

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Dakota Natural Gas, LLC**  
**Natural Gas Facilities – Portland, ND – Traill Cnty**  
**Tariff**

**Case No. PU-21-431**

**ORDER**

**January 18, 2022**

**Preliminary Statement**

On November 4, 2021, Dakota Natural Gas, LLC (DNG) filed a request to update its Tariff to add new service area in Traill County.

On December 1, 2021, the North Dakota Public Service Commission (Commission) issued a Notice of Opportunity for Consolidated Hearing providing until January 3, 2022 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. Are the proposed changes reasonable?
2. Is there other relevant information the Commission should consider?

On January 5, 2022, the Commission discussed these matters with DNG and Commission staff during an informal hearing.

**Discussion**

During the January 5, 2022 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 has provided 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. Since that time, DNG has also provided service to the Hillsboro and Mayville communities and their environs for the 2021-2022 heating season.

DNG proposes to construct and operate a distribution system for the service area in Traill County, North Dakota. The distribution system will begin at an existing point in DNG's distribution system near Mayville, North Dakota. The total cost of the distribution system is estimated to be approximately \$755,900. DNG proposes to supply the distribution system via a combination of 2" and 4" plastic main line.

DNG's anticipated customer count is based on DNG's review of the relevant Traill County communities. The expenses and usages are estimates based on similarly sized communities in Minnesota currently served by DNG's family of companies and on DNG's first project in Drayton, North Dakota and its environs. DNG proposed to add the Traill County service area to its tariff but it did not propose any other changes to its currently approved tariff or rates; and, its existing terms and conditions will apply to the Traill County service area.

The estimated value of DNG's property for the Traill County project, to be used and useful for the service and convenience of the public in North Dakota, is \$755,900. DNG requested a 10% rate of return. As a small natural gas utility that recently commenced operations, DNG's request is a just and reasonable rate of return for the estimated value of DNG's property, to be used and useful, for the service and convenience of the public in North Dakota, subject to continued monitoring by the Commission and possible future adjustment once operations are established.

Based on the record and having received no objections, the commission finds DNG's proposed addition of the City of Portland and the Townships of Roseville and Viking service area to its existing tariff is reasonable and prudent.

### Order

The Commission orders:

1. DNG's proposed change to its tariff to add the city of Portland and townships of Roseville and Viking is approved.
2. DNG shall make a compliance filing with its updated tariff sheet within ten (10) days of issuance of this Order.

### PUBLIC SERVICE COMMISSION

 Randy Christmann Commissioner	 Julie Fedorchak Chair	Vacant
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