



UTILITIES CO.

A Division of MDU Resources Group, Inc.

400 North Fourth Street  
Bismarck, ND 58501  
(701) 222-7900

May 19, 2017

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

Re: Case No. PU-17-144  
Gas Transportation Service Agreement–  
Clark Equipment Company Application

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., (Montana-Dakota) herewith files an original and seven (7) copies of proposed Findings of Fact, Conclusions of Law and Order in the above referenced case.

Please contact me with any questions at 701.222.7856 or [tamie.aberle@mdu.com](mailto:tamie.aberle@mdu.com).

Sincerely,

A handwritten signature in dark ink, appearing to read 'Tamie A. Aberle', is written in a cursive style.

Tamie A. Aberle  
Director of Regulatory Affairs

Attachments

Cc: Karl Liepitz

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**In the Matter of the Application of )  
MONTANA-DAKOTA UTILITIES )  
CO., a Division of MDU Resources )  
Group, Inc. ) Case No. PU-17-144  
Gas Transportation Service )  
Agreement– Clark Equipment )  
Company )**

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER**

**May \_\_\_\_, 2017**

**Appearances**

Commissioners Randy Christmann, Julie Fedorchak, and Brian Kroshus.

Karl Liepitz, Assistant General Counsel, P.O. Box 5650, 1200 West Century Avenue, Bismarck, ND 58506-5650 appearing on behalf of Montana-Dakota Utilities Co.

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

Ilona Jeffcoat-Sacco, General Counsel, Public Service Commission, State Capitol, 600 E. Boulevard Avenue, Bismarck, North Dakota 58505, appearing on behalf of the Public Service Commission Advisory Staff.

**Preliminary Statement**

On March 31, 2017 Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (“Montana-Dakota”) filed an application for approval of an Agreement for Natural Gas Transportation Service (the “Transportation Service Agreement”) with Clark Equipment Company d/b/a Bobcat Company (“Bobcat”) to be served from the proposed natural gas system.

Montana-Dakota proposes to construct and operate approximately 21 miles of 12” plastic pipe from a tap on the Alliance Pipeline to Bobcat’s Gwinner, North Dakota facility. Montana-Dakota expects to invest approximately \$13.8 Million in new facilities to serve Bobcat pursuant to the Transportation Service Agreement. Montana-Dakota has entered into the Transportation Service Agreement with Bobcat under the terms of the currently authorized Transportation Service Rates 81 and 82. The transportation service rate to be paid by Bobcat reflects a monthly Basic Service Charge of \$1,000 and

a Distribution Charge of \$0.296 per dk based on transportation service charges currently applicable under Transportation Service Rate 82 and is subject to changes authorized in that rate schedule. In addition, a Contract Demand Charge will be assessed on a monthly basis and is subject to adjustment for actual construction costs, additional customers contracting for capacity on the line extension, and changes in interest rates as set forth in Exhibit B of the Transportation Service Agreement. An annual minimum bill equal to the annual Basic Service and Contract Demand Charges plus Distribution Delivery charges based on an annual throughput of 185,000 dk will also apply under the terms of the Transportation Service Agreement.

On April 13, 2017 the North Dakota Public Service Commission (the "Commission") issued a Notice of Opportunity for Hearing providing until May 30, 2017 for receiving written comments or requests for hearing. No comments or hearing requests have been received. The notice provided that the Commission could determine this matter without a hearing if deemed appropriate. The notice identified the following issues to be considered:

1. What is the value of Montana-Dakota's property, used and useful, for the service and convenience of the public in North Dakota?
2. What is Montana-Dakota's 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 Montana-Dakota's 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 Montana-Dakota's property, used and useful, for the service and convenience of the public in North Dakota?
5. Are Montana-Dakota's 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 scheduled an informal hearing to begin May 16<sup>th</sup>, 2017 at 10:30 a.m. CST in the Commission Hearing Room, State Capital, 600 E. Boulevard Avenue, 12<sup>th</sup> Floor, Bismarck, North Dakota 58505. The Commission held the informal hearing, as scheduled in the Commission Hearing Room, State Capital, 600 E. Boulevard Avenue, 12<sup>th</sup> Floor, Bismarck, North Dakota 58505.

The Commission reviewed the filing and all information provided by Montana-Dakota addressing the issues identified in the Notice and finds:

**Findings of Fact**

1. Montana-Dakota 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 a result of negotiations between Montana-Dakota and Bobcat and the rates are cost justified as shown by the analysis provided with Montana-Dakota's application.

3. Montana-Dakota's investment is used and useful for the service and convenience of the public of North Dakota.

4. Montana-Dakota's rates, charges and rate of return are just and reasonable.

5. Montana-Dakota's 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.

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

**Conclusions of Law**

1. The Commission has jurisdiction in these proceedings.

2. The Application for approval of the Transportation Service Agreement with Bobcat 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. Montana-Dakota's Transportation Service Agreement with Bobcat is approved.

**PUBLIC SERVICE COMMISSION**

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Julie Fedorchak  
Commissioner

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Randy Christmann  
Chairman

\_\_\_\_\_  
Brian Kroshus  
Commissioner