

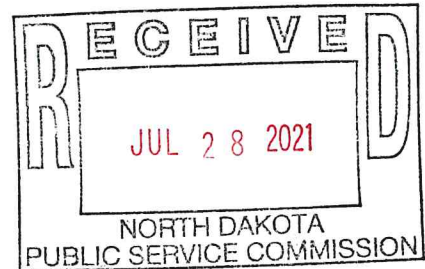


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July 27, 2021

**VIA FEDERAL EXPRESS**

Mr. Steve Kahl, Executive Secretary  
North Dakota Public Service Commission  
600 E. Boulevard Ave., Dept. 480  
Bismarck, ND 58505-0480



RE: Dakota Natural Gas documents

Dear Mr. Kahl:

It has come to my attention that an envelope containing Dakota Natural Gas, LLC's (DNG's) Annual Report for 2020 and its July Cost of Gas filing has either not arrived at the PSC or has gone missing. Pursuant to my conversation with Patrick Fahn this afternoon, I have enclosed duplicate copies of the information previously sent. Hence, when the original envelope is located, please note that the information is the same.

Thank you for your assistance. Please do not hesitate to contact me should you have any questions or concerns or if you require additional information. My direct dial number is (507) 209-2110 and my email address is [kanderson@greatermngas.com](mailto:kanderson@greatermngas.com).

Sincerely,

DAKOTA NATURAL GAS, LLC



Kristine A. Anderson

Corporate Attorney (Minnesota) & Regulatory Affairs  
Enclosure



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July 9, 2021

Mr. Steve Kahl, Executive Secretary  
North Dakota Public Service Commission  
600 E. Boulevard Ave., Dept. 480  
Bismarck, ND 58505-0480

RE: Annual Regulated Earnings Report  
Case No. PU-\_\_\_\_\_

**PUBLIC DOCUMENT: TRADE SECRET DATA REDACTED**

Dear Mr. Kahl:

Enclosed herewith, please find Dakota Natural Gas, LLC's (DNG's) Annual Report for 2020. Please note that DNG only began serving customers in late 2020.

This is a public document; and, a trade secret version of this document has also been submitted under separate cover. An Application for Trade Secret Protection is also submitted, requesting trade secret protection and the associated confidential treatment for DNG's Annual Report.

DNG's regulated earnings in 2020 resulted in a Return on Equity (ROE) of **[TRADE SECRET BEGINS]** ..... **[TRADE SECRET ENDS]** percent. Since 2020 was DNG's first year of distribution, there is no comparative information. DNG's authorized ROE is 10 percent, approved December 13, 2018 in Case No. PU-18-348. Normalizing for weather conditions, the ROE was **[TRADE SECRET BEGINS]** ..... **[TRADE SECRET ENDS]** percent.

I apologize for the late filing of the report. Since 2020 marked DNG's first year of gas distribution, DNG was inadvertently mistaken about the timing and content of the required report. Hereafter, DNG will submit the report as soon as it can following receipt of its annual audited financial statements.

Thank you for your assistance. Please do not hesitate to contact me should you have any questions or concerns or if you require additional information. My direct dial number is (507) 209-2110 and my email address is [kanderson@greatermngas.com](mailto:kanderson@greatermngas.com).

Sincerely,

DAKOTA NATURAL GAS, LLC

s/  
Kristine A. Anderson  
Corporate Attorney (Minnesota) & Regulatory Affairs  
Enclosure

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Dakota Natural Gas, LLC  
Natural Gas Utility - North Dakota

[TRADE SECRET BEGINS.....

I. RETURN ON EQUITY (ROE)

Actual Return on Equity (ROE)

Initial Year

2020

- 1 Operating Income from Gas Operations (G-2):
- 2 Average Regulated Rate Base (G-3):
- 3 Rate of Return on Rate Bas (ROR) (line 1 / line 2):
  
- 4 Weighted Cost of Debt (G-4):
- 5 % of Equity in Capital Structure (G-4):
  
- 6 Return on Equity (ROE):

=====

ROE, Normalized for Weather Impact on Sales

- 7 Operating Income from Gas Operations:
- 8 Impact of weather on Mcf Sales:
- 9 Impact of weather on Gas Operating Income:
- 10 Weather-Normalized Operating Income:
- 11 Average Regulated Rate Base:
- 12 Weather-Normal Rate of Return on Rate Base (ROR):
  
- 13 Weather-Normalized Return on Equity (ROE):

=====

..... TRADE SECRET ENDS]

Dakota Natural Gas, LLC  
Natural Gas Utility - North Dakota

[TRADE SECRET BEGINS.....

II. OPERATING INCOME

<u>Line</u>	<u>Item</u>	<u>Initial Year</u> <u>2020</u> <u>100% ND</u>
	<b><u>Operating Revenues</u></b>	
1	Residential	
2	Firm C & I	
3	Interruptible C & I	
4	Total Retail	_____
5	Transportation	
6	Other	
7	Total Revenues:	_____
	<b><u>Operating Expenses:</u></b>	
8	Cost of Gas	
9	Admin. & General	
10	Customer Services	
11	Depreciation & Amortizations	
12	Distribution Expense	
13	Property Taxes	
14	Payroll & Other Taxes	
15	Sales Expense	
16	Management Fee	
17	Income Taxes (Imputed)	
18	Total Expenses:	_____
19	Regulated Operating Income	=====

..... TRADE SECRET ENDS]

Dakota Natural Gas, LLC  
Natural Gas Utility - North Dakota

[TRADE SECRET BEGINS.....

III. AVERAGE RATE BASE

<u>Line</u>	<u>Item</u>	<u>Initial Year</u> <u>2020</u> <u>100% ND</u>
1	Plant in Service	
2	Accumulated Depreciation	
3	Net Plant in Service	_____
4	Plant Held for Future Use	
5	Construction Work In Progress	
6	Materials & Supplies	
7	Gas Inventory	
8	Prepayments & Other	
9	Customer Deposits	
10	Cash Working Capital	
11	Other Rate Base	
	Total Other Rate Base	_____
12	Total Average Rate Base	=====

- (1) Includes deferred assets and liabilities such as accrued vacations and unfunded retirement liability.

..... TRADE SECRET ENDS]

Dakota Natural Gas, LLC  
 Natural Gas Utility - North Dakota

[TRADE SECRET BEGINS.....

IV. COST OF CAPITAL

2020 Actual

<u>Line</u>	<u>Item</u>	<u>Amount</u>	<u>% of Total</u>	<u>Cost</u>	<u>Weighted Cost</u>
* 1	Long-Term & Short-Term Debt	_____	_____	_____	_____
2	Total Debt	_____	_____	_____	_____
* 3	Members Equity	_____	_____	_____	_____
4	Total Equity	_____	_____	_____	_____
5	Total Capital	=====	=====	_____	=====

2020 Normalized

<u>Line</u>	<u>Item</u>				
6	Long-Term & Short-Term Debt	_____	_____	_____	_____
7	Total Debt	_____	_____	_____	_____
8	Members Equity	_____	_____	_____	_____
9	Total Equity	_____	_____	_____	_____
10	Total Capital	=====	=====	_____	=====

\* Debt and Equity are based on yearend amounts because this is the initial year. Future year filings will be based on average monthly balances.

..... TRADE SECRET ENDS]

[TRADE SECRET BEGINS.....

I. SALES AND CUSTOMER DATA

<u>Line</u>	<u>Customers (12/31)</u>	<u>Initial Year</u> <u>2020</u>
1	Residential	
2	Firm C & I	
3	Interruptible C & I	
4	Total Retail	_____
5	Transportation	
 <u>Mcf Sales</u>		
6	Residential	
7	Firm C & I	
8	Interruptible C & I	
9	Total Retail	_____
10	Transportation	
 <u>Retail Revenues</u>		
<i>Distribution Services</i>		
11	Residential	
12	Firm C & I	
13	Interruptible C & I	
14	Total Distribution Services	_____
<i>Gas Cost Recovery</i>		
15	Residential	
16	Firm C & I	
17	Interruptible C & I	
18	Total Gas Cost Recovery	_____
19	Total Revenues	=====
20	Ave. Retail \$/mcf	
21	Ave. Res. Mo. Usage (ccf)	*
22	Ave. Res. Monthly Bill	*

\* Reflects only 3 months of service (October - December)

..... TRADE SECRET ENDS]

Dakota Natural Gas, LLC  
Natural Gas Utility - North Dakota

[TRADE SECRET BEGINS.....

II. AFFILIATED TRANSACTION SUMMARY

<u>Affiliate Name</u>	<u>Services Rendered</u>	<u>Expense</u>	<u>Revenue</u>
-----------------------	--------------------------	----------------	----------------

		<u>\$ -</u>	<u>\$ -</u>
--	--	-------------	-------------

..... TRADE SECRET ENDS]

Dakota Natural Gas, LLC  
Natural Gas Utility - North Dakota

[TRADE SECRET BEGINS.....

III. AFFILIATED TRANSACTION ALLOCATION DETAIL

	<u>Total Expense</u>	<u>Total Revenue</u>
Total	<u>\$ -</u>	<u>\$ -</u>

Notes:

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Allocation of Revenues & Expenses

	<u>To Dakota Natural Gas, LLC</u>	<u>From Dakota Natural Gas, LLC</u>
Total	<u>\$ -</u>	<u>\$ -</u>

..... TRADE SECRET ENDS]