

400 North Fourth Street
Bismarck, ND 58501
701-222-7900

April 7, 2023

Executive Secretary
North Dakota Public Service Commission
State Capitol Building
Bismarck, ND 58505

Re: Cost of Gas Adjustment (COG)
Rate 88 and Rate 99
Case No. PU-23-007

In accordance with North Dakota Century Code Section 49-05-05, Montana-Dakota Utilities Co. (Montana-Dakota) electronically submits a Cost of Gas (COG) change pursuant to the terms of Rates 99. Montana-Dakota will not seek a COG – Natural Gas adjustment change for the month of May 2023 for Rate 88

The COG Adjustment tariff (Rate 88), Section 2(b) provides that "Montana-Dakota shall file to reflect changes in its average cost of gas supply only when the amount of change in such COG is at least 25 (twenty-five) cents per dk." For Rate 88 – Natural Gas, the COG adjustment for the month of May 2023 results in a change of less than 25 cents per dk. Therefore, in accordance with the authorized tariff, Montana-Dakota will not seek a COG adjustment change for the month of May.

The Rate Summary Sheet (20th Revised Sheet No. 3) showing the proposed propane rates to be effective May 1, 2023.

Montana-Dakota purchases propane supplies from various wholesale suppliers for the propane service provided in Hettinger, North Dakota. The net effect of this filing is a decrease of \$6.803 per dk for all customers from the currently effective rates. The commodity cost of propane has decreased \$3.842 per dk as a result of the change in the overall cost of propane. In addition, this filing reflects the change in the surcharge adjustment, shown in Exhibit 2, to reflect a decrease of \$2.961 per dk from the currently effective rates.

The following Exhibits are provided in support of the propane rates to be effective May 1, 2023:

- Exhibit 2 summarizes the cost of gas - propane calculated pursuant to the terms of Rate 99, which apply during the month of May 2023. The average cost of propane for all customers, adjusted for losses, is \$8.234 per dk.

- Exhibit 3 shows the calculation of the surcharge adjustment applicable to the cost of gas - propane which will apply during the period May 1, 2023 through April 30, 2024. The surcharge is (\$2.049) per dk, a decrease of \$2.961 per dk for all customers.

The proposed adjustment, calculated in accordance with Rate 99, will amount to a decrease of approximately \$17,700 for propane customers during the month of May 2023. All of Montana-Dakota's retail propane customers in North Dakota may be affected by this proposal. There were 335 propane customers in North Dakota as of March 31, 2023.

Please refer all inquiries regarding this filing to:

Mr. Travis R. Jacobson
Director of Regulatory Affairs
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

Also, please send copies of all written inquiries, correspondence and pleadings to:

Ms. Allison Waldon
Attorney
MDU Resources Group, Inc.
P. O. Box 5650
Bismarck, ND 58506-5650

Montana-Dakota will submit the \$50.00 filing fee following this filing.

Montana-Dakota respectfully requests this electronic filing, in lieu of an original and two (2) physical copies, be accepted as being in full compliance with the filing requirements of this Commission.

If you have any questions regarding this filing, please contact me at (701) 222-7855 or travis.jacobson@mdu.com

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Attachment
cc: A. Waldon

**RATE SUMMARY SHEET
(PROPOSED)**



Montana-Dakota Utilities Co.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 8

20th Revised Sheet No. 3

Canceling 19th Revised Sheet No. 3

RATE SUMMARY SHEET

Page 1 of 2

Rate Schedule	Sheet No.	Basic Service Charge	Distribution Delivery Charge	Rates 88 & 99 Cost of Gas	Total Rate/ Dk
Residential Rate 60	4	\$0.8244 per day	\$0.000	\$4.857	\$4.857
Air Force Rate 64 Minot Air Force Base PAR Site Firm Service Interruptible Service - PAR Interruptible Service - MAFB	7	\$2,000.00 per month \$175.00 per month	\$0.449 \$0.255 \$0.255	\$4.857 \$4.030 \$4.093	\$5.306 \$4.285 \$4.348
Firm General Service Rate 70 Meters rated < 500 cubic feet Meters rated > 500 cubic feet	13	\$0.75 per day \$2.13 per day	\$1.174 \$0.917	\$4.857 \$4.857	\$6.031 \$5.774
Small Interruptible Gas Rate 71	14	\$450.00 per month	(Maximum) \$0.566	\$4.030	(Maximum) \$4.596
Optional Seasonal Gas Service Rate 72 Meters rated < 500 cubic feet Meters rated > 500 cubic feet	15	\$0.75 per day \$2.13 per day	\$1.174 \$0.917	\$4.973 \$4.973	\$6.147 \$5.890
Contracted Demand Service Rate 74 Meters rated < 500 cubic feet Meters rated > 500 cubic feet	16	\$0.75 per day \$2.13 per day	(Demand Charge) \$8.000	(Capacity Charge) (COG/Dk)	\$10.720 \$4.468
Transportation Service Small Interruptible Rate 81 Maximum Minimum Large Interruptible Rate 82 Maximum Minimum	24	\$450.00 per month	\$0.566 \$0.102 \$0.237 \$0.061		\$0.566 \$0.102 \$0.237 \$0.061
Large Interruptible Gas Rate 85	27	\$1,600.00 per month	(Maximum) \$0.237	\$4.030	(Maximum) \$4.267
Residential Propane Rate 90	32	\$0.8244 per day	\$0.000	\$6.170	\$6.170
Firm General Propane Rate 92 Meters rated < 500 cubic feet Meters rated > 500 cubic feet	34	\$0.75 per day \$2.13 per day	\$1.174 \$0.917	\$6.170 \$6.170	\$7.344 \$7.087

Date Filed: April 7, 2023

Effective Date: Service rendered on and after May 1, 2023

Issued By: Travis R. Jacobson
Director - Regulatory Affairs

Case No.: PU-23-007

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE TARIFF SHEET
NORTH DAKOTA PROPANE
EFFECTIVE MAY 2023

Cost of Gas - Propane

Current Propane Cost (Exhibit 2, Page 2)	\$8.234
Prior Filed Propane Cost	<u>12.076</u>
Current Propane Cost Adjustment	<u><u>(\$3.842)</u></u>

Surcharge Adjustment

Current Adjustment (Exhibit 3, Page 1)	(\$2.049)
Prior Filed Adjustment	<u>0.912</u>
Change in Surcharge Adjustment	(\$2.961)

Grain Drying Margin Sharing

Current Adjustment	(\$0.015)
Prior Adjustment	<u>(0.015)</u>
Change in Grain Drying Margin Sharing	\$0.000

Total Cost of Gas Items \$6.170

Net Increase (Decrease) in Gas Costs (\$6.803)

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE
NORTH DAKOTA
EFFECTIVE MAY 2023

Cost of Purchased Propane	\$21,311
Gallons Purchased	28,415
Projected dk Sales	2,600
Propane Cost per Dk	\$8.197
Average Cost of Propane as Adjusted for Losses @ 99.55%	8.234
Less: Propane Cost Level in Rates 1/	<u>12.076</u>
Current Propane Cost Adjustment	<u><u>(\$3.842)</u></u>

1/ Propane Cost Level in Current Rates - Case No. PU-23-007, effective April 1, 2023.

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO NORTH DAKOTA
PROPANE
TO BE EFFECTIVE MAY 1, 2023 THROUGH APRIL 30, 2024**

(Over)/under recovered gas costs @ February 28, 2023 (\$80,277)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
March	7,000	\$0.912	6,384
April	4,300	\$0.912	3,922
	11,300		10,306

Additional recovery required (\$90,583)

Projected sales volumes (dk)

May 2023	2,600	
June	1,000	
July	600	
August	600	
September	700	
October	1,900	
November	4,200	
December	6,600	
January 2024	8,100	
February	6,600	
March	7,000	
April	4,300	
Total		44,200

Total (over)/under recovered gas cost adjustment
to be effective May 1, 2023 through April 30, 2024. (\$2,049)

MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO NORTH DAKOTA
PROPANE

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Dk Sales	Adjustment Per Dk	Total Adjustment Amount	Net Change- Additions less Adjustment	Cumulative Balance
Balance @ February 28, 2022									<u>\$42,131</u>
March 2022	(\$2,474)	\$0	\$12	(\$2,462)	7,825	0.204	\$1,596	(\$4,058)	38,073
April	(1,127)	0	18	(1,109)	4,889	0.204	999	(2,108)	35,965
May	392	0	21	413	2,780	0.912	1,924 2/	(1,511)	34,454
June	(711)	0	32	(679)	1,348	0.912	1,228	(1,907)	32,547
July	(1,566)	0	46	(1,520)	721	0.912	658	(2,178)	30,369
August	6,488	0	50	6,538	774	0.912	705	5,833	36,202
September	(1,103)	0	71	(1,032)	652	0.912	595	(1,627)	34,575
October	(3,418)	0	80	(3,338)	1,627	0.912	1,483	(4,821)	29,754
November	(11,372)	0	77	(11,295)	4,944	0.912	4,509	(15,804)	13,950
December	(32,324)	0	36	(32,288)	8,125	0.912	7,409	(39,697)	(25,747)
January 2023	(31,758)	0	(75)	(31,833)	8,881	0.912	8,100	(39,933)	(65,680)
February	(8,341)	0	(194)	(8,535)	6,647	0.912	6,062	(14,597)	(80,277)
	<u>(\$87,314)</u>	<u>\$0</u>	<u>\$174</u>	<u>(\$87,140)</u>	<u>49,213</u>		<u>\$35,268</u>	<u>(\$122,408)</u>	
Balance @ February 28, 2023									<u>(\$80,277)</u>

1/ Interest calculated at Three Month Treasury Bill rate.

2/ Reflects 864 Dk @ \$0.204 and 1,916 Dk @ \$0.912.

**MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO NORTH DAKOTA
PROPANE**

	1/	2/	3/	Total
<u>March 2022</u>				
Cost of Gas - Actual	\$13.39406	\$13.93288	\$13.39406	
Cost of Gas - Recovered	14.16000	13.64800	13.64800	
(Over) Under recovery per dk	(\$0.76594)	\$0.28488	(\$0.25394)	
dk billed	5,294	4,127	(1,596)	7,825
(Over) Under recovery	(\$4,055)	\$1,176	\$405	(\$2,474)
<u>April 2022</u>				
Cost of Gas - Actual	\$14.37997	\$13.39406	\$14.37997	
Cost of Gas - Recovered	14.16000	14.16000	14.16000	
(Over) Under recovery per dk	\$0.21997	(\$0.76594)	\$0.21997	
dk billed	0	2,234	2,655	4,889
(Over) Under recovery	\$0	(\$1,711)	\$584	(\$1,127)
<u>May 2022</u>				
Cost of Gas - Actual	\$13.73410	\$14.37997	\$13.73410	
Cost of Gas - Recovered	14.16000	14.16000	14.16000	
(Over) Under recovery per dk	(\$0.42590)	\$0.21997	(\$0.42590)	
dk billed	1,916	2,440	(1,576)	2,780
(Over) Under recovery	(\$816)	\$537	\$671	\$392
<u>June 2022</u>				
Cost of Gas - Actual	\$14.41494	\$13.73410	\$14.41494	
Cost of Gas - Recovered	14.16000	14.16000	14.16000	
(Over) Under recovery per dk	\$0.25494	(\$0.42590)	\$0.25494	
dk billed	0	1,549	(201)	1,348
(Over) Under recovery	\$0	(\$660)	(\$51)	(\$711)
<u>July 2022</u>				
Cost of Gas - Actual	\$18.82800	\$14.41494	\$18.82800	
Cost of Gas - Recovered	14.16000	14.16000	14.16000	
(Over) Under recovery per dk	\$4.66800	\$0.25494	\$4.66800	
dk billed	0	1,117	(396)	721
(Over) Under recovery	\$0	\$285	(\$1,851)	(\$1,566)
<u>August 2022</u>				
Cost of Gas - Actual	\$12.68431	\$18.82800	\$12.68431	
Cost of Gas - Recovered	14.16000	14.16000	14.16000	
(Over) Under recovery per dk	(\$1.47569)	\$4.66800	(\$1.47569)	
dk billed	0	1,242	(468)	774
(Over) Under recovery	\$0	\$5,797	\$691	\$6,488

- 1/ Consumed in current month.
2/ Consumed in prior month.
3/ True-up of prior month volumes.

**MONTANA-DAKOTA UTILITIES CO.
CALCULATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO NORTH DAKOTA
PROPANE**

	<u>1/</u>	<u>2/</u>	<u>3/</u>	<u>Total</u>
<u>September 2022</u>				
Cost of Gas - Actual	\$13.00349	\$12.68431	\$13.00349	
Cost of Gas - Recovered	14.16000	14.16000	14.16000	
(Over) Under recovery per dk	<u>(\$1.15651)</u>	<u>(\$1.47569)</u>	<u>(\$1.15651)</u>	
dk billed	0	1,096	(444)	652
(Over) Under recovery	<u>\$0</u>	<u>(\$1,617)</u>	<u>\$514</u>	<u>(\$1,103)</u>
<u>October 2022</u>				
Cost of Gas - Actual	\$15.39516	\$13.00349	\$15.39516	
Cost of Gas - Recovered	16.34000	14.16000	14.16000	
(Over) Under recovery per dk	<u>(\$0.94484)</u>	<u>(\$1.15651)</u>	<u>\$1.23516</u>	
dk billed	1,176	1,197	(746)	1,627
(Over) Under recovery	<u>(\$1,111)</u>	<u>(\$1,385)</u>	<u>(\$922)</u>	<u>(\$3,418)</u>
<u>November 2022</u>				
Cost of Gas - Actual	\$13.48180	\$15.39516	\$13.48180	
Cost of Gas - Recovered	16.34000	16.34000	16.34000	
(Over) Under recovery per dk	<u>(\$2.85820)</u>	<u>(\$0.94484)</u>	<u>(\$2.85820)</u>	
dk billed	0	1,442	3,502	4,944
(Over) Under recovery	<u>\$0</u>	<u>(\$1,362)</u>	<u>(\$10,010)</u>	<u>(\$11,372)</u>
<u>December 2022</u>				
Cost of Gas - Actual	\$11.66188	\$13.48180	\$11.66188	
Cost of Gas - Recovered	16.34000	16.34000	16.34000	
(Over) Under recovery per dk	<u>(\$4.67812)</u>	<u>(\$2.85820)</u>	<u>(\$4.67812)</u>	
dk billed	0	3,124	5,001	8,125
(Over) Under recovery	<u>\$0</u>	<u>(\$8,930)</u>	<u>(\$23,394)</u>	<u>(\$32,324)</u>
<u>January 2023</u>				
Cost of Gas - Actual	\$13.97062	\$11.66188	\$13.97062	
Cost of Gas - Recovered	16.34000	16.34000	16.34000	
(Over) Under recovery per dk	<u>(\$2.36938)</u>	<u>(\$4.67812)</u>	<u>(\$2.36938)</u>	
dk billed	0	4,641	4,240	8,881
(Over) Under recovery	<u>\$0</u>	<u>(\$21,712)</u>	<u>(\$10,046)</u>	<u>(\$31,758)</u>
<u>February 2023</u>				
Cost of Gas - Actual	\$12.92516	\$13.97062	\$12.92516	
Cost of Gas - Recovered	13.95700	16.34000	16.34000	
(Over) Under recovery per dk	<u>(\$1.03184)</u>	<u>(\$2.36938)</u>	<u>(\$3.41484)</u>	
dk billed	4,814	2,761	(928)	6,647
(Over) Under recovery	<u>(\$4,967)</u>	<u>(\$6,542)</u>	<u>\$3,168</u>	<u>(\$8,341)</u>

1/ Consumed in current month.
2/ Consumed in prior month.
3/ True-up of prior month volumes.