

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co.  
Cost of Gas 2021  
Tariff Monthly Adjustments**

**Case No. PU-21-8**

**ORDER**

**May 27, 2021**

**Preliminary Statement**

On March 31, 2021, Montana-Dakota Utilities Co. (MDU) filed an application for a variance to its surcharge adjustment pursuant to the terms of its Cost of Gas – Natural Gas Rate 88 tariff. The variance would extend the time for recovery of the under-collected balance of the cost of gas adjustment from 12 months to 17 months from May 1, 2021 through September 30, 2022.

On April 23, 2021, the Commission discussed the matter with MDU and Commission Advocacy Staff during an Informal Hearing.

On April 27, 2021, MDU filed a modification to its variance request based on the April 23, 2021 Informal Hearing updating the cost of gas adjustment from 17 months to 16 months from June 1, 2021 through September 30, 2022.

On May 5, 2021, the Commission issued a Notice of Opportunity for Hearing, which provided until May 25, 2021 for receiving written comments and hearing requests. No comments or requests for hearing were received.

The Notice identified the issues to be considered in this matter are:

1. Whether the proposed rate change is just and reasonable.
2. Whether it is appropriate to grant a waiver of the Commission's rules under North Dakota Administrative Code section 69-09-02-39, Automatic Adjustment Clauses, for the stated purpose

**Discussion**

Section 4 of the Company's Gas Cost Rate 88 references the annual surcharge adjustment calculation to be performed annually in October of each year; however, MDU states the magnitude of an increase in natural gas supply prices due to the weather event in February 2021 necessitates the above referenced adjustment. In the absence of the proposed mitigation, the surcharge gas cost adjustment calculated in accordance with the

Company's tariff for firm customers would be approximately \$0.79 per dk. This rate would be effective for October 1, 2021 through September 30, 2022.

MDU requests the commission waive the relevant provisions of North Dakota Administrative Code section 69-09-02-39 and grant approval of the surcharge adjustment as follows

<b>Customer Class</b>	<b>June 2021 - October 2021</b>	<b>November 2021- April 2022</b>	<b>May 2022- September 2022</b>
Firm (Including Residential)	\$1.850/dk	\$0.391/dk	\$1.850/dk
Small & Large Interruptible	\$0.276/dk	\$0.276/dk	\$0.276/dk
Air Force Interruptible	\$0.501/dk	\$0.501/dk	\$0.501/dk
Contract Demand	\$0.353/dk	\$0.353/dk	\$0.353/dk

Due to the minimal surcharge adjustment for each class, MDU proposes a rate that does not vary during the June 2021 through September 2022 period for small and large interruptible customers, Air Force interruptible customers, and contracted demand customers for the June 2021 to September 2022 period.

Having considered this matter the Commission finds that a variance is necessary to mitigate the rate impact to North Dakota customers. Therefore, the Commission issues its:

### Order

The Commission Orders:

1. Montana-Dakota Utilities Co.'s proposed rate change is just and reasonable.
2. Montana-Dakota Utilities Co.'s requested variance from the provisions of North Dakota Administrative Code section 69-09-02-39 is granted.

### PUBLIC SERVICE COMMISSION

  
Randy Christmann  
Commissioner

  
Julie Fedorchak  
Chair

  
Brian Kroshus  
Commissioner