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NORTH DAKOTA  
PUBLIC SERVICE COMMISSION



August 28, 2023

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

Re: Authority to Establish Kindred Expansion Surcharge Rate 76  
Case No. PU-23-\_\_\_\_\_

Montana-Dakota Utilities Co. ("Montana-Dakota" or "Company") herewith submits an original and seven (7) copies of the Company's application requesting North Dakota Public Service Commission (Commission) approval to establish a new rate schedule, Kindred Expansion Surcharge Rate 76 (Rate 76), designated as Original Sheet No. 19 of the Company's gas tariff and attached hereto as Attachment A. The new rate schedule is being proposed for the recovery of costs, related to the expansion of gas service to and within the city limits of Kindred, North Dakota, over and above the Maximum Allowable Investment ("MAI") provided for under the Company's Gas Service Extension Policy Rate 120 (Rate 120). Attachment A also includes corresponding changes to the Company's Table of Contents and General Provisions Rate 100 to reflect the new rate schedule.

On September 10, 2021, Montana-Dakota filed an application requesting a Certificate of Public Convenience and Necessity (CPC&N) to Construct and Operate Natural Gas Distribution Facilities to Serve the City of Kindred in Case No. PU-21-386. Therein, Montana-Dakota provided that WBI Energy ("WBI") was intending to construct, operate, and maintain a Federal Energy Regulatory Commission (FERC) regulated natural gas transmission pipeline from Mapleton, North Dakota to Wahpeton, North Dakota for the purpose of providing natural gas transportation service which would, in turn, allow for the expansion of firm service in the Wahpeton area. Upon the announcement of the WBI expansion project, Company personnel and communities in the surrounding area started discussions regarding the expansion of natural gas service to their communities. One of those communities was Kindred. On January 28, 2022, Montana-Dakota amended its application reducing the area for which it was seeking a CPC&N. On March 30, 2022, the Commission granted Montana-Dakota Certificate No. 5964 to construct and operate a natural gas distribution system to serve Sections 27 through 29 and 32 through 34 of Township 137 North, Range 50 West in Cass County as depicted in Attachment A of the Company's amended filing.

In Summer 2024, Montana-Dakota will begin construction of a new natural gas distribution system and town border station (TBS) in order to provide natural gas to the community of Kindred from an interconnection with WBI's new Wahpeton transmission line. WBI's Wahpeton line will be located just east of the Kindred airport with Montana-Dakota's interconnection located approximately one-half mile east of 166<sup>th</sup> Avenue SE and along 53 Street SE. The distribution system will consist of approximately 19,000 feet of six (6) inch PE, 1,800 feet of four (4) inch PE, and 15,000 feet of two (2) inch PE mains. The Company is anticipating installing service lines to serve 259 residential customers, 38 small firm general customers, 10 large firm general customers, and one small interruptible sales customer within the first five years of the project. Please see Attachment B for a map of the City of Kindred. The colored lines represent the different size pipes that will be installed while the light green colored area illustrates the area inside the city limits of Kindred and the area subject to Rate 76.

The total cost of the project, as shown in Attachment C, is estimated to be approximately \$2,100,000 with an MAI of a little over \$1,100,000. This leaves an estimated balance of about \$950,000 to be collected from customers in Kindred. Montana-Dakota recognizes this remaining cost responsibility to be sizeable for customers taking service inside the city limits of Kindred and therefore Montana-Dakota is proposing to utilize an available provision under Rate 120, the Incremental Expansion Surcharge, for the recovery of the costs in excess of the project's estimated MAI. This provision allows for the Company, in its sole discretion, to offer an incremental surcharge to groups of customers when the total estimated cost would otherwise have been prohibitive under the Company's present rates and gas service extension policy.

To effectuate the expansion surcharge provision and allow for the recovery of costs, Montana-Dakota is proposing Rate 76 whereby customers would be charged:

- A minimum up-front payment in accordance with the Down Payment schedule outlined in Rate 76. Montana-Dakota is requesting that the Company be allowed to charge a different down payment by customer class in recognition of the different demands that will be placed on the distribution system as well as acknowledging the differences in overall customer affordability.
- For the recovery of costs projected to be remaining after the initial up-front payments, Montana-Dakota is proposing a fixed and/or variable rate structure dependent on the customer's class of service as shown in Rate 76.

Montana-Dakota believes the establishment of the new rate schedule provides both the Company and Kindred residents and businesses the cost information necessary to have informed conversations regarding the extension of gas service to their premise. It also provides the Company the ability to offer natural gas service to the area using an available provision under Rate 120 that enables an extended customer payment mechanism for five years, as compared to a one-time cash payment.

Additionally, the Kindred expansion will benefit all North Dakota gas customers from the additional distribution revenue collected from these customers.

Montana-Dakota respectfully requests Commission approval of:

- Table of Contents 2<sup>nd</sup> Revised Sheet No. 1
- Kindred Expansion Surcharge Rate 76 Original Sheet Nos. 19 and 19.1, and
- General Provisions 1<sup>st</sup> Revised Sheet Nos. 42.16 and 42.17

Included herein is a second set of the affected tariff sheets on which Montana-Dakota has indicated the revisions requested by lining through the existing language which the Company proposes to delete and clearly highlighting the new language proposed.

Please refer all inquiries regarding this filing to:

Mr. Travis R. Jacobson  
Director of Regulatory Affairs  
Montana-Dakota Utilities Co.  
400 North Fourth Street  
Bismarck, North Dakota 58501  
[Travis.Jacobson@mdu.com](mailto:Travis.Jacobson@mdu.com)

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

Ms. Allison Waldon  
Attorney  
MDU Resources Group, Inc.  
P.O. Box 5650  
Bismarck, North Dakota 58506-5650  
[Allison.waldon@MDUResources.com](mailto:Allison.waldon@MDUResources.com)

Montana-Dakota also herewith submits a check for \$10,000 pursuant to the requirements of N.D.C.C. § 49-05-05.

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

Attachments

cc: Allison Waldon

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

In the Matter of the Application of )  
MONTANA-DAKOTA UTILITIES CO. for )  
Authority to Establish New Rate Schedule ) Case No. PU-23-\_\_\_\_  
Kindred Expansion Surcharge Rate 76 )

**I. Summary of Application**

Montana-Dakota Utilities Co. (Montana-Dakota, Applicant, or the Company), the Applicant in the above-entitled proceeding, herewith submits this application requesting North Dakota Public Service Commission (Commission) approval to establish a new gas rate schedule, Kindred Expansion Surcharge Rate 76 (Rate 76), designated as Original Sheet No. 19 of the Company's gas tariff. The new rate is being proposed for the recovery of costs, related to the expansion of natural gas service to and within the city limits of Kindred, North Dakota, over and above the Maximum Allowable Investment (MAI) provided for under the Company's Firm Gas Service Extension Policy Rate 120 (Rate 120). The proposed new rate schedule is attached hereto as Attachment A, along with corresponding changes to the Table of Contents and General Provisions Rate 100 to reflect the new rate schedule.

**II. Description of Applicant**

Montana-Dakota is a Delaware corporation duly authorized to do business in the State of North Dakota as a foreign corporation, and doing business in the

State of North Dakota as a public utility subject to the jurisdiction of and regulation by the Commission under Title 49 of N.D.C.C. The Applicant's Certificate of Incorporation and amendments thereto have been previously filed with the Commission and such Certificate and Amendments are hereby incorporated by reference as though fully set forth herein.

### **III. Certificate of Public Convenience and Necessity Number 5964**

On September 10, 2021, Montana-Dakota filed an application requesting a Certificate of Public Convenience and Necessity (CPC&N) to Construct and Operate Natural Gas Distribution Facilities to Serve the City of Kindred in Case No. PU-21-386. Therein, Montana-Dakota provided that WBI Energy ("WBI") was intending to construct, operate, and maintain a Federal Energy Regulatory Commission (FERC) regulated natural gas transmission pipeline from Mapleton, North Dakota to Wahpeton, North Dakota for the purpose of providing natural gas transportation service which would, in turn, allow for the expansion of firm service in the Wahpeton area. On January 28, 2022, Montana-Dakota amended its application reducing the area for which it was seeking a CPC&N.

On March 30, 2022, the Commission granted Montana-Dakota Certificate No. 5964 to construct and operate a natural gas distribution system to serve Sections 27 through 29 and 32 through 34 of Township 137 North, Range 50 West in Cass County as depicted in Attachment A of Montana-Dakota's amended filing.

#### **IV. City of Kindred Expansion Project**

In Summer 2024, Montana-Dakota will begin construction of a new natural gas distribution system and town border station (TBS) in order to provide natural gas to the community of Kindred from an interconnection with WBI's new Wahpeton transmission line. WBI's Wahpeton line will be located just east of the Kindred airport with Montana-Dakota's interconnection located approximately one-half mile east of 166th Avenue SE and along 53 Street SE. The distribution system will consist of approximately 19,000 feet of six (6) inch PE, 1,800 feet of four (4) inch PE, and 15,000 feet of two (2) inch PE mains. The Company is anticipating installing service lines to serve 259 residential customers, 38 small firm general customers, 10 large firm general customers, and one small interruptible sales customer within the first five years of the project. Please see Attachment B for a map of the City of Kindred. The colored lines represent the different size pipes that will be installed while the light green colored area illustrates the area inside the city limits of Kindred and the area subject to Rate 76.

The total cost of the project, as shown on page 1 of Attachment C is estimated at approximately \$2,100,000 with an MAI of a little over \$1,100,000. This leaves an estimated balance of about \$950,000 to be collected from customers in Kindred. Reflected in the determination of the MAI for this project was the recently enacted legislation that exempts from property taxation all property which is part of a natural gas transmission or distribution pipeline system constructed in the state on and after January 1, 2023 for a period of fifteen years following the taxable year in which the pipeline becomes operational as outlined in

NDCC Title 57-06. In recognition of this new legislation and to properly pass those cost savings onto the homes and businesses in Kindred that will now have access to natural gas service, the Company incorporated the fifteen-year property tax exemption into the Levelized Annual Revenue Requirement (LARR) rate used in determining the cost responsibility of Kindred customers. The inclusion of the property tax exemption reduced Montana-Dakota's current LARR of 12.328 percent to 11.886 percent, thereby reducing the Kindred customer contribution requirement by a little over \$40,000.

#### **V. Proposed Kindred Expansion Surcharge Rate 76**

Montana-Dakota recognizes the estimated balance remaining of \$950,000 to be a sizeable cost responsibility for customers in Kindred and therefore is proposing to utilize an available provision under Rate 120, the Incremental Expansion Surcharge, for its recovery. The Incremental Expansion Surcharge provision (Rate 120, Section B.7) allows the Company, in its sole discretion, to offer a surcharge to groups of customers where the total estimated cost would otherwise be cost prohibitive under the Company's present rates and gas service extension policy.

To effectuate the surcharge provision and provide Kindred customers an affordable payment mechanism, Montana-Dakota is proposing Rate 76 whereby customers would be charged:

- A minimum up-front payment in accordance with the Down Payment schedule outlined in Rate 76, in lieu of the \$100.00

payment from all customers provided for under Section B.7.a.i. Montana-Dakota is requesting the ability to charge a different down payment for each customer class in recognition of the demand differences customers of different classes of service will place on the new distribution system as well as acknowledges the differences in upfront customer affordability.

- For the recovery of costs remaining after the initial up-front payments, Montana-Dakota proposes a fixed and/or variable rate structure in accordance with the following rate structure which will continue on customers' bills until such time as the expansion project is paid in full which is anticipated to be just shy of five years:

Rate Class	Expansion Customer Charge per Month	Expansion Commodity Charge per Dk
Residential Rate 60	\$ 30.00	
Firm General Rates 70, 72, 74 (Small)	\$ 12.00	\$3.25
Firm General Rates 70, 72, 74 (Large)	\$ 85.00	\$3.25
Small Interruptible Sales Rates 71	\$150.00	\$4.00

This payment structure, when combined with the dollars collected under the down payments, correlates to \$4.09 per dk for all customer classes, based on each customer class's average annual volumes, as shown on Attachment C, page 1. It also provides a consistency with the Company's current fixed and/or variable gas rate structure dependent on the customer's service, while also acknowledging the differences in customer affordability and impact on customers' monthly bills. The surcharge rates will be separately billed and identified on each customer's bill and will be in addition to the rates charged customers under

the appropriate North Dakota gas rate schedule applicable to their respective service.

The project will be reviewed annually to determine if sufficient customers and gas load have initiated service in the last year to ensure complete recovery of the project by the anticipated end date of the surcharge. At this time, Montana-Dakota is anticipating the project cost recovery to be complete in Fall 2029 if gas service commences in the Fall of 2024 as currently projected. Montana-Dakota reserves the right to revise the surcharge rates under Rate 76 if the projected level of customers and/or volumes are not being attained.

Rate 76 will only be applicable to customers located within the city limits of Kindred. Any extension of gas service to a customer located outside of the city limits of Kindred would be administered in accordance with Montana-Dakota's Rate 120. The Kindred expansion project focused solely on gas service to and within the community and therefore any costs to extend beyond that should be properly reviewed under the Company's extension policy.

## **VI. Other Proposed Tariff Changes**

Two corresponding changes are necessary to the Company's gas tariff due to the introduction of Rate 76. The first is to reflect the new rate schedule in the gas tariff's Table of Contents.

The second change is to revise paragraph 21 of General Provisions Rate 100, Section 5, Reconnection Fee for Seasonal or Temporary Customers, in order to include the Rate 76 Expansion Customer Charges in the determination

of the seasonal reconnection fees, if applicable. The inclusion of these charges in the seasonal reconnection fee eliminates the delay and/or shifting of costs being recovered under Rate 76 that would result from seasonal customers stopping service and therefore not contributing to the recovery of the Rate 76 project during their absence.

## **VII. Conclusion**

Montana-Dakota is proposing a new rate schedule for the recovery of costs related to the expansion of gas service within the city limits of Kindred, North Dakota. The Company believes the establishment of Rate 76 will provide both the Company and the residents and businesses of Kindred the cost information necessary to have informed conversations regarding the extension of gas service to their premises. It also provides the Company the ability to offer natural gas service to a new service area using an available provision under Rate 120 that enables an extended customer payment mechanism for five years as compared to a one-time cash payment.

Additionally, the Kindred expansion will benefit all North Dakota gas customers from the additional distribution revenue collected from these customers.

Montana-Dakota respectfully requests Commission approval of Kindred Expansion Area Surcharge Rate 76 and the corresponding changes to the Company's gas Table of Contents and General Provisions Rate 100.

Dated this 28<sup>th</sup> day of August 2023.



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Travis R. Jacobson  
Director of Regulatory Affairs

Of Counsel:

Allison Waldon  
Attorney  
MDU Resources Group, Inc.  
P. O. Box 5650  
Bismarck, ND 58506-5650

# Attachment A



# Montana-Dakota Utilities Co.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Gas Rate Schedule

NDPSC Volume 8  
2<sup>nd</sup> Revised Sheet No. 1  
Canceling 1<sup>st</sup> Revised Sheet No. 1

### TABLE OF CONTENTS

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65	Air Force Distribution System	8
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**Date Filed:** August 28, 2023

**Effective Date:**

**Issued By:** Travis R. Jacobson  
Director – Regulatory Affairs

**Case No.:** PU-23-



# Montana-Dakota Utilities Co.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Gas Rate Schedule

NDPSC Volume 8  
Original Sheet No. 19

### KINDRED EXPANSION SURCHARGE RATE 76

Page 1 of 2

#### Applicability:

Customer requesting natural gas service within the city limits of Kindred, North Dakota.

The surcharge rates will be in addition to all other charges applicable to gas service under the otherwise applicable North Dakota Gas Rate Schedules 60, 70, 71, 72, 74, 81, 82, and 85.

#### Down Payment:

Initial up-front payment required at the time an application requesting the installation of a service line is signed. The party requesting the installation of the service line is responsible for the down payment.

Residential Rate 60	\$ 250.00
Firm General Rates 70, 72, and 74- Small	\$ 500.00
Firm General Rates 70, 72, and 74 – Large	\$1,000.00
Small Interruptible Sales Rate 71	\$1,500.00

#### Rate:

Charges billed customer within the city limits of Kindred, North Dakota. Charges will be included on customer's monthly bill following the charges billed under the customer's otherwise applicable rate schedule.

	Expansion Customer Charge per Month	Expansion Commodity Charge per Dk
Residential Rate 60	\$30.00	
Firm General Rates 70, 72, 74 (Small)	\$12.00	\$3.25
Firm General Rates 70, 72, 74 (Large)	\$85.00	\$3.25
Small Interruptible Sales Rates 71	\$150.00	\$4.00

#### Minimum Bill:

Expansion Customer Charge.

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**Effective Date:**

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Director - Regulatory Affairs

**Case No.:** PU-23-



# Montana-Dakota Utilities Co.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Gas Rate Schedule

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NDPSC Volume 8  
Original Sheet No. 19.1

### KINDRED EXPANSION SURCHARGE RATE 76

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Page 2 of 2

#### Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.13, or any amendments or alterations thereto.

#### General Terms and Conditions:

1. The customer agrees to contract for service under Kindred Expansion Surcharge Rate 76 for a minimum period of one year.
2. Any main or service line extension necessary to provide service to the Customer shall be subject to the Gas Service Extension Policy Rate 120.
3. The foregoing schedule is subject to the requirements set forth under the otherwise applicable rate schedule for natural gas service and Rates 100 through 124, including any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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**Date Filed:** August 28, 2023

**Effective Date:**

**Issued By:** Travis R. Jacobson  
Director - Regulatory Affairs

**Case No.:** PU-23-



# Montana-Dakota Utilities Co.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Gas Rate Schedule

NDPSC Volume 8  
1<sup>st</sup> Revised Sheet No. 42.16  
Canceling Original Sheet No. 42.16

### GENERAL PROVISIONS Rate 100

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that over time service rates will apply if service is required that day and the work cannot be completed during normal working hours. Service may be scheduled for a future workday to avoid overtime charges.

19. NOTICE TO DISCONTINUE GAS SERVICE – Customers desiring to have their gas service disconnected shall notify the Company during regular business hours, one business day before service is to be disconnected. Such notice shall be by letter, or telephone call to the Company’s Customer Service Center. Saturdays, Sundays and legal holidays are not considered business days.
20. INSTALLING TEMPORARY METERING FACILITIES OR SERVICE – A customer requesting a temporary meter installation and service will be charged on the basis of direct costs incurred by the Company.
21. RECONNECTION FEE FOR SEASONAL OR TEMPORARY CUSTOMER – A customer who requests reconnection of service, during normal working hours, at a location where same customer discontinued the same service during the preceding 12-month period will be charged a reconnection fee as follows:
  - Residential - The Basic Service Charge applicable during the period service was not being used and a charge of \$30.00. The minimum will be based on standard overtime rates for reconnecting service after normal business hours. The Capacity Reservation Charge under Gwinner Pipeline Reservation Charge Rate 75 or the Expansion Customer Charge under Kindred Expansion Surcharge Rate 76 will also be applicable during the period service was not being used, if Rates 75 or 76 are applicable to the customer while in service.
  - Non-Residential – The Basic Service Charge applicable during the period while service was not being used. However, the reconnection charge applicable to seasonal business concerns such as irrigation, swimming facilities, grain drying and asphalt processing shall be the Basic Service Charge applicable during the period while service was not being used less the Distribution Delivery Charge revenue collected during the period in-service for usage above the annual authorized usage by rate class (Small Firm General Rate 70 = 174 dk; Large Firm General Rate 70 = 1,220 dk; Small Firm General Propane Rate 92 = 170 dk; Large Firm General Propane Rate 92 = 1,898 dk; and Small Interruptible = 5,918 dk). A reconnection fee of \$30.00 will also apply to reconnections. The minimum will be based on standard overtime rates for reconnecting

**Date Filed:** August 28, 2023

**Effective Date:**

**Issued By:** Travis R. Jacobson  
Director – Regulatory Affairs

**Case No.:** PU-23-



# Montana-Dakota Utilities Co.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Gas Rate Schedule

NDPSC Volume 8  
1<sup>st</sup> Revised Sheet No. 42.17  
Canceling Original Sheet No. 42.17

### GENERAL PROVISIONS Rate 100

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service occurring after normal business hours. The Capacity Reservation Charge under Gwinner Pipeline Reservation Charge Rate 75 or the Expansion Customer Charge under Kindred Expansion Surcharge Rate 76 will also be applicable during the period service was not being used, if Rates 75 or 76 are applicable to the customer while in service.

Transportation customers who cease service and then resume service within the succeeding 12 months shall be subject to a minimum reconnection charge of \$160.00 whenever reinstallation of the required remote data acquisition equipment is necessary.

22. DISCONNECTION OF SERVICE FOR NONPAYMENT OF BILLS – All amounts billed for service are due when rendered and will be considered delinquent if not paid by due date shown on the bill. If any customer shall become delinquent in the payment of amounts billed, such service may be discontinued by the Company under the applicable rules of the Commission.

The Company may collect a fee of \$30.00 before restoring gas service, which has been disconnected for nonpayment of service bills during normal business hours. For calls received after 12:00 p.m. on a regular work day, customers will be advised that over time service rates will apply if service is required that day and the work cannot be completed during normal working hours. Service may be scheduled for a future workday to avoid overtime charges.

23. DISCONNECTION OF SERVICE FOR CAUSES OTHER THAN NONPAYMENT OF BILLS – The Company reserves the right to discontinue service for any of the following reasons:
- (a) In the event of customer use of equipment in such a manner as to adversely affect the Company's equipment or service to others.
  - (b) In the event of tampering with the equipment furnished and owned by the Company.
  - (c) For violation of or noncompliance with the Company's rules on file with the Commission.
  - (d) For failure of the customer to fulfill the contractual obligations imposed as conditions of obtaining service.

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Director – Regulatory Affairs

**Case No.:** PU-23-

## **Tariffs Reflecting Proposed Changes**



# Montana-Dakota Utilities Co.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Gas Rate Schedule

NDPSC Volume 8

~~4<sup>st</sup>~~ ~~2<sup>nd</sup>~~ Revised Sheet No. 1

Canceling ~~Original~~ ~~1<sup>st</sup>~~ Revised Sheet No. 1

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	Reserved	<del>18</del> 20-23
81 and 82	Transportation Service	24
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85	Large Interruptible General Gas Service	27
	Reserved	28
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105	Gas Meter Testing Program	47
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120	Gas Service Extension Policy	62
	Reserved	63-65
124	Replacement, Relocation and Repair of Gas Service Lines	66

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**Effective Date:** ~~Service rendered on and after July 1, 2022~~

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Director – Regulatory Affairs

**Case No.:** ~~PU-21-45223-~~



# Montana-Dakota Utilities Co.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Gas Rate Schedule

NDPSC Volume 8  
Original Sheet No. 19

### KINDRED EXPANSION SURCHARGE RATE 76

Page 1 of 2

#### Applicability:

Customer requesting natural gas service within the city limits of Kindred, North Dakota.

The surcharge rates will be in addition to all other charges applicable to gas service under the otherwise applicable North Dakota Gas Rate Schedules 60, 70, 71, 72, 74, 81, 82, and 85.

#### Down Payment:

Initial up-front payment required at the time an application requesting the installation of a service line is signed. The party requesting the installation of the service line is responsible for the down payment.

<u>Residential Rate 60</u>	<u>\$ 250.00</u>
<u>Firm General Rates 70, 72, and 74- Small</u>	<u>\$ 500.00</u>
<u>Firm General Rates 70, 72, and 74 – Large</u>	<u>\$1,000.00</u>
<u>Small Interruptible Sales Rate 71</u>	<u>\$1,500.00</u>

#### Rate:

Charges billed customer within the city limits of Kindred, North Dakota. Charges will be included on customer's monthly bill following the charges billed under the customer's otherwise applicable rate schedule.

	<u>Expansion Customer Charge per Month</u>	<u>Expansion Commodity Charge per Dk</u>
<u>Residential Rate 60</u>	<u>\$30.00</u>	
<u>Firm General Rates 70, 72, 74 (Small)</u>	<u>\$12.00</u>	<u>\$3.25</u>
<u>Firm General Rates 70, 72, 74 (Large)</u>	<u>\$85.00</u>	<u>\$3.25</u>
<u>Small Interruptible Sales Rates 71</u>	<u>\$150.00</u>	<u>\$4.00</u>

#### Minimum Bill:

Expansion Customer Charge.

**Date Filed:** August 28, 2023

**Effective Date:**

**Issued By:** Travis R. Jacobson  
Director - Regulatory Affairs

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# Montana-Dakota Utilities Co.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Gas Rate Schedule

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NDPSC Volume 8  
Original Sheet No. 19.1

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### KINDRED EXPANSION SURCHARGE RATE 76

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#### Payment:

Billed amounts will be considered past due if not paid by the due date shown on the bill. Past due bills are subject to a late payment charge in accordance with the provisions of Rate 100, §V.13, or any amendments or alterations thereto.

#### General Terms and Conditions:

1. The customer agrees to contract for service under Kindred Expansion Surcharge Rate 76 for a minimum period of one year.
2. Any main or service line extension necessary to provide service to the Customer shall be subject to the Gas Service Extension Policy Rate 120.
3. The foregoing schedule is subject to the requirements set forth under the otherwise applicable rate schedule for natural gas service and Rates 100 through 124, including any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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**Date Filed:** August 28, 2023

**Effective Date:**

**Issued By:** Travis R. Jacobson  
Director - Regulatory Affairs

**Case No.:** PU-23-



# Montana-Dakota Utilities Co.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Gas Rate Schedule

NDPSC Volume 8

~~Original~~ 1<sup>st</sup> Revised Sheet No. 42.16

Canceling Original Sheet No. 42.16

### GENERAL PROVISIONS Rate 100

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that over time service rates will apply if service is required that day and the work cannot be completed during normal working hours. Service may be scheduled for a future workday to avoid overtime charges.

19. NOTICE TO DISCONTINUE GAS SERVICE – Customers desiring to have their gas service disconnected shall notify the Company during regular business hours, one business day before service is to be disconnected. Such notice shall be by letter, or telephone call to the Company’s Customer Service Center. Saturdays, Sundays and legal holidays are not considered business days.

20. INSTALLING TEMPORARY METERING FACILITIES OR SERVICE – A customer requesting a temporary meter installation and service will be charged on the basis of direct costs incurred by the Company.

21. RECONNECTION FEE FOR SEASONAL OR TEMPORARY CUSTOMER – A customer who requests reconnection of service, during normal working hours, at a location where same customer discontinued the same service during the preceding 12-month period will be charged a reconnection fee as follows:

Residential - The Basic Service Charge applicable during the period service was not being used and a charge of \$30.00. The minimum will be based on standard overtime rates for reconnecting service after normal business hours. The Capacity Reservation Charge under Gwinner Pipeline Reservation Charge Rate 75 or the Expansion Customer Charge under Kindred Expansion Surcharge Rate 76 will also be applicable during the period service was not being used, if ~~the Capacity Reservation Charge Rates 75 or 76 is~~ are applicable to the customer while in service.

Non-Residential – The Basic Service Charge applicable during the period while service was not being used. However, the reconnection charge applicable to seasonal business concerns such as irrigation, swimming facilities, grain drying and asphalt processing shall be the Basic Service Charge applicable during the period while service was not being used less the Distribution Delivery Charge revenue collected during the period in-service for usage above the annual authorized usage by rate class (Small Firm General Rate 70 = 174 dk; Large Firm General Rate 70 = 1,220 dk; Small Firm General Propane Rate 92 = 170 dk; Large Firm General Propane Rate 92 = 1,898 dk; and Small Interruptible = 5,918 dk). A reconnection fee of \$30.00 will also apply to reconnections. The

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Director – Regulatory Affairs

**Case No.:** ~~PU-20-37923-~~



# Montana-Dakota Utilities Co.

400 N 4<sup>th</sup> Street  
Bismarck, ND 58501

## State of North Dakota Gas Rate Schedule

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minimum will be based on standard overtime rates for reconnecting service occurring after normal business hours. The Capacity Reservation

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Charge under Gwinner Pipeline Reservation Charge Rate 75 or the Expansion Customer Charge under Kindred Expansion Surcharge Rate 76 will also be applicable during the period service was not being used, if ~~the Capacity Reservation Charge is~~ Rates 75 or 76 are applicable to the customer while in service.

Transportation customers who cease service and then resume service within the succeeding 12 months shall be subject to a minimum reconnection charge of \$160.00 whenever reinstallation of the required remote data acquisition equipment is necessary.

22. DISCONNECTION OF SERVICE FOR NONPAYMENT OF BILLS – All amounts billed for service are due when rendered and will be considered delinquent if not paid by due date shown on the bill. If any customer shall become delinquent in the payment of amounts billed, such service may be discontinued by the Company under the applicable rules of the Commission.

The Company may collect a fee of \$30.00 before restoring gas service, which has been disconnected for nonpayment of service bills during normal business hours. For calls received after 12:00 p.m. on a regular work day, customers will be advised that over time service rates will apply if service is required that day and the work cannot be completed during normal working hours. Service may be scheduled for a future workday to avoid overtime charges.

23. DISCONNECTION OF SERVICE FOR CAUSES OTHER THAN NONPAYMENT OF BILLS – The Company reserves the right to discontinue service for any of the following reasons:

- (a) In the event of customer use of equipment in such a manner as to adversely affect the Company’s equipment or service to others.
- (b) In the event of tampering with the equipment furnished and owned by the Company.
- (c) For violation of or noncompliance with the Company’s rules on file with the Commission.
- (d) For failure of the customer to fulfill the contractual obligations imposed as conditions of obtaining service.

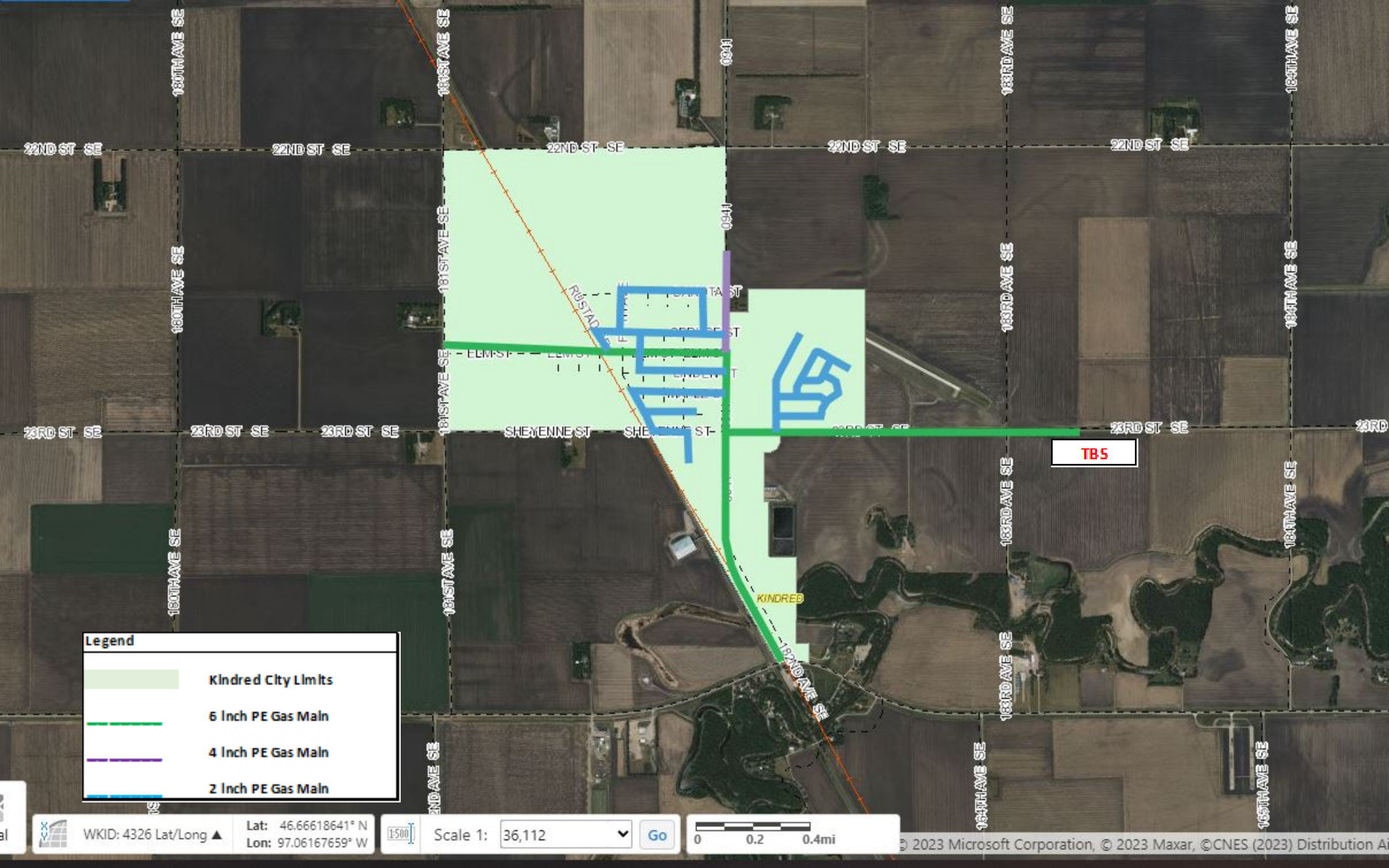
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# Attachment B



**Legend**

- Kindred City Limits
- 6 Inch PE Gas Main
- 4 Inch PE Gas Main
- 2 Inch PE Gas Main



WKID: 4326 Lat/Long ▲ Lat: 46.66618641° N  
Lon: 97.06167659° W



Scale 1: 36,112 Go



**Montana-Dakota Utilities Co.**  
**Gas Utility - North Dakota**  
**Incremental Expansion Surcharge - Kindred**  
**Case No. PU-23-\_\_\_\_\_**

Total Project Cost \$2,057,098

Estimated Revenue for Year 5

Basic Service Charge Revenue	\$101,512
Distribution Delivery Charge Revenue	\$30,090
<b>Total Revenue</b>	<b>\$131,602</b>

Rate 120 LARR 11.868%

Maximum Allowable Investment \$1,108,881

Customer Contribution Required \$948,217

Less Down Payments:

	Down Payment per Customer	Projected Customers	
Residential Rate 60	\$250.00	259	\$64,750
Firm General Rate 70 Small	\$500.00	38	19,000
Firm General Rate 70 Large	\$1,000.00	10	10,000
Small Interruptible Sales Rate 71	\$1,500.00	1	1,500
		308	\$93,750

**Net Customer Contribution Requirement for Surcharge **\$854,467****

Kindred Expansion Surcharge	Residential	Firm General Rate 70		Small IT Sales Rate 71
		Small	Large	
Customer Charge per Month	\$30.00	\$ 12.00	\$ 85.00	\$ 150.00
Distribution Charge per Dk		\$3.25	\$3.25	\$4.00
Annual Cost per Customer	\$360	\$700	\$4,969	\$81,800
Average Monthly Surcharge per Customer	\$30.00	\$58.33	\$414.08	\$6,816.67
Average Annual Dk/Customer	88	171	1,215	20,000
Average Cost per Dk	\$4.09	\$4.09	\$4.09	\$4.09

**Montana-Dakota Utilities Co.  
Gas Utility - North Dakota  
Incremental Expansion Surcharge - Kindred  
Net Present Value**

Year	Month	New Customers				Net Customer Contribution Requirement	Customer Surcharge Payments	NPV
		Rate 60	Rate 70 Small	Rate 70 Large	Rate 71 Small IT Sales			
						(\$854,467)		
1	1	149	25	6	1		\$15,229	(\$839,324)
	2	149	25	6	1		\$15,229	(\$824,268)
	3	149	25	6	1		\$15,229	(\$809,297)
	4	149	25	6	1		\$15,229	(\$794,411)
	5	149	25	6	1		\$15,229	(\$779,609)
	6	149	25	6	1		\$15,229	(\$764,891)
	7	149	25	6	1		\$15,229	(\$750,257)
	8	149	25	6	1		\$15,229	(\$735,706)
	9	149	25	6	1		\$15,229	(\$721,238)
	10	149	25	6	1		\$15,229	(\$706,852)
	11	149	25	6	1		\$15,229	(\$692,547)
	12	149	25	6	1		\$15,229	(\$678,324)
2	13	177	29	7	1		\$16,717	(\$662,799)
	14	177	29	7	1		\$16,717	(\$647,363)
	15	177	29	7	1		\$16,717	(\$632,014)
	16	177	29	7	1		\$16,717	(\$616,753)
	17	177	29	7	1		\$16,717	(\$601,578)
	18	177	29	7	1		\$16,717	(\$586,489)
	19	177	29	7	1		\$16,717	(\$571,486)
	20	177	29	7	1		\$16,717	(\$556,568)
	21	177	29	7	1		\$16,717	(\$541,734)
	22	177	29	7	1		\$16,717	(\$526,985)
	23	177	29	7	1		\$16,717	(\$512,320)
	24	177	29	7	1		\$16,717	(\$497,738)
3	25	205	32	8	1		\$18,146	(\$481,999)
	26	205	32	8	1		\$18,146	(\$466,350)
	27	205	32	8	1		\$18,146	(\$450,789)
	28	205	32	8	1		\$18,146	(\$435,317)
	29	205	32	8	1		\$18,146	(\$419,932)
	30	205	32	8	1		\$18,146	(\$404,635)
	31	205	32	8	1		\$18,146	(\$389,425)
	32	205	32	8	1		\$18,146	(\$374,301)
	33	205	32	8	1		\$18,146	(\$359,263)
	34	205	32	8	1		\$18,146	(\$344,310)
	35	205	32	8	1		\$18,146	(\$329,443)
	36	205	32	8	1		\$18,146	(\$314,659)
4	37	232	35	9	1		\$19,545	(\$298,827)
	38	232	35	9	1		\$19,545	(\$283,084)
	39	232	35	9	1		\$19,545	(\$267,430)
	40	232	35	9	1		\$19,545	(\$251,866)
	41	232	35	9	1		\$19,545	(\$236,389)
	42	232	35	9	1		\$19,545	(\$221,001)
	43	232	35	9	1		\$19,545	(\$205,700)
	44	232	35	9	1		\$19,545	(\$190,485)
	45	232	35	9	1		\$19,545	(\$175,358)
	46	232	35	9	1		\$19,545	(\$160,316)
	47	232	35	9	1		\$19,545	(\$145,359)

