

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Montana-Dakota Utilities Co., a Division of
MDU Resources Group, Inc.
2017 Natural Gas Rate Increase
Application**

Case No. PU-17-295

ORDER ON INTERIM RATES

September 6, 2017

On July 21, 2017, Montana-Dakota Utilities Co., a Division of MDU Resources (MDU) filed with the Commission to increase its rates for natural gas service.

On August 16, 2017, the Commission suspended the rates.

On August 29, 2017, Commission Advocacy Staff filed comments stating that MDU's interim increase complies with the laws regarding interim rate increases.

MDU's rate increase is based on a projected 2018 test year and is an increase in annual revenue collections of \$5.9 million, or an overall increase in retail revenues of 5.4%. The interim increase is \$4.6 million, or an overall increase in revenue collections of 4.2%. When applied to the non-fuel portion of the bill, the effective increase to firm service customers is 12.486%. The monthly increase for a residential customer is approximately \$2.44. The interim increase amount will be shown as a separate line item on a customer's bill.

Under North Dakota Century Code section 49-05-06(2), a company filing for a rate increase is entitled to an interim rate increase. The interim rate increase must meet certain criteria including: the same rate of return on common equity authorized by the Commission in the public utility's most recent rate proceeding; rate base and expense items the same in nature and kind allowed by the Commission in its most recent rate proceeding and; no change in the existing rate design.

The Commission finds that MDU's interim increase complies with the laws regarding interim rate increases.

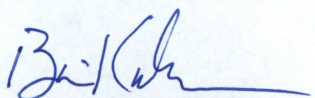
In the event the interim rate amounts collected by MDU are in excess of final rates approved by the Commission, MDU is required to refund the excess under North Dakota Century Code section 49-05-06(4), including interest at a rate to be determined by the Commission.

Order

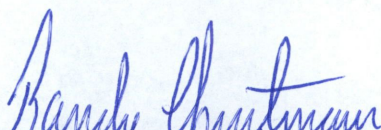
The Commission orders:

1. Montana-Dakota Utilities' request for interim rates to increase annual revenue collections by \$4.6 million is APPROVED.
2. Interim rates must be effective for service rendered on or after September 19, 2017.

PUBLIC SERVICE COMMISSION



Brian Kroshus
Commissioner



Randy Christmann
Chairman



Julie Fedorchak
Commissioner