

October 10, 2016

Executive Secretary
North Dakota Public Service Commission
State Capitol Building
Bismarck, ND 58505-0480

Re: ProGold/Cargill
Gas Transportation Service Agreement
Case No. PU-16-604

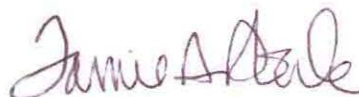
Great Plains Natural Gas Company, a Division of MDU Resources Group, Inc. (Great Plains), herewith submits a draft Findings of Fact, Conclusions of Law and Order in the Company's request for a Transportation Service Agreement (Agreement) with ProGold Limited Liability Company (ProGold) in Case No. PU-16-604. The draft Findings of Fact and Conclusions of Law and Order is included herein as Attachment A.

On August 18, 2016, Great Plains submitted an application for approval of the Agreement with ProGold. On September 21, 2016, the Commission held an Informal Hearing on the Company's request to discuss and consider the issues identified in the Commission's Notice. The Company now submits a draft Findings of Fact, Conclusions of Law and Order in the case approving the Agreement and directing the Company to file updated tariff and rate schedules for all classes of service no later than January 31, 2017.

Please contact me at 701.222.7856 or by email with any questions.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter, attached hereto, and returning the same in the enclosed self-addressed, stamped envelope.

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Attachment

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Great Plains Natural Gas Co., a Division
of MDU Resources Group, Inc. Case No. PU-16-604**
**Gas Transportation – ProGold Service
Agreement**

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

October ____, 2016

Appearances

Commissioners Julie Fedorchak, Randy Christmann and Brian P. Kalk.

Karl Liepitz, Senior Attorney, P.O. Box 5650, 1200 West Century Avenue, Bismarck, ND 58506-5650, appearing on behalf of Great Plains Natural Gas Co.

John Schuh, Legal Counsel, Public Service Commission, State Capitol, 600 E. Boulevard Avenue, Bismarck, ND 58505, appearing on behalf of Public Service Commission Staff.

Preliminary Statement

On August 18, 2016, Great Plains Natural Gas Co., a Division of MDU Resources Group, Inc. (Great Plains) filed for approval of a Transportation Service Agreement with ProGold Limited Liability Company (ProGold) to replace a Transportation Service Agreement that expired July 1, 2016. The new Transportation Service Agreement extends through December 2027 unless either party provides 180 days prior written notice to terminate effective December 31, 2022. The Transportation Service Agreement establishes a new transportation rate that will increase every January 1 throughout the term of the Transportation Service Agreement.

On September 7, 2016, the Commission issued a Notice of Filing, Notice of Informal Hearing and Notice of Opportunity for Hearing (Notice), scheduling an informal hearing to begin September 21, 2016 at 1:30 p.m. CST in the Commission Hearing Room, State Capitol, 12th Floor, Bismarck, North Dakota 58505. The Notice identified the following issues to be considered:

1. What is the value of Great Plains' property, used and useful, for the service and convenience of the public in North Dakota?

2. What is Great Plains' rate of return on its property, used and useful, for the service and convenience of the public in North Dakota?

3. What is a just and reasonable rate of return on Great Plains' property, used and useful, for the service and convenience of the public in North Dakota?

4. What rates and charges are necessary to provide a just and reasonable rate of return on Great Plains' property, used and useful, for the service and convenience of the public in North Dakota?

5. Are Great Plains' 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?

6. Other relevant information or proposals concerning the proceeding.

The Commission held the informal hearing, as scheduled in the Commission Hearing Room, State Capitol, 600 E. Boulevard Avenue, 12th Floor, Bismarck, North Dakota 58505.

Having allowed all interested persons an opportunity to be heard, and having heard, reviewed and considered all evidence presented, the Commission makes the following:

Findings of Fact

1. Great Plains is a Division of MDU Resources Group, Inc., a Delaware corporation, duly authorized to provide natural gas distribution service to retail customers in North Dakota.

2. The Transportation Service Agreement is beneficial to all North Dakota customers.

3. The Commission Staff reviewed the filing and all information provided by Great Plains addressing the issues identified in the Notice.

From the foregoing Findings of Fact, the Commission makes the following:

Conclusions of Law

1. The Commission has jurisdiction in these proceedings.

2. The Transportation Service Agreement with ProGold is subject to approval by the Commission in accordance with Section 69-09-01-26 of the North Dakota Administrative code.

From the foregoing Findings of Fact and Conclusions of Law, the Commission makes the following:

Order

The Commission Orders:

1. Great Plains' Transportation Service Agreement with ProGold is approved.
2. Great Plains shall file, for Commission approval, updated tariff and rate schedules for all classes of service on its system in North Dakota no later than January 31, 2017.

PUBLIC SERVICE COMMISSION

Julie Fedorchak
Chairman

Randy Christmann
Commissioner

Brian P. Kalk
Commissioner