



MDU has 78,000 natural gas residential ratepayers, many of whom are struggling ranchers and farmers and senior citizens on fixed incomes and low-income working-class families. Prairie County where I live has a 22.3% poverty rate.

MDU has a market cap or net worth of \$3.68 billion a valuation is \$6.06 billion and 203.89 million shares outstanding.

A fellow Montanan commented at the last PSC meeting, that: MDU Resources paid dividends of \$0.52 per share in the past year. Was that record profit because the price of natural gas BTUs went down from the highs of a few years back? If that is the case, why aren't ratepayers getting a lower rate instead of shareholders getting windfall dividends? Don't lower costs get factored in? If they did, don't we, the ratepayer, actually deserve a rate cut instead of an increase?

There are 452 institutional investors-- the 3 largest being the Vanguard Group, Blackrock Inc. and Corvex Management.

Those three received the following:

Vanguard Group = 19.72 million shares x 0.52 per share this last year = \$10.25 million

Blackrock Inc. = 18.54 million shares x 0.52 = \$9.64 million

Corvex Management = 10.15 million shares x 0.52 = \$5.27 million

It was noted that these three institutional investors own less than a quarter of the shares of MDU. Therefore, the full amount of dividends paid comes to approximately 4 times that amount or over \$100 million. (Source: <https://www.nasdaq.com/market-activity/stocks/mdu/dividend-history>)

At that same PSC meeting, MDU claimed if they don't get this interim increase, they won't be able to do scheduled maintenance. MDU says it is only a \$5 dollar a month rate increase, but with 78,000 customers that amounts to almost \$4.7 million a year.

According to the Consumer Counsel, in their rate increase request MDU has included short-term incentive compensation, executive incentive compensation, board of director related expenses and investor relations expenses all in their requirements. So, this is not about doing badly needed maintenance. They clearly have access to the capital. Look at what these four executives at Montana-Dakota Utilities (MDU) Resources Group earn in compensation. In 2022, the CEO of MDU Resources Group earned \$5.26 million, which was 54 times more than the median MDU employee and almost 280 times the median income of a Prairie County resident.

Executive salaries

David L. Goodin
President and CEO of MDU Resources Group, received \$3,519,469 in total cash compensation



Jeffrey S. Thiede
President and CEO of Construction Services Segment, received \$1,155,138 in total cash compensation



Nicole A. Kivisto
President and CEO of Electric and Natural Gas Distribution Segments, received \$1,395,625 in total cash compensation



Jason L. Vollmer
Vice President, CFO and Treasurer, received \$1,325,631 in

total cash compensation

Nothing has changed since the PSC had a vote on this interim rate increase in October except the elections are now over, MDU shareholders got their dividends -- and ratepayers got their winter heating bills.

Commissioner Pinocci is the only one that voted down the rate increase both before and after the election. Commissioner Pinocci's district is MDU's and my district and the district affected by this rate hike. Commissioner Bukacek doesn't have any constituents from MDU's district and she was happy to not only eagerly make the motion for the rate increase every time, but to vote for it as well, pre and post-election.

Commissioner Fielder, you however, were in a tight race and voted against the increase before the election, but now that the election is behind you, an eager vote to increase our rates seems to come naturally for you. Why the change from October to January? Did MDU supply you with any new insights and compelling information that was different from what was presented in October? Not that I can tell. So, pray tell, what compelled you to change your vote? Come clean Commissioner Fielder. The public would ask, "where is the grade of accountability to the constituents"?

Commissioners Wellborn and Molnar-when you were running for office, did you pitch during your campaign that you were part of the Rate-Hikes-R-Us Candidates? I doubt you would have said that during your campaign, because if you had, you wouldn't have been elected. But here we are post the election and you both are snug in your seats and a rate hike is easy to approve now.

Commissioner Bukacek, with little hesitation you stand by your motion to raise our district's rates. MDU does not service your district. Please come visit, you will experience our colder winters and Pinocci's constituents bundled up outside and inside these winter months. To be fair I would have to search way back to see if you have ever voted against a price hike for any district.

MDU should have to justify the full increase, especially since the interim increase makes up 85% of the requested increase without a comprehensive look at the facts. Not only are you allowing Monopoly-R-Us MDU to pilfer our pockets, you are lining the pockets of multi-million and billion dollar executives and investors at the expense of your struggling Montana members-many of which are on fixed incomes and underwater, that's getting deeper, due to Biden/Gianforte-flation (remember Ginaforte added over \$3 billion to Bulloch's \$9 billion dollar State of Montana budget and this year he wants to bump it up from \$12.6 to over \$18 Billion). And I thought Republicans were for less government spending? Maybe Republicans are but some that claim to be Republican aren't Republican and just use it to get elected. The Republican Party has a Platform of what they believe in for a reason. To hold those that run as Republicans accountable to the people.

Let's also look at the facts. MDU is a monopoly. As a protected monopoly, with captive ratepayers, they have a little risk. Residents cannot pick up the phone and select another supplier. When you have a monopoly you are protected from competition so your costs are lower; with that consumers should be protected from gouging by our *elected* PSC Commissioners.

Keeping in mind rates already increased due to greater use in the winter to heat homes and water heaters. Bottom line, less risk and greater rate of return. MDU wants a guaranteed return on equity even though they are a monopoly. Before her new position, Commissioner Fielder stated she would examine the evidence before she voted on the increase. What was the evidence? Aren't the upgrades and taxes already passed on to the consumer? Is there a ten-year

comparison? What is their debt to asset ratio? What is their percentage of increase of stock payout? What is the percentage increase for any number of expenses. Why should they not pay for their own upgrades? Get a loan. We already know the big-player investors are making record profits. How many other companies does MDU own?

Could this information be shown on a screen during the hearing for constituents to view?

Is there any reason why constituents couldn't be afforded time after the presentation to ask questions?

Utility companies can sometimes use subsidiaries or affiliated companies they own to seemingly shift costs around, making their core operations appear more expensive than they actually are, which can then be used as justification to request rate increases from regulators, even if the overall financial health of the company remains strong. For Commissioners who voted for the rate increase (Fielder, Bukacek, Molnar and Wellborn), it is your job to scrutinize utilities, like MDU, to see if they are practicing this in order to potentially mislead the PSC and its members.

In the business world, companies can have other companies they own that they use to "launder" their profits through to offset and reduce the amount of taxes they owe and to make one company a lot more attractive to investors because it can offer higher yielding dividends. How many other companies does MDU own and in the traditional con man's shell game, under which shell is the real money under? We already know the big-player investors are making record profits.

Taxpayers PAY YOU a large 6 figure salary as our PSC Commissioners to do this investigating on our behalf.

Because the utility business has a direct impact on every resident and is mainly an excruciatingly boring subject buried in a thicket of obscure institutions and processes, opaque jargon, and acronyms out the wazoo; states have Public Service Commissions and Commissioners that are supposed to do the digging and understand how to protect US while ensuring the utility can stay in business with a 'reasonable' profit.

Just a thought, but a safe investment in banking is a cd and returns on that are yielding 2-3%. MDU shouldn't be asking for more than that and perhaps they shouldn't be asking for anything at all or lowering their rates due to their record profits which was pointed out by Commissioner Pinocci, but ignored by all the other commissioners.

Getting back to the complexities of the utility business, as Grist so eloquently stated, whether PURPA allows IOUs to customize RFPs for low-carbon QFs is actually quite important, the average resident, doesn't know it, because they fell asleep halfway through this sentence. Utilities are shielded by a force field of tedium.

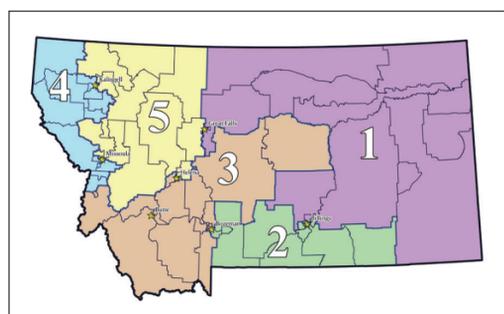
So, Commissioner Fielder, since you changed your vote from October to January, here is your homework assignment: prepare a research report for us that explains how MDU is structured (what companies they own) and show us the intercompany transfers of funds from each of those companies, and when they occurred, and explain why with lower costs of supply (lower natural gas costs), our gas bills need to be increased to pay for maintenance?

Constituents will be tuning in to your next hearing in person and zoom, on January 28th 2025.

Please remember "We the People are the Board of Directors".

Incensed in Prairie County
Renee Pirtz
MDU Ratepayer-Prairie County 🇺🇸

PSC Districts



MT PSC Commissioners



BRAD MOLNAR, PRESIDENT



JENNIFER FIELDER, VICE PRESIDENT



JEFF WELBORN, COMMISSIONER



ANNIE BUKACEK, COMMISSIONER



RANDY PINOCCI, COMMISSIONER