

 **MONTANA-DAKOTA**
UTILITIES CO.
A Division of MDU Resources Group, Inc.

400 North Fourth Street
 Bismarck, ND 58501
 (701) 222-7900

November 9, 2001

RECEIVED

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SOUTH DAKOTA PUBLIC
 UTILITIES COMMISSION

Ms. Debra Elofson
 Executive Director
 South Dakota Public Utilities
 Commission
 State Capitol Building
 500 East Capitol
 Pierre, SD 57501

Re: Purchased Gas Cost Adjustment
 (PGA) Docket No. _____

Dear Ms. Elofson:

In accordance with South Dakota Codified Laws, Chapter 49-34A, Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., respectfully submits an original and two (2) copies of a Purchased Gas Cost Adjustment (PGA) change pursuant to the terms of Rates 88 and 89.

Montana-Dakota purchases gas supplies under a number of contracts. The commodity cost of gas has increased approximately \$1.37 per dk since the last PGA filing due to an increase in the overall market price of gas. Also, Montana-Dakota's small amount of gathering capacity has been eliminated. In addition, Montana-Dakota is proposing to implement an out-of-cycle surcharge adjustment to be effective December 1, 2001 through April 30, 2002. Montana-Dakota has accrued an additional over recovery in the deferred gas cost account and proposes the out-of-cycle surcharge to begin refunding this over recovery to customers effective December 1, 2001 rather than waiting until the normal adjustment date of May 1, 2002.

The Black Hills system PGA tariff sheet (Exhibit A, page 1) summarizes the gas cost adjustment, calculated pursuant to the terms of Rate 88 and the out-of-cycle surcharge adjustment that will apply during the month of December 2001. The total PGA level is a negative \$0.120 per dk for residential and general service customers, \$0.155 per dk for large interruptible customers and \$0.850 per dk for the Air Force.

The net effect of this filing for the Black Hills system, calculated pursuant to the terms of Rate 88 with the out-of-cycle surcharge adjustment, is an increase of \$0.853 per dk for residential and general service customers, an increase of \$0.158 per dk for large interruptible customers and an increase of \$1.259 per dk for the Air Force from the currently effective rates. Absent implementation of the out-of-cycle surcharge adjustment, the changes would be an increase of \$1.365 per dk for residential and general service customers, an increase of \$1.368 per dk for large interruptible

customers and an increase of \$1.353 per dk for the Air Force from the currently effective rates.

Exhibit B shows the calculation of the current gas cost adjustment that will be applicable to Montana-Dakota's Black Hills system customers for the month of December 2001. The average cost of gas for firm customers, adjusted for losses, is \$4.273.

Exhibit C shows the calculation of the return on storage inventory balances and prepaid demand and commodity balances using the calculation procedure set forth in Rate 88 for the Black Hills system. The overall rate of return of 10.149% was authorized by the Commission in Docket No. NG94-012.

Exhibit E shows the calculation of the out-of-cycle surcharge adjustment that will apply during the period December 1, 2001 through April 30, 2002. In view of the large over recovery in the deferred gas cost account and in the interest of rate stability, Montana-Dakota is proposing to amortize the balance, an approximate \$4.2 million over recovery, over a twelve month period beginning December 1, 2001 and recalculate the surcharge adjustment again in May 2002, pursuant to the tariff. This out-of-cycle adjustment will begin refunding the over recovery without causing a large negative surcharge that may send improper pricing signals to customers over the winter heating season. The twelve month amortization period, with a recalculation of the surcharge in May 2002 pursuant to the tariff, will also minimize any potential fly-up in the May 2002 adjustments. A waiver from Section 4(a) of the PGA tariff, which specifies that the surcharge adjustment is effective May 1 of each year, is required and Montana-Dakota herewith requests such waiver.

The East River system PGA tariff sheet (Exhibit A, page 2) summarizes the gas cost level, calculated pursuant to the terms of Rate 89 and the out-of-cycle surcharge adjustment, that will apply during the month of December 2001. The total PGA level is \$4.559 per dk for general service customers served under the currently effective General Services Rate 66 and \$2.969 per dk for customers on the 100% load factor rate.

The net effect of this filing for the East River system, calculated pursuant to the terms of Rate 89 with the out-of-cycle surcharge adjustment, is an increase of \$1.095 per dk for general service customers and an increase of \$1.367 per dk for customers on the 100% load factor rate from the currently effective rates. Absent implementation of the out-of-cycle surcharge adjustment, the changes would be an increase of \$1.360 per dk for general service customers and an increase of \$1.367 per dk for customers on the 100% load factor rate from the currently effective rates.

Exhibit D shows the calculation of the current gas cost level that will be applicable to Montana-Dakota's East River system customers for the month of December 2001. The

average cost of gas for firm customers, adjusted for losses, is \$4.804.

Exhibit D, page 3 shows the calculation of the return on storage inventory balances and prepaid demand and commodity balances using the calculation procedure set forth in Rate 89 for the East River system. The overall rate of return of 10.271% was authorized by the Commission in Docket No. NG93-003.

Exhibit F shows the calculation of the out-of-cycle surcharge adjustment that will apply during the period December 1, 2001 through April 30, 2002. In view of the large over recovery in the deferred gas cost account and in the interest of rate stability, Montana-Dakota is proposing to amortize the balance, an approximate \$159,000 over recovery, over a twelve month period beginning December 1, 2001 and recalculate the surcharge adjustment again in May 2002, pursuant to the tariff. This out-of-cycle adjustment will begin refunding the over recovery without causing a large negative surcharge that may send improper pricing signals to customers over the winter heating season. The twelve month amortization period, with a recalculation of the surcharge in May 2002 pursuant to the tariff, will also minimize any potential fly-up in the May 2002 adjustments. A waiver from Section 4(a) of the PGA tariff, which specifies that the surcharge adjustment is effective May 1 of each year, is required and Montana-Dakota herewith requests such waiver.

These proposed adjustments, calculated in accordance with Rates 88 and 89 with the out-of-cycle surcharge adjustment, will amount to an increase of approximately \$837,000 for Black Hills system gas customers and an increase of approximately \$115,000 for East River system gas customers during the month of December 2001. All of Montana-Dakota's retail gas customers in South Dakota may be affected by this proposal. There were 39,182 customers on the Black Hills system and 4,819 customers on the East River system as of September 30, 2001.

Please refer all inquiries regarding this filing to:

Mr. Donald R. Ball
Director of Regulatory Affairs
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, ND 58501

Also, please send copies of all written inquiries, correspondence and pleadings to:

Mr. Douglas W. Schulz
Senior Attorney & Assistant Secretary
MDU Resources Group, Inc.
P. O. Box 5650
Bismarck, ND 58506-5650

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed stamped envelope.

Sincerely,



Donald R. Ball
Director of Regulatory Affairs

Attachments

c: D. Schulz
D. Gerdes

MONTANA-DAKOTA UTILITIES CO.
PGA TARIFF SHEET
BLACK HILLS
EFFECTIVE DECEMBER 2001

	Residential & General Service	Large Interruptible	Air Force
<u>Gas Cost Adjustment:</u>			
Prior Cumulative Gas Cost Adjustment	(\$0.792)	(\$0.475)	(\$0.214)
Current Gas Cost Adjustment (Exhibit B)	\$1.365	\$1.368	\$1.353
Cumulative Gas Cost Adjustment	\$0.573	\$0.893	\$1.139
<u>Surcharge Adjustment:</u>			
Current Adjustment (Exhibit E)	(\$0.693)	(\$0.738)	(\$0.289)
TOTAL PGA	<u>(\$0.120)</u>	<u>\$0.155</u>	<u>\$0.850</u>
TOTAL PGA - Current	(\$0.973)	(\$0.003)	(\$0.409)
Net Increase (Decrease)	<u>\$0.853</u>	<u>\$0.158</u>	<u>\$1.259</u>
Gas Cost Level in Base Rates	\$3.700	\$2.084	\$1.805
Plus: Total PGA	(0.120)	0.155	0.850
Total Gas Cost Level in Rates	<u>\$3.580</u>	<u>\$2.239</u>	<u>\$2.655</u>

MONTANA-DAKOTA UTILITIES CO.
PGA TARIFF SHEET
EAST RIVER
EFFECTIVE DECEMBER 2001

	<u>General Service</u>	<u>100% Load Factor</u>
<u>Gas Cost Adjustment:</u>		
Prior Cumulative Gas Cost Adjustment	\$3.444	\$1.602
Current Gas Cost Adjustment (Exhibit D)	<u>\$1.360</u>	<u>\$1.367</u>
Cumulative Gas Cost Adjustment	\$4.804	\$2.969
<u>Surcharge Adjustment:</u>		
Current Adjustment (Exhibit F)	<u>(\$0.245)</u>	
TOTAL PGA	<u>\$4.559</u>	<u>\$2.969</u>
TOTAL PGA - Current	<u>\$3.464</u>	<u>\$1.602</u>
Net Increase (Decrease)	<u>\$1.095</u>	<u>\$1.367</u>
Gas Cost Level in Base Rates	\$0.000	\$0.000
Plus: Total PGA	<u>4.559</u>	<u>2.969</u>
Total Gas Cost Level in Rates	<u>\$4.559</u>	<u>\$2.969</u>

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF CURRENT GAS COST ADJUSTMENT
BLACK HILLS SYSTEM - RESIDENTIAL AND GENERAL SERVICE
EFFECTIVE DECEMBER 2001**

	Amount
Total Gas Costs 1/	\$22,213,041
Residential and General Service dk Requirements 2/	5,257,424
Average Cost of Gas per dk	\$4.225
Average Cost of Gas as Adjusted for Losses @ 98.88%	\$4.273
Less: Gas Cost Level in Base Tariff Rates 3/	\$3.700
Cumulative Gas Cost Adjustment	\$0.573
Less: Prior Cumulative Adjustment (PGA effective November 1, 2001)	(\$0.792)
Current Gas Cost Adjustment	\$1.365

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 4 - 7 for Williston Basin Interstate Pipeline Company currently effective rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit C.

2/ Normalized dk sales for the twelve months ended September 30, 2001, adjusted for losses at 1.12%

3/ Gas Cost Level in Base Tariff Rates:

Cost of Purchased Gas	\$3.659
Adjustment for Distribution Losses	0.9888
Gas Cost Level in Base Tariff Rates	\$3.700

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF CURRENT GAS COST ADJUSTMENT
BLACK HILLS SYSTEM - LARGE INTERRUPTIBLE
EFFECTIVE DECEMBER 2001**

	Amount
Total Gas Costs 1/	\$2,660,080
Large Interruptible Service dk Requirements	903,610
Average Cost of Gas per dk	\$2.944
Average Cost of Gas as Adjusted for Losses @ 98.88%	\$2.977
Less: Gas Cost Level in Base Tariff Rates 2/	\$2.084
Cumulative Gas Cost Adjustment	\$0.893
Less: Prior Cumulative Adjustment (PGA effective November 1, 2001)	(\$0.475)
Current Gas Cost Adjustment	\$1.368

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 4 - 7 for Williston Basin Interstate Pipeline Company currently effective rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit C, allocated to interruptible on MDDQ.

2/ Gas Cost Level in Base Tariff Rates:

Cost of Purchased Gas	\$2.061
Adjustment for Distribution Losses	0.9888
Gas Cost Level in Base Tariff Rates	\$2.084

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF CURRENT GAS COST ADJUSTMENT
BLACK HILLS SYSTEM - AIR FORCE
EFFECTIVE DECEMBER 2001**

	Amount
Total Gas Costs 1/	\$2,207,894
Air Force Interruptible Service dk Requirements	750,000
Average Cost of Gas per dk	\$2.944
Less: Gas Cost Level in Base Tariff Rates 2/	\$1.805
Cumulative Gas Cost Adjustment	\$1.139
Less: Prior Cumulative Adjustment (PGA effective November 1, 2001)	(\$0.214)
Current Gas Cost Adjustment	\$1.353

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 4 - 7 for Williston Basin Interstate Pipeline Company currently effective rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit C, allocated to the Air Force on MDDQ.

2/ Gas Cost Level in Base Tariff Rates:

Cost of Purchased Gas	\$1.785
Adjustment for Distribution Losses	0.9888
Gas Cost Level in Base Tariff Rates	\$1.805

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	GTI SURCHARGE A/	ACA SURCHARGE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE C/	BASE TARIFF RATE PLUS SURCHARGES
RATE SCHEDULE FT-1							
RESERVATION CHARGE							
MAXIMUM DAILY DELIVERY QUANTITY (MDDQ)							
MAXIMUM	RATE PER EQV. DKT PER MO.	927.619	B/	N.A.	N.A.	31.012	958.631 B/
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	0.000	N.A.	N.A.	N.A.	0.000
COMMODITY CHARGE							
MAXIMUM D/	RATE PER DKT	3.611	0.700	0.210	N.A.	N.A.	4.521
MINIMUM D/	RATE PER DKT	3.611	0.000	0.210	N.A.	N.A.	3.821
SCHEDULED OVERRUN CHARGE							
MAXIMUM D/	RATE PER DKT	38.456	0.700	0.210	N.A.	N.A.	39.366
MINIMUM D/	RATE PER DKT	3.611	0.000	0.210	N.A.	N.A.	3.821

- A/ GTI SURCHARGE IS APPLICABLE TO TRANSPORTATION DELIVERIES TO ALL DELIVERY POINTS EXCEPT POINTS OF INTERCONNECTION WITH GTI MEMBER PIPELINES. IF A TRANSPORTATION TRANSACTION IS DISCOUNTED, THE GTI SURCHARGE(S) WILL BE DEEMED TO BE THE FIRST COMPONENT OF THE TOTAL RATE TO BE DISCOUNTED.
- B/ A GTI SURCHARGE OF 9.000 CENTS PER EQUIVALENT DKT PER MONTH FOR SHIPPERS WITH LOAD FACTORS EXCEEDING 50% OR 5.500 CENTS PER EQUIVALENT DKT PER MONTH FOR SHIPPERS WITH LOAD FACTORS OF 50% OR LESS MAY ALSO APPLY TO SERVICE UNDER THIS RATE SCHEDULE IN ACCORDANCE WITH FOOTNOTE A.
- C/ THE GAS SUPPLY REALIGNMENT SURCHARGE CONSISTS OF 31.012 CENTS PER EQUIVALENT DKT FOR COSTS BEING RECOVERED PURSUANT TO DOCKET NO. RP00-165-000. THE RESERVATION CHARGE SURCHARGE IS BASED ON THE PROJECTED MAXIMUM DAILY DELIVERY QUANTITIES (BEFORE DISCOUNT).
- D/ SHIPPER MUST REIMBURSE TRANSPORTER FOR TRANSPORTATION FUEL USE, LOST AND UNACCOUNTED FOR GAS EITHER IN-KIND OR IN-DOLLARS AS SPECIFIED IN THE SERVICE AGREEMENT. FOR IN-KIND REIMBURSEMENT, THE APPLICABLE PERCENTAGE IS 3.552%, CONSISTING OF 3.757% FOR THE CURRENT PERCENTAGE AND (0.205)% FOR THE SURCHARGE ADJUSTMENT. FOR FUEL CHARGE REIMBURSEMENT IN-DOLLARS, THE APPLICABLE RATE IS 12.262 CENTS, CONSISTING OF 13.139 CENTS FOR THE CURRENT CHARGE AND (0.877) CENTS FOR THE SURCHARGE ADJUSTMENT. THESE PERCENTAGES OR CHARGES SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S TRANSMISSION FACILITIES.

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	GTI SURCHARGE	ACA SURCHARGE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
RATE SCHEDULE FT-1 CONTINUED							
FIRM GATHERING CHARGE							
MAXIMUM DAILY DELIVERY QUANTITY (MDDQ)							
MAXIMUM	RATE PER EQV. DKT PER MO.	965.986	N.A.	N.A.	N.A.	N.A.	965.986
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	N.A.	N.A.	0.000
COMMODITY GATHERING CHARGE							
MAXIMUM A/	RATE PER DKT	1.433	N.A.	N.A.	N.A.	N.A.	1.433
MINIMUM A/	RATE PER DKT	1.433	N.A.	N.A.	N.A.	N.A.	1.433
INTERRUPTIBLE GATHERING CHARGE							
MAXIMUM A/	RATE PER DKT	42.572	N.A.	N.A.	N.A.	N.A.	42.572
MINIMUM A/	RATE PER DKT	1.433	N.A.	N.A.	N.A.	N.A.	1.433

A/ SHIPPER MUST REIMBURSE TRANSPORTER FOR GATHERING FUEL USE, LOST AND UNACCOUNTED FOR GAS EITHER IN-KIND OR IN-DOLLARS AS SPECIFIED IN THE SERVICE AGREEMENT. FOR IN-KIND REIMBURSEMENT, THE APPLICABLE PERCENTAGE IS 0.174%, CONSISTING OF 0.682% FOR THE CURRENT PERCENTAGE AND (0.508)% FOR THE SURCHARGE ADJUSTMENT. FOR FUEL CHARGE REIMBURSEMENT IN-DOLLARS, THE APPLICABLE RATE IS 0.204 CENTS, CONSISTING OF 2.385 CENTS FOR THE CURRENT CHARGE AND (2.181) CENTS FOR THE SURCHARGE ADJUSTMENT. THESE PERCENTAGES OR CHARGES SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S GATHERING FACILITIES.

NOTICE OF CURRENTLY EFFECTIVE RATES
 (ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	GTI SURCHARGE	A/A SURCHARGE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
RATE SCHEDULE FTN-1							
RESERVATION CHARGE							
MAXIMUM DAILY DELIVERY QUANTITY (MBDD)							
MAXIMUM	RATE PER EQV. DKT PER MO.	58.288	N.A.	N.A.	N.A.	N.A.	58.288
MINIMUM	RATE PER EQV. DKT PER MO.	2.996	N.A.	N.A.	N.A.	N.A.	2.996
RATE SCHEDULE STN 1							
COMMODITY CHARGE							
MAXIMUM	RATE PER DKT	6.618	N.A.	N.A.	N.A.	N.A.	6.618
MINIMUM	RATE PER DKT	0.420	N.A.	N.A.	N.A.	N.A.	0.420

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	GTI SURCHARGE	ACA SURCHARGE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
RATE SCHEDULE FS-1							
CAPACITY RESERVATION:							
MAXIMUM	RATE PER EQV. DKT PER MO.	3.443	N.A.	N.A.	N.A.	N.A.	3.443
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	N.A.	N.A.	0.000
CAPACITY DELIVERABILITY:							
MAXIMUM	RATE PER EQV. DKT PER MO.	210.534	N.A.	N.A.	N.A.	N.A.	210.534
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	N.A.	N.A.	0.000
INJECTION:							
MAXIMUM A/	RATE PER DKT	1.632	N.A.	N.A.	N.A.	N.A.	1.632
MINIMUM A/	RATE PER DKT	1.632	N.A.	N.A.	N.A.	N.A.	1.632
WITHDRAWAL:							
MAXIMUM A/	RATE PER DKT	1.632	N.A.	N.A.	N.A.	N.A.	1.632
MINIMUM A/	RATE PER DKT	1.632	N.A.	N.A.	N.A.	N.A.	1.632
SCHEDULED OVERRUN CHARGE:							
INJECTION:							
MAXIMUM A/	RATE PER DKT	27.073	N.A.	N.A.	N.A.	N.A.	27.073
MINIMUM A/	RATE PER DKT	1.632	N.A.	N.A.	N.A.	N.A.	1.632
WITHDRAWAL:							
MAXIMUM A/	RATE PER DKT	27.073	N.A.	N.A.	N.A.	N.A.	27.073
MINIMUM A/	RATE PER DKT	1.632	N.A.	N.A.	N.A.	N.A.	1.632

A/ SHIPPER MUST REIMBURSE TRANSPORTER FOR STORAGE FUEL USE, LOST AND UNACCOUNTED FOR GAS EITHER IN-KIND OR IN-DOLLARS AS SPECIFIED IN THE SERVICE AGREEMENT. FOR IN-KIND REIMBURSEMENT, THE APPLICABLE PERCENTAGE IS 0.258%, CONSISTING OF 0.954% FOR THE CURRENT PERCENTAGE AND (0.696)% FOR THE SURCHARGE ADJUSTMENT. FOR FUEL CHARGE REIMBURSEMENT IN-DOLLARS, THE APPLICABLE RATE IS 0.351 CENTS, CONSISTING OF 3.336 CENTS FOR THE CURRENT CHARGE AND (2.985) CENTS FOR THE SURCHARGE ADJUSTMENT. THESE PERCENTAGES OR CHARGES SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS INJECTED AND/OR WITHDRAWN BY TRANSPORTER FOR SHIPPER'S ACCOUNT AT TRANSPORTER'S STORAGE FACILITIES.

MONTANA-DAKOTA UTILITIES CO.
RETURN ON CYCLE STORAGE BALANCES
AND PREPAID DEMAND AND COMMODITY BALANCES
BLACK HILLS

	General Service		
	Storage Balance 1/	Prepaid Commodity Balance 2/	Prepaid Demand
October 2001	\$4,278,037	\$427,018	\$1,468,603
November	3,810,651	357,115	1,215,934
December	2,846,576	227,860	629,383
January 2002	1,373,239	82,385	(28,228)
February	296,412	(26,553)	(446,602)
March	(369,341)	(101,122)	(775,939)
April	(251,904)	(108,418)	(759,815)
May	430,221	(76,831)	(470,387)
June	1,376,393	(26,262)	(16,050)
July	2,392,739	28,644	451,179
August	3,409,131	83,525	918,408
September	4,188,021	299,574	1,323,590
October	4,407,585	299,273	1,419,766
13 month average	\$2,168,289	\$112,785	\$379,219
Rate of Return	10.149%	10.149%	10.149%
Return	\$220,060	\$11,447	\$38,487
Return Requirement - Revenue	<u>\$339,062</u>	<u>\$17,637</u>	<u>\$59,300</u>

1/ Monthly balance from SENDOUT Model, allocated to the Black Hills system on the ratio of storage capacity MDDQ.

2/ Monthly balance allocated to the Black Hills system based on sales volumes.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF CURRENT GAS COST ADJUSTMENT
EAST RIVER- GENERAL SERVICE
EFFECTIVE DECEMBER 2001

	<u>Amount</u>
Total Gas Costs 1/	\$2,795,415
Residential and General Service dk Requirements 2/	587,791
Average Cost of Gas per dk	\$4.756
Average Cost of Gas as Adjusted for Losses @ 99%	\$4.804
Less: Gas Cost Level in Base Tariff Rates 3/	<u>\$0.000</u>
Cumulative Gas Cost Adjustment	\$4.804
Less: Prior Cumulative Adjustment (PGA effective November 1, 2001)	<u>\$3.444</u>
Current Gas Cost Adjustment	<u><u>\$1.360</u></u>

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 4 - 7 for Williston Basin Interstate Pipeline Company currently effective rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit D, page 3.

2/ Normalized dk sales for the twelve months ended September 30, 2001, adjusted for losses at 1%.

3/ Docket No. NG93-003.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF CURRENT GAS COST ADJUSTMENT
EAST RIVER - 100% LOAD FACTOR
EFFECTIVE DECEMBER 2001

	<u>Amount</u>
Total Gas Costs 1/	\$1,469,263
Dk Requirements	500,000
Average Cost of Gas per dk	\$2.939
Average Cost of Gas as Adjusted for Losses @ 99%	\$2.969
Less: Gas Cost Level in Base Tariff Rates	<u>\$0.000</u>
Cumulative Gas Cost Adjustment	\$2.969
Less: Prior Cumulative Adjustment (PGA effective November 1, 2001)	<u>\$1.602</u>
Current Gas Cost Adjustment	<u><u>\$1.367</u></u>

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 4 - 7 for Williston Basin Interstate Pipeline Company currently effective rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit D, page 3, allocated on MDDQ.

**MONTANA-DAKOTA UTILITIES CO.
RETURN ON CYCLE STORAGE BALANCES
AND PREPAID DEMAND AND COMMODITY BALANCES
EAST RIVER**

	General Service		
	Storage Balance 1/	Commodity Balance 2/	Prepaid Demand
October 2001	\$629,527	\$47,741	\$232,823
November	560,750	39,927	191,595
December	418,883	25,475	96,511
January 2002	202,077	9,211	(7,718)
February	43,618	(2,968)	(74,507)
March	(54,350)	(11,306)	(126,925)
April	(37,069)	(12,121)	(122,616)
May	63,308	(8,590)	(75,383)
June	202,541	(2,937)	(2,434)
July	352,099	3,203	72,613
August	501,665	9,339	147,472
September	616,281	33,493	211,820
October	648,591	33,459	226,619
13 month average	\$319,071	\$12,610	\$59,221
Rate of Return	10.271%	10.271%	10.271%
Return	\$32,772	\$1,295	\$6,083
Return Requirement - Revenue	<u>\$50,494</u>	<u>\$1,995</u>	<u>\$9,373</u>

1/ Monthly balance from SENDOUT Model, allocated to East River on ratio of storage capacity MDDQ.
2/ Monthly balance allocated to East River based on sales volumes.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO SOUTH DAKOTA
FIRM
TO BE EFFECTIVE DECEMBER 1, 2001 THROUGH APRIL 30, 2002

(Over)/under recovered gas costs @ September 30, 2001 (\$3,966,146)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
October	383,200	(\$0.181)	(69,359)
November	615,800	(0.181)	(111,460)
	999,000		(180,819)

Additional recovery required (\$3,785,327)

Projected sales volumes (dk)

December 2001	832,200	
January 2002	875,100	
February	720,600	
March	663,100	
April	440,000	
May	263,500	
June	157,000	
July	149,900	
August	149,900	
September	190,300	
October	391,500	
November	625,400	
Total		<u>5,458,500</u>

Total (over)/under recovered gas cost adjustment
to be effective December 1, 2001 through April 30, 2002 (\$0.693)

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO SOUTH DAKOTA
INTERRUPTIBLE
TO BE EFFECTIVE DECEMBER 1, 2001 THROUGH APRIL 30, 2002

(Over)/under recovered gas costs @ September 30, 2001 (\$62,853)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
October	6,400	(\$0.181)	(1,158)
November	7,900	(0.181)	(1,430)
	14,300		(2,588)
Additional recovery required			(\$60,265)

Projected sales volumes (dk)

December 2001	10,300	
January 2002	10,700	
February	9,600	
March	9,200	
April	6,800	
May	5,100	
June	3,800	
July	3,300	
August	3,400	
September	4,400	
October	6,400	
November	8,700	
Total		81,700

Total (over)/under recovered gas cost adjustment
to be effective December 1, 2001 through April 30, 2002 (\$0.738)

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO SOUTH DAKOTA
AIR FORCE
TO BE EFFECTIVE DECEMBER 1, 2001 THROUGH APRIL 30, 2002

(Over)/under recovered gas costs @ September 30, 2001 (\$206,243)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
October	45,800	(\$0.181)	(8,290)
November	71,200	(0.181)	(12,887)
	117,000		(21,177)

Additional recovery required (\$185,066)

Projected sales volumes (dk)

December 2001	99,700	
January 2002	104,400	
February	90,700	
March	82,100	
April	53,000	
May	28,500	
June	14,100	
July	12,900	
August	12,900	
September	18,700	
October	45,800	
November	77,700	
Total		640,500

Total (over)/under recovered gas cost adjustment
to be effective December 1, 2001 through April 30, 2002 (\$0.289)

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO SOUTH DAKOTA
FIRM

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Dk Sales	Adjustment Per Dk	Total Adjustment Amount	Net Change- Additions less Adjustment	Cumulative Balance
Balance @ February 28, 2001									<u>(\$881,793)</u>
March	(\$550,147)	(\$2,590) 2/	(\$2,253)	(\$554,990)	725,375	\$0.087	\$63,108	(\$618,098)	(1,499,891)
April	(31,691)	0	(3,297)	(34,988)	515,118	0.087	44,628	(79,616)	(1,579,507)
May	(142,656)	0	(3,228)	(145,884)	289,387	(0.181)	(52,379)	(93,505)	(1,673,012)
June	(920,118)	0	(3,285)	(923,403)	179,330	(0.181)	(32,459)	(890,944)	(2,563,956)
July	(714,811)	0	(5,027)	(719,838)	132,381	(0.181)	(23,961)	(695,877)	(3,259,833)
August	(56,224)	0	(6,103)	(62,327)	122,744	(0.181)	(22,217)	(40,110)	(3,299,943)
September	(683,748)	0	(4,821)	(688,569)	123,567	(0.181)	(22,366)	(666,203)	(3,966,146)
Balance @ September 30, 2001									<u>(\$3,966,146)</u>

1/ Interest calculated at 90 day Treasury Note rate.

2/ Northern Border refund.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO SOUTH DAKOTA
INTERRUPTIBLE

	(Over) Under Recovery	Refunds & Other	Interest 1/	Total Net Additions	Actual Dk Sales	Adjustment Per Dk	Total Adjustment Amount	Net Change- Additions less Adjustment	Cumulative Balance
Balance @ February 28, 2001									<u><u>\$44,537</u></u>
March	(\$10,120)	(\$12) 2/	\$107	(\$10,026)	13,157	\$0.005	\$66	(\$10,092)	34,445
April	(961)	0	71	(890)	8,407	0.005	42	(932)	33,513
May	(7,623)	0	65	(7,558)	6,756	0.472	3,189	(10,747)	22,766
June	(30,784)	0	42	(30,742)	5,949	0.472	2,808	(33,550)	(10,784)
July	(19,516)	0	(23)	(19,539)	3,548	0.472	1,675	(21,214)	(31,998)
August	1,143	0	(62)	1,081	3,354	0.472	1,583	(502)	(32,500)
September	(28,814)	0	(49)	(28,863)	3,157	0.472	1,490	(30,353)	(62,853)
Balance @ September 30, 2001									<u><u>(\$62,853)</u></u>

1/ Interest calculated at 90 day Treasury Note rate.

2/ Northern Border refund.

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO SOUTH DAKOTA
AIR FORCE**

	<u>(Over) Under Recovery</u>	<u>Refunds & Other</u>	<u>Interest 1/</u>	<u>Total Net Additions</u>	<u>Actual Dk Sales</u>	<u>Adjustment Per Dk</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ February 28, 2001									<u>(\$123,311)</u>
March	(\$23,450)	\$0	(\$303)	(\$23,753)	108,934	(\$0.010)	(\$1,089)	(\$22,664)	(145,975)
April	2,530	0	(314)	2,216	85,351	(0.010)	(854)	3,070	(142,905)
May	5,597	0	(287)	5,310	55,720	(0.195)	(10,865)	16,175	(126,730)
June	(10,611)	0	(245)	(10,856)	21,335	(0.195)	(4,160)	(6,696)	(133,426)
July	(43,131)	0	(259)	(43,390)	10,671	(0.195)	(2,081)	(41,309)	(174,735)
August	(34,379)	0	(324)	(34,703)	7,161	(0.195)	(1,396)	(33,307)	(208,042)
September	794	0	(302)	492	6,699	(0.195)	(1,307)	1,799	(206,243)
Balance @ September 30, 2001									<u>(\$206,243)</u>

1/ Interest calculated at 90 day Treasury Note rate.

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO SOUTH DAKOTA
FIRM**

	Dk	Amount	Cost per Dk
MARCH 2001-FEBRUARY UNBILLED			
Purchased gas	818,635	\$5,598,690	\$6.83906
Base cost of gas			7.44000
(Over) Under recovery per dk dk billed			(0.60094) 325,068
(Over) Under recovery			(\$195,346)
MARCH 2001			
Purchased gas	609,607	\$3,991,367	\$6.54744
Base cost of gas			7.44000
(Over) Under recovery per dk dk billed			(0.89256) 397,212
(Over) Under recovery			(\$354,536)
MARCH 2001 - APRIL BILLED			
Purchased gas	609,607	\$3,991,367	\$6.54744
Base cost of gas			6.63300
(Over) Under recovery per dk dk billed			(0.08556) 3,096
(Over) Under recovery			(\$265)
APRIL 2001-MARCH UNBILLED			
Purchased gas	609,607	\$3,991,367	\$6.54744
Base cost of gas			6.63300
(Over) Under recovery per dk dk billed			(0.08556) 206,809
(Over) Under recovery			(\$17,695)
APRIL 2001			
Purchased gas	404,474	\$2,664,362	\$6.58723
Base cost of gas			6.63300
(Over) Under recovery per dk dk billed			(0.04577) 307,610
(Over) Under recovery			(\$14,079)
APRIL 2001 - MAY BILLED			
Purchased gas	404,474	\$2,664,362	\$6.58723
Base cost of gas			6.46800
(Over) Under recovery per dk dk billed			0.11923 699
(Over) Under recovery			\$83
MAY 2001-APRIL UNBILLED			
Purchased gas	404,474	\$2,664,362	\$6.58723
Base cost of gas			6.46800
(Over) Under recovery per dk dk billed			0.11923 94,389
(Over) Under recovery			\$11,254

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO SOUTH DAKOTA
FIRM

	Dk	Amount	Cost per Dk
MAY 2001			
Purchased gas	211,557	\$1,200,367	\$5.67396
Base cost of gas			6.46800
(Over) Under recovery per dk			(0.79404)
dk billed			193,336
(Over) Under recovery			(\$153,516)
MAY 2001 - JUNE BILLED			
Purchased gas	211,557	\$1,200,367	\$5.67396
Base cost of gas			5.91100
(Over) Under recovery per dk			(0.23704)
dk billed			1,662
(Over) Under recovery			(\$394)
JUNE 2001-MAY UNBILLED			
Purchased gas	211,557	\$1,200,367	\$5.67396
Base cost of gas			5.91100
(Over) Under recovery per dk			(0.23704)
dk billed			15,483
(Over) Under recovery			(\$3,672)
JUNE 2001			
Purchased gas	151,161	\$47,711	\$0.31563
Base cost of gas			5.91100
(Over) Under recovery per dk			(5.59537)
dk billed			163,627
(Over) Under recovery			(\$915,554)
JUNE 2001 - JULY BILLED			
Purchased gas	151,161	\$47,711	\$0.31563
Base cost of gas			4.37700
(Over) Under recovery per dk			(4.06137)
dk billed			220
(Over) Under recovery			(\$892)
JULY 2001-JUNE UNBILLED			
Purchased gas	151,161	\$47,711	\$0.31563
Base cost of gas			4.37700
(Over) Under recovery per dk			(4.06137)
dk billed			(13,501)
(Over) Under recovery			\$54,834
JULY 2001			
Purchased gas	121,494	(\$110,678)	(\$0.91098)
Base cost of gas			4.37700
(Over) Under recovery per dk			(5.28798)
dk billed			143,248
(Over) Under recovery			(\$757,490)

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO SOUTH DAKOTA
FIRM**

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
JULY 2001 - AUGUST BILLED			
Purchased gas	121,494	(\$110,678)	(\$0.91098)
Base cost of gas			3.70300
(Over) Under recovery per dk dk billed			(4.61398) 2,634
(Over) Under recovery			(\$12,155)
AUGUST 2001-JULY UNBILLED			
Purchased gas	121,494	(\$110,678)	(\$0.91098)
Base cost of gas			3.70300
(Over) Under recovery per dk dk billed			(4.61398) (25,094)
(Over) Under recovery			\$115,779
AUGUST 2001			
Purchased gas	202,803	\$515,428	\$2.54152
Base cost of gas			3.70300
(Over) Under recovery per dk dk billed			(1.16148) 146,668
(Over) Under recovery			(\$170,352)
AUGUST 2001 - SEPTEMBER BILLED			
Purchased gas	202,803	\$515,428	\$2.54152
Base cost of gas			3.95400
(Over) Under recovery per dk dk billed			(1.41248) 1,169
(Over) Under recovery			(\$1,651)
SEPTEMBER 2001-AUGUST UNBILLED			
Purchased gas	202,803	\$515,428	\$2.54152
Base cost of gas			3.95400
(Over) Under recovery per dk dk billed			(1.41248) 54,271
(Over) Under recovery			(\$76,656)
SEPTEMBER 2001			
Purchased gas	146,620	(\$704,778)	(\$4.80683)
Base cost of gas			3.95400
(Over) Under recovery per dk dk billed			(8.76083) 56,345
(Over) Under recovery			(\$493,627)
SEPTEMBER 2001 - OCTOBER BILLED			
Purchased gas	146,620	(\$704,778)	(\$4.80683)
Base cost of gas			3.95400
(Over) Under recovery per dk dk billed			(8.76083) 12,951
(Over) Under recovery			(\$113,465)

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO SOUTH DAKOTA
INTERRUPTIBLE**

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
MARCH 2001-FEBRUARY UNBILLED			
Purchased gas	13,869	\$82,317	\$5.93535
Base cost of gas			6.21500
(Over) Under recovery per dk			(0.27965)
dk billed			2,675
(Over) Under recovery			(\$748)
MARCH 2001			
Purchased gas	10,437	\$55,534	\$5.32090
Base cost of gas			6.21500
(Over) Under recovery per dk			(0.89410)
dk billed			10,482
(Over) Under recovery			(\$9,372)
APRIL 2001-MARCH UNBILLED			
Purchased gas	10,437	\$55,534	\$5.32090
Base cost of gas			5.35000
(Over) Under recovery per dk			(0.02910)
dk billed			72
(Over) Under recovery			(\$2)
APRIL 2001			
Purchased gas	8,242	\$43,146	\$5.23491
Base cost of gas			5.35000
(Over) Under recovery per dk			(0.11509)
dk billed			8,335
(Over) Under recovery			(\$959)
MAY 2001-APRIL UNBILLED			
Purchased gas	8,242	\$43,146	\$5.23491
Base cost of gas			5.18200
(Over) Under recovery per dk			0.05291
dk billed			0
(Over) Under recovery			\$0
MAY 2001			
Purchased gas	7,142	\$28,952	\$4.05382
Base cost of gas			5.18200
(Over) Under recovery per dk			(1.12818)
dk billed			6,756
(Over) Under recovery			(\$7,623)
JUNE 2001-MAY UNBILLED			
Purchased gas	7,142	\$28,952	\$4.05382
Base cost of gas			4.60100
(Over) Under recovery per dk			(0.54718)
dk billed			467
(Over) Under recovery			(\$256)

**MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO SOUTH DAKOTA
INTERRUPTIBLE**

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
JUNE 2001			
Purchased gas	5,421	(\$5,249)	(\$0.96835)
Base cost of gas			4.60100
(Over) Under recovery per dk			(5.56935)
dk billed			5,482
(Over) Under recovery			(\$30,528)
JULY 2001-JUNE UNBILLED			
Purchased gas	5,421	(\$5,249)	(\$0.96835)
Base cost of gas			3.09300
(Over) Under recovery per dk			(4.06135)
dk billed			0
(Over) Under recovery			\$0
JULY 2001			
Purchased gas	3,508	(\$8,446)	(\$2.40761)
Base cost of gas			3.09300
(Over) Under recovery per dk			(5.50061)
dk billed			3,548
(Over) Under recovery			(\$19,516)
AUGUST 2001 - JULY UNBILLED			
Purchased gas	3,508	(\$8,446)	(\$2.40761)
Base cost of gas			2.42900
(Over) Under recovery per dk			(4.83661)
dk billed			0
(Over) Under recovery			\$0
AUGUST 2001			
Purchased gas	3,316	\$9,185	\$2.76985
Base cost of gas			2.42900
(Over) Under recovery per dk			0.34085
dk billed			3,354
(Over) Under recovery			\$1,143
SEPTEMBER 2001 - AUGUST UNBILLED			
Purchased gas	3,316	\$9,185	\$2.76985
Base cost of gas			2.67500
(Over) Under recovery per dk			0.09485
dk billed			0
(Over) Under recovery			\$0
SEPTEMBER 2001			
Purchased gas	3,122	(\$20,141)	(\$6.45116)
Base cost of gas			2.67500
(Over) Under recovery per dk			(9.12616)
dk billed			3,157
(Over) Under recovery			(\$28,814)

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO SOUTH DAKOTA
AIR FORCE

	Dk	Amount	Cost per Dk
MARCH 2001-INTERRUPTIBLE-FEBRUARY UNBILLED			
Purchased gas	107,447	\$637,284	\$5.93115
Base cost of gas			6.14500
(Over) Under recovery per dk			(0.21385)
dk billed			108.681
(Over) Under recovery			(\$23,241)
MARCH 2001-INTERRUPTIBLE			
Purchased gas	84,322	\$448,507	\$5.31898
Base cost of gas			6.14500
(Over) Under recovery per dk			(0.82602)
dk billed			252
(Over) Under recovery			(\$209)
APRIL 2001-INTERRUPTIBLE-MARCH UNBILLED			
Purchased gas	84,322	\$448,507	\$5.31898
Base cost of gas			5.28900
(Over) Under recovery per dk			0.02998
dk billed			85,025
(Over) Under recovery			\$2,549
APRIL 2001-INTERRUPTIBLE			
Purchased gas	85,112	\$288,283	\$5.23104
Base cost of gas			5.28900
(Over) Under recovery per dk			(0.05796)
dk billed			325
(Over) Under recovery			(\$19)
MAY 2001-INTERRUPTIBLE-APRIL UNBILLED			
Purchased gas	85,112	\$288,283	\$5.23104
Base cost of gas			5.12400
(Over) Under recovery per dk			0.10704
dk billed			85,417
(Over) Under recovery			\$5,881
MAY 2001-INTERRUPTIBLE			
Purchased gas	21,420	\$86,699	\$4.04759
Base cost of gas			5.12400
(Over) Under recovery per dk			(1.07641)
dk billed			310
(Over) Under recovery			\$334
JUNE 2001-INTERRUPTIBLE-MAY UNBILLED			
Purchased gas	21,420	\$86,699	\$4.04759
Base cost of gas			4.54900
(Over) Under recovery per dk			(0.50141)
dk billed			21,352
(Over) Under recovery			(\$10,705)

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO SOUTH DAKOTA
AIR FORCE

	Dk	Amount	Cost per Dk
JUNE 2001-INTERRUPTIBLE			
Purchased gas	10,496	(\$10,270)	(\$0.97850)
Base cost of gas			4.54904
(Over) Under recovery per dk			(\$5.52750)
dk billed			117
(Over) Under recovery			\$95
JULY 2001-INTERRUPTIBLE-JUNE UNBILLED			
Purchased gas	10,496	(\$10,270)	(\$0.97850)
Base cost of gas			3.05800
(Over) Under recovery per dk			(\$4.03650)
dk billed			10,632
(Over) Under recovery			(\$42,916)
JULY 2001-INTERRUPTIBLE			
Purchased gas	7,100	(\$17,142)	(\$2.41441)
Base cost of gas			3.05800
(Over) Under recovery per dk			(\$5.47241)
dk billed			39
(Over) Under recovery			(\$215)
AUGUST 2001-INTERRUPTIBLE-JULY UNBILLED			
Purchased gas	7,100	(\$17,142)	(\$2.41441)
Base cost of gas			2.40100
(Over) Under recovery per dk			(4.81541)
dk billed			7,141
(Over) Under recovery			(\$34,386)
AUGUST 2001-INTERRUPTIBLE			
Purchased gas	6,642	\$18,362	\$2.76450
Base cost of gas			2.40100
(Over) Under recovery per dk			0.36350
dk billed			20
(Over) Under recovery			\$7
SEPTEMBER 2001-INTERRUPTIBLE-AUGUST UNBILLED			
Purchased gas	6,642	\$18,362	\$2.76450
Base cost of gas			2.64400
(Over) Under recovery per dk			0.12050
dk billed			6,698
(Over) Under recovery			\$807
SEPTEMBER 2001-INTERRUPTIBLE			
Purchased gas	8,943	(\$57,745)	(\$6.45700)
Base cost of gas			2.64400
(Over) Under recovery per dk			(9.10100)
dk billed			1

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT
APPLICABLE TO EAST RIVER
GENERAL PURPOSE
TO BE EFFECTIVE DECEMBER 1, 2001 THROUGH APRIL 30, 2002

(Over)/under recovered gas costs @ September 30, 2001 (\$158,933)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
October	45,700	\$0.020	914
November	76,400	0.020	1,528
	122,100		2,442

Additional recovery required (\$161,375)

Projected sales volumes (dk)

December 2001	105,000	
January 2002	109,400	
February	89,600	
March	82,000	
April	52,000	
May	29,300	
June	15,700	
July	14,700	
August	14,800	
September	20,400	
October	46,800	
November	78,200	
Total		<u>657,900</u>

Total (over)/under recovered gas cost adjustment
to be effective December 1, 2001 through April 30, 2002 (\$0,245)

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE
APPLICABLE TO EAST RIVER
GENERAL PURPOSE

	<u>(Over) Under Recovery</u>	<u>Refunds & Other</u>	<u>interest 1/</u>	<u>Total Net Additions</u>	<u>Actual Dk Sales</u>	<u>Adjustment Per Dk</u>	<u>Total Adjustment Amount</u>	<u>Net Change- Additions less Adjustment</u>	<u>Cumulative Balance</u>
Balance @ February 28, 2001									<u>\$22,416</u>
March	(\$58,107)	(\$390) 2/	\$41	(\$58,456)	87,348	\$0.074	\$6,464	(64,920)	(\$42,504)
April	13,982	0	(104)	13,878	55,154	0.074	4,039	9,839	(32,665)
May	15,316	0	(78)	15,238	26,024	0.020	520	14,718	(17,947)
June	(14,081)	0	(46)	(14,127)	15,382	0.020	308	(14,435)	(32,382)
July	(46,750)	0	(74)	(46,824)	11,201	0.020	224	(47,048)	(79,430)
August	(30,616)	0	(158)	(30,774)	10,605	0.020	212	(30,986)	(110,416)
September	(48,121)	0	(168)	(48,289)	11,394	0.020	228	(48,517)	(158,933)
Balance @ September 30, 2001									<u>(\$158,933)</u>

1/ Interest calculated at 90 Day Treasury Note rate.

2/ Northern Border refund.

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO EAST RIVER
GENERAL PURPOSE

	Dk	Amount	Cost per Dk
MARCH 2001-FEBRUARY UNBILLED			
Purchased gas	96,825	\$711,794	\$7.35135
Base cost of gas			7.99900
(Over) Under recovery per dk			(0.64765)
dk billed			55,286
(Over) Under recovery			(\$35,806)
MARCH 2001			
Purchased gas	68,083	\$496,484	\$7.29234
Base cost of gas			7.99900
(Over) Under recovery per dk			(0.70666)
dk billed			31,650
(Over) Under recovery			(\$22,366)
MARCH 2001-FEBRUARY UNBILLED			
Purchased gas	12	\$79	\$6.55500
Base cost of gas			6.60000
(Over) Under recovery per dk			(0.04500)
dk billed			6
(Over) Under recovery			\$0
MARCH 2001			
Purchased gas	14	\$94	\$6.74143
Base cost of gas			6.60000
(Over) Under recovery per dk			0.14143
dk billed			8
(Over) Under recovery			\$1
MARCH 2001			
Purchased gas	88	\$713	\$8.09909
Base cost of gas			7.99900
(Over) Under recovery per dk			0.10009
dk billed			89
(Over) Under recovery			\$9
MARCH 2001 - APRIL BILLED			
Purchased gas	68,083	\$496,484	\$7.29234
Base cost of gas			7.11500
(Over) Under recovery per dk			0.17734
dk billed			308
(Over) Under recovery			\$55
APRIL 2001-MARCH UNBILLED			
Purchased gas	68,083	\$496,484	\$7.29234
Base cost of gas			7.11500
(Over) Under recovery per dk			0.17734
dk billed			36,571
(Over) Under recovery			\$6,485

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO EAST RIVER
GENERAL PURPOSE

	Dk	Amount	Cost per Dk
APRIL 2001			
Purchased gas	40,203	\$302,017	\$7.51229
Base cost of gas			7.11500
(Over) Under recovery per dk			0.39729
dk billed			17,790
(Over) Under recovery			\$7,068
APRIL 2001-MARCH UNBILLED			
Purchased gas	14	\$94	\$6.74143
Base cost of gas			6.60000
(Over) Under recovery per dk			0.14143
dk billed			6
(Over) Under recovery			\$1
APRIL 2001			
Purchased gas	(6)	(\$40)	\$6.60000
Base cost of gas			6.60000
(Over) Under recovery per dk			0.00000
dk billed			(6)
(Over) Under recovery			\$0
APRIL 2001 - MAY BILLED			
Purchased gas	40,203	\$302,017	\$7.51229
Base cost of gas			6.97300
(Over) Under recovery per dk			0.53929
dk billed			793
(Over) Under recovery			\$428
MAY 2001-APRIL UNBILLED			
Purchased gas	40,203	\$302,017	\$7.51229
Base cost of gas			6.97300
(Over) Under recovery per dk			0.53929
dk billed			21,884
(Over) Under recovery			\$11,802
MAY 2001			
Purchased gas	14,145	\$110,204	\$7.79105
Base cost of gas			6.97300
(Over) Under recovery per dk			0.81805
dk billed			3,901
(Over) Under recovery			\$3,191
MAY 2001 - JUNE BILLED			
Purchased gas	14,145	\$110,204	\$7.79105
Base cost of gas			6.44300
(Over) Under recovery per dk			1.34805
dk billed			239

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO EAST RIVER
GENERAL PURPOSE

	Dk	Amount	Cost per Dk
JUNE 2001-MAY UNBILLED			
Purchased gas	14,145	\$110,204	\$7.79105
Base cost of gas			6.44300
(Over) Under recovery per dk			1.34805
dk billed			10,097
(Over) Under recovery			\$13,611
JUNE 2001			
Purchased gas	12,671	\$15,174	\$1.19756
Base cost of gas			6.44300
(Over) Under recovery per dk			(5.24544)
dk billed			5.265
(Over) Under recovery			(\$27,616)
JUNE 2001 - JULY BILLED			
Purchased gas	12,671	\$15,174	\$1.19756
Base cost of gas			4.91300
(Over) Under recovery per dk			(3.71544)
dk billed			21
(Over) Under recovery			(\$76)
JULY 2001-JUNE UNBILLED			
Purchased gas	12,671	\$15,174	\$1.19756
Base cost of gas			4.91300
(Over) Under recovery per dk			(3.71544)
dk billed			8,064
(Over) Under recovery			(\$29,961)
JULY 2001			
Purchased gas	11,083	(\$4,914)	(\$0.44341)
Base cost of gas			4.91300
(Over) Under recovery per dk			(5.35641)
dk billed			3,115
(Over) Under recovery			(\$16,687)
JULY 2001			
Purchased gas	11,083	(\$4,914)	(\$0.44341)
Base cost of gas			4.24200
(Over) Under recovery per dk			(4.68541)
dk billed			22
(Over) Under recovery			(\$102)
AUGUST 2001-JULY UNBILLED			
Purchased gas	11,083	(\$4,914)	(\$0.44341)
Base cost of gas			4.24200
(Over) Under recovery per dk			(4.68541)
dk billed			8,010
(Over) Under recovery			(\$37,529)

MONTANA-DAKOTA UTILITIES CO.
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS
APPLICABLE TO EAST RIVER
GENERAL PURPOSE

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
AUGUST 2001			
Purchased gas	7,587	\$52,456	\$6.91393
Base cost of gas			4.24200
(Over) Under recovery per dk			2.67193
dk billed			2,509
(Over) Under recovery			\$6,704
AUGUST 2001 - SEPTEMBER BILLED			
Purchased gas	7,587	\$52,456	\$6.91393
Base cost of gas			4.49300
(Over) Under recovery per dk			2.42093
dk billed			86
(Over) Under recovery			\$209
SEPTEMBER 2001-AUGUST UNBILLED			
Purchased gas	7,587	\$52,456	\$6.91393
Base cost of gas			4.49300
(Over) Under recovery per dk			2.42093
dk billed			4,468
(Over) Under recovery			\$10,817
SEPTEMBER 2001			
Purchased gas	13,948	(\$56,032)	(\$4.01724)
Base cost of gas			4.49300
(Over) Under recovery per dk			(8.51024)
dk billed			6,483
(Over) Under recovery			(\$55,174)
SEPTEMBER 2001 - OCTOBER BILLED			
Purchased gas	13,948	(\$56,032)	(\$4.01724)
Base cost of gas			4.49300
(Over) Under recovery per dk			(8.51024)
dk billed			442
(Over) Under recovery			(\$3,764)

South Dakota Public Utilities Commission

WEEKLY FILINGS

For the Period of November 8, 2001 through November 14, 2001

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this filing. Phone: 605-773-3705 Fax: 605-773-3809

NATURAL GAS

NG01-011 In the Matter of the Filing by Montana-Dakota Utilities Co. for Approval of Waiver of its Purchased Gas Adjustment Tariff.

Application by Montana-Dakota Utilities Co. for approval of a waiver of terms of its tariffed purchased gas adjustment. Montana-Dakota Utilities Co. proposes to implement an out of cycle surcharge adjustment to pass back an over recovery in purchased gas costs during the period December 1, 2001 through April 30, 2002. The over recovery would be amortized over 12 months and the regular surcharge adjustment would be recalculated in May 2002.

Staff Analyst: Dave Jacobson
Staff Attorney: Karen Cremer
Date Docketed: 11/13/01
Intervention Deadline: 11/30/01

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You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc/>



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
(701) 222-7300

November 28, 2001

Ms. Debra Elofson
Executive Director
South Dakota Public Utilities
Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501

Re: Purchased Gas Cost Adjustment
December 2001

Dear Ms. Elofson:

Pursuant to South Dakota Codified Laws Chapter 49-34A-12, Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., requests waiver of the following Administrative Rules in the above reference filing submitted November 9, 2001: the 30 days notice to the Commission required by ARSD 20:10:13:15, the 30 days notice to the public required by ARSD 20:10:13:17 and a notice of the change 30 days before the effective date of the change required by ARSD 20:10:13:18. This request is being made to effectuate the out-of-cycle surcharge adjustment requested with the Purchased Gas Cost Adjustment to be effective December 1, 2001.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed stamped envelope.

Sincerely,



Donald R. Ball
Director of Regulatory Affairs

Attachments
c: D. Schulz
D. Gerdes

RECEIVED

NOV 30 2001

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING BY) ORDER GRANTING
MONTANA-DAKOTA UTILITIES CO. FOR) WAIVERS
APPROVAL OF WAIVER OF ITS PURCHASED)
GAS ADJUSTMENT TARIFF) NG01-011

On November 13, 2001, the Public Utilities Commission (Commission) received a filing from Montana-Dakota Utilities Company (MDU) for approval of a waiver of terms of its tariffed purchased gas adjustment. Montana-Dakota Utilities Co. proposes to implement an out-of-cycle surcharge adjustment to pass back an over recovery in purchased gas costs during the period December 1, 2001 through April 30, 2002. The over recovery would be amortized over 12 months and the regular surcharge adjustment would be recalculated in May 2002. On November 28, 2002, MDU filed a request for waiver of ARSD 20:10:13:15, 20:10:13:17, and 20:10:13:18 to effectuate the out-of-cycle surcharge adjustment requested with the purchased gas cost adjustment to be effective December 1, 2001.

At its regularly scheduled meeting on November 29, 2001, the Commission considered this matter. Commission Staff recommended approval of the waivers.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A-4 and 49-34A-6. The Commission further finds that the filing is just and reasonable and shall be approved. As the Commission's final decision in this matter, it is therefore

ORDERED, that the above mentioned waiver of the rules and the proposed waiver of terms of tariffed purchased gas adjustment is approved and is effective for service rendered on and after December 1, 2001.

Dated at Pierre, South Dakota, this 11th day of December, 2001.

CERTIFICATE OF SERVICE	
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.	
By	<u>Arlaine Kalbo</u>
Date	<u>12/11/01</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

February 25, 2002

Ms. Debra Elofson
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

RECEIVED

FEB 26 2002

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

RE: MidAmerican Energy Company
Gas Rate Case-Docket No. NG-01-011
Compliance Gas Tariffs

Dear Ms. Elofson:

On February 20, 2002 the South Dakota Public Utilities Commission held the Hearing on MidAmerican Energy Company's Gas Rate Case Docket No. NG-01-011. The commission ordered approval of the gas tariffs filed in the Settlement Filing. The Commission indicated that it expected to issue an Order approving the Gas Settlement Tariffs to become effective February 26, 2002.

MidAmerican hereby submits the following compliance gas tariffs as listed below:

South Dakota Gas Tariff
SD P.U.C. Section No.'s 1,11,111 and 111-A

Section No. 1

Fifth Revised Sheet No. 1

Cancels Fourth Revised Sheet No. 1

Section No. 11

Second Revised Sheet No. 1

Cancels First Revised Sheet No. 1

Section No. 111

Fourth Revised Sheet No. 1

Cancels Third Revised Sheet No. 1

Second Revised Sheet No. 11

Cancels First Revised Sheet No. 11

Second Revised Sheet No. 12

Cancels First Revised Sheet No. 12

Third Revised Sheet No. 13

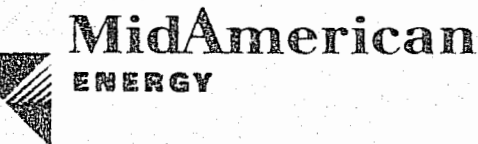
Cancels Second Revised Sheet No. 13

Third Revised Sheet No. 14

Cancels Second Revised Sheet No. 14

Third Revised Sheet No. 15

Cancels Second Revised Sheet No. 15



Continued Page 2
Ms. Debra Elofson

First Revised Sheet No. 23
Second Revised Sheet No. 24
Third Revised Sheet No. 25
Third Revised Sheet No. 26

Cancels Original Issue Sheet No. 23
Cancels First Revised Sheet No. 24
Cancels Second Revised Sheet No. 25
Cancels Second Revised Sheet No. 26

Section No. 111-A

Fourth Revised Sheet No. 3
Third Revised Sheet No. 4
Fourth Revised Sheet No. 5
Fourth Revised Sheet No. 6
Fourth Revised Sheet No. 7
Second Revised Sheet No. 8
Third Revised Sheet No. 26
First Revised Sheet No. 27
Second Revised Sheet No. 28
Fourth Revised Sheet No. 35
Second Revised Sheet No. 36
Second Revised Sheet No. 42

Cancels Third Revised Sheet No. 3
Cancels Second Revised Sheet No. 4
Cancels Third Revised Sheet No. 5
Cancels Third Revised Sheet No. 6
Cancels Third Revised Sheet No. 7
Cancels First Revised Sheet No. 8
Cancels Second Revised Sheet No. 26
Cancels Original Issue Sheet No. 27
Cancels First Revised Sheet No. 28
Cancels Third Revised Sheet No. 35
Cancels First Revised Sheet No. 36
Cancels First Revised Sheet No. 42

Gas Tariffs Effective February 26, 2002

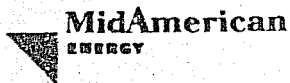
Please file-stamp one copy and return in the enclosed envelope. If you have any questions, please give me a call at (712) 277-7704.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Marvin G. Sorensen'.

Marvin G. Sorensen
Gas Pricing Strategist

Cc: Kelly Frazier
Suzan Stewart



MIDAMERICAN ENERGY COMPANY
P.O. Box 778
Sioux City, Iowa 51102

SOUTH DAKOTA GAS TARIFF
SD P.U.C. Section No. 1
Fifth Revised Sheet No. 1
Cancels Fourth Revised Sheet No. 1

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Date Filed: September 24, 2001

Effective Date: February 26, 2002

Issued By: James J. Howard
Vice President

MIDAMERICAN ENERGY COMPANY
P.O. Box 778
Sioux City, Iowa 51102

SOUTH DAKOTA GAS TARIFF
SD P.U.C. Section No. II
Second Revised Sheet No. 1
Cancels First Revised Sheet No. 1

PRELIMINARY STATEMENT

Territory Served

The Company provides natural gas service at retail to the following communities and their immediate environs in South Dakota:

Alcester	Ellis	North Sioux City
Baltic	Flandreau	Ramona
Beresford	Gayville	Salem
Brandon	Harrisburg	Sioux Falls
Canton	Hartford	Tea
Centerville	Jefferson	Vermillion
Colton	Lennox	Worthing
Dakota Dunes	McCook Lake	Yankton
Del Rapids	Meckling	
Elk Point	Montrose	

Types and Classes of Service

The Company has the following Classes of Service:

Gas Sales Service

Small Volume Firm (SVF)
Medium Volume Firm (MVF)
Large Volume Firm (LVF)
Small Volume Interruptible (SVI)
Large Volume Interruptible (LVI)
Economic Development Service (EDS)
Incremental Expansion (SD1)

Gas Transportation Service

Small Volume Transport (ST)
Medium Volume Transport (MT)
Large Volume Transport (LT)
Competitive Pricing Transportation Service (CPS)
Daily Balancing Service (DBS)
Group Balancing Service (GBS)
Firm Standby Service (FSS)

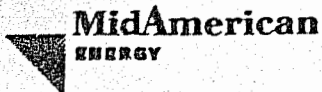
General Conditions of Service

All service is furnished under the provisions of the Company's Rules and Regulations set forth in Section No. V of the tariff schedules.

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Date Filed: September 24, 2001 Effective Date: February 26, 2002

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Vice President



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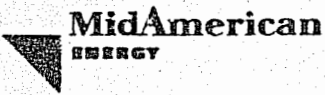
SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Fourth Revised Sheet No. 1
Cancels Third Revised Sheet No. 1

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Date Filed: September 24, 2001 Effective Date: February 26, 2002



MIDAMERICAN ENERGY COMPANY
 P.O. Box 778
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SOUTH DAKOTA GAS SALES TARIFF
 SD P.U.C. Section No. III
 Second Revised Sheet No. 11
 Cancels First Revised Sheet No. 11

DESIGNATION: Small Volume Firm (SVF)
CLASS OF SERVICE: Residential, Commercial and Industrial

1. Application

Available in all service areas in South Dakota.

Applicable to all firm natural gas service normally supplied through one meter at a single point of delivery for all residential, commercial, and industrial customers having peak day requirements of less than 500 therms. Not applicable for resale, standby or supplemental service. The Company's service rules and regulations shall apply.

2. Monthly Rate

	<u>SVF</u>
Service Charge per Meter:	\$ 7.50
Non-Gas Commodity Charge:	
First 250 therms per therm:	\$.17725
Balance per therm:	\$.11725

3. Clauses

Above rate subject to: Cost of Purchased Gas Adjustment Clause 1, (Sheet No. 3).
 Tax Adjustment Clause (Sheet No. 6).
 Btu Adjustment Clause (Sheet No. 7).

4. Bill Payment Provision

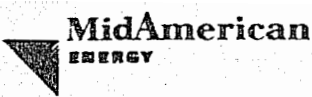
The rate is net. A late payment charge of 1.5% per month shall be added to the past due amount if the bill is not paid by the due date.

5. Minimum Charge

The minimum charge is the service charge plus the commodity charge for all therms used.

6. Terms of Tariff

In the event the customer orders a disconnection and a reconnection of service at the same premises within a period of twelve (12) months, the Company will collect a turn-on charge.



MIDAMERICAN ENERGY COMPANY
 P.O. Box 778
 Sioux City, Iowa 51102

SOUTH DAKOTA GAS SALES TARIFF
 SD P.U.C. Section No. III
 Second Revised Sheet No. 12
 Cancels First Revised Sheet No. 12

DESIGNATION: Medium Volume Firm (MVF)
CLASS OF SERVICE: Residential, Commercial and Industrial

1. Application

Available in all service areas in South Dakota.

Applicable to firm natural gas service normally supplied through one meter at a single point of delivery for all residential, commercial, and industrial customers having peak day requirements of less than 2,000 therms. Not applicable for resale, standby or supplemental service. The Company's service rules and regulations shall apply.

2. Monthly Rate

	<u>MVF</u>
Service Charge per Meter:	\$ 60.00
Non-Gas Commodity Charge per therm	\$.07201

3. Clauses

Above rate subject to: Cost of Purchased Gas Adjustment Clause 1, (Sheet No. 3).
 Tax Adjustment Clause (Sheet No. 6).
 Btu Adjustment Clause (Sheet No. 7).

4. Bill Payment Provision

The rate is net. A late payment charge of 1.5% per month shall be added to the past due amount if the bill is not paid by the due date.

5. Minimum Charge

The minimum charge is the service charge plus the commodity charge for all therms used.

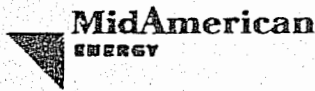
6. Terms of Tariff

In the event the customer orders a disconnection and a reconnection of service at the same premises within a period of twelve (12) months, the Company will collect a turn-on charge.

Date Filed: September 24, 2001

Effective Date: February 26, 2002

Issued By: James J. Howard
 Vice President



MIDAMERICAN ENERGY COMPANY
P.O. Box 778
Sioux City, Iowa 51102

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Third Revised Sheet No. 13
Cancels Second Revised Sheet No. 13

DESIGNATION: Large Volume Firm (LVF)
CLASS OF SERVICE: Commercial and Industrial

1. Application

Available in all service areas in South Dakota.

Applicable to all firm natural gas service normally supplied through one meter at a single point of delivery for all commercial and industrial customers having peak day requirements of 2,000 therms and higher. Not applicable for resale, standby or supplemental service. The Company's service rules and regulations shall apply.

2. Monthly Rate

	<u>LVF</u>
Service Charge per Meter:	\$ 275.00
Commodity Charge (per therm):	\$.03526

3. Clauses

Above rate subject to: Cost of Purchased Gas Adjustment Clause 2, (Sheet No.3).
Tax Adjustment Clause (Sheet No. 6).
Btu Adjustment Clause (Sheet No. 7).

4. Bill Payment Provision

The rate is net. A late payment charge of 1.5% per month shall be added to the past due amount if the bill is not paid by the due date.

5. Term of Contract

The term of the contract will be 12 months or as mutually agreed to by Company and customer. Extension and cancellation is based on individual written contract.

6. Minimum Charge

The minimum charge is the service charge plus the commodity charge for all therms used.

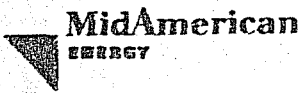
7. Terms of Tariff

In the event that a customer orders a disconnection and reconnection of service at the same premises within a period of twelve (12) months, the Company will collect a turn-on charge.

Date Filed: September 24, 2001

Effective Date: February 26, 2002

Issued By: James J. Howard
Vice President



MIDAMERICAN ENERGY COMPANY
P.O. Box 778
Sioux City, Iowa 51102

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Third Revised Sheet No. 14
Cancels Second Revised Sheet No. 14

DESIGNATION: Small Volume Interruptible (SVI)
CLASS OF SERVICE: Commercial and Industrial

1. Application

Available in all service areas in South Dakota.

Applicable to all natural gas service required by commercial and industrial customers to be supplied on an interruptible basis, having peak day requirements of less than 2,000 therms. The Company's service rules and regulations shall apply.

2. Monthly Rate

	<u>SVI</u>
Service Charge per Meter:	\$ 60.00
Non-Gas Commodity Charge per therm:	\$.07201

3. Clauses

Above rate subject to: Cost of Purchased Gas Adjustment Clause 3, (Sheet No. 3).
Tax Adjustment Clause (Sheet No. 6).
Btu Adjustment Clause (Sheet No. 7).

4. Bill Payment Provision

The rate is net. A late payment charge of 1.5% per month shall be added to the past due amount if the bill is not paid by the due date.

5. Minimum Charge

The term of this agreement is one year or as agreed. The minimum charge is the service charge plus the commodity charge for all therms used.

6. Terms of Tariff

In the event the customer orders a disconnection and a reconnection of service at the same premises within a period of twelve (12) months, the Company will collect a turn-on charge.

7. Special Provision

A customer electing interruptible service must have an alternate fuel capability or be willing to discontinue gas service during periods of curtailment.

8. Pipeline Demand Recovery

In the event an existing small or medium firm sales customer elects this service the customer shall be charged the Cost of Purchased Gas Adjustment Clause 1 until the Company is able to effectuate reduction with the interstate pipeline.

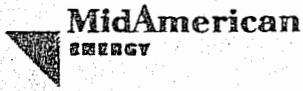
9. Optional Off Peak Firm Service

This service is available to Customers who want firm service during the off peak months of April through November for a minimum term of one year. The Customers selecting this service will be subject to a surcharge on all their consumption throughout the year. Customers must initially contact the Company by February 28 in order to sign up for this service prior to the start of the off peak season. The surcharge is included as part of the customer's Purchased Gas Adjustment clause. The actual surcharge will be available in Section III, Sheet No. 3, and will be published annually in April. Customers must contact the Company if they choose to discontinue this optional service.

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Vice President



MIDAMERICAN ENERGY COMPANY
P.O. Box 778
Sioux City, Iowa 51102

SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Third Revised Sheet No. 15
Cancels Second Revised Sheet No. 15

DESIGNATION: Large Volume Interruptible (LVI)
CLASS OF SERVICE: Commercial and Industrial

1. Application

Available in all service areas in South Dakota.

Applicable to all natural gas service required by customers to be supplied on an interruptible basis, having peak day requirements of 2,000 therms and higher. The Company's service rules and regulations shall apply.

2. Monthly Rate

	<u>LVI</u>
Service Charge per Meter:	\$ 275.00
Commodity Charge (per therm):	\$.03526

3. Clauses

Above rate subject to: Cost of Purchased Gas Adjustment Clause 3, (Sheet No. 3).
Tax Adjustment Clause (Sheet No. 6).
Btu Adjustment Clause (Sheet No. 7).

4. Bill Payment Provision

The rate is net. A late payment charge of 1.5% per month shall be added to the past due amount if the bill is not paid by the due date.

5. Minimum Charge

The term of this agreement is one year or as agreed. The minimum charge is the service charge plus the commodity charge for all therms used.

6. Terms of Tariff

In the event the customer orders a disconnection and a reconnection of service at the same premises within a period of twelve (12) months, the Company will collect a turn-on charge.

7. Special Provisions

A customer electing interruptible service must have an alternate fuel capability or be willing to discontinue gas service during periods of curtailment.

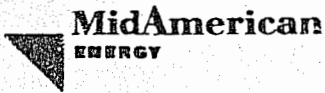
The above rate is also available for cogeneration loads. There are no peak day requirements for these uses.

8. Pipeline Demand Recovery

In the event an existing large firm sales customer elects this service the customer shall be charged the Cost of Purchased Gas Adjustment Clause 2 until the Company is able to effectuate reduction with the interstate pipeline.

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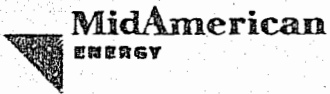
SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
First Revised Sheet No. 23
Cancels Original Issue Sheet No. 23

DESIGNATION:
CLASS OF SERVICE:

RESERVED FOR FUTURE USE

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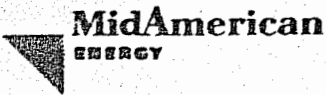
SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Second Revised Sheet No. 24
Cancels First Revised Sheet No. 24

DESIGNATION:
CLASS OF SERVICE:

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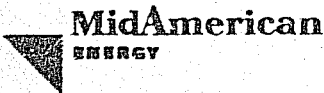
SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Third Revised Sheet No. 25
Cancels Second Revised Sheet No. 25

DESIGNATION:
CLASS OF SERVICE:

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SOUTH DAKOTA GAS SALES TARIFF
SD P.U.C. Section No. III
Third Revised Sheet No. 26
Cancels Second Revised Sheet No. 26

RATE DESIGNATION: Competitive Sales Service
CLASS OF SERVICE: Residential (SVF, MVF),
Commercial & Industrial (SVF, MVF, SVI, LVI, LVF)

1. Availability

This rate is available on an optional non-discriminatory basis, taking into consideration distance from competing natural gas services; volume of gas purchased; length of contract term; and other related costs and factors that affect both the Company and the Customer.

SVF – less than 500 therms peak day requirements
MVF, SVI – less than 2000 therms peak day requirements
LVF, LVI – greater than 2000 therms peak day requirements

2. Rates

Customer Charge:

SVF: Max \$7.50 per Delivery Point
MVF, SVI: Max \$60.00 per Delivery Point
LVF, LVI: Max \$275.00 per Delivery Point

Delivery Charge:

SVF: First 250 therms Max \$.17725- Min \$.00500
Balance therms Max \$.11725 Min \$.00500
MVF, SVI: All therms Max \$.07201 Min \$.00500
LVF, LVI: All therms Max \$03526 Min \$.00500

Minimum Monthly Billing: Negotiated rate pursuant to agreement

3. Clauses

Above rates subject to:

SVF, MVF: Cost of Purchased Gas Adjustment Clause 1, (Sheet No. 3)
LVF: Cost of Purchased Gas Adjustment Clause 2, (Sheet No. 3)
SVI, LVI: Cost of Purchased Gas Adjustment Clause 3, (Sheet No. 3)
All Rates: Tax Adjustment Clause (Sheet No. 6)
Btu Adjustment Clause (Sheet No. 7)

4. Bill Payment Provision

The rate is net. A late payment charge of 1.5% per month shall be added to the past due amount if the bill is not paid by the due date.

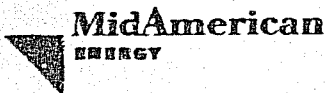
5. Incremental Cost Provision

A rate charged to any new or existing customer which is less than the maximum tariffed rate shall recover the incremental cost of serving that customer plus a margin. In all cases, MidAmerican shall be able to show that the competitive rate offered to a customer, recovers incremental cost plus a margin or that benefits exceed costs.

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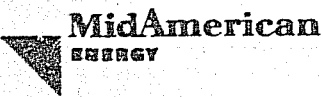


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SOUTH DAKOTA GAS TRANSPORTATION TARIFF
SD P.U.C. Section No. III-A
Fourth Revised Sheet No. 3
Cancels Third Revised Sheet No. 3

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SOUTH DAKOTA GAS TRANSPORTATION TARIFF
SD P.U.C. Section No. III-A
Third Revised Sheet No. 4
Cancels Second Revised Sheet No. 4

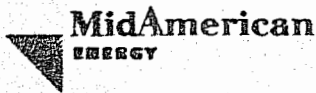
SECTION III-A INDEX (CONT)

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SOUTH DAKOTA GAS TRANSPORTATION TARIFF
 SD P.U.C. Section No. III-A
 Fourth Revised Sheet No. 5
 Cancels Third Revised Sheet No. 5

RATE DESIGNATION: Large Transport (LT)
CLASS OF SERVICE: Gas Transportation Tariffs

1. Applicability and Character of Service

This Transportation Service Tariff shall apply to gas purchased by Customer from a third-party supplier delivered to Company's system by an interstate pipeline, and received, transported, and delivered, on a firm basis, by Company to Customer's premises, when the Company and Customer have executed a Service Request Form.

2. Availability

This service is available to any Customer with facilities served by the Company who has peak day requirements of 2,000 therms or greater and has Company installed telemetric equipment in place to monitor daily usage. The customer may install telemetric equipment in accordance with Terms and Conditions specified in Transportation Tariff Sheet No. 32, part 8(b). Company shall have no obligation to provide gas supplies to customers that contract for this service without also contracting for Firm Supply Standby Service or other optional firm supply services that may be offered. In the event that a LT Customer seeks to purchase gas supplies from Company, such sales shall be at the sole discretion of Company.

3. Rates

Monthly Charges:

Service Charge:	\$ 275.00 per Billing Period per Delivery Point	
Commodity Charge:	\$.03526 per therm transported	I
Transportation Administrative Charge	\$ 35.00 per Billing Period per Delivery Point	N

System Exit Charges:

- Pipeline Demand, Rider No. 2
- Pipeline Transition, Rider No. 4

One-Time Charges:

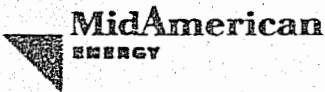
- Application Charge: \$250.00 with each request for service
- Telemetering: Actual cost of telemetry, installation and hardware.

Minimum Monthly Bill:

The Service Charge(s) and Transportation Administrative Charge(s) plus any Rider(s). N

4. Bill Payment Provision.

The rate is net. A late payment charge of 1.5 percent per month shall be added to the past-due amount if the bill is not paid by the due date.



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SOUTH DAKOTA GAS TRANSPORTATION TARIFF
 SD P.U.C. Section No. III-A
 Fourth Revised Sheet No. 6
 Cancels Third Revised Sheet No. 6

RATE DESIGNATION: Medium Transport (MT)
CLASS OF SERVICE: Gas Transportation Tariffs

1. Applicability and Character of Service

This Transportation Service Tariff shall apply to gas purchased by Customer from a third-party supplier delivered to Company's system by an interstate pipeline, and received, transported, and delivered, on a firm basis, by Company to Customer's premises, when the Company and Customer have executed a Service Request Form.

2. Availability

This service is available to any Customer with facilities served by the Company who has peak day requirements of less than 2,000 therms and has Company installed telemetric equipment in place to monitor daily usage. The customer may install telemetric equipment in accordance with Terms and Conditions specified in Transportation Tariff Sheet No. 32, part 8(b). Company shall have no obligation to provide gas supplies to customers that contract for this service without also contracting for Firm Supply Standby Service or other optional firm supply services which may be offered. In the event that a MT Customer seeks to purchase gas supplies from Company, such sales shall be at the sole discretion of Company.

3. Rates

Monthly Charges:

Service Charge:	\$ 60.00 per Billing Period per Delivery Point	
Commodity Charge:	\$.07201 per therm transported	I
Transportation Administrative Charge	\$ 35.00 per Billing Period per Delivery Point	N

System Exit Charges:

- Pipeline Demand, Rider No. 2
- Pipeline Transition, Rider No. 4

One-Time Charges:

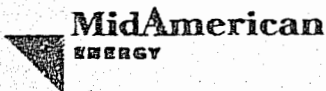
Application Charge:	\$250.00 with each request for service
Telemetry:	Actual cost of telemetry, installation and hardware.

Minimum Monthly Billing:

The Service Charge(s) and Transportation Administrative Charge(s) plus any Rider(s). N

4. Bill Payment Provision.

The rate is net. A late payment charge of 1.5 percent per month shall be added to the past-due amount if the bill is not paid by the due date.



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SOUTH DAKOTA GAS TRANSPORTATION TARIFF
 SD P.U.C. Section No. III-A
 Fourth Revised Sheet No. 7
 Cancels Third Revised Sheet No. 7

RATE DESIGNATION: Small Transport (ST)
CLASS OF SERVICE: Gas Transportation Tariffs

1. Applicability and Character of Service

This Transportation Service Tariff shall apply to gas purchased by Customer from a third-party supplier delivered to Company's system by an interstate pipeline, and received, transported, and delivered, on a firm basis, by Company to Customer's premises, when the Company and Customer have executed a Service Request Form.

2. Availability

This service is available to any Customer with facilities served by who has peak day requirements of less than 500 therms and has Company installed telemetric equipment in place to monitor daily usage. The customer may install telemetric equipment in accordance with Terms and Conditions specified in Transportation Tariff Sheet No. 32, part 8(b). Company shall have no obligation to provide gas supplies to customers that contract for this service without also contracting for Firm Supply Standby Service or other optional firm supply services which may be offered. In the event that a ST Customer seeks to purchase gas supplies from Company, such sales shall be at the sole discretion of Company.

3. Rates

Monthly Charges:

Service Charge:	\$ 7.50 per Billing Period per Delivery Point	D
Commodity Charge:		
First 250 therms transported	\$.17725 per therm	I
Balance per therm transported	\$.11725 per therm	I
Transportation Administrative Charge	\$ 35.00 per Billing Period per Delivery Point	N

System Exit Charges:

- Pipeline Demand, Rider No. 2
- Pipeline Transition, Rider No. 4

One-Time Charges:

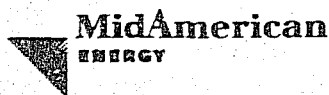
- Application Charge: \$250.00 with each request for service
- Telemetry: Actual cost of telemetry, installation and hardware.

Minimum Monthly Billing:

The Service Charge(s) and Transportation Administrative Charge(s) plus any Rider(s). N

4. Bill Payment Provision.

The rate is net. A late payment charge of 1.5 percent per month shall be added to the past-due amount if the bill is not paid by the due date.



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SOUTH DAKOTA GAS TRANSPORTATION TARIFF
 SD P.U.C. Section No. III-A
 Second Revised Sheet No. 8
 Cancels First Revised Sheet No. 8

RATE DESIGNATION: Competitive Transportation Service
CLASS OF SERVICE: Gas Transportation (ST, MT, LT)

1. Application

This rate is available on an optional non-discriminatory basis, taking into consideration distance from competing natural gas services; volume of gas purchased; length of contract term; and other related costs and factors that affect both the Company and the Customer.

2. Character of Service

This Transportation Service Tariff shall apply to gas purchased by Customer from a third-party supplier delivered to Company's system by an interstate pipeline, and received, transported, and delivered, on a firm basis, by Company's premises, when the Company and Customer have executed a Service Request Form.

3. Availability

This service is available to any Customer who has in place telemetric equipment to monitor daily usage. The Customer may install telemetric equipment in accordance with Terms and Conditions specified in Transportation Tariff Sheet No. 32, part 8(b). Company shall have no obligation to provide gas supplies to customers that contract for this service without also contracting for Firm Supply Standby Service or other optional firm supply services which may be offered. In the event that a customer seeks to purchase gas supplies from Company, such sales shall be at the sole discretion of Company.

- ST - less than 500 therms peak day requirements
- MT - less than 2000 therms peak day requirements
- LT - equal to or greater than 2000 therms peak day requirements

4. Rates

Monthly Customer Charge:

- ST: Max \$7.50 per Delivery Point
- MT: Max \$60.00 per Delivery Point
- LT: Max \$275.00 per Delivery Point

Transportation Administrative Charge:

\$35.00 per Billing Period per Delivery Point

Commodity Charge:

- ST: First 250 therms Max \$.17725 Min \$.00500
 Balance therms Max \$.11725 Min \$.00500
- MT: All therms Max \$.07201 Min \$.00500
- LT: All therms Max \$.03526 Min \$.00500

Minimum Monthly Billing:

The Service Charge(s) and Transportation Administrative Charge(s) plus any Rider(s).

System Exit Charges:

- Pipeline Demand, Rider No. 2
- Pipeline Transition, Rider No. 4

One-Time Charges:

- Application Charge: \$250.00 with each request for service
- Telemetry: Actual cost of telemetry, installation and hardware.

5. Bill Payment Provision

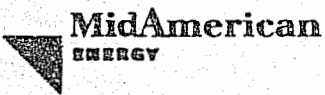
The rate is net. A late payment charge of 1.5% per month shall be added to the past due amount if the bill is not paid by the due date.

6. Incremental Cost Provision

A rate charged to any new or existing customer which is less than the maximum tariffed rate shall recover the incremental cost of serving that customer plus a margin. In all cases, MidAmerican shall be able to show that the competitive rate offered to a customer, recovers incremental cost plus a margin or that benefits exceed costs.

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SOUTH DAKOTA GAS TRANSPORTATION TARIFF
SD P.U.C. Section No. III-A
Third Revised Sheet No. 26
Cancels Second Revised Sheet No. 26

RATE DESIGNATION: Standby Service Options
CLASS OF SERVICE: Gas Transportation Tariff

Firm Supply Standby Service (FSS):

(a) Description - A Customer may elect to receive Firm Supply Standby Service to assure continued gas service when their own gas supply is interrupted. The Customer will be permitted to contract for daily delivery capacity under this standby option. This service is available for an annual period.

(b) Rates

Pipeline Demand Charge: Applicable pipeline charges

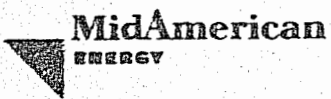
Commodity Charge: 110% of the Gas Daily interstate pipeline index including applicable interstate pipeline and Company transportation and fuel charges.

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SOUTH DAKOTA GAS TRANSPORTATION TARIFF
SD P.U.C. Section No. III-A
First Revised Sheet No. 27
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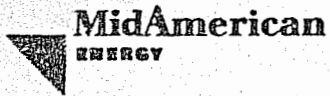
RATE DESIGNATION:
CLASS OF SERVICE: Gas Transportation Tariff

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SD P.U.C. Section No. III-A
Second Revised Sheet No. 28
Cancels First Revised Sheet No. 28

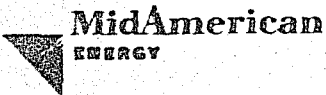
RATE DESIGNATION:
CLASS OF SERVICE: Gas Transportation Tariff

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SOUTH DAKOTA GAS TRANSPORTATION TARIFF
 SD P.U.C. Section No. III-A
 Fourth Revised Sheet No. 35
 Cancels Third Revised Sheet No. 35

RATE DESIGNATION: General Terms and Conditions (Con't.)
CLASS OF SERVICE: Gas Transportation Tariff

- (g) **Late Nominations:** The Company may, at its sole discretion, reduce the Nomination requirements outlined above in those situations where operationally the Company can accommodate a change in Nomination on less notice. Nominations shall be implemented only if they are confirmed by the interstate pipeline. For each Late Nomination, the Company will charge a Rescheduling Service fee of \$50 per Delivery Point. The charge will be imposed for each nomination change received and confirmed by the Company.
- (h) **MidAmerican ONLINE Transportation (MOT) Bulletin Board:** The MOT bulletin board is a functional electronic bulletin board available on a 24-hour basis via the Internet. This system offers access to daily nominations, usage, balancing information, system notifications, weather, and other pertinent information. Customers electing the MOT bulletin board shall be required to submit nominations electronically. Customers who choose not to utilize the MOT bulletin board will not have access to this information without charge.
- (i) **Operational Flow Order (OFO):** The Company may call an OFO on customers behind a specific pipeline, delivery zone, town border station; on a marketer, agent, group of customers, or specific customer. This OFO will result in requiring customers that the OFO was called on to balance gas volumes under either the Short or Long Critical Day provisions. The OFO will remain in effect until the operational condition requiring its issuance has been remedied. The type of OFO call and process the Company will use is as follows:

OFO call by pipeline, Delivery Zone, or Town Border Station (TBS). The Company will call a Short or Long Critical Day on a specific pipeline, delivery zone, or TBS for the following reasons:

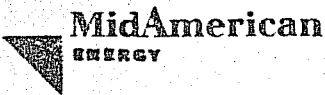
1. When the Company experiences failure of transmission, distribution, gas storage or gas manufacturing facilities.
2. When transmission system pressures or other unusual conditions jeopardize the operation of the Company's system.
3. When the Company's transportation, storage, and supply resources are being used at or near their maximum rated deliverability.
4. When any of the Company's transporters or suppliers call the equivalent of a Critical Day.
5. When the Company is unable to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a portion of the Company's system.

OFO call by a marketer, agent, group of customers, or specific customer. The Company will call a Short or Long Critical Day on a marketer, agent, group of customers or specific customer when in the Company's judgment, the OFO is necessary to maintain or restore operational integrity when a marketer, agent, group of customers, or specific customer is significantly delivering long or short during periods of significant gas price changes.

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SD P.U.C. Section No. III-A
Second Revised Sheet No. 36
Cancels First Revised Sheet No. 36

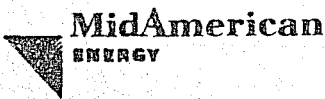
RATE DESIGNATION: General Terms and Conditions (Con't.)
CLASS OF SERVICE: Gas Transportation Tariff

13. **Provisions Applicable to Third Party Suppliers:** If a Gas Transportation Customer wishes to utilize brokers, marketers, or other third party suppliers ("Third Party Suppliers") either as agents or as suppliers of gas into the Company's system, the Customer must notify the Company in writing of the Third Party Supplier that will be used in any particular gas month and whether the Third Party Supplier will be acting as agent for Customer for making nominations. If the Customer is using a Third Party Supplier, Customer agrees that as between Company and Customer, the Company shall all be entitled to rely upon information concerning deliveries of natural gas on behalf of Customer provided by Third Party Supplier.
14. **Failure to Comply:** If the Customer or assigned agent fails to comply with or perform any of the obligations on its part to be complied with or performed under a Schedule, the Company shall have the right to give Customer written notice of the Company's intention to terminate the Transportation on account of such failure. The Company shall have the right to terminate such Transportation at the expiration of five days after the giving of said notice, unless within five days the Customer shall make good such failure. Termination of such Transportation for any such cause shall be a cumulative remedy as to the Company, and shall not release the Customer from its obligation to make payment of any amount or amounts due or to become due from the Customer to the Company under the applicable Schedule. In order to resume Transportation after termination of service hereunder, it shall be necessary for Customer to file a new request for service.
15. **Successors and Assigns:** Any party which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of any Customer shall be subject to the obligations of its predecessor in title under a Contract. No other assignment of a Contract or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto of the non-assigning party, which consent shall not be unreasonably withheld. Any party may assign its respective right, title, and interest in and to and under a Contract to a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities without the necessity of any such assignee becoming in any respect obligated to perform the obligation of the assignor under a Contract and, if any such trustee be a corporation, without its being required to qualify to do business in any state in which performance of a Contract may occur.

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SOUTH DAKOTA GAS TRANSPORTATION TARIFF
SD P.U.C. Section No. III-A
Second Revised Sheet No. 42
Cancels First Revised Sheet No. 42

RATE DESIGNATION: Rider No. 2 Pipeline Demand Rider
CLASS OF SERVICE: Gas Transportation Tariff

1. Applicable

Applicable to all transportation customers that contract for one of the Company's Gas Transportation services on or after November 15, 1995, and that previously received sales service under one of the Company's sales service rate schedules. This rider shall commence with the implementation of transportation service. Company shall cease charging the PDR to customer at the earlier of 1) actual termination of Company's obligation to pay the interstate pipeline for the pipeline demand charges previously related to customer's requirements or 2) November 1 of the second calendar year of transportation service for customer. This rider will not allow the ST, MT, or LT Customer the right to broker the use of the stranded capacity. Customer may give notification of switching to transportation in writing by June 1 at least 5-months prior to commencement of transportation service in order to avoid PDR charges once the customer starts transporting.

2. Pipeline Demand Rider

The Pipeline Demand Rider (PDR) is the surcharge per therm of natural gas transported. The surcharge shall be equal to the non-commodity cost of gas excluding transition costs, which shall be collected under the Pipeline Transition Rider, reflected in the monthly Purchased Gas Adjustment filings for the appropriate pipeline.

3. Gas Reconciliation

The company shall reflect the recovery of the PDR as a reduction to the sales customer's cost of gas on a dollar-for-dollar basis in the Annual Purchased Gas Adjustment Reconciliation.

4. Billing

For Transport customers, the PDR will be added as a separate line on the bill.

5. Permanent Capacity Release

Customer may elect to contract with the Company for a permanent release of peak day capacity requirements, currently used to serve the customer as determined by the Company, in lieu of being assessed the PDR surcharge. Company, in its discretion, shall have the right to specify which firm transportation entitlement contract is permanently released. Any transition costs related to permanently released capacity which are assessed against Company will be assigned to the customer taking the capacity assignment. This will primarily involve the transition costs collected on the firm transportation entitlements.

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