

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Montana-Dakota Utilities Co., a Division
of MDU Resources Group, Inc.
Natural Gas Service Rate Increase
Application**

Case No. PU-13-803

AFFIDAVIT OF SERVICE BY CERTIFIED & REGULAR MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Jen Lein deposes and says that:

she is over the age of 18 years and not a party to this action, and, on the 10th day of **October, 2013**, she deposited in the United States Mail, at Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

Order on Interim Rates

The envelope was addressed as follows:

**Ms. Rita A. Mulkern
Regulatory Analysis Manager
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501**

Cert. No. 7013 0600 0001 7154 5277

Jen Lein further deposes and says that on the 10th day of **October, 2013**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same:

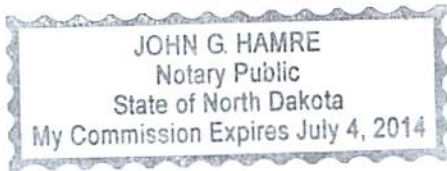
Affidavit of Service
Page 2
October 10, 2013


Mr. Daniel S. Kuntz
Associate General Counsel
MDU Resources Group, Inc.
PO Box 5650
Bismarck, ND 58506-5650

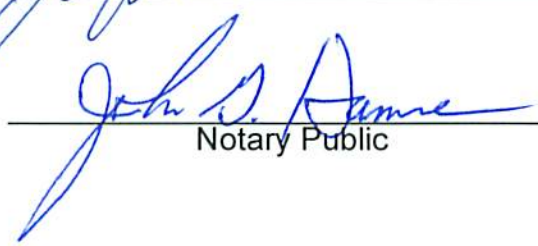
Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me
this 10th day of **October, 2013**.

SEAL







Notary Public

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Montana-Dakota Utilities Co., a Division of
MDU Resources Group, Inc.
Natural Gas Service Rate Increase
Application**

Case No. PU-13-803

ORDER ON INTERIM RATES

October 9, 2013

On September 18, 2013, Montana-Dakota Utilities Co., a Division of MDU Resources (MDU) filed with the Commission an increase of its natural gas service rates to become effective October 18, 2013, Case No. PU-13-803.

On September 25, 2013, the Commission by motion suspended the rate. The Commission may order a hearing concerning the rates.

Under N.D.C.C. §49-05-06(2) a company filing for a rate increase is entitled to an interim increase. The interim rate increase must meet certain criteria including: the same rate of return on common equity authorized by the Commission in the public utility's most recent rate proceeding; rate base and expense items the same in nature and kind allowed by the Commission in its most recent rate proceeding and; no change in the existing rate design. Since the Company is requesting a lower return on common equity than currently authorized, the Company used the lower rate in calculating its interim increase.

MDU's rate increase is based on a projected 2014 test year and is an increase in annual revenue collections of \$6.8 million, or an overall increase in retail revenues of 6.4%. The interim increase is \$4.5 million, or an overall increase in revenue collections of 4.162%. When applied to the non-fuel portion of the bill, the effective increase to firm service customers is 16.442%. The monthly increase for the average residential customer is approximately \$2.52. The interim increase amount billed will be shown as a separate line item on a customer's bill.

On September 25, 2013, the Commission's advocacy staff filed comments stating that MDU's interim increase complies with the laws regarding interim rate increases.

The Commission finds that MDU's interim increase complies with the laws regarding interim rate increases.


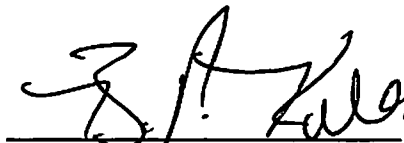

In the event the interim rate amounts collected by MDU are in excess of final rates approved by the Commission, MDU is required to refund the excess under North Dakota Century Code §49-05-06(4), including interest at a rate to be determined by the Commission.

Order

The Commission orders:

1. Montana-Dakota Utilities' interim rates to increase annual revenue collections by \$4.5 million shall be effective for service rendered on or after November 17, 2013.
2. Montana-Dakota Utilities is not required to obtain a bond under North Dakota Century Code §49-05-06(3) to secure a refund required under North Dakota Century Code §49-05-06(4).

PUBLIC SERVICE COMMISSION

		
Randy Christmann Commissioner	Brian P. Kalk Chairman	Julie Fedorchak Commissioner