



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

August 26, 2020

Executive Secretary
North Dakota Public Service Commission
State Capitol Building
600 E Boulevard Ave #408
Bismarck, ND 58505-0480

Re: Application and Notice of Change in Natural Gas Rates
Case No. PU-20-___

Montana-Dakota Utilities Co. (Montana-Dakota) herewith submits its Application and Notice to increase its rates for natural gas service in North Dakota. Montana-Dakota submits this Letter of Transmittal and its Application and Notice with Appendices A and B, Testimony and Exhibits, and Statements supporting an increase in Montana-Dakota's rates for natural gas service. This filing is made in accordance with Title 49 of the North Dakota Century Code and the rules and regulations promulgated by the North Dakota Public Service Commission.

Montana-Dakota will prove by competent evidence that its existing natural gas rates do not allow Montana-Dakota to fully recover the cost of providing gas service to its North Dakota customers; therefore, the current rates are unjust, unreasonable, and not compensatory.

The primary reason for the increase in rates is the increased investment in distribution facilities to improve system safety and reliability and the depreciation and taxes associated with the increase in investment.

Authorization of the requested increase in revenues will provide Montana-Dakota a reasonable opportunity to earn a fair rate of return for its North Dakota natural gas operations.

Montana-Dakota proposes a total annual increase of \$8,972,496 or 7.8 percent, based on a 2021 test year. The proposed change in rates will affect customer classes as follows:

<u>Customer Class</u>	<u>Revenue Increase</u>	
	<u>\$</u>	<u>%</u>
Residential	\$ 7,330,415	12.5%
Firm General	1,480,594	3.1%
Air Force Delivery	29,382	2.3%
Small Interruptible	97,304	2.5%
Large Interruptible	<u>34,801</u>	<u>0.9%</u>
Total	\$ 8,972,496	7.8%

Please refer all inquiries regarding this filing to:

Mr. Travis Jacobson
 Director of Regulatory Affairs
 Montana-Dakota Utilities Co.
 400 North Fourth Street
 Bismarck, North Dakota 58501
travis.jacobson@mdu.com

Also, please send copies of all written inquiries, correspondence and pleadings to:

Paul Sanderson
 Evenson Sanderson PC
 1100 College Drive, Suite 5
 Bismarck, ND 58501
 (701) 751-1243
psanderson@esattorneys.com

Mr. Karl A. Liepitz
 Assistant General Counsel
 MDU Resources Group, Inc.
 P. O. Box 5650
 Bismarck, ND 58506-5650
Karl.Liepitz@mduresources.com

The original and seven (7) copies of this Letter of Transmittal, Application and Notice, Appendices, Testimony and Exhibits, and Statements are hereby filed with the North Dakota Public Service Commission. An electronic copy has also been provided.

Montana-Dakota also herewith submits a check for \$175,000 pursuant to the requirements of Section 49-05-04 of the North Dakota Century Code.

Pursuant to N.D.C.C § 49-05-06(2), Montana-Dakota is concurrently submitting an Application and Notice for Interim Increase in Natural Gas Rates in the annual amount of \$6,893,176 to take effect January 1, 2021.

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Sincerely,

A handwritten signature in black ink that reads "Garret Senger". The signature is written in a cursive, flowing style.

Garret Senger
Executive Vice President –
Regulatory Affairs, Customer Service,
and Administration

Attachment

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF NORTH DAKOTA

In the Matter of the Application of)
MONTANA-DAKOTA UTILITIES CO. for)
Authority to Establish Increased Rates) Case No. PU-20-____
for Natural Gas Service)

APPLICATION AND NOTICE

COMES NOW, Montana-Dakota Utilities Co., the Applicant in the above-entitled proceeding (hereafter "Montana-Dakota", "Applicant", or "Company"), and respectfully alleges as follows:

I.

That Montana-Dakota is a Delaware corporation duly authorized to do business in the State of North Dakota as a foreign corporation, and that it is doing business in the State of North Dakota as a public utility.

II.

The Company's Certificate of Incorporation and amendments thereto have previously been filed with the North Dakota Public Service Commission ("PSC" or "Commission") and reference thereto is hereby made, and such Certificate and Amendments are hereby incorporated herein by reference as though fully set forth herein.

III.

That Applicant's full name and post office address are:

Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, North Dakota 58501

IV.

Great Plains Natural Gas Co. (Great Plains), a Division of Montana-Dakota, serves customers in Minnesota and the community of Wahpeton and the surrounding area in North Dakota. In a Settlement in Case Nos. PU-17-490 and PU-17-075 approved by this Commission, the Parties agreed to begin combining all gas operations within North Dakota for reporting purposes, which began in 2018, as a first step to having one North Dakota gas utility operation. In this

filing, the Company is proposing to eliminate Great Plains' gas tariff and incorporate the appropriate information into Montana-Dakota's gas tariff.

That the following described rate schedules for Montana-Dakota and Great Plains are presently on file with and approved by the Commission are attached hereto as Appendix A.

Montana-Dakota Utilities Co. - Current Tariffs

Volume No. 7	Description	Rate
5 th Revised Sheet No. 1	Table of Contents	
3 rd Revised Sheet No. 2	Communities Served	
186 th Revised Sheet No. 3	Rate Summary Sheet	
4 th Revised Sheet No. 3.1	Rate Summary Sheet	
12 th Revised Sheet No. 4	Residential Gas Service	60
10 th Revised Sheet No. 7	Air Force	64
1 st Revised Sheet No. 7.1	Air Force	64
Original Sheet No. 8	Air Force Distribution System	65
12 th Revised Sheet No. 13	Firm General Gas Service	70
2 nd Revised Sheet No. 13.1	Firm General Gas Service	70
12 th Revised Sheet No. 14	Small Interruptible General Gas Service	71
6 th Revised Sheet No. 14.1	Small Interruptible General Gas Service	71
3 rd Revised Sheet No. 14.2	Small Interruptible General Gas Service	71
1 st Revised Sheet No. 14.3	Small Interruptible General Gas Service	71
13 th Revised Sheet No. 15	Optional Seasonal General Gas Service	72
2 nd Revised Sheet No. 15.1	Optional Seasonal General Gas Service	72
Original Sheet No. 16-16.1	Firm General Contracted Demand Service	74
Original Sheet No. 17-17.1	Gwinner Pipeline Capacity Reservation	75
1 st Revised Sheet No. 24	Transportation Service Rates	81 & 82
11 th Revised Sheet No. 24.1	Transportation Service Rates	81 & 82
2 nd Revised Sheet Nos. 24.2-24.5	Transportation Service Rates	81 & 82
1 st Revised Sheet No. 24.6	Transportation Service Rates	81 & 82
2 nd Revised Sheet No. 24.7	Transportation Service Rates	81 & 82
1 st Revised Sheet Nos. 24.8-24.9	Transportation Service Rates	81 & 82
9 th Revised Sheet No. 27	Large Interruptible General Gas Service	85

4 th Revised Sheet No. 27.1	Large Interruptible General Gas Service	85
2 nd Revised Sheet No. 27.2	Large Interruptible General Gas Service	85
1 st Revised Sheet No. 27.3	Large Interruptible General Gas Service	85
1 st Revised Sheet No. 29	Distribution Delivery Stabilization Mechanism	87
3 rd Revised Sheet No. 29.1	Distribution Delivery Stabilization Mechanism	87
4 th Revised Sheet No. 30	Cost of Natural Gas	88
2 nd Revised Sheet Nos. 30.1-30.3	Cost of Natural Gas	88
4 th Revised Sheet Nos. 30.4-30.5	Cost of Natural Gas	88
12 th Revised Sheet No. 32	Residential Propane Service	90
1 st Revised Sheet No. 32.1	Residential Propane Service	90
12 th Revised Sheet No. 34	Firm General Propane Service	92
2 nd Revised Sheet No. 34.1	Firm General Propane Service	92
4 th Revised Sheet No. 41	Cost of Gas Propane	99
3 rd Revised Sheet Nos. 41.1-41.2	Cost of Gas Propane	99
1 st Revised Sheet No. 41.3	Cost of Gas Propane	99
3 rd Revised Sheet No. 42	General Provisions	100
4 th Revised Sheet No. 42.1	General Provisions	100
3 rd Revised Sheet No. 42.2	General Provisions	100
4 th Revised Sheet No. 42.3	General Provisions	100
3 rd Revised Sheet Nos. 42.4-42.9	General Provisions	100
5 th Revised Sheet No. 42.10	General Provisions	100
3 rd Revised Sheet No. 42.11	General Provisions	100
5 th Revised Sheet Nos. 42.12-42.14	General Provisions	100
6 th Revised Sheet Nos. 42.15-42.17	General Provisions	100
4 th Revised Sheet No. 42.18	General Provisions	100
Original Sheet No. 42.19	General Provisions	100
1 st Revised Sheet No. 44	Reserved for Future Use	
Original Sheet Nos. 47-47.1	Gas Meter Testing Program	105
2 nd Revised Sheet No. 61	Interruptible Gas Service Extension Policy	119
1 st Revised Sheet No. 61.1	Interruptible Gas Service Extension Policy	119
1 st Revised Sheet Nos. 62-62.2	Firm Gas Service Extension Policy	120
Original Sheet No. 62.3	Firm Gas Service Extension Policy	120
1 st Revised Sheet Nos. 62.4-62.5	Firm Gas Service Extension Policy	120
3 rd Revised Sheet No. 66	New Installation, Replacement, Relocation and Repair for Gas Service Lines	124

Great Plains Natural Gas - Current Tariffs

Volume 2	Description	Rate
4 th Revised Sheet No. 1	Table of Contents	
168 th Revised Sheet No. 1.1	Rate Summary Sheet	
3 rd Revised Sheet No. 2	Firm Gas Service – General	65

3 rd Revised Sheet No. 3	Interruptible Gas Service – General	71
2 nd Revised Sheet No. 3.1	Interruptible Gas Service – General	71
1 st Revised Sheet No. 3.2	Interruptible Gas Service – General	71
2 nd Revised Sheet No. 5	Interruptible Transportation Service	80
1 st Revised Sheet No. 5.1	Interruptible Transportation Service	80
2 nd Revised Sheet No. 5.2	Interruptible Transportation Service	80
1 st Revised Sheet Nos. 5.3-5.4	Interruptible Transportation Service	80
2 nd Revised Sheet No. 5.5	Interruptible Transportation Service	80
1 st Revised Sheet Nos. 5.6-5.7	Interruptible Transportation Service	80
3 rd Revised Sheet No. 7	Cost of Gas – Natural Gas	88
Original Sheet No. 7.1	Cost of Gas – Natural Gas	88
1 st Revised Sheet Nos. 9-9.15	General Terms and Condition	100
Original Sheet No. 9.16	General Terms and Condition	100
1 st Revised Sheet Nos. 10-10.1	Gas Meter Testing Program	101
Original Sheet Nos. 11-11.3	Firm Gas Service Main and Service Line Extension Policy	105
Original Sheet Nos. 12-12.1	Interruptible Gas Main and Service Line Extensions Policy	106

V.

That Applicant respectfully submits herewith the following described proposed rate schedules for natural gas service, copies attached hereto as Appendix B, which Applicant proposes to be approved on a final basis in this Case. As further explained in testimony submitted in this case, the entire Great Plains' tariff will be eliminated.

Volume No. 8	Description	Rate
Original Sheet No. 1	Table of Contents	
Original Sheet No. 2	Communities Served	
Original Sheet No. 3-3.2	Rate Summary	
Original Sheet No. 4	Residential Gas Service	60
Original Sheet No. 6-6.1	Residential Gas Service – Wahpeton	63
Original Sheet Nos. 7-7.1	Air Force	64
Original Sheet No. 8	Air Force Distribution System	65
Original Sheet No. 13-13.1	Firm General Gas Service	70
Original Sheet No. 14-14.2	Small Interruptible General Gas Service	71
Original Sheet No. 15-15.1	Optional Seasonal General Gas Service	72
Original Sheet No. 16-16.1	Firm General Gas Service – Wahpeton	73
Original Sheet No. 17-17.1	Firm General Contracted Demand Service	74
Original Sheet No. 18-18.1	Gwinner Pipeline Capacity Reservation Charge	75
Original Sheet No. 19-19.3	Small Interruptible General Gas Service - Wahpeton	76
Original Sheet No. 24-24.7	Transportation Service	81 & 82
Original Sheet No. 26-26.7	Transportation Service – Wahpeton	83 & 84
Original Sheet No. 27-27.2	Large Interruptible General Gas Service	85
Original Sheet No. 28-28.3	Large Interruptible General Gas Service - Wahpeton	86
Original Sheet No. 29-29.1	Distribution Delivery Stabilization Mechanism	87
Original Sheet No. 30-30.5	Cost of Gas – Natural Gas	88
Original Sheet No. 31-31.1	Cost of Gas – Natural Gas - Wahpeton	89
Original Sheet No. 32	Residential Propane Service	90
Original Sheet No. 34-34.1	Firm General Propane Service	92
Original Sheet No. 41-41.3	Cost of Gas – Propane	99
Original Sheet No. 42-42.19	General Provisions	100
Original Sheet No. 47-47.1	Gas Meter Testing Program	105
Original Sheet No. 61-61.1	Interruptible Gas Service Extension Policy	119
Original Sheet No. 62-62.5	Firm Gas Service Extension Policy	120
Original Sheet No. 66	Replacement, Relocation and Repair of Gas Service Lines	124

VI.

That the existing rates of Applicant are unjust, unreasonable and not compensatory, and that said rates should be increased so that Applicant will have an opportunity to earn a just and reasonable rate of return on its natural gas property devoted to providing service to its North Dakota natural gas customers.

VII.

That in submitting this Application and in proposing the implementation of the increased rates contained herein, Applicant is seeking additional revenues of \$8,972,496 based on a 2021 future test period, for gas service rendered to customers in the State of North Dakota. This request for additional revenues amounts to a 7.8 percent increase over current natural gas rates.

VIII.

Filed concurrently with this Application and Notice and its Appendices are supporting Statements, and Direct Testimony and Exhibits of Montana-Dakota's witnesses showing the existing rates are unjust, unreasonable, not compensatory, and that the new rates are just, reasonable, and compensatory.

IX.

Montana-Dakota is submitting an Application and Notice for Interim Increase in Natural Gas Rates in the annual amount of \$6,893,176. Montana-Dakota is requesting a waiver of the statutory sixty-day implementation of interim rates pursuant to N.D.C.C § 49-05-06(2) in light of the pandemic and is requesting interim rates to take effect January 1, 2021.

X.

This Application and Notice is submitted in accordance with the provisions of N.D.C.C § 49-05-04 and the rules and regulations promulgated by the Public Service Commission of the State of North Dakota and the filing guideline of the Public Service Commission.

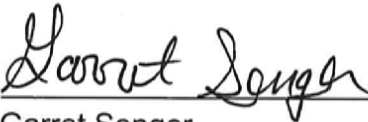
XI.

That, in accordance with N.D.C.C § 49-05-04.1, Montana-Dakota hereby affirms that its future test year forecast is reasonable, reliable, and made in good faith. All basic assumptions used in making or supporting the forecast are reasonable, evaluated, identified, and justified to allow the Commission to test

the appropriateness of the forecast. The accounting treatment that has been applied to anticipated events and transactions in the forecast is the same as the accounting treatment to be applied in recording the events once they have occurred.

Dated this 26th day of August 2020.

MONTANA-DAKOTA UTILITIES CO.

By:  _____

Garret Senger
Executive Vice President -
Regulatory Affairs, Customer Service,
and Administration

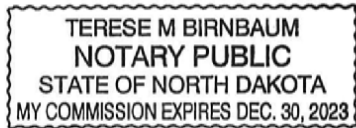
STATE OF NORTH DAKOTA)
) :ss
COUNTY OF BURLEIGH)

Garret Senger, being first duly sworn, deposes and says that he is the Executive Vice President - Regulatory Affairs, Customer Service, and Administration of Montana-Dakota Utilities Co. that he has read the foregoing Application and Notice, knows the contents thereof, and that the same is true and correct to the best of his knowledge, information, and belief.

Dated this 26th day of August 2020.

By: Garret Senger
Garret Senger
Executive Vice President –
Regulatory Affairs, Customer
Service, and Administration

Subscribed and sworn to before me this 26th day of August 2020.



Terese M. Birnbaum
Terese M. Birnbaum, Notary Public
Burleigh County, North Dakota
My Commission Expires: 12/30/2023

OF COUNSEL:

Mr. Paul Sanderson
Evenson Sanderson PC
1100 College Drive, Suite 5
Bismarck, ND 58501
(701) 751-1243
psanderson@esattorneys.com

Mr. Karl A. Liepitz
Assistant General Counsel
MDU Resources Group, Inc.
P. O. Box 5650
Bismarck, ND 58506-5650
Karl.Liepitz@mduresources.com

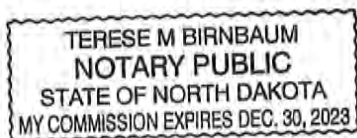
STATE OF NORTH DAKOTA)
) :ss
COUNTY OF BURLEIGH)

I, Garret Senger, Executive Vice President - Regulatory Affairs, Customer Service, and Administration of Montana-Dakota Utilities Co. do hereby certify that the cost statements, working papers, and other supporting data submitted by Montana-Dakota Utilities Co. as a part of its Application and Notice for Authority to Establish Increased Rates for Natural Gas Service with the North Dakota Public Service Commission, or which are maintained by the Company in support of such filed Application and Notice and which purport to reflect the books of the Company, do in fact set forth the results shown by such books.

Dated this 26th day of August 2020.

By: Garret Senger
Garret Senger
Executive Vice President –
Regulatory Affairs, Customer Service,
and Administration

Subscribed and sworn to before me this 26th day of August 2020.



Terese M. Birnbaum
Terese M. Birnbaum, Notary Public
Burleigh County, North Dakota
My Commission Expires: 12/30/2023