

705 West Fir Ave.
Mailing Address:
P.O. Box 176
Fergus Falls, MN 56538-0176
1-877-267-4764

June 4, 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-21-010

Pursuant to staff's request, Great Plains Natural Gas Co. (Great Plains), a Division of Montana-Dakota Utilities Co., herewith submits information that is complementary to the May 21, 2021 waiver request to the Gas Cost Reconciliation (GCR).

On May 21, 2021, Great Plains requested a waiver to the Rate 88 tariff as a result of the significant natural gas price increase due to the cold weather event in February 2021. As such, Great Plains requested Commission approval to implement a change to the GCR effective of July 1, 2021, with an extended timeframe of recovery over twenty-three months. This timeframe would reconcile with the expected GCR filing to be made and implemented June 1, 2023. This extended timeframe would allow for a mitigated impact to customers while also allowing recovery of costs incurred by Great Plains. Great Plains asserts this will benefit its customers and is in the public interest.

The Company acknowledges that this request differs from the Montana-Dakota Utilities Co. (Montana-Dakota) request in recovery methodology and length. Great Plains' customer classes differ from Montana-Dakota in that they are more limited and thus customers within a class may not have similar usage patterns. As a result, the Company determined that a staggered recovery approach could unduly harm those customers that have a higher summer usage pattern and drove the Company's request for a fixed recovery method. The extended length of recovery is an additional effort to minimize the effect on the customer classes while recovering the appropriate balance. Great Plains will continue to file yearly GCR evaluations, in compliance with its tariff, and will adjust the recovery amount as needed.

If you have questions regarding this filing, please contact me at (701) 222-7855 or travis.jacobson@mdu.com

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs



GREAT PLAINS
NATURAL GAS CO.

A Division of Montana-Dakota Utilities Co.

In the Community to Serve®

North Dakota

May 21, 2021

Case No. PU-21-010

Cost of Gas 2021

Monthly Purchase Gas Cost Adjustment

Timeline

Jan 29, 2021

- Monthly PGA Filing

Feb 12-18, 2021

- Extreme Cold Weather Event

Feb 26, 2021

- GPNG Requested Elimination of Current Surcharge eff. 3/1/21

Mar 1, 2021

- Surcharge Adjusted to \$0.00

May 21, 2021

- Submitted proposal for alternative recovery method

Current Process

- Last day of the Month – PGA is filed with the forecasted monthly cost of gas
- End of Month – Over/Under Collected Balance is Calculated
- June 1 – Annual Surcharge Adjustment is implemented to recover or refund Collected Balance over the next 12 months

Proposal

Under-recovered Balance on April 30, 2021

- Firm: \$593,350
- Interruptible: \$1,569,371

	Proposal (July 1, 2021 -May 31, 2023)	Surcharge Adj (w/o tariff waiver) June 1, 2021 - May 31, 2022
Firm	\$1.0283	\$2.0460 1/
Interruptible	\$1.0983	\$2.1222 1/

Necessary Residential (Firm) Recovery is \$164

1/ Per May 28, 2021 Cost Of Gas filing

Effect on Customers

Average Residential Bills Incorporating February Gas Cost Recovery

	Year 1			Year 2			Year 3		
	Current Bill	Recovery	Total Bill	Current Bill	Recovery	Total Bill	Current Bill	Recovery	Total Bill
January				\$86.69	\$15.42	\$102.11	\$86.69	\$15.42	\$102.11
February				91.20	16.45	107.65	91.20	16.45	107.65
March				70.90	12.34	83.24	70.90	12.34	83.24
April				49.60	8.23	57.83	49.60	8.23	57.83
May				28.80	4.11	32.91	28.80	4.11	32.91
June				12.76	1.03	13.79			
July	13.01	1.03	14.04	13.01	1.03	14.04			
August	13.01	1.03	14.04	13.01	1.03	14.04			
September	12.76	1.03	13.79	12.76	1.03	13.79			
October	18.28	2.06	20.34	18.28	2.06	20.34			
November	49.60	8.23	57.83	49.60	8.23	57.83			
December	65.64	11.31	76.95	65.64	11.31	76.95			
Total	\$172.30	\$24.69	\$196.99	\$512.25	\$82.27	\$594.52	\$327.19	\$56.55	\$383.74

Why the Difference in Proposals between MDU and GPNG?



A Division of Montana-Dakota Utilities Co.

In the Community to Serve®

2 Customer Classes (less diversity)

- Firm
- Interruptible

Some Customers have significant summer volume

Seasonal Rates may impact GPNG customers disproportionately



In the Community to Serve®

5 Customer Classes

- Residential & Gen Service
- Optional Seasonal
- Contracted Demand
- Sm & Lg Interrupt.
- Air Force Interrupt.

Residential & Gen Service Customers have reasonably similar use patterns

Seasonal Rates for MDU customers are only residential



A Division of Montana-Dakota Utilities Co.

In the Community to Serve®