

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co., a Division of MDU Resources**  
**Cost of Gas 2016**  
**Tariff Monthly Adjustments**

**Case No. PU-16-8**

**STAFF RESPONSE TO THE REQUEST OF MONTANA-DAKOTA**  
**FOR TRADE SECRET PROTECTION**

On December 8, 2015, Montana-Dakota Utilities Co., a Division of MDU Resources (Montana-Dakota or Company), filed an application for a trade secret protective order under North Dakota Administrative Code Section 69-02-09 for protecting against public disclosure trade secret information as defined by North Dakota Century Code Section 47-25.1-01(4).

The information for which the Company seeks protection is a portion of the monthly Cost of Gas filings that contains confidential information on gas commodity pricing including Demand charge monthly delivery quantities, Demand charge amounts excluding FT-1 MDDQ, Commodity Charge monthly delivery quantities excluding the Gas Commodity – System quantity, the Commodity charge quantities, the Fuel transportation rates of WBI, NB and NW as well as fuel storage rates and the Gas Commodity System rate.

The Company states that this information is confidential information because "if the information were released, competitors would be able to benefit from the information to the detriment of the Company and its customers. The confidential information is considered trade secret, as it provides an economic advantage in Montana-Dakota's

gas contract negotiations." as provided for in North Dakota Century Code Section 44-04-18.4(2)(a).

The Company further states that the cost information is trade secret because it is information that "(1) Vendors and competitors would have an opportunity to obtain economic value from disclosure or use of the information; and (2) If publicly available, vendors could use the information to their advantage in contract negotiations, while competitors could use the information to leverage their positions in the marketplace to Montana-Dakota's detriment," as provided for in North Dakota Century Code Section 44-04-18.4(2)(d). As a result, the Company states that the information sought to be protected meets the definition of "trade secret" as set forth in North Dakota Century Code Section 47-25.1-01(4).

The information could have economic value to potential vendors and suppliers who may desire to bid to provide natural gas or natural gas services to the Company. In particular, potential suppliers would know what the Company has determined to be the cost range for certain components of its supply needs and consequently the cost range could potentially serve as a floor below which no bidder would submit a bid price. Such a result could be harmful for the Company's customers.

The confidentiality of this information has been maintained by the Company. The information is not disclosed to the public or to persons other than employees or authorized agents who need to know the information to fulfill their responsibilities in connection with the Company's natural gas purchases, or to third persons pursuant to nondisclosure agreement to maintain the confidentiality of the information. The

Company has requested that this information be treated as trade secret in all of its monthly cost of gas filings.

North Dakota Administrative Code Section 69-02-09-03 requires that the Commission staff examine the information and application and make a recommendation to the Commission. Staff has reviewed the request of Montana-Dakota for protection of information and believes that Montana-Dakota's application satisfies the requirements of the North Dakota Century Code for protection of information. The Commission's process provides a means for interested parties to review protected documents upon signing a nondisclosure agreement.

For reasons set forth above, Staff recommends that the Commission grant the application of Montana-Dakota to protect certain filed information in this case.

Dated this 8<sup>th</sup> day of March, 2016

A handwritten signature in blue ink, appearing to read "John M. Schuh", is written over a horizontal line.

John M. Schuh  
Staff Attorney  
North Dakota Public Service Commission