

Service Date: November 21, 2001

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

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IN THE MATER OF MONTANA-DAKOTA)	UTILITY DIVISION
UTILITIES CO., Application for Annual Review)	
of its Monthly Gas Cost Tracking Adjustment)	Docket No. D2001.4.43
Procedure and Final Approval of Previous Monthly)	
Interim Rate Changes Resulting from that Procedure.)	ORDER NO. 6385

FINAL ORDER

1. On April 11, 2001, Montana-Dakota Utilities Co. (MDU) filed before the Montana Public Service Commission (PSC) an application for continued approval of MDU's monthly gas tracking adjustment procedure (monthly tracker), final approval of the present month's (May 2001) and previous months' (June 2000 through April 2001) interim rate changes resulting from that procedure, and continued use of rate change effective dates on a bills rendered rather than a service rendered.

2. MDU states that the monthly tracker continues to achieve its objectives, including making gas costs reflective of the market in a timely manner, promoting customer understanding by pricing closer to actual price-affecting events, providing proper and timely prices signals to customers and minimizing the unreflected gas cost account balance to avoid cost shifts from one period to another.

3. MDU argues for continuation of gas cost tracking adjustment rate change effective dates on a bills rendered basis rather than switching to a service rendered basis. Bills rendered means on or after the effective date of the tracking adjustment will be billed at the new rate. MDU believes the bills rendered basis is easier to understand, provides a closer matching between consumption and costs and minimizes the amounts in the unreflected gas cost account.

4. On April 23, 2001, the PSC issued a Notice of Application and Intervention Deadline on MDU's application. The Montana Consumer Counsel (MCC) requested

intervention in the proceeding and was the only party to do so. The PSC and MCC have agreed that no material problems exist. MCC has indicated that no hearing or further proceedings are necessary. The PSC agrees and approves MDU's application.

5. MDU's monthly trackers being approved on a final basis in this proceeding are summarized as follows:

	Change per dkt	
	Residential & General Service	Large Interruptible
June 2000	\$0.000	\$0.000
July	1.403	1.307
August	0.617	0.613
September	(2.036)	(2.038)
October	0.835	0.833
November	0.906	0.825
December	0.000	0.000
January 2001	0.611	0.639
February	1.853	1.849
March	(1.094)	(1.101)
April	(1.025)	(0.868)
May	(0.560)	(0.170)
Total	1.510	1.889

6. MDU is a public utility. The PSC has jurisdiction over MDU in regard to this matter pursuant to Title 69, MCA. MDU's gas cost tracker for the rate-effective months of June 2000 through May 2001 have been filed and processed in accordance with the law and applicable MDU tariffs. The PSC finds the rate changes proposed in MDU's monthly trackers on an interim basis to be just and reasonable and are hereby approved on a final basis. MDU has shown good cause for the continuation for issuing bills on a bills rendered basis and is hereby approved on a final basis, but may be reviewed by the PSC at anytime. MDU's monthly gas cost tracker procedure is approved for an additional year, to expire at the time the PSC issues an order

following a review of MDU's next annual gas cost true-up procedure, unless MDU demonstrates at that time sufficient cause to continue the monthly gas cost tracker.

DONE AND DATED in Helena, Montana, this 20th day of November, 2001, by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

GARY FELAND, Chairman

JAY STOVALL, Vice Chairman

BOB ANDERSON, Commissioner

MATT BRAINARD, Commissioner

BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons
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 38.2.4806, ARM.