



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

October 8, 2021

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-21-008

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 November 2021 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 November 2021 results in a change of less than 25 cents per dk. However, as shown in the Company's September 8, 2021 COG filing, the Surcharge Adjustment of \$1.850 is effective in the in the summer months (May 1 – September 30, 2022) and \$0.500 in the winter months (November 1, 2021 – April 30, 2022). The Rate Summary Sheet (5<sup>th</sup> Revised Sheet No. 3) showing the proposed propane rates and the change to the surcharge rate since the October 2021 PGA filing to be effective November 1, 2021 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 October 2021 PGA filing.

The following Exhibits are provided in support of the propane rates to be effective November 1, 2021:

- Exhibit 2 summarizes the surcharge adjustment that will apply during the month of November 2021 as shown in the Company's September 8, 2021 COG filing.

- Exhibit 3, page 1 summarizes the COG – propane calculated pursuant to the terms of Rate 99, which will apply during the month of November 2021. The net effect of this filing is an increase of \$2.667 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 October 2021 PGA filing.
- Exhibit 3, page 2 shows the calculation of the current COG – propane that will be applicable to Montana-Dakota’s customers for the month of November 2021. The average cost of propane for all customers, adjusted for losses, is \$13.648 per dk.
- Exhibit 3, 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 \$11,500 for propane customers during the month of November 2021. All of Montana-Dakota's retail propane customers in North Dakota may be affected by this proposal. There were 331 propane customers in North Dakota as of September 30, 2021.

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:

Ms. Allison Mann  
Attorney  
MDU Resources Group,  
Inc. P. O. Box 5650  
Bismarck, ND 58506-5650

Montana-Dakota submitted a check on March 3, 2021 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: A. Mann

**RATE SUMMARY SHEET  
(PROPOSED)**



# Montana-Dakota Utilities Co.

400 N 4th Street  
Bismarck, ND 58501

## State of North Dakota Gas Rate Schedule

NDPSC Volume 8

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

Canceling 4<sup>th</sup> Revised Sheet No. 3

### RATE SUMMARY SHEET

Page 1 of 2

Rate Schedule	Sheet No.	Basic Service Charge	Distribution Delivery Charge	Rates 88 & 99 Cost of Gas	Total Rate/ Dk
Residential Rate 60	4	\$0.8244 per day	\$0.000	\$5.926	\$5.926
Air Force Rate 64	7				
Minot Air Force Base		\$2,000.00 per month			
PAR Site		\$175.00 per month			
Firm Service			\$0.449	\$5.926	\$6.375
Interruptible Service - PAR			\$0.255	\$4.490	\$4.745
Interruptible Service - MAFB			\$0.255	\$4.638	\$4.893
Firm General Service Rate 70	13				
Meters rated < 500 cubic feet		\$0.75 per day	\$1.174	\$5.926	\$7.100
Meters rated > 500 cubic feet		\$2.13 per day	\$0.917	\$5.926	\$6.843
Small Interruptible Gas Rate 71	14	\$450.00 per month	(Maximum) \$0.566	\$4.490	(Maximum) \$5.056
Optional Seasonal Gas Service Rate 72	15				
Meters rated < 500 cubic feet		\$0.75 per day	\$1.174	\$6.048	\$7.222
Meters rated > 500 cubic feet		\$2.13 per day	\$0.917	\$6.048	\$6.965
Contracted Demand Service Rate 74	16		(Demand Charge)	(Capacity Charge)	\$10.740
Meters rated < 500 cubic feet		\$0.75 per day	\$8.000	(COG/Dk)	\$4.651
Meters rated > 500 cubic feet		\$2.13 per day			
Transportation Service	24				
Small Interruptible Rate 81		\$450.00 per month			
Maximum			\$0.566		\$0.566
Minimum			\$0.102		\$0.102
Large Interruptible Rate 82		\$1,600.00 per month			
Maximum			\$0.237		\$0.237
Minimum			\$0.061		\$0.061
Large Interruptible Gas Rate 85	27	\$1,600.00 per month	(Maximum) \$0.237	\$4.490	(Maximum) \$4.727
Residential Propane Rate 90	32	\$0.8244 per day	\$0.000	\$13.841	\$13.841
Firm General Propane Rate 92	34				
Meters rated < 500 cubic feet		\$0.75 per day	\$1.174	\$13.841	\$15.015
Meters rated > 500 cubic feet		\$2.13 per day	\$0.917	\$13.841	\$14.758

**Date Filed:** October 8, 2021

**Effective Date:** Service rendered on and after November 1, 2021

**Issued By:** Travis R. Jacobson  
Director - Regulatory Affairs

**Case No.:** PU-21-008

MONTANA-DAKOTA UTILITIES CO.  
COST OF GAS TARIFF SHEET  
NORTH DAKOTA GAS  
EFFECTIVE OCTOBER 2021

	Firm			Small & Large Interruptible	Air Force Interruptible
	Residential & General Service 1/	Optional Seasonal 1/	Contracted Demand		
<b><u>Gas Cost Adjustment:</u></b>					
Gas Cost Level	\$5.437	\$5.559	\$3.987	\$4.137	\$4.118
Prior Filed Gas Cost	<u>5.437</u>	<u>5.559</u>	<u>3.987</u>	<u>4.137</u>	<u>4.118</u>
Current Gas Cost Adjustment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b><u>Surcharge Adjustment:</u></b>					
Current Adjustment	\$0.500	\$0.500	\$0.675	\$0.353	\$0.520
Prior Filed Adjustment	<u>1.850</u>	<u>1.850</u>	<u>0.675</u>	<u>0.353</u>	<u>0.520</u>
Change in Surcharge Adjustment	(\$1.350)	(\$1.350)	\$0.000	\$0.000	\$0.000
Gas Cost Level	\$5.437	\$5.559	\$3.987	\$4.137	\$4.118
Plus: Surcharge	<u>0.500</u>	<u>0.500</u>	<u>0.675</u>	<u>0.353</u>	<u>0.520</u>
<b>Total Gas Cost Level in Tariff Rates</b>	<b><u>\$5.937</u></b>	<b><u>\$6.059</u></b>	<b><u>\$4.662</u></b>	<b><u>\$4.490</u></b>	<b><u>\$4.638</u></b>
<b><u>Grain Drying Margin Sharing</u></b>					
Current Adjustment	(\$0.011)	(\$0.011)	(\$0.011)	\$0.000	\$0.000
Prior Filed Gas Cost	<u>(0.011)</u>	<u>(0.011)</u>	<u>(0.011)</u>	<u>0.000</u>	<u>0.000</u>
Change in Grain Drying Sharing Margin	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Cost of Gas Billed</b>	<b><u>\$5.926</u></b>	<b><u>\$6.048</u></b>	<b><u>\$4.651</u></b>	<b><u>\$4.490</u></b>	<b><u>\$4.638</u></b>
<b>Net Increase (Decrease) in Gas Costs</b>	<b><u>(\$1.350)</u></b>	<b><u>(\$1.350)</u></b>	<b><u>\$0.000</u></b>	<b><u>\$0.000</u></b>	<b><u>\$0.000</u></b>

1/ Rates effective November 1, 2021

**MONTANA-DAKOTA UTILITIES CO.  
COST OF GAS - PROPANE  
NORTH DAKOTA  
EFFECTIVE NOVEMBER 2021**

Cost of Purchased Propane	\$58,423
Gallons Purchased	46,994
Projected dk Sales	4,300
Propane Cost per Dk	\$13.587
Average Cost of Propane as Adjusted for Losses @ 99.55%	13.648
Less: Propane Cost Level in Rates 1/	<u>10.981</u>
Current Propane Cost Adjustment	<u><u>\$2.667</u></u>

1/ Propane Cost Level in Current Rates - Case No. PU-21-008, effective October 1, 2021.

MONTANA-DAKOTA UTILITIES CO.  
COST OF GAS - PROPANE TARIFF SHEET  
NORTH DAKOTA PROPANE  
EFFECTIVE NOVEMBER 2021

**Cost of Gas - Propane**

Current Propane Cost (Exhibit 3, Page 1)	\$13.648
Prior Filed Propane Cost	<u>10.981</u>
Current Propane Cost Adjustment	<u><u>\$2.667</u></u>

**Surcharge Adjustment**

Current Adjustment	\$0.204
Prior Filed Adjustment	<u>0.204</u>
Change in Surcharge Adjustment	\$0.000

**Grain Drying Margin Sharing**

Current Adjustment	(\$0.011)
Prior Adjustment	<u>(0.011)</u>
Change in Grain Drying Margin Sharing	\$0.000

**Total Cost of Gas Items** \$13.841

**Net Increase (Decrease) in Gas Costs** \$2.667

**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 28, 2021</b>									<b><u><u>(\$2,365)</u></u></b>
March 2021	\$2,873	\$0	\$0	\$2,873	5,036	(\$1.084)	(\$5,460)	\$8,333	5,968
April	(6,129)	0	0	(6,129)	3,861	(1.084)	(4,185)	(1,944)	4,024
May	(3,313)	0	0	(3,313)	2,031	0.204	(331) 2/	(2,982)	1,042
June	6,937	0	0	6,937	1,321	0.204	269	6,668	7,710
July	(7,493)	0	0	(7,493)	779	0.204	158	(7,651)	59
August	(767)	0	0	(767)	747	0.204	153	(920)	(861)
<b>Balance @ August 31, 2021</b>									<b><u><u>(\$861)</u></u></b>

1/ Interest calculated at Three Month Treasury Bill rate.  
2/ Reflects 578 Dk @ (\$1.084) and 1,453 Dk @ \$0.204.