



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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October 4, 2024

Executive Secretary
North Dakota Public Service Commission
600 E Boulevard Ave, Dept 408
Bismarck, ND 58505-0480

**RE: Late Filed Exhibits MDU-024 & MDU-025
Case No. PU-23-341
OAH File No. 20230372**

Pursuant to the North Dakota Public Service Commission requests during the September 30, 2024, Formal Hearing for Case No. PU-23-341 Montana-Dakota Utilities Co. (Montana-Dakota) herewith electronically submits its late filed exhibits, MDU-024 (Gain)/Loss on Sale of Buildings and MDU-025 Settlement Revenue Allocation.

Montana-Dakota continues to work with JD Power, its customer survey provider, to provide information requested as late filed Exhibit MDU-024.

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

Please contact me at (701) 222-7855 or travis.jacobson@mdu.com with any questions regarding this filing.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Enclosures

MONTANA-DAKOTA UTILITIES CO. & GREAT PLAINS NATURAL GAS CO.
GAS UTILITY - NORTH DAKOTA
CASE NO. PU-23-341
(GAIN)/LOSS ON SALE OF BUILDINGS

Pursuant to the Commission request during the September 30, 2024 Formal Hearing for Case No. PU-23-341, Montana-Dakota now submits a detailed analysis of its gains and losses on the sale of its buildings and the allocation factors associated. This is intended to supplement rate base addition included on Statement D, Schedule D-1, page 8 of the initial filing.

A gain on office buildings resulted after new office buildings were constructed in Williston and Watford City. The existing office buildings were sold which resulted in a gain. The gain on the sale of both office buildings was deferred and is being amortized as included Case Nos. PU-13-803, PU-15-090, PU-16-666, PU-17-295, PU-20-379, PU-22-194, and PU-23-341. The gain is being amortized over a twenty-year period and expires in 2034.

The loss on the sale of housing refers to the sale of manufactured homes used to house employees. During the Bakken oil boom in western North Dakota, region operations experienced a lack of housing units available to meet the number of workers necessary to fill required jobs. In many cases, Montana-Dakota was able to find an individual to fill an open position, but the individual was unable to acquire housing; therefore, was not able to accept the position offered to them. The Company determined it was necessary to provide housing options, specifically manufactured homes, in order to attract and retain employees. A loss was incurred upon disposal and the Company is amortizing the loss over a twenty-year period, which expires in 2038.

The net of the gains and losses unamortized balance was included in the rate base as an addition in Case Nos. PU-16-666, PU-17-295, PU-20-379, PU-22-194, and PU-23-341. In Case No. PU-23-341, this results in an amortization expense of \$22,443 per year and an increase to rate base of \$302,916, net of deferred income taxes.

MONTANA-DAKOTA UTILITIES CO. & GREAT PLAINS NATURAL GAS CO.
GAS UTILITY - NORTH DAKOTA
CASE NO. PU-23-341
(GAIN)/LOSS ON SALE OF BUILDINGS

(Gain)/Loss	Gain on Sale of Office Buildings	Loss on Sale of Housing
Location	Williston & Watford City	Dickinson
2014	(\$351,289)	
2016		\$82,585
Allocation Factor	ND Transmission & Distribution Plant between Gas & Electric	1) Gross Plant Factor between Gas & Electric 2) Badlands Region Composite Factor by State
Allocation Rate 1/	28.7% to ND Gas	1)24.1% to Gas 2)66.6% to ND
Expiration	2034	2038
Annual Amortization	(\$17,564)	\$4,129
Case Nos.	PU-13-803, PU-15-090, PU-16-666, PU-17-295, PU-20-379, PU-22-194, PU-23-341	ND Transmission & Distribution Plant between Gas & Electric 28.3% to ND Gas 2038 \$35,878
		PU-16-666, PU-17-295, PU-20-379, PU-22-194, PU-23-341

1/ Allocation Rate is based on the applicable rate determined for the sales year.

**MONTANA-DAKOTA UTILITIES CO.
 GAS UTILITY - NORTH DAKOTA
 CASE NO. PU-23-341**

Settlement Revenue Allocation

	Total		Small Firm		Large Firm		Air Force		Small		Large	
	North Dakota	Residential	General	General	General	Rate 64	Interruptible	Interruptible	Interruptible	Interruptible		
As-Filed Cost of Service Results												
Revenue Under Current Rates (settlement)	156,218,562	76,229,727	16,127,540	57,413,937	1,810,639	1,001,374						
Gas Cost and Other Revenue (settlement)	106,730,970	46,285,017	10,571,143	46,197,291	1,664,309	2,013,210						
Distribution Revenue Under Current Rates (settlement)	49,487,592	29,944,710	5,556,397	11,216,646	146,330	1,622,135						
Cost of service w/o gas cost, other (As-Filed) 1/	61,271,500	38,847,717	6,110,933	12,875,890	586,708	1,686,556						
Revenue to Cost Ratio Under Current Rates	0.81	0.77	0.91	0.87	0.25	0.96						
Revenue to Cost Ratios (Parity Ratio) - Settlement												
Revenue Increase	9,443,883	4,641,161	974,270	3,480,547	110,079	221,026						
Total Distribution Revenue	58,931,475	34,585,871	6,530,667	14,697,193	256,409	1,843,161						
Percent Increase in Distribution Revenues	19.08%	15.50%	17.53%	31.03%	75.23%	13.63%						
Parity Ratio (R:C Ratio) SETTLEMENT	1.00	0.93	1.11	1.19	0.45	1.14	0.91					
Total Revenue	165,662,445	80,870,888	17,101,810	60,894,484	1,920,718	3,856,371	1,018,174					
Percent Increase	6.05%	6.09%	6.04%	6.06%	6.08%	6.08%	1.68%					

1/ Minot Air Force Base Distribution Rate 65 excluded.