

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

IN THE MATTER OF THE APPLICATION OF)	DECISION AND ORDER
MIDAMERICAN ENERGY COMPANY FOR)	APPROVING SETTLEMENT
AUTHORITY TO INCREASE RATES FOR)	STIPULATION
NATURAL GAS SERVICE)	NG01-010

On September 24, 2001, MidAmerican Energy Company (MidAmerican), filed with the Public Utilities Commission (Commission) an application to increase natural gas rates in South Dakota. The application sought an overall increase in rates in the approximate amount of \$3,697,000 or approximately 5.6%. The Company requested a change in rates to become effective for billings on and after October 27, 2001.

At its regularly scheduled meeting of October 10, 2001, the Commission found that pursuant to SDCL 49-1A-8, MidAmerican shall be assessed a filing fee as requested by the executive director up to the statutory limit of \$100,000. The Commission further established an intervention deadline of November 9, 2001. Pursuant to SDCL 49-34A-14, the Commission suspended the operation of the schedule of rates proposed by MidAmerican for 90 days beyond October 26, 2001. On November 29, 2001, the state of South Dakota (State) filed a late petition for leave to intervene in this docket. By order dated December 20, 2001, the Commission granted intervention to the State. By order dated January 31, 2002, the Commission extended the suspension of proposed rate for 60 days or until the entry of the final order of the Commission, whichever occurs first.

The Commission set the matter for hearing for February 20-21, 2002, starting at 9:00 A.M., on February 20, 2002, in the Crown Room, Kings Inn, 220 South Pierre Street, Pierre, South Dakota. On February 4, 2002, the Commission received a letter from Commission Staff stating that MidAmerican and Commission Staff had reached a proposed settlement agreement. Staff requested that the Commission consider the settlement agreement on February 20, 2002. Based on Staff's letter, the Commission cancelled the hearing set for February 20-21, 2002, which was scheduled to hear the testimony of the parties. On February 15, 2002, the Commission received the Settlement Stipulation signed by all of the parties and a Staff Memorandum Supporting Settlement Stipulation. The Commission also received a Motion to Modify from MidAmerican requesting that the Commission's January 31, 2002, order, which suspended MidAmerican's proposed rates for 60 days or until the entry of the final order of the Commission, be modified to allow MidAmerican to put the proposed rates into effect on February 20, 2002.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-34A, including 1-26-18, 1-26-19, 49-34A-2, 49-34A-3, 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-8.1, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-14, 49-34A-16, 49-34A-17, 49-34A-19, 49-34A-19.1, 49-34A-19.2, 49-34A-20, 49-34A-21, 49-34A-22, and 49-34A-23.

On February 20, 2002, the Commission heard from MidAmerican and Commission Staff concerning the proposed Settlement Stipulation. After listening to the presentations, the Commission voted to approve the Settlement Stipulation with the attached proposed tariff sheets, with the exception of the effective date which the Commission set for February 26, 2002. No one objected to changing the effective date. Customer bills shall be prorated so that usage prior to February 26, 2002, is billed at the previous rates and usage on and after February 26, 2002, is billed at the new rates. MidAmerican shall submit new tariff sheets with an effective date of February 26, 2002, except for proposed tariff sheets, Section III-A, Third Revised Sheets No. 20 and 21. The current tariff sheets, Section III-A, Second Revised Sheets No. 20 and 21, will remain in effect until MidAmerican requests implementation of the new tariff sheets.

It is therefore

ORDERED, that the Settlement Stipulation entered into among MidAmerican, Commission Staff, and the State, along with the attached tariff sheets are approved, with the exception of the effective date and Section III-A, Third Revised Sheets No. 20 and 21. The Settlement Stipulation is incorporated by reference into this Decision and Order the same as if it had been set forth in its entirety herein; and it is

FURTHER ORDERED, that customer bills shall be prorated so that usage prior to February 26, 2002, is billed at the previous rates and usage on and after February 26, 2002, is billed at the new rates.

Dated at Pierre, South Dakota, this 26th day of February, 2002.

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>Maime Kalbo</u>
Date:	<u>2/26/02</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Robert K. Sahr
ROBERT K. SAHR, Commissioner