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January 2, 2019

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

Re: Draft Order  
Case No. PU-17-075  
Case No. PU-17-490

Great Plains Natural Gas Company, a division of Montana-Dakota Utilities Co. (Great Plains), herewith submits a Draft Order as Attachment A in the above referenced cases regarding proposed tariff changes and rates reflecting the effect of the Tax Cuts and Jobs Act of 2017.

Please contact me at 701.222.7856 or at [Tamie.aberle@mdu.com](mailto:Tamie.aberle@mdu.com) 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

37 PU-17-490 Filed 01/02/2019 Pages: 4  
Proposed Order  
Great Plains Natural Gas Co.  
Tamie Aberle

28 PU-17-75 Filed 01/02/2019 Pages: 4  
Proposed Order  
Great Plains Natural Gas Co.  
Tamie Aberle

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Great Plains Natural Gas Co.'s )  
Application for Approval to Update its ) Case No. PU-17-075  
Tariff and Rate Schedules for All Class )  
of Customers )**

**Great Plains Natural Gas Co.'s Rates )  
Reflecting the Effects of the Tax ) Case No. PU-17-490  
Reform and Jobs Act of 2017 )**

**ORDER**

**January \_\_, 2019**

On February 3, 2017, Great Plains Natural Gas Co., a division of Montana-Dakota Utilities Co. (formerly a division of MDU Resources Group, Inc.) (Great Plains) filed an Application to revise its Natural Gas Tariff Volume No. 2 in compliance with the Commission's Order issued in Case No. PU-16-604 requiring Great Plains to file updated tariffs and rate schedules for all classes of customers. The natural gas rates proposed by Great Plains in its Application were designed to produce the same level of distribution revenues as the currently authorized distribution rates. Great Plains proposed to modify the rate form and update the cost of gas, extension policy, meter testing policy and its terms and conditions of service as described in the Application.

On March 1, 2017, the Commission issued a Notice of Opportunity for Hearing in Case No. PU-17-075. The notice identified the following issues to be considered:

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

The Commission received no comments or requests for a hearing.

On December 29, 2017, the Parties entered into an Agreement for Extension of Rate Suspension until September 30, 2018.

On January 10, 2018, the North Dakota Public Service Commission issued an Order Initiating Investigation to determine the effect of the Tax Cuts and Jobs Bill Act of 2017 (Tax Reform) on Great Plains and other jurisdictional utilities in Case No. PU-17-490.

On February 15, 2018, Great Plains filed its initial comments regarding the effects of Tax Reform on its natural gas rates in Case No. PU-17-490.

On April 20, 2018, Advocacy Staff filed its initial comments in Case No. PU-17-490, including comments on the impact on Great Plains.

On October 1, 2018, the Parties entered into a Second Agreement for Extension of Rate Suspension until January 1, 2019 in Case No. PU-17-075.

On October 19, 2018, Great Plains filed a Settlement Agreement between Great Plains and Advocacy Staff intended to resolve all outstanding issues in Case No. PU-17-490 and Case No. PU-17-075.

On November 8, 2018, the Commission issued its second Notice of Opportunity for Hearing identifying the issue to be considered as to whether the Settlement Agreement is reasonable and should be approved. The Commission received no comments or requests for hearing.

On December 19, 2018 an Informal Hearing was held regarding the Settlement Agreement.

Great Plains is an investor owned public utility providing natural gas service to customers in Wahpeton, North Dakota under the regulatory jurisdiction of this Commission. Great Plains provides natural gas service to approximately 2,300 customers located in North Dakota.

The Settlement Agreement provides for miscellaneous tariff changes and a reduction in natural gas rates necessary to yield an annual revenue decrease of \$168,306 representing a 4 percent reduction in Great Plains' annual sales revenues. The decrease shall be applied on an equal percentage basis to each sales class.

As part of the Settlement Agreement Great Plains agreed that it would issue refunds to customers for the period January 1, 2018 through the period ending with the implementation of new rates by applying the 4 percent decrease to sales revenues collected during that time period. The amount to be refunded will be offset by the total non-plant excess deferred income taxes as grossed up for taxes of \$4,152.

Under the terms of the Settlement Agreement, Great Plains will submit its results of operations as part of Montana-Dakota Utilities Co.'s Annual Report starting with the reporting requirements for calendar year 2018.

The Commission finds the Settlement Agreement will result in just and reasonable rates.

## Order

The Commission Orders:

1. The Settlement Agreement is approved and adopted in its entirety.
2. Great Plains shall file, for Commission approval, compliance rate schedules consistent with this Order and the Settlement Agreement.
3. A refund plan reflecting the provisions set forth in the Settlement Agreement will be submitted to the Commission within 30 days of Great Plains' receipt of this Order.

### **PUBLIC SERVICE COMMISSION**

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**Randy Christmann**  
Commissioner

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**Brian Kroshus**  
Chairman

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**Julie Fedorchak**  
Commissioner