



GREAT PLAINS NATURAL GAS CO.

A Division of Montana-Dakota Utilities Co.

State of North Dakota Gas Rate Schedule

NDPSC Volume 2
Original Sheet No. 12

INTERRUPTIBLE GAS MAIN AND SERVICE LINE EXTENSIONS POLICY Rate 106

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The Company will install gas main and service line extensions using the following guidelines:

- a) Contribution. Prior to construction, the customer shall contribute an amount equal to the total cost of construction including all gas main extensions, valves, service line(s), cathodic protection equipment, regulators, meters (excluding remote data acquisition equipment), any required payments made by the Company to the transmission pipeline to accommodate the extensions, and other costs as adjusted for applicable federal and state income taxes.
 - i) The extension will proceed if the customer:
 - (1) Pays in advance to the Company the total cost of construction, or
 - (2) Customer may post a bond or irrevocable letter of credit in the amount of the required contribution prior to construction and acceptable by the Company. Such bond, issued by a bonding company authorized to do business in the state or letter of credit shall be effective for the original five-year term and is subject to approval and acceptance by the Company. If at the end of the original five-year term, a contribution requirement exists in the subject project based on a recalculated maximum expenditure, the surety or guarantor shall reimburse the Company for such recalculated contribution requirement.
 - ii) Upon completion of the construction, the contribution amount will be adjusted to reflect actual costs, and an additional charge may be levied or a refund may be made.
 - iii) Remote data acquisition equipment costs shall be subject to the terms and conditions specified in the Company's Interruptible Gas Transportation Rates.
- b) Refund. Contributions for gas main and service line extensions are refundable, without interest, for a period up to five (5) years from the date of completion of the main extension.
 - i) If within the five-year period from the extension(s) in service date, the total of

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the customer's contribution and actual margin paid to the Company equals or exceeds the total present value of the revenue requirement associated with the extension, the Company shall refund the amount exceeding the revenue requirement on the following basis:

- (1) Annually, beginning at the second (2nd) anniversary of the extension(s) in service date, the Company will refund to the customer, the amount exceeding the total present value of the revenue requirement at a rate of 50% of the current year margin associated with the customer's actual throughput.
 - (2) Customers who have posted a bond or letter of credit will be notified of any reduction in surety or guarantee requirements based on the above calculation.
 - (3) No refund shall be made by Company after the five-year refund period and in no event shall the refund exceed the amount of the contribution.
- ii) If within the five-year period from the extension(s) in service date, additional customers (firm or interruptible) are connected to an interruptible customer's main extension, the Company shall (1) determine the pro rata cost share applicable to the other customer (2) reduce the original customer's contribution requirement by the pro rata cost attributed to the new customer and (3) calculate an MAI for a firm customer through the process described in Rate 105 ¶ c.ii or collect the full amount for an interruptible customer. The amount collected will be subject to the applicable refund provisions for the remainder of the refund period.
- c) Relocation of Existing Meters and Service Lines: When a customer requests relocation of a meter and/or service line, charges will be made at standard labor and material rates.
- d) A minimum connection charge, per meter, covering the cost of the installation of the meter and regulator, the service connection, general inspection, and gas turn-on is payable at the time the application for service is submitted. The minimum connection charge is \$100.00 for interruptible customers.

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