

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

**IN THE MATTER OF THE FILING BY)
MONTANA-DAKOTA UTILITIES CO.)
FOR APPROVAL OF ITS)
CONSERVATION PORTFOLIO PLAN)
2015-2017)**

**ORDER APPROVING 2015-2017
NATURAL GAS CONSERVATION
PORTFOLIO

NG14-007**

On October 3, 2014, the South Dakota Public Utilities Commission (Commission) received a request by Montana-Dakota Utilities Co. (MDU) for approval of its South Dakota Natural Gas Conservation Portfolio Plan for calendar years 2015-2017. The proposed portfolio is a continuation of the current portfolio, approved by the Commission in docket NG11-006, with the removal of the Residential Water Heating program. MDU proposes that the current programs authorized in Docket No. NG11-006 continue through the remainder of 2014 with the new portfolio starting January 1, 2015.

On October 9, 2014, the Commission electronically transmitted notice of the filing and the intervention deadline of October 24, 2014, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were filed. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A.

At its regularly scheduled meeting on December 23, 2014, the Commission considered this matter. The Commission's staff (Staff) recommended approval of MDU's proposed portfolio of Natural Gas Conservation Programs to be effective for calendar years 2015-2017 and further recommended setting a performance incentive cap based on MDU's tax adjusted rate of return multiplied by 100% of the approved budget. After a thorough discussion of the matter by Commissioners, MDU, and Staff, the Commission voted unanimously to approve MDU's proposed 2015-2017 Natural Gas Conservation Portfolio Plan for calendar years 2015-2017 except for the Energy Audit Program, which the Commission voted to remove from the plan due to the unavailability of the plan in MDU's western region and the resulting discriminatory subsidy effect this would result in for customers in the western region. It is therefore

ORDERED, that MDU's performance incentive cap shall be based on the company's tax adjusted rate of return multiplied by 100% of the approved budget. It is further

ORDERED, that MDU's 2015-2017 Natural Gas Conservation Portfolio Plan is approved with the exclusion of the Energy Audit Program effective January 1, 2015.

Dated at Pierre, South Dakota, this 31ST day of December, 2014.

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: <u>Tina Daugherty</u>
Date: <u>12-31-14</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Gary Hanson

GARY HANSON, Chairman

Chris Nelson

CHRIS NELSON, Commissioner

Kristie Fiegen

KRISTIE FIEGEN, Commissioner