

NG 99-009




**MONTANA-DAKOTA**  
**UTILITIES CO.**

A Division of MDU Resources Group, Inc.

400 North Fourth Street  
 Bismarck, ND 58501  
 (701) 222-7900

November 10, 1999

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

**RECEIVED**

NOV 12 1999

SOUTH DAKOTA PUBLIC  
 UTILITIES COMMISSION

Re: Purchased Gas Cost Adjustment  
 (PGA) Docket No. \_\_\_\_\_

Dear Mr. Bullard:

In accordance with South Dakota Codified Laws, Chapter 49-34A, Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., respectfully submits an original and ten (10) copies of a Purchased Gas Cost Adjustment (PGA) change pursuant to the terms of Rates 88 and 89.

Montana-Dakota purchases gas supplies under a number of contracts. The price of gas has increased approximately 43¢ since the last PGA filing due to an increase in the market price of gas. Also, Williston Basin Interstate Pipeline Company (Williston Basin) filed a compliance filing with the Federal Energy Regulatory Commission (FERC) on October 29, 1999 reflecting new rates in compliance with the "Order on Rehearing Supplementing Hearing Procedures" issued September 29, 1999 in Docket No. RP95-364-006. The compliance rates result in reductions in the cost of gas of 9.8¢ for the Black Hills system and 13.2¢ for the East River system. A description of the Williston Basin filing and the action the FERC has taken to date is shown on Attachment A.

On October 27, 1999 Montana-Dakota received a billing of \$2,436,576.83 from Williston Basin pursuant to the FERC's October 13, 1999 Order approving the settlement agreement between the state agencies and Williston Basin filed August 6, 1999 in Docket No. RP92-236 et. al. The billing represents a reduction of the refund received by Montana-Dakota in December 1997 and refunded to customers via a cash refund in early 1998.

On October 29, 1999 Montana-Dakota received a refund of \$10,242,462.92 pursuant to FERC orders in Docket Nos. RP95-364-000, RP95-364-005 and RP95-364-006 and in accordance with Williston Basin's Compliance filing dated October 29, 1999.

In accordance with Section 5(a)(3) of Rates 88 and 89, Montana-Dakota credited the net of the billing/refund to the unrecovered gas cost account. South Dakota's portion of the net bill/refund is \$1,527,908 for the Black Hills system and \$53,469 for the East River System. Montana-Dakota is proposing to implement an out-of-cycle surcharge adjustment to be effective December 1, 1999 through April 30, 2000 as the means of returning the net refund to Black Hills and East River system customers. A waiver from Section 4(a) of the PGA tariff Rates 88 and 89, which specifies that the surcharge adjustment is effective May 1 of each year, is required, and Montana-Dakota herewith requests such waiver.

The Black Hills system PGA tariff sheet (Exhibit A, page 1) summarizes the gas cost adjustment, calculated pursuant to the terms of Rate 88, with the out-of-cycle surcharge, that will apply during the month of December 1999. The total PGA level is \$.326 per dk for residential and general service customers, \$1.064 per dk for large interruptible customers and \$1.052 per dk for the Air Force.

The net effect of this filing for the Black Hills system, calculated pursuant to the terms of Rate 88, with the out-of-cycle surcharge adjustment, is a decrease of \$.102 per dk for residential and general service customers, an increase of \$.303 per dk for large interruptible customers and an increase of \$.085 per dk for the Air Force from the currently effective rates. Absent implementation of the out-of-cycle surcharge adjustment, the changes would be an increase of \$.339 per dk for residential and general service customers, an increase of \$.395 per dk large interruptible customers and an increase of \$.391 per dk for the Air Force from the currently effective rates.

Exhibit B shows the calculation of the current gas cost adjustment that will be applicable to Montana-Dakota's Black Hills system customers for the month of December 1999. The average cost of gas for firm customers, adjusted for losses, is \$4.519.

Exhibit C shows the calculation of the return on prepaid demand charges, and Exhibit D shows the calculation of the return on storage inventory balances and prepaid commodity balances using the calculation procedure set forth in Rate 88 for the Black Hills system. The overall rate of return of 10.149% was authorized by the Commission in Docket No. NG94-012.

Exhibit F shows the calculation of the out-of-cycle surcharge adjustment applicable to Black Hills system customers that will apply during the period December 1, 1999 through April 30, 2000. The total surcharge is a negative \$.493 per dk for residential and general service customers, a negative \$.152 per dk for large interruptible customers and a negative \$.406 per dk for the Air Force.

The East River system PGA tariff sheet (Exhibit A, page 2) summarizes the gas cost level, calculated pursuant to the terms of Rate 89, with the out-of-cycle surcharge adjustment, that will apply during the month of December 1999. The total PGA level is \$4.707 per dk for all customers served under the currently effective General Services Rate 66. This represents an increase of \$.229 per dk for all customers from the currently effective rates. Absent implementation of the out-of-cycle surcharge adjustment, the change would be an increase of \$.308 per dk for all customers.

Exhibit E, page 1 shows the calculation of the current gas cost level that will be applicable to Montana-Dakota's East River system customers for the month of December 1999. The average cost of gas for firm customers, adjusted for losses, is \$5.151.

Exhibit E, page 2 shows the calculation of the return on prepaid demand charges, and page 3 shows the calculation of the return on storage inventory balances and prepaid commodity balances using the calculation procedure set forth in Rate 89 for the East River system. The overall rate of return of 10.271% was authorized by the Commission in Docket No. NG93-003.

Exhibit G shows the calculation of the out-of-cycle surcharge adjustment applicable to East River system customers that will apply during the period December 1, 1999 through April 30, 2000. The total surcharge is a negative \$.444 per dk for all customers.

These proposed adjustments, calculated in accordance with Rates 88 and 89, with the out-of-cycle surcharge adjustments, will amount to a decrease of approximately \$71,200 for Black Hills system gas customers and an increase of approximately \$21,800 for East River system gas customers during the month of December 1999. All of Montana-Dakota's retail gas customers in South Dakota may be affected by this proposal. There were 37,342 customers on the Black Hills system and 4,332 customers on the East River system as of September 30, 1999.

Please refer all inquiries regarding this filing to:

Mr. Donald R. Ball  
Director of Regulatory Affairs  
Montana-Dakota Utilities Co.  
400 North Fourth Street  
Bismarck, ND 58501

Also, please send copies of all written inquiries, correspondence and pleadings to:

Mr. Douglas W. Schulz  
Senior Attorney  
MDU Resources Group, Inc.  
P. O. Box 5650  
Bismarck, ND 58506-5650

Montana-Dakota respectfully requests that this filing be accepted as being in full compliance with the filing requirements of this Commission.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the enclosed self-addressed, stamped envelope.

Sincerely,



Donald R. Ball  
Director of Regulatory Affairs

Attachments  
c. D. Schulz  
D. Gerdes

STATE OF NORTH DAKOTA )

: ss.

COUNTY OF BURLEIGH )

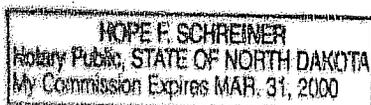
Donald R. Ball, being first duly sworn, deposes and says; that he is the Director of Regulatory Affairs of Montana-Dakota Utilities Co., the Applicant herein; that he has read the foregoing Application, knows the contents thereof, and that the same is true and correct to the best of his knowledge, information and belief.

Dated this 10<sup>th</sup> day of November 1999.

*Donald R. Ball*

Donald R. Ball

Subscribed and sworn to before me this 10<sup>th</sup> day of November 1999.



*Hope F. Schreiner*  
Hope F. Schreiner, Notary Public  
Burleigh County, North Dakota  
My Commission Expires: 3/31/00

OF COUNSEL:

Douglas W. Schulz  
Senior Attorney  
MDU Resources Group, Inc.  
P. O. Box 5650  
Bismarck, ND 58506-5650

**Montana-Dakota Utilities Co.  
Williston Basin Rate Changes Since Last PGA  
South Dakota**

Docket No. RP95-364-006

On June 30, 1995, Williston Basin Interstate Pipeline Company (Williston Basin) filed a general rate case with the Federal Energy Regulatory Commission (FERC). Montana-Dakota intervened and is a party to the case. Montana-Dakota's position is that Williston Basin's rates should reflect its costs of providing service. On July 27, 1995, the Commission accepted in part and suspended in part Williston Basin's filing and established a hearing on a number of issues. Williston Basin placed its suspended tariff sheets into effect on January 1, 1996, subject to refund.

On May 12, 1997, the Administrative Law Judge (ALJ) issued an initial decision. On July 29, 1998, the FERC issued an order affirming certain portions of the Initial Decision and reversing other portions. On August 28, 1998, Williston Basin filed a request for rehearing of the July 29, 1998 order. On June 1, 1999, the FERC issued its Order on Rehearing of the July 29, 1998 order. The June 1 order remanded to the ALJ for further hearing the question of which projections of growth should be used to arrive at the long-term growth factor used in the Discounted Cash Flow calculation of Williston Basin's return on equity. On July 1, 1999, Williston Basin filed a request for rehearing of the FERC's June 1, 1999 order.

On September 29, 1999, the FERC issued an Order on Rehearing Supplementing Hearing Procedures granting in part and denying in part rehearing of the June 1, 1999 order and directing Williston Basin to make a compliance filing within thirty days. On October 26, 1999, Williston Basin submitted its compliance filing pursuant to the FERC's September 29, 1999 order.

Approximate impact on Montana-Dakota's cost of gas - Black Hills - (9.8) cents per dk  
- East River - (13.2) cents per dk

MONTANA-DAKOTA UTILITIES CO.  
PGA TARIFF SHEET  
BLACK HILLS  
EFFECTIVE DECEMBER 1999

	Residential & General Service	Large Interruptible	Air Force
<b>Gas Cost Adjustment:</b>			
Prior Cumulative Gas Cost Adjustment	\$0.480	\$0.821	\$1.067
Current Gas Cost Adjustment (Exhibit B)	\$0.339	\$0.395	\$0.391
Cumulative Gas Cost Adjustment	\$0.819	\$1.216	\$1.458
<b>Surcharge Adjustment:</b>			
Current Adjustment (Exhibit F)	(\$0.493)	(\$0.152)	(\$0.405)
<b>TOTAL PGA</b>	<b>\$0.326</b>	<b>\$1.064</b>	<b>\$1.052</b>
<b>TOTAL PGA - Current</b>	<b>\$0.428</b>	<b>\$0.761</b>	<b>\$0.967</b>
<b>Net Increase (Decrease)</b>	<b>(\$0.102)</b>	<b>\$0.303</b>	<b>\$0.085</b>
Gas Cost Level in Base Rates	\$3.700	\$2.084	\$1.805
Plus: Total PGA	\$0.326	\$1.064	\$1.052
<b>Total Gas Cost Level in Rates</b>	<b>\$4.026</b>	<b>\$3.148</b>	<b>\$2.857</b>

MONTANA-DAKOTA UTILITIES CO.  
PGA TARIFF SHEET  
EAST RIVER  
EFFECTIVE DECEMBER 1999

	<u>General Service</u>
<b><u>Gas Cost Adjustment:</u></b>	
Prior Cumulative Gas Cost Adjustment	\$4.843
Current Gas Cost Adjustment (Exhibit E)	<u>\$0.308</u>
Cumulative Gas Cost Adjustment	\$5.151
<b><u>Surcharge Adjustment:</u></b>	
Current Adjustment (Exhibit G)	<u>(\$0.444)</u>
<b>TOTAL PGA</b>	<b><u><u>\$4.707</u></u></b>
TOTAL PGA - Current	<u>\$4.478</u>
Net Increase (Decrease)	<u><u>\$0.229</u></u>

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF CURRENT GAS COST ADJUSTMENT  
BLACK HILLS SYSTEM - RESIDENTIAL AND GENERAL SERVICE  
EFFECTIVE DECEMBER 1999**

	Amount
Total Gas Costs 1/	\$22,857,149
Residential and General Service dk Requirements 2/	5,116,012
Average Cost of Gas per dk	\$4.468
Average Cost of Gas as Adjusted for Losses @ 98.88%	\$4.519
Less: Gas Cost Level in Base Tariff Rates 3/	\$3,700
Cumulative Gas Cost Adjustment	\$0.819
Less: Prior Cumulative Adjustment (PGA effective November 1, 1999)	\$0.480
<b>Current Gas Cost Adjustment</b>	<b>\$0.339</b>

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 4 - 7 for Williston Basin Interstate Pipeline Company currently effective rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibits C and D.

2/ Normalized dk sales for the twelve months ended March 31, 1999, adjusted for losses at 1.12%.

3/ Gas Cost Level in Base Tariff Rates:

Cost of Purchased Gas	\$3.659
Adjustment for Distribution Losses	0.9888
Gas Cost Level in Base Tariff Rates	\$3.700

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF CURRENT GAS COST ADJUSTMENT  
BLACK HILLS SYSTEM - LARGE INTERRUPTIBLE  
EFFECTIVE DECEMBER 1999**

	<u>Amount</u>
Total Gas Costs 1/	\$2,948,091
Large Interruptible Service dk Requirements	903,610
Average Cost of Gas per dk	\$3.263
Average Cost of Gas as Adjusted for Losses @ 98.88%	\$3.300
Less: Gas Cost Level in Base Tariff Rates 2/	\$2,084
Cumulative Gas Cost Adjustment	\$1.216
Less: Prior Cumulative Adjustment (PGA effective November 1, 1999)	\$0.821
<b>Current Gas Cost Adjustment</b>	<b>\$0.395</b>

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 4 - 7 for Williston Basin Interstate Pipeline Company currently effective rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibits C and D, allocated to interruptible on MDDQ.

2/ Gas Cost Level in Base Tariff Rates:	
Cost of Purchased Gas	\$2.061
Adjustment for Distribution Losses	0.9888
Gas Cost Level in Base Tariff Rates	\$2.084

MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF CURRENT GAS COST ADJUSTMENT  
BLACK HILLS SYSTEM - AIR FORCE  
EFFECTIVE DECEMBER 1999

	<u>Amount</u>
Total Gas Costs 1/	\$2,446,895
Air Force Interruptible Service dk Requirements	750,000
Average Cost of Gas per dk	\$3.263
Less: Gas Cost Level in Base Tariff Rates 2/	<u>\$1.805</u>
Cumulative Gas Cost Adjustment	\$1.458
Less: Prior Cumulative Adjustment (PGA effective November 1, 1999)	<u>\$1.067</u>
Current Gas Cost Adjustment	<u><u>\$0.391</u></u>

1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 4 - 7 for Williston Basin Interstate Pipeline Company currently effective rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibits C and D, allocated to the Air Force on MDDQ.

2/ Gas Cost Level in Base Tariff Rates:  
 Cost of Purchased Gas \$1.785  
 Adjustment for Distribution Losses 0.9888  
 Gas Cost Level in Base Tariff Rates \$1.805

# CONTINUATION

1 -

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	ACA SURCHARGE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
<b>RATE SCHEDULE FT-1</b>						
<b>RESERVATION CHARGE</b>						
<b>MAXIMUM DAILY DELIVERY QUANTITY (MDDQ)</b>						
MAXIMUM	RATE PER EQV. DKT PER MO.	913.130	N.A.	N.A.	N.A.	913.130
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	N.A.	0.000
<b>COMMODITY CHARGE</b>						
MAXIMUM A/	RATE PER DKT	3.574	0.220	N.A.	N.A.	3.794
MINIMUM A/	RATE PER DKT	3.574	0.220	N.A.	N.A.	3.794
<b>SCHEDULED OVERRUN CHARGE</b>						
MAXIMUM A/	RATE PER DKT	38.753	0.220	N.A.	N.A.	38.973
MINIMUM A/	RATE PER DKT	3.574	0.220	N.A.	N.A.	3.794

A/ SHIPPER MUST REIMBURSE TRANSPORTER FOR TRANSPORTATION FUEL USE, LOST AND UNACCOUNTED FOR GAS EITHER IN-KIND OR IN-DOLLARS AS SPECIFIED IN THE SERVICE AGREEMENT. FOR IN-KIND REIMBURSEMENT, THE APPLICABLE PERCENTAGE IS 4.009%, CONSISTING OF 3.652% FOR THE CURRENT PERCENTAGE AND 0.357% FOR THE SURCHARGE ADJUSTMENT. FOR FUEL CHARGE REIMBURSEMENT IN-DOLLARS, THE APPLICABLE RATE IS 7.736 CENTS, CONSISTING OF 7.045 CENTS FOR THE CURRENT CHARGE AND 0.691 CENTS FOR THE SURCHARGE ADJUSTMENT. THESE PERCENTAGES OR CHARGES SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S TRANSMISSION FACILITIES.

Issued by: Keith A. Tiggelaar-Manager, Regulatory Affairs  
 Issued on: October 29, 1999  
 Filed to comply with order of the Federal Energy Regulatory Commission,  
 Docket No. RP95-364-006, issued September 29, 1999, 88 FERC ¶ 01,301

Effective: August 1, 1999

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	ACA SURCHARGE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
RATE SCHEDULE FT-1 CONTINUED						
FIRM GATHERING CHARGE						
MAXIMUM DAILY DELIVERY QUANTITY (MDDQ)						
MAXIMUM	RATE PER EQV. DKT PER MO.	1004.652	N.A.	N.A.	N.A.	1004.652
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	N.A.	0.000
COMMODITY GATHERING CHARGE						
MAXIMUM A/	RATE PER DKT	1.048	N.A.	N.A.	N.A.	1.048
MINIMUM A/	RATE PER DKT	1.048	N.A.	N.A.	N.A.	1.048
INTERRUPTIBLE GATHERING CHARGE						
MAXIMUM A/	RATE PER DKT	33.438	N.A.	N.A.	N.A.	33.438
MINIMUM A/	RATE PER DKT	1.048	N.A.	N.A.	N.A.	1.048

A/ SHIPPER MUST REIMBURSE TRANSPORTER FOR GATHERING FUEL USE, LOST AND UNACCOUNTED FOR GAS EITHER IN-KIND OR IN-DOLLARS AS SPECIFIED IN THE SERVICE AGREEMENT. FOR IN-KIND REIMBURSEMENT, THE APPLICABLE PERCENTAGE IS 0.021%, CONSISTING OF 0.205% FOR THE CURRENT PERCENTAGE AND (0.184)% FOR THE SURCHARGE ADJUSTMENT. FOR FUEL CHARGE REIMBURSEMENT IN-DOLLARS, THE APPLICABLE RATE IS 0.039 CENTS, CONSISTING OF 0.395 CENTS FOR THE CURRENT CHARGE AND (0.356) CENTS FOR THE SURCHARGE ADJUSTMENT. THESE PERCENTAGES OR CHARGES SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS TENDERED TO TRANSPORTER FOR SHIPPER'S ACCOUNT AT THE RECEIPT POINT(S) INTO TRANSPORTER'S GATHERING FACILITIES.

Issued by: Keith A. Tiggelaar-Manager, Regulatory Affairs  
 Issued on: October 29, 1999  
 Filed to comply with order of the Federal Energy Regulatory Commission,  
 Docket No. RP95-364-006, issued September 29, 1999, 88 FERC ¶ 61,301

Effective: August 1, 1999

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	ACA SURCHARGE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
<b>RATE SCHEDULE FTH-1</b>						
<b>RESERVATION CHARGE</b>						
<b>MAXIMUM DAILY DELIVERY QUANTITY (MDDQ)</b>						
MAXIMUM	RATE PER EQV. DKT PER MO.	66.546	N.A.	N.A.	N.A.	66.546
MINIMUM	RATE PER EQV. DKT PER MO.	2.875	N.A.	N.A.	N.A.	2.875
<b>RATE SCHEDULE STM-1</b>						
<b>COMMODITY CHARGE</b>						
MAXIMUM	RATE PER DKT	38.666	N.A.	N.A.	N.A.	38.666
MINIMUM	RATE PER DKT	0.403	N.A.	N.A.	N.A.	0.403

Issued by: Keith A. Tiggelaar-Manager, Regulatory Affairs  
 Issued on: October 29, 1999  
 Filed to comply with order of the Federal Energy Regulatory Commission,  
 Docket No. RP95-364-006, issued September 29, 1999, BB FERC ¶ 61,301

Effective: January 1, 1998

NOTICE OF CURRENTLY EFFECTIVE RATES

(ALL RATES ARE STATED IN CENTS PER DEKATHERM OR EQUIVALENT DEKATHERM AS INDICATED)

RATE SCHEDULE	UNIT	BASE TARIFF RATE	ACA SURCHARGE	TOP THROUGHPUT SURCHARGE	GAS SUPPLY REALIGNMENT SURCHARGE	BASE TARIFF RATE PLUS SURCHARGES
<b>RATE SCHEDULE FS-1</b>						
<b>CAPACITY RESERVATION</b>						
MAXIMUM	RATE PER EQV. DKT PER MO.	2.970	N.A.	N.A.	N.A.	2.970
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	N.A.	0.000
<b>CAPACITY DELIVERABILITY</b>						
MAXIMUM	RATE PER EQV. DKT PER MO.	217.710	N.A.	N.A.	N.A.	217.710
MINIMUM	RATE PER EQV. DKT PER MO.	0.000	N.A.	N.A.	N.A.	0.000
<b>INJECTION</b>						
MAXIMUM A/	RATE PER DKT	1.393	N.A.	N.A.	N.A.	1.393
MINIMUM A/	RATE PER DKT	1.393	N.A.	N.A.	N.A.	1.393
<b>WITHDRAWAL</b>						
MAXIMUM A/	RATE PER DKT	1.393	N.A.	N.A.	N.A.	1.393
MINIMUM A/	RATE PER DKT	1.393	N.A.	N.A.	N.A.	1.393
<b>SCHEDULED OVERRUN CHARGE</b>						
<b>INJECTION</b>						
MAXIMUM A/	RATE PER DKT	27.763	N.A.	N.A.	N.A.	27.763
MINIMUM A/	RATE PER DKT	1.393	N.A.	N.A.	N.A.	1.393
<b>WITHDRAWAL</b>						
MAXIMUM A/	RATE PER DKT	27.763	N.A.	N.A.	N.A.	27.763
MINIMUM A/	RATE PER DKT	1.393	N.A.	N.A.	N.A.	1.393

A/ SHIPPER MUST REIMBURSE TRANSPORTER FOR STORAGE FUEL USE, LOST AND UNACCOUNTED FOR GAS EITHER IN-KIND OR IN-DOLLARS AS SPECIFIED IN THE SERVICE AGREEMENT. FOR IN-KIND REIMBURSEMENT, THE APPLICABLE PERCENTAGE IS 0.577%, CONSISTING OF 1.163% FOR THE CURRENT PERCENTAGE AND (0.586)% FOR THE SURCHARGE ADJUSTMENT. FOR FUEL CHARGE REIMBURSEMENT IN-DOLLARS, THE APPLICABLE RATE IS 1.110 CENTS, CONSISTING OF 2.244 CENTS FOR THE CURRENT CHARGE AND (1.134) CENTS FOR THE SURCHARGE ADJUSTMENT. THESE PERCENTAGES OR CHARGES SHALL BE APPLIED TO THE APPLICABLE QUANTITIES OF GAS INJECTED AND/OR WITHDRAWN BY TRANSPORTER FOR SHIPPER'S ACCOUNT AT TRANSPORTER'S STORAGE FACILITIES.

Issued by: Keith A. Tiggeier-Manager, Regulatory Affairs  
 Issued on: October 29, 1999  
 Filed to comply with order of the Federal Energy Regulatory Commission,  
 Docket No. RP95-334-006, issued September 29, 1999, 88 FERC ¶ 41,301

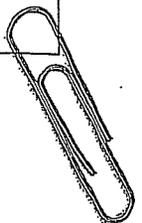
Effective: August 1, 1999

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MONTANA-DAKOTA UTILITIES CO.  
RETURN ON DEMAND CHARGES  
BLACK HILLS

	<u>Payment 1/</u>	<u>Volumes 2/</u>	<u>Amortization</u>	<u>Prepaid Demand Balances</u>
October 1999				\$1,490,191
November	\$647,294	601,000	\$897,200	1,240,285
December	647,294	811,000	1,210,698	676,881
January 2000	647,294	846,000	1,262,948	61,227
February	647,294	736,000	1,098,735	(390,214)
March	647,294	641,000	956,914	(699,834)
April	647,294	426,000	635,952	(688,492)
May	647,294	255,000	380,676	(421,874)
June	647,294	151,000	225,420	0
July	647,294	144,000	210,447	436,847
August	647,294	144,000	210,447	873,694
September	647,294	184,000	268,904	1,252,084
October	647,294	376,000	549,500	1,349,878
	<u>\$7,767,528</u>	<u>5,315,000</u>		<u>\$5,180,673</u>
13 month average				\$398,513
Rate of Return				10.149%
Return				\$40,445
Return Requirement - Revenue				<u>\$62,317</u>

1/ Annual demand charges divided by twelve.

2/ Projected sales volumes excluding Air Force, Large Interruptible and Merrillat.

**MONTANA-DAKOTA UTILITIES CO.  
RETURN ON CYCLE STORAGE AND  
PREPAID COMMODITY BALANCES  
BLACK HILLS**

	General Service	
	Storage Balance 1/	Prepaid Commodity Balance 2/
October 1999	\$3,104,746	\$309,951
November	2,656,411	280,923
December	1,586,276	222,161
January 2000	686,626	152,894
February	(23,875)	98,190
March	(465,638)	64,178
April	(485,483)	64,178
May	(46,959)	93,558
June	588,468	136,128
July	1,270,958	181,847
August	1,989,141	229,998
September	2,594,359	270,508
October	2,731,076	279,641
13 month average	\$1,245,154	\$183,397
Rate of Return	10.149%	10.149%
Return	\$126,371	\$18,613
Return Requirement - Revenue	<u>\$194,709</u>	<u>\$28,678</u>

1/ Monthly balance from SENDOUT Model, allocated to the Black Hills system on the ratio of MDDQ.

2/ Monthly balance allocated to the Black Hills system based on sales volumes.

MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF CURRENT GAS COST ADJUSTMENT  
EAST RIVER  
EFFECTIVE DECEMBER 1999

	<u>Amount</u>
Total Gas Costs 1/	\$2,834,363
Residential and General Service dk Requirements 2/	555,858
Average Cost of Gas per dk	\$5.099
Average Cost of Gas as Adjusted for Losses @ 99%	\$5.151
Less: Gas Cost Level in Base Tariff Rates 3/	<u>\$0.000</u>
Cumulative Gas Cost Adjustment	\$5.151
Less: Prior Cumulative Adjustment (PGA effective November 1, 1999)	<u>\$4.843</u>
Current Gas Cost Adjustment	<u><u>\$0.308</u></u>

- 1/ Includes all pipeline demand and commodity charges. See Exhibit B, pages 4 - 7 for Williston Basin Interstate Pipeline Company currently effective rates. Also includes a return on prepaid demand, commodity and cycle storage balances as shown on Exhibit E, pages 2 and 3.
- 2/ Normalized dk sales for the twelve months ended March 31, 1999, adjusted for losses at 1%.
- 3/ Docket No. NG93-003.

MONTANA-DAKOTA UTILITIES CO.  
RETURN ON DEMAND CHARGES  
EAST RIVER

	Payment 1/	Volumes 2/	Amortization	Prepaid Demand Balances
October 1999				\$241,588
November	\$98,470	69,000	\$138,181	201,877
December	98,470	95,000	190,249	110,098
January 2000	98,470	99,000	198,260	10,308
February	98,470	86,000	172,226	(63,448)
March	98,470	74,000	148,194	(113,172)
April	98,470	49,000	98,128	(112,830)
May	98,470	27,000	54,071	(68,431)
June	98,470	15,000	30,039	0
July	98,470	14,000	27,344	71,126
August	98,470	14,000	27,344	142,252
September	98,470	19,000	37,109	203,613
October	98,470	44,000	85,938	216,145
	<u>\$1,181,640</u>	<u>605,000</u>		<u>\$839,126</u>
13 month average				\$64,548
Rate of Return				10.271%
Return				\$6,630
Return Requirement - Revenue				<u>\$10,215</u>

\$1,181,644 Annual Demand Charges eff. Dec. 1, 1999  
 605,000 Nov 1999 - Oct 2000 Volumes  
 \$1,953,131 Amortization \$2,002,623 Nov - Jun Amort.

1/ Annual demand charges divided by twelve.  
 2/ Projected sales volumes.

MONTANA-DAKOTA UTILITIES CO.  
RETURN ON CYCLE STORAGE AND  
PREPAID COMMODITY BALANCES  
EAST RIVER

	Storage Balance 1/	Prepaid Commodity Balance 2/
October 1999	\$472,312	\$33,676
November	404,109	30,522
December	241,314	24,138
January 2000	104,454	16,612
February	(3,632)	10,568
March	(70,836)	6,973
April	(73,855)	6,973
May	(7,144)	10,165
June	89,521	14,790
July	193,346	19,758
August	302,600	24,989
September	394,669	29,391
October	415,605	30,383
13 month average	\$189,420	\$19,926
Rate of Return	10.271%	10.271%
Return	\$19,455	\$2,047
Return Requirement - Revenue	\$29,976	\$3,154

1/ Monthly balance from SENDOUT Model, allocated to East River on ratio of MDDQ.  
2/ Monthly balance allocated to East River based on sales volumes.

**MONTANA-DAKOTA UTILITIES CO.**  
**COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT**  
**APPLICABLE TO SOUTH DAKOTA**  
**GENERAL PURPOSE**  
**TO BE EFFECTIVE DECEMBER 1, 1999 THROUGH APRIL 30, 2000**

(Over)/under recovered gas costs @ September 30, 1999			(\$382,474)
Western Basin Net Refund			(1,373,101)
Less: Projected recovery from rates already established			
	<u>Volume</u>	<u>Rate</u>	<u>Amount</u>
October	374,000		
November	601,000	(\$0.052)	(\$19,448)
	<u>975,000</u>	(0.052)	<u>(31,252)</u>
			(50,700)
Additional recovery required			<u>(\$1,704,875)</u>
Projected sales volumes (dk)			
December		811,000	
January 2000		846,000	
February		736,000	
March		641,000	
April		426,000	
			<u>3,460,000</u>
Total (over)/under recovered gas cost adjustment to be effective December 1, 1999 through April 30, 2000			<u>(\$0,493)</u>

**MONTANA-DAKOTA UTILITIES CO.**  
**COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT**  
**APPLICABLE TO SOUTH DAKOTA**  
**AIR FORCE**  
**TO BE EFFECTIVE DECEMBER 1, 1999 THROUGH APRIL 30, 2000**

(Over)/under recovered gas costs @ September 30, 1999			(\$45,144)
Winston Basin Refund			(141,021)
Less: Projected recovery from rates already established			
	<u>Volume</u>	<u>Rate</u>	<u>Amount</u>
October	48,000	(\$0.100)	(\$4,600)
November	78,000	(0.100)	(7,800)
	<u>124,000</u>		<u>(12,400)</u>
Additional recovery required			<u><u>(\$173,765)</u></u>
Projected sales volumes (dk)			
December 1999		100,000	
January 2000		104,000	
February		89,000	
March		82,000	
April		53,000	
			<u>428,000</u>
Total (over) / under recovered gas cost adjustment to be effective December 1, 1999 through April 30, 2000			<u><u>(\$0.406)</u></u>

**MONTANA-DAKOTA UTILITIES CO.**  
**COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT**  
**APPLICABLE TO SOUTH DAKOTA**  
**LARGE INTERRUPTIBLE**  
**TO BE EFFECTIVE DECEMBER 1, 1999 THROUGH APRIL 30, 2000**

(Over)/under recovered gas costs @ September 30, 1999		\$5,914	
Western Basin Not Refund		(13,786)	
Less: Projected recovery from rates already established			
	<u>Volume</u>	<u>Rate</u>	<u>Amount</u>
October	6,000	(\$0.060)	(\$360)
November	9,000	(0.060)	(540)
	<u>15,000</u>		<u>(900)</u>
Additional recovery required			<u>(\$6,972)</u>
Projected sales volumes (dk)			
December 1999		10,000	
January 2000		11,000	
February		9,000	
March		9,000	
April		7,000	
			<u>46,000</u>
Total (over)/under recovered gas cost adjustment to be effective December 1, 1999 through April 30, 2000			<u>(\$0.152)</u>

# CONTINUATION

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SOUTH DAKOTA UTILITIES CO.  
 COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE  
 APPLICABLE TO SOUTH DAKOTA  
 GENERAL PURPOSE

	<u>(Over) Under Recovery</u>	<u>Returns &amp; Other</u>	<u>Interest 1/</u>	<u>Total Additions</u>	<u>Dk Sales</u>	<u>Adjustment per Dk</u>	<u>Total Adjustment</u>	<u>Net Change</u>	<u>Cumulative Balance</u>
<b>BALANCE @ FEBRUARY 28, 1999</b>									<u><b>(\$240,536)</b></u>
MARCH	\$45,354		(5651)	\$44,703	578,925	\$0.014	\$5,105	\$36,598	(224,032)
APRIL	(83,618)		(532)	(81,950)	581,081	0.014	7,855	(68,805)	(293,838)
MAY	102,678		(725)	101,953	332,847	(0.052)	(17,308)	118,261	(174,575)
JUNE	(15,188)		(433)	(15,621)	209,248	(0.052)	(10,681)	(4,740)	(179,316)
JULY	94,594		(442)	94,152	138,837	(0.052)	(7,209)	101,381	(77,955)
AUGUST	(227,148)		(191)	(227,337)	128,505	(0.052)	(8,882)	(220,855)	(298,609)
SEPTEMBER	(90,555)		(765)	(91,330)	143,558	(0.052)	(7,465)	(83,865)	(382,474)
<b>BALANCE @ SEPTEMBER 30, 1999</b>									<u><b>(\$382,474)</b></u>

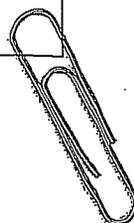
1/ Interest calculated at 90 day Treasury Note rate.

Continuation

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**MONTANA-DAKOTA UTILITIES CO.**  
**COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS**  
**APPLICABLE TO SOUTH DAKOTA**  
**GENERAL PURPOSE**

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
<b>MARCH 1999-FEBRUARY UNBILLED</b>			
Purchased gas	559,618	\$2,137,494	\$3.81956
Base cost of gas			3.54400
(Over) Under recovery per dk			0.27556
dk billed			244,428
(Over) Under recovery			\$67,354
<b>MARCH 1999</b>			
Purchased gas	562,866	\$1,957,777	\$3.47823
Base cost of gas			3.54400
(Over) Under recovery per dk			(0.06577)
dk billed			334,497
(Over) Under recovery			(\$22,000)
<b>APRIL 1999-MARCH UNBILLED</b>			
Purchased gas	562,866	\$1,957,777	\$3.47823
Base cost of gas			3.54400
(Over) Under recovery per dk			(0.06577)
dk billed			222,794
(Over) Under recovery			(\$14,653)
<b>APRIL 1999</b>			
Purchased gas	424,111	\$1,444,416	\$3.40575
Base cost of gas			3.54400
(Over) Under recovery per dk			(0.13825)
dk billed			338,267
(Over) Under recovery			(\$46,765)
<b>MAY 1999-APRIL UNBILLED</b>			
Purchased gas	424,111	\$1,444,416	\$3.40575
Base cost of gas			3.51400
(Over) Under recovery per dk			(0.10825)
dk billed			82,275
(Over) Under recovery			(\$8,906)
<b>MAY 1999</b>			
Purchased gas	271,592	\$1,075,321	\$3.95932
Base cost of gas			3.51400
(Over) Under recovery per dk			0.44532
dk billed			250,571
(Over) Under recovery			\$111,584
<b>JUNE 1999-MAY UNBILLED</b>			
Purchased gas	271,592	\$1,075,321	\$3.95932
Base cost of gas			4.04500
(Over) Under recovery per dk			(0.08568)
dk billed			18,811
(Over) Under recovery			(\$1,612)

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS  
APPLICABLE TO SOUTH DAKOTA  
GENERAL PURPOSE**

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
<b>JUNE 1999</b>			
Purchased gas	163,668	\$650,369	\$3.97371
Base cost of gas			4.04500
(Over) Under recovery per dk			(0.07129)
dk billed			190,437
(Over) Under recovery			(\$13,576)
<b>JULY 1999-JUNE UNBILLED</b>			
Purchased gas	163,668	\$650,369	\$3.97371
Base cost of gas			4.04500
(Over) Under recovery per dk			(0.07129)
dk billed			(28,531)
(Over) Under recovery			\$2,034
<b>JULY 1999</b>			
Purchased gas	121,908	\$560,617	\$4.59869
Base cost of gas			4.04500
(Over) Under recovery per dk			0.55369
dk billed			167,169
(Over) Under recovery			\$92,560
<b>AUGUST 1999-JULY UNBILLED</b>			
Purchased gas	121,908	\$560,617	\$4.59869
Base cost of gas			4.04500
(Over) Under recovery per dk			0.55369
dk billed			(46,732)
(Over) Under recovery			(\$25,875)
<b>AUGUST 1999</b>			
Purchased gas	226,675	\$656,549	\$2.89643
Base cost of gas			4.04500
(Over) Under recovery per dk			(1.14857)
dk billed			175,237
(Over) Under recovery			(\$201,271)
<b>SEPTEMBER 1999-AUGUST UNBILLED</b>			
Purchased gas	226,675	\$656,549	\$2.89643
Base cost of gas			4.35200
(Over) Under recovery per dk			(1.45557)
dk billed			50,730
(Over) Under recovery			(\$73,841)
<b>SEPTEMBER 1999</b>			
Purchased gas	205,264	\$856,326	\$4.17183
Base cost of gas			4.35200
(Over) Under recovery per dk			(0.18017)
dk billed			92,826
(Over) Under recovery			(\$16,724)

# CONTINUATION

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MONTANA SOUTHERN UTILITIES CO.  
 COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE  
 APPLICABLE TO SOUTH DAKOTA  
 AIR FORCE

	<u>(Over) Under Recovery</u>	<u>Refunds &amp; Other</u>	<u>Interest 1/</u>	<u>Total Additions</u>	<u>Dk Sales</u>	<u>Adjustment per Dk</u>	<u>Total Adjustment</u>	<u>Net Change</u>	<u>Cumulative Balance</u>
BALANCE @ FEBRUARY 28, 1998									<u>(576,663)</u>
MARCH	2,624	0	(181)	2,643	75,583	(0.084)	(6,349)	8,992	(36,591)
APRIL	(10,213)	0	(153)	(10,366)	77,503	(0.084)	(6,510)	(3,856)	(70,448)
MAY	1,247	0	(170)	1,077	60,684	(0.100)	(6,068)	7,145	(83,303)
JUNE	4,593	0	(155)	4,438	34,955	(0.160)	(3,495)	7,933	(55,370)
JULY	983	0	(134)	859	11,823	(0.100)	(1,182)	2,041	(53,329)
AUGUST	2,724	0	(134)	2,590	7,993	(0.100)	(799)	3,389	(49,940)
SEPTEMBER	4,155	0	(123)	4,032	7,637	(0.100)	(764)	4,796	(45,144)
BALANCE @ SEPTEMBER 30, 1999									<u>(\$45,144)</u>

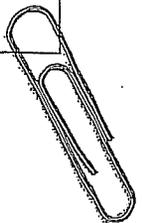
1/ Interest calculated at 90 day Treasury Note rate

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MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS  
APPLICABLE TO SOUTH DAKOTA  
AIR FORCE

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
<b>MARCH 1999-INTERRUPTIBLE-FEBRUARY UNBILLED</b>			
Purchased gas	75,082	\$170,822	\$2.27514
Base cost of gas			2.23100
(Over) Under recovery per dk			0.04414
dk billed			72,712
(Over) Under recovery			\$3,209
<b>MARCH 1999-INTERRUPTIBLE</b>			
Purchased gas	75,758	\$158,869	\$2.09706
Base cost of gas			2.23100
(Over) Under recovery per dk			(0.13394)
dk billed			2,872
(Over) Under recovery			(\$385)
<b>APRIL 1999-INTERRUPTIBLE-MARCH UNBILLED</b>			
Purchased gas	75,758	\$158,869	\$2.09706
Base cost of gas			2.23100
(Over) Under recovery per dk			(0.13394)
dk billed			73,744
(Over) Under recovery			(\$9,877)
<b>APRIL 1999-INTERRUPTIBLE</b>			
Purchased gas	63,531	\$136,055	\$2.14155
Base cost of gas			2.23100
(Over) Under recovery per dk			(0.08945)
dk billed			3,759
(Over) Under recovery			(\$336)
<b>MAY 1999-INTERRUPTIBLE-APRIL UNBILLED</b>			
Purchased gas	63,531	\$136,055	\$2.14155
Base cost of gas			2.12300
(Over) Under recovery per dk			0.01855
dk billed			60,493
(Over) Under recovery			\$1,122
<b>MAY 1999-INTERRUPTIBLE</b>			
Purchased gas	37,150	\$103,297	\$2.78055
Base cost of gas			2.12300
(Over) Under recovery per dk			0.65755
dk billed			191
(Over) Under recovery			\$125
<b>JUNE 1999-INTERRUPTIBLE-MAY UNBILLED</b>			
Purchased gas	37,150	\$103,297	\$2.78055
Base cost of gas			2.64900
(Over) Under recovery per dk			0.13155
dk billed			37,380
(Over) Under recovery			\$4,917

**MONTANA-DAKOTA UTILITIES CO.**  
**COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS**  
**APPLICABLE TO SOUTH DAKOTA**  
**AIR FORCE**

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
<b>JUNE 1999-INTERRUPTIBLE</b>			
Purchased gas	11,016	\$30,652	\$2.78254
Base cost of gas			2.64900
(Over) Under recovery per dk			0.13354
dk billed			(2,425)
(Over) Under recovery			(\$324)
<b>JULY 1999-INTERRUPTIBLE-JUNE UNBILLED</b>			
Purchased gas	11,016	\$30,652	\$2.78254
Base cost of gas			2.64900
(Over) Under recovery per dk			0.13354
dk billed			13,566
(Over) Under recovery			\$1,812
<b>JULY 1999-INTERRUPTIBLE</b>			
Purchased gas	8,699	\$27,132	\$3.11897
Base cost of gas			2.64900
(Over) Under recovery per dk			0.46997
dk billed			(1,743)
(Over) Under recovery			(\$819)
<b>AUGUST 1999-INTERRUPTIBLE-JULY UNBILLED</b>			
Purchased gas	8,699	\$27,132	\$3.11897
Base cost of gas			2.64900
(Over) Under recovery per dk			0.46997
dk billed			10,542
(Over) Under recovery			\$4,954
<b>AUGUST 1999-INTERRUPTIBLE</b>			
Purchased gas	4,626	\$16,302	\$3.52405
Base cost of gas			2.64900
(Over) Under recovery per dk			0.87505
dk billed			(2,549)
(Over) Under recovery			(\$2,230)
<b>SEPTEMBER 1999-INTERRUPTIBLE-AUGUST UNBILLED</b>			
Purchased gas	4,626	\$16,302	\$3.52405
Base cost of gas			2.95900
(Over) Under recovery per dk			0.56505
dk billed			7,227
(Over) Under recovery			\$4,083
<b>SEPTEMBER 1999-INTERRUPTIBLE</b>			
Purchased gas	8,901	\$27,891	\$3.13344
Base cost of gas			2.95900
(Over) Under recovery per dk			0.17444
dk billed			411
(Over) Under recovery			\$72

# CONTINUATION

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MONTANA-DAKOTA UTILITIES CO.  
 COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE  
 APPLICABLE TO SOUTH DAKOTA  
 LARGE INTERRUPTIBLE

	<u>(Over) Under Recovery</u>	<u>Refunds &amp; Other</u>	<u>Interest 1/</u>	<u>Total Additions</u>	<u>Dk Sales</u>	<u>Adjustment per Dk</u>	<u>Total Adjustment</u>	<u>Net Change</u>	<u>Cumulative Balance</u>
<b>BALANCE @ FEBRUARY 28, 1999</b>									<u><u>(\$4,835)</u></u>
MARCH	(1,292)	0	(13)	(1,305)	8,455	(0.001)	(8)	(1,297)	(6,132)
APRIL	(1,041)	0	(15)	(1,056)	8,963	(0.001)	(9)	(1,047)	(7,179)
MAY	5,025	0	(18)	5,007	7,856	(0.060)	(471)	5,476	(1,701)
JUNE	600	0	(4)	596	5,533	(0.060)	(332)	926	(773)
JULY	2,153	0	(2)	2,151	4,843	(0.060)	(291)	2,442	1,669
AUGUST	3,299	0	4	3,303	3,860	(0.060)	(232)	3,535	5,204
SEPTEMBER	493	0	14	507	3,385	(0.060)	(203)	710	5,914
<b>BALANCE @ SEPTEMBER 30, 1999</b>									<u><u>\$5,914</u></u>

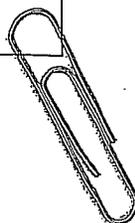
1/ Interest calculated at 90 day Treasury Note rate

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MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS  
APPLICABLE TO SOUTH DAKOTA  
LARGE INTERRUPTIBLE

	Dk	Amount	Cost per Dk
<b>MARCH 1999-FEBRUARY UNBILLED</b>			
Purchased gas	9,880	\$22,529	\$2.28026
Base cost of gas			2.25600
(Over) Under recovery per dk			0.02426
dk billed			0
(Over) Under recovery			\$0
<b>MARCH 1999</b>			
Purchased gas	8,360	\$17,583	\$2.10319
Base cost of gas			2.25600
(Over) Under recovery per dk			(0.15281)
dk billed			8,455
(Over) Under recovery			(\$1,292)
<b>APRIL 1999-MARCH UNBILLED</b>			
Purchased gas	8,360	\$17,583	\$2.10319
Base cost of gas			2.25600
(Over) Under recovery per dk			(0.15281)
dk billed			0
(Over) Under recovery			\$0
<b>APRIL 1999</b>			
Purchased gas	8,863	\$18,966	\$2.13990
Base cost of gas			2.25600
(Over) Under recovery per dk			(0.11610)
dk billed			8,963
(Over) Under recovery			(\$1,041)
<b>MAY 1999-APRIL UNBILLED</b>			
Purchased gas	8,863	\$18,966	\$2.13990
Base cost of gas			2.14700
(Over) Under recovery per dk			(0.00710)
dk billed			0
(Over) Under recovery			\$0
<b>MAY 1999</b>			
Purchased gas	7,768	\$21,647	\$2.78666
Base cost of gas			2.14700
(Over) Under recovery per dk			0.63966
dk billed			7,856
(Over) Under recovery			\$5,025
<b>JUNE 1999-MAY UNBILLED</b>			
Purchased gas	7,768	\$21,647	\$2.78666
Base cost of gas			2.67900
(Over) Under recovery per dk			0.10766
dk billed			0
(Over) Under recovery			\$0

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS  
APPLICABLE TO SOUTH DAKOTA  
LARGE INTERRUPTIBLE**

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
<b>JUNE 1999</b>			
Purchased gas	5,471	\$15,250	\$2.78746
Base cost of gas			2.67900
(Over) Under recovery per dk			0.10846
dk billed			5,533
(Over) Under recovery			\$600
<b>JULY 1999 - JUNE UNBILLED</b>			
Purchased gas	5,471	\$15,250	\$2.78746
Base cost of gas			2.67900
(Over) Under recovery per dk			0.10846
dk billed			0
(Over) Under recovery			\$0
<b>JULY 1999</b>			
Purchased gas	4,789	\$14,959	\$3.12361
Base cost of gas			2.67900
(Over) Under recovery per dk			0.44461
dk billed			4,843
(Over) Under recovery			\$2,153
<b>AUGUST 1999 - JULY UNBILLED</b>			
Purchased gas	4,789	\$14,959	\$3.12361
Base cost of gas			2.67900
(Over) Under recovery per dk			0.44461
dk billed			0
(Over) Under recovery			\$0
<b>AUGUST 1999</b>			
Purchased gas	3,817	\$13,489	\$3.53381
Base cost of gas			2.67900
(Over) Under recovery per dk			0.85481
dk billed			3,860
(Over) Under recovery			\$3,299
<b>SEPTEMBER 1999 - AUGUST UNBILLED</b>			
Purchased gas	3,817	\$13,489	\$3.53381
Base cost of gas			2.99300
(Over) Under recovery per dk			0.54081
dk billed			0
(Over) Under recovery			\$0
<b>SEPTEMBER 1999</b>			
Purchased gas	3,347	\$10,505	\$3.13859
Base cost of gas			2.99300
(Over) Under recovery per dk			0.14559
dk billed			3,385
(Over) Under recovery			\$493

**MONTANA-DAKOTA UTILITIES CO.**  
**COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ADJUSTMENT**  
**SOUTH DAKOTA - EAST RIVER**  
**GENERAL PURPOSE**  
**TO BE EFFECTIVE DECEMBER 1, 1999 THROUGH APRIL 30, 2000**

(Over) / Under recovered gas costs @ September 30, 1999 (\$165,617)

Williston Basin Net Refund (53,469)

Less: Projected recovery from rates already established

	Volume	Rate	Amount
October	41,000	(\$0.365)	(14,965)
November	69,000	(0.365)	(25,185)
	110,000		(40,150)

Additional recovery required (178,936)

Projected sales volumes (dk)

December 1999	95,000	
January 2000	99,000	
February	86,000	
March	74,000	
April	49,000	
		<u>403,000</u>

Total (over) / under recovered gas cost adjustment  
to be effective December 1, 1999 through April 30, 2000 (50,444)



MONTANA-DAKOTA UTILITIES CO.  
 COMPUTATION OF (OVER) / UNDER RECOVERED GAS COST ACCOUNT BALANCE  
 SOUTH DAKOTA - EAST RIVER  
 GENERAL PURPOSE

	<u>(Over) Under Recovery</u>	<u>Refunds &amp; Other</u>	<u>Interest 1/</u>	<u>Total Additions</u>	<u>Dk Sales</u>	<u>Adjustment per Dk</u>	<u>Total Adjustment</u>	<u>Net Change</u>	<u>Cumulative Balance</u>
<b>BALANCE @ FEBRUARY 28, 1999</b>									<u>(\$211,846)</u>
MARCH	10,563	0	(502)	10,061	62,162	0.029	1,803	8,258	(203,588)
APRIL	(9,408)	0	(481)	(9,889)	55,100	0.029	1,598	(11,487)	(215,075)
MAY	858	0	(532)	326	30,189	(0.365)	(11,019)	11,345	(203,730)
JUNE	(218)	0	(512)	(730)	15,227	(0.365)	(5,558)	4,828	(198,902)
JULY	3,824	0	(495)	3,329	13,312	(0.365)	(4,859)	8,188	(190,714)
AUGUST	12,158	0	(491)	11,667	13,351	(0.365)	(4,873)	16,540	(174,174)
SEPTEMBER	4,373	0	(442)	3,931	12,674	(0.365)	(4,626)	8,557	(165,617)
<b>BALANCE @ SEPTEMBER 30, 1999</b>									<u>(\$165,617)</u>

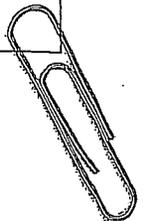
1/ Interest calculated at 90 day Treasury Note rate.

continuation

# 10



# of pages



**MONTANA-DAKOTA UTILITIES CO.**  
**COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS**  
**SOUTH DAKOTA - EAST RIVER**  
**GENERAL PURPOSE**

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
<b>MARCH 1999-FEBRUARY UNBILLED</b>			
Purchased gas	60,745	\$278,089	\$4.57797
Base cost of gas			4.27600
(Over) Under recovery per dk			0.30197
dk billed			41,556
(Over) Under recovery			\$12,549
<b>MARCH 1999</b>			
Purchased gas	56,362	\$235,481	\$4.17801
Base cost of gas			4.27600
(Over) Under recovery per dk			(0.09799)
dk billed			20,339
(Over) Under recovery			(\$1,993)
<b>MARCH 1999-FEBRUARY UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	18	\$70	\$3.86833
Base cost of gas			3.78400
(Over) Under recovery per dk			0.08433
dk billed			13
(Over) Under recovery			\$1
<b>MARCH 1999-SPECIAL CONTRACT</b>			
Purchased gas	25	\$93	\$3.72360
Base cost of gas			3.78400
(Over) Under recovery per dk			(0.06040)
dk billed			11
(Over) Under recovery			(\$1)
<b>MARCH 1999-FEBRUARY UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	283	\$1,260	\$4.45261
Base cost of gas			4.27600
(Over) Under recovery per dk			0.17661
dk billed			0
(Over) Under recovery			\$0
<b>MARCH 1999-SPECIAL CONTRACT</b>			
Purchased gas	242	\$1,042	\$4.30430
Base cost of gas			4.27600
(Over) Under recovery per dk			0.02830
dk billed			244
(Over) Under recovery			\$7

**MONTANA-DAKOTA UTILITIES CO.**  
**COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS**  
**SOUTH DAKOTA - EAST RIVER**  
**GENERAL PURPOSE**

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
<b>APRIL 1991-MARCH UNBILLED</b>			
Purchased gas	50,362	\$235,481	\$4.17801
Base cost of gas			4.27600
(Over) Under recovery per dk			(0.09799)
dk billed			36,291
(Over) Under recovery			(\$3,556)
<b>APRIL 1990</b>			
Purchased gas	37,077	\$146,618	\$3.95442
Base cost of gas			4.27600
(Over) Under recovery per dk			(0.32158)
dk billed			18,246
(Over) Under recovery			(\$5,868)
<b>APRIL 1994-MARCH UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	25	\$93	\$3.72360
Base cost of gas			3.78400
(Over) Under recovery per dk			(0.06040)
dk billed			14
(Over) Under recovery			(\$1)
<b>APRIL 1993-SPECIAL CONTRACT</b>			
Purchased gas	140	\$531	\$3.79200
Base cost of gas			3.78400
(Over) Under recovery per dk			0.00800
dk billed			101
(Over) Under recovery			\$1
<b>APRIL 1995-MARCH UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	242	\$1,042	\$4.30430
Base cost of gas			4.27600
(Over) Under recovery per dk			0.02830
dk billed			0
(Over) Under recovery			\$0
<b>APRIL 1995-SPECIAL CONTRACT</b>			
Purchased gas	443	\$1,910	\$4.31251
Base cost of gas			4.27600
(Over) Under recovery per dk			0.03651
dk billed			447
(Over) Under recovery			\$16

**MONTANA-DAKOTA UTILITIES CO.**  
**COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS**  
**SOUTH DAKOTA - EAST RIVER**  
**GENERAL PURPOSE**

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
<b>MAY 1999-APRIL UNBILLED</b>			
Purchased gas	37,077	\$146,618	\$3.95442
Base cost of gas			4.15100
(Over) Under recovery per dk			(0.19658)
dk billed			19,041
(Over) Under recovery			(\$3,743)
<b>MAY 1999</b>			
Purchased gas	18,948	\$86,665	\$4.57383
Base cost of gas			4.15100
(Over) Under recovery per dk			0.42283
dk billed			10,041
(Over) Under recovery			\$4,246
<b>MAY 1999-APRIL UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	140	\$531	\$3.79200
Base cost of gas			3.70800
(Over) Under recovery per dk			0.08400
dk billed			40
(Over) Under recovery			\$3
<b>MAY 1999-SPECIAL CONTRACT</b>			
Purchased gas	205	\$859	\$4.19151
Base cost of gas			3.70800
(Over) Under recovery per dk			0.48351
dk billed			850
(Over) Under recovery			\$416
<b>MAY 1999-APRIL UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	443	\$1,910	\$4.31251
Base cost of gas			4.05400
(Over) Under recovery per dk			0.25851
dk billed			0
(Over) Under recovery			\$0
<b>MAY 1999-SPECIAL CONTRACT</b>			
Purchased gas	1,125	\$4,214	\$3.74557
Base cost of gas			4.05400
(Over) Under recovery per dk			(0.30843)
dk billed			207
(Over) Under recovery			(\$64)

**MONTANA-DAKOTA UTILITIES CO.**  
**COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS**  
**SOUTH DAKOTA - EAST RIVER**  
**GENERAL PURPOSE**

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
<b>JUNE 1999-MAY UNBILLED</b>			
Purchased gas	18,948	\$86,565	\$4.57383
Base cost of gas			4.65900
(Over) Under recovery per dk			(0.08517)
dk billed			8,983
(Over) Under recovery			(\$765)
<b>JUNE 1999</b>			
Purchased gas	10,663	\$50,449	\$4.73118
Base cost of gas			4.65900
(Over) Under recovery per dk			0.07218
dk billed			5,292
(Over) Under recovery			\$382
<b>JUNE 1999-MAY UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	205	\$859	\$4.19151
Base cost of gas			3.70900
(Over) Under recovery per dk			0.48351
dk billed			277
(Over) Under recovery			\$134
<b>JUNE 1999-SPECIAL CONTRACT</b>			
Purchased gas	950	\$3,558	\$3.74547
Base cost of gas			3.70800
(Over) Under recovery per dk			0.03747
dk billed			618
(Over) Under recovery			\$23
<b>JUNE 1999-MAY UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	1,125	\$4,214	\$3.74557
Base cost of gas			4.57600
(Over) Under recovery per dk			(0.83043)
dk billed			0
(Over) Under recovery			\$0
<b>JUNE 1999-SPECIAL CONTRACT</b>			
Purchased gas	56	\$264	\$4.71518
Base cost of gas			4.57600
(Over) Under recovery per dk			0.13918
dk billed			57
(Over) Under recovery			\$8

**MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS  
SOUTH DAKOTA - EAST RIVER  
GENERAL PURPOSE**

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
<b>JULY 1999-JUNE UNBILLED</b>			
Purchased gas	10,663	\$50,449	\$4.73118
Base cost of gas			4.65900
(Over) Under recovery per dk			0.07218
dk billed			5,453
(Over) Under recovery			\$394
<b>JULY 1999</b>			
Purchased gas	11,545	\$59,912	\$5.18941
Base cost of gas			4.65900
(Over) Under recovery per dk			0.53041
dk billed			6,362
(Over) Under recovery			\$3,374
<b>JULY 1999-JUNE UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	950	\$3,558	\$3.74547
Base cost of gas			3.70800
(Over) Under recovery per dk			0.03747
dk billed			341
(Over) Under recovery			\$13
<b>JULY 1999 -SPECIAL CONTRACT</b>			
Purchased gas	1,776	\$6,651	\$3.74474
Base cost of gas			3.70800
(Over) Under recovery per dk			0.03674
dk billed			1,134
(Over) Under recovery			\$42
<b>JULY 1999-JUNE UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	56	\$264	\$4.71518
Base cost of gas			4.57600
(Over) Under recovery per dk			0.13918
dk billed			0
(Over) Under recovery			\$0
<b>JULY 1999 -SPECIAL CONTRACT</b>			
Purchased gas	13	\$61	\$4.65789
Base cost of gas			4.57600
(Over) Under recovery per dk			0.08169
dk billed			13
(Over) Under recovery			\$1

MONTANA-DAKOTA UTILITIES CO.  
COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS  
SOUTH DAKOTA - EAST RIVER  
GENERAL PURPOSE

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
<b>AUGUST 1998-JULY UNBILLED</b>			
Purchased gas	11,545	\$89,912	\$5.18941
Base cost of gas			4.65900
(Over) Under recovery per dk			0.53041
dk billed			5,296
(Over) Under recovery			\$2,809
<b>AUGUST 1999</b>			
Purchased gas	8,900	\$56,584	\$6.35774
Base cost of gas			4.65900
(Over) Under recovery per dk			1.69874
dk billed			5,446
(Over) Under recovery			\$9,251
<b>AUGUST 1998-JULY UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	1,776	\$6,651	\$3.74474
Base cost of gas			3.70800
(Over) Under recovery per dk			0.03674
dk billed			660
(Over) Under recovery			\$24
<b>AUGUST 1999-SPECIAL CONTRACT</b>			
Purchased gas	2,757	\$10,328	\$3.74606
Base cost of gas			3.70800
(Over) Under recovery per dk			0.03806
dk billed			1,939
(Over) Under recovery			\$74
<b>AUGUST 1998-JULY UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	13	\$61	\$4.65769
Base cost of gas			4.57600
(Over) Under recovery per dk			0.08169
dk billed			0
(Over) Under recovery			\$0
<b>AUGUST 1999-SPECIAL CONTRACT</b>			
Purchased gas	11	\$50	\$4.53091
Base cost of gas			4.57600
(Over) Under recovery per dk			(0.04509)
dk billed			11
(Over) Under recovery			\$0

**START**

**OF**

**RETAKE**

**MONTANA-DAKOTA UTILITIES CO.**  
**COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS**  
**SOUTH DAKOTA - EAST RIVER**  
**GENERAL PURPOSE**

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
<b>AUGUST 1999-JULY UNBILLED</b>			
Purchased gas	11,545	\$59,912	\$5.18941
Base cost of gas			4.65900
(Over) Under recovery per dk			0.53041
dk billed			5,296
(Over) Under recovery			\$2,809
<b>AUGUST 1999</b>			
Purchased gas	8,900	\$56,584	\$6.35774
Base cost of gas			4.65900
(Over) Under recovery per dk			1.69874
dk billed			5,446
(Over) Under recovery			\$9,251
<b>AUGUST 1999-JULY UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	1,776	\$6,651	\$3.74474
Base cost of gas			3.70800
(Over) Under recovery per dk			0.03674
dk billed			660
(Over) Under recovery			\$24
<b>AUGUST 1999-SPECIAL CONTRACT</b>			
Purchased gas	2,757	\$10,328	\$3.74606
Base cost of gas			3.70800
(Over) Under recovery per dk			0.03806
dk billed			1,939
(Over) Under recovery			\$74
<b>AUGUST 1999-JULY UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	13	\$61	\$4.65769
Base cost of gas			4.57600
(Over) Under recovery per dk			0.08169
dk billed			0
(Over) Under recovery			\$0
<b>AUGUST 1999-SPECIAL CONTRACT</b>			
Purchased gas	11	\$50	\$4.53091
Base cost of gas			4.57600
(Over) Under recovery per dk			(0.04509)
dk billed			11
(Over) Under recovery			\$0

**MONTANA-DAKOTA UTILITIES CO.**  
**COMPUTATION OF (OVER) UNDER RECOVERY OF GAS COSTS**  
**SOUTH DAKOTA - EAST RIVER**  
**GENERAL PURPOSE**

	<u>Dk</u>	<u>Amount</u>	<u>Cost per Dk</u>
<b>SEPTEMBER 1999-AUGUST UNBILLED</b>			
Purchased gas	8,900	\$56,584	\$6.35774
Base cost of gas			4.96100
(Over) Under recovery per dk			1.39674
dk billed			3,503
(Over) Under recovery			\$4,892
<b>SEPTEMBER 1999</b>			
Purchased gas	17,908	\$87,805	\$4.90312
Base cost of gas			4.96100
(Over) Under recovery per dk			(0.05788)
dk billed			9,088
(Over) Under recovery			(\$526)
<b>SEPTEMBER 1999-AUGUST UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	2,757	\$10,328	\$3.74606
Base cost of gas			3.70800
(Over) Under recovery per dk			0.03806
dk billed			847
(Over) Under recovery			\$32
<b>SEPTEMBER 1999-SPECIAL CONTRACT</b>			
Purchased gas	(724)	(\$2,710)	\$3.74282
Base cost of gas			3.70800
(Over) Under recovery per dk			0.03482
dk billed			(779)
(Over) Under recovery			(\$27)
<b>SEPTEMBER 1999-AUGUST UNBILLED-SPECIAL CONTRACT</b>			
Purchased gas	11	\$50	\$4.53091
Base cost of gas			4.87900
(Over) Under recovery per dk			(0.34809)
dk billed			0
(Over) Under recovery			\$0
<b>SEPTEMBER 1999-SPECIAL CONTRACT</b>			
Purchased gas	16	\$80	\$4.99188
Base cost of gas			4.87900
(Over) Under recovery per dk			0.11288
dk billed			16
(Over) Under recovery			\$2

**END**

**OF**

**RETAKE**

On November 17, 1999, the Commission received a formal complaint from Edith Johnson indicating that her service was switched from AT&T to MCI without her permission. The Complainant is seeking to have the charges removed.

Staff Analyst: Leni Healy  
Staff Attorney: Karen Cremer  
Date Filed: 11/17/99  
Intervention Deadline: NA

### ELECTRIC

**EL99-019** In the Matter of the One-Time Special Underground Assessment By Northern States Power Company in Sioux Falls, South Dakota.

Sioux Falls ordinances require Northern States Power Company (NSP) to relocate overhead facilities in the downtown Sioux Falls area to underground whenever the adjacent streets are resurfaced. Certain streets in downtown Sioux Falls were resurfaced in 1999. The NSP Tariff provides that NSP will comply with lawful orders of a municipality and that NSP will charge the cost of the project to the benefitted customers. South Dakota Electric Rate Book, Section No. 6, Original Sheet No. 29, Section 5.5 (effective 12-16-96). NSP determined that the benefitted customers in this matter were NSP's Sioux Falls customers. NSP determined that the breakdown of the cost of this project to the individual customers will be approximately \$2.00/household and will be placed on the November 1999 bills.

Analyst: Heather Forney  
Attorney: Karen Cremer  
Date Filed: 11/16/99  
Intervention Deadline: 12/03/99

### NATURAL GAS

**NC99-009** In the Matter of the Filing by Montana-Dakota Utilities Co. for Approval of a Waiver from Section 4(a) of the PGA Tariff Rates 88 and 89, which Specifies that the Surcharge Adjustment is Effective May 1 of Each Year.

Montana-Dakota Utilities Co. (MDU) received a net refund of \$1,581,377 from Williston Basin pursuant to a FERC order in the month of October. As a means of returning the net refund to the appropriate customers, MDU is proposing to implement an out-of-cycle surcharge adjustment to be effective December 1, 1999 through April 30, 2000.

Staff Analyst: Heather Forney  
Staff Attorney: Camron Hoseck  
Date Filed: 11/12/99  
Intervention Deadline: N/A

## TELECOMMUNICATIONS

TC99-105 In the Matter of the Application of PromiseVision Technology, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

PromiseVision Technology, Inc. intends to provide resold outbound presubscribed services and calling card services to both residential and business customers.

Staff Analyst: Keith Senger  
Staff Attorney: Karen Cremer  
Date Filed: 11/12/99  
Intervention Date: 12/03/99

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FURTHER ORDERED, that pursuant to SDCL 49-34A-72, MDU shall reimburse the Commission for its litigation expenses pertaining to Williston Basin's FEPC dockets in the amount of \$35,478.37, which shall be recovered from the South Dakota portion of the refund MDU received from Williston Basin.

Dated at Pierre, South Dakota, this 8<sup>th</sup> day of December, 1999.

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that this document has been served today upon all parties of record in this matter, as listed on the docket service list, by personal or by first class mail, or properly authorized electronic means, with charges prepaid thereon.

M. M. Kachko  
12/8/99

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg  
JAMES A. BURG, Chairman

Pam Nelson  
PAM NELSON, Commissioner

Laska Schoenfelder  
LASKA SCHOENFELDER, Commissioner