

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE APPLICATION)
OF THE SOUTH DAKOTA INTRASTATE)
PIPELINE COMPANY FOR APPROVAL OF)
INITIAL RATES AND TARIFFS.)
)
)
)**

**SECOND AMENDED
ORDER APPROVING
REVENUE REQUIREMENT
AND RATE**

NG92-005

On April 28, 1992, South Dakota Intrastate Pipeline Company (SDIPC) filed an application with the Public Utilities Commission (Commission) for approval of initial rates and tariffs. On March 25, 1993, the Commission issued its Order Approving Revenue Requirement, which ordered "that SDIPC shall file its actual construction costs, including line pack costs, with the Commission within 30 days after completing pipeline construction to allow review and possible revision of SDIPC's initial rates, dependent on Commission review of the appropriateness of any cost changes."

On October 19, 1993, the Commission issued its Amendment of the Order Approving Revenue Requirement, granting SDIPC an extension of the requirement to file actual construction costs within 30 days after completion of construction. By the Amended Order, SDIPC was required to file its actual construction costs as soon as the data was available. On November 22, 1993, SDIPC filed final construction costs.

At its regularly scheduled November 23, 1993, meeting the Commission considered SDIPC's filing. Commission Staff recommended approval of a revised revenue requirement and rate based on SDIPC's actual construction costs.

FINDINGS OF FACT

1. As indicated in Finding of Fact No. 16 of the Commission's original Order Approving Revenue Requirement, March 25, 1993, SDIPC has proposed one set of rates for the first ten years of operation. On SDIPC's Revised Schedule O-1, filed by fax on November 22, 1993, SDIPC's final proposal is a ten-year levelized commodity rate and interruptible rate of \$2.2469 per MCF.

2. The rate approved by the Commission in this docket reflects both updates of actual costs and improved estimates. Except for certain items, this docket is complete with regard to incorporated cost of service components. The issues still incomplete are those subject to litigation, regulatory action, or contractual matters which are yet unsettled. Two specific issues which meet these criteria are taxes to be paid to the South Dakota Department of Revenue and the final rate to be paid on borrowed funds. No other issues meeting these criteria have yet appeared.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter and parties to this proceeding pursuant to SDCL Chapter 49-34A, specifically SDCL 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-19 and 49-34A-21.
2. Consistent with the above findings of fact, the Commission concludes that SDIPC's rates are just and reasonable for natural gas transportation services pursuant to SDCL 49-34A-6.

Based upon the above findings of fact and conclusions of law, as well as those set forth in the Commission's prior Orders, it is therefore

ORDERED, that SDIPC's proposed ten-year levelized commodity rate and interruptible rate of \$2.2469 per DK is approved; and it is

FURTHER ORDERED, that SDIPC's rate may be revised to reflect the outcomes of litigation, regulatory action, or unsettled contractual matters; and it is

FURTHER ORDERED, that in all other particulars the Commission's Original Order remains in full force and effect.

Pursuant to SDCL 1-26-32, this order becomes effective ten days after the date of receipt or failure to accept delivery of the decision by the parties.

Dated at Pierre, South Dakota, this 6th day of December, 1993.

<p>CERTIFICATE OF SERVICE</p> <p>The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.</p> <p>By: <u>[Signature]</u></p> <p>Date: <u>12/6/93</u></p> <p>(OFFICIAL SEAL)</p>

BY ORDER OF THE COMMISSION:

[Signature]
LASKA SCHOENFELDER, Chairman

[Signature]
KENNETH STOFFERAHN, Commissioner

[Signature]
JAMES A. BURG, Commissioner