	31,087	4	87,308
March	52,000	\$0.501	26,073	3	61,238
April	32,000	\$0.501	16,045	2	45,195
May	17,000	\$0.501	8,524	2	36,673
June	12,000	\$0.501	6,017	1	30,657
July	12,000	\$0.501	6,017	1	24,641
August	20,000	\$0.501	10,028	1	14,614
September	29,000	\$0.501	14,541	0	73
Ending Balance					\$73

1/ Estimated interest rate is .04%.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
CONTRACTED DEMAND
TO BE EFFECTIVE JUNE 1, 2021 THROUGH SEPTEMBER 30, 2022

(Over)/under recovered gas costs @ February 28, 2021 \$98,185

	<u>Projected DK</u>	<u>Rate</u>	<u>Collected</u>	<u>Interest 1/</u>	
May 2021			\$0	\$3	\$98,188
June	4,000	\$0.353	1,413	3	96,778
July	5,000	\$0.353	1,766	3	95,015
August	5,000	\$0.353	1,766	3	93,252
September	7,000	\$0.353	2,472	3	90,783
October	18,000	\$0.353	6,358	3	84,428
November	31,000	\$0.353	10,949	3	73,482
December	43,000	\$0.353	15,187	2	58,297
January 2022	46,000	\$0.353	16,247	2	42,052
February	39,000	\$0.353	13,775	1	28,278
March	31,000	\$0.353	10,949	1	17,330
April	19,000	\$0.353	6,711	1	10,620
May	9,000	\$0.353	3,179	0	7,441
June	4,000	\$0.353	1,413	0	6,028
July	5,000	\$0.353	1,766	0	4,262
August	5,000	\$0.353	1,766	0	2,496
September	7,000	\$0.353	2,472	0	24
Ending Balance					\$24

1/ Estimated interest rate is .04%.

Average Residential Bills Incorporating February Gas Cost Recovery

	Year 1			Year 2		
	Current Bill	Recovery	Total Bill	Current Bill	Recovery	Total Bill
January				\$81.03	\$5.87	\$86.90
February				\$78.97	\$5.87	\$84.84
March				\$69.07	\$4.69	\$73.76
April				\$56.44	\$3.52	\$59.96
May				\$41.19	\$9.25	\$50.44
June	\$28.55	\$3.70	\$32.25	\$28.55	\$3.70	\$32.25
July	\$25.25	\$1.85	\$27.10	\$25.25	\$1.85	\$27.10
August	\$25.25	\$1.85	\$27.10	\$25.25	\$1.85	\$27.10
September	\$28.55	\$3.70	\$32.25	\$28.55	\$3.70	\$32.25
October	\$37.20	\$7.40	\$44.60			
November	\$56.44	\$3.52	\$59.96			
December	\$73.06	\$5.08	\$78.14			
Total	\$274.30	\$27.10	\$301.40	\$434.30	\$40.30	\$474.60
Average Monthly Residential Bill	\$39.19	\$3.87	\$43.06	\$48.26	\$4.48	\$52.73