

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA

In the Matter of the Application of)
MONTANA-DAKOTA UTILITIES CO., a)
Division of MDU Resources Group, Inc.,) Case No. PU-15-____
for Authority to Establish Increased)
Rates for Natural Gas Service)

APPLICATION AND NOTICE FOR
INTERIM INCREASE IN NATURAL GAS RATES

COMES NOW Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., and respectfully moves that the North Dakota Public Service Commission (Commission) authorize, on an interim basis, rate relief of \$4,303,978 to be effective within 60 days.

I.

Montana-Dakota is entitled to interim rate relief as more fully set forth in the Application and Notice, Testimony and Exhibits, and supporting Statements filed in this Case.

II.

The following rate schedules set forth in Appendix A hereto are proposed on an interim basis to be effective within 60 days:

8 th Revised Sheet No. 4	Residential Gas Service Rate 60
6 th Revised Sheet No. 7	Air Force Rate 64
8 th Revised Sheet No. 13	Firm General Gas Service Rate 70
8 th Revised Sheet No. 14	Small Interruptible General Gas Service Rate 71
9 th Revised Sheet No. 15	Optional Seasonal General Gas Service Rate 72
7 th Revised Sheet No. 24.1	Transportation Service Rates 81 and 82
5 th Revised Sheet No. 27	Large Interruptible General Gas Service Rate 85
3 rd Revised Sheet No. 27.1	Large Interruptible General Gas Service Rate 85
8 th Revised Sheet No. 32	Residential Propane Service Rate 90
8 th Revised Sheet No. 34	Firm General Propane Service Rate 92

The Rate Summary Sheet will be submitted in compliance with the Commission's authorization of the requested interim increase.

III.

The requested interim relief as shown in Appendix C is computed pursuant to the requirements of the North Dakota Century Code, Sections 49-05-04 through 49-05-06 and is in full compliance therewith.

IV.

The requested interim rate relief is calculated based upon the adjustments and methodologies contained in the Company's last North Dakota natural gas case (Case No. PU-13-803).

V.

The tariff sheets provided in Appendix A designate that the amounts billed for the Basic Service Charge and the Distribution Delivery Charge under the Residential, Firm General, Air Force and Transportation rate schedules are subject to an interim increase of 13.523 percent. Customers taking service under Small Interruptible Sales Service Rate 71 and Large Interruptible Sales Service Rate 85 are subject to an interim increase of 8.669 percent and 8.309 percent, respectively. This represents the percentage increase in distribution revenues based on the amount of revenue to be collected on an interim basis. The Cost of Gas will not be subject to the interim increase. The amount billed will be shown as a separate line item on a customer's bill. The workpapers supporting the interim increase are provided in Appendix B.

Montana-Dakota respectfully requests that the North Dakota Public Service Commission grant interim rate relief in the amount of \$4,303,978, by authorizing the schedule of charges attached hereto as Appendix A, to become effective within 60 days.

Dated this 6th day of February, 2015.

MONTANA-DAKOTA UTILITIES CO.,
a Division of MDU Resources Group, Inc.

By: 

Nicole Kivisto
President and Chief Executive Officer



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
8th Revised Sheet No. 4
Canceling 7th Revised Sheet No. 4

RESIDENTIAL GAS SERVICE Rate 60

Page 1 of 1

Availability:

In all communities served for all domestic uses. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:	\$0.4935 per day
Distribution Delivery Charge:	\$.326 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate
Interim Rate Increase:	13.523% of amount billed under Basic Service Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87 or any amendments or alterations thereto.

General Terms and Conditions:

The foregoing schedule is subject to Rates 100 through 124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed: February 6, 2015

Effective Date:

Issued By: Tamie A. Aberle
Director - Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
6th Revised Sheet No. 7
Canceling 5th Revised Sheet No. 7

AIR FORCE Rate 64

Page 1 of 2

Availability:

Minot Air Force Base near Minot, North Dakota, and the Perimeter Acquisition Radar (PAR) Site, near Concrete, North Dakota. The Air Force shall make an election of its requirements under each available service and such requirements shall be set forth in a service agreement with the Company.

Rate:

Basic Service Charge:

Minot Air Force Base	\$2,000.00 per month
Perimeter Acquisition Radar (PAR) Site	\$175.00 per month

Distribution Delivery Charge:

Firm Service	\$.329 per dk
Interruptible Service	\$.260 per dk

Cost of Gas:

Determined Monthly- See Rate Summary Sheet for Current Rate

Interim Rate Increase:

13.523% of amount billed under Basic Service Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Date Filed: February 6, 2015

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
8th Revised Sheet No. 13
Cancelling 7th Revised Sheet No. 13

FIRM GENERAL GAS SERVICE Rate 70

Page 1 of 2

Availability:

In all communities served for all purposes except for resale. See Rate 100, §3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated under
500 cubic feet per hour \$0.67 per day

For customers with meters rated over
500 cubic feet per hour \$1.90 per day

Distribution Delivery Charge: \$.730 per dk

Cost of Gas: Determined Monthly- See
Rate Summary Sheet for
Current Rate

Interim Rate Increase: 13.523% of amount billed under
Basic Service Charge and
Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Date Filed: February 6, 2015

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
8th Revised Sheet No. 14
Canceling 7th Revised Sheet No. 14

SMALL INTERRUPTIBLE GENERAL GAS SERVICE Rate 71

Page 1 of 4

Availability:

In all communities served for all interruptible general gas service customers whose interruptible natural gas load will exceed an input rate of 2,500,000 Btu per hour, metered at a single delivery point and whose use of natural gas will not exceed 100,000 dk annually. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be billed at Firm General Gas Service Rate 70. For interruptible purposes, the maximum daily firm requirement shall be set forth in the firm service agreement.

Rate:

Basic Service Charge:	\$175.00 per month	
Distribution Delivery Charge:	<u>Maximum</u> \$.929 per dk	<u>Minimum</u> \$.485 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate	
Interim Rate Increase:	8.669% of amount billed under Basic Service Charge and Distribution Delivery Charge	

The Distribution Delivery Charge shall be set forth in the service agreement required as provided in the General Terms and Conditions for service. Such rate, as adjusted to reflect changes in the Cost of Gas, shall apply for the term of the agreement regardless of a change in the rates set forth above.

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Date Filed: February 6, 2015

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
9th Revised Sheet No. 15
Cancelling 8th Revised Sheet No. 15

OPTIONAL SEASONAL GENERAL GAS SERVICE Rate 72

Page 1 of 2

Availability:

In all communities served for all purposes except for resale. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated
under 500 cubic feet per hour

\$0.67 per day

For customers with meters rated
over 500 cubic feet per hour

\$1.90 per day

Distribution Delivery Charge:

\$0.730 per dk

Cost of Gas:

Winter- Service rendered October 1 through May 31

Determined Monthly-
See Rate Summary
Sheet for Current Rate

Summer- Service rendered June 1 through
September 30

Determined Monthly-
See Rate Summary
Sheet for Current Rate

Interim Rate Increase:

13.523% of amount billed
under Basic Service Charge
and Distribution Delivery
Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Date Filed: February 6, 2015

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
7th Revised Sheet No. 24.1
Canceling 6th Revised Sheet No. 24.1

TRANSPORTATION SERVICE Rates 81 and 82

Page 2 of 10

Rate:

Under Rate 81 or 82, customer shall pay the applicable Basic Service Charge plus a negotiated rate not more than the maximum rate or less than the minimum rate specified below. In the event customer also takes service under Rate 71 or Rate 85, the Basic Service Charge applicable under Rate 81 or Rate 82 shall be waived.

Basic Service Charge:

Rate 81	\$175.00 per month
Rate 82	\$1,000.00 per month

	<u>Rate 81</u>	<u>Rate 82</u>
Maximum Rate per dk	\$0.485	\$0.297
Minimum Rate per dk	\$0.102	\$0.061
Balancing Charge per dk	\$0.300	\$0.300

Interim Rate Increase:	13.523% of amount billed under Basic Service Charge and Distribution Delivery Charge
------------------------	--

Fuel Charge:	Applicable to all dk transported to customer located within the distribution system. Charge does not apply to transmission level customers. See Rate Summary Sheet for currently effect charge.
--------------	---

General Terms and Conditions:

1. CRITERIA FOR SERVICE: In order to receive the service, customer must qualify under one of the Company's applicable natural gas transportation service rates and comply with the general terms and conditions of the service provided herein. The customer is responsible for making all arrangements for transporting the gas from its source to the Company's interconnection with the delivering pipeline(s).

Date Filed: February 6, 2015

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.
400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
5th Revised Sheet No. 27
Canceling 4th Revised Sheet No. 27

LARGE INTERRUPTIBLE GENERAL GAS SERVICE Rate 85

Page 1 of 4

Availability:

In all communities served for all interruptible general gas service customers whose interruptible natural gas load will exceed 100,000 dk annually as metered at a single delivery point. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be billed at Firm General Gas Service Rate 70. For interruption purposes, the maximum daily firm requirement shall be set forth in the firm service agreement.

This rate schedule shall not apply for service to U.S. Government installations, which are covered by separate special contracts.

The Company reserves the right to refuse the initiation of service under this rate schedule based on the availability of gas supply.

Rate:

Basic Service Charge:	\$1,000.00 per month	
Distribution Delivery Charge:	<u>Maximum</u> \$.718 per dk	<u>Minimum</u> \$.297 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate	
Interim Rate Increase:	8.309% of amount billed under Basic Service Charge and Distribution Delivery Charge	

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Date Filed: February 6, 2015

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7

3rd Revised Sheet No. 27.1

Canceling 2nd Revised Sheet No. 27.1

LARGE INTERRUPTIBLE GENERAL GAS SERVICE Rate 85

Page 2 of 4

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

General Terms and Conditions:

1. PRIORITY OF SERVICE – Deliveries of gas under this schedule shall be subject at all times to the prior demands of customers served on the Company's firm general gas service rates, and the Company shall have the right to interrupt deliveries to customers under this schedule without being required to give previous notice of intention to so interrupt whenever, in Company's sole judgment, it may be necessary to do so to protect the interest of its customers whose capacity requirements are otherwise and hereby given preference. The priority of service and allocation of capacity shall be accomplished in accordance with the provisions of Rate 100, §V.10.
2. PENALTY FOR FAILURE TO CURTAIL OR INTERRUPT – If customer fails to curtail or interrupt their use of gas hereunder when requested to do so by the Company, any gas taken shall be billed at the Firm General Gas Service Rate 70 (distribution delivery charge and cost of gas), plus either an amount equal to any penalty payments or overrun charges the Company is required to make to its interconnecting pipeline(s) under the terms of its contract(s) as a result of such failure to curtail or interrupt, or \$50.00 per dk of gas used in excess of the volume of gas to which customer was requested to curtail or interrupt, whichever amount is greater. The Company, in its discretion, may shut off customer's supply of gas in the event of customer's failure to curtail or interrupt use of gas when requested to do so by the Company.
3. AGREEMENT – Customer will be required to enter into an agreement for service hereunder for a minimum term of 12 months. Written notice of termination by either Company or customer must be given at least 90 days prior to the end of the initial term. Absent execution of such termination notice, the agreement shall continue for additional terms of equal length until written notice is given as provided herein, prior to the end of any subsequent term. Upon expiration of service, the customer may apply for and receive, at the sole discretion of the Company, gas service under this rate or another appropriate rate schedule for the customer's operations.

Date Filed: February 6, 2015

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
8th Revised Sheet No. 32
Canceling 7th Revised Sheet No. 32

RESIDENTIAL PROPANE SERVICE Rate 90

Page 1 of 2

Availability:

For the community of Hettinger for all domestic purposes. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:	\$0.4935 per day
Distribution Delivery Charge:	\$0.326 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate
Interim Rate Increase:	13.523% of amount billed under Basic Service Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas as defined in Cost of Gas - Propane Rate 99 or any amendments or alterations thereto. The cost of propane component is subject to change on a monthly basis.

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87 or any amendments or alterations thereto.

Date Filed: February 6, 2015

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
8th Revised Sheet No. 34
Cancelling 7th Revised Sheet No. 34

FIRM GENERAL PROPANE SERVICE Rate 92

Page 1 of 2

Availability:

For the community of Hettinger for all purposes except for resale. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated
under 500 cubic feet per hour \$0.67 per day

For customers with meters rated
over 500 cubic feet per hour \$1.90 per day

Distribution Delivery Charge: \$0.730 per dk

Cost of Gas: Determined Monthly- See Rate
Summary Sheet for Current Rate

Interim Rate Increase: 13.523% of amount billed under Basic
Service Charge and Distribution Delivery
Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of propane as defined in Cost of Gas - Propane Rate 99 or any amendments or alterations thereto. The cost of propane component is subject to change on a monthly basis.

Date Filed: February 6, 2015

Effective Date:

Issued By: Tamie A. Aberle
Director – Regulatory Affairs

Case No.:

Tariffs Reflecting Proposed Changes



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
7th Revised Sheet No. 4
Canceling 6th Revised Sheet No. 4

RESIDENTIAL GAS SERVICE Rate 60

Page 1 of 1

Availability:

In all communities served for all domestic uses. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:	\$0.4935 per day
Distribution Delivery Charge:	\$.326 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate
<u>Interim Rate Increase:</u>	<u>13.523% of amount billed under Basic Service Charge and Distribution Delivery Charge</u>

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87 or any amendments or alterations thereto.

General Terms and Conditions:

The foregoing schedule is subject to Rates 100 through 124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Date Filed:

Effective Date:

Issued By:

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
5th Revised Sheet No. 7
Canceling 4th Revised Sheet No. 7

AIR FORCE Rate 64

Page 1 of 2

Availability:

Minot Air Force Base near Minot, North Dakota, and the Perimeter Acquisition Radar (PAR) Site, near Concrete, North Dakota. The Air Force shall make an election of its requirements under each available service and such requirements shall be set forth in a service agreement with the Company.

Rate:

Basic Service Charge:

Minot Air Force Base	\$2,000.00 per month
Perimeter Acquisition Radar (PAR) Site	\$175.00 per month

Distribution Delivery Charge:

Firm Service	\$.329 per dk
Interruptible Service	\$.260 per dk

Cost of Gas:

Determined Monthly- See Rate Summary Sheet for Current Rate

Interim Rate Increase:

13.523% of amount billed under Basic Service Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Date Filed:

Effective Date:

Issued By:

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
7th Revised Sheet No. 13
Cancelling 6th Revised Sheet No. 13

FIRM GENERAL GAS SERVICE Rate 70

Page 1 of 2

Availability:

In all communities served for all purposes except for resale. See Rate 100, §3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated under
500 cubic feet per hour

\$0.67 per day

For customers with meters rated over
500 cubic feet per hour

\$1.90 per day

Distribution Delivery Charge:

\$.730 per dk

Cost of Gas:

Determined Monthly- See
Rate Summary Sheet for
Current Rate

Interim Rate Increase:

13.523% of amount billed under
Basic Service Charge and
Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Date Filed:

Effective Date:

Issued By:

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7

7th Revised Sheet No. 14

Canceling 6th Revised Sheet No. 14

SMALL INTERRUPTIBLE GENERAL GAS SERVICE Rate 71

Page 1 of 4

Availability:

In all communities served for all interruptible general gas service customers whose interruptible natural gas load will exceed an input rate of 2,500,000 Btu per hour, metered at a single delivery point and whose use of natural gas will not exceed 100,000 dk annually. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be billed at Firm General Gas Service Rate 70. For interruptible purposes, the maximum daily firm requirement shall be set forth in the firm service agreement.

Rate:

Basic Service Charge:	\$175.00 per month	
Distribution Delivery Charge:	<u>Maximum</u> \$.929 per dk	<u>Minimum</u> \$.485per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate	
<u>Interim Rate Increase:</u>	<u>8.669% of amount billed under Basic Service Charge and Distribution Delivery Charge</u>	

The Distribution Delivery Charge shall be set forth in the service agreement required as provided in the General Terms and Conditions for service. Such rate, as adjusted to reflect changes in the Cost of Gas, shall apply for the term of the agreement regardless of a change in the rates set forth above.

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Date Filed:

Effective Date:

Issued By:

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.
400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
8th Revised Sheet No. 15
Cancelling 7th Revised Sheet No. 15

OPTIONAL SEASONAL GENERAL GAS SERVICE Rate 72

Page 1 of 2

Availability:

In all communities served for all purposes except for resale. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated
under 500 cubic feet per hour

\$0.67 per day

For customers with meters rated
over 500 cubic feet per hour

\$1.90 per day

Distribution Delivery Charge:

\$0.730 per dk

Cost of Gas:

Winter- Service rendered October 1 through May 31

Determined Monthly-
See Rate Summary
Sheet for Current Rate

Summer- Service rendered June 1 through
September 30

Determined Monthly-
See Rate Summary
Sheet for Current Rate

Interim Rate Increase:

13.523% of amount billed
under Basic Service Charge
and Distribution Delivery
Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Date Filed:

Effective Date:

Issued By:

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.
400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
6th Revised Sheet No. 24.1
Canceling 5th Revised Sheet No. 24.1

TRANSPORTATION SERVICE Rates 81 and 82

Page 2 of 10

Rate:

Under Rate 81 or 82, customer shall pay the applicable Basic Service Charge plus a negotiated rate not more than the maximum rate or less than the minimum rate specified below. In the event customer also takes service under Rate 71 or Rate 85, the Basic Service Charge applicable under Rate 81 or Rate 82 shall be waived.

Basic Service Charge:

Rate 81	\$175.00 per month
Rate 82	\$1,000.00 per month

	<u>Rate 81</u>	<u>Rate 82</u>
Maximum Rate per dk	\$0.485	\$0.297
Minimum Rate per dk	\$0.102	\$0.061
Balancing Charge per dk	\$0.300	\$0.300

<u>Interim Rate Increase:</u>	<u>13.523% of amount billed under Basic Service Charge and Distribution Delivery Charge</u>
-------------------------------	---

Fuel Charge:	Applicable to all dk transported to customer located within the distribution system. Charge does not apply to transmission level customers. See Rate Summary Sheet for currently effect charge.
--------------	---

General Terms and Conditions:

1. CRITERIA FOR SERVICE: In order to receive the service, customer must qualify under one of the Company's applicable natural gas transportation service rates and comply with the general terms and conditions of the service provided herein. The customer is responsible for making all arrangements for transporting the gas from its source to the Company's interconnection with the delivering pipeline(s).

Date Filed:

Effective Date:

Issued By:

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
4th Revised Sheet No. 27
Cancelling 3rd Revised Sheet No. 27

LARGE INTERRUPTIBLE GENERAL GAS SERVICE Rate 85

Page 1 of 4

Availability:

In all communities served for all interruptible general gas service customers whose interruptible natural gas load will exceed 100,000 dk annually as metered at a single delivery point. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be billed at Firm General Gas Service Rate 70. For interruption purposes, the maximum daily firm requirement shall be set forth in the firm service agreement.

This rate schedule shall not apply for service to U.S. Government installations, which are covered by separate special contracts.

The Company reserves the right to refuse the initiation of service under this rate schedule based on the availability of gas supply.

Rate:

Basic Service Charge: \$1,000.00 per month

Distribution Delivery Charge: Maximum \$0.718 per dk Minimum \$0.297 per dk

Cost of Gas: Determined Monthly- See Rate Summary Sheet for Current Rate

Interim Rate Increase: 8.309% of amount billed under Basic Service Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Date Filed:

Effective Date:

Issued By:

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7

2nd Revised Sheet No. 27.1

Cancelling 1st Revised Sheet No. 27.1

LARGE INTERRUPTIBLE GENERAL GAS SERVICE Rate 85

Page 2 of 4

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in Cost of Gas – Natural Gas Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

General Terms and Conditions:

1. PRIORITY OF SERVICE – Deliveries of gas under this schedule shall be subject at all times to the prior demands of customers served on the Company's firm general gas service rates, and the Company shall have the right to interrupt deliveries to customers under this schedule without being required to give previous notice of intention to so interrupt whenever, in Company's sole judgment, it may be necessary to do so to protect the interest of its customers whose capacity requirements are otherwise and hereby given preference. The priority of service and allocation of capacity shall be accomplished in accordance with the provisions of Rate 100, §V.10.
2. PENALTY FOR FAILURE TO CURTAIL OR INTERRUPT – If customer fails to curtail or interrupt their use of gas hereunder when requested to do so by the Company, any gas taken shall be billed at the Firm General Gas Service Rate 70 (distribution delivery charge and cost of gas), plus either an amount equal to any penalty payments or overrun charges the Company is required to make to its interconnecting pipeline(s) under the terms of its contract(s) as a result of such failure to curtail or interrupt, or \$50.00 per dk of gas used in excess of the volume of gas to which customer was requested to curtail or interrupt, whichever amount is greater. The Company, in its discretion, may shut off customer's supply of gas in the event of customer's failure to curtail or interrupt use of gas when requested to do so by the Company.
3. AGREEMENT – Customer will be required to enter into an agreement for service hereunder for a minimum term of 12 months. Written notice of termination by either Company or customer must be given at least 90 days prior to the end of the initial term. Absent execution of such termination notice, the agreement shall continue for additional terms of equal length until written notice is given as provided herein, prior to the end of any subsequent term. Upon expiration of service, the customer may apply for and receive, at the sole discretion of the Company, gas service under this rate or another appropriate rate schedule for the customer's operations.

Date Filed:

Effective Date:

Issued By:

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
7th Revised Sheet No. 32
Canceling 6th Revised Sheet No. 32

RESIDENTIAL PROPANE SERVICE Rate 90

Page 1 of 2

Availability:

For the community of Hettinger for all domestic purposes. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge: \$0.4935 per day

Distribution Delivery Charge: \$0.326 per dk

Cost of Gas: Determined Monthly- See Rate Summary Sheet for Current Rate

Interim Rate Increase: 13.523% of amount billed under Basic Service Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas as defined in Cost of Gas - Propane Rate 99 or any amendments or alterations thereto. The cost of propane component is subject to change on a monthly basis.

Distribution Delivery Stabilization Mechanism:

Service under this rate schedule is subject to an adjustment for the effects of weather in accordance with the Distribution Delivery Stabilization Mechanism Rate 87 or any amendments or alterations thereto.

Date Filed:

Effective Date:

Issued By:

Case No.:



Montana-Dakota Utilities Co.

A Division of MDU Resources Group, Inc.

400 N 4th Street
Bismarck, ND 58501

State of North Dakota Gas Rate Schedule

NDPSC Volume 7
7th Revised Sheet No. 34
Cancelling 6th Revised Sheet No. 34

FIRM GENERAL PROPANE SERVICE Rate 92

Page 1 of 2

Availability:

For the community of Hettinger for all purposes except for resale. See Rate 100, §V.3, for definition on class of service.

Rate:

Basic Service Charge:

For customers with meters rated
under 500 cubic feet per hour \$0.67 per day

For customers with meters rated
over 500 cubic feet per hour \$1.90 per day

Distribution Delivery Charge: \$0.730 per dk

Cost of Gas: Determined Monthly- See Rate
Summary Sheet for Current Rate

Interim Rate Increase: 13.523% of amount billed under Basic
Service Charge and Distribution Delivery
Charge

Minimum Bill:

Basic Service Charge.

Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.11, or any amendments or alterations thereto.

Cost of Gas:

The cost of propane as defined in Cost of Gas - Propane Rate 99 or any amendments or alterations thereto. The cost of propane component is subject to change on a monthly basis.

Date Filed:

Effective Date:

Issued By:

Case No.:

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
CALCULATION OF INTERIM REVENUE INCREASE**

Rate Class	Projected 2015 1/					Interim Increase 2/		Effective Interim Rate 3/
	Billing Units	Dk	Distribution Revenues	Gas Costs	Total Revenues	Increase in Revenues	% Increase	
Residential	92,478	8,667,437	\$19,483,416	\$48,381,634	\$67,865,050	\$2,634,742	3.882%	13.523%
Firm General Service	14,551	7,163,947	10,623,436	39,989,153	50,612,589	1,436,607	2.838%	13.523%
Air Force								
Firm	1	32,506	12,794	181,449	194,243	1,730		
Interruptible	2	479,120	150,671	2,096,629	2,247,300	20,375		
Total Air Force	3	511,626	163,465	2,278,078	2,441,543	22,105	0.905%	13.523%
Small Interruptible								
Sales 3/	135	920,446	729,916	4,046,281	4,776,197	98,707		8.669%
Transportation	73	1,098,432	686,040	0	686,040	92,773		13.523%
Total Small IT	208	2,018,878	1,415,956	4,046,281	5,462,237	191,480	3.506%	
Large Interruptible								
Sales 3/	1	32,084	21,529	141,041	162,570	2,911		8.309%
Transportation	6	4,307,330	1,321,302	0	1,321,302			
Less: Contracts 4/	3	4,026,850	1,202,000	0	1,202,000			
	3	280,480	119,302	0	119,302	16,133		13.523%
Total Large IT	7	4,339,414	1,342,831	141,041	1,483,872	19,044	1.283%	
Total North Dakota	107,247	22,701,302	\$33,029,104	\$94,836,187	\$127,865,291	\$4,303,978	3.366%	
Less: Large IT Transport Contract Distribution Rev 4/			1,202,000					
			<u>\$31,827,104</u>					

Interim Increase 5/ \$4,304,000
13.523% Increase

1/ Statement P, Page 1, adjusted to exclude market-based distribution revenues and contract customers.

2/ Interim increase allocated to non-gas components. Percentage increase applied to distribution components only.

3/ Effective interim rate reflective of the market-based pricing differential applicable to interruptible sales service revenues that is not subject to the interim increase.

IT Sales Revenue @ maximum rate per dk	Rate 71	Rate 85
Basic Service Charge (See Page 2)	283,500	12,000
Distribution Delivery Charge (See Page 2)	855,094	23,036
Total Distribution Revenue (See Page 2)	1,138,594	35,036
Effective Interim Rate for IT Sales Rates	8.669%	8.309%

4/ Interim increase not applicable to Large Interruptible Transportation Service contracts.

5/ Page 1, Appendix C.

MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - NORTH DAKOTA
 CALCULATION OF PROJECTED REVENUES
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013

Small Interruptible - Rate 71

	Projected 2015 at Minimum Rate per Dk			Projected 2015 at Maximum Rate per Dk		
	Billing Units	Rate	Revenue	Billing Units	Rate	Revenue
Bills	135	\$175.00 per month	\$283,500	135	\$175.00 per month	\$283,500
Distribution Delivery Charge	920,446	0.485 per dk	446,416	920,446	0.929 per dk	855,094
Cost of Gas	920,446	4.396 per dk	<u>4,046,281</u>	920,446	4.396 per dk	<u>4,046,281</u>
Total Revenue			<u>\$4,776,197</u>			<u>\$5,184,875</u>

Large Interruptible - Rate 85

	Projected 2015 @ Minimum Rate per Dk			Projected 2015 @ Maximum Rate per Dk		
	Billing Units	Rate	Revenue	Billing Units	Rate	Revenue
Bills	1	\$1,000.00 per month	\$12,000	1	\$1,000.00 per month	\$12,000
Distribution Delivery Charge	32,084	0.298 per dk	9,561	32,084	0.718 per dk	23,036
Cost of Gas	32,084	4.396 per dk	<u>141,041</u>	32,084	4.396 per dk	<u>141,041</u>
Total Revenue			<u>\$162,602</u>			<u>\$176,077</u>

**MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - NORTH DAKOTA
RATE 60 BILL COMPARISON
RESIDENTIAL GAS SERVICE**

<u>Month</u>	<u>Dk</u>	<u>Present Rate 1/</u>	<u>Proposed Rate 2/</u>	<u>Amount of Increase</u>	<u>% Increase</u>
January	17	\$115.73	\$118.55	\$2.82	2.44%
February	17	114.25	116.87	2.62	2.29%
March	12	86.19	88.79	2.60	3.02%
April	9	67.98	70.38	2.40	3.53%
May	5	44.84	47.13	2.29	5.11%
June	2	26.62	28.71	2.09	7.85%
July	2	27.11	29.27	2.16	7.97%
August	2	27.11	29.27	2.16	7.97%
September	2	26.62	28.71	2.09	7.85%
October	4	38.93	41.17	2.24	5.75%
November	10	73.89	76.33	2.44	3.30%
December	12	86.19	88.79	2.60	3.02%
Total	94	\$735.46	\$763.97	\$28.51	3.88%

Average Increase per Month \$2.38

<u>Rate 60</u>	<u>Current 1/</u>	<u>Proposed</u>
Basic Delivery Charge	\$0.4935	\$0.4935
Distribution Delivery	\$0.326	\$0.326
Projected Cost of Gas	5.582	\$5.582
Interim Rate 2/		13.523%

1/ Rate effective May 1, 2014

2/ Interim increase applicable to amount billed under Basic Service Charge and Distribution Delivery Charge.

MONTANA-DAKOTA UTILITIES CO.
PROJECTED OPERATING INCOME AND RATE OF RETURN
REFLECTING ADDITIONAL REVENUE REQUIREMENTS
PROJECTED 2015
(000s)

	Before Additional Revenue Requirements 1/	Additional Revenue Requirements	Reflecting Additional Revenue Requirements
Operating Revenues			
Sales	\$125,858	\$4,304	\$130,162
Transportation	2,007		2,007
Other	3,694		3,694
Total Revenues	<u>131,559</u>	<u>4,304</u>	<u>135,863</u>
Operating Expenses			
Operation and Maintenance			
Cost of Gas	94,834		94,834
Other O&M	20,049		20,049
Total O&M	<u>114,883</u>		<u>114,883</u>
Depreciation	7,044		7,044
Taxes Other Than Income	1,864		1,864
Income Taxes	1,752	1,633 2/	3,385
Total Expenses	<u>125,543</u>	<u>1,633</u>	<u>127,176</u>
Operating Income	<u>\$6,016</u>	<u>\$2,671</u>	<u>\$8,687</u>
Rate Base	<u>\$114,487</u>		<u>\$114,487</u>
<hr/>			
Rate of Return	<u>5.255%</u>		<u>7.588%</u>

1/ Statement M, Page 1.

2/ Reflects state and federal taxes at 37.9445%.