

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Great Plains Natural Gas Co.
Cost of Gas 2022
Tariff Monthly Adjustments**

Case No. PU-22-10

ORDER

June 29, 2022

Preliminary Statement

On May 21, 2021, in case PU-21-10, Great Plains Natural Gas Co. (GP) filed an application for a variance to its cost of gas true-up pursuant to the terms of North Dakota Administrative Code section 69-09-02-39, Automatic Adjustment Clauses. The variance would allow GP to extend the time, from 12 months to 23 months, for recovery of an under-collected balance of the cost of gas adjustment.

On July 28, 2021, in case PU-21-10, the Commission issued an Order approving the variance to GP's cost of gas adjustment. The variance permitted GP to recover the costs via a surcharge adjustment from August 1, 2021, through September 30, 2021.

On June 1, 2022, in case PU-22-10, GP filed an application for a variance to its cost of gas true-up pursuant to the terms of North Dakota Administrative Code section 69-09-02-39, Automatic Adjustment Clauses. The variance would eliminate the surcharge adjustment effective July 1, 2022, rather than September 30, 2022.

On June 8, 2022, the Commission issued a Notice of Opportunity for Hearing, which provides until July 15, 2022, for receiving written comments and hearing requests.

The Notice identified the issues to be considered in this matter are:

1. Whether it is appropriate to grant a waiver of the Commission's rules under North Dakota Administrative Code section 69-09-02-39, Automatic Adjustment Clauses, for the stated purpose.
2. Whether the proposed rate change is just and reasonable.

Discussion

Section 4 of GP's Cost of Gas Rider references the cost of gas true-up factors to be recalculated and implemented annually in June of each year; however, GP states the magnitude of an increase in natural gas supply prices due to the weather event in February 2021 necessitates an out-of-period adjustment to mitigate rate impacts to customers. In the absence of an adjustment, the cost of gas for residential customers

would increase by approximately \$2.0460 per dekatherm. This rate would have been effective from June 1, 2021, through May 31, 2022.

GP's current variance request would eliminate the surcharge approved in case PU-21-10. GP states usage volumes and therefore recovery of the under-collected balance has been higher than anticipated. Attachment A of GP's filing shows that the original under-collected balance was recovered in full as of February 28, 2022.

Having considered this matter the Commission finds that a variance is necessary to eliminate the surcharge adjustment to North Dakota customers earlier than originally planned. Therefore, the Commission issues its:

Order

The Commission Orders:

1. Great Plains Natural Gas Co.'s proposed rate change is just and reasonable.
2. Great Plains Natural Gas Co.'s requested variance from the provisions of North Dakota Administrative Code section 69-09-02-39 as detailed in its June 1, 2022, filing is granted.
3. The variance is granted conditional upon the Commission not granting a request for hearing received by July 15, 2022.

PUBLIC SERVICE COMMISSION


Randy Christmann
Commissioner


Julie Fedorchak
Chair


Sheri Haugen-Hoffart
Commissioner