

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

**IN THE MATTER OF THE APPLICATION OF
MONTANA-DAKOTA UTILITIES CO. FOR
AUTHORITY TO INCREASE ITS NATURAL
GAS RATES**

) **ORDER FOR AND NOTICE OF**
) **PROCEDURAL SCHEDULE**
) **AND HEARING**
)
) **NG12-008**

On December 21, 2012, the South Dakota Public Utilities Commission (Commission) received an application from Montana-Dakota Utilities (MDU) for approval to increase rates for natural gas service to customers in its South Dakota service territory, consisting of the Black Hills and East River service areas, by approximately \$1.5 million based on MDU's test year ending June 30, 2012. MDU is also proposing to consolidate the Black Hills and East River areas into one rate jurisdiction. The Company states a typical residential customer in the Black Hills area using 75 dk on an annual basis will see an average increase of approximately \$3.00 per month while a typical residential customer in the East River area using 61 dk on an annual basis will see an average decrease of approximately \$1.10 per month. The proposed changes may potentially affect approximately 47,600 customers in MDU's Black Hills service area and approximately 7,200 customers in MDU's East River service area.

On December 28, 2012, the Commission electronically transmitted notice of the filing and the intervention deadline of February 22, 2013, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. On January 18, 2013, the Commission issued an Order of Assessment of Filing Fee and Suspension of Imposition of Tariff. On February 19, 2013, Federal Executive Agencies (FEA) filed a Petition to Intervene. On March 6, 2013, the Commission issued an Order granting intervention to FEA. The Commission received a Petition to Withdraw from FEA on April 19, 2013, and on May 10, 2013, the Commission issued an Order Granting Withdrawal.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically 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, 49-34A-21, and 49-34S-22, and ARSD Chapter 20:10:13.

The procedural schedule in this matter shall be as follows:

September 27, 2013	Staff Testimony filed and served
October 18, 2013	MDU Rebuttal Testimony filed and served
October 29-31, 2013	Hearing

A hearing shall be held commencing at 9:00 a.m. CDT, with marking of exhibits to begin at 8:30 a.m., on Tuesday, October 29, 2013, in Room 413, State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota, and continuing at 8:30 a.m. on Wednesday, October 30 – Thursday, October 31, 2013, in Room 413, State Capitol Building.

The issues for hearing are whether, and to what extent, the Commission shall approve (i) MDU's proposed consolidation of the Black Hills and East River areas into one rate jurisdiction; (ii) MDU's proposed increase in rates for retail natural gas service; and (iii) MDU's other proposed changes to its tariff provisions for service to its South Dakota natural gas customers.

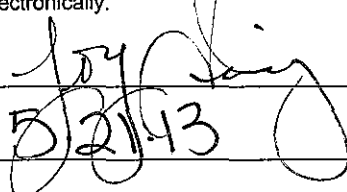
The hearing will be open to the public. The hearing will be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All persons testifying will be subject to cross-examination. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights may be forfeited if not exercised at the hearing. If a party or its representative fails to appear at the time and place set for the hearing, the Final Decision will be based solely on the testimony and exhibits, if any, offered and received in evidence at the hearing, or a Final Decision may be issued by default pursuant to SDCL 1-26-20. After the hearing, the Commission will consider all evidence and testimony that was received in evidence at the hearing. The Commission will then enter Findings of Fact, Conclusions of Law, and a Final Decision regarding this matter. As a result of this hearing, the Commission will determine whether to grant MDU's request to combine rate jurisdictions and implement revised natural gas rate schedules designed to produce additional annual revenues of approximately \$1.5 million. The Commission's Final Decision may be appealed by the parties to the state Circuit Court and the state Supreme Court as provided by law. It is therefore

ORDERED, that the procedural schedule set forth above shall be followed by all parties to these proceedings except as modified by order of the Commission or stipulation of the parties. It is further


ORDERED, that the hearing shall commence at 9:00 a.m. CDT, with marking of exhibits to begin at 8:30 a.m., on Tuesday, October 29, 2013, in Room 413, State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota, and continuing at 8:30 a.m. on Wednesday, October 30 – Thursday, October 31, 2013, in Room 413, State Capitol Building.

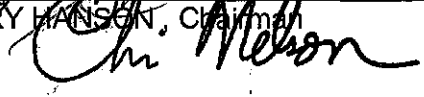
Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

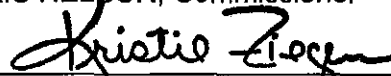
Dated at Pierre, South Dakota, this 21st day of May, 2013.

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, electronically.	
By:	
Date:	5/21/13
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:


GARY HANSON, Chairman


CHRIS NELSON, Commissioner


KRISTIE FIEGEN, Commissioner