

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

IN THE MATTER OF THE FILING BY)	ORDER APPROVING
NORTHWESTERN PUBLIC SERVICE COMPANY)	RETURN OF REFUND
FOR APPROVAL OF A PROPOSAL TO RETURN)	THROUGH PURCHASED
REFUND THROUGH ITS PURCHASED GAS)	GAS ADJUSTMENT
ADJUSTMENT CLAUSE)	
)	NG98-004

On May 19, 1998, Northwestern Public Service Company (NWPS) filed an application with the Public Utilities Commission (Commission) for approval of a proposed refund plan relating to Kansas ad valorem tax refunds received from Northern Natural Gas Company (NNGC). NWPS proposes to refund the amount to its customers through its purchased gas adjustment (PGA).

To date NWPS has received \$428,751.41 in total Kansas ad valorem tax refunds from NNGC. These refunds are being made pursuant to the FERC Commission's Order in Docket No. RP97-369-000. NWPS seeks Commission approval to net the refund dollars against the current true-up balance in the PGA, thus spreading the refund to customers, with interest, over a twelve month period. A typical residential customer will see an \$0.82 per month reduction in their natural gas bill.

At a regularly scheduled meeting of June 30, 1998, the Commission considered NWPS' application.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically, 49-34A-2, 49-34A-6, 49-34A-8, 49-34A-10, and 49-34A-25. Further, the Commission finds that the refund in the manner proposed is just and reasonable and shall be approved. It is therefore

ORDERED, that NWPS' proposal to return a refund received from NNGC through its PGA as described above is approved and shall be effective June 30, 1998, for inclusion in NWPS' July 1998 PGA.

Dated at Pierre, South Dakota, this 9th day of July, 1998.

<p>CERTIFICATE OF SERVICE</p> <p>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.</p> <p>By: <u><i>Melanie Krebs</i></u></p> <p>Date: <u>7/10/98</u></p> <p align="center">(OFFICIAL SEAL)</p>

BY ORDER OF THE COMMISSION:

James A. Burg
 JAMES A. BURG, Chairman

Pam Nelson
 PAM NELSON, Commissioner

Laska Schoenfelder
 LASKA SCHOENFELDER, Commissioner