## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

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IN THE MATTER OF THE FILING BY MONTANA-DAKOTA UTILITIES CO., A SUBSIDIARY OF MDU RESOURCES GROUP INC., FOR APPROVAL OF AUTHORITY TO ESTABLISH NORTH DEADWOOD EXPANSION AREA SURCHARGE RATE 75 ORDER AUTHORIZING ESTABLISHMENT OF EXPANSION AREA SURCHARGE RATE AND GRANTING APPROVAL OF TARIFF REVISIONS

## NG22-011

On November 18, 2022, the South Dakota Public Utilities Commission (Commission) received a filing from Montana-Dakota Utilities Co., a Subsidiary of MDU Resources Group Inc. (MDU), for approval of authority to establish a new rate schedule, North Deadwood Expansion Area Surcharge Rate 75 (Rate 75). MDU proposes this new rate schedule to accommodate the recovery of costs associated with the construction of a new town border station near Deadwood, South Dakota, to allow extension to a new development referred to as "the Ridge." MDU proposes to utilize an available provision under Rate 120, the Incremental Expansion Surcharge, for the recovery of the town border station costs. This provision allows for MDU to offer an incremental surcharge to groups of customers when the total estimated cost would otherwise be prohibitive under MDU's present rates and gas service extension policy. MDU is proposing Rate 75, whereby customers would be charged a minimum upfront payment and a flat Expansion Charge of \$5.00 per month and a volumetric Expansion Commodity Charge of \$4.00 per Dk, in addition to the rates charged customers under the rate schedule applicable to each customer's natural gas service. MDU states the town border station project and surcharge will be reviewed annually to determine if sufficient customers and natural gas load have initiated service to ensure complete recovery of the town border station by the anticipated end date of the surcharge, which MDU is projecting to be November 2034.

The revised tariff sheet is as follows:

<u>State of South Dakota</u> Gas Rate Schedule - SDPUC Volume No. 2

Section No. 1 9<sup>th</sup> Revised Sheet No. 1 Canceling

Canceling 8<sup>th</sup> Revised Sheet No. 1

<u>Section No. 3</u> Original Sheet No. 16 Original Sheet No. 16.1

On November 23, 2022, the Commission electronically transmitted notice of the filing and the intervention deadline of December 9, 2022, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were filed. On January 20, 2023, MDU filed an updated rate schedule to clarify the party responsible for payment of the initial down payment and that of the ongoing monthly charges once service has been established. On February 21, 2023, MDU filed its responses to Commission staff's data request. On February 24, 2023, Commission staff filed its memorandum regarding its

recommendations for this docket.

The Commission has jurisdiction in this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-6, 49-34A-8, 49-34A-8.3, 49-34A-10, and 49-34A-11.

At its regular meeting on February 28, 2023, the Commission considered this matter. Commission staff recommended approval. Finding that MDU's request to be just and reasonable, the Commission voted unanimously to authorize MDU to establish the New Deadwood Expansion Area Surcharge Rate 75 and approve associated tariff revisions as filed on January 20, 2023, subject to the recommendations included in Commission staff's memorandum filed in the docket on February 24, 2023. It is therefore

ORDERED, that MDU is hereby authorized to establish the New Deadwood Expansion Area Surcharge Rate 75. It is further

ORDERED, that the above-referenced tariff sheet is approved, effective March 1, 2023. It is further

ORDERED, that such approval does not preclude Commission review of any future requests by MDU for modifying the surcharge rate or time period.

ORDERED, that MDU shall provide to Commission staff a report of its annual review of the project detailing the project's progress including customer participation levels and volumes and the resulting impact on projected recovery of the town border station.

Dated at Pierre, South Dakota, this \_\_\_\_\_ day of March 2023.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document
has been served today upon all parties of record in this
docket, as listed on the docket service list,
electronically or by mail.
By: Hann Vettner C
By: + pan ether
Date: 3123
Date.
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

**KRISTIE FIEGEN**, Chairperson

GARY HANSON, Commissioner

CHRIS NELSON, Commissioner