

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co., a Division of MDU
Resources Group, Inc.
Generation Resource Cost Recovery
Tariff**

Case No. PU-14-108

**Montana-Dakota Utilities Co., a Division of MDU
Resources Group, Inc.
Generation Resource Recovery Rider
Rates**

Case No. PU-14-109

AFFIDAVIT OF SERVICE BY CERTIFIED & REGULAR 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 **June, 2014**, 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:

Notice of Opportunity for Consolidated Hearing

The envelope was addressed as follows:

Tamie Aberle
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

Cert. No. 7012 2210 0001 5060 9996

Cara DeSaye further deposes and says that on the **13th** day of **June, 2014**, 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.

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

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Affidavit of Service – Cert & Reg Mail
Public Service Commission

30 PU-14-108 Filed 06/13/2014 Pages: 4
Affidavit of Service – Cert & Reg Mail
Public Service Commission

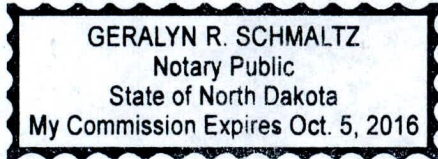
The addresses shown are the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me
this 13th day of **June, 2014**.

Cara DeLay

Gerald R. Schultz
Notary Public

SEAL



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NOTICE OF OPPORTUNITY FOR CONSOLIDATED HEARING

June 11, 2014

On February 27, 2014 Montana-Dakota Utilities Co. (MDU) filed for approval to implement a generation resource cost recovery rider tariff (Case No. PU-14-108) and rate increases under the rider (Case No. PU-14-109) to recover costs associated with a new 88 MW combustion turbine generator (Heskett III) located at Mandan, North Dakota, and a new natural gas pipeline constructed to provide fuel for Heskett III.

On April 23, 2014 the Commission issued a Notice of Hearing, scheduling a public hearing on both cases for May 28, 2014 at 1:00 p.m. CDT in the Commission Hearing Room, 12th floor, State Capitol, 600 E Boulevard Ave, Bismarck, ND 58505. The notice identified the issues to be considered were whether the proposed generation resource cost recovery rider and proposed initial rate increases should be approved. The public hearing was held as scheduled on May 28, 2014.

On May 9, 2014 MDU filed an amendment to its application to remove from the proposed rate increases costs associated with the new natural gas pipeline.

On May 20, 2014 MDU and Commission Advocacy Staff filed with the Commission a Settlement Agreement. The settlement recommends the Commission approve a generation resource recovery rider tariff that includes no rate increases. MDU could file rate increases later if current and projected earnings for the year are expected to be below 10.75% return on equity. The rate increases would be implemented in the form of a fixed charge per customer per day for residential and small general service customers. For large general service customers the rate increase would be a charge per kW of demand. If 2014 earnings exceed 10.75% MDU would refund to customers 50% of the excess earnings.

Believing that there will be no prejudice to the rights of the parties or the public interest, and finding the cases involve similar questions of law and fact, the Commission has consolidated the two cases effective April 23, 2014 under North Dakota Administrative Code section 69-02-04-04.

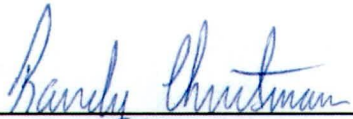
The issue to be considered is whether the Settlement Agreement should be accepted.

Those interested are invited to comment in writing. Persons desiring a hearing must file a written request identifying their interest in the proceedings and the reasons for requesting a hearing. **Comments and requests for hearing must be received by July**

23, 2014. If deemed appropriate, the Commission can determine this matter without a hearing.

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, Darrell Nitschke, Executive Secretary, 24 hours in advance.

PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Brian P. Kalk
Chairman



Julie Fedorchak
Commissioner