

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Montana-Dakota Utilities Co.
Natural Gas Rate Increase
Application**

Case No. PU-399-02-183

**NOTICE OF HEARING, NOTICE OF PUBLIC INPUT SESSIONS,
AND NOTICE OF INTERVENTION DEADLINE**

June 5, 2002

On April 12, 2002, Montana Dakota Utilities Co. (MDU) filed an application to increase its rates for natural gas service by an amount sufficient to provide increased total annual revenue of \$2,844,132. MDU proposes to increase rates for residential and firm general service by 4.6% while decreasing small interruptible service by 4.1%. MDU proposes no increase in rates for service to large interruptible customers or the Minot air force base. MDU estimates the proposed increase for a residential customer would average about \$24 per year.

MDU further proposes to redefine billing components to better align costs with rates for service. MDU alleges these changes would provide stability during periods of abnormal weather while making its bills more understandable. The proposed rate changes do not affect the cost of purchased gas, which is separately recovered through the purchased gas adjustment billing provision.

A **public hearing** on this matter will be held beginning **October 7, 2002 at 9 a.m. (CST)** in the Commission hearing room, State Capitol, 12th Floor, Bismarck, North Dakota 58505. Anyone wishing to become a party to this proceeding must file a Petition to Intervene by September 9, 2002. Issues to be considered in this matter include:

1. What is the value of MDU's property, used and useful, for the service and convenience of the public in North Dakota?
2. What is MDU's rate of return on its property, used and useful, for the service and convenience of the public in North Dakota?
3. What is a just and reasonable rate of return on MDU's property, used and useful, for the service and convenience of the public in North Dakota?
4. What rates and charges are necessary to provide a just and reasonable rate of return on MDU's property, used and useful, for the service and convenience of the public in North Dakota?

5. Are MDU's rate schedules designed in such a manner that they result in a basis of charge to its customers that is just and reasonable without discrimination?
6. Other relevant information or proposals concerning the proceeding.

Public input sessions will be held via interactive television on **July 15, 2002 at 12 Noon (CDT)** at locations set forth below. Members of the public are invited to appear and participate in the informal discussions. The meetings are not considered part of the technical hearing and the discussion at the meetings will not become part of the evidence reviewed by the Commission in making its decision. The discussion will, however, aid the Commission and its staff in identifying areas of concern to the members of the public.

Bismarck State College Vocational Technical Ctr Rm 228 1200 College Dr Bismarck ND 58501	Lake Region State College Administration Bldg Rm 172 Devils Lake ND 58301
Dickinson State University North Campus Rm 104 1679 6th Ave W Dickinson, ND 58601	North Dakota State Hospital Learning Resource Ctr 3rd Fl Rm 320 2605 Circle Dr Jamestown ND 58401
Minot State University Administration Bldg Rm 158 Minot ND 58701	Williston State College Crighton Bldg Rm 109 Williston ND 58801

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400 or Relay North Dakota 1-800-366-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials, please notify, Jon H. Mielke, Executive Secretary, at least 24 hours prior.

PUBLIC SERVICE COMMISSION

<hr/> Anthony T. Clark Commissioner	<hr/> Susan E. Wefald President	<hr/> Leo M. Reinbold Commissioner
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