

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

NOTICE OF HEARING

December 30, 2013

On September 18, 2013, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (MDU) filed an application to increase its rates for natural gas service to provide additional 2014 test year annual revenue of \$6,800,000 or a 6.4% increase over current rates.

On October 9, 2013, the Commission approved MDU's request for an interim rate increase based on the projected 2014 increase request. The interim rate increase of \$4,500,000, or 4.162% over current rates, became effective for natural gas service on and after November 17, 2013. MDU is required to refund interim rate amounts in excess of final rates approved by the Commission, including interest.

On October 23, 2013, MDU and Commission Advocacy Staff (Staff) entered into a Settlement Agreement, which they assert will resolve the expense, revenue and return issues in this proceeding. The October 23 Settlement Agreement did not address or resolve outstanding rate design issues.

On December 30, 2013, the Commission adopted an Order on Settlement approving the October 23, 2013 Settlement Agreement.

A Public Hearing is scheduled to begin February 5, 2014 at 8:30 a.m. CST in the Commission Hearing Room, State Capitol, 12th Floor, Bismarck, North Dakota 58505 to address rate design issues not resolved by the October 23, 2013 Settlement Agreement as approved by the Commission. The issues to be considered in this matter are:

1. 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?
2. Are MDU's proposed 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?

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400 or 877-245-6685 (toll free in North Dakota), 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



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Commissioner



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