

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

December 17, 2010

Ms. Patty Van Gerpen
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501

RE: RM10-001—Request to Amend
Rules Regarding ARSD Chapter
20:10:17 Gas and Electric
Customer Billing Rules

Dear Ms. Van Gerpen:

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc. herewith submits comments regarding the South Dakota Public Utilities Commission Staff's proposed rule changes submitted in the above referenced docket.

As noted in Montana-Dakota's responses dated June 30, 2010 to Staff's questions in this matter, Montana-Dakota's long held practice has been to correct billing errors caused by various factors that affect billing including; meter errors, meter read errors, misapplication of a meter factor or meter index, etc. In the event the error resulted in an under billing, Montana-Dakota will bill customers for the corrected use for the period in error but no longer than six (6) months. Montana-Dakota works with each customer in the situation of an under billing to explain the reason for the adjustment and to provide for payment arrangements as necessary. In the event the error results in a refund to the customer, the refund has been made back to the time the error occurred if known with certainty.

Montana-Dakota requests that the Commission consider this practice of correcting under billings for up to six months as reasonable and reject the proposal to prohibit correcting residential service bills. No basis was provided to justify the proposed change, which we view as extreme and unnecessary. The proposal to allow amounts that would have been billed to be accounted for as a regulatory asset for future recovery appropriately recognizes that the costs

should be recovered, however it is difficult to reconcile why all customers should pay when the bill errors could be charged directly to the customer causing the cost. By not adjusting for known errors, customers will not be provided with the information necessary to make informed decisions regarding future energy use and budgeting for future use will be skewed. The account service history is also used in the budget billing calculation and determination of deposits which will be incorrect if accounts are not corrected for the actual volumes used.

In summary, Montana-Dakota requests that residential and commercial customers be treated equally in regard to billing errors and suggests that a period not to exceed six months be imposed for all bill adjustments for energy use consumed but not included in previously rendered bills. Montana-Dakota supports the rule change limiting refunds to a one year time frame. In the event of an unusual circumstance that would justify a longer refund period, Montana-Dakota would need to request a waiver from this rule.

Montana-Dakota appreciates the opportunity to comment and looks forward to further discussion regarding the proposed rules.

Sincerely,

/s/ Tamie A. Aberle

Tamie A. Aberle
Pricing & Tariff Manager