

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-15-90

ORDER ON INTERIM RATES
March 11, 2015

On February 6, 2015, Montana-Dakota Utilities Co., a Division of MDU Resources (MDU) filed with the Commission to increase its rates for natural gas service to become effective March 8, 2015, Case No. PU-15-90.

On February 11, 2015, the Commission by motion suspended the rates. The Commission may order a hearing concerning the rates.

Under North Dakota Century Code section 49-05-06(2), a company filing for a rate increase is entitled to an interim rate 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. The Company is requesting a return on common equity equal to what is currently authorized in its most recent rate proceeding.

MDU's rate increase is based on a projected 2015 test year and is an increase in annual revenue collections of \$4.3 million, or an overall increase in retail revenues of 3.4%. The interim increase is \$4.3 million, also an overall increase in revenue collections of 3.4%. When applied to the non-fuel portion of the bill, the effective increase to firm service customers is 13.523%. The monthly increase for a residential customer using 95 dekatherms a year is approximately \$2.40. The interim increase amount will be shown as a separate line item on a customer's bill.

On March 4, 2015, Commission 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.

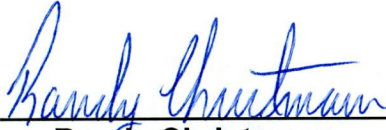
In the event the interim rate amounts collected by MDU are in excess of final rates approved by the Commission, MDU is required to refund the excess under North Dakota Century Code section 49-05-06(4), including interest at a rate to be determined by the Commission.

Order

The Commission orders:

1. Montana-Dakota Utilities' interim rates to increase annual revenue collections by \$4.3 million shall be effective for service rendered on or after April 7, 2015.
2. Montana-Dakota Utilities is not required to obtain a bond under North Dakota Century Code section 49-05-06(3) to secure a refund required under North Dakota Century Code section 49-05-06(4).

PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Julie Fedorchak
Chairman



Brian P. Kalk
Commissioner