

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Montana-Dakota Utilities Co., a Division of
MDU Resources Group, Inc.
Electric Service Agreement – Bronson’s Marketplace
Approval**

Case No. PU-16-770

ORDER

March 1, 2017

Preliminary Statement

On December 19, 2016, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (MDU) filed with the Commission an Electric Service Agreement (Agreement) with Bronson’s Marketplace (Bronson’s). The Agreement provides Bronson’s with a reduced demand charge for the first five years of service.

On February 16, 2017, the Commission held an informal hearing in the Commission Hearing Room, State Capitol, 600 E. Boulevard Avenue, 12th Floor, Bismarck, North Dakota 58505.

Discussion

The Agreement conforms to existing FIRM SERVICE ECONOMIC DEVELOPMENT Rate 34 tariff (Rate 34) which allows MDU to negotiate with a new or expanding business for a lower Demand charge for the first five years of electric service after receiving approval by the Commission.

Rate 34 requires that the customer be either a new service location or an expanded location that will have an expected or increased demand of 200 Kw per month and have expected or increased usage of 750,000 Kwh per year. MDU stated that the estimated average monthly demand of the new Bronson’s location will be approximately 215 Kw per month and have usage of approximately 1,175,000 Kwh per year.

During the informal hearing, MDU stated that when considering the discounted rate the anticipated annual revenue stream is sufficient to cover the \$33,000 cost to extend service and still provide a net contribution to the overall system.

Both MDU and Slope Electric Cooperative, Inc. were granted unlimited franchise agreements by the city of Bowman, ND, giving either the opportunity to provide electric distribution service to new customers within that city.

The Commission has reviewed the filing and all information provided by MDU during the informal hearing.

From the foregoing the Commission makes the following:


Order

The Commission Orders:

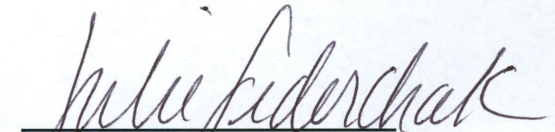
1. Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. Electric Service Agreement with Bronson's Marketplace is approved.
2. Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. shall include the results of the rate discount under the Electric Service Agreement in its Contract Revenue Delta filed with its electric company annual report to the Commission.

PUBLIC SERVICE COMMISSION

**Vacant
Commissioner**



**Randy Christmann
Chairman**



**Julie Fedorchak
Commissioner**