

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

IN THE MATTER OF THE FILING BY)	ORDER APPROVING
MONTANA-DAKOTA UTILITIES CO., A)	AMENDMENT TO
DIVISION OF MDU RESOURCES GROUP, INC.)	CONTRACT WITH
FOR APPROVAL OF AN AMENDMENT TO A)	DEVIATIONS
CONTRACT WITH DEVIATIONS WITH)	
MERILLAT CORPORATION)	NG06-005

On July 21, 2006, the Public Utilities Commission (Commission) received a filing by Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (MDU), requesting approval of its 5th Revised Sheet No. 1, Section No. 4, Volume No. 2, of MDU's State of South Dakota Gas Rate Schedule, covering Contracts with Deviations and the underlying amendment to the contract with Merillat Corporation (Merillat) of Rapid City, South Dakota. The proposed amendment would be effective November 1, 2006, through October 31, 2007.

MDU stated that Merillat is a large volume, high load factor customer, and it is in the best interest of the other customers for MDU to continue the agreement which will satisfy Merillat's request for firm sales gas service at a competitive price that allows MDU to continue to provide natural gas service to this facility.

The existing firm customers will continue to benefit under this through Merillat's contribution toward transmission pipeline demand costs and distribution cost recovery, which would not exist if Merillat were to utilize an alternate fuel.

In accordance with ARSD 20:10:13:30, MDU hereby requests that this request be approved by November 1, 2006.

On August 23, 2006, at a regularly scheduled meeting, the Commission considered the request for approval of the amendment to the Contract with Deviations.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A, specifically, 49-34A-6, 49-34A-8, 49-34A-10, and 49-34A-11. Further, the Commission finds that MDU's request for approval of an amendment to the Contract with Deviations is just and reasonable and shall be approved with an effective date of November 1, 2006. As the Commission's final decision in this matter, it is therefore

ORDERED, that as of November 1, 2006, the request seeking approval of an amendment to the Contract with Deviations is in the public interest and is hereby granted; and it is further

ORDERED, that the above mentioned tariff is approved and is effective as of November 1, 2006.

Dated at Pierre, South Dakota, this 11th day of September, 2006.

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: *Nelsine Kolbo*

Date: *9/11/06*

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Robert K. Sahr

ROBERT K. SAHR, Chairman

Dustin M. Johnson

DUSTIN M. JOHNSON, Commissioner

Gary Hanson

GARY HANSON, Commissioner