

STATE OF NORTH DAKOTA
BEFORE THE PUBLIC SERVICE COMMISSION

**Montana-Dakota Utilities Co., A
Division of MDU Resources Group, Inc.
Electric Rates
Investigation**

Case No. PU-399-01-186

COMPLAINT

COMES NOW, the North Dakota Public Service Commission Staff (Staff), for its complaint against Montana-Dakota Utilities Co. (MDU), alleges:

I.

That MDU is a division of MDU Resources Group, Inc., a Delaware Corporation, duly authorized to do business in the State of North Dakota as a foreign corporation, and that it is doing business in the State of North Dakota as an electric distribution public utility.

II.

The North Dakota Public Service Commission (Commission) has regulatory jurisdiction over the rates, services and practices of MDU within the State of North Dakota.

III.

Staff has conducted an investigation of MDU's electric financial operations and its reported return on equity.

IV.

Based upon its investigation, Staff believes that MDU's rates for electric services are unjust and unreasonable in that MDU is recovering more revenue than necessary to earn a reasonable return on its investment in North Dakota.

V.

MDU's rates for electric service should be decreased by \$9.155 million annually based on its 2000 annual report for electric service rendered to customers in the State of North Dakota.

VI.

MDU's rates for electric service should be decreased to a level that will provide MDU the opportunity to earn a just and reasonable rate of return on its electric property devoted to providing service to its North Dakota electric customers.

VII.

This Complaint is submitted in accordance with Commission authority under Title 49 of the North Dakota Century Code and the rules and regulations promulgated by the Commission.

WHEREFORE, Staff respectfully requests:

1. That the Commission determine that the rates charged by MDU for electric service to customers in the State of North Dakota are excessive.
2. That the Commission determine the appropriate rate base for MDU's electric operations in North Dakota.
3. That the Commission determine the rate of return for MDU's electric operations in North Dakota.

4. That the Commission adjust MDU's rates to provide an opportunity for MDU to earn a reasonable return on its electric operations in North Dakota.
5. That the Commission determine the appropriate rate design for MDU's electric operations in North Dakota.
6. That MDU be required to implement rates to reduce annual revenues by \$9.155 million.
7. For such other and additional relief as the Commission shall deem just and proper.

Dated this 7th day of September, 2001.

William W. Binek
Chief Counsel

VERIFICATION

I, the undersigned complainant, do hereby affirm that the statements contained in this complaint are true and correct to the best of my knowledge and belief.

William W. Binek

Subscribed and sworn to before me this ____ day of _____ 1998.

Notary Public