

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

IN THE MATTER OF the Application of)	REGULATORY DIVISION
MONTANA-DAKOTA UTILITIES CO.,)	
A Division of MDU Resources Group,)	DOCKET NO. D2012.9.100
Inc., for Authority to Establish Increased)	
Rates for Natural Gas Service)	

STIPULATION

COME NOW, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (Montana-Dakota) and the Montana Consumer Counsel (MCC), and agree and stipulate as follows:

1. On September 26, 2012, Montana-Dakota filed with the Montana Public Service Commission ("Commission") an Application for authority to implement a general rate increase in the rates it is authorized to charge for natural gas service in Montana. The requested general rate increase was docketed as PSC Docket D2012.9.100.
2. The requested general rate increase would have raised an additional \$3,457,412 in annual revenues from MDU ratepayers. Montana-Dakota also requested authority to modify its existing rate design. Included in the Application was a request for approval of a Distribution Delivery Stabilization Mechanism ("DDSM"), proposed rate 87. All of the proposed changes in rates and rate forms were set forth in proposed tariff sheets using legislative annotation and submitted as part of Appendix B to the

Application. The Company was authorized to collect an additional \$850,620 from its ratepayers, on an interim basis, by Commission Order 7254a, entered on April 11, 2013.

3. The MCC intervened in the docket. The MCC pre-filed the testimony of its expert witnesses in this docket on February 25, 2013.

4. The interim rate increase was implemented on the basis of an equal percentage increase to all rate classes.

5. The positions of the parties are fully set forth in the documents on file with the Commission in this docket.

6. For settlement purposes, a fair and equitable resolution of the issues in this docket, one which would result in the establishment of just and reasonable rates, has been reached between MDU and MCC, as further described below:

A. Montana-Dakota should be authorized, in a final rate order entered in PSC Docket D2012.9.100, an overall annual increase in the rates it is authorized to charge its ratepayers for natural gas service in Montana in the amount of \$1,525,000 (an increase of approximately \$675,000 from current interim rates under Interim Rate Order 7245a), provided, the rate increase is spread between rate classes in conformity with Paragraph 6.C below. The settled revenue amount is derived solely for the purposes of this Stipulation based upon the unique issues and specific factual circumstances and evidence presented in this Docket, and is a compromise in aggregate between MDU and MCC that takes into consideration the specific rate making components not individually identified.

B. Because of the substantial divergence between the parties, as set forth in the record on file in this Docket with the Commission, in both their rate making methodologies, and the end results of those rate making methodologies, the parties present their agreed upon revenue requirement to the Commission as a compromise settlement in the aggregate, and without a specified cost of equity capital, capital structure, or weighted cost of capital.

C. The annual rate increase specified in Paragraph 6.A above should be allocated between customer classes and rate schedules by increasing interruptible transportation service rates by 1.4%, and applying the remainder of the revenue deficiency to the other rate classes as an equal percentage increase. The Base Rate for the Residential Class should be set at \$7.00 per month and charged on a daily basis at an effective daily charge of \$0.23 per day, and the Base Rate for the other customer classes established as proposed by Montana-Dakota in its Application in this docket. The resulting rate changes are set forth in Exhibit 1 to this Stipulation. The reasonableness of the proposed additional revenues set forth in Paragraph 6.A is dependent upon the interclass allocation of that revenue requirement, and the rate design, set forth in this subparagraph, being adopted by the Commission in its final order in this docket.

D. In order to achieve the settlement of issues set forth in this Stipulation, Montana-Dakota withdraws its requested authorization for a DDSM (proposed Rate 87).

7. With respect to depreciation expense, the proposal of Montana-Dakota on plant lives should be adopted, and the MCC proposal on removal costs should be adopted. The resulting depreciation rates are set forth in Exhibit 2. The new depreciation rates should be effective upon issuance of the Commission's final order in this docket. The MCC retains the right to object to the Company's implementation of any depreciation rate adjustments between rate cases; and further does not waive any right to seek a true up if necessary or appropriate for the related impact to ratepayers on rate base incurred as a result of the Company's unilateral adjustment of depreciation rates.

8. The Billings Landfill Gas Production Project ("Project") shall be deemed a nonutility asset, and denied inclusion in Montana-Dakota's rate base. Any landfill gas from the Project used to supply natural gas service to Montana-Dakota's Montana Commission jurisdictional gas customers shall be reflected in the Company's gas cost tracking adjustment at the then current CIG index, plus a transportation factor of 3.12 cents per Dkt. Royalty expenses shall not be added to the cost of gas provided from the Billings Landfill.

9. Attached to this Stipulation as Exhibit 3 are proposed tariffs implementing the various provisions of this Stipulation. If there is any conflict between the language in this Stipulation and the proposed tariffs, the proposed tariffs control.

10. Because of the length of the proceedings in this docket, an important component of the agreement of the parties is timely implementation of the agreed upon rate changes before the winter heating season. Accordingly, an integral part of the settlement agreement is the implementation of the agreed upon rates (in either another

interim order or the final rate order in this docket) for service rendered on and after December 15, 2013.

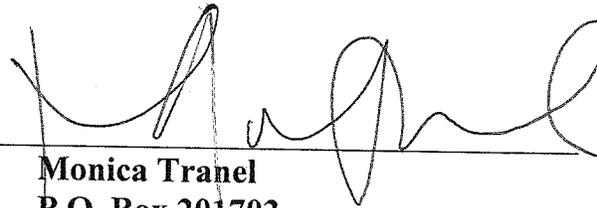
11. The parties to this Stipulation present it to the Commission as a reasonable settlement of the issues raised in this docket. Neither party's position in this docket is accepted by the other party by virtue of their entry into this Stipulation, nor does it indicate their acceptance, agreement, or concession to any rate making principle, cost of service determination, or legal principle embodied, or arguably embodied, in this Stipulation. Neither party shall use any part of this Settlement Agreement in any other proceeding before the Commission, and shall not advance any argument in any other proceeding that is predicated on any portion of this Settlement Agreement. By entering into and executing this Agreement the parties acknowledge that this Agreement is unique to the facts of this Docket, the parties agree and understand that they are entering into this Settlement as a resolution of the particular facts of this proceeding, and agree that they are not bound by their representations and settlement in this docket. The parties shall not use this Settlement or the advocacy of either party as evidence in any other proceeding without explaining that the Settlement was an aggregate compromise and not intended to be used as evidence in other proceedings of any particular position of a party. The parties further agree that approval of this Stipulation by the Commission shall not be deemed to work any estoppels upon any party or to otherwise establish or create any limitation on or precedent of the Commission.

12. The various provisions of this Stipulation are inseparable from the whole of the agreement between the parties to the Stipulation. The reasonableness of the proposed settlement set forth in this Stipulation is dependent upon its adoption, in its entirety, by the Commission. If the Commission decides not to adopt, in its entirety, the proposed settlement set forth in this Stipulation, then the entire Stipulation is null and void, no party to the Stipulation is bound by any provision of it, and it shall have no force or effect whatsoever.

Dated this 4th day of December, 2013

MONTANA CONSUMER COUNSEL

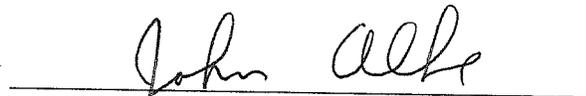
By



**Monica Tranel
P.O. Box 201703
Helena, MT 59620-1703
Attorney for the Montana Consumer Counsel**

HUGHES, KELLNER, SULLIVAN & ALKE, PLLP

By



**John Alke
40 W. Lawrence, Suite A
P.O. Box 1166
Helena, MT 59624-1166
Attorneys for Montana-Dakota Utilities**

MONTANA-DAKOTA UTILITIES CO.
GAS UTILITY - MONTANA
ALLOCATION OF REVENUE INCREASE & RESULTS OF SETTLEMENT RATE DESIGN
Pro Forma 2012 - D2012.9.100

Rate Class	Billing Determinants					Target Rate Design			Rate Design Results		
	Customers	Dk	Basic Service Charge	Distribution Delivery	Gas Costs	Total Revenues	Increase In Revenue	% Increase	Increase In Revenue	Total Revenues	% Incr
Residential	70,161	6,097,461	\$5,346,268	\$6,865,741	\$23,517,907	\$35,729,916	\$932,992	2.61%	\$933,986	\$36,663,902	2.61%
Firm General											
Small Firm General	6,547	1,119,203	817,066	1,514,282	4,316,766	6,648,114	173,598	2.61%	244,000	6,892,114	3.67%
Large Firm General	2,153	2,694,623	569,683	3,645,825	10,393,161	14,608,669	381,467	2.61%	312,287	14,920,956	2.14%
Total Firm General	8,700	3,813,826	1,386,749	5,160,107	14,709,927	21,256,783	555,065	2.61%	556,287	21,813,070	2.62%
Small Interruptible 1/											
Sales	15	218,586	22,500	162,191	629,091	813,782	21,250	2.61%			
Transportation	30	686,293	63,000	509,229	0	572,229	8,011	1.40%			
Total Small IT	45	904,879	85,500	671,420	629,091	1,386,011	29,261	2.11%	28,810	1,414,821	2.08%
Large Interruptible											
Sales	0	0	0	0	0	0					
Transportation	5	4,197,933	31,800	517,004	0	548,804					
Total Large IT	5	4,197,933	31,800	517,004	0	548,804	7,683	1.40%	7,500	556,304	1.37%
Total Montana	78,911	15,014,099	\$6,850,317	\$13,214,272	\$38,856,925	\$58,921,514	\$1,525,001	2.59%	\$1,526,583	\$60,448,097	2.59%

1/ Reflects revised customer numbers provided in Data Response No. MCC-163.

Settlement Increase \$1,525,000
% Increase 2.59%

Incr excl transport at 1.4% \$1,509,306
 2.611234%

Depreciation Rates

The Parties agree to use the depreciation rates proposed by the Company with the exception of the following accounts, which shall use the depreciation rate and net salvage components shown below:

<u>Acct. No.</u>	<u>Account</u>	<u>Rate</u>	<u>Net Salvage</u>
	<u>Distribution Plant</u>		
376	Mains	2.25%	-30%
380	Services	7.17%	-175%
381	Positive Meters	3.10%	-5%
	<u>Common Plant</u>		
390	Structures and Improvements	1.46%	20%

Public Service Commission of Montana



Montana-Dakota Utilities Co.
 A Division of MDU Resources Group, Inc.
 400 N 4th Street
 Bismarck, ND 58501

Natural Gas Service

Volume No. 6
 110th Revised Sheet No. 3
 Canceling 109th Revised Sheet No. 3

RATE SUMMARY SHEET

Page 1 of 1

Rate Schedule	Sheet No.	Basic Service Charge	Distribution Delivery Charge	CTA	Cost of Gas	Total Rate/ Dk
Residential Rate 60	11	\$0.23 per day	\$1.190	\$0.000	\$5.000	\$6.190
Firm General Service Rate 70 Meters rated < 500 cubic feet Meters rated > 500 cubic feet	21	\$0.40 per day \$0.80 per day	\$1.447	\$0.000	\$5.000	\$6.447
Small Interruptible Gas Rate 71	22	\$175.00 per month	(Maximum) \$0.744		\$4.225	(Maximum) \$4.969
Optional Seasonal Gas Service Rate 72 Meters rated < 500 cubic feet Meters rated > 500 cubic feet	23	\$0.40 per day \$0.80 per day	\$1.447	\$0.000	\$5.092	\$6.539
Transportation Service Small Interruptible Rate 81 Maximum Minimum Fuel Charge	32	\$225.00 per month	\$0.744 \$0.101		\$0.028	
Large Interruptible Rate 82 Maximum Minimum Fuel Charge		\$655.00 per month	\$0.500 \$0.050		\$0.028	
Large Interruptible Gas Rate 85	34	\$605.00 per month	(Maximum) \$0.500		\$4.225	(Maximum) \$4.725

Issued: November 18, 2013

By: Tamie A. Aberle
 Director - Regulatory Affairs

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Montana-Dakota Utilities Co.
A Division of MDU Resources Group, Inc.
400 N 4th Street
Bismarck, ND 58501

Natural Gas Service

Volume No. 6
3rd Revised Sheet No. 1
Canceling 2nd Revised Sheet No. 1

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Issued: November 18, 2013

By: Tamie A. Aberle
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A Division of MDU Resources Group, Inc.
400 N 4th Street
Bismarck, ND 58501

Natural Gas Service

Volume No. 6
11th Revised Sheet No. 11
Canceling 10th Revised Sheet No. 11

RESIDENTIAL GAS SERVICE Rate 60

Page 1 of 2

Availability:

In all communities served for all domestic uses. See Rate 100, §V.3, for definition of class of service.

Rate:

Basic Service Charge:	\$ 0.23 per day
Distribution Delivery Charge:	\$1.190 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate

Minimum Bill:

Basic Service Charge.

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.12, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in the Gas Cost Tracking Adjustment Procedure Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Universal System Benefits Charge:

Bills are subject to the charge for the Universal System Benefits Program as set forth in Rate 89.

Issued: November 18, 2013

By: Tamie. A. Aberle
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Natural Gas Service

Volume No. 6
11th Revised Sheet No. 21
Canceling 10th Revised Sheet No. 21

FIRM GENERAL GAS SERVICE Rate 70

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Availability:

In all communities served for all firm purposes except for resale. See Rate 100, §V.3, for definition of class of service.

Rate:

Basic Service Charge:	
For customers with meters rated under 500 cubic feet per hour	\$0.40 per day
For customers with meters rated over 500 cubic feet per hour	\$0.80 per day
Distribution Delivery Charge:	\$1.447 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate

Minimum Bill:

Basic Service Charge.

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.12, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in the Gas Cost Tracking Adjustment Procedure Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Issued: November 18, 2013

By: Tamie A. Aberle
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Natural Gas Service

Volume No. 6
4th Revised Sheet No. 22
Canceling 3rd Revised Sheet No. 22

SMALL INTERRUPTIBLE GENERAL GAS SERVICE Rate 71

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Availability and Applicability of Service:

In all communities served for all interruptible general gas service customers whose interruptible natural gas fueled load will exceed an input rate of 2,500,000 Btu per hour, metered at a single delivery point and whose use of natural gas will not exceed 100,000 dk annually. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be treated and billed in accordance with the provisions of Firm General Gas Service Rate 70. For interruption purposes, the maximum daily firm requirement shall be set forth in the firm service agreement.

Rate:

Basic Service Charge:	\$175.00 per month	
Distribution Delivery Charge:	<u>Maximum</u> \$.744 per dk	<u>Minimum</u> \$.101 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate	

Minimum Bill:

Basic Service Charge.

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.12, or any amendments or alterations thereto.

Issued: November 18, 2013

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Natural Gas Service

Volume No. 6
12th Revised Sheet No. 23
Canceling 11th Revised Sheet No. 23

OPTIONAL SEASONAL GENERAL GAS SERVICE Rate 72

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Availability:

In all communities served for all firm purposes except for resale. See Rate 100, §V.3, for definition of class of service.

Rate:

Basic Service Charge:

For customers with meters rated
under 500 cubic feet per hour \$0.40 per day

For customers with meters rated
over 500 cubic feet per hour \$0.80 per day

Distribution Delivery Charge: \$1.447 per dk

Cost of Gas:

Winter- Service rendered October 1 through May 31 Determined Monthly- See
Rate Summary Sheet for
Current Rate

Summer- Service rendered June 1 through September 30 Determined Monthly- See
Rate Summary Sheet for
Current Rate

Minimum Bill:

Basic Service Charge.

Issued: November 18, 2013

By: Tamie A. Aberle
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Volume No. 6
3rd Revised Sheet No. 31
Canceling 2nd Revised Sheet No. 31

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Issued: November 18, 2013

By: Tamie A. Aberle
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Natural Gas Service

Volume No. 6
2nd Revised Sheet No. 31.1
Canceling 1st Revised Sheet No. 31.1

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EXHIBIT 3-8

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Montana-Dakota Utilities Co.
A Division of MDU Resources Group, Inc.
400 N 4th Street
Bismarck, ND 58501

Natural Gas Service

Volume No. 6
3rd Revised Sheet No. 32.1
Canceling 2nd Revised Sheet No. 32.1

TRANSPORTATION SERVICE Rates 81 and 82

Page 2 of 12

Rate:

Basic Service Charge

<u>Rate 81</u>	<u>Rate 82</u>
\$225.00 per month	\$655.00 per month

<u>Transportation Charges:</u>	<u>Rate 81</u>	<u>Rate 82</u>
Maximum Rate per dk	\$0.744	\$0.500
Minimum Rate per dk	\$0.101	\$0.050
Fuel Charge (Applicable to all dk transported)*	See Rate Summary Sheet	
Balancing Charge per dk	\$0.300	\$0.300

* Fuel charge does not apply to transmission level customers.

Universal System Benefits Charge:

Bills are subject to the charge for the Universal System Benefits Program as set forth in Rate 89.

General Terms and Conditions:

1. **CRITERIA FOR SERVICE** – In order to receive the service, customer must qualify under one of the Company's applicable natural gas transportation service rates and comply with the general terms and conditions of the service provided herein. Customer is responsible for making all arrangements for transporting the gas from its source to the Company's interconnection with the delivering pipeline(s).
2. **REQUEST FOR GAS TRANSPORTATION SERVICE**- To qualify for gas transportation service, customer must request the service pursuant to the provisions set forth herein. The service shall be provided only to the extent that the Company's existing operating capacity permits.

Issued: November 18, 2013

By: Tamie A. Aberle
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Montana-Dakota Utilities Co.
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Natural Gas Service

Volume No. 6
3rd Revised Sheet No. 34
Canceling 2nd Revised Sheet No. 34

LARGE INTERRUPTIBLE GENERAL GAS SERVICE Rate 85

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Availability and Applicability of Service:

In all communities served for all interruptible general gas service customers whose interruptible natural gas requirements will exceed 100,000 dk annually as metered at a single delivery point. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be treated and billed in accordance with the provisions of Firm General Gas Service Rate 70. For interruption purposes, the maximum daily firm requirement shall be set forth in the firm service agreement. The Company reserves the right to refuse the initiation of service under this rate schedule based on the availability of gas supply.

Rate:

Basic Service Charge:	\$605.00 per month	
Distribution Delivery Charge:	<u>Maximum</u> \$.500 per dk	<u>Minimum</u> \$.050 per dk
Cost of Gas:	Determined Monthly - See Rate Summary Sheet for Current Rate	

Minimum Bill:

Basic Service Charge.

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.12, or any amendments or alterations thereto.

Issued: November 18, 2013

By: Tamie A. Aberle
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Bismarck, ND 58501

Natural Gas Service

Volume No. 6
2nd Revised Sheet No. 42
Canceling 1st Revised Sheet No. 42

SPECIAL GAS SERVICE Rate 93

Page 1 of 1

Availability:

This service is applicable only to Account No. 270377-21 and Account No. 270340-21 at which the present customers are entitled to receive certain quantities of natural gas from WBI Energy under the terms of leases with WBI Energy under which natural gas is produced. WBI Energy is obligated to provide such gas to Montana-Dakota at no charge and to reimburse Montana-Dakota for meter reading costs.

Rate:

\$0.04 per Mcf

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.12, or any amendments or alterations thereto.

General Terms and Conditions:

The foregoing schedule is subject to Rates 100 -124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

Issued: November 18, 2013

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Natural Gas Service

Volume No. 6
2nd Revised Sheet No. 49.21
Canceling 1st Revised Sheet No. 49.21

CONDITIONS OF SERVICE Rate 100

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- c. On-premise time to correct situation.
- d. A minimum fee of \$30.00 will apply.

3. Reconnection of Service:

Gas service so disconnected shall be reconnected after a customer has furnished satisfactory evidence of compliance with the Company's rules and conditions of service and paid all service charges as hereinafter set forth in this procedure:

- a. All delinquent bills, if any;
- b. The amount of any Company revenue loss attributable to said tampering;
- c. Expenses incurred by the Company in replacing or repairing the meter or other appliance, costs incurred in preparation of the bill, plus costs as outlined in Paragraph 2 above;
- d. Reconnection fee applicable; and
- e. A cash deposit, the amount of which will not exceed the maximum amount determined in accordance with Commission Rules ARM 38.5.1105.

23. **RATE FOR EMPLOYEES** – A bill discount may be available for residential use only in a single family unit served by Montana-Dakota Utilities Co. to qualifying employees and retirees of MDU Resources and its subsidiaries. The bill shall be computed at the applicable rate, and the amount reduced by 33 1/3 percent.

Issued: November 18, 2013

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Tariffs Reflecting Proposed Changes

Public Service Commission of Montana



Montana-Dakota Utilities Co.
A Division of MDU Resources Group, Inc.
400 N 4th Street
Bismarck, ND 58501

Natural Gas Service

Volume No. 6
2nd Revised Sheet No. 1
Canceling 1st Revised Sheet No. 1

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Issued:

By: Tamie A. Aberle
Regulatory Affairs Manager

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Natural Gas Service

Volume No. 6
10th Revised Sheet No. 11
Canceling 9th Revised Sheet No. 11

RESIDENTIAL GAS SERVICE Rate 60

Page 1 of 2

Availability:

In all communities served for all domestic uses. See Rate 100, §V.3, for definition of class of service.

Rate:

Basic Service Charge:	\$6.35 per month <u>0.23 per day</u>
Distribution Delivery Charge:	\$1.126 <u>1.190</u> per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate
Interim Rate Increase:	4.492% of amount billed under Basic Service Charge and Distribution Delivery Charge

Minimum Bill:

Basic Service Charge.

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.12, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in the Gas Cost Tracking Adjustment Procedure Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Universal System Benefits Charge:

Bills are subject to the charge for the Universal System Benefits Program as set forth in Rate 89.

Issued: April 12, 2013

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Director - Regulatory Affairs

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Public Service Commission of Montana



Montana-Dakota Utilities Co.
A Division of MDU Resources Group, Inc.
400 N 4th Street
Bismarck, ND 58501

Natural Gas Service

Volume No. 6
10th Revised Sheet No. 21
Canceling 9th Revised Sheet No. 21

FIRM GENERAL GAS SERVICE Rate 70

Page 1 of 2

Availability:

In all communities served for all firm purposes except for resale. See Rate 100, §V.3, for definition of class of service.

Rate:

Basic Service Charge:

For customers with meters rated
under 500 cubic feet per hour

~~\$10.40 per month~~ 0.40 per day

For customers with meters rated
over 500 cubic feet per hour

~~\$22.05 per month~~ 0.80 per day

Distribution Delivery Charge:

~~\$1.353~~ 1.447 per dk

Cost of Gas:

Determined Monthly- See Rate
Summary Sheet for Current Rate

~~Interim Rate Increase:~~

~~4.492% of amount billed under Basic
Service Charge and Distribution
Delivery Charge~~

Minimum Bill:

Basic Service Charge.

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.12, or any amendments or alterations thereto.

Cost of Gas:

The cost of gas includes all applicable cost of gas items as defined in the Gas Cost Tracking Adjustment Procedure Rate 88 or any amendments or alterations thereto. The cost of gas component is subject to change on a monthly basis.

Issued: April 12, 2013

By: Tamie A. Aberle
Director - Regulatory Affairs

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Natural Gas Service

Volume No. 6
3rd Revised Sheet No. 22
Canceling 2nd Revised Sheet No. 22

SMALL INTERRUPTIBLE GENERAL GAS SERVICE Rate 71

Page 1 of 5

Availability and Applicability of Service:

In all communities served for all interruptible general gas service customers whose interruptible natural gas fueled load will exceed an input rate of 2,500,000 Btu per hour, metered at a single delivery point and whose use of natural gas will not exceed 100,000 dk annually. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be treated and billed in accordance with the provisions of Firm General Gas Service Rate 70. For interruption purposes, the maximum daily firm requirement shall be set forth in the firm service agreement.

Rate:

Basic Service Charge:	\$125.00 175.00 per month	
Distribution Delivery Charge:	<u>Maximum</u> \$.742 744 per dk	<u>Minimum</u> \$.101 per dk
Cost of Gas:	Determined Monthly- See Rate Summary Sheet for Current Rate	
Interim Rate Increase	4.492% of amount billed under Basic Service Charge and Distribution Delivery Charge	

Minimum Bill:

Basic Service Charge.

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.12, or any amendments or alterations thereto.

Issued: April 12, 2013

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Natural Gas Service

Volume No. 6
11th Revised Sheet No. 23
Canceling 10th Revised Sheet No. 23

OPTIONAL SEASONAL GENERAL GAS SERVICE Rate 72

Page 1 of 2

Availability:

In all communities served for all firm purposes except for resale. See Rate 100, §V.3, for definition of class of service.

Rate:

Basic Service Charge:

For customers with meters rated
under 500 cubic feet per hour

\$10.40 per month 0.40 per day

For customers with meters rated
over 500 cubic feet per hour

\$22.05 per month 0.80 per day

Distribution Delivery Charge:

\$1.35 1.447 per dk

Cost of Gas:

Winter- Service rendered October 1 through May 31

Determined Monthly- See
Rate Summary Sheet for
Current Rate

Summer- Service rendered June 1 through September 30

Determined Monthly- See
Rate Summary Sheet for
Current Rate

~~Interim Rate Increase:~~

~~4.492% of amount billed under
Basic Service Charge and
Distribution Delivery Charge~~

Minimum Bill:

Basic Service Charge.

Issued: April 12, 2013

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Natural Gas Service

Volume No. 6
2nd Revised Sheet No. 31
Canceling 1st Revised Sheet No. 31

ELECTRIC GENERATION INTERRUPTIBLE TRANSPORTATION SERVICE Rate 80

Page 1 of 2

Availability:

~~This service is available to the Miles City and Glendive combustion turbines and the Lewis & Clark steam generating unit for transportation of natural gas on an interruptible basis to these facilities for the sole purpose of electric generation.~~

~~Basic Service Charge: \$175.00 per month~~

Transportation Charge:

~~Customer shall pay a calculated rate as specified herein, not more than the maximum nor less than the minimum set forth below.~~

Maximum	\$.742 per dk
Minimum	\$.101 per dk

Universal System Benefits Charge:

~~Bills are subject to the charge for the Universal System Benefits Program as set forth in Rate 89.~~

Calculation of Transportation Charge:

~~The transportation charge for gas used for generation sales to Mid-Continent Area Power Pool (MAPP) will be calculated as follows:~~

~~The price quoted to MAPP (excluding any MAPP loss factor) less the applicable pool adder for the particular MAPP schedule under which the sale is being made, less turbine start-up costs, less maintenance costs, less cost of fuel(s) and less pipeline transportation charges. In no event, shall the gas transportation charge hereunder be less than the minimum rate nor more than the maximum rate.~~

Reserved for future use

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Director - Regulatory Affairs

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Natural Gas Service

Volume No. 6
1st Revised Sheet No. 31.1
Canceling Original Sheet No. 31.1

~~ELECTRIC GENERATION INTERRUPTIBLE TRANSPORTATION SERVICE Rate 80~~

Page 2 of 2

~~The transportation charge for gas used for generation for Montana-Dakota's native load will be calculated as follows:~~

~~The price quoted by others for a MAPP sale to Montana-Dakota less turbine start-up costs, less maintenance costs, less cost of fuel(s) and less pipeline transportation charges. In no event, shall the gas transportation charge hereunder be less than the minimum rate nor more than the maximum rate.~~

~~Price Flexibility:~~

~~Transportation charges may be flexed by individual transaction on an hourly basis.~~

~~General Terms and Conditions:~~

- ~~1. The transportation service general terms and conditions under Rates 81 and 82 are all applicable to this rate.~~
- ~~2. Gas transported under this Rate 80 shall not be considered system supply gas as defined in Rate 88.~~

Reserved for future use

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Director - Regulatory Affairs

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Natural Gas Service

Volume No. 6
2nd Revised Sheet No. 32.1
Canceling 1st Revised Sheet No. 32.1

TRANSPORTATION SERVICE Rates 81 and 82

Page 2 of 12

Rate:

Basic Service Charge

<u>Rate 81</u>	<u>Rate 82</u>
\$175.00 <u>225.00</u> per month	\$530.00 <u>655.00</u> per month

<u>Transportation Charges:</u>	<u>Rate 81</u>	<u>Rate 82</u>
Maximum Rate per dk	\$0.74 <u>20.744</u>	\$0.500
Minimum Rate per dk	\$0.101	\$0.050
Fuel Charge (Applicable to all dk transported)*	See Rate Summary Sheet	
Balancing Charge per dk	\$0.300	\$0.300

* Fuel charge does not apply to transmission level customers.

Universal System Benefits Charge:

Bills are subject to the charge for the Universal System Benefits Program as set forth in Rate 89.

General Terms and Conditions:

1. CRITERIA FOR SERVICE – In order to receive the service, customer must qualify under one of the Company's applicable natural gas transportation service rates and comply with the general terms and conditions of the service provided herein. Customer is responsible for making all arrangements for transporting the gas from its source to the Company's interconnection with the delivering pipeline(s).
2. REQUEST FOR GAS TRANSPORTATION SERVICE- To qualify for gas transportation service, customer must request the service pursuant to the provisions set forth herein. The service shall be provided only to the extent that the Company's existing operating capacity permits.

Issued: April 22, 2003

By: Donald R. Ball
Assistance Vice President-
Regulatory Affairs

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Natural Gas Service

Volume No. 6
2nd Revised Sheet No. 34
Canceling 1st Revised Sheet No. 34

LARGE INTERRUPTIBLE GENERAL GAS SERVICE Rate 85

Page 1 of 5

Availability and Applicability of Service:

In all communities served for all interruptible general gas service customers whose interruptible natural gas requirements will exceed 100,000 dk annually as metered at a single delivery point. The rates herein are applicable only to customer's interruptible load. Customer's firm natural gas requirements must be separately metered or specified in a firm service agreement. Customer's firm load shall be treated and billed in accordance with the provisions of Firm General Gas Service Rate 70. For interruption purposes, the maximum daily firm requirement shall be set forth in the firm service agreement. The Company reserves the right to refuse the initiation of service under this rate schedule based on the availability of gas supply.

Rate:

Basic Service Charge:	\$ 480.00 605.00 per month	
Distribution Delivery Charge:	<u>Maximum</u> \$.500 per dk	<u>Minimum</u> \$.050 per dk
Cost of Gas:	Determined Monthly - See Rate Summary Sheet for Current Rate	
Interim Rate Increase:	4.492% of amount billed under Basic Service Charge and Distribution Delivery Charge	

Minimum Bill:

Basic Service Charge.

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.12, or any amendments or alterations thereto.

Issued: April 12, 2013

By: Tamie A. Aberle
Director - Regulatory Affairs

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Natural Gas Service

Volume No. 6
1st Revised Sheet No. 42
Canceling Original Sheet No. 42

SPECIAL GAS SERVICE Rate 93

Page 1 of 1

Availability:

This service is applicable only to Account No. 270377-21 and Account No. 270340-21 at which the present customers are entitled to receive certain quantities of natural gas from ~~Williston Basin Interstate Pipeline Company (Williston Basin)~~ WBI Energy under the terms of leases with ~~Williston Basin~~ WBI Energy under which natural gas is produced. ~~Williston Basin~~ WBI Energy is obligated to provide such gas to Montana-Dakota at no charge and to reimburse Montana-Dakota for meter reading costs.

Rate:

\$0.04 per Mcf

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.12, or any amendments or alterations thereto.

General Terms and Conditions:

The foregoing schedule is subject to Rates 100 -124 and any amendments or alterations thereto or additional rules and regulations promulgated by the Company under the laws of the state.

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Director - Regulatory Affairs

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Natural Gas Service

Volume No. 6
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CONDITIONS OF SERVICE Rate 100

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- c. On-premise time to correct situation.
- d. A minimum fee of \$30.00 will apply.

3. Reconnection of Service:

Gas service so disconnected shall be reconnected after a customer has furnished satisfactory evidence of compliance with the Company's rules and conditions of service and paid all service charges as hereinafter set forth in this procedure:

- a. All delinquent bills, if any;
- b. The amount of any Company revenue loss attributable to said tampering;
- c. Expenses incurred by the Company in replacing or repairing the meter or other appliance, costs incurred in preparation of the bill, plus costs as outlined in Paragraph 2 above;
- d. Reconnection fee applicable; and
- e. A cash deposit, the amount of which will not exceed the maximum amount determined in accordance with Commission Rules ARM 38.5.1105.

23. ~~RATE FOR EMPLOYEES—The rate for residential gas service for regular full-time employees of Montana-Dakota Utilities Co., MDU Resources Group, Inc., and all wholly owned subsidiaries of MDU Resources Group, Inc. shall be computed at the applicable rate and the amount reduced by 33 1/3%. This is available only for residential use, in a single family unit, served by the Company to a regular full-time employee who has been continuously employed at least six months and is the principal support of the household in which employee resides or is the spouse of the principal support.~~ RATE FOR EMPLOYEES –

Issued:

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Regulatory Affairs Manager

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CONDITIONS OF SERVICE Rate 100

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A bill discount may be available for residential use only in a single family unit served by Montana-Dakota Utilities Co. to qualifying employees and retirees of MDU Resources and its subsidiaries. The bill shall be computed at the applicable rate, and the amount reduced by 33 1/3 percent.

24. RATES FOR SPECIAL PROVISIONS:
Rate 119 - Interruptible Gas Service Extension Policy
Rate 120 - Firm Gas Service Extension Policy
Rate 124 - New Installation, Replacement,
Relocation and Repair of Gas Service Lines

VI. MISCELLANEOUS CHARGES	Amount or Reference
1. Service Charges	
a. Consumer deposits	Rate 100, §V.6
b. Returned check	\$20.00
c. Minimum reconnect charge after termination for nonpayment or other causes	
- During normal business hours	\$30.00 (\$12.00 for LIEAP)
- After normal business hours	standard overtime rates
d. Minimum reconnect charge applicable to seasonal or temporary customers	
- During normal business hours	\$30.00
- After normal business hours	standard overtime rates
e. Reconnection charge applicable to transport customers when electronic	

Issued:

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CONDITIONS OF SERVICE Rate 100

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	metering must be reinstalled	\$160.00	
f.	Service request after normal business hours	Materials & labor at standard overtime rates	
g.	Interruptible service main extension	Rate 119	
h.	Firm service main extension	Rate 120	
i.	Installation of temporary metering or service facilities	Materials & labor	
j.	New installation, replacement, relocation and repair of gas service lines	Rate 124	
		<u>Per Month</u>	<u>Approx. Annual Percent</u>
2.	Late Payment Charges (on unpaid balance)	1%	12%
3.	Interest on Consumer Deposits	0.5%	6%

Issued:

By: Tamie A. Aberle
 Regulatory Affairs Manager

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