

Felhaber Larson Fenlon & Vogt

A Professional Association – Attorneys at Law

MINNEAPOLIS
220 South Sixth Street | Suite 2200
Minneapolis, MN 55402-4504
612 339 6321 | Fax 612 338 0535

ST. PAUL
444 Cedar Street | Suite 2100
St. Paul, MN 55101-2136
651 222 6321 | Fax 651 222 8905

Jacob C. Hendricks
(612) 373-8575
Fax: (612) 338-4608
E-mail: jhendricks@felhaber.com
Reply to Minneapolis Office

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PUBLIC SERVICE COMMISSION

June 10, 2010

Via E-Filing and E-Mail

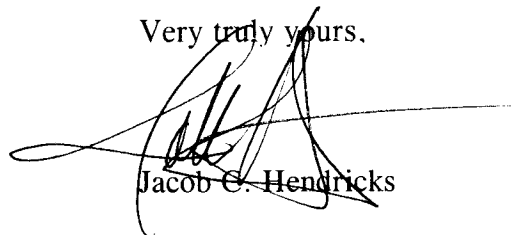
Darrell Nitschke
Executive Secretary
Public Service Commission – State Capital
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0480
Email: ndpsc@nd.gov

**Re: Montana-Dakota Utilities Company Application and Notice of Change in General Electric Rates.
NDPSC Case No. PU-10-124**

Dear Mr. Nitschke:

Enclosed for filing in the above-referenced matter, please find the Comments of Enbridge Energy.

Very truly yours,



Jacob C. Hendricks

:gls

Enclosures

cc: A. Bendish (abendish@nd.gov)
M. Diller (mdiller@nd.gov)
C. Desaye (cdesaye@nd.gov)
I. Ghamre (jghamre@nd.gov)
Rita A. Mulkern (rita.mulkern@mduresources.com)
Daniel S. Kuntz (dan.kuntz@mduresources.com)
Rich Savelkoul (rsavelkoul@felhaber.com)

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Comments of Enbridge Energy

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

Case Title: Montana-Dakota Utilities Company Application and Notice of Change in General Electric Rates	Case No.: PU-10-124 ENBRIDGE COMMENTS
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COMMENTS OF ENBRIDGE ENERGY

I. INTRODUCTION.

Enbridge Energy (“Enbridge”) appreciates this opportunity to provide Comments in the Montana-Dakota Utilities Company’s (“MDU”) Application and Notice of Change in General Electric Rates. Enbridge, along with similarly situated ratepayers, is a large employer and high-load factor customer of MDU that will pay a significant portion of the interim rates, as well as the final rates, submitted to the North Dakota Public Service Commission (the “Commission”). Accordingly, Enbridge offers these Comments.

Enbridge’s Comments will primarily focus on two issues: (1) Methodology for recovering interim rate increase; and (2) Procedural concerns for the balance of the MDU rate case proceeding. Enbridge is not, at this point, intervening or otherwise applying for party status, but may do so in the near future. Enbridge offers these Comments as a non-party and, therefore, the Comments are meant to address concerns of ratepayers that are similarly situated to Enbridge.

II. INTERIM RATES.

MDU proposed allocating and recovering the interim rate increase based strictly on customers’ energy usage. It is Enbridge’s position that this allocation method would be punitive

to high-load factor customers and there are more appropriate methods of recovery which follow cost-causation with greater accuracy. Utilities generally recover the cost of providing service based on that utility's need to provide capacity and energy to its ratepayers. Rates are generally designed to reflect a utility's efforts on behalf of its ratepayers and, therefore, are broken down between capacity/demand charges and energy charges. MDU's requested increase in this proceeding is not driven exclusively on its need to provide energy.

While ease of administrating the increase is an issue the Commission should certainly consider, it is not the only issue. There are much more equitable methods to recover these costs that are likewise easy to administer, such as allocating the increase as a percent of ratepayers' bills. While this methodology may not be perfect, given the changes in capacity and energy allocations since MDU's last rate case, it is superior to an energy-only charge. This proposed percentage increase charge necessarily incorporates a demand/capacity component, as well as an energy component and, consequently, is more equitable for demand-metered customers.

Furthermore, utilities typically utilize an equal percent increase on all billing charges methodology. For example, a method similar to that proposed by Enbridge was utilized in Otter Tail Power Company's recent rate case. It is Enbridge's understanding that the Commission's advocacy staff requested a similar change, which MDU has agreed is appropriate and is willing to implement.

III. PROCEEDURE

Enbridge is contemplating intervention as party in this case and has discussed the possibility of doing so with other similarly situated ratepayers. One of the concerns about an effective intervention and rate case for the Commission is having adequate time to develop a record which allows for a reasonable and just determination.

Enbridge is concerned that the statutory requirements of completing a rate case and the rules of discovery in North Dakota make this a challenge given the complex nature of these rate cases. N.D. Cent. Code § 45-05-06, subd. 1 (2010) provides that a period of suspension of the rate cannot extend more than eight months (60 days plus six months). While the MDU could agree to extend that period, approximately six months is an extremely short time to conduct discovery, develop testimony and rebuttal testimony, conduct any settlement conferences, have public and evidentiary hearings, as well as necessary work sessions. Simply put, the rules governing discovery in North Dakota will provide all parties to this action with an extremely tight time frame.

Specifically, the North Dakota Rules of Civil Procedure provide that responses to interrogatories or information requests are due within thirty (30) days of service. See N.D. R. Civ. P. 33(b). This – in and of itself – substantially increases the difficulty of developing an adequate record. Given the tight decision time frame in this proceeding, thirty (30) days is an excessive period within which to provide responses to discovery requests. The complex nature of these filings requires digestion of information and a series of discovery requests going back and forth which is difficult – if not impossible – under these time frames. Indeed, other jurisdictions tend to impose much shorter deadlines for responses to discovery. Accordingly, it is more typical and practical to have a ten (10) day time limit for responses.

N.D. Rules § 69-02-01-11 (2010) gives the Commission the authority to modify this timeframe for discovery upon its own motion.

Based upon the foregoing, Enbridge respectfully requests MDU agree to an extension of not less than two months for a final decision in this proceeding and that the Commission act on

its own to modify the applicable rules procedure and require responses to interrogatories and information requests be provided within ten (10) days of service.

Respectfully submitted,

Dated: June 10, 2010

FELHABER, LARSON, FENLON & VOGT, P.A.

By: 

Jacob C. Hendricks, ND #06724
444 Cedar Street, Suite 2100
St. Paul, MN 5 5101
(651) 222-6321

ATTORNEYS FOR ENBRIDGE ENERGY