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PSC OKAYS MDU'S MONTHLY NATURAL GAS RATE CHANGE PROCEDURE

The state Public Service Commission has approved for another year Montana-Dakota Utilities Co.'s proposal to continue its practice of requesting monthly adjustments to its natural gas rates.

In August of last year, the PSC gave conditional approval to MDU's request to convert from semi-annual to monthly applications for rate adjustments, which are necessary to recover natural gas costs the company incurs when providing services to Montana customers. MDU was allowed to convert to monthly applications for rate changes, but the monthly rate changes were approved on an interim basis only with a "true-up" required as of May 1 each year to reconcile the company's monthly estimates of gas costs with what the actual costs proved to be. The PSC decided that at the time of the true-up, the commission would determine whether the monthly rate adjustments would continue.

In the PSC order issued August 19, the commission gave final approval to MDU's interim monthly rates, noting that the results of the true-up showed the interim rates were just and reasonable. In addition, the PSC found no compelling reason to discontinue MDU's monthly gas rate adjustment procedure and approved it until the PSC reviews next May's annual true-up filing.

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