

Memo

To: Darrell Nitschke, Executive Secretary
From: Mike Diller *MRD*
Date: November 1, 2013
Re: Montana-Dakota Utilities' Interim Natural Gas Rate Increase Request (PU-13-803)

Montana-Dakota Utilities Co. (MDU) filed for a natural gas rate increase on September 18, 2013. The Company used a 2014 projected test year to calculate its interim rate relief request of \$4.5 million in increased revenue collections or an overall increase in revenue collections of 4.162% or an average increase per month for residential customers of \$2.52.

On October 2, 2013 staff filed a memo stating that MDU's request was in compliance with the laws and rules governing interim rate increases and that the interim increase should be approved. On October 9, 2013 the commission approved the interim rate increase request.

However, staff and MDU filed a Settlement Agreement shortly thereafter on October 18, 2013 to resolve all matters of the case except for rate design and as part of that settlement stipulated to a smaller interim rate increase of \$4.25 million to avoid over-collecting in the event the commission adopts the Settlement Agreement. MDU filed a set of updated compliance tariffs on October 24, 2013 reflecting the lower settlement amount.

Staff has reviewed the revised compliance tariffs noting no exceptions and recommends approval.

