

# Memorandum

To: Commissioners Fedorchak, Christmann and Kroshus

From: Victor Schock Public Utility Analyst 

Date: August 3, 2021

Re: Dakota Natural Gas, LLC  
February 2021 Extreme Cold Weather Event Investigation – Natural Gas  
Case No. PU-21-103

On May 5, 2021 Dakota Natural Gas, LLC (DNG) filed its responses to the Commission's data requests relative to DNG's natural gas impacts from the February 2021 cold weather event.

The responses, which can be found in docket item 2 of the above captioned case, detail the impacts of the cold weather event on DNG's North Dakota natural gas customers. I found additional information relevant to this event in Case No. PU-21-15, which is DNG's 2021 monthly Cost of Gas (COG) adjustment.

The calculation of the COG is completed monthly and adjusted for changes to the COG since the most recent COG filing. The costs included in the calculation are demand, commodity, storage, gathering and transportation charges. The difference between the revenues received each month and what the actual costs were are calculated annually and a surcharge to the COG adjustment is implemented for the subsequent twelve months to recover an under-collected balance or pass back an over-collected balance.

The Commission's investigation included information requests from commission staff (staff) to DNG. The responses to those requests were received on May 21, 2021 and June 22, 2021.

The impact of the February 2021 cold weather event on the DNG North Dakota natural gas system was an immaterial under-collection of gas costs. The specific numbers for DNG are marked as trade secret in this case, however staff completed a thorough review of the trade secret filings and history of DNG's over/under collections of gas costs. Based on that review, staff is in agreement that the amount of under-collection is immaterial, being of a similar amount to other months that did not have a significant market price spike. This under-collection would normally be collected from September 1, 2021 through August 31, 2022, and due to the immaterial impact staff believes it is not necessary to make any adjustments at this time.

Based on its investigation staff recommends that no further action be taken and the case be closed.

c. Kristine Anderson (DNG)