

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

**IN THE MATTER OF THE FILING BY )  
MONTANA-DAKOTA UTILITIES COMPANY )  
FOR AUTHORITY FOR DEFERRED )  
ACCOUNTING )**

**ORDER APPROVING  
PETITION  
  
EL09-025**

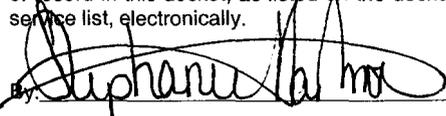
On December 17, 2009, Montana-Dakota Utilities Co. filed an application for authority for deferred accounting for costs related to Montana-Dakota's efforts in securing needed new electric generation to meet the needs of its customers, primarily the Big Stone II Generating Station, until disposition of its next general electric rate case. Absent deferred accounting, the expenditures associated with the electric generation development activity would be required to be recorded as an expense rather than capitalized as an asset now that the Big Stone II project has been discontinued. Deferred accounting will allow capitalization of the development costs until addressed in the next general electric rate case.

The Commission has jurisdiction in this matter pursuant to SDCL 49-34A.

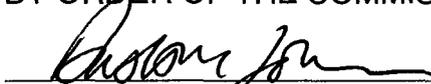
On February 9, 2010, the Commission considered this matter. Staff recommended approval of the petition with the conditions that the deferral/amortization accounting method and the resulting creation of a regulatory asset (the deferred balance) shall not preclude Commission review of these amounts for reasonableness for rate recovery in any determination of rates, including both rate filings by the company and rate reviews initiated by the Commission and with the condition that this allowance of a deferral/amortization accounting method and the resulting creation of a regulatory asset, after the related costs have been incurred, is not to be interpreted as allowing future post expenditure deferrals. The Commission's decision in this case is based on the facts of this case and any future allowance of the deferral/amortization accounting method and the resulting creation of a regulatory asset must be approved by the Commission. The Commission voted unanimously to approve the petition with the conditions recommended by Staff. It is therefore

ORDERED, that Montana-Dakota Utilities Co. petition is approved with the conditions that the deferral/amortization accounting method and the resulting creation of a regulatory asset (the deferred balance) shall not preclude Commission review of these amounts for reasonableness for rate recovery in any determination of rates, including both rate filings by the company and rate reviews initiated by the Commission and with the condition that this allowance of a deferral/amortization accounting method and the resulting creation of a regulatory asset, after the related costs have been incurred, is not to be interpreted as allowing future post expenditure deferrals. The Commission's decision in this case is based on the facts of this case and any future allowance of the deferral/amortization accounting method and the resulting creation of a regulatory asset must be approved by the Commission.

Dated at Pierre, South Dakota, this 11<sup>th</sup> day of February, 2010.

<b>CERTIFICATE OF SERVICE</b>
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, electronically.
By: 
Date: <u>02/11/10</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

  
DUSTIN M. JOHNSON, Chairman

  
STEVE KOLBECK, Commissioner

  
GARY HANSON, Commissioner