



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
(701) 222-7900

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

FAX Received ~~DEC 07 1992~~

December 7, 1992

Mr. Marshall Damgaard
Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501-5070

Re: South Dakota Intrastate Pipeline
Company Docket No. NG92-005

Dear Mr. Damgaard:

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., submits an original and ten (10) copies of the testimony of Max C. Miller in the above-referenced Docket pursuant to the procedural schedule set forth by the Commission.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed, stamped envelope.

Sincerely,

D. R. Ball
Regulatory Affairs Manager

jmg
Attachment

cc: Walter J. Woods, SDIP

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

Before the Public Utilities Commission of South Dakota

Docket No. NG92-005

**Direct Testimony
of
M. C. Miller**

1 Q. Would you please state your name, business address and position?

2 A. Yes. My name is M. C. Miller and my business address is 400
3 North Fourth Street, Bismarck, North Dakota 58501. I am the
4 Marketing Manager for Montana-Dakota Utilities Co. (Montana-
5 Dakota), a Division of MDU Resources Group, Inc.

6 Q. Would you please outline your educational and professional
7 background?

8 A. I am a graduate of Southern Institute of Technology in Atlanta,
9 Georgia with a degree in gas fuel technology.

10 I was promoted to my present position of Marketing Manager in
11 June of 1992. Prior to this I held the positions of Black Hills Division
12 Manager in Rapid City from August 1990 to June 1992; Public Affairs
13 Representative for South Dakota and Wyoming from 1978 to August
14 1990; and Division Heating and Air Conditioning Engineer in
15 Jamestown, North Dakota from 1970 to 1978.

16 Q. What is the purpose of your testimony?

1 A. The purpose of my testimony is to set forth the estimated
2 number of customers and associated volumes of natural gas Montana-
3 Dakota has projected to be attainable assuming a competitive price of
4 natural gas is available to customers on the proposed South Dakota
5 Intrastate Pipeline Company's (SDIP) transmission line to be
6 constructed in central South Dakota. The projected customers and
7 associated projected volumes for the towns of Agar, Bowdle,
8 Gettysburg, Ipswich, Onida, Pierre, Roscoe, Ft. Pierre, Mobridge, Selby
9 and Glenham are as set forth on Exhibit No. ___(MCM-1). Although
10 SDIP's current route permit does not include the transmission line
11 necessary to serve Mobridge, Selby and Glenham at this time, I have
12 included the volumes associated with serving those three towns in the
13 event SDIP goes forward with the necessary pipeline extension required
14 to serve Mobridge, Selby and Glenham.

15 Q. What is the basis for the volume projections set forth on Page 2 of
16 Exhibit No. ___(MCM-1)?

17 A. The projected volume levels are based on the number of
18 households reported for each of the towns in the 1990 Census Report.
19 The number of households taken from the 1990 census for the towns in
20 South Dakota in which we hold electric franchises, i.e. Ipswich, Roscoe,
21 Bowdle, Gettysburg, Selby, Glenham and Mobridge, was then cross-
22 referenced to our meter or customer count in those communities which

1 we found to track the 1990 census within 3%. We then extrapolated
2 the customer count for the communities of Agar, Onida, Pierre and
3 Fort Pierre. The projected number of commercial customers was
4 arrived at by using the ratio of commercial customers to residential
5 customers in those communities where Montana-Dakota currently
6 provides electric service. These ratios were applied in developing the
7 commercial customer estimates for all towns except Pierre where we
8 used data on potential commercial customers which was obtained
9 through a discussion with the PUC Staff. The number of households
10 and commercial accounts was then adjusted to reflect a saturation level
11 of 88% which is what Montana-Dakota experienced in an expansion
12 project in Northeastern North Dakota in the early 1970's. The volumes
13 were derived based on an average annual consumption level of 108
14 dekatherms for residential customers and 523.1 dekatherms for
15 commercial customers. The average consumption levels are based on
16 Montana-Dakota's experience in the other jurisdictions in which it
17 provides natural gas service.

18 Q. Does this complete your testimony?

19 A. Yes, it does.

MONTANA-DAKOTA UTILITIES CO.
 PIERRE NATURAL GAS PROJECT
 SUMMARY OF GAS EXTENSIONS - CUSTOMERS

Town	Year 1		Year 2		Year 3		Year 4		Year 5		Year 6		Year 7		Year 8		Year 9		Years 10-20	
	Res	Comm	Res	Comm	Res	Comm	Res	Comm	Res	Comm	Res	Comm	Res	Comm	Res	Comm	Res	Comm	Res	Comm
Agar	7	2	14	3	16	4	18	4	20	5	22	6	24	6	26	6	27	6	28	6
Bowdle	58	17	116	35	133	41	147	45	161	49	175	53	189	57	203	61	217	65	231	69
Gettysburg	135	39	270	77	304	87	338	97	372	107	406	117	440	127	474	137	508	147	539	154
Ipswich	87	19	174	38	196	43	218	48	240	53	262	58	284	63	306	68	328	73	348	76
Onida	66	20	133	40	150	45	167	50	184	55	201	60	218	65	235	70	252	75	265	80
Pierre	1,114	149	2,228	297	2,506	335	2,784	372	3,062	409	3,340	446	3,618	483	3,896	520	4,174	557	4,455	594
Roscoe	35	13	71	27	80	32	89	35	98	38	107	41	116	44	125	47	134	50	141	53
Ft. Pierre	152	32	303	65	341	73	379	81	417	89	455	97	493	105	531	113	569	121	606	129
Mobridge	342	59	683	118	771	133	856	148	941	163	1,026	178	1,111	193	1,196	208	1,281	223	1,366	235
Selby	66	18	133	37	150	42	167	47	184	52	201	57	218	62	235	67	252	72	265	73
Glenham	11	5	22	10	25	12	28	13	31	14	34	15	37	16	40	17	42	18	43	19
TOTAL	2,073	373	4,147	747	4,672	847	5,191	940	5,710	1,034	6,229	1,128	6,748	1,221	7,267	1,314	7,784	1,407	8,287	1,488

MONTANA-DAKOTA UTILITIES CO.
 PIERRE NATURAL GAS PROJECT
 SUMMARY OF GAS EXTENSIONS - DK SALES

Town	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEARS 10-20
Agar	1,802	3,081	3,820	4,036	4,776	5,515	5,731	5,947	6,055	6,163
Bowdle	15,157	30,837	35,811	39,416	43,020	46,624	50,229	53,833	57,438	61,042
Gettysburg	34,981	69,439	78,342	87,245	96,148	105,051	113,954	122,857	131,760	138,769
Ipswich	19,335	38,670	43,661	48,653	53,644	58,636	63,627	68,619	73,610	77,340
Onida	17,590	35,288	39,740	44,191	48,643	53,094	57,546	61,997	66,449	70,468
Pierre	198,254	395,985	445,887	495,265	544,644	594,023	643,401	692,780	742,159	791,861
Roscoe	10,580	21,792	25,379	27,921	30,462	33,003	35,544	38,086	40,627	42,952
Ft. Pierre	33,155	66,726	75,014	83,303	91,592	99,881	108,170	116,458	124,747	132,928
Mobridge	67,799	135,490	152,840	169,867	186,893	203,920	220,946	237,973	254,999	270,457
Selby	16,544	33,719	38,170	42,622	47,073	51,525	55,976	60,428	64,879	66,806
Glenham	3,804	7,607	8,977	9,824	10,671	11,519	12,366	13,213	13,952	14,583
TOTAL	419,001	838,634	947,641	1,052,343	1,157,566	1,262,791	1,367,490	1,472,191	1,576,675	1,673,369