

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

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| <b>IN THE MATTER OF THE APPLICATION OF )</b> | <b>DECISION AND ORDER</b>   |
| <b>NORTHWESTERN PUBLIC SERVICE FOR )</b>     | <b>APPROVING SETTLEMENT</b> |
| <b>AUTHORITY TO INCREASE RATES FOR )</b>     | <b>AGREEMENT</b>            |
| <b>NATURAL GAS SERVICE )</b>                 | <b>NG99-002</b>             |

On June 1, 1999, NorthWestern Public Service, a division of NorthWestern Corporation (NWPS), filed with the Public Utilities Commission (Commission) an application to increase natural gas rates in South Dakota. The application seeks an overall increase in rates in the amount of \$2,108,112 or approximately 6%. The Company requested a change in rates to become effective for billings after July 1, 1999.

At its regularly scheduled meeting of June 22, 1999, the Commission found that pursuant to SDCL 49-1A-8, NWPS shall be assessed a filing fee as requested by the executive director up to the statutory limit of \$100,000. The Commission further established an intervention deadline of July 22, 1999. Pursuant to SDCL 49-34A-14, the Commission suspended the operation of the schedule of rates proposed by NWPS for 90 days beyond July 1, 1999. By Order dated September 14, 1999, the Commission further extended the suspension through December 1, 1999.

The Commission scheduled the matter for hearing on October 20-21, 1999, starting at 9:00 A.M. CDT, on October 20, 1999, in Room 413, State Capitol, Pierre, South Dakota. On October 18, 1999, Commission Staff notified the Commission that NWPS and Commission Staff had reached a settlement agreement which increases the rates in the amount of \$1,279,025. Staff requested that the Commission consider it on October 20, 1999. An issue related to the PGA was separated from the rate case issues and will be decided at a later date.

On October 20, 1999, the Commission convened and considered the settlement agreement along with the presentations of NWPS and Commission Staff and took the matter under advisement. On November 1, 1999, at a regularly scheduled meeting, the Commission approved the settlement agreement with an effective date of December 1, 1999.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-34A, including 1-26-18, 1-26-19, 49-34A-2, 49-34A-3, 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-8, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-14, 49-34A-16, 49-34A-17, 49-34A-19, 49-34A-19.1, 49-34A-19.2, 49-34A-20, 49-34A-21, 49-34A-22, and 49-34A-23. It is therefore

**ORDERED**, that the settlement agreement entered into between NWPS and Commission Staff on October 19, 1999, shall be approved and shall be incorporated by reference into this Decision and Order the same as if it had been set forth in its entirety herein.

Dated at Pierre, South Dakota, this 15<sup>th</sup> of November, 1999.

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| <b>CERTIFICATE OF SERVICE</b>  |                      |
| 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>Helaine Kalbs</u> |
| Date:  | <u>11/16/99</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