

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Montana-Dakota Utilities Co.
Natural Gas Rate Increase
Application**

Case No. PU-399-02-183

STAFF RESPONSE TO COMPLIANCE FILING

January 15, 2003

On December 16, 2002, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., (MDU) filed tariff changes to comply with the Order of the Commission dated December 10, 2002. On January 6, 2003, MDU filed a correction to the Small Interruptible Rate 71 and the Large Interruptible Rate 85.

The changes are necessary because of the new rate design that recovers the gas costs and the distribution costs in separate rate elements. In its original application, MDU overlooked the effects of the new rate design on the tariffed rates for these customers. The January 6, 2003 filing is therefore made to maintain the same quantity of margin sharing (\$0.444 per dekatherm) previously approved by the Commission in Case No. PU-399-94-352.

Staff believes that MDU's filing complies with the Commission's Order.

William W. Binek
Chief Counsel