

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Dakota Natural Gas, LLC
Gas Transportation – American Crystal Sugar Co.
Tariff and Rates

Case No. PU-20-245

ORDER

September 23, 2020

Preliminary Statement

On June 1, 2020, Dakota Natural Gas, LLC (DNG) filed a request for approval of a firm gas transportation agreement with American Crystal Sugar Company.

On July 8, 2020, the North Dakota Public Service Commission (Commission) issued a Notice of Opportunity for Hearing providing until August 22, 2020 for receiving written comments or requests for hearing. No response or request for hearing was received. 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 DNG's property, used and useful, for the service and convenience of the public in North Dakota?
2. Are DNG'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?

On September 3, 2020, the Commission discussed these matters with DNG and Commission staff during an informal hearing.

Discussion

During the September 3, 2020 informal hearing the following was offered and accepted into the official record.

DNG is a limited liability company organized under the laws of North Dakota. DNG is a wholly owned subsidiary of Greater Minnesota Transmission, LLC, a Minnesota limited liability company (GMT). GMT is a subsidiary of Greater Minnesota Synergy, Inc., a Minnesota corporation (GMS). GMS and its subsidiaries have provided similar natural gas service in Minnesota since 1995. DNG will provide natural gas service to the Drayton, North Dakota community and its environs for the 2020-2021 heating season, which was DNG's first project in North Dakota.

DNG proposes to construct and operate a distribution system serving the towns of Mayville and Hillsboro, their environs, and American Crystal Sugar's Hillsboro location (service area) in Traill County, North Dakota. The distribution system will begin at an interconnection with the Viking natural gas transmission line near Beltrami, Minnesota. The total cost of the distribution system is estimated to be approximately \$8.5 million. DNG proposes to supply the distribution system via a combination of 4" steel and 6", 4", and 2" plastic main line.

DNG's firm gas transportation agreement with American Crystal Sugar Company was submitted for the Commission's consideration as required by DNG's tariff. The agreement provides for a 15-year fixed rate for American Crystal Sugar Company's transport needs and provides terms for an extension of the contract by the parties. Staff reviewed the American Crystal Sugar firm transportation agreement and the fixed rate for the length of the contract and agreed that it is reasonable and does not result in undue discrimination.

Based on the record and having received no objections, the Commission finds:

1. The proposed rates and charges are necessary to provide a just and reasonable rate of return on DNG's property, used and useful, for the service and convenience of the public in North Dakota.
2. DNG's firm transportation agreement with American Crystal Sugar Company is just and reasonable and does not result in undue discrimination.

Order

The Commission orders:

1. Dakota Natural Gas, LLC's firm gas transportation agreement with American Crystal Sugar Company is APPROVED.

PUBLIC SERVICE COMMISSION


Julie Fedorchak **Brian Kroshus** **Randy Christmann**
Commissioner **Chairman** **Commissioner**