

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

IN THE MATTER OF THE FILING BY)	ORDER APPROVING
MONTANA-DAKOTA UTILITIES CO. FOR)	TARIFF REVISIONS
APPROVAL OF ITS REVISED)	
CONSERVATION TRACKING ADJUSTMENT)	NG14-004

On May 9, 2014, the South Dakota Public Utilities Commission (Commission) received a filing by Montana-Dakota Utilities Co. (MDU) requesting approval of a revised Conservation Tracking Adjustment (CTA) pursuant to the terms of the Company's Conservation Program Tracking Mechanism Rate 90 tariff. The proposed CTA rate, applicable to service under Rates 60, 70, and 72, equates to \$0.043 per dk or an increase of \$0.032 per dk from the currently authorized CTA rate in the Black Hills area and an increase of \$0.020 per dk from the currently authorized CTA rate in the East River area. On May 21, 2014, MDU filed its responses to the Commission staff's (Staff) first set of data requests. On June 6, 2014, MDU filed its responses to Staff's second set of data requests. On June 17, Staff filed a Staff Memorandum with analyses and recommendations. On June 20, 2014, Staff filed an Addendum to Staff Memorandum. On June 25, 2014, MDU filed revised tariff sheets conforming to the Commission's decision. The revised tariff sheets are as follows:

State of South Dakota
Gas Rate Schedule - SDPUC Volume No. 2

Section No. 3

104th Revised Sheet No. 1
9th Revised Sheet No. 31

Canceling 103rd Revised Sheet No. 1
Canceling 8th Revised Sheet No. 31

At its regularly scheduled meeting on June 24, 2014, the Commission considered this matter. Staff recommended approval of the tariff revision adjusted to reflect a \$23,294 disallowance of MDU's 2013 budget overage to update MDU's CTA pursuant to the terms of the Company's Conservation Program Tracking Mechanism Rate 90 tariff, effective July 1, 2014. Staff also recommended approval of MDU's 2014 budget as proposed. A majority of the Commission, with Commissioner Fiegen dissenting, voted to approve the proposed program for 2014, but at a budget of \$135,000, with a 110% overage cap for both the budget and incentive, with a 50% recovery of the 2013 spending over the Commission approved 125% of budget flexibility amount or \$23,294, and with the programmable thermostat program remaining available to individual customers as well as contractors and to approve tariff revisions conforming to the decision effective July 1, 2014.

It is therefore

ORDERED, that MDU's Conservation Tracking Adjustment is approved and the proposed program is approved for 2014 at a budget of \$135,000, with a 110% overage cap for both the budget and incentive, with a 50% recovery of the 2013 spending over the Commission approved 125% of budget flexibility amount or \$23,294, and with the programmable thermostat program remaining available to individual customers as well as contractors. It is further

ORDERED, that revisions to MDU's above-referenced tariff sheets conforming to this Order are approved effective July 1, 2014.

Dated at Pierre, South Dakota, this 30th day of June, 2014.

<p style="text-align: center;">CERTIFICATE OF SERVICE</p> <p>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.</p> <p>By: <u><i>Joy Lashley</i></u></p> <p>Date: <u><i>6.30.14</i></u></p> <p style="text-align: center;">(OFFICIAL SEAL)</p>

BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Chris Nelson
CHRIS NELSON, Commissioner

KRISTIE FIEGEN, Commissioner, dissenting