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For Immediate Release

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September 28, 2017

Montana Dakota Utilities Requests \$2.8 Million Natural Gas Rate Increase

Helena, Mont. – Montana Dakota Utilities (MDU) filed with the Montana Public Service Commission (PSC) Monday a request for an approximately \$2.8 million rate increase for its Montana natural gas customers.

MDU estimates that the bill impact for the average natural gas customer would be approximately \$2.50 per month or 4.1 percent. MDU Serves 84,200 Montana natural gas customers in 36 communities.

The PSC will have up to 9 months to review the request, which includes a proposal to implement \$1.6 million of the overall increase on an interim basis in order to allow MDU to begin recovering costs prior to the conclusion of the rate case.

“An increase in utility bills is a challenge for anyone to absorb, especially those living on limited or fixed incomes, said Commissioner Tony O’Donnell, R-Billings. “Over the next 9 months the Commission will intensely scrutinize this application to ensure every penny of this increase, if any, is justified.”

Capital investments in distribution facilities to improve system safety and reliability are among the primary reasons for the rate increase listed in MDU’s application to the Commission. The application states that overall investment increased by 23 percent in the period since the company’s last gas rate case filing in 2014. MDU is asking the Commission to authorize a 9.9 percent return for capital invested by its shareholders up from the last Commission approved ROE of 9.5 percent.

The Commission will also evaluate a proposal by MDU to establish a rate rider on customers’ bills in order to recover ongoing costs associated with the company’s pipeline integrity replacement program, which are not included in rates.

Vice-Chairman Travis Kavulla, R-Great Falls, said, "I look forward to giving this rate case the serious attention which it deserves."

A copy of the filing is available for inspection at the PSC's business offices, 1701 Prospect Avenue, P.O. Box 202601, Helena, Montana 59620-2601; and the Montana Consumer Counsel (MCC), 111 North Last Chance Gulch Suite 1B, P.O. Box 201703, Helena, Montana 59620-1703, telephone (406) 444-2771. The MCC is available to represent the interests of the consuming public in this matter.

Any interested person that does not wish to formally intervene in this Docket may submit written public comments on the matter to the Commission at the above address, or by emailing PSC_UtilityComment@mt.gov.

To view the full rate filing, visit: <http://bit.ly/2wYFEAD>

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Made up of five elected commissioners, the PSC works to ensure that Montanans receive safe and reliable service from regulated public utilities while paying reasonable rates. Utilities regulated by the PSC generally include private investor-owned natural gas, electric, telephone, water, and sewer companies. In addition, the PSC regulates certain motor carriers, and oversees natural gas pipeline safety and intrastate railroad safety.