

**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)	NG07-019

On October 2, 2007, the Public Utilities Commission (Commission) received a filing by Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (MDU) requesting approval of Section No. 4, 6th Revised Sheet No. 1 and the underlying Amendment No. 4 dated September 6, 2007, to the current Agreement between Montana-Dakota and Merillat Corporation (Merillat). The existing agreement with Merillat was effective on November 1, 2003. Amendment No. 4 provides for service to continue to Merillat for a one-year period ending October 31, 2008, under the terms of the original contract with exceptions listed in the contract. This allocation of pipeline demand charges represents an increase of approximately 11 cents from the current pipeline charges based on a 100% load factor allocation.

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, 2007.

MDU further requests waiver of the 30 days notice to the Commission required by ARSD 20:10:13:15 and 30 days notice to the public required by ARSD 20:10:13:17.

On October 23, 2007, at a regularly scheduled meeting, the Commission considered the request for approval of 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, 2007. As the Commission's final decision in this matter, it is therefore

ORDERED, that as of November 1, 2007, 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 a waiver of the notice requirements of ARSD 20:10:13:15 and 20:10:13:17 shall be granted; and it is further

ORDERED, that the above mentioned tariff is approved and is effective as of November 1, 2007.

Dated at Pierre, South Dakota, this 30th day of October, 2007.

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>Melaine Kolbo</u>
Date: <u>10/31/07</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Dustin M. Johnson
DUSTIN M. JOHNSON, Chairman *dk*

Gary Hanson
GARY HANSON, Commissioner

Steve Kolbeck
STEVE KOLBECK, Commissioner