



NEWS RELEASE
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PSC Will Hold Formal Hearing to Consider MDU's Request for a Natural Gas Rate Increase

BISMARCK, ND – The North Dakota Public Service Commission (PSC) will hold a formal hearing on Aug. 31 in Bismarck to consider a proposal from Montana Dakota Utilities Co. (MDU) to increase its rates for natural gas service.

MDU's request would increase the residential fixed daily rate for service and eliminate the distribution delivery charge based on usage. Under this proposal, residential customers would be billed a fixed charge of about \$21 a month (69.37 cents per day) for service plus the cost of gas consumed. For an average residential customer, the proposed fixed daily rate would make up about 29 percent of a customer's annual bill. The remaining 71 percent would reflect the cost of gas consumed and is not part of this rate case. This portion of the bill will vary dependent on weather, individual usage and the market price of gas. The market price of gas is passed on to the customer dollar for dollar so that the company does not earn a return on the gas cost portion of the bill.

The total proposed increase is for \$4.3 million annually over current rates, or a 3.4 percent overall increase. If approved, rates would increase for residential customers by an average of about \$3.50 a month. MDU also requests to increase rates to its small interruptible class by 6.8 percent. MDU states the reason for the rate increase is to recover the cost of the increased investment in natural gas facilities, which is projected to be \$212 million by the end of 2015.

Details for the formal hearing are as follows:

- **When: Monday, Aug. 31, 2015 – 9 a.m. CDT (Continued on Sept. 1st if needed)**
- **Where: Commission Hearing Room, State Capitol Building, 12th Floor
Bismarck, N.D.**

The hearing provides an opportunity for members of the public to contribute to the PSC's official record. Any comments from members of the public must be received at the hearing and under oath to be part of the record. People with concerns, questions or support for the project are encouraged to attend the hearing and present their information. Information received after the hearing will not be part of the official record and cannot be used as a basis for the Commission's decision unless certain additional procedures are followed.

The North Dakota Public Service Commission is a constitutionally created state agency with authority to permit, site and regulate certain business activities in the state including electric and gas utilities, telecommunications companies, power plants, electric transmission lines, pipelines, railroads, grain elevators, auctioneers, commercial weighing devices, pipeline safety and coal mine reclamation. For more information, contact the Public Service Commission at (701) 328-2400 or www.psc.nd.gov.

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