

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

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| IN THE MATTER OF THE APPLICATION OF |) | ORDER GRANTING |
| ASSOCIATED MILK PRODUCERS, INC. |) | AUTHORITY TO CONTINUE |
| PIPELINE, INC. TO CONTINUE INTRASTATE |) | INTRASTATE NATURAL |
| NATURAL GAS TRANSPORTATION RATE |) | GAS TRANSPORTATION |
| AND ELIMINATE REFUND CONDITION |) | RATE AND ELIMINATE |
| |) | REFUND CONDITION |
| |) | NG00-004 |

On September 5, 1997, the Associated Milk Producers, Inc. Pipeline, Inc. (AMPIP), a subsidiary of Associated Milk Producers, Inc. (AMPI), filed with the Public Utilities Commission (Commission) an application requesting a revision to its natural gas transportation rate and tariff so it may serve both AMPI and a new municipal gas utility to be owned and operated by the City of Freeman, South Dakota (Freeman). AMPIP proposed an effective date of October 5, 1997.

By order dated October 3, 1997, the Commission allowed the transportation rate to go into effect on October 5, 1997, subject to refund and required AMPIP to deposit a filing fee pursuant to SDCL 49-1A-8. By amended order dated March 19, 1998, a hearing was scheduled for March 30, 1998, in Sioux Falls, South Dakota. The hearing was held as scheduled. At its May 12, 1998, meeting, the Commission considered this matter. The Commission ruled as follows: (1) AMPIP shall use a forecasted, 45 year levelized cost of service, calculated in the same manner as found on Exhibit 4; (2) the current \$.99 rate per Mcf shall be left in place until September 1, 2000, subject to refund at an interest rate of 9%; (3) any undercollections by AMPIP are at the risk of AMPIP; (4) depreciation on the facility shall begin when the plant was first used in March of 1996; (5) AMPIP shall refile the proposed tariffs that incorporate Staff's recommendations that AMPIP agreed to at the hearing for Staff's review; and (6) AMPIP shall submit an application for a change in the intrastate natural gas transportation rate by March 1, 2000. Chairman Burg dissented on the charging of interest.

On February 23, 2000, John Winter, Federal and Dakotas Regulatory Manager for Northern States Power Company (NSP), filed a request on behalf of AMPIP requesting an extension of the March 1, 2000, filing date to April 1, 2000. At its regularly scheduled February 29, 2000, meeting, the Commission unanimously voted to grant the request for an extension. On April 3, 2000, AMPIP filed its application.

At its regularly scheduled August 22, 2000, meeting the Commission considered the application. Commission Staff recommended authorizing AMPIP to continue to provide service at the rate approved by order dated June 2, 1998, and to remove any refund obligation due to overcollections from the period June 2, 1998, through September 1, 2000, and thereafter. Staff noted that there was no need for a waiver of administrative rules regarding the tariff schedule.

The Commission has jurisdiction over 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, and 49-34A-21. The Commission unanimously voted to authorize AMPIP to continue to provide service at the rate approved by order dated June 2, 1998, and to remove any refund obligation due to overcollections from the period June 2, 1998, through September 1, 2000, and thereafter. It is therefore

ORDERED, that AMPIP shall continue to provide service at the rate approved by order dated June 2, 1998, and that any refund obligation due to overcollections from the period June 2, 1998, through September 1, 2000, and thereafter, is removed.

Dated at Pierre, South Dakota, this 25th day of August, 2000.

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| <p align="center">CERTIFICATE OF SERVICE</p> <p>The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.</p> <p>By: <u><i>William Kalbo</i></u></p> <p>Date: <u>8/28/00</u></p> <p align="center">(OFFICIAL SEAL)</p> |
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BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner