

North Dakota Public Service Commission
INFORMAL HEARING
May 21, 2013

MDU/Roughrider Electric Cooperative
City of Dickinson
Service Area Agreement

Case No. PU-13-142

Montana-Dakota Utilities Co. a Division of MDU
Resources Group, Inc.
City of Dickinson – Service Area Agreement
Public Convenience & Necessity

Case No. PU-13-141

Summary of Proposal: On April 1, 2013, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (MDU) and Roughrider Electric Cooperative, Inc. (Roughrider) filed a joint application for approval of a Service Area Agreement to establish service areas and designate service locations to be served by MDU and Roughrider within and around the City of Dickinson, North Dakota. The Agreement provides that each supplier will continue to serve existing customers, but will not serve new customers, within the other supplier's agreed upon service area. The term of the Agreement extends through September 30, 2032, but it can be terminated at any time with mutual agreement by the parties. After September 30, 2032, the Agreement remains in effect until either party gives twelve months notice to terminate. MDU further requests the Commission issue a certificate of public convenience and necessity (Case No. PU-13-141) authorizing MDU to extend service under the agreement to customers outside the city of Dickinson.

Recommendation: I recommend the Commission approve the agreement and issue the requested PC&N.

Discussion: On April 10, 2013 the Commission issued a Notice of Filing, Notice of Informal Hearing and Notice of Opportunity for Hearing, which provided until May 29, 2013 for receiving written comments or hearing requests. No response has yet been received. The notice identified the issues to be considered in this proceeding as whether the Service Area Agreement complies with section 49-03-06 of the North Dakota Century Code, and whether the approval of the Service Area Agreement and resulting certificate issuance are compatible with the public interest.

The parties contend that the Agreement is in the public interest by, among other matters:

1. Avoid misunderstanding and disagreement over areas to be served by each party,
2. Accomplish the legislative intent of N.D.C.C. section 49-03-06 to encourage harmony and operational efficiency among electric providers, promote safety, discourage unreasonable duplication of electric facilities, assure adequate and reliable electric service and provide antitrust immunity to the electric providers, and
3. Provide both parties with equitable participation in the provision of electric distribution service within undeveloped areas annexed to the City of Dickinson during the term of the agreement.

The City of Dickinson approved the Agreement on March 4, 2013.

Prepared by: Jerry Lein