

Service Date: February 21, 2003

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

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IN THE MATTER OF MONTANA-DAKOTA)	UTILITY DIVISION
UTILITIES CO., Application for Annual Review)	DOCKET NO. D2002.4.41
Of its Monthly Gas Cost Tracking Adjustment)	ORDER NO. 6477
Procedure and Final Approval of Previous Monthly)	
Interim Rate Changes Resulting from that Procedure)	

FINAL ORDER

1. On April 11, 2002, Montana-Dakota Utilities Co. (MDU) filed before the Montana Public Service Commission (PSC) an application for continued approval of MDU's monthly gas cost tracking adjustment procedure (monthly tracker) and final approval of the present month's (May 2002) and previous month's (June 2001 through April 2002) interim rate changes resulting from that procedure.

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 price signals to customers and minimizing the unreflected gas cost account balance to avoid cost shifts from one period to another.

3. On April 30, 2002 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 the MCC agreed to do a joint true-up review of the interim filings. Following preliminary inquiries on the matter the review was completed in January of 2003. The PSC and the MCC 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.

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

Month	RESIDENTIAL & GENERAL SERVICE \$ per dkt		LARGE INTERRUPTIBLE \$ per dkt	
	Cost of Gas	Change	Cost of Gas	Change
June 2001	5.349	(0.568)	4.103	(0.581)
July	3.835	(1.514)	2.606	(1.497)
August	3.175	(0.660)	1.944	(0.662)
September	3.422	0.247	2.190	0.246
October	3.422	0.000	2.190	0.000
November	2.495	(0.927)	1.121	(1.069)
December	3.514	1.019	2.489	1.386
January 2002	3.231	(0.283)	2.198	(0.291)
February	3.231	0.000	2.198	0.000
March	2.823	(0.408)	1.803	(0.395)
April	2.823	0.000	1.803	0.000
May	3.825	1.002	2.858	1.055
Total		(2.092)		(1.808)

5. 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 trackers for the rate-effective months of June 2001 through May 2002 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's monthly gas cost tracker procedure is approved for an additional year, to expire at the time the PSC issues an order following 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 this 20th day of February, 2003, by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

BOB ROWE, Chairman

THOMAS J. SCHNEIDER, Vice Chairman

MATT BRAINARD, Commissioner

GREG JERGESON, Commissioner

JAY STOVALL, 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 ARM 38.2.4806.