

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Great Plains Natural Gas Co.  
Gas Transportation - ProGold  
Service Agreement(s)**

**Case No. PU-16-604**

**ORDER**

**October 19, 2016**

**Appearances**

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

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 with the Commission a Transportation Service Agreement with ProGold Limited Liability Company (ProGold). The Transportation Service Agreement extends through December 2027. The Transportation Service Agreement establishes a transportation rate that will increase annually on 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, 12<sup>th</sup> 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, 12<sup>th</sup> Floor, Bismarck, North Dakota 58505.

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.

The Commission has reviewed the filing and all information provided by Great Plains addressing the issues identified in the Notice and finds:

1. Great Plains' investment is used and useful for the service and convenience of the public of North Dakota.
2. Great Plains' rates, charges and rate of return are just and reasonable.
3. Great Plains' rate schedules are designed in such a manner that they result in a basis of charge to its customers that is just and reasonable without discrimination.
4. 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 the Commission makes the following:

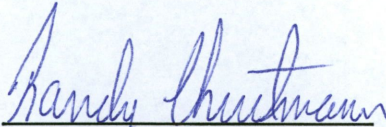
### Order

The Commission Orders:

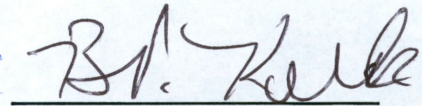
1. Great Plains' Transportation Service Agreement with ProGold is approved.

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**

  
**Randy Christmann**  
Commissioner

  
**Julie Fedorchak**  
Chairman

  
**Brian P. Kalk**  
Commissioner