

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

IN THE MATTER OF THE APPLICATION OF MIDWEST POWER TO INCREASE ELECTRIC RATES IN SOUTH DAKOTA)))))	FINAL DECISION AND ORDER EL95-011
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On May 16, 1995, Midwest Power, a division of Midwest Power Systems, Inc. (Midwest) filed with the Public Utilities Commission (Commission) an application for approval to increase its rates for electric service.

The Company proposes a total increase of \$346,176. Midwest states the revised rate schedules would produce an annual increase in South Dakota electric revenue to Midwest of approximately 8.4% based on the test year ending December 31, 1994, as adjusted. The rate increase was proposed to become effective August 1, 1995, and would affect approximately 2,600 South Dakota electric customers. Midwest asserts the reasons for the proposed change in electric rates are increased operating expenses since Midwest's last general increase was decided on February 24, 1984.

At a regularly scheduled meeting of May 30, 1995, the Commission reviewed Midwest's filing. The Commission found that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically, SDCL 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-19, 49-34A-19.2, and 49-34A-21.

On May 30, 1995, the Commission held that any individual or entity could file a petition to intervene pursuant to SDCL 1-26-17.1 and ARSD 20:10:01:15.02 and .03, or could comment on the merits of Midwest's filing on or before June 30, 1995. No parties sought intervention. The Commission also set the procedural schedule and assessed a filing fee. By order dated August 24, 1995, the Commission amended the procedural schedule. By order dated August 31, 1995, the Commission suspended the proposed effective date for the increase in rates. The proposed effective date of August 1, 1995, was suspended for a period of ninety days from and after August 1, 1995.

On November 17, 1995, Commission Staff and Midwest entered into a Settlement Stipulation. The Commission set the time and place for hearing for November 20, 1995, at 1:30 p.m. in Room 413 of the State Capitol Building in Pierre. The issue at the hearing was whether the Settlement Stipulation entered into

between Commission Staff and Midwest should be accepted and approved.

The hearing was held as scheduled. Commission Staff and Midwest presented the Settlement Stipulation to the Commission. The Commission waived the ten day written notice of hearing for good cause pursuant to ARSD 20:10:01:22.02.

Midwest proposed a total increase of \$346,176 which would produce an annual increase in South Dakota electric revenues approximating 8.4%. Midwest filed supporting information purporting to justify an increase of over \$830,000, but proposed a smaller increase in order to achieve a better match between its South Dakota rate structure and its Iowa rate structure. Staff's prepared cost of service indicated a necessary increase of \$613,348 to support an 11% return on equity. The Settlement Stipulation provides for a total annual revenue increase of approximately \$344,279.

In the Settlement Stipulation, the service charge for residential rates would increase from \$5.00 to \$7.00. Base rates would not include fuel or energy charges. Residential rates would increase 19.6% as a whole. General Service rates would increase by 9.5% and Large General Service rates would decrease by 3.2%. Lighting Service rates would increase by 1.2%. Reconnection charges would be increased from \$10.00 to \$20.00 during normal business hours and to \$30.00 after business hours. The revised rate schedules would become effective for bills rendered on and after December 1, 1995. The Settlement Stipulation did not require Midwest to pro-rate electric service billings for usage prior to December 1, 1995, in exchange for a later implementation date than could have been allowed under SDCL 49-34A-17.

After discussing the Settlement Stipulation, the Commission voted to approve and accept the Settlement Stipulation. The Commission finds that the following rate schedules and related tariff sheets for the company's Electric Tariff No. 1 are consistent with the revenue levels and rate design agreed to in the Settlement Stipulation and shall be approved:

Original Title Sheet

Section No. 1, Original Sheet Nos. i and ii

Section No. 2, Original Sheet Nos. I, II, and III

Section No. 3, Original Sheet Nos. D-I, D-II, D-III, D-IV, D-V, D-VI, D-VII, D-VIII, D-IX, C-1, C-1a, C-2, D-1, D-2, D-3, D-4, D-4a, D-5, D-5a, D-6, D-6a, D-7 thru D-10, D-11, D-12, D-12a, D-13, D-13a, D-14, D-14a, D-15, D-15a, D-16, D-16a, D-16b, D-17, D-17a, D-17b, D-18, D-18a, D-19, D-19a, D-20, D-21, D-21a, D-22, D-22a, D-23,

D-23a, D-24, D-24a, D-25, D-26, D-26a, D-26b, D-27, D-27a, D-27b, D-28, D-28a, D-28b, D-29 thru D-40, D-41, D-41a, D-41b, D-41c, D-41d, D-41e, D-42 thru D-44, D-45, D-46, D-47 thru D-49, D-50, D-50a, D-50b, D-50c, and D-50d

Section No. 4, Original Sheet No. D-51

Section No. 5, Original Sheet Nos. 1, 2, 3, 3A, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 13a, 14, 15, 16, 17, 18-24, and 25

Section No. 6, Original Sheet Nos. 1, 1a, 2, 3, 4, 5, 6, 7, and 8

It is therefore

ORDERED, that the Settlement Stipulation entered into between Midwest and Commission Staff on November 17, 1995, shall be approved; and it is

FURTHER ORDERED, that the Settlement Stipulation is hereby incorporated by reference and attached to this Order as Exhibit 1; and it is

FURTHER ORDERED, that the rate schedules and related tariff sheets listed above shall be effective for billings rendered on and after December 1, 1995.

Dated at Pierre, South Dakota, this 29th day of November, 1995.

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>[Signature]</u>
Date	<u>11-29-95</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

[Signature]
KENNETH STOFFERAHN, Chairman

[Signature]
JAMES A. BURG, Commissioner

[Signature]
LASKA SCHOENFELDER, Commissioner