

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

In the Matter of the Application of)
MONTANA-DAKOTA UTILITIES CO., a)
Division of MDU Resources Group, Inc.,) Docket No. NG05-__
for Authority to Establish Increased)
Rates for Natural Gas Service)

* * * *

APPLICATION

COMES NOW, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., the Applicant in the above-entitled proceeding (hereafter "Montana-Dakota" or "Applicant"), and respectfully alleges as follows:

I.

That Montana-Dakota, a Division of MDU Resources Group, Inc., is a Delaware corporation duly authorized to do business in the State of South Dakota as a foreign corporation, and that it is doing business in the State of South Dakota as a public utility.

II.

That the Certificate of Incorporation and Amendments thereto have previously been filed with the South Dakota Public Utilities Commission (PUC or Commission) and reference thereto is hereby made, and such Certificate and Amendments are hereby incorporated herein by reference as though fully set forth herein.

III.

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

Montana-Dakota Utilities Co.,
a Division of MDU Resources Group, Inc.
400 North Fourth Street
Bismarck, North Dakota 58501

IV.

That the following described rate schedules presently on file with and approved by the Commission are attached hereto as Appendix A.

Section 1

1st Revised Sheet Nos. 1-1.1 Table of Contents

Section 2

Original Sheet Nos. 1-1.1 Preliminary Statement

Section 3

10 th Revised Sheet No. 1	Rate Summary Sheet
1 st Revised Sheet No. 2	Residential Gas Service Rate 60
Original Sheet Nos. 5-5.1	Ellsworth Air Force Base Rate 64
Original Sheet No. 7	East River Natural Gas System General Services Rate 66
1 st Revised Sheet No. 11	Firm General Gas Service Rate 70
Original Sheet No. 11.1	Firm General Gas Service Rate 70
Original Sheet Nos. 12-12.2	Small Interruptible General Gas Service Rate 71
2 nd Revised Sheet No. 13	Optional Seasonal General Gas Service Rate 72
Original Sheet No. 13.1	Optional Seasonal General Gas Service Rate 72
Original Sheet No. 22	Transportation Service Rates 81 and 82
1 st Revised Sheet No. 22.1	Transportation Service Rates 81 and 82
Original Sheet Nos. 22.2-22.8	Transportation Service Rates 81 and 82
1 st Revised Sheet No. 26	Large Interruptible General Gas Service Rate 85
Original Sheet Nos. 26.1-26.2	Large Interruptible General Gas Service Rate 85

1 st Revised Sheet No. 28	Distribution Delivery Stabilization Mechanism Rate 87
Original Sheet No. 28.1	Distribution Delivery Stabilization Mechanism Rate 87
Original Sheet Nos. 29-29.5	Purchased Gas Cost Adjustment Rate 88
Original Sheet Nos. 30-30.5	East River Natural Gas System Purchased Gas Cost Adjustment Rate 89

Section 4

2 nd Revised Sheet No. 1	List of Gas Contracts with Deviations
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Section 5

1 st Revised Sheet Nos. 1-1.19	General Provisions Rate 100
Original Sheet No. 3	Rate for Residential Gas Service for Regular Employees of Montana-Dakota Utilities Co., MDU Resources Group, Inc. and Wholly-Owned Subsidiaries of MDU Resources Group, Inc. Rate 102
Original Sheet Nos. 19-19.1	Interruptible Gas Service Extension Policy Rate 119
Original Sheet Nos. 20-20.5	Firm Gas Service Extension Policy Rate 120
1 st Revised Sheet No. 24	New Installation, Replacement, Relocation and Repair of Gas Service Lines Rate 124
Original Sheet No. 34-34.3	Rule and Policies for Implementing Master Metering Restrictions Rate 134

Section 6

Original Sheet No. 1	Consumer's Deposit Receipt
Original Sheet No. 2	New Customer Application Card
Original Sheet No. 3	Gas Meter Order
Original Sheet Nos. 4-4.1	Standard Customer Bill Form
1 st Revised Sheet No. 5	Disconnect Notice
Original Sheet No. 6	Application for Interruptible Natural Gas Service
1 st Revised Sheet Nos. 7-7.1	Customer Information Booklet
1 st Revised Sheet No. 8	Discontinuance Notice for Unauthorized Use of Service
Original Sheet No. 8.1	Discontinuance Notice for Unauthorized Use of Service
Original Sheet No. 9	Third Party Notice
Original Sheet No. 10	Deferred Installment Agreement Form

Original Sheet No. 11	Agreement by Property Owner or Agent to Pay Utility Bills During Periods When Property is Unoccupied
1 st Revised Sheet No. 13	Guarantee of Payment for Natural Gas and/or Electric Service by a Second Party in Lieu of a Deposit
Original Sheet No. 14	Deposit Warning Letter
Original Sheet No. 15	Deposit Request
1 st Revised Sheet No. 16	Final Notice Prior to Disconnect
Original Sheet Nos. 17-17.3	Interruptible General Gas Service Agreement
Original Sheet No. 18	Request for Firm Natural Gas Sales Service
Original Sheet Nos. 19-19.7	Gas Transportation Agreement
Original Sheet Nos. 20-20.1	Customers Agreement for Gas Extension
Original Sheet Nos. 21-21.1	Gas Service Order
Original Sheet No. 22	Facilities Relocation Agreement
Original Sheet No. 23	Warning Notice
Original Sheet No. 24	Temporary Construction Heat Agreement

V.

That Applicant respectfully submits herewith the following described proposed rate schedules for gas service, copies attached hereto as Appendix B, which Applicant proposes to substitute for the corresponding rate schedules described in the preceding paragraph.

Section 1

2nd Revised Sheet Nos. 1-1.1 Table of Contents

Section 2

1st Revised Sheet No. 1 Preliminary Statement

Section 3

To be submitted on final disposition of the rate application

2 nd Revised Sheet No. 2	Rate Summary Sheet
1 st Revised Sheet No. 7	Residential Gas Service Rate 60
	East River Natural Gas System
	Residential Gas Service Rate 66
Original Sheet No. 7.1	East River Natural Gas System
	Residential Gas Service Rate 66

2 nd Revised Sheet No. 11	Firm General Gas Service Rate 70
1 st Revised Sheet No. 12	Small Interruptible General Gas Service Rate 71
3 rd Revised Sheet No. 13	Optional Seasonal General Gas Service Rate 72
Original Sheet Nos. 17-17.1	East River Natural Gas System Firm General Gas Service Rate 76
1 st Revised Sheet No. 22	Transportation Service Rates 81 and 82
2 nd Revised Sheet No. 26	Large Interruptible General Gas Service Rate 85
2 nd Revised Sheet No. 28	Distribution Delivery Stabilization Mechanism Rate 87
1 st Revised Sheet No. 28.1	Distribution Delivery Stabilization Mechanism Rate 87
1 st Revised Sheet No. 29	Purchased Gas Cost Adjustment Rate 88
1 st Revised Sheet No. 29.2	Purchased Gas Cost Adjustment Rate 88
1 st Revised Sheet No. 29.4	Purchased Gas Cost Adjustment Rate 88
1 st Revised Sheet Nos. 30-30.5	East River Natural Gas System Purchased Gas Cost Adjustment Rate 89

Section 4

3 rd Revised Sheet No. 1	List of Gas Contracts with Deviations
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Section 5

1 st Revised Sheet No. 19	Interruptible Gas Service Extension Policy Rate 119
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VI.

That the existing rates of Applicant are unjust, unreasonable and not compensatory, and that said rates should be increased so that Applicant will have an opportunity to earn a just and reasonable rate of return on its natural gas property devoted to providing service to its South Dakota – East River natural gas customers.

VII.

That in submitting this Application and in proposing the implementation of the increased rates contained herein, Applicant is seeking additional revenues before income taxes of \$849,745 based on a 2004 test year adjusted for known and measurable changes, for natural gas service rendered to customers located in the East River service territory in the State of South Dakota. This Application does not affect the rates applicable to those customers receiving natural gas service in Montana-Dakota's Black Hills service area.

VIII.

That Applicant will prove by competent evidence that existing rates are unjust, unreasonable, and not compensatory, and that said rate schedules should be increased as requested herein. Filed concurrently with this Application and its Appendices are supporting Statements and direct testimony and exhibits of Applicant's witnesses. Said Statements, Testimony and Exhibits are by this reference incorporated as if fully set forth herein.

IX.

That this Application is submitted in accordance with the provisions of South Dakota Codified Laws, Chapter 49-34A and the rules and regulations promulgated by the Public Utilities Commission of the State of South Dakota.

WHEREFORE, Applicant respectfully requests that the Public Utilities Commission of the State of South Dakota:

1. Approve and adopt the proposed rate changes as set forth in Appendix B of this Application to be effective upon final disposition of this docket;
2. Expedite any hearing which the Commission deems necessary to determine the propriety of Applicant's proposed rate schedules set forth herein, and issue its final order establishing the rates set forth herein; and
3. Grant such other and additional relief as the Commission shall deem just and proper.

Dated this 23rd day of March 2005.

MONTANA-DAKOTA UTILITIES CO.,
a Division of MDU Resources Group, Inc.

By: *Donald R. Ball*
Donald R. Ball
Assistant Vice President -
Regulatory Affairs

