

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

In the Matter of the Complaint of)	
MONTANA-DAKOTA UTILITIES CO., a)	
Division of MDU Resources Group, Inc.,)	Docket No. CE16-__
Regarding South Dakota Intrastate Pipeline)	
Company's Rates for Pipeline)	
Transportation Service)	

* * * *

COMPLAINT

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

I.

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. Montana Dakota is doing business in the State of South Dakota as a public utility. Montana Dakota provides regulated natural gas service to areas in central South Dakota which depend on transportation services provided by South Dakota Intrastate Pipeline Company ("SDIP" or "Transporter").

II.

South Dakota Intrastate Pipeline Company ("SDIP" or "Transporter") is a South Dakota corporation authorized by the South Dakota Public Utilities Commission ("SD PUC") to construct, own, and operate an intrastate pipeline system within the State of South Dakota.

III.

Montana-Dakota and SDIP entered into an Amended and Restated Transportation Agreement effective as of September 1, 1993 (the “Transportation Agreement”). The initial term of the Transportation Agreement commenced on September 1, 1993 and continues for a period of twenty-five years expiring on August 31, 2018. Montana-Dakota has the option to extend the term of the Transportation Agreement for additional five-year periods. The Transportation Agreement is currently in full force and effect and attached hereto as Exhibit A.

IV.

Article VIII of the Transportation Agreement established the transportation charge shall not exceed \$2.34/dk during the first ten (10) Contract Years (as such term is defined in the Transportation Agreement). SDIP had the right to seek approval from the SD PUC to change rates where such change was made necessary by any mandated changes in federal or state taxes or catastrophic event or series of events which seriously threatened the ability of SDIP to provide safe and adequate gas service to shippers as required by law.

V.

The currently effective transportation rate of \$2.398 per Dk was established in Docket No. NG00-001 as approved by the SD PUC and effective January 10, 2001. This transportation charge currently applies to services provided by SDIP under both the Transportation Agreement and under SDIP’s tariff schedule on file with the SD PUC.

VI.

Montana-Dakota is not aware that any material investments have been made to the SDIP natural gas transportation system since September 1, 1993. The SDIP

transportation system is likely at or near a depreciated value of zero.

VII.

Montana-Dakota has requested financial information from SDIP in order to determine whether exercising its option to renew is in the best interests of Montana-Dakota and its customers. SDIP has not responded materially to these requests. Consequently, Montana Dakota is unable to determine whether it is prudent to exercise its option, and Montana-Dakota is not able to exercise its option. From September 1, 2018 going forward, Montana Dakota anticipates taking SDIP service under rates established by the Commission.

VIII.

The rates previously established by the Commission and being charged by SDIP are materially the same as those found in the Transportation Agreement. Montana Dakota alleges that those rates are not supported by SDIP's investment and operating expenses and are therefore unjust and unreasonable.

IX.

Montana-Dakota customers would not pay the established rates for service until the Transportation Agreement expires. It appears likely that Montana Dakota customers would pay for SDIP services under rates established by the Commission upon the expiration of the Transportation Agreement. This complaint seeks to start the process now so that rates are in place in a timely manner.

X.

This Complaint is submitted in accordance with the provisions of South Dakota Codified Laws, Chapter 49-34A-26.

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

1. Initiate an investigation into the transportation rate currently authorized for SDIP transportation services;
2. Cause SDIP to forward its financial information for the use of both the Commission and Montana Dakota;
2. Cause any hearings or proceedings which the Commission may deem necessary to determine the appropriate transportation rate to be charged by SDIP; and
3. Grant such other and additional relief as the Commission shall deem just and proper.

Dated this ___ day of June 2016.

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

By: _____
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