



A Subsidiary of MDU Resources Group, Inc.

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May 8, 2024

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-24-007**

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 Rate 99. Montana-Dakota will not seek a COG – Natural Gas adjustment change for the month of June 2024 for Rate 88 with the exception of the Optional Seasonal Gas Service Rate 72 that requires a change to reflect the summer rate effective June 1, 2024. The COG Adjustment tariff (Rate 88), Section 2(b) provides that "Montana-Dakota shall file an adjustment to reflect changes in its average cost of gas supply only when the amount of such is at least 25 (twenty-five) cents per dk." For Rate 88 – Natural Gas, the COG adjustment for the month of June 2024 results in a change of less than 25 cents per dk, and therefore, in accordance with the authorized tariff, Montana-Dakota will not seek a COG adjustment change for the month of June.

The Optional Seasonal Gas Service Rate 72 reflects the summer rate change to be effective June 1 in accordance with the Optional Seasonal Gas Service Rate 72 based on the gas costs effective May 1, 2024. Attached hereto as Exhibit 1 is the 29th Revised Sheet No. 3 reflecting the change in Rate 72 to be effective June 1, 2024. The net effect of this filing, calculated pursuant to the terms of Rate 88, is a decrease of \$1.681 per dk for optional seasonal customers.

Montana-Dakota also purchases propane supplies from various wholesale suppliers for the propane service provided in Hettinger, North Dakota. The cost of propane has decreased \$0.494 per dk since the cost established in the May 2024 PGA filing.

The following Exhibits are provided in support of the COG and propane rates to be effective June 1, 2024:

- Exhibit 2 summarizes the cost of gas adjustment, the surcharge adjustment, and the grain drying margin sharing adjustment calculated pursuant to the terms of Rate 88 that will apply during the month of June 2024.

- Exhibit 3, shows the calculation of the current gas cost adjustment that will be applicable to Montana-Dakota's customers for the month of June 2024. The average cost of gas for optional seasonal customers, adjusted for losses, is \$2.219 per dk.
- Exhibit 4 summarizes the cost of gas – propane calculated pursuant to the terms of Rate 99, which apply during the month of June 2024. The average cost of propane for all customers, adjusted for losses, is \$9.990 per dk. The net effect of this filing is a decrease of \$0.494 per dk for all customers from the currently effective rates.

This proposed adjustment, calculated in accordance with Rate 99, will amount to a decrease of approximately \$540 for propane customers during the month of June 2024. There were 328 propane customers in North Dakota as of April 30, 2024.

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 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

Attachments

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

29th Revised Sheet No. 3

Canceling 28th 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 1/	4	\$0.8244 per day	\$0.000	\$3.392	\$3.392
Air Force Rate 64 1/ Minot Air Force Base PAR Site	7	\$2,000.00 per month \$175.00 per month			
Firm Service			\$0.449	\$3.392	\$3.841
Interruptible Service - PAR			\$0.255	\$1.971	\$2.226
Interruptible Service - MAFB			\$0.255	\$1.977	\$2.232
Firm General Service Rate 70 1/ Meters rated < 500 cubic feet Meters rated > 500 cubic feet	13	\$0.75 per day \$2.13 per day	\$1.174 \$0.917	\$3.392 \$3.392	\$4.566 \$4.309
Small Interruptible Gas Rate 71 1/	14	\$450.00 per month	(Maximum) \$0.566	\$1.971	(Maximum) \$2.537
Optional Seasonal Gas Service Rate 72 1/ Meters rated < 500 cubic feet Meters rated > 500 cubic feet	15	\$0.75 per day \$2.13 per day	\$1.174 \$0.917	\$1.837 \$1.837	\$3.011 \$2.754
Contracted Demand Service Rate 74 1/ 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)	\$11.840 \$2.997
Transportation Service Small Interruptible Rate 81 1/ Maximum Minimum Large Interruptible Rate 82 1/ Maximum Minimum	24	\$450.00 per month	\$0.566 \$0.102		\$0.566 \$0.102
Large Interruptible Gas Rate 85 1/	27	\$1,600.00 per month	(Maximum) \$0.237	\$1.971	(Maximum) \$2.208
Residential Propane Rate 90 1/	32	\$0.8244 per day	\$0.000	\$8.545	\$8.545
Firm General Propane Rate 92 1/ Meters rated < 500 cubic feet Meters rated > 500 cubic feet	34	\$0.75 per day \$2.13 per day	\$1.174 \$0.917	\$8.545 \$8.545	\$9.719 \$9.462

1/ Interim increase of 20.856% applicable to amounts billed under Basic Service Charge and Distribution Delivery Charge.

Date Filed: May 8, 2024

Effective Date: Service rendered on and after June 1, 2024

Issued By: Travis R. Jacobson
Director - Regulatory Affairs

Case No.: PU-24-007

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS TARIFF SHEET
NORTH DAKOTA GAS
EFFECTIVE MAY 2024

	<u>Optional Seasonal</u>
<u>Gas Cost Adjustment:</u>	
Gas Cost Level (Exhibit 3)	\$2.219
Prior Filed Gas Cost (Effective 5/1/2024)	<u>3.900</u>
Current Gas Cost Adjustment	(\$1.681)
<u>Surcharge Adjustment:</u>	
Current Adjustment	(\$0.368)
Prior Filed Adjustment	<u>(0.368)</u>
Change in Surcharge Adjustment	\$0.000
Gas Cost Level	\$2.219
Plus: Surcharge	<u>(0.368)</u>
Total Gas Cost Level in Tariff Rates	<u><u>\$1.851</u></u>
<u>Grain Drying Margin Sharing</u>	
Current Adjustment	(\$0.014)
Prior Filed Gas Cost	<u>(0.014)</u>
Change in Grain Drying Sharing Margin	\$0.000
Total Cost of Gas Billed	<u><u>\$1.837</u></u>
Net Increase (Decrease) in Gas Costs	<u><u>(\$1.681)</u></u>

**MONTANA-DAKOTA UTILITIES CO.
CURRENT GAS COST ADJUSTMENT - NORTH DAKOTA
NORTH DAKOTA - OPTIONAL SEASONAL - RATE 72
EFFECTIVE MAY 2024**

	<u>Amount</u>
Total Gas Costs 1/	\$63,133,053
Less: Annual MDDQ Costs (Excludes Storage Capacity Reservation) 1/	<u>26,021,017</u>
Total Gas Costs excluding MDDQ	\$37,112,036
Firm Service Requirements 1/	16,803,353
Other Gas Costs per Dk (excluding MDDQ)	\$2.209
<u>Summer - June - September</u>	
Summer Seasonal Rate, adjusted for losses 2/	2.219
Less: Gas Cost Level in Rates 3/	<u>3.900</u>
Current Gas Cost Adjustment	<u><u>(\$1.681)</u></u>

1/ Exhibit 3, page 2, as submitted April 8, 2024.

2/ Loss factor of 0.45%.

3/ Gas Cost Level in Current Tariff Rates Case No. PU-24-007 effective May 1, 2024:

	<u>Winter</u>
Cost of Purchased Gas	\$3.882
Adjustment for Distribution Losses	99.55%
Gas Cost Level in Base Tariff Rates	\$3.900

MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE TARIFF SHEET
NORTH DAKOTA PROPANE
EFFECTIVE JUNE 2024

Cost of Gas - Propane

Current Propane Cost (Exhibit 4, Page 2)	\$9.990
Prior Filed Propane Cost	<u>10.484</u>
Current Propane Cost Adjustment	<u><u>(\$0.494)</u></u>

Surcharge Adjustment

Current Adjustment	(\$1.431)
Prior Filed Adjustment	<u>(1.431)</u>
Change in Surcharge Adjustment	\$0.000

Grain Drying Margin Sharing

Current Adjustment	(\$0.014)
Prior Adjustment	<u>(0.014)</u>
Change in Grain Drying Margin Sharing	\$0.000

Total Cost of Gas Items \$8.545

Net Increase (Decrease) in Gas Costs (\$0.494)

**MONTANA-DAKOTA UTILITIES CO.
COST OF GAS - PROPANE
NORTH DAKOTA
EFFECTIVE JUNE 2024**

Cost of Purchased Propane	\$10,940
Gallons Purchased	12,022
Projected dk Sales	1,100
Propane Cost per Dk	\$9.945
Average Cost of Propane as Adjusted for Losses @ 99.55%	9.990
Less: Propane Cost Level in Rates 1/	<u>10.484</u>
Current Propane Cost Adjustment	<u><u>(\$0.494)</u></u>

1/ Propane Cost Level in Current Rates - Case No. PU-24-007, effective May 1, 2024.

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

	<u>(Over) Under Recovery</u>	<u>Interest 1/</u>	<u>Total Net Additions</u>	<u>Actual Dk Sales</u>	<u>Adjustment Per Dk</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ February 29, 2024								<u>(\$90,229)</u>
March 2024	(\$2,391)	(\$370)	(\$2,761)	5,293	(2,049)	(\$10,844)	\$8,083	(82,146)
Balance @ March 31, 2024								<u>(\$82,146)</u>

1/ Interest calculated at Three Month Treasury Bill rate.