

Hamre, John G.

From: Kristine Anderson <kanderson@greatermngas.com>
Sent: Monday, May 3, 2021 8:12 AM
To: -Info-Public Service Commission
Subject: Dakota Natural Gas - Information Request Filing for Case No. 21-103
Attachments: DNG Application for Trade Secret Protection.pdf; DNG Response to Information Request - TRADE SECRET.pdf

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Good morning,

Due to an internal oversight occasioned by pandemic remote working and staff turnover, the attached filing was not sent. I apologize for the inconvenience. The Trade Secret version will arrive no later than Wednesday via Fed Ex, Tracking No. 7736 0950 5828, along with additional trade secret info (each to be enclosed in a separate envelope with the appropriate docket number). Thank you!

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**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA**

Julie Fedorchak
Randy Christmann
Brian Kroshus

Chair
Commissioner
Commissioner

Case No. PU-21-103

**In the Matter of a Commission
Investigation Into the Impacts
and Rate Treatment From an
Extreme Cold Weather Event**

**RESPONSE TO
REQUEST FOR INFORMATION
NON-PUBLIC DOCUMENT –
CONTAINS TRADE SECRET DATA**

On March 3, 2021, the North Dakota Public Service Commission (Commission) initiated an investigation into the impacts and rate treatment for public utility customers resulting from an extreme cold weather event spanning February 5, 2021 to February 18, 2021. On March 8, 2021, Commission Staff, by letter, requested that Dakota Natural Gas, LLC (DNG) provide information related to specific details regarding the Event. DNG respectfully submits its responses herein.

DNG RESPONSES

DNG provides the requested information in responses below, corresponding to the specific requests in Staff's March 8, 2021 letter.

NDPSC Request No. 1.1: Please provide forecasted February 2021 gas usage and cost estimates by customer class used to derive the Feb 2021 Cost of Gas (COG) rate.

RESPONSE: DNG does not estimate usage and costs by customer class, so it is not able to provide that breakdown. DNG's total estimated volume for February, 2021 was [TRADE SECRET DATA BEGINS] 1,400 dekatherms at a cost of approximately \$3,552, resulting in a unit cost of \$0.25369 per therm. [TRADE SECRET DATA ENDS]

NDPSC Request No. 1.2: Please provide the actual February 2021 gas usage and cost actuals by customer class.

RESPONSE: For February, 2021, DNG's actual volume was [TRADE SECRET DATA BEGINS] 3,500 dekatherms at a cost of approximately \$9,248, resulting in a unit cost of \$0.26422 per therm. [TRADE SECRET DATA ENDS]

NDPSC Request No. 1.3: What is the total North Dakota difference between the forecast and actual natural gas cost/revenues for February 2021?

RESPONSE: The table below identifies DNG's forecasted amounts and actual data for February 2021's volume, cost, and revenue.

[TRADE SECRET DATA BEGINS]

	Dkt	Cost	Revenue
Forecast	1,400	\$3,552	\$4,241
Actual	3,500	\$9,248	\$10,602
Difference	2,100	\$5,896	\$6,361

[TRADE SECRET DATA ENDS]

NDPSC Request No. 1.4: What amount of gas was forecasted to be used from storage during February? What actual amount of gas was used from storage?

RESPONSE: DNG's does not currently utilize natural gas storage, so this request is not applicable.

NDPSC Request No. 1.5: What amount of gas is procured using contract prices versus spot pricing? Is the contracted percentage the same year to year?

RESPONSE: Since DNG is still in its infancy, DNG's supply procurement plan is still in developmental stages; and, since this is the first season of operation, DNG does not have prior years to compare pricing. In February, DNG purchased **[TRADE SECRET DATA BEGINS]** 1,400 **[TRADE SECRET DATA ENDS]** dekatherms of First of the Month gas and also purchased **[TRADE SECRET DATA BEGINS]** 2,100 **[TRADE SECRET DATA ENDS]** dekatherms of spot gas during the severe weather event.

NDPSC Request No. 1.6: How much of the gas usage during the events was used by customers on an interruptible rate?

RESPONSE: DNG does not yet have interruptible customers on its system, so this request is not applicable.

NDPSC Request No. 1.7: How much interruptible customer gas usage was curtailed?

RESPONSE: DNG does not yet have interruptible customers on its system, so this request is not applicable.

NDPSC Request No. 1.8: How much interruptible customer gas usage could have been curtailed during the events?

RESPONSE: *DNG does not yet have interruptible customers on its system, so this request is not applicable.*

NDPSC Request No. 1.9: What does your tariff or policy dictate regarding interruptible customers when gas supply is available, but the gas price is extreme?

RESPONSE: *DNG's tariff does not specifically speak to the issue; however, it does permit DNG to curtail usage for any reason. DNG's internal policy is that it will curtail interruptible customers in situations where there is a high likelihood that use by interruptible customers would have a substantial adverse impact on DNG's firm customers, which may include circumstances such as extreme cold and extreme price spikes.*

NDPSC Request No. 1.10: What mechanism would normally be used to recoup the under collection of natural gas costs from question 1.3?

RESPONSE: *Costs will normally be recouped using an annual true-up.*

NDPSC Request No. 1.11: What timeframe would the under collection normally be spread over? What return amount does the company earn on the under-collected balance?

RESPONSE: *DNG intends that its annual true-up will spread recoupment of under-collection over a twelve-month period. DNG intends that only the actual amount of under-collection will be allocated in its annual true-up without any additional return.*

NDPSC Request No. 1.12: Are there alternatives to the mechanism and timeframe to recoup the under collected balance that would provide less rate shock to North Dakota ratepayers?

RESPONSE: *DNG does not anticipate that its customers will experience any material impact resulting from the severe weather event, so there is no anticipated rate shock that will require mitigation.*

CONCLUSION

DNG appreciates the opportunity to provide information regarding its operations during the extreme cold weather event and is pleased that it does not anticipate a substantial rate impact for its customers.

Dated: April 8, 2021

Respectfully submitted,

/s/

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