

Service Date: August 19, 1998

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

* * * * *

IN THE MATTER OF MONTANA-DAKOTA)	UTILITY DIVISION
UTILITIES CO., Application for Annual Review)	
of its Monthly Gas Cost Tracking Adjustment)	DOCKET NO. D98.4.82
Procedure and Final Approval of Previous)	
Monthly Interim Rate Changes Resulting from)	ORDER NO. 6070a
that Procedure.)	

FINAL ORDER

Introduction

1. On April 13, 1998, Montana-Dakota Utilities Co. (MDU) filed before the Public Service Commission (PSC) an application to implement its monthly gas cost tracking adjustment procedure (monthly tracker) and for continued approval of its monthly tracker procedure and for final approval of the interim rate changes (for all monthly trackers to and including the date of filing) which have resulted from that procedure. In its application MDU suggested that the monthly tracker has been successful in causing gas costs to be reflective of the market price and in sending proper and timely price signals to customers and also in minimizing the unreflected gas cost account balance.

2. On April 29, 1998, the PSC issued a public notice of MDU's application. In response to that notice the Montana Consumer Counsel (MCC) requested intervention, which was granted by the PSC. On May 29, 1998, the PSC issued a procedural order governing the procedure and schedule to be followed in the matter. The PSC and MCC then conducted discovery and audits pertaining to MDU's application. Following discovery and audits no further activity occurred in accordance with the procedural order (e.g., intervenor testimony). The PSC now determines that the matter can be decided without further proceedings or hearing.

Findings of Fact

3. On August 1, 1997, the PSC issued a Final Order (Order No. 5994) in PSC Docket No. D97.3.43, a matter pertaining to MDU's conversion from semi-annual gas cost tracker implementation to monthly gas cost tracker implementation. In that Order the PSC determined that MDU's stated objectives in converting to a monthly tracker were worth considering and, although some questions about the conversion existed, there was no compelling reason to disapprove such conversion. The PSC then approved MDU's conversion to a monthly tracker, but subject to a number of conditions (e.g., monthly tracker rate changes approved on an interim basis only, annual true-up required) and subject to expiration at the time of the PSC's final order following MDU's first annual true-up (i.e., the instant case), absent good cause shown by MDU that the monthly tracker procedure should continue.

4. The following is a summary of MDU's monthly trackers to date. The period does not encompass an entire year, as the monthly tracker procedure (MDU's tariffed Rate 88), approved in August 1997, establishes May 1 of each year as the rate-effective-date year end for monthly tracker purposes.

Rate-Effective Month (filing month plus one)	Docket Number	Rate Change Residential and General Service	Rate Change Large Interruptible
November 1997	D97.10.188	+ \$.338/dk	+ \$.464/dk
December 1997	D97.11.214	+ \$.331/dk	+ \$.275/dk
January 1998	D97.12.232	- \$.640/dk	- \$.610/dk
February 1998	D98.1.1	+ \$.112/dk	+ \$.109/dk
March 1998	D98.2.24	- \$.251/dk	- \$.205/dk
April 1998	D98.3.54	+ \$.135/dk	+ \$.143/dk
May 1998	D98.4.82	+ \$.156/dk	+ \$.117/dk

Conclusions of Law

5. MDU is a public utility. The PSC has jurisdiction over MDU and this matter pursuant to Title 69, MCA.

6. MDU's monthly trackers have been filed and processed in accordance with MDU's tariffed Rate 88. The rate changes resulting from MDU's monthly tracker procedure are reasonable and just and should be approved on a final basis.

7. MDU's monthly tracker procedure is primarily a matter of policy. MDU has demonstrated sufficient good cause that the monthly tracker procedure continue and the PSC finds no compelling reason to the contrary.

ORDER

IT IS HEREBY ORDERED:

a. all proceedings scheduled in the procedural order governing this matter, including the hearing scheduled for September 2, 1998, are vacated;

b. all rate changes resulting from MDU's monthly trackers filed on or before the date of MDU's present filing (April 13, 1998) and approved on an interim basis by the PSC, through specific action or automatically by operation of MDU's approved monthly tracker procedure, are approved on a final basis; and

c. MDU's monthly 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 comprehensive filing, unless MDU demonstrates good cause to continue the monthly tracker procedure and the PSC approves that continuation.

Done and dated this 11th day of August, 1998, by a vote of 5-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chair

NANCY MCCAFFREE, Vice Chair

BOB ANDERSON, Commissioner

DANNY OBERG, Commissioner

BOB ROWE, Commissioner

ATTEST:

Ann Purcell
Acting 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.