



North Dakota Gas Rate Case Technical Hearing

*In the Community
to Serve®*

Case No. PU-15-90

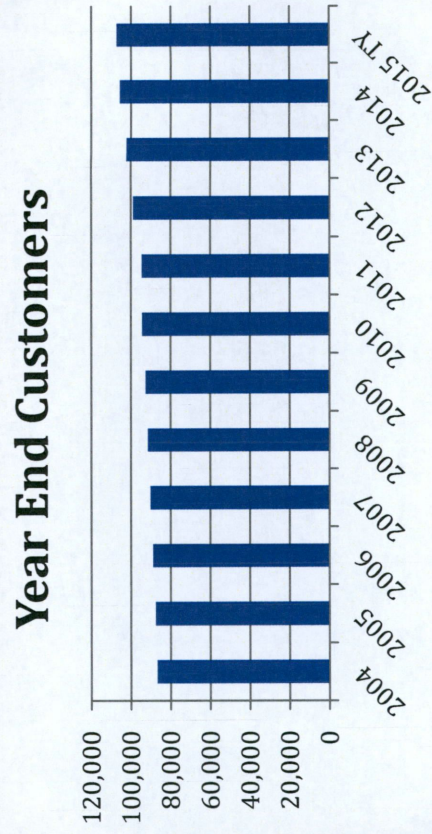
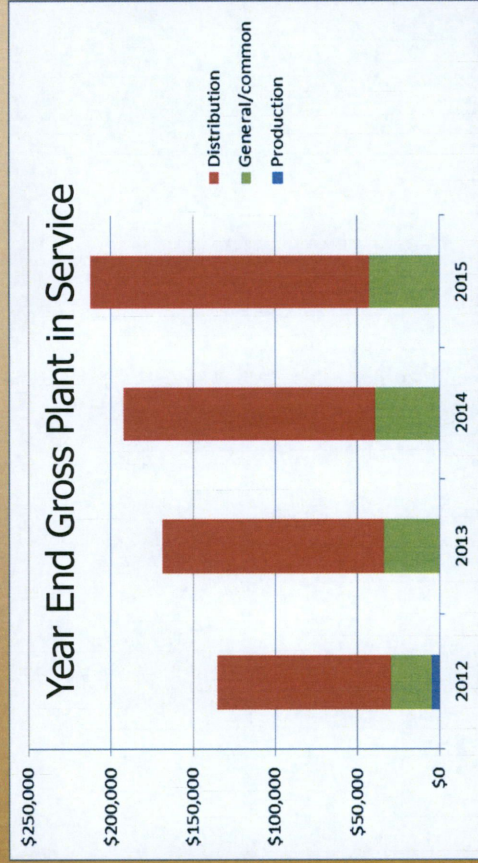
Nicole Kivisto Overview

Application for Increase in Natural Gas Service Rates

- Application filed February 6, 2015
- Increase of \$4,301,515
- 3.4% overall increase in rates
- Change in distribution rates only
- Last rate case filed in 2013 - Final rates implemented May 1, 2014

Primary Reasons for Increase

- Projected 2015 Investment is \$212 million
- 15 percent greater than investment in 2014 test year in last case
- Increased Taxes, Depreciation and Operations & Maintenance expenses
- Offset by an increase in customers

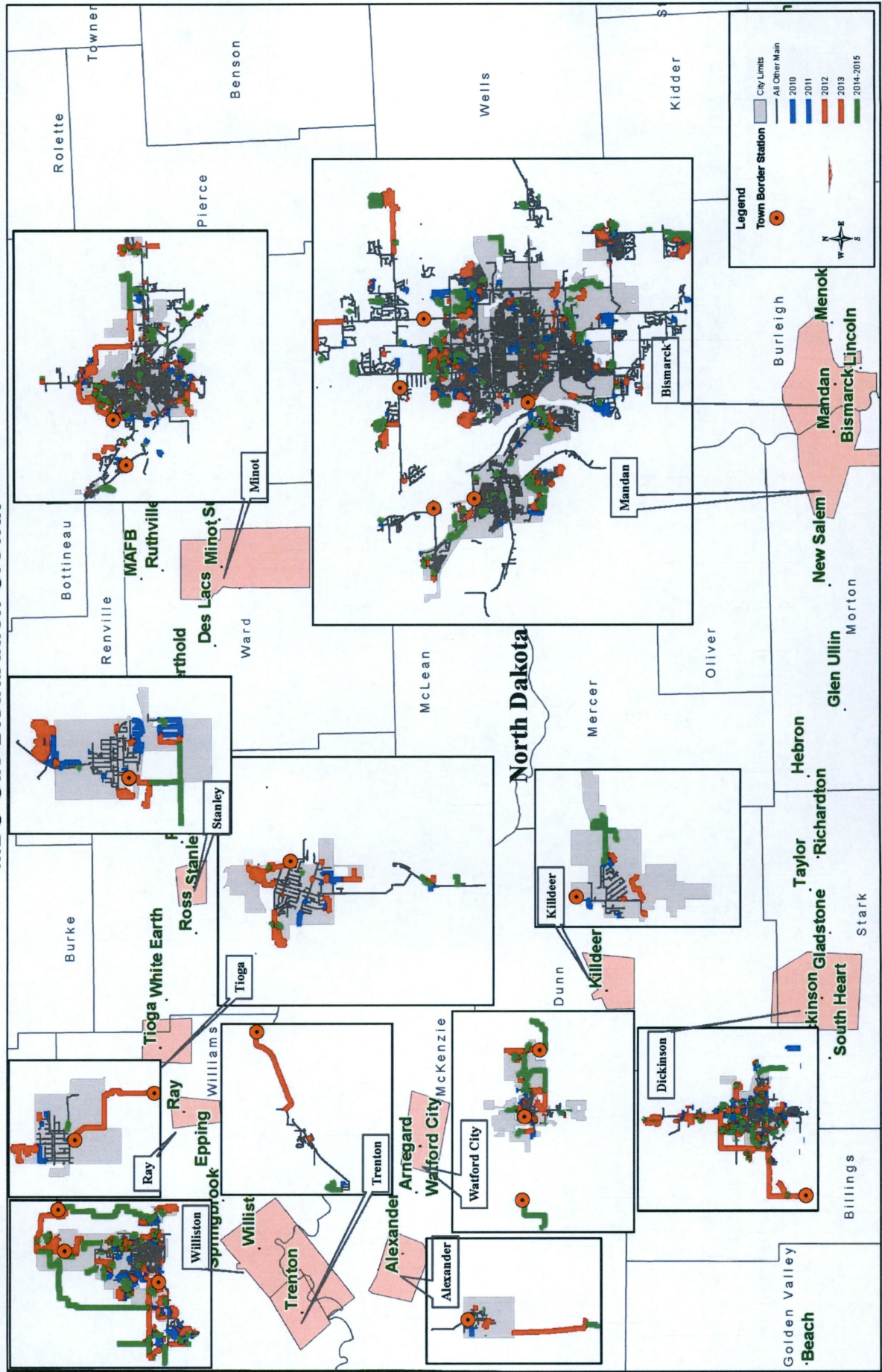


Major Investments:

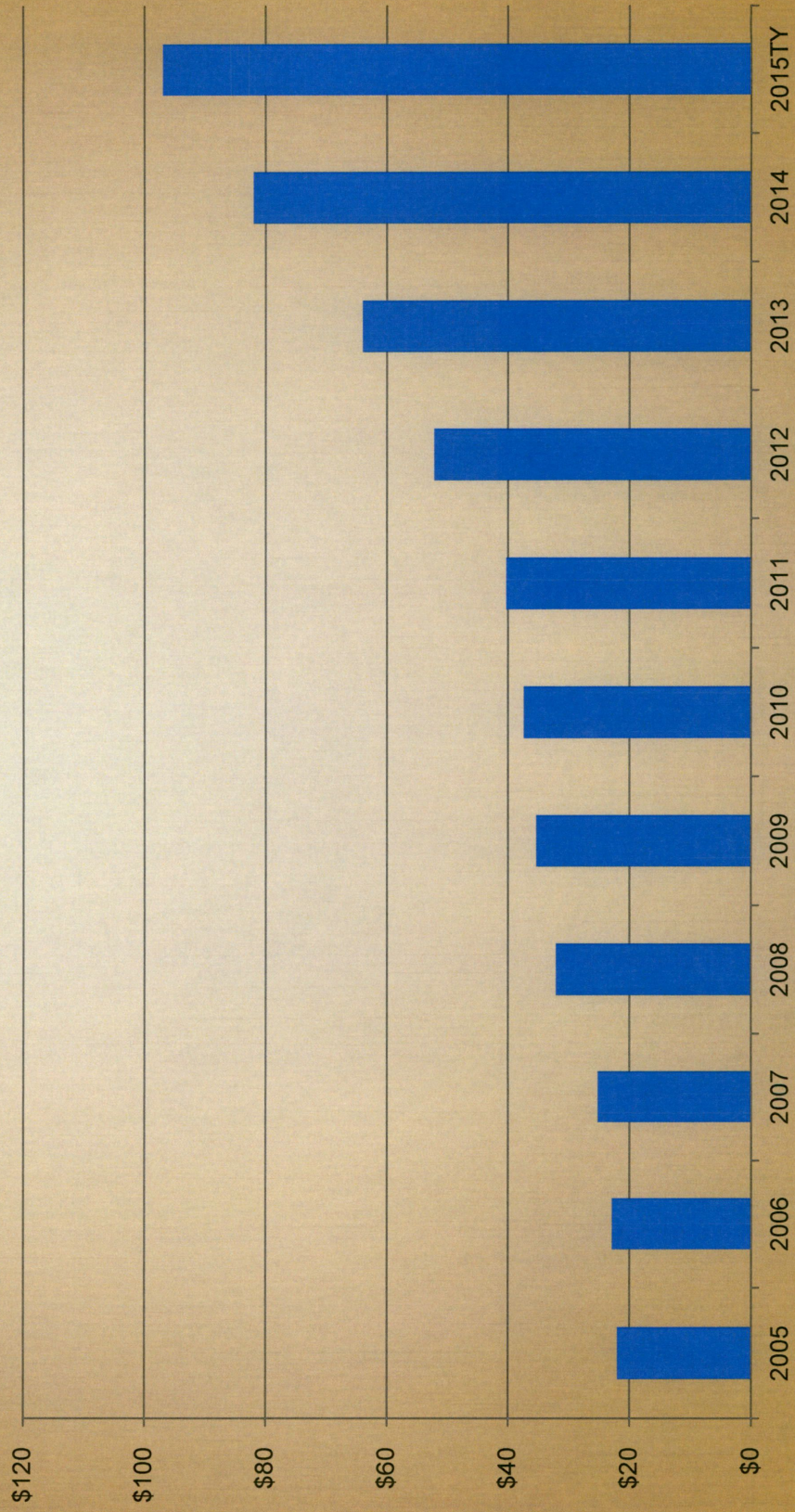
- New Town Border Stations
- Distribution mains to support systems
- Second Phase of Williston Loop



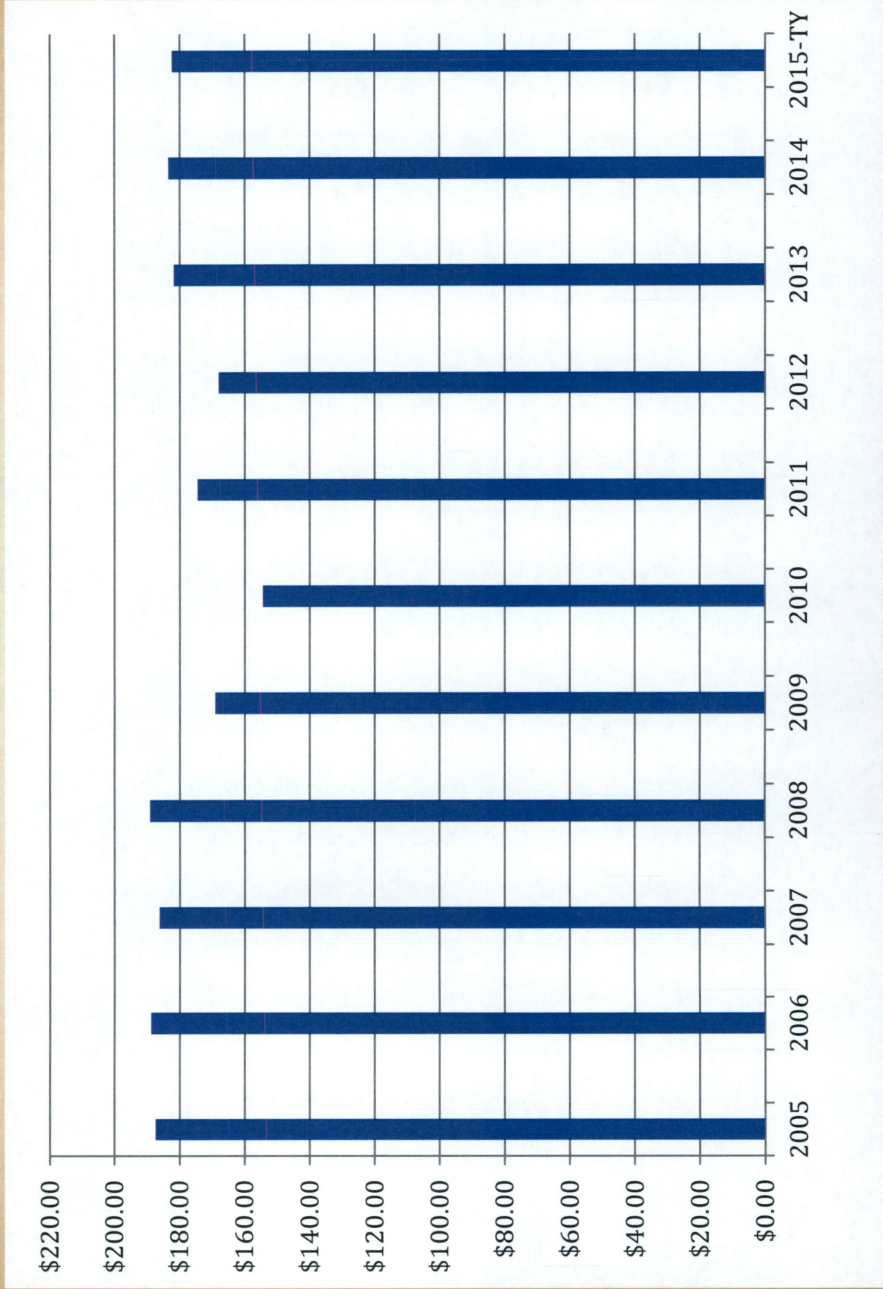
MDU Gas Distribution Growth



Average Rate Base (Millions)



North Dakota O&M Per Customer 2005-2015



Settlement Agreement

Filed 8/26/15

- Increase of \$4.3 million reduced to \$2.6 million
- 2% overall increase in rates
- 9.5% return on equity
- Update in firm volumes & increase in Interruptible Sales Distribution Margin
- Reduction in O&M
- Fixed Charge rate for Residential Customers
- Rate Stabilization Mechanism withdrawn

Proposed Increase by Rate Class

- Residential: 3.3 %
 - General Service: 0.0 %
 - Air Force: -1.6 %
 - Small Interruptible: 6.8 %
 - Large Interruptible: 0.0 %
- Overall Increase 2.0%

**Average Residential Increase =
\$2.04 per month**