

Service Date: November 9, 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 COMPANY, Application for)	
Approval of a Natural Gas Universal System)	DOCKET NO. D98.8.177
Benefits Program)	ORDER NO. 6118

FINAL ORDER

1. On August 5, 1998, Montana-Dakota Utilities Co. (MDU) filed an application before the Public Service Commission (PSC), requesting approval of a universal system benefits program (USBP) for MDU's natural gas services in Montana. Natural gas service USBPs are required by § 69-3-1408, MCA, a provision within Montana's Natural Gas Utility Restructuring and Customer Choice Act.

2. MDU's natural gas USBP includes four programs: a low-income discount applicable to LIEAP-qualified customers to offset utility payments not covered by LIEAP; continuation of energy share bill assistance; low-income furnace and water heater repair or replacement; and customer education. MDU estimates that the total cost of these programs will be .47 percent of its 1997 natural gas operating revenues. To fund the programs MDU proposes a \$.25 per month increase to all of MDU's Montana end-use sales and transportation service customers.

3. On September 21, 1998, Montana Power Company (MPC) filed objections to MDU's proposal. MPC observes that MDU's proposal is not consistent with MPC's USBP (or other gas utility USBPs in Montana) or the PSC's expressed preferences in ARM 38.5.7020 and 38.5.7021 (PSC rules on natural gas USBPs), in amount or method of funding, which MPC argues should be uniform statewide. The PSC agrees that MDU's USBP proposal does vary from the PSC's rule-expressed preference for gas USBPs. However, the PSC's rules allow for utility-

specific proposals (waivers), ARM 38.5.7021(1)(c), and MDU has requested a waiver of the PSC's rules to accommodate MDU's proposal.

4. MPC's argument for uniformity is based on what the PSC views as an ambiguity in § 69-3-1408, MCA. It is unclear whether the statute intends gas utility USBPs to be uniform statewide or utility-specific. The statute includes general language such as "a universal system benefits program" and "a universal system benefits charge... that all [utilities]...shall charge." This seems to contemplate uniformity statewide. However, the statute also specifically states that the PSC shall, in approving a proposed natural gas USBP, take into consideration utility-specific aspects, such as "the current level of expenditure by the natural gas utility." The statute does not clearly mandate uniformity statewide. The PSC recognized this when inserting the waiver provision in its natural gas USBP rules. Given the ambiguity, the PSC overrules MPC's objections.

5. The PSC has considered MDU's application and determines that it is in substantial compliance with § 69-3-1408, MCA, and ARM 38.5.7020 and 38.5.7021, is in the public interest, and should be approved. **IT IS HEREBY ORDERED** that MDU's application for approval of a USBP for natural gas services in Montana is approved.

Done and dated this 27th day of October, 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:

Kathlene M. Anderson
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.