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October 31, 2016

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501

Re: Interim Rate Refund Compliance Filing
Docket No. NG15-005

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith electronically submits this Interim Rate Refund Compliance Filing in the above referenced docket.

On January 1, 2016, Montana-Dakota implemented a natural gas interim rate increase of \$1,532,999 on an annual basis pursuant to SDCL 49-34A-17. On July 1, 2016, Montana-Dakota implemented new natural gas service rates reflecting a final overall increase in revenues of \$1,206,944; resulting in 21.269 percent of the interim increase implemented to be refunded to customers. Pursuant to the Company's Interim Refund Plan included with the Settlement Stipulation approved by the South Dakota Public Utilities Commission on June 15, 2016, the Company was to refund the difference to customers within 90 days following the implementation of final rates or no later than October 1, 2016.

As shown on Attachment A, page 1, the Company collected total interim revenues of \$795,285 through August 12, 2016. Applying the refund factor of 21.269 percent to the interim revenues collected resulted in \$169,149 to be refunded to customers in South Dakota. The calculation of the final refund factor of 21.817 percent, including interest, is shown on Attachment A, page 1. The final amount to be refunded to customers, based on the final refund factor, is \$173,519.

On October 4, 2016, a total of \$168,795 was credited to active customer accounts and checks issued if a customer account was no longer active and the refund was \$5.00 or greater in accordance with the Gas Interim Refund Plan approved. The remaining balance of \$4,724 is the amount associated with inactive customer accounts where the

refund was less than \$5.00 and the difference due to rounding. This un-refunded balance will be credited to the Unrecovered Purchased Gas Cost Account in accordance with the Refund Plan. A breakdown of the refund by rate class is shown on Attachment B.

This filing has been electronically submitted to the Commission in accordance with ARSD 20:10:01:02:05. Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Sincerely,

A handwritten signature in dark ink, appearing to read "Tamie A. Aberle". The signature is fluid and cursive, with the first name being the most prominent.

Tamie A. Aberle
Director of Regulatory Affairs

Attachments

cc: Brett Koenecke