



Northwestern Public Service
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NG97-013

RECEIVED

AUG 29 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

August 28, 1997

Mr. William Bullard
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501-5070

Re: Gas Transportation Tariff Change - Fuel Retention Percentage

Dear Mr. Bullard:

Enclosed are an original and ten copies of 2nd Revised Sheet No. 6.2 of Section No. 5 of Northwestern's filed Natural Gas Tariff. This filing is made to comply with the fuel retention provisions of Paragraph 7 of the Gas Transportation Tariff General Terms and Conditions. Those provisions call for the retention percentage for the Company's South Dakota distribution system to be adjusted annually, to be effective October 1, based on the actual percentage incurred by the Company for the prior 12 month period ending July 31.

The new fuel retention percentage proposed to be effective October 1, 1997 is 2.17%. This is a decrease of 0.89% from the currently effective retention percentage of 3.06%. Exhibit A, attached, shows the computation of the actual percentage incurred by the Company for the twelve month period ending July 1, 1997.

Northwestern asks that the proposed retention percentage be approved to be effective October 1, 1997. In addition, we request a waiver of any and all applicable notice requirements, if any, necessary to allow said retention percentage to be effective as proposed.

Sincerely,

A handwritten signature in cursive script that reads "Thomas P. Hitchcock".

Thomas P. Hitchcock
Manager - Regulatory and Pricing Services

enclosure

SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE COMPANY

Section No. 5

HURON

2nd Revised

Sheet No. 6.2

SOUTH DAKOTA

Canceling 1st Revised

Sheet No. 6.2

CLASS OF SERVICE: Gas Transportation Tariffs
RATE DESIGNATION: General Terms and Conditions

(Con't)

6. Liability:

- (a) General - Gas shall be and shall remain the property of the Customer while being transported and delivered by the Company. The Company shall not be liable to the Customer for any loss arising from or out of Gas Transportation Service while in the Company's system or for any other cause, except for gross or willful negligence of the Company's own employees. The Company reserves the right to commingle gas of the Customer with other gas supplies including propane and liquefied natural gas.
- (b) Insurance - The Customer shall be responsible for determining the extent of and maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.

7. Retention: A Customer or Group Customer, if applicable, shall have the option to choose one of the following methods to apply retention.

Option One (Indexed Based): The value of retention shall be determined by multiplying i) the monthly average price plus applicable interstate pipeline transportation charges as reported in the BTU's Daily Gas Wire Index for each pipeline (NNG MidContinent Pooling Point) times ii) the Retention percentage times iii) the Deliveries. This value shall be billed monthly. This billing shall represent compensation for Lost and Unaccounted for Gas. The Retention percentage for the Company's South Dakota distribution system is 2.17% and will be adjusted annually, to be effective October 1, based on the actual percentage incurred by the Company for the prior 12 month period ending July 31. Retention amounts collected under this option will be credited to expense in PGA true-up filings. If the Customer, or Group Customer, does not select one of the options presented in this retention section, retention shall be calculated as stated in this paragraph.

Option Two (Inkind): The Customer, or Group Customer, if applicable, upon written request, may deliver retention quantities inkind. The request shall include the Customer's account number and the meter number of which inkind retention is being requested and shall be delivered to the Company's representative. Upon the Company's acknowledgment of the receipt of the request, the Customer shall be allowed to deliver retention volumes inkind. The Customer shall have the option to have the quantity of transportation gas received from the transporting pipeline reduced, upon delivery to the Customer, by a fixed percentage of 2.17% (to be adjusted as set forth above), which shall represent compensation for Company-Used Gas and Lost and Unaccounted For Gas. Where fuel reimbursement is inkind, the standard fuel calculation mechanism, as this is related to the nominating process, should be $(1 - (\text{fuel} \% / 100))$ multiplied by receipt quantity = delivery quantity.

Date Filed: August 28, 1997Effective Date: October 1, 1997R. F. Lovendecker

Issued By: Vice President-Market Development

NORTHWESTERN PUBLIC SERVICE COMPANY
 Gas Balancing Statement
 Twelve Months Ended July 31, 1997

Exhibit A

Description	MMBtu				L&U Retention Percentage
	Year Ended 12/31/96	7 Mos. Ended 7/31/97	7 Mos. Ended 7/31/96	12 Mos. Ended 7/31/97	
Gas Sources					
Purchases	9,705,862	4,775,972	5,571,042	8,910,792	
Transportation Receipts	97,596	703,959	79,914	721,641	
Propane Peaking	40,991	4,275	39,688	5,578	
Total Sources	9,844,449	5,484,206	5,690,644	9,638,011	
Gas Uses					
Sales	8,901,262	5,705,031	5,903,881	8,703,412	
Transportation Deliveries	97,596	689,457	79,914	707,139	
Company Use	27,573	13,360	22,535	18,398	
Total Uses	9,026,431	6,408,848	6,006,330	9,428,949	
Lost & Unaccounted For	818,018	(924,642)	(315,686)	209,062	2.17%

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING BY) ORDER APPROVING TARIFF
NORTHWESTERN PUBLIC SERVICE) REVISIONS
COMPANY FOR TARIFF REVISIONS) NG97-013

On August 29, 1997, the Public Utilities Commission (Commission) received a filing from Northwestern Public Service Company (NWPS) for approval of revisions to its 2nd Revised Sheet No. 6 2 of Section No. 5 of NWPS' filed Natural Gas Tariff. According to the filing, "This filing is made to comply with the fuel retention provisions of Paragraph 7 of the Gas Transportation Tariff General Terms and Conditions. Those provisions call for the retention percentage for NWPS' South Dakota distribution system to be adjusted annually, to be effective October 1, based on the actual percentage incurred by NWPS for the prior 12 month period ending July 31. The new fuel retention percentage proposed to be effective October 1, 1997 is 2.17%. This is a decrease of 0.89% from the currently effective retention percentage of 3.06%." NWPS also requested a waiver of any and all applicable notice requirements.

At its regularly scheduled meeting on September 25, 1997, the Commission considered this matter. Commission Staff recommended approval.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A-4 and 49-34A-6. The Commission further finds that the filing is just and reasonable and shall be approved. As the Commission's final decision in this matter, it is therefore

ORDERED that the above mentioned proposed tariff is approved and is effective for service rendered on and after October 1, 1997.

Dated at Pierre, South Dakota, this 30th day of October, 1997.

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: William Kaido

Date: 10/27/97

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner