

Service Date: November 1, 1988

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

* * * * *

IN THE MATTER Of the Request of MON-)
TANA-DAKOTA UTILITIES COMPANY, a Di-) UTILITY DIVISION
vision of MDU Resources Group, Inc.,)
to Delete its Thermal Zones 15 and) DOCKET NO. 87.9.47(1)
99 and to Consolidate Customers Lo-)
cated within those Zones into Zone 14.) INTERIM ORDER NO. 5376
_____)

* * * * *
INTERIM ORDER
* * * * *

FINDINGS OF FACT

1. On December 23, 1987, the Montana Public Service Commission (PSC or Commission) approved Order No. 5316 in Docket No. 87.9.47, which granted authority for Montana-Dakota Utilities Company (MDU or Company) to convert to therm billing in its gas operations and to establish thermal zones.

2. On October 7, 1988, the Commission received a request from MDU to delete its thermal Zones 15 and 99 and to consolidate those customers located within those zones into Zone 14. This filing was designated Docket No. 87.9.47(1).

3. In this filing, the Company states that it has been advised by Williston Basin Interstate Pipeline Company (WBIP), the

operator in the Hardin Field area, that production from the Hardin Field has been abandoned. Zone 15 was designated specifically to measure gas in the Hardin Field utilizing an annual sample test.

Zone 99 designated the town of Hardin and represented a composite weighting of gas delivered from Zone 14 and gas delivered from Zone 15. MDU states that Zone 14 was the primary source of gas received in Zone 99. MDU also says that the consolidation of these three thermal zones will continue to allow the Btu content of gas received in this geographical area to be adequately measured by the use of a calorimeter. There are no longer any operating conditions which require separate zones or testing facilities, according to MDU. A copy of the map showing this proposed change was attached in the filing for inclusion in the Company's tariff.

4. The proposed effective date is for bills rendered on and after October 14, 1988. Because MDU changes its billing Btu factors on the 10th workday of each month, this proposed effective date would allow this change to be made on the same date as the normal billing process changes. MDU contends that allowing this change on the same date as the monthly change in Btu factors should avoid additional customer confusion.

5. MDU requests that this filing be accepted as being in full compliance with the filing requirements of the Commission.

Commission Analysis

6. The Commission believes that MDU's assertions in this filing are accurate and that the proposed deletion of Zones 14 and 99 and the consolidation of the customers in those zones into Zone 14 is proper on an interim basis. Therefore, the Commission approves MDU's above stated request in this filing on an interim basis and will issue a Notice of Opportunity for Public Hearing in the near future. If no requests for public hearing are received on this matter, the Commission will then issue a Default Order approving MDU's request on a final basis.

7. The Commission basically agrees with the comments of MDU concerning the most advantageous effective date to avoid customer confusion, and the Commission finds that the proper effective date for this Interim Order is the 10th workday of November, the 14th.

This effective date, however, shall be on a services rendered basis, rather than on a bills rendered basis as was proposed by MDU. Approving this request on a services rendered basis is consistent with usual Commission practice and protects against retroactive ratemaking. In the meantime, customers in Zones 15 and 99 must continue to be billed using the same methodology as has been in effect until this Interim Order.

CONCLUSIONS OF LAW

1. Applicant, Montana-Dakota Utilities Company, provides natural gas 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. Section 69-3-304, MCA, provides, in part, that the Commission may, in its discretion, temporarily approve applications pending a hearing or final decision.

4. The rebate provisions of Section 69-3-304, MCA, protect ratepayers in the event that any revenue increases authorized by this Interim Order are found to be unjustified in the Final Order in this Docket.

ORDER

THEREFORE THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. Applicant, Montana-Dakota Utilities Company, is hereby granted authority, on an interim basis, to delete its thermal Zones 15 and 99 and to consolidate those customers located within those zones into Zone 14.

2. Rate schedules and maps filed in response to this Interim Order shall comport with all Commission determinations set forth in this Interim Order.

3. Nothing in this Interim Order precludes the Commission from adopting in its final order, after review of the entire record in this Docket, a decision different from that contained in this order.

4. The effective date for this order is for services rendered on and after November 14, 1988.

5. The Commission accepts, for interim purposes, MDU's request that this filing is in full compliance with the filing requirements of the Commission, and the Commission reserves final ruling on this request until a Final Order is issued.

DOCKET NO. 87.9.47(1), ORDER NO. 5376

5

DONE IN OPEN SESSION at Helena, Montana, this 28th day of
October, 1988, by a vote of 5-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARVIS, Chairman

JOHN B. DRISCOLL, Commissioner

HOWARD L. ELLIS, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Ann Purcell
Acting Commission Secretary

(SEAL)