

**Montana-Dakota Utilities Co.
Gas Utility – South Dakota
Interim Rate Refund Plan
Docket No. NG23-014**

Montana-Dakota Utilities Co. (Montana-Dakota) proposes the following Gas Interim Rate Refund Plan to enable refunding the difference between the final overall increase in distribution revenues of \$5,369,333 or 8.15 percent to be effective with service rendered on and after September 1, 2024, as proposed in the Settlement Stipulation and the interim increase of \$7,418,636 or 11.2 percent implemented March 1, 2024.

On January 26, 2024, Montana-Dakota filed its Notice of Intent to Implement Interim Rates pursuant to SDCL 49-34A-17. Effective with service rendered on and after March 1, 2024, Montana-Dakota implemented an interim increase of \$7,418,636 on an annual basis. The interim rate of 37.763 percent is currently being applied to the amounts billed under the Basic Service Charge and the Distribution Delivery Charge of each rate schedule and is shown as a separate line item on the bill. The interim rate of 37.763 percent represents the proposed increase in gas revenues excluding the revenues collected under the Cost of Gas rate component.

As shown on Exhibit E, page 5, Montana-Dakota has collected \$2,021,441 on an actual interim basis through June 30, 2024. It is estimated that an additional \$953,148 will be collected through the end of the prorate period, or September 30, 2024. In applying the interim refund rate of 27.624 percent to the projected interim collected, Montana-Dakota estimates a refund requirement of \$821,700 before the application of interest. The interest rate to be applied is seven percent, pursuant to ARSD 20:10:19:08 and will be applied to the prior month's ending refund balance. The refund

requirement will be adjusted to reflect the actual dollars collected when those dollar amounts are available.

Bill credits will be calculated based on the actual interim dollars collected from each customer using the final interim rate refund factor. The application of the refund credit to customer accounts will be realized within 90 days following the implementation of final rates or no later than November 29, 2024.

The Company is proposing that bill credits be applied to active customer accounts with checks issued in the event a customer account is no longer active and the refund is \$5.00 or greater. Any un-refunded balance associated with inactive customers whose refund is less than \$5.00 and any difference due to rounding will then be credited to the Company's Unrecovered Purchased Gas Cost Account.

Upon completion of the application of the refund, Montana-Dakota will submit a compliance filing summarizing the breakdown of the refund by rate class and the amount applied to the Unrecovered Purchased Gas Cost Account.

**Montana-Dakota Utilities Co.
Gas Utility - South Dakota
Interim Rate Refund Factor - Estimate
Docket No. NG23-14**

Calculation of Interim Rate Refund Factor:

Interim Rate Increase	\$7,418,636
Authorized Final Rate Increase	<u>5,369,333</u>
Interim Amount to be Refunded	2,049,303
% Refundable	27.624%
Total Interim Collected - Projected	2,974,589
Interim to be Refunded (excluding interest)	821,700
Interest on Interim Balance	16,409
Total Amount to be Refunded	<u><u>838,109</u></u>
Preliminary Interim Refund Factor	28.176%

Montana-Dakota Utilities Co.
Gas Utility - South Dakota
Calculation of Interest on Interim Collected - Estimate
Docket No. NG23-14

	Beginning Interim Refund Balance	Current Month Interim Collected	Interim to be Refunded	Interest on Interim Refund Balance 1/	Ending Interim Refund Balance
March 2024 2/	\$0	\$239,966	\$66,288	\$0	\$66,288
April	66,288	795,256	219,682	387	286,357
May	286,357	570,303	157,541	1,670	445,568
June	445,568	415,915	114,892	2,599	563,059
July <i>projected</i>	563,059	380,022	104,977	3,285	671,321
August <i>projected</i>	671,321	380,568	105,128	3,916	780,365
September <i>projected</i>	780,365	192,558	53,192	4,552	838,109
		<u>\$2,974,588</u>	<u>\$821,700</u>	<u>\$16,409</u>	

1/ Consumer Deposit Interest Rate of 7%.

2/ Interim rate effective with service rendered on and after March 1, 2024.

**Montana-Dakota Utilities Co.
 Gas Utility - South Dakota
 Refund per Rate Reporting Class - Estimate
 Docket No. NG23-14**

	<u>Actual Interim Collected 1/</u>	<u>Projected Interim 2/</u>	<u>Total Interim</u>	<u>% to Refund</u>	<u>Estimated Refund</u>	<u>Estimated Refund/Customer</u>
Residential Rate 600	\$1,349,548	\$597,592	\$1,947,140	28.176%	\$548,626	\$10.97
Firm General	612,340	253,435	865,775	28.176%	243,941	35.11
Small IT						
Rate 71	12,017	8,803	20,820	28.176%	5,866	977.67
Rate 81	<u>12,264</u>	<u>41,290</u>	<u>53,554</u>	28.176%	<u>15,089</u>	656.04
Total Small IT	24,281	50,093	74,374		20,955	
Large IT						
Rate 85	7,904	8,071	15,975	28.176%	4,501	2,250.50
Rate 82	<u>27,368</u>	<u>43,957</u>	<u>71,325</u>	28.176%	<u>20,097</u>	2,233.00
Total Large IT	35,272	52,028	87,300		24,598	
Total SD	<u><u>\$2,021,441</u></u>	<u><u>\$953,148</u></u>	<u><u>\$2,974,589</u></u>		<u><u>\$838,120</u></u>	14.70

1/ Actual interim revenue collected March 1 through June 30, 2024.

2/ Projected interim revenue for July 1 through September 30, 2024.