

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

IN THE MATTER OF THE APPLICATION FOR)	ORDER REGARDING
AN ORDER ESTABLISHING A NATURAL GAS)	JURISDICTION AND
LOCAL DISTRIBUTION UTILITY, AND TO)	APPROVING INTERVENTION
ESTABLISH INITIAL NATURAL GAS)	
TRANSPORTATION RATES FOR NORTHERN)	NG97-021
STATES POWER COMPANY)	

On December 16, 1997, Northern States Power Company (NSP), filed with the Public Utilities Commission (Commission) an application for an order establishing a natural gas local distribution utility, and to establish initial natural gas transportation rates. The initial rate will allow NSP-SD to serve the new Hutchinson Technology, Inc. (HTI) facility in the Sioux Empire Development Park Number 5 in eastern Sioux Falls, South Dakota, through a new distribution lateral pipeline. HTI had contacted NSP-SD and requested the proposed service. The proposed tariff, rate schedule, and form of service agreement would establish NSP-SD as a regulated utility in the state of South Dakota, subject to Commission jurisdiction. The proposed maximum rate is a volumetric rate per Mcf with a per month fixed customer service charge. At present, only HTI is affected by the proposed rate and tariff. The HTI plant is expected to be in commercial operation in February of 1998. NSP also requested that the Commission waive the tariff schedule arrangement and form of tariff rules found at ARSD 20:10:13:04 and 20:10:13:05 to the extent necessary to accept the proposed tariff and rates on the proposed effective date of January 16, 1998. NSP further requested waiver of any other Commission rules necessary to allow the tariff and rate to be effective on the date requested. NSP has further requested the Commission to approve the proposed initial rate, subject to refund and subject to hearing, within 30 days following the date of the filing.

At its regularly scheduled meeting of January 8, 1998, the Commission ordered that pursuant to SDCL 49-1A-8, NSP shall be assessed a filing fee as requested by the executive director up to the statutory limit of \$100,000 and February 9, 1998, was established as the deadline for intervention. The Commission took under advisement the request by NSP to permit it to flow gas to its one customer, HTI. On January 12, 1998, at a duly noticed ad hoc meeting, the Commission unanimously voted to allow NSP to flow gas through its pipeline, subject to refund, in order to accommodate its customer, HTI. Commissioner Schoenfelder also asked for clarification as to whether the Commission has jurisdiction to regulate NSP-SD as a gas utility. Intervention was granted to MidAmerican Energy. An intervention request was also received from PAM Natural Gas (PAM). The Commission requested that PAM refile its request for intervention to clarify the filing. On February 23, 1998, PAM filed another request for intervention.

On April 7, 1998, NSP filed an amended application requesting that the title of the application be amended to allow it to seek to be regulated as a gas utility. On April 15, 1998, MidAmerican Energy filed an amended motion to intervene based on NSP's amended application.

On April 22, 1998, at its regularly scheduled meeting, the Commission considered NSP's amended application as well as MidAmerican and PAM's request for intervention. The Commission unanimously voted to find that the Commission has jurisdiction in this matter. It also granted intervention to MidAmerican and PAM. The Commission further directed the executive director to establish a procedural schedule. It is therefore

ORDERED that the Commission has jurisdiction in this matter. It is further

ORDERED that MidAmerican and PAM be granted intervention.

Dated at Pierre, South Dakota, this 6th day of May, 1998.

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>Alaine Kalbs</u>
Date: <u>5/6/98</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner