

Service Date: May 1, 1985

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER Of The Application ) UTILITY DIVISION  
Of MONTANA DAKOTA UTILITIES )  
COMPANY For Authority To Adopt ) DOCKET NO. 84.8.44  
Decreased Rates For Natural Gas )  
Service In The State Of Montana. ) ORDER NO. 5129a

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SUPPLEMENTAL RATE ORDER

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FINDINGS OF FACT

1. On February 28, 1985, Montana-Dakota Utilities Company, (MDU, Company, or Applicant) filed a Gas Cost Tracking Adjustment with this Commission which sought approval to pass through a rate decrease from MDU's supplier, Williston Basin Interstate Pipeline Company (WBIP).

2. On March 11, 1985, the Commission approved Order No. 5129 in this Docket. That Order called for Montana-Dakota Utilities Company (MDU, Company, or Applicant) to reduce its natural gas rates, to become effective for service rendered on and after January 1, 1985, and was contingent upon Federal Energy Regulatory Commission (FERC) approval of Williston Basin Interstate Pipeline Company's (WBIP) Purchased Gas Adjustment filing in FERC Docket No. TA85-2-49-000.

3. On March 20, 1985, the FERC issued an order concerning the aforementioned WBIP filing that required WBIP to file revised tariff sheets to comply with the FERC Order. On March 28, 1985, WBIP filed with the FERC revised tariff sheets in

compliance with the FERC Order. The effect of those revised tariff sheets is to further reduce the rates proposed by WBIP by 3.249 cents per Mcf, to be effective to MDU on January 1, 1985.

4. On April 24, 1985, the FERC approved WBIP's filing as revised.

5. As a result of lower prices being charged to WBIP for purchasing gas from its suppliers, WBIP will pass through those lower prices to MDU, which purchases gas from WBIP.

6. After careful analysis, the Commission finds that the MDU filing of April 26, 1985, reflecting a further reduction of purchased gas costs in the amount of 3.249 cents per Mcf at 14.73 PSIA, pursuant to the aforementioned FERC Order to WBIP dated March 20, 1985, is proper. The Commission, therefore, approves the rate reductions as filed and revised in Docket No. 84.8.44.

7. To minimize the number of tariff changes, MDU requests and the Commission accepts that the effects of the approval of the WBIP Settlement and the gas supply contract renegotiations, as filed and revised, be combined as one rate decrease with the effective date for services rendered on and after January 1, 1985.

#### CONCLUSIONS OF LAW

1. Applicant, Montana-Dakota Utilities Company, is a corporation providing service within the State of Montana and as such is a "public utility" within the meaning of Section 69-3-101, MCA.

2. The Montana Public Service Commission properly exercises jurisdiction over the Applicant's Montana operations pursuant to Title 69, Chapter 3, MCA.

3. The approved rates are just, reasonable, and not discriminatory.

#### ORDER

1. Applicant, Montana-Dakota Utilities Company, is hereby granted further decreased rates as discussed in the Findings of Fact section of this Supplemental Order. This further rate reduction is in addition to the rate reductions discussed in Order No. 5129.

2. These rate reductions are to become effective for service rendered on and after January 1, 1985. Accordingly, the Commission directs MDU to provide refunds to its Montana customers in accordance with Finding of Fact Paragraph No. 22 of Order No. 5129.

3. MDU is directed to file one set of tariffs to reflect the Commission findings in Order Nos. 5129 and 5129a. The findings in Order No. 5129a merely add to, rather than supersede, the Commission findings in Order No. 5129.

4. Rates will be filed in such a manner as to maintain the 12.5 percent rate differential between "winter" and "remainder of the year rates.

5. MDU's application concerning revisions to gas cost tracking Tariffs 87 and 88 will be addressed in a subsequent Order.

6. All motions and objections not ruled upon at the hearing are denied. DONE AND DATED this 30th day of April, 1985, by a vote of 4 - 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

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CLYDE JARVIS, Chairman

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HOWARD L. ELLIS, Commissioner

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TOM MONAHAN, Commissioner

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DANNY OBERG, Commissioner

ATTEST:

Trenna Scoffield  
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.