

For further information, the applicable rates and rules and regulations are available at www.gpng.com or by calling **1-877-267-4764**.



Natural Gas Rates Update

On February 3, 2017, Great Plains Natural Gas Co., (Great Plains) filed an application with the North Dakota Public Service Commission (Commission) for approval to update the Company's natural gas tariffs and rate schedules applicable to its customers located in North Dakota. While Great Plains has determined that an overall change in revenues is not warranted as part of this application, the Company is proposing changes to the structure of its natural gas rates, its line extension and meter testing policies, and the Company's terms and conditions of service as outlined in its tariff. The Commission has up to seven months to consider the Company's application.

The following is a summary of the rate structure changes proposed in the Company's application:

Firm Gas Service General – Rate 65

- Introduce a daily Basic Service Charge of \$0.23 per day, replacing the current flat charge of \$3.50 per month. The increase in the Basic Service Charge of approximately \$3.40 per month (30 days x \$0.23 per day = \$6.90) is offset by a decrease in the volumetric or per dk distribution charge.
- Introduce a Basic Service Charge differential for customers with meters rated greater than 500 cubic feet per hour.
- Eliminate the stepped rate structure of the Distribution Delivery Charge. All dk used will be priced at the same Distribution Delivery Charge rate.



Interruptible Gas Service – Rate 71

- Proposed increase in the monthly fixed charge from \$3.50 to \$250.00 per month results in a decrease in the volumetric or per dk charge.
- Eliminate the stepped rate structure of the Distribution Delivery Charge. All dk used will be priced at the same Distribution Delivery Charge rate.

Interruptible Transportation Service – Rate 80

- Proposed increase in the monthly fixed charge from \$3.50 to \$250.00 per month results in a decrease in the volumetric or per dk charge.
- Eliminate the stepped rate structure of the Distribution Delivery Charge. All dk used will be priced at the same Distribution Delivery Charge rate.
- Introduce a flexible rate provision for qualifying customers.

The applicable rates for the various classes of service are shown below along with the current and proposed rate structure. The Cost of Gas included below reflects the rate effective March 1, 2017 and is subject to change monthly.

Firm Gas Service General – Rate 65

	<u>Current</u>	<u>Proposed</u>
Basic Service Charge.....	\$3.50 per month	
– For customers with meters rated up to and including 500 cubic feet per hour.....		\$0.23 per day
– For customers with meters over 500 cubic feet per hour.....		\$0.50 per day
Distribution Delivery Charge.....		\$0.786 per Dk
– First 10 dk/month.....	\$1.2869 per Dk	
– Excess of 10 dk/month.....	\$1.0646 per Dk	
Cost of Gas	\$4.1532 per Dk	\$4.1532 per Dk

Interruptible Gas Service – Rate 71

	<u>Current</u>	<u>Proposed</u>
Basic Service Charge.....	\$3.50 per month..	\$250.00 per month
Distribution Delivery Charge.....		\$0.751 per Dk
– First 400 dk/month.....	\$1.1506 per Dk	
– Next 2,600 dk/month	\$0.9021 per Dk	
– Excess of 3,000 dk/month	\$0.7486 per Dk	
Cost of Gas	\$2.2534 per Dk	\$2.2534 per Dk

Interruptible Transportation Service – Rate 80

	<u>Current</u>	<u>Proposed</u>
Basic Service Charge.....	\$3.50 per month..	\$250.00 per month
Distribution Delivery Charge		
– Maximum Rate per dk		\$0.751 per Dk
– Minimum Rate per dk		\$0.130 per Dk
– First 400 dk/month.....	\$1.1506 per Dk	
– Next 2,600 dk/month	\$0.9021 per Dk	
– Excess of 3,000 dk/month	\$0.7486 per Dk	

How to calculate your residential bill under the proposed rates

This information is to assist you in checking your residential bill.

- Assume a month's use of 13 Dk and the customer's meter is rated under 500 cubic feet per hour.
- Basic Service Charge
($\$0.23$ per day x 31 days in the month) = \$7.13
- Distribution Delivery Charge
($\$0.786$ per Dk x 13 Dk) = \$10.22
- Cost of Gas ($\$4.1532$ per Dk x 13 Dk) = \$53.99
- Total Bill (excluding taxes) = \$71.34

The reconnection fee for seasonal customers and customers disconnected for nonpayment of service is proposed to be set at \$45.00. The returned check charge applicable to each check charged back to the Company by a bank is proposed to increase to \$18.25.

(over)