

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

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

Case No. PU-04-97

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

March 31, 2004

On March 3, 2004, 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 \$3,334,226. MDU proposes to increase distribution delivery charges for residential service by 3.5% and firm general service by 2.3%. MDU proposes no increase in rates for service to interruptible customers or the Minot air force base. MDU estimates the proposed increase for a residential customer would average about \$31.45 per year. MDU's proposed rate changes would not affect the cost of purchased gas, which is separately recovered through the purchased gas adjustment billing provision.

MDU further proposes annual billing adjustments for residential and firm general service customers that would decrease/increase the distribution delivery charge per dekatherm to correct for the over/under collection of revenue due to weather fluctuations during the previous heating season.

A **public hearing** on this matter will be held beginning **August 31, 2004 at 9 a.m. CDT (8 a.m. MDT)** in the Commission hearing room, State Capitol, 12th Floor, Bismarck, North Dakota 58505. You can listen to a broadcast of the hearing on the Commission's website at <http://www.psc.state.nd.us/psc/media/comm-live.html>.

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.

Anyone wishing to become a party to this proceeding must file a **Petition to Intervene by May 24, 2004.**

A Public Input Session will be held via interactive television on **May 10, 2004 at 7:30 p.m. CDT (6:30 p.m. MDT)** at locations set forth below. Members of the public are invited to appear and participate in the informal discussion. The session is not considered part of the technical hearing and the discussion at the session 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 and help customers better understand MDU's request.

Public Input Session Locations

Bismarck State College Vocational Technical Center Room 228 1200 College Dr Bismarck ND 58501	Lake Region State College Administration Building Room 171 1801 College Dr North Devils Lake ND 58301
Dickinson State University North Campus Room 104 1679 6th Ave W Dickinson, ND 58601	North Dakota State Hospital Learning Resource Center Room 320 2605 Circle Dr Jamestown ND 58401
Minot School District Administration Building 215 2nd Street SE Minot, ND 58701	Williston State College Crighton Building Room 109 1410 University Williston ND 58801

The public will also be able to hear the input session by connecting to the Commission's web site www.psc.state.nd.us and clicking on "Highlighted Issues" and then clicking on the "Broadcast of Public Input Sessions" link. The Commission will receive e-mail questions during the session at ndpsc@psc.state.nd.us.

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, Illona Jeffcoat-Sacco, Executive Secretary, at least 24 hours prior.

PUBLIC SERVICE COMMISSION

**Susan E. Wefald
Commissioner**

**Tony Clark
President**

**Kevin Cramer
Commissioner**