



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

February 24, 2021

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol  
Pierre, SD 57501

Re: Cold Weather Impact on the March  
Purchased Gas Cost Adjustment  
Docket No. GE21-001

On February 8, 2021, Montana-Dakota Utilities Co. (Montana-Dakota) submitted its monthly Purchased Gas Cost Adjustment pursuant to the terms of Rate 88 for the month of March 2021. Subsequent to the Company's filing, the region experienced an extensive cold weather event that resulted in unprecedented natural gas pricing across Montana-Dakota's service territory. In an attempt to mitigate and smooth out the impact of the spike in natural gas prices in current and future months, the Company proposed the elimination the current surcharge adjustment credit of \$0.465 and \$0.206 per dk for firm and interruptible customers, respectively that are included in the Company's Cost of Gas rates.

Pursuant to the discussion with the South Dakota Public Utilities Commission (Commission) Staff and the Commission's action at its February 23, 2021 Ad Hoc Meeting, Montana-Dakota is now submitting a Substitute Rate Summary Sheet 161<sup>st</sup> Revised Sheet No. 3 to replace the tariff sheet submitted in its February 8, 2021 filing. The only changes from that submitted earlier is to reflect the elimination of the surcharge adjustment credit in the Company's Cost of Gas rates and the updated Conservation Program Tracking Adjustment (CTA) rate that was approved by the Commission at its February 19, 2021 Agenda Meeting in Docket No. NG21-001. Both changes will be effective March 1, 2021.

Sections 4 and 5 of the Company's Purchased Gas Cost Adjustment Rate 88 references the annual surcharge adjustment credit calculation to be performed annually in October of each year. The Commission's action at its February 23, 2021 Ad Hoc Meeting also provided the appropriate waivers of Rate 88. The Company asserts this will benefit its customers now and is in the public interest.

The Substitute Rate Summary Sheet (161<sup>st</sup> Revised Sheet No. 3) showing the proposed natural gas rates to be effective with service rendered March 1, 2021, along with currently effective distribution rates, is provided in Exhibit 1. The changes reflected in Exhibit 1, as mentioned above, are the elimination of the surcharge adjustment credit the updated CTA rate.

The following Exhibit is provided in support of the PGA rates proposed to be effective March 1, 2021:

- Revised Exhibit 2 summarizes the cost of gas adjustment, the elimination of the surcharge adjustment described above pursuant to the terms of Rate 88 that will apply during the month of March 2021.

Please contact me at (701) 222-7855 or [travis.jacobson@mdu.com](mailto:travis.jacobson@mdu.com) if you have any questions regarding this submittal.

Sincerely,

*/s/ Travis R. Jacobson*

Travis R. Jacobson  
Director of Regulatory Affairs

Attachments