

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

North Dakota Manufactured Housing Association
vs. Montana Dakota Utilities Co.
Complaint

Case No. PU-12-807

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Cara DeSaye deposes and says that:

she is over the age of 18 years and not a party to this action and, on the 13th day of December, 2012, she deposited in the United States Mail, at Bismarck, North Dakota, two envelopes with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

Formal Complaint
Notice of Hearing

The envelopes were addressed as follows:

Dan Kuntz
Associate General Counsel
MDU Resources Group, Inc.
P.O. Box 5650
1200 West Century Avenue
Bismarck, ND 58506-5650

Todd Kranda
Kelsch Kelsch Ruff & Kranda
PO Box 1266
Mandan ND 58554-7266

Cert. No. 7012 1640 0002 4652 4721

Cert. No. 7012 1640 0002 4652 4738

Each address shown is the respective addressee's last reasonably ascertainable post office address.

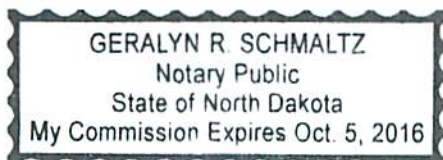


Subscribed and sworn to before me
this 13th day of December, 2012.



Notary Public

SEAL



BEFORE
THE PUBLIC SERVICE COMMISSION OF NORTH DAKOTA

North Dakota Manufactured Housing
Assocation,)
)
Complainant,)
)
vs.)
)
Montana Dakota Utilities Co.,)
)
Respondent.)

Case No. PU-_____

COMPLAINT

Complainant, North Dakota Manufactured Housing Association, (NDMHA), by its attorneys, and pursuant to Section 69-02-02-02 of the Commission's rules, alleges as follows:

1. NDMHA is a North Dakota corporation which operates as a state trade association representing all segments of the manufactured housing industry, including manufactured home builders; suppliers; retailers; community developers, owners, and managers; insurers and financial services companies. The corporation also operated numerous land-lease communities across the state.
2. Respondent, Montana Dakota Utilities Co. (MDU) one of the main utility companies in the state and the main service provider to the NDMHA land-lease communities in North Dakota.
3. MDU has altered its policy and practices regarding notice before a property's gas or electrical services are to be turned off due to the customer's failure to pay for said services. Previously, MDU has inform the lessor and the owner or landlord prior to turning off said services for a customer who is a lessee tenant, allowing the lessor and the owner or landlord to either resolve the matter or protect the property before services are turned off. Currently, MDU is proposing to only provide notice to the customer lessee tenant prior to turning off the service.
4. NDMHA is filing this complaint against MDU's proposed and current policy and practice

of only providing advance notice to the actual customer lessee tenant prior to turning of the services for the property and requests that the Commission order its Staff to further investigate the practice, and schedule a hearing on the issue as soon as possible.

5. Currently, Rules 69-09-02-05.1 and 69-09-01-18.1 of the Commission's rules require that a customer be notified in writing at least ten (10) days in advance of the day the utility plans to disconnect the service.

6. Rules 69-06-03-05.1 (9) and 69-09-01-18.1 (9) of the Commission's rules requires that the utility must notify the tenants of a delinquent bill at least ten (10) days before disconnecting service even when the actual customer is the landlord.

7. The aforementioned rules also mandate that the utility must give the tenant, who is not the "customer", the option to "apply to become the customer of the utility in the tenant's own name, to have the service to the rental facility continued or resumed, and to pay the pro rata share of future bills."

8. NDMHA has expended resources to establish the necessary service lines on their property to the sites of their lessees' homes. The fact that MDU can turn off the services without the lessor or landlord being made aware, has the potential to cause additional costs to the tenants because of re-connection charges and cause considerable damage to the existing lines and neighbors property through freezing and bursting pipes. This not only affects NDMHA's investment in their properties, but, more importantly, it has the potential to affect the tenants negatively as well as other neighbors and lessees' property and access to MDU's services that are being paid for by other individuals.

9. More specifically, a frozen pipe, or a burst pipe, that was the result of one lessee's services being discontinued, has the potential to affect the services supplied to the other

neighbors and lessees on or near the subject premises. Additionally, a burst pipe can cause water damage to the surrounding properties and infrastructure.

10. MDU has a current policy recently in place titled a Continuous Service Agreement in which a third party assumes the responsibility as the "Financially Responsible Party" and agrees to be responsible for all utility bills not paid by the tenant. The issue with the Continuous Service Agreement is that the utility is not providing advance notice of delinquent bills or of their intent to discontinue services to the "Financially Responsible Party." Without the advance notice, the lessor or landlord is unable to step in and help the lessee customer before the problem gets too big and then there is a significant and costly re-connection charge required by the utility for services by the lessee tenant and customer.

11. NDMHA is requesting that MDU, merely provide the lessor landlord and owner with advance notice, either the same ten (10) days as provided for the tenant, or at least not less than seventy-two (72) hours notice, so they can step in and help the lessee tenant and customer continue to receive the services that MDU provides to its customers.

12. There are other non-regulated utility service providers in North Dakota that follow the practice of informing in advance a lessor landlord or owner of an imminent termination of services to a lessee tenant and customer similar to what was being followed and provided previously by MDU before this recent policy change.

13. MDU has a defined service territory and the customers within that territory have no real choice nor option for obtaining services and therefor are limited with any opportunity for change unless the Public Service Commission assists and requires MDU to provide the customers and those impacted with reasonable protections.

14. MDU claims that there are confidential privacy concerns but those concerns can be

waived and the customers can authorize notification to a third party such as the lessor landlords or owners but even then MDU still is refusing to work out an arrangement to provide any advance notice. MDU's rates charged should even be lowed because they eliminated the prior notice and nothing has been doen to lower them as a result.

15. This advance notice with a proper waiver would not be overly burdensome to MDU because they can use their current electronic notification system to inform the lessor landlords and owners and simply need to add an option to send electronic notice to the lessee as well as the lessor landlord or owner if a proper waiver from the customer and lessee is obtained and provided to MDU.

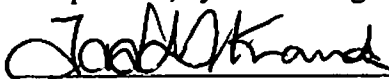
NOW WHEREFORE, NDMHA prays for the following relief:

1. That MDU, the utility company described herein, be required to provide the lessors and landlord with advance notice of their intent to disconnect their services to a customer lessee if a waiver is obtained and provided from the customer lessee .
2. That the advance notice be up to ten (10) days which is the same notification as is provided presently to the customer lessee or at least forty-eight (48) hours prior to the utility disconnecting the service.

Dated this 16th day of December, 2012.

Respectfully submitted,

North Dakota Manufactured Housing Association,
Complainant, by its undersigned attorneys.



TODD D. KRANDA, State Bar ID No. 04512
THOMAS D. KELSCH, State Bar ID No. 03918
ALEXANDER KELSCH, State Bar ID No. 07231
KELSCH, KELSCH, RUFF & KRANDA
Attorneys for the Complainant
103 Collins Avenue, P.O. Box 1266
Mandan, North Dakota 58554-7266
(701) 663-9818

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**North Dakota Manufactured Housing
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vs. Montana Dakota Utilities Co.
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Case No. PU-12-807

NOTICE OF HEARING

December 12, 2012

On December 10, 2012, North Dakota manufactured Housing Association (NDMHA) filed a Complaint against Montana-Dakota Utilities Co. asking the Commission to require MDU to notify lessors and landlords with advance notice of any intent to disconnect service to a customer lessee if MDU has a waiver from the customer lessee.

The Complainant also asked the Commission for an emergency hearing upon shortened notice. The Commission concludes this matter does not constitute an emergency justifying a shortened notice period.

On December 12, 2012, the North Dakota Public Service Commission found the Complaint states a *prima facie* case.

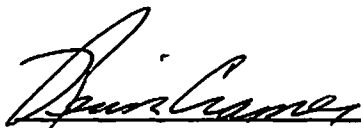
A public hearing on this matter will be held February 19, 2013, beginning at 9:00 a.m. in the Commission Hearing Room, State Capitol, 12th Floor, Bismarck, North Dakota 58505.

The issues to be considered in this matter are:

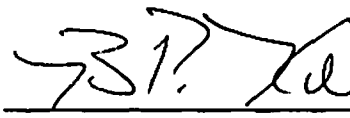
1. Whether the Commission has authority to require MDU to implement the requested procedure;
2. Whether implementation of the requested procedure would constitute a just and reasonable rule or regulation of MDU under North Dakota Century Code Section 49-04-17.

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 the Commission, at least 24 hours in advance.

PUBLIC SERVICE COMMISSION



**Kevin Cramer
Commissioner**



**Brian P. Kalk
Chairman**



**Bonny M. Fetch
Commissioner**