

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

IN THE MATTER OF THE APPLICATION FOR)	ORDER FOR AND NOTICE
AN ORDER ESTABLISHING A NATURAL GAS)	OF HEARING
UTILITY, AND TO ESTABLISH INITIAL)	
NATURAL GAS TRANSPORTATION RATES)	NG97-021
FOR NORTHERN STATES POWER COMPANY)	

On December 16, 1997, Northern States Power Company (NSP), filed with the Public Utilities Commission (Commission) an application for an order establishing a natural gas local distribution utility, and to establish initial natural gas transportation rates. The initial rate will allow NSP-SD to serve the new Hutchinson Technology, Inc. (HTI) facility in the Sioux Empire Development Park Number 5 in eastern Sioux Falls, South Dakota, through a new distribution lateral pipeline. HTI had contacted NSP-SD and requested the proposed service. The proposed tariff, rate schedule, and form of service agreement would establish NSP-SD as a regulated utility in the state of South Dakota, subject to Commission jurisdiction. The proposed maximum rate is a volumetric rate per Mcf with a per month fixed customer service charge. At present, only HTI is affected by the proposed rate and tariff. The HTI plant is expected to be in commercial operation in February of 1998. NSP also requested that the Commission waive the tariff schedule arrangement and form of tariff rules found at ARSD 20:10:13:04 and 20:10:13:05 to the extent necessary to accept the proposed tariff and rates on the proposed effective date of January 16, 1998. NSP further requested waiver of any other Commission rules necessary to allow the tariff and rate to be effective on the date requested. NSP has further requested the Commission to approve the proposed initial rate, subject to refund and subject to hearing, within 30 days following the date of the filing.

At its regularly scheduled meeting of January 8, 1998, the Commission ordered that pursuant to SDCL 49-1A-8, NSP shall be assessed a filing fee as requested by the executive director up to the statutory limit of \$100,000 and February 9, 1998, was established as the deadline for intervention. The Commission took under advisement the request by NSP to permit it to flow gas to its one customer, HTI. On January 12, 1998, at a duly noticed ad hoc meeting, the Commission unanimously voted to allow NSP to flow gas through its pipeline, subject to refund, in order to accommodate its customer, HTI. Commissioner Schoenfelder also asked for clarification as to whether the Commission has jurisdiction to regulate NSP-SD as a gas utility. Intervention was granted to MidAmerican Energy. An intervention request was also received from PAM Natural Gas (PAM). The Commission requested that PAM refile its request for intervention to clarify the filing. On February 23, 1998, PAM filed another request for intervention.

On April 7, 1998, NSP filed an amended application requesting that the title of the application be amended to allow it to seek to be regulated as a gas utility. On April 15, 1998, MidAmerican Energy filed an amended motion to intervene based on NSP's amended application. On April 22, 1998, at its regularly scheduled meeting, the Commission found that the Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically 1-26-17.1, 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-17, 49-34A-19, 49-34A-21, and ARSD 20:10:01:15.02 and .03. It also granted intervention to MidAmerican and PAM.

The procedural schedule for testimony shall be as follows:

DATE	PROCEDURAL SCHEDULE
December 11, 1998	Staff and Intervenors' Prefiled Testimony Due
December 23, 1998	Rebuttal Testimony Due

A hearing shall be held at 1:30 p.m., on Monday, January 4, 1999, in Room 412, State Capitol Building, 500 East Capitol, Pierre, South Dakota. The hearing is open to the public. All persons so testifying shall be subject to cross-examination.

The issues at the hearing are whether the Commission shall grant NSP's request to establish natural gas transportation tariffs and whether the Commission shall grant NSP's request for a waiver of ARSD rules 20:10:13:04 and 20:10:13:05.

The hearing shall be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights shall be forfeited if not exercised at the hearing. If you or your representative fail to appear at the time and place set for the hearing, the Final Decision will be based solely on the testimony and evidence provided, if any, during the hearing or a Final Decision may be issued by default pursuant to SDCL 1-26-20. After the hearing the Commission will consider all evidence and testimony that was presented at the hearing. The Commission will then enter Findings of Fact, Conclusions of Law, and a Final Decision regarding this matter. As a result of this hearing, the Commission shall determine whether it shall grant NSP's request to establish natural gas transportation tariffs and whether it shall grant NSP's request for a waiver of ARSD rules 20:10:13:04 and 20:10:13:05. The Commission's Final Decision may be appealed by the parties to the state Circuit Court and the state Supreme Court as provided by law. It is therefore

ORDERED that the procedural schedule set forth above shall be followed by all parties to these proceedings. It is further

ORDERED that the hearing shall be held at 1:30 p.m., on Monday, January 4, 1999, in Room 412, State Capitol Building, 500 East Capitol, Pierre, South Dakota.

Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 18th day of November, 1998.

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> Allaine Kachs </u>
Date:	<u> 11/18/98 </u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:
Commissioners Burg, Nelson and
Schoenfelder

 William Bullard, Jr.
WILLIAM BULLARD, JR.
Executive Director