



GREAT PLAINS
NATURAL GAS CO.

A Division of Montana-Dakota Utilities Co.

In the Community to Serve®

North Dakota

July 8, 2021

Case No. PU-21-010

23 PU-21-10 Filed 07/08/2021 Pages: 22

Informal Hearing presentation

Great Plains Natural Gas Co.

Cost of Gas 2021

February 2021 Pricing Event

Purchasing Strategy and Execution

GAS SUPPLY
PURPOSE

Sustainably keep our customers' "Cost of Gas" at the most affordable price possible while maintaining a reliability of service that meets customer expectations.

BENCHMARKS

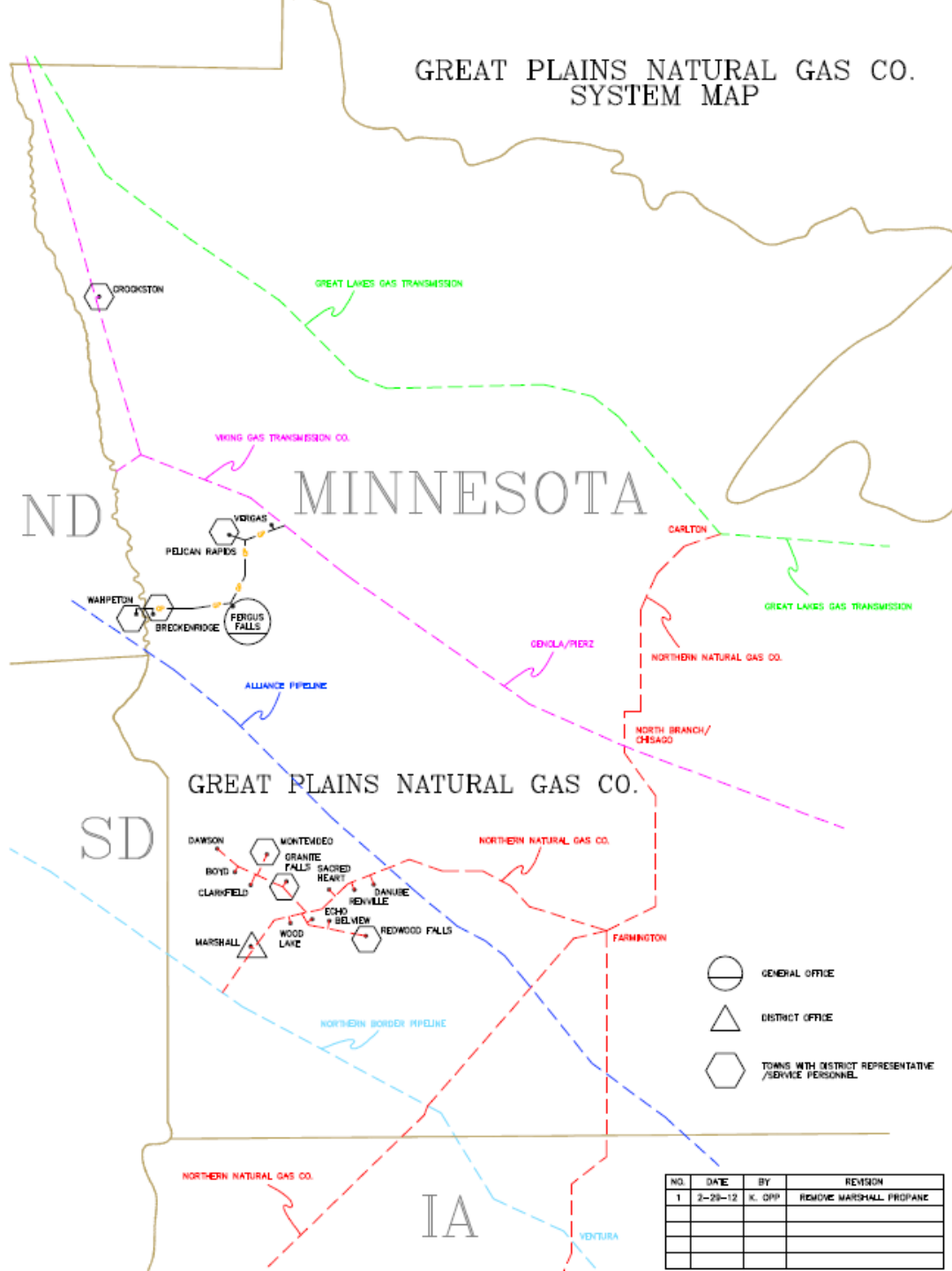
Natural gas costs at or below regional market prices

Ensure delivery of gas is available to all firm customers in all demand circumstances

PRESENTATION
PURPOSE

- Describe regional pipeline infrastructure and markets
- Define supply options available to GPNG
- Present GPNG's supply purchasing strategy entering each heating-season
 - Present performance targets and model inputs
- Overview of strategy execution during February 2021 Pricing Event

GREAT PLAINS NATURAL GAS CO. SYSTEM MAP



NO.	DATE	BY	REVISION
1	2-28-12	K. OPP	REMOVE MARSHALL PROPANE

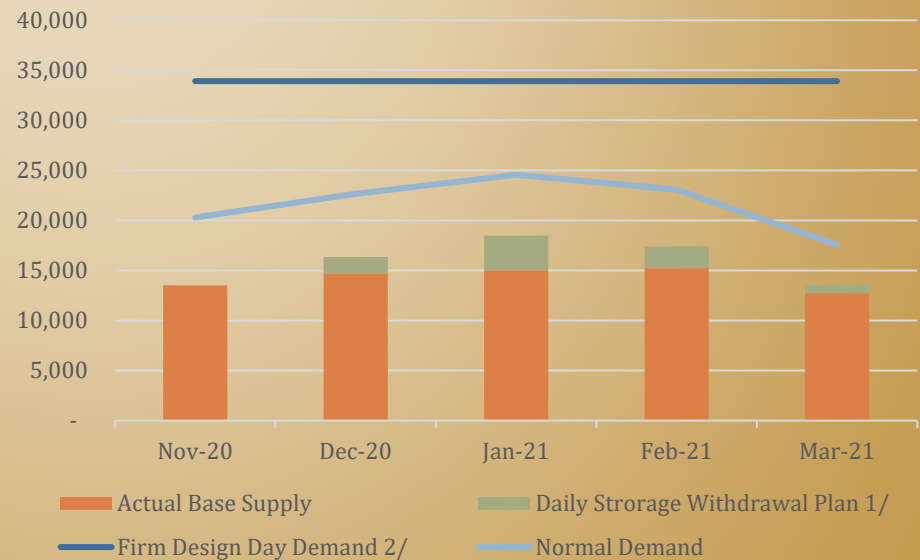
SUPPLY OPTIONS

- Base Supply
 - IFERC (first of month) Price or Fixed Price
 - Fixed Quantity each day of month
- Storage
 - Total Quantity: 267,547 Dth
 - Daily Max: 4,640
 - Ratcheting mechanism
 - Priced (valued) from injection supply costs (summer)
- Swing Supply
 - Daily call quantity up to maximum (guaranteed)
 - Gas Daily Price
 - Time Constraint
 - (7:45 am)
 - Ratable Weekend/Holiday
- Day Gas
 - Gas Daily Price or Fixed Price
 - Agreed Upon Quantity
 - No guarantee of supply
 - Ratable Weekend/Holiday

BASE SUPPLY AND STORAGE SUPPLY TARGET: 75% OF NORMAL DEMAND

1. Determine monthly normalized supply requirement
2. Multiply by 75%
3. Subtract storage withdrawal schedule
 - Storage schedule based on NNG ratcheting and pricing forecast
 - No planned withdrawals in November to preserve gas in place and daily max withdrawal
4. Purchase Base Supply

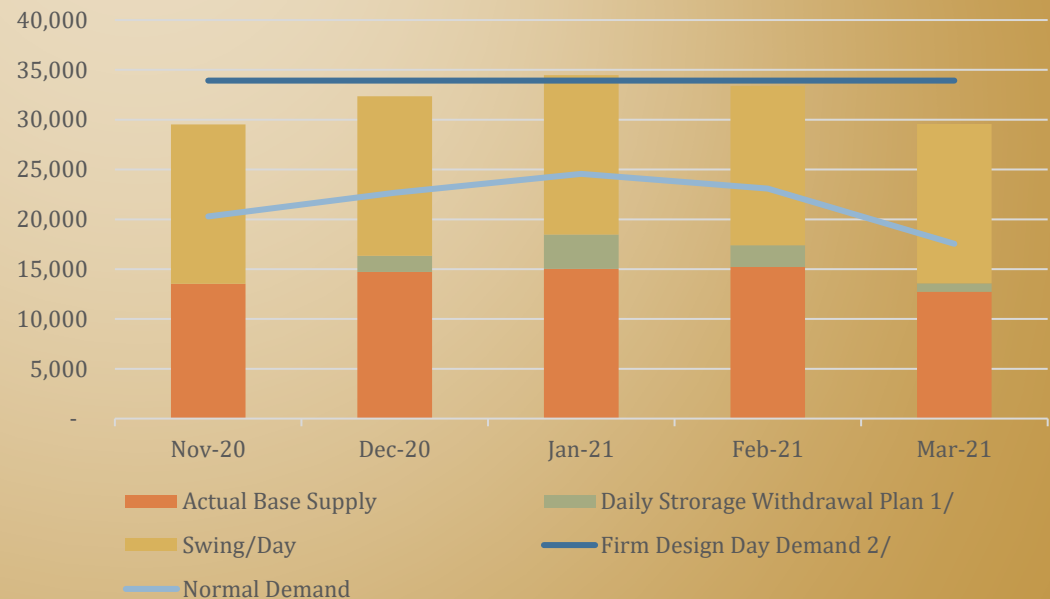
GPNG Supply Stack 2020-2021 Heating Season
(Daily)



SWING SUPPLY AND DAY GAS

- Swing Supply
 - Contract enough to meet total design day firm requirement of 33,919 Dth/day (storage + base + swing)
- Day Gas
 - Optional supply allowing GPNG to choose best price offer
 - Not guaranteed
 - Example when used:
 - Swing Supply priced at GD|Vent +\$0.03
 - Day Gas priced at GD|Vent +\$0.01 (best price)

GPNG Supply Stack 2020-2021 Heating Season
(Daily)



KNOWN FACTORS - DEMAND

(GREAT PLAINS COMBINED NORTH DAKOTA AND MINNESOTA)

- Normalized Core Demand

Month	Crookston	North 4	S. District	Wahpeton	Total
Nov-20	53,180	183,449	263,576	108,387	608,592
Dec-20	71,395	189,508	304,584	137,043	702,530
Jan-21	79,014	207,349	331,383	143,645	761,391
Feb-21	66,621	176,593	280,475	122,516	646,205
Mar-21	57,313	148,999	227,407	110,358	544,077

Month	Crookston	North-4	South 13	Wahpeton	Total
Nov-20	1,773	6,115	8,786	3,613	20,286
Dec-20	2,303	6,113	9,825	4,421	22,662
Jan-21	2,549	6,689	10,690	4,634	24,561
Feb-21	2,379	6,307	10,017	4,376	23,079
Mar-21	1,849	4,806	7,336	3,560	17,551

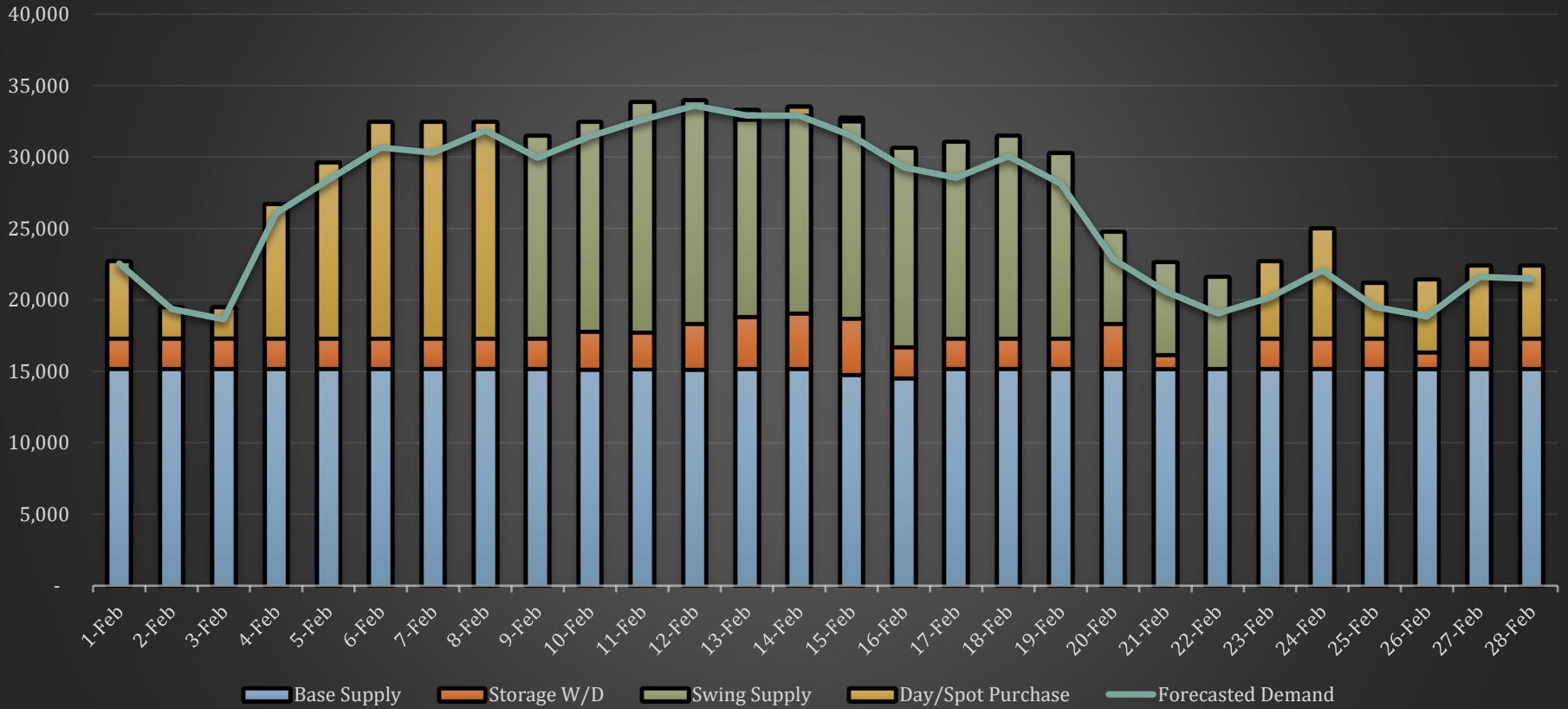
GREAT PLAINS COMBINED NORTH DAKOTA AND MINNESOTA –
PGA ESTIMATES

- Monthly Purchase Plan (Base Qty)
 - November: 624,150 Dth (405,690 Dth)
 - December: 672,917 Dth (456,413 Dth)
 - January: 674,839 Dth (465,713 Dth)
 - February: 603,624 Dth (426,244 Dth)
 - March: 531,960 Dth (394,413 Dth)

- Monthly Withdrawal Targets
 - November: 0 Dth
 - December: 50,309 Dth
 - January: 107,015 Dth
 - February: 60,875 Dth
 - March: 26,534 Dth

FEBRUARY 2021 SUPPLY STACK

Supply Stack February 2021



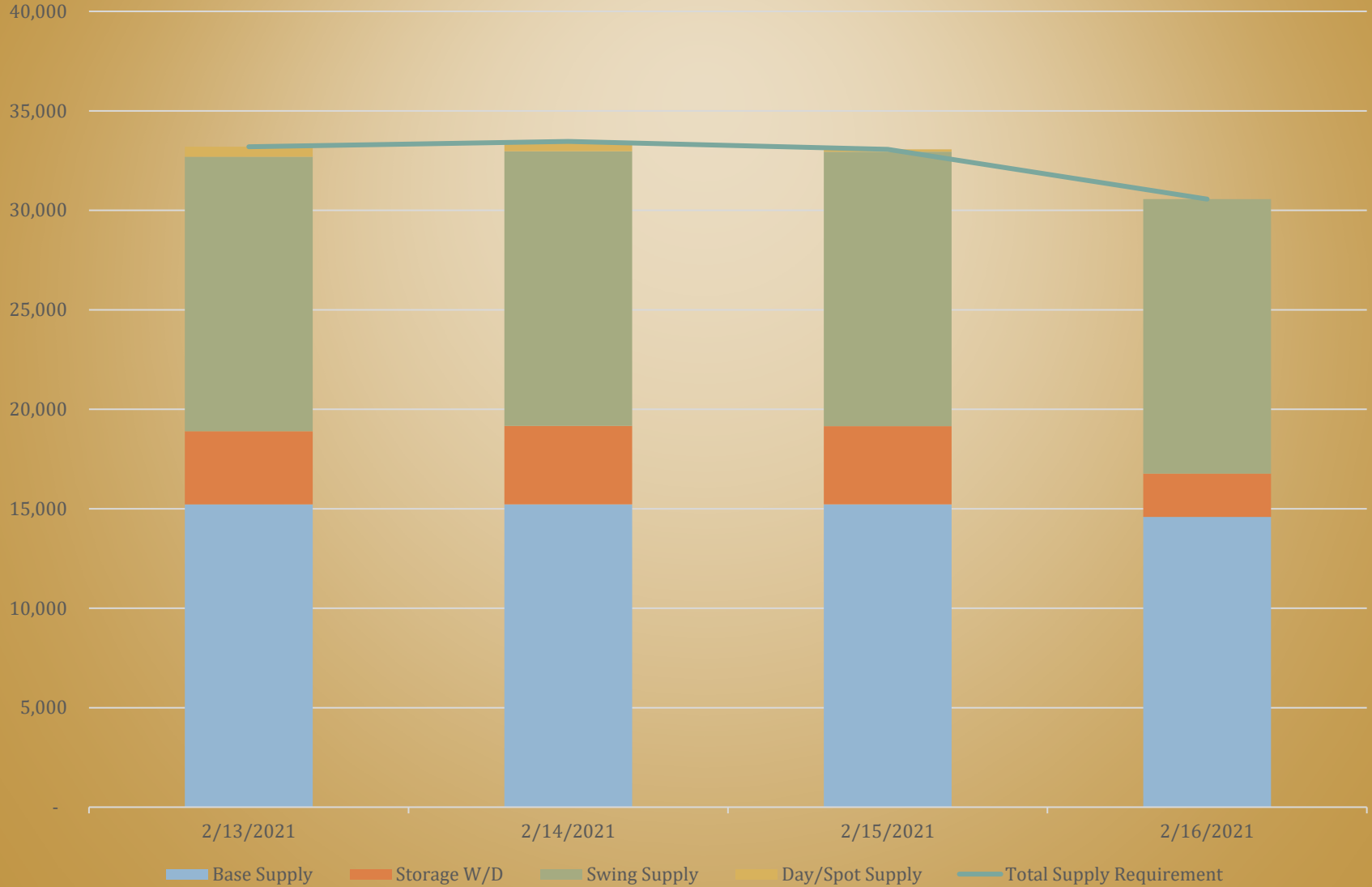
PRICING EVENT FEBRUARY 13-16

- Friday February 12
 - Generated Demand for holiday weekend to determine purchase requirements
 - Saturday 2/13: 33,200
 - Sunday 2/14: 33,500 1/
 - Monday 2/15: 33,000
 - Tuesday 2/16: 30,600
 - Base Supply = 15,223 Dth
 - Storage Withdrawal = 3,944 Dth 2/
 - Remainder = 14,300 Dth (Swing or Day)
 - No posted pricing prior to 7:45 am
 - Called on 13,800 Dth/day of Swing
 - Purchased 500 Dth/day of Day Gas after NNG constraint posting

1/ Peak day of holiday weekend – ratable weekend requires purchasing for this day and reducing storage withdrawals for other days of weekend.

2/ Maximum withdrawal based on GIP (ratchet)

Supply Stack Feb 13-16, 2021



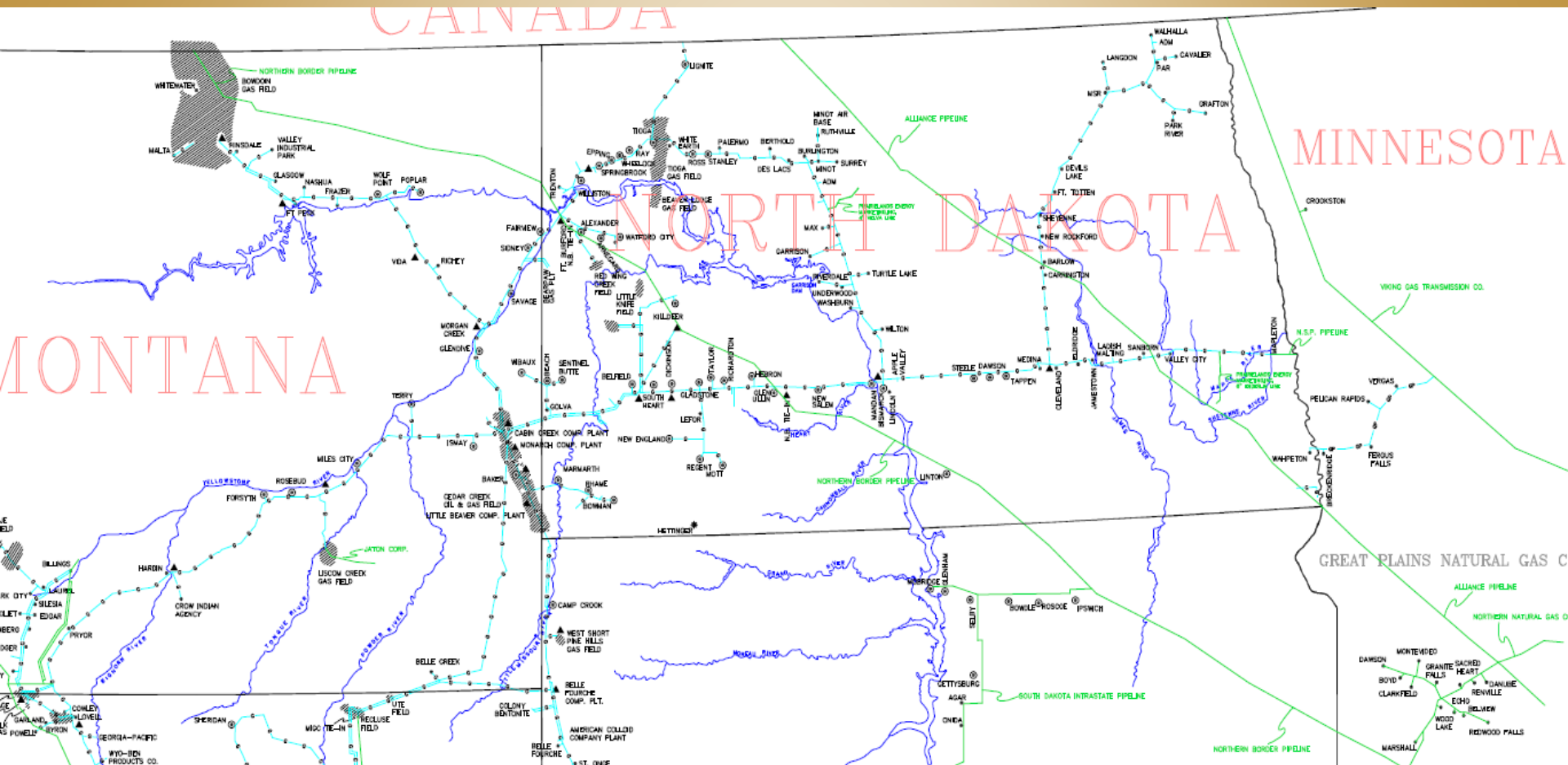
SUPPLY COSTS

- February 13-16
 - Swing Costs = \$9.8M
- Settlement Prices
 - GD|Ventura = \$154.905
 - GD|Demarc = \$231.67
- February 17
 - Swing Costs = \$2.3M
- Settlement Prices
 - GD|Ventura = \$188.32
 - GD|Demarc = \$133.635



A Division of Montana-Dakota Utilities Co.

In the Community to Serve®



CANADA

MINNESOTA

NORTH DAKOTA

MONTANA

GREAT PLAINS NATURAL GAS CO.

