

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 of
MONTANA-DAKOTA UTILITIES, CO., a
Division of MDU Resources Group, Inc.,
for Authority to Establish Increased
Rates for Natural Gas Service

REGULATORY DIVISION

DOCKET NO. D2012.9.100

MOTION FOR INTERIM ORDER

Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc, ("Montana-Dakota"), respectfully moves the Commission for the issuance of an interim order in this docket authorizing a general rate increase in the rates it is currently authorized to charge its customers for natural gas service in Montana, by an additional annual amount of \$675,000. The additional annual amount should be collected by increasing the percentage currently being applied to the Basic Service Charge and Distribution Delivery Charge components. Montana-Dakota integrates with its motion its brief in support of the motion.

FACTS

On September 26, 2012, Montana-Dakota filed an application with the Commission for authority for a general increase in the rates its is authorized to charge its Montana customers for natural gas service in Montana. The application, if granted in its entirety, would have resulted in an overall annual revenue increase of \$3,457,412, a 5.9% overall increase in rates. The application was prepared and filed in accordance with the Commission's minimum filing standards governing general rate case filings by gas utilities. ARM 38.5.101 *et seq.*

Montana-Dakota's application was denominated PSC Docket D2012.9.100. One party intervened in the docket; the Montana Consumer Counsel ("MCC").

The MCC engaged in extensive discovery in the docket. The MCC, together with the Staff of the Commission, conducted an on-site audit of the Montana-Dakota rate filing at its general offices in Bismarck, North Dakota. The MCC, on February 25, 2013, pre-filed the testimony of its expert witnesses, and the docket was heard as a contested case proceeding. As corrected at hearing, the MCC conceded a revenue deficiency, based upon a 2011 historic test year, of \$921,249.¹

For reasons beyond its control, the Commission was unable to hear this case until August 5-6, 2013. The matter has been fully briefed, and submitted to the Commission for decision. On December 5, 2013, Montana-Dakota and the MCC filed with the Commission a Stipulation which proposes a comprehensive settlement of the issues between the parties in the docket ("Stipulation"). Montana-Dakota and the MCC believe the Stipulation, if adopted by the Commission, will establish just and reasonable rates which balance the interests of both the utility and its customers. Stipulation at ¶ 6.

¹ MCC witness Clark, after reviewing the rebuttal testimony of MDU witness Mulkern, concurred with the MDU position on several of his proposed adjustments. Tr. 414-415. The table below shows what Montana-Dakota believes is the revenue impact of the agreed upon changes to the MCC conceded revenue deficiency set forth in its pre-filed testimony.

MCC Revenue Requirement	\$421,966	
<u>Corrections:</u>		<u>MDU Ex. 16</u>
Labor	11,275	p. 2
Postage	7,943	p. 3
Board of Director meetings	7,010	p. 3
Landfill - income taxes	406,517	p. 5
landfill - ADITs	66,538	p. 6
Adjusted	\$921,249	

The Stipulation proposes a final rate order authorizing a total annual rate increase in the docket of \$1.525 million, spread between rates as proposed in the Stipulation. Of that amount, \$850,620 is already in effect under the provisions of Interim Order 7254, issued by the Commission on April 11, 2013. Implementation of the stipulated final revenue requirement would require an additional rate increase of approximately \$675,000.

Because of the extraordinary amount of time which has passed in this docket, the Stipulation specifies a December 15, 2013, effective date for the agreed upon rates.

ARGUMENT

There will be only one scheduled Commission agenda meeting before the December 15, 2013, effective date for the settlement rates set forth in the Stipulation. The Commission may well decide it needs more time than a week to deliberate upon the merits of the proposed settlement rates set forth in the Stipulation. In that event, the proposed settlement between Montana-Dakota and the MCC should not be allowed to fail for lack of sufficient time for Commission deliberation.

The issuance of an additional interim rate order, as requested by Montana-Dakota, will allow the Commission to preserve the Stipulation for purposes of deliberation. If it ultimately approves the Stipulation, the effective date of the proposed settlement rates is preserved by the issuance of the requested interim order. If it decides to reject the Stipulation, and issue a final decision different than that proposed by the parties to the case, the public interest is preserved by the refund mechanism associated with an interim rate order. Section 69-3-304 of the Montana Code Annotated.

If the Commission decides at next week's agenda to issue a final rate order adopting the Stipulation, this motion for an interim rate order is moot.

CONCLUSION

If the Commission is unable to issue a final rate order in this docket at next week's agenda, adopting the settlement rates set forth in the Stipulation, it should be moved in its discretion to issue an interim rate order as requested in this motion.

Dated this 9th day of December, 2013

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CERTIFICATE OF SERVICE BY MAIL

I HEREBY CERTIFY that a copy of the foregoing **MOTION FOR INTERIM ORDER** was served upon the following by mailing a true and correct copy thereof on this 9th day of December 2013, addressed as follows:

**MONTANA CONSUMER COUNSEL
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