

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

IN THE MATTER OF THE APPLICATION OF) MIDAMERICAN ENERGY COMPANY FOR) AUTHORITY TO INCREASE RATES FOR) NATURAL GAS SERVICE)	ORDER GRANTING JOINT) MOTION FOR APPROVAL) OF SETTLEMENT) STIPULATION) NG04-001)
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On April 2, 2004, MidAmerican Energy Company (MidAmerican), filed with the Public Utilities Commission (Commission) for approval to increase rates for natural gas service in its service territory by \$1,559,963 or approximately 1.5% of pro forma test year revenue. MidAmerican states the proposed increase for an average residential customer would be approximately \$2.50 per month. The proposed rates may potentially affect approximately 73,100 customers in MidAmerican Energy Company's service territory in southeastern South Dakota.

At its regularly scheduled meeting of April 26, 2004, 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 May 14, 2004. Pursuant to SDCL 49-34A-14, the Commission suspended the operation of the schedule of rates proposed by MidAmerican for 90 days beyond May 2, 2004. On May 14, 2004, Northern Natural Gas Company (Northern) filed a petition for intervention in this docket. On May 21, 2004, NorthWestern Services Corporation (NorthWestern) filed a petition to intervene in this docket. By order dated June 2, 2004, the Commission granted intervention to Northern. By order dated June 11, 2004, the Commission granted intervention to NorthWestern. By order dated July 27, 2004, the Commission extended the suspension of proposed rate for 60 days.

The Commission set the matter for hearing for August 17 and 18, 2004, starting at 1:00 P.M., on August 17, 2004, in Room 412, State Capitol, 500 East Capitol, Pierre, South Dakota. On August 3, 2004, 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 August 17, 2004. Based on Staff's letter, the Commission cancelled the hearing set for August 17 and 18, 2004, which was scheduled to hear the testimony of the parties. On August 12, 2004, the Commission received the Settlement Stipulation signed by all of the parties and a Joint Motion for Approval of Settlement Stipulation.

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 August 17, 2004, the Commission heard from MidAmerican and Commission Staff concerning the proposed Settlement Stipulation. After listening to the presentations, the Commission voted to grant the Joint Motion for Approval of Settlement Stipulation.

The tariff sheets approved by this order and effective for service rendered on and after September 30, 2004, are as follows:

Section No. 1
Sixth Revised Sheet No. 1, Cancels Fifth Revised Sheet No. 1

Section No. II

Fourth Revised Sheet No. 1, Cancels Third Revised Sheet No. 1

Section No. III

Third Revised Sheet No. 11, Cancels Second Revised Sheet No. 11

Third Revised Sheet No. 12, Cancels Second Revised Sheet No. 12

Fourth Revised Sheet No. 13, Cancels Third Revised Sheet No. 13

Sixth Revised Sheet No. 14, Cancels Fifth Revised Sheet No. 14

Sixth Revised Sheet No. 15, Cancels Fifth Revised Sheet No. 15

Third Revised Sheet No. 16, Cancels Second Revised Sheet No. 16

Fourth Revised Sheet No. 26, Cancels Third Revised Sheet No. 26

Third Revised Sheet No. 27, Cancels Second Revised Sheet No. 27

Section No. III-A

Fourth Revised Sheet No. 4, Cancels Third Revised Sheet No. 4

Fifth Revised Sheet No. 5, Cancels Fourth Revised Sheet No. 5

Fifth Revised Sheet No. 7, Cancels Fourth Revised Sheet No. 7

Third Revised Sheet No. 8, Cancels Second Revised Sheet No. 8

Fourth Revised Sheet No. 21, Cancels Third Revised Sheet No. 21

Fourth Revised Sheet No. 34, Cancels Third Revised Sheet No. 34

Third Revised Sheet No. 42, Cancels Second Revised Sheet No. 42

Fourth Revised Sheet No. 46, Cancels Third Revised Sheet No. 46

Original Sheet No. 47

It is therefore

ORDERED, that the Joint Motion for Approval of Settlement Stipulation is hereby granted. 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.

Dated at Pierre, South Dakota, this 26th day of August, 2004.

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><i>William Kolbe</i></u>
Date:	<u>8/27/04</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Robert K. Sahr
ROBERT K. SAHR, Chairman

Gary Hanson
GARY HANSON, Commissioner

James A. Burg
JAMES A. BURG, Commissioner