

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co.  
2000 Electric Operations  
Annual Report**

**Case No. PU-399-01-186**

**STAFF RESPONSE TO COMPLIANCE FILING**

On May 2, 2002, Montana-Dakota Utilities Co. (MDU) filed tariff changes to comply with the Order of the Commission dated April 24, 2002 and the District Court's Order for Stay (Civil No. 08-02-C-01719) dated May 2, 2002. The Commission's Order required MDU to implement an across the board rate reduction sufficient to provide a total annual revenue reduction of \$4.273 million effective for service rendered on and after May 8, 2002. The District Court's Order for Stay required a May 8, 2002 rate reduction sufficient to reduce annual revenue by \$798,000. The Order further required MDU to file a suspending bond in the remaining amount of \$3.475 million and establish an interest bearing escrow account at a bank or trust company authorized to do business in North Dakota.

MDU's compliance tariffs spread \$798,000 over adjusted kWh sales volumes recorded for calendar year 2001. The adjustment reduces recorded volumes to reflect service contract discounts, thus increasing the net reduction per kWh. Mathematically stated:  $\$798,000 / (1,299,222,818 - 6,135,155) \text{ kWh} = \$.00062$  or 0.062 cents per kWh. For a typical residential customer without electric space heating and using approximately 750 kWh per month, the effect would be a billing reduction of about 47 cents per month or \$5.58 per year.

Staff believes that MDU's compliance filing satisfies the Commission's Order as modified by the District Court's Order for Stay. Therefore, Staff recommends MDU's compliance tariff be approved.

Dated May 3, 2002.

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William W. Binek  
Chief Counsel

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**AFFIDAVIT OF SERVICE BY FIRST CLASS MAIL**

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

**Sandra L. Scott** deposes and says that:

she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope with first class postage, fully prepaid, securely sealed, containing a photocopy of:

**STAFF RESPONSE TO COMPLIANCE FILING**

The envelopes was addressed as follows:

Daniel S. Kuntz  
Zuger Kirmis & Smith  
P O Box 1695  
Bismarck, ND 58502-1695

Each address shown is the respective addressee's last reasonably ascertainable post office address.

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Subscribed and sworn to before me this **3rd** day of **May 2002**.

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**Notary Public**

**SEAL**

May 3, 2002

Mr. Jon H. Mielke  
Public Service Commission  
600 E Boulevard Ave. Dept. 408  
Bismarck, ND 58505-0480

RE: **Montana-Dakota Utilities Co.**  
**2000 Electric Operations**  
**Annual Report**  
**Case No. PU-399-01-186**

Dear Jon:

Enclosed for filing in the above referenced case is the original and seven copies of the **Staff Response to Compliance Filing**.

Thank you.

Sincerely,

William W. Binek  
Chief Counsel

WWBsls  
Enclosure

C: Dan Kuntz