



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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

May 3, 2023

Executive Secretary
North Dakota Public Service Commission
600 East Boulevard Ave. Department 408
Bismarck, ND 58505-0480

Re: Case No. PU-23-____
Application for a Certificate of Public Convenience and Necessity to
Construct and Operate Natural Gas Distribution Facilities to Serve the City
of Portal

Montana-Dakota Utilities Co. (Montana-Dakota) herewith files an original and seven (7) copies of an Application for a Certificate of Public Convenience and Necessity (CPCN) in accordance with §49-03.1, N.D.C.C. to construct and operate a natural gas distribution system to serve the City of Portal, Burke County, North Dakota.

Montana-Dakota requests the Commission give Notice of Opportunity to request a hearing to interested parties and, if no hearing is requested within twenty days, to waive the hearing in accordance with §49-03.1-05, N.D.C.C. The City of Portal currently owns and operates a municipal natural gas system. No other natural gas public utilities will be affected within or near the City of Portal.

Montana-Dakota has received a franchise agreement from the City of Portal.

Please refer all inquiries regarding this filing to:

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

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

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

Montana-Dakota also herewith submits a check for \$10,000 pursuant to the requirements of Section 49-03.1-03 of the N.D.C.C.

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

Sincerely,



Travis R. Jacobson
Director of Regulatory Affairs

cc: Paul Sanderson
Allison Waldon

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

In the Matter of the Application of)
MONTANA-DAKOTA UTILITIES CO.)
for a Certificate of Public) Case No. PU-23-____
Convenience and Necessity to)
Construct and Operate Natural Gas)
Distribution Facilities to Serve the)
City of Portal and its Environs)

APPLICATION FOR PUBLIC CONVENIENCE AND NECESSITY

COMES NOW, Montana-Dakota Utilities Co. (Montana-Dakota or Applicant), the Applicant in the above-entitled proceeding, and makes application pursuant to Chapter 49-03.1, N.D.C.C., for a Certificate of Public Convenience and Necessity to construct and operate natural gas distribution facilities hereinafter described to provide natural gas distribution service to the City of Portal, Burke County, North Dakota.

In support of this Application, Montana-Dakota alleges as follows:

I.

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

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

II.

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 subject to the jurisdiction of and regulation by the North Dakota Public Service Commission (Commission) under Title 49, N.D.C.C.

III.

That Applicant's Certificate of Incorporation and amendments thereto have been previously filed with the Commission, such Certificate and Amendments are hereby incorporated by reference, as though fully set forth herein.

IV.

That this Application is being made pursuant to the provisions of Chapter 49-03.1, N.D.C.C., and the rules and regulations promulgated by the Commission.

V.

That enclosed herewith and incorporated herein by reference is the required financial statement of operations for Montana-Dakota for the fiscal year ended December 31, 2022 (denoted as Exhibit A).

VI.

The City of Portal and the Port of Entry, Burke County, North Dakota, currently receive natural gas service through a municipal natural gas distribution system owned by the City of Portal. The City of Portal currently provides service to 70 customers, which includes the five (5) Port of Entry accounts. The City of Portal's gas supply is currently supplied through a gas purchase agreement with SaskEnergy Incorporated (SaskEnergy). The City of Portal also has created the Portal Municipal Gas Company of Canada (PMGC) for their Canadian Pipeline that interconnects with SaskEnergy on the Canadian side of the border. PMGC has a Pipeline Services Agreement with SaskEnergy to operate the pipeline.

SaskEnergy has informed the City of Portal that if they want to continue with their current Pipeline Services Agreement, SaskEnergy will require additional insurance

coverage. The City of Portal has determined that the additional insurance necessary to meet SaskEnergy's requirements is not affordable and therefore will be required to discontinue service with SaskEnergy. Notice was provided to the City that the agreement would end in April 2023; however, the City of Portal is working with SaskEnergy to extend the agreement until the new system is placed into service.

Montana-Dakota has entered into a contract with the City of Portal to provide O&M for their gas distribution system within the City and their pipelines on the United States side of the border until such time as the updated system can be placed into service. The City of Portal's current distribution system is unlocatable. Montana-Dakota is not interested in purchasing the system; therefore, will be decommissioned as part of this project. Decommissioning costs will be paid for by the city of Portal under the O&M Agreement. See maps showing the area to be served by Montana-Dakota as Exhibit B.

The City of Portal issued a natural gas Franchise Agreement to Montana-Dakota on February 7th, 2023. The Franchise Agreement is included with this Application as Exhibit C.

VII.

That upon SaskEnergy's requirement to purchase additional insurance, which renders the municipal gas distribution uneconomical, Montana-Dakota has developed an agreement to provide the City of Portal with natural gas distribution services to the City's existing customers. In order to provide service to the City of Portal, Montana-Dakota will need to interconnect with WBI Energy west of the City of Portal near WBI's Valve 6 and then extend approximately 8,200 feet of four (4) inch PE main to the City

limits of Portal. Montana-Dakota will provide regulation, relief, and measurement for the new interconnection.

Montana-Dakota will also need to construct a new distribution system within the City of Portal which will be a combination of four (4) inch and two (2) inch PE mains. The initial phase of the project with the City of Portal will not include any services lines and will be paid for by the City of Portal with a non-fundable contribution in aid of construction (CIAC) and will be built consistent with Montana-Dakota's natural gas distribution standards.

The second phase of the project will entail Montana-Dakota extending service lines to residential and commercial customers under Montana-Dakota's gas extension tariff (Rate 120). The estimated in-service date is late 2023.

VIII.

That the natural gas distribution facilities proposed to be constructed by Applicant will allow Montana-Dakota to serve the customers of the City of Portal that are currently served with natural gas through the municipal natural gas distribution system which will cease operations. That there is a public need and demand to continue providing natural gas as a fuel for customers that currently rely on natural gas as their energy source. Numerous customers would benefit from having continued access to safe, reliable, and affordable natural gas service. The best interests of the public and this Applicant will be served by the granting of the Certificate of Public Convenience and Necessity requested herein.

There are no other natural gas public utilities will be affected by the construction and operation of the proposed natural gas distribution system(s).

IX.

That Applicant is fit, willing and able to extend service to the City of Portal and to maintain and operate the system(s) when completed.

X.

The Applicant will have the opportunity to earn a reasonable rate of return on its investment, provide customers with a continuation of natural gas as a source of energy and provide benefit to all customers served by Applicant in North Dakota.

XI.

That Applicant believes it is in the public interest that Applicant be granted a Certificate of Public Convenience and Necessity for the authority it requests herein.

WHEREFORE, Applicant respectfully requests that the Commission:

1. Give Notice of Opportunity to request a hearing to interested parties and, if no hearing is requested within twenty days, to waive the hearing in accordance with N.D.C.C. § 49-03.1-05;
2. Enter an Order and issue a Certificate of Public Convenience and Necessity authorizing the Applicant to construct and operate natural gas distribution facilities necessary to extend natural gas service to the City of Portal, Burke County, North Dakota; and
3. Grant such other relief as the Commission shall deem appropriate.

Dated this 3rd day of May 2023.

MONTANA-DAKOTA UTILITIES CO.

By: 

Exhibit A

FERC Form 1

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> Resubmission No.



FERC FINANCIAL REPORT

FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company) Montana-Dakota Utilities Co.	Year/Period of Report End of <u>2022/Q4</u>
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Name of Respondent: Montana-Dakota Utilities Co.	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/22	Year/Period of Report End of 2022/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(continued)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
55	Gas Stored Underground - Current (164.1)		6,608,026	11,232,388
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		—	—
57	Prepayments (165)		7,830,032	7,542,861
58	Advances for Gas (166-167)		—	—
59	Interest and Dividends Receivable (171)		—	—
60	Rents Receivable (172)		—	—
61	Accrued Utility Revenues (173)		80,895,666	68,269,180
62	Miscellaneous Current and Accrued Assets (174)		—	—
63	Derivative Instrument Assets (175)		—	—
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		—	—
65	Derivative Instrument Assets - Hedges (176)		—	—
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		—	—
67	Total Current and Accrued Assets (Lines 34 thru 66)		188,913,916	164,402,164
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		2,840,151	3,203,559
70	Extraordinary Property Losses (182.1)	230a	—	—
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	909,324	1,209,370
72	Other Regulatory Assets (182.3)	232	267,964,069	307,968,568
73	Prelim. Survey and Investigation Charges (Electric) (183)		43,609	—
74	Preliminary Natural Gas Survey and Investigation Charges (183.1)		495,831	481,562
75	Other Preliminary Survey and Investigation Charges (183.2)		—	4,867
76	Clearing Accounts (184)		11,220	13,614
77	Temporary Facilities (185)		—	—
78	Miscellaneous Deferred Debits (186)	233	31,965,485	39,044,265
79	Def. Losses from Disposition of Utility Plt. (187)		—	—
80	Research, Devel. and Demonstration Expend. (188)	352	—	—
81	Unamortized Loss on Reacquired Debt (189)		1,892,880	2,439,243
82	Accumulated Deferred Income Taxes (190)	234	25,365,005	29,400,813
83	Unrecovered Purchased Gas Costs (191)		20,229,537	36,926,788
84	Total Deferred Debits (lines 69 thru 83)		351,717,111	420,692,649
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		2,679,195,191	2,618,525,461

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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250	1,000	1,000
3	Preferred Stock Issued (204)	250	—	—
4	Capital Stock Subscribed (202, 205)		—	—
5	Stock Liability for Conversion (203, 206)		—	—
6	Premium on Capital Stock (207)		191,437,192	191,870,721
7	Other Paid-In Capital (208-211)	253	—	—
8	Installments Received on Capital Stock (212)	252	—	—
9	(Less) Discount on Capital Stock (213)	254	—	—
10	(Less) Capital Stock Expense (214)	254b	—	—
11	Retained Earnings (215, 215.1, 216)	118	742,695,425	717,893,823
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118	—	—
13	(Less) Reacquired Capital Stock (217)	250	—	—
14	Noncorporate Proprietorship (Non-major only) (218)		—	—
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	248,937	(6,539,208)
16	Total Proprietary Capital (lines 2 through 15)		934,382,554	903,226,336
17	LONG-TERM DEBT			
18	Bonds (221)	256	—	—
19	(Less) Reacquired Bonds (222)	256	—	—
20	Advances from Associated Companies (223)	256	—	—
21	Other Long-Term Debt (224)	256	979,875,423	927,989,086
22	Unamortized Premium on Long-Term Debt (225)		—	—
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		—	—
24	Total Long-Term Debt (lines 18 through 23)		979,875,423	927,989,086
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		—	—
27	Accumulated Provision for Property Insurance (228.1)		—	—
28	Accumulated Provision for Injuries and Damages (228.2)		1,260,152	2,802,184
29	Accumulated Provision for Pensions and Benefits (228.3)		14,553,974	15,910,454
30	Accumulated Miscellaneous Operating Provisions (228.4)		—	—
31	Accumulated Provision for Rate Refunds (229)		1,147,061	214,619
32	Long-Term Portion of Derivative Instrument Liabilities		—	—
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		—	—
34	Asset Retirement Obligations (230)		139,030,482	168,488,925
35	Total Other Noncurrent Liabilities (lines 26 through 34)		155,991,669	187,416,182
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		—	—
38	Accounts Payable (232)		67,883,484	50,757,639
39	Notes Payable to Associated Companies (233)		—	—
40	Accounts Payable to Associated Companies (234)		8,590,182	7,725,245
41	Customer Deposits (235)		1,555,736	1,423,503
42	Taxes Accrued (236)	262	24,785,060	23,317,097
43	Interest Accrued (237)		8,564,174	8,475,781
44	Dividends Declared (238)		11,600,000	11,300,000
45	Matured Long-Term Debt (239)		—	—
46	Matured Interest (240)		—	—
47	Tax Collections Payable (241)		2,409,731	2,006,540
48	Miscellaneous Current and Accrued Liabilities (242)		18,545,317	21,564,745
49	Obligations Under Capital Leases-Current (243)		—	—
50	Derivative Instrument Liabilities (244)		—	—
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		—	—
52	Derivative Instrument Liabilities - Hedges (245)		—	—
53	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		—	—
54	Total Current and Accrued Liabilities (lines 37 through 53)		143,933,684	126,570,550

Name of Respondent: Montana-Dakota Utilities Co.	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/22	Year/Period of Report End of <u>2022/Q4</u>
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(continued)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		17,752,176	15,397,518
57	Accumulated Deferred Investment Tax Credits (255)	266	7,473,621	7,140,894
58	Deferred Gains from Disposition of Utility Plant (256)		—	—
59	Other Deferred Credits (253)	269	27,340,954	37,013,420
60	Other Regulatory Liabilities (254)	278	140,719,449	148,226,393
61	Unamortized Gain on Reacquired Debt (257)		—	—
62	Accum. Deferred Income Taxes-Accel. Amort. (281)	272	—	1,661
63	Accum. Deferred Income Taxes-Other Property (282)		217,893,741	203,111,773
64	Accum. Deferred Income Taxes-Other (283)		53,831,920	62,431,648
65	Total Deferred Credits (lines 56 through 64)		465,011,861	473,323,307
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54, and 65)		2,679,195,191	2,618,525,461

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STATEMENT OF INCOME

Quarterly

- Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
- Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
- Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
- Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
- If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

- Do not report fourth quarter data in columns (e) and (f)
- Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
- Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300	852,221,834	690,238,158	—	—
3	Operating Expenses					
4	Operating Expenses (401)	320	592,107,352	443,382,269	—	—
5	Maintenance Expenses (402)	320	26,443,073	27,156,372	—	—
6	Depreciation Expense (403)	336	77,034,541	80,484,938	—	—
7	Depreciation Expense for Asset Retirement Costs (403.1)	336	—	—	—	—
8	Amort. & Depl. Of Utility Plant (404-405)	336	7,222,154	6,732,068	—	—
9	Amort. of Utility Plant Acq. Adj. (406)	336	7,427	5,994	—	—
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)		323,664	409,593	—	—
11	Amort. of Conversion Expenses (407.2)		—	—	—	—
12	Regulatory Debits (407.3)		11,561,776	6,628,278	—	—
13	(Less) Regulatory Credits (407.4)		—	—	—	—
14	Taxes Other Than Income Taxes (408.1)	262	31,090,623	30,509,775	—	—
15	Income Taxes - Federal (409.1)	262	(7,518,298)	(20,032,880)	—	—
16	Income Taxes - Other (409.1)	262	1,878,556	(1,159,550)	—	—
17	Provision for Deferred Income Taxes (410.1)	234, 272	50,476,995	55,822,169	—	—
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272	47,868,920	38,278,620	—	—
19	Investment Tax Credit Adj. - Net (411.4)	266	—	—	—	—
20	(Less) Gains from Disp. Of Utility Plant (411.6)		—	—	—	—
21	Losses from Disp. Of Utility Plant (411.7)		—	—	—	—
22	(Less) Gains from Disposition of Allowances (411.8)		—	—	—	—
23	Losses from Disposition of Allowances (411.9)		—	—	—	—
24	Accretion Expense (411.10)		—	—	—	—
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		742,758,943	591,660,406	—	—
27	Net Util Oper Inc (Enter Tot Line 2 less 25)		109,462,891	98,577,752	—	—

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STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
377,258,130	349,535,037	474,963,704	340,703,121	—	—	2
						3
191,149,645	176,776,233	400,957,707	266,606,036	—	—	4
19,145,721	19,839,364	7,297,352	7,317,008	—	—	5
52,153,964	56,211,085	24,880,577	24,273,853	—	—	6
—	—	—	—	—	—	7
3,577,857	3,315,544	3,644,297	3,416,524	—	—	8
4,606	3,173	2,821	2,821	—	—	9
323,664	409,593	—	—	—	—	10
—	—	—	—	—	—	11
11,513,994	6,580,497	47,782	47,781	—	—	12
—	—	—	—	—	—	13
16,893,689	17,415,101	14,196,934	13,094,674	—	—	14
(12,390,637)	(15,198,810)	4,872,339	(4,834,070)	—	—	15
748,309	(191,441)	1,130,247	(968,109)	—	—	16
31,518,987	30,299,875	18,958,008	25,522,294	—	—	17
24,842,196	22,039,427	23,026,724	16,239,193	—	—	18
—	—	—	—	—	—	19
—	—	—	—	—	—	20
—	—	—	—	—	—	21
—	—	—	—	—	—	22
—	—	—	—	—	—	23
—	—	—	—	—	—	24
289,797,603	273,420,787	452,961,340	318,239,619	—	—	25
87,460,527	76,114,250	22,002,364	22,463,502	—	—	27

Name of Respondent: Montana-Dakota Utilities Co.	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/22	Year/Period of Report End of 2022/Q4
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STATEMENT OF INCOME FOR THE YEAR (continued)						
Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		3,780	6,315	—	—
32	(Less) Costs and Exp. Of Merchandising, Job. & Contract Work (416)		3,898	991	—	—
33	Revenues from Nonutility Operations (417)		5,593,663	6,575,001	—	—
34	(Less) Expenses of Nonutility Operations (417.1)		2,956,997	2,864,700	—	—
35	Nonoperating Rental Income (418)		—	—	—	—
36	Equity in Earnings of Subsidiary Companies (418.1)	119	—	—	—	—
37	Interest and Dividend Income (419)		1,696,153	1,507,587	—	—
38	Allowance for Other Funds Used During Construction (419.1)		1,587,556	685,440	—	—
39	Miscellaneous Nonoperating Income (421)		8,785	13,959	—	—
40	Gain on Disposition of Property (421.1)		514,373	177,722	—	—
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		6,443,415	6,100,333	—	—
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		3,282	76,735	—	—
44	Miscellaneous Amortization (425)		—	—	—	—
45	Donations (426.1)		515,548	416,438	—	—
46	Life Insurance (426.2)		5,769,036	(2,235,381)	—	—
47	Penalties (426.3)		(5,688)	58,919	—	—
48	Exp. for Certain Civic, Political & Related Activities (426.4)		154,976	174,145	—	—
49	Other Deductions (426.5)		—	—	—	—
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		6,437,154	(1,509,144)	—	—
51	Taxes Applic. To Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262	33,989	41,876	—	—
53	Income Taxes - Federal (409.2)	262	625,324	1,848,158	—	—
54	Income Taxes - Other (409.2)	262	(715,960)	(1,161,187)	—	—
55	Provision for Deferred Inc. Taxes (410.2)	234, 272	929,760	653,449	—	—
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272	1,146,988	2,410,834	—	—
57	Investment Tax Credit Adj. - Net (411.5)		—	—	—	—
58	(Less) Investment Tax Credits (420)		(332,727)	(969,478)	—	—
59	TOTAL Taxes on Other Income and Deduction (Total of lines 52-58)		58,852	(59,060)	—	—
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		(52,591)	7,668,537	—	—
61	Interest Charges					
62	Interest on Long-Term Debt (427)		38,663,855	34,059,055	—	—
63	Amort. of Debt Disc. and Expense (428)		386,060	371,677	—	—
64	Amortization of Loss on Reacquired Debt (428.1)		546,362	571,714	—	—
65	(Less) Amort. of Premium on Debt-Credit (429)		—	—	—	—
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		—	—	—	—
67	Interest on Debt to Assoc. Companies (430)		—	—	—	—
68	Other Interest Expense (431)		430,110	756,000	—	—
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		1,878,340	654,492	—	—
70	Net Interest Charges (Total of lines 62 thru 69)		38,148,047	35,103,954	—	—
71	Income Before Extraordinary Items (Total of Lines 27, 60 and 70)		71,262,253	71,142,335	—	—
72	Extraordinary Items					
73	Extraordinary Income (434)		—	—	—	—
74	(Less) Extraordinary Deductions (435)		—	—	—	—
75	Net Extraordinary Items (Total of Line 73 less line 74)		—	—	—	—
76	Income Taxes-Federal and Other (409.3)	262	—	—	—	—
77	Extraordinary Items After Taxes (line 75 less line 76)		—	—	—	—
78	Net Income (Total of lines 71 and 77)		71,262,253	71,142,335	—	—

Name of Respondent: Montana-Dakota Utilities Co.	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/22	Year/Period of Report End of 2022/Q4
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STATEMENT OF RETAINED EARNINGS

- Do not report Lines 49-53 on the quarterly version.
- Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
- Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
- State the purpose and amount of each reservation or appropriation of retained earnings.
- List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
- Show dividends for each class and series of capital stock.
- Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
- Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
- If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		717,893,823	692,013,888
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Adjustments to Retained Earnings Credit			
9	TOTAL Credits to Retained Earnings (Acct. 439)		—	—
10	Adjustments to Retained Earnings Debit			
15	TOTAL Debits to Retained Earnings (Acct. 439)		—	—
16	Balance Transferred from Income (Account 433 less Account 418.1)		71,262,253	71,142,335
17	Appropriations of Retained Earnings (Acct. 436)			
22	Total Appropriations of Retained Earnings (Acct. 436)		—	—
23	Dividends Declared-Preferred Stock (Account 437)			
29	TOTAL Dividends Declared-Preferred Stock (Account 437)		—	—
30	Dividends Declared-Common Stock (Account 438)			
30.1	Dividends Declared-Common Stock	238	(46,400,000)	(45,160,000)
30.2	Dividend Equivalents on Stock Based Compensation	253	(60,651)	(102,400)
36	TOTAL Dividends Declared-Common Stock (Account 438)		(46,460,651)	(45,262,400)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings		—	—
38	Balance - End of Period (Total 1, 9, 15, 16, 22, 29, 36, 37)		742,695,425	717,893,823
39	APPROPRIATED RETAINED EARNINGS (Account 215)			
45	TOTAL Appropriated Retained Earnings (Account 215)		—	—
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Account 215.1)		—	—
47	TOTAL Approp. Retained Earnings (Acct 215, 215.1) (Total 45, 46)		—	—
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		742,695,425	717,893,823
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account Report only on an Annual Basis, no Quarterly)			
49	Balance-Beginning of Year (Debit or Credit)		—	—
50	Equity in Earnings for Year (Credit) (Account 418.1)		—	—
51	(Less) Dividends Received (Debit)		—	—
52	TOTAL other Changes in unappropriated undistributed subsidiary earnings for the year			
53	Balance-End of Year (Total lines 49 thru 52)		—	—

Name of Respondent: Montana-Dakota Utilities Co.	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/22	Year/Period of Report End of 2022/Q4
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STATEMENT OF CASH FLOWS			
<p>(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>			
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 117)	71,262,253	71,142,335
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	96,149,562	94,260,872
5.1	Amortization of regulatory debits/credits		—
5.1	Provision for credit losses	3,204,567	2,186,985
5.2	Amortization of debt issuance costs	386,060	371,677
5.3	Stock-based compensation costs	1,926,090	2,845,123
5.4	Pension and postretirement benefit plan net periodic benefit cost (credit)	(3,735,590)	(3,083,215)
5.5	Unrealized (gains) losses on investments	3,206,878	(2,262,893)
5.6	(Gain) loss on sale of assets	(511,091)	(100,987)
5.7	Equity in earnings of unconsolidated affiliates	—	—
8	Deferred Income Taxes (Net)	2,390,848	15,786,163
9	Investment Tax Credit Adjustment (Net)	332,727	969,478
10	Net (Increase) Decrease in Receivables	(15,207,475)	(10,187,462)
11	Net (Increase) Decrease in Inventory	4,473,484	(5,146,878)
12	Net (Increase) Decrease in Allowances Inventory	—	—
13	Net Increase (Decrease) in Payables and Accrued Expenses	12,860,404	18,569,699
14	Net (Increase) Decrease in Other Regulatory Assets	19,018,598	11,586,907
15	Net Increase (Decrease) in Other Regulatory Liabilities	(4,903,225)	283,760
16	(Less) Allowance for Other Funds Used During Construction	1,587,556	685,439
17	(Less) Undistributed Earnings from Subsidiary Companies	—	—
18.1	Unrecovered Purchased Gas Costs	16,697,251	(43,178,805)
18.2	Net Change in Other Current & Accrued Assets	(12,913,658)	(30,849,784)
18.3	Other Noncurrent Changes	7,528,070	(5,841,674)
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	200,578,197	116,665,862
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	(198,110,727)	(134,110,478)
27	Gross Additions to Nuclear Fuel	—	—
28	Gross Additions to Common Utility Plant	(6,388,927)	(6,141,228)
29	Gross Additions to Nonutility Plant	(239,807)	(270,555)
30	(Less) Allowance for Other Funds Used During Construction	(1,587,556)	(685,439)
31.1	Customer Advances for Construction	2,354,658	(1,920,722)
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(200,797,247)	(141,757,544)
36	Acquisition of Other Noncurrent Assets (d)	(601,889)	(381,769)
37	Proceeds from Disposal of Noncurrent Assets (d)	792,330	197,570
39	Investments in and Advances to Assoc. and Subsidiary Companies	—	—
40	Contributions and Advances from Assoc. and Subsidiary Companies	—	15,000,000
41	Disposition of Investments in (and Advances to)		
42	Disposition of Investments in (and Advances to) Associated and Subsidiary Companies	—	—
44	Purchase of Investment Securities (a)	—	—
45	Proceeds from Sales of Investment Securities (a)	—	—

Name of Respondent: Montana-Dakota Utilities Co.	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/22	Year/Period of Report End of 2022/Q4
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STATEMENT OF CASH FLOWS			
<p>(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.</p> <p>(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.</p> <p>(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.</p> <p>(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.</p>			
Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased	—	—
47	Collections on Loans	—	—
49	Net (Increase) Decrease in Receivables	—	—
50	Net (Increase) Decrease in Inventory	—	—
51	Net (Increase) Decrease in Allowances Held for Speculation	—	—
52	Net Increase (Decrease) in Payables and Accrued Expenses	—	—
		—	—
53.1	Depreciation of Nonutility Plant	680,409	706,778
57	Net Cash Provided by (Used in) Investing Activities Total of lines 34 thru 55	(199,926,397)	(126,234,965)
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	52,600,000	125,000,000
62	Preferred Stock	—	—
63	Common Stock	—	—
66	Net Increase in Short-Term Debt (c)	—	50,000,000
70	Cash Provided by Outside Sources (Total 61 thru 69)	52,600,000	175,000,000
72	Payments for Retirement of:		
73	Long-term Debt (b)	(713,664)	(23,512,876)
74	Preferred Stock	—	—
75	Common Stock	—	—
76.1	Repurchase of Common Stock	(1,446,220)	(1,312,525)
76.2	Tax Withholding on Stock-Based Compensation	(913,398)	(749,554)
78	Net Decrease in Short-Term Debt (c)	—	(100,000,000)
80	Dividends on Preferred Stock	—	—
81	Dividends on Common Stock	(46,100,000)	(44,860,000)
83	Net Cash Provided by (Used in) Financing Activities (Total of lines 70 thru 81)	3,426,718	4,565,045
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	Net Increase (Decrease) in Cash and Cash Equivalents (Total of lines 22,57 and 83)	4,078,518	(5,004,058)
88	Cash and Cash Equivalents at Beginning of Period	1,460,937	6,464,995
90	Cash and Cash Equivalents at End of period	5,539,455	1,460,937

Name of Respondent: Montana-Dakota Utilities Co.	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/22	Year/Period of Report End of <u>2022/Q4</u>
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FOOTNOTE DATA

Schedule Page: 121 Line No.: 73 Column: b

Includes (b) other long-term debt and (c) commercial paper classified as long-term debt.

Schedule Page: 121 Line No.: 73 Column: c

Includes (b) other long-term debt and (c) commercial paper classified as long-term debt.

Name of Respondent: Montana-Dakota Utilities Co.	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/22	Year/Period of Report End of <u>2022/Q4</u>
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STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.
4. Report data on a year-to-date basis.

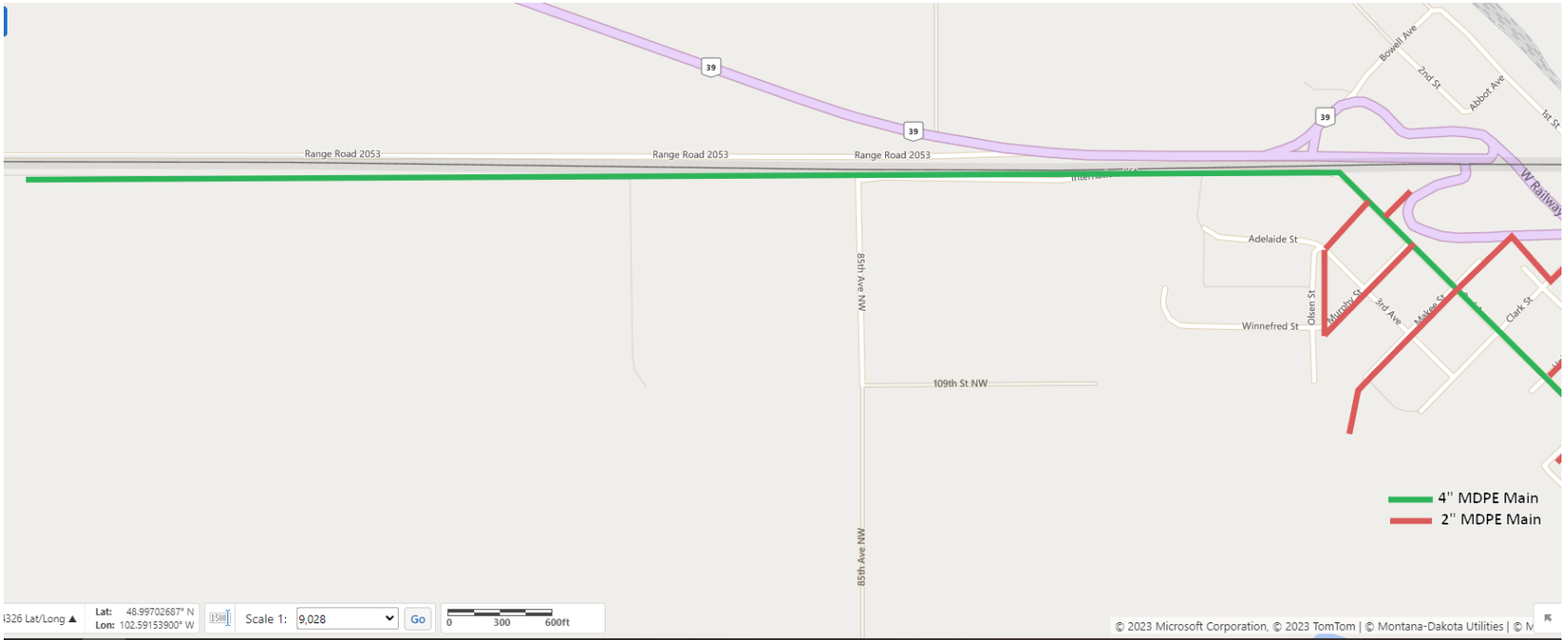
Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year	—	(6,796,303)	—	—
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	—	211,688	—	—
3	Preceding Quarter/Year to Date Changes in Fair Value	—	45,407	—	—
4	Total (lines 2 and 3)	—	257,095	—	—
5	Balance of Account 219 at End of Preceding Quarter/Year	—	(6,539,208)	—	—
6	Balance of Account 219 at Beginning of Current Year	—	(6,539,208)	—	—
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	—	(213,445)	—	—
8	Current Quarter/Year to Date Changes in Fair Value	—	7,001,590	—	—
9	Total (lines 7 and 8)	—	6,788,145	—	—
10	Balance of Account 219 at End of Current Quarter/Year	—	248,937	—	—

Name of Respondent: Montana-Dakota Utilities Co.	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 12/31/22	Year/Period of Report End of <u>2022/Q4</u>
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STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES					
Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1	—	—	(6,796,303)		
2	—	—	211,688		
3	—	—	45,407		
4	—	—	257,095	71,142,335	71,399,430
5	—	—	(6,539,208)		
6	—	—	(6,539,208)		
7	—	—	(213,445)		
8	—	—	7,001,590		
9	—	—	6,788,145	71,262,253	78,050,398
10	—	—	248,937		

Exhibit B

Project Maps



1326 Lat/Long ▲ Lat: 48.99703667° N
Lon: 102.59153900° W

Scale 1: 9,028 Go



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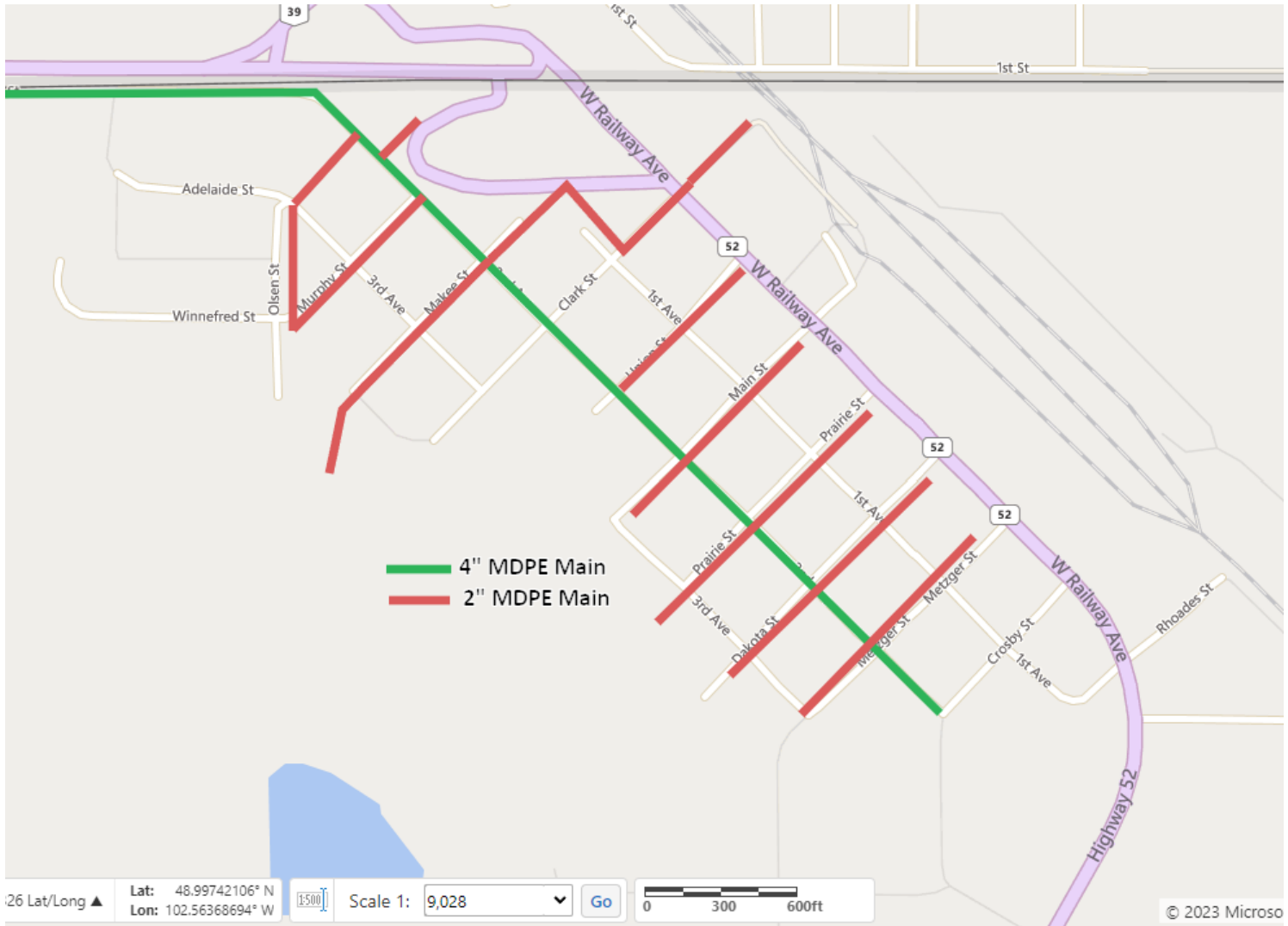


Exhibit C Franchise Agreement



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

*121 8th Ave. West
Williston, ND 58801*

To the City of Portal, Burke County, North Dakota

Montana-Dakota Utilities Co., a corporation, having its principal place of business at 400 North Fourth Street, Bismarck, North Dakota 58501, hereby makes application for a franchise, granting to it the right to construct, maintain and operate within and upon, in and under the streets, alleys and public grounds of your municipality a gas distribution system for transmitting and distributing natural or manufactured gas, or a mixture of both, for public and private use in the City of Portal, Burke County, North Dakota. The extent and conditions of such rights and privileges are more fully set forth in the attached copy of the proposed natural gas franchise ordinance.

The Company respectfully requests that you take the necessary steps for the granting of such franchise.

MONTANA-DAKOTA UTILITIES CO.

By 

Shane Homiston

District Manager – Field Operations

ORDINANCE NO. 14.0201

AN ORDINANCE GRANTING TO MONTANA-DAKOTA UTILITIES CO., A CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE FRANCHISE AND RIGHT TO CONSTRUCT, MAINTAIN AND OPERATE, WITHIN AND UPON, IN AND UNDER THE STREETS, ALLEYS AND PUBLIC GROUNDS OF THE

CITY OF PORTAL, Burke County, NORTH DAKOTA

A GAS DISTRIBUTION AND TRANSMISSION SYSTEM FOR TRANSMITTING AND DISTRIBUTING NATURAL OR MANUFACTURED GAS, OR A MIXTURE OF BOTH, FOR PUBLIC AND PRIVATE USE.

BE IT ORDAINED BY

The City Commission, City of Portal, Burke County, North Dakota

SECTION I. For convenience, herein, said municipal corporation is designated and referred to as "Municipality" and Montana-Dakota Utilities Co. is designated and referred to as "Grantee." Any reference to either includes their respective successors and assigns.

SECTION II. There is hereby granted to Montana-Dakota Utilities Co., a corporation, Grantee, its successors and assigns, subject to the limitations herein stated, the right and franchise to occupy now and use the streets, alleys and public grounds of the Municipality as now, or hereafter constituted, for the purpose of constructing, maintaining, and operating, within, upon, in and under the same, a gas distribution system for transmitting and distributing natural or manufactured gas, or a mixture of both, for public and private use.

SECTION III. Grantee shall maintain an efficient distribution system for furnishing natural or manufactured gas, or a mixture of both, for public and private use at such reasonable rates as may be approved by the Public Service Commission of the State of North Dakota and under such orders, rules or regulations as may be issued by a federal or state agency having jurisdiction thereof.

SECTION IV. This franchise shall not be exclusive and shall not be construed to prevent the Municipality from granting to any other party the right to use the streets, alleys, and public grounds of the Municipality for like purposes.

SECTION V. The Municipality reserves any right it may have, under its police power, or otherwise, to control or regulate the use of said streets, alleys, and public grounds by Grantee. The Municipality will give Grantee reasonable notice of plans for improvements of streets, alleys and public grounds where the Municipality has reason to

believe Grantee's gas distribution system may be affected by the improvement. If during the period of this franchise the Municipality shall lawfully elect to alter, or change the grade of any street, alley or public grounds, Grantee, upon reasonable notice by the Municipality, at its own expense may remove, relocate or rearrange its gas distribution facilities that would be a substantial interference with the change to the street, alley or public grounds, provided, however, if relocation, removal or rearrangement of any gas distribution facility is made necessary to accommodate construction of a project on a federal aid highway or extension thereof within the Municipality, Grantee shall be paid the costs of the relocation, removal or rearrangement in accordance with the laws of the State of North Dakota.

SECTION VI. Unless otherwise provided in any permit or regulation of the Municipality under separate ordinance, Grantee may trim trees and shrubs in and over the streets, alleys and public grounds to the extent Grantee determines is necessary to avoid interference with the construction, operation, maintenance, and repair of the gas distribution facilities, provided Grantee shall hold the Municipality harmless from any liability arising therefrom.

SECTION VII. Grantee shall indemnify and save and hold the Municipality harmless from any loss or damage due to the construction, installation, and maintenance of its distribution system, and its use of the streets, alleys, and public grounds of the Municipality. Nothing herein shall require the Grantee to indemnify, save, or hold harmless the Municipality for any loss or damage caused by the actions, omissions, or negligence of the Municipality, or any other party not under direction or control of Grantee.

SECTION VIII. Grantee shall have the right to assign this franchise to any party, or corporation, but all obligations of Grantee hereunder shall be binding upon its successors and assigns.

SECTION IX. Within thirty (30) days after Grantee is notified of passage and final approval of this Ordinance, Grantee shall file with the clerk or auditor of the Municipality its written acceptance of this franchise.

SECTION X. This franchise shall continue and remain in full force and effect for a period of twenty (20) years from the date upon which this ordinance shall become effective as provided by law.

Passed the 7th day of February, 2023.

Approved this 7th day of February, 2023.

ATTEST: Kaydee Smith
Auditor

Spencer Smith
Mayor-Chairman

(Seal of the Municipality)

ND

EXTRACT OF MINUTES FOR FIRST READING

Pursuant to due notice and call, a regular meeting of the City of Portal, Burke County, North Dakota, was duly held at the regular meeting place on Tuesday, the 7th day of February, 2023, at 4 o'clock p.m.

Those present were: Mayor Lisa Smith, Kenneth Evenson, Tamara Rudland, Dustin Degenstien, Lorie Fitchner, Patrick Samson, Ricky Smith, Shane Horniston, Owen Medlang, and Auditor Kaydee Smith

Those absent were: _____

Montana-Dakota Utilities Co. having applied for a gas distribution franchise and proposed Ordinance No. 14.0201 having been prepared and submitted for consideration herewith, it was moved by K. Evenson, and seconded by T. Rudland, that said Ordinance No. 14.0201, the full title of which Ordinance is:

"AN ORDINANCE GRANTING TO MONTANA-DAKOTA UTILITIES CO., A CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE FRANCHISE AND RIGHT TO CONSTRUCT, MAINTAIN AND OPERATE, WITHIN AND UPON, IN AND UNDER THE STREETS, ALLEYS, AND PUBLIC GROUNDS OF THE CITY OF Portal, ND COUNTY, NORTH DAKOTA, A GAS DISTRIBUTION SYSTEM FOR TRANSMITTING AND DISTRIBUTING NATURAL OR MANUFACTURED GAS, OR A MIXTURE OF BOTH, FOR PUBLIC AND PRIVATE USE."


be given first reading.

Thereupon the presiding officer of the meeting put the motion to vote and the following vote was recorded:

Voting Yes: Kenneth Evenson, Tamara Rudland, Dustin Degenstien, Lorie Fitchner

Voting No: _____

The presiding officer then declared the motion duly passed and the Clerk read the ordinance for the first time.



Mayor – Chairman

ATTEST: Kaydee Smith
Clerk-Auditor

(Seal of Municipality)

EXTRACT OF MINUTES FOR SECOND READING AND FINAL PASSAGE

Pursuant to due notice and call, a regular meeting of the City of Portal, Burke County, North Dakota, was duly held at the regular meeting place on 7th the day of March, 2023, at 4:00 o'clock p.m.

Those present were Mayor Lisa Smith, Kenneth Evenson, Tamara Rudland, Dustin Degenstien, Lorie Fitchner, Patrick Samson, Owen Mediang, and Ricky Smith
Auditor Kaydee Smith

Those absent were _____

Montana-Dakota Utilities Co. having applied for a gas distribution franchise and proposed Ordinance No. 14.0201 having been prepared and submitted for consideration in connection therewith, and said Ordinance having passed its first reading not less than seven days prior hereto, it was moved by Kenneth Evenson, and seconded by Lorie Fitchner, that said Ordinance No. 14.0201, the full title of which Ordinance is:

"AN ORDINANCE GRANTING TO MONTANA-DAKOTA UTILITIES CO., A CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE FRANCHISE AND RIGHT TO CONSTRUCT, MAINTAIN AND OPERATE, WITHIN AND UPON, IN AND UNDER THE STREETS, ALLEYS, AND PUBLIC GROUNDS OF THE CITY OF Portal, ND COUNTY, NORTH DAKOTA, A GAS DISTRIBUTION SYSTEM FOR TRANSMITTING AND DISTRIBUTING NATURAL OR MANUFACTURED GAS, OR A MIXTURE OF BOTH, FOR PUBLIC AND PRIVATE USE."

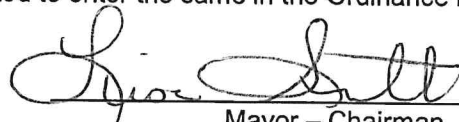
be read the second time and given final passage, being thereby adopted, passed and approved.

Thereupon the presiding officer of the meeting, the Clerk having read the ordinance for the second time, put the motion to vote and the following vote was recorded: (for second reading and final passage)

Voting Yes: Kenneth Evenson, Tamara Rudland, Dustin Degenstien, Lorie Fitchner

Voting No: _____

The presiding officer then declared the motion duly carried and said Ordinance duly and finally passed. Thereupon, the Clerk was directed to enter the same in the Ordinance Book.



Mayor - Chairman

ATTEST: Kaydee Smith
Clerk-Auditor

(Seal of Municipality)

ACCEPTANCE OF FRANCHISE

Montana-Dakota Utilities Co., a corporation, hereby accepts the terms and conditions of that certain Ordinance No. 14.0201 enacted by the governing body of the City of Portal, Burke County, North Dakota, the same being an ordinance granting to said Company, its successors and assigns, a franchise to construct, maintain and operate, within and upon, in and under the streets, alleys and public grounds of said City, a gas distribution system for transmitting and distributing natural or manufactured gas, or a mixture of both, for public and private use, which ordinance was duly and finally passed, adopted and approved by the governing body of said City on the 21st day of MARCH, 2023.

Dated this 20th day of MARCH, 2023.

Montana-Dakota Utilities Co.

By [Signature]
Eric P. Martuscelli
Vice President – Field Operations

I, the undersigned, the duly elected, qualified and acting Auditor of the City of Portal, State of North Dakota, do hereby certify that I received the within Acceptance of Franchise on this 21st day of March, 2023, and on said date duly filed the same in my office.

[Signature]
Auditor

(SEAL OF MUNICIPALITY)

City of Portal Council Proceedings

Meeting date: February 7, 2023
Unapproved Minutes

A regular meeting of the Portal City Council was held at the Community Center in Portal, ND on February 7, 2023. The meeting was called to order at 4:00 pm by Mayor Lisa Smith. Members of the City Council in attendance were Kenneth Evenson, Tamara Rudland, Dustin Degenstien, Lorie Fitchner, and Auditor Kaydee Smith. Citizens present were Sheriff Brien, Patrick Samson, Ricky Smith, and Shane Homiston and Owen Mediang with MDU, Edward Perez and Alejandra Sotelo.

Motion was made by K. Evenson, and seconded by L. Fitchner to approve the minutes of the January 3, 2023 regular meeting. All in favor, motion carried.

Motion was made by L. Fitchner, and seconded by K. Evenson to approve the minutes of the January 3, 2023 public hearing meeting. All in favor, motion carried.

Motion was made by L. Fitchner, and seconded by K. Evenson to approve the financials as presented. All in favor, motion carried.

Sheriff Brien reported he cited a resident in town for their dog. Auditor Smith will send the resident a certified letter. Sheriff Brien leaves the meeting at 4:05 p.m.

Patrick Samson says the grant application is moving into the final steps, but waiting on a concern with a publishing date.

The council discusses the 90- day delinquency notices.

Perez and Sotelo join the meeting at 4:15 p.m.

The first reading of the MDU Franchise Ordinance No. 14.0201 is as follows:

ORDINANCE NO. 14.0201

AN ORDINANCE GRANTING TO MONTANA-DAKOTA UTILITIES CO., A CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE FRANCHISE AND RIGHT TO CONSTRUCT, MAINTAIN AND OPERATE, WITHIN AND UPON, IN AND UNDER THE STREETS, ALLEYS AND PUBLIC GROUNDS OF THE

CITY OF PORTAL, Burke County, NORTH DAKOTA

A GAS DISTRIBUTION AND TRANSMISSION SYSTEM FOR TRANSMITTING AND DISTRIBUTING NATURAL OR MANUFACTURED GAS, OR A MIXTURE OF BOTH, FOR PUBLIC AND PRIVATE USE.

BE IT ORDAINED BY

The City Commission,
City of Portal,

Burke County, North Dakota

SECTION I. For convenience, herein said municipal corporation is designated and referred to as "Municipality" and Montana-Dakota Utilities Co. is designated and referred to as "Grantee." Any reference to either includes their respective successors and assigns.

SECTION II. There is hereby granted to Montana-Dakota Utilities Co., a corporation, Grantee, its successors and assigns, subject to the limitations

URKE COUNTY TRIBUNE DAVIT OF PUBLICATION

(NORTH DAKOTA)
(URKE)

of said County and State, being first duly oath, says that she is the owner of The Tribune, a weekly newspaper of general circulation published at Bowbells, in said County and State, has been during the time hereinafter that the The Notice of Publication of

of Portal
Proceedings

herein stated, the right and franchise to occupy now and use the streets, alleys and public grounds of the Municipality as now, or hereafter constituted, for the purpose of constructing, maintaining, and operating, within, upon, in and under the same, a gas distribution system for transmitting and distributing natural or manufactured gas, or a mixture of both, for public and private use.

SECTION III. Grantee shall maintain an efficient distribution system for furnishing natural or manufactured gas, or a mixture of both, for public and private use at such reasonable rates as may be approved by the Public Service Commission of the State of North Dakota and under such orders, rules or regulations as may be issued by a federal or state agency having jurisdiction thereof.

SECTION IV. This franchise shall not be exclusive and shall not be construed to prevent the Municipality from granting to any other party the right to use the streets, alleys, and public grounds of the Municipality for like purposes.

SECTION V. The Municipality reserves any right it may have, under its police power, or otherwise, to control or regulate the use of said streets, alleys, and public grounds by Grantee. The Municipality will give Grantee reasonable notice of plans for improvements of streets, alleys and public grounds where the Municipality has reason to believe Grantee's gas distribution system may be affected by the improvement. If during the period of this franchise the Municipality shall lawfully elect to alter, or change the grade of any street, alley or public grounds, Grantee, upon reasonable notice by the Municipality, at its own expense may remove, relocate or rearrange its gas distribution facilities that would be a substantial interference with the change to the street, alley or public grounds, provided, however, if relocation, removal or rearrangement of any gas distribution facility is made necessary to accommodate construction of a project on a federal aid highway or extension thereof within the Municipality

Grantee shall be paid the costs of the relocation, removal or rearrangement in accordance with the laws of the State of North Dakota.

SECTION VI. Unless otherwise provided in any permit or regulation of the Municipality under separate ordinance, Grantee may trim trees and shrubs in and over the streets, alleys and public grounds to the extent Grantee determines is necessary to avoid interference with the construction, operation, maintenance, and repair of the gas distribution facilities, provided Grantee shall hold the Municipality harmless from any liability arising therefrom.

SECTION VII. Grantee shall indemnify and save and hold the Municipality harmless from any loss or damage due to the construction, installation, and maintenance of its distribution system, and its use of the streets, alleys, and public grounds of the Municipality. Nothing herein shall require the Grantee to indemnify, save, or hold harmless the Municipality for any loss or damage caused by the actions, omissions, or negligence of the Municipality, or any other party not under direction or control of Grantee.

SECTION VIII. Grantee shall have the right to assign this franchise to any party, or corporation, but all obligations of Grantee hereunder shall be binding upon its successors and assigns.

SECTION IX. Within thirty (30) days after Grantee is notified of passage and final approval of this Ordinance, Grantee shall file with the clerk or auditor of the Municipality its written acceptance of this franchise.

SECTION X. This franchise shall continue and remain in full force and effect for a period of twenty (20) years from the date upon which this ordinance shall become effective as provided by law.

Passed the 7th day of February, 2023
Approved this 7th day of February, 2023.

Motion was made by K. Evenson, and seconded by T. Rudland to approve the

first reading of Ordinance 14.0201 in favor, motion carried. K. Evenson T. Rudland – yes, L. Fitchner – yes, D. Degenstien – yes.

Auditor Smith presents council year-end transfers and the financial statement for 2022. Motion was made by T. Rudland, and seconded by L. Fitchner to approve the amendments to the 2022 Budget as presented in favor, motion carried.

No maintenance report given. Council reviews city maintenance performance and decides to discontinue employment with Wade Rock. Council authorizes Mayor Smith to discontinue employment with Wade Rock, effective as of March 7, 2023 at the Community Center in Portal, ND at 4:00 pm. Motion is fixed as the time and place of the next regular meeting.

Motion was made by T. Rudland, seconded by L. Fitchner to adjourn the meeting at 4:23 pm. All in favor, motion carried.

Bills: Ackerman Estvold \$23,000, AE2s 43.00, American Tuck & Sons 583.42, BC Sheriff's Office 4,000, BC Tribune 132.00, Circle Square 2100.00, Derigner 46.14, Fair Union Oil Co. 27.99, First District 30.00, Granite Springs Minot 1,000, L&D Electrical 2013.47, Lignite 60.02, Livingston 216.40, Lisa (Reimbursement) 40.00, MDU (L. Rudland) 1863.26, Sanberg Redi-Mix 4,000, Hawkins 1073.04, Morelliss 60.00, Sewage Pump and Lift Station 9,981.50, Share Corp. 1345.96, D. Ins. 400.00, Dacotah Bank Credit 423.87, SaskEnergy 14858.41, 414.13, Carpet Garage 5297.45

Kaydee Smith, City Auditor
February 15, 2023