

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

<b>IN THE MATTER OF THE APPLICATION OF</b>	)	<b>ORDER APPROVING TARIFF</b>
<b>NORTHWESTERN PUBLIC SERVICE FOR</b>	)	<b>REVISIONS</b>
<b>AUTHORITY TO INCREASE RATES FOR</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 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 ordered NWPS to file new tariffs to reflect the settlement agreement. On November 8, 1999, NWPS filed its tariffs. The revised tariffs are as follows:

- South Dakota Gas Rate Schedule, Section No. 2, 7th Revised Sheet No. 1, canceling 6th Revised Sheet No.1
- South Dakota Gas Rate Schedule, Section No. 2, 6th Revised Sheet No. 2, canceling 5th Revised Sheet No.2
- South Dakota Gas Rate Schedule, Section No. 3, 17th Revised Sheet No. 1, canceling 16th Revised Sheet No.1
- South Dakota Gas Rate Schedule, Section No. 3, 3rd Revised Sheet No. 2, canceling 2nd Revised Sheet No.2

South Dakota Gas Rate Schedule, Section No. 3, 8th Revised Sheet No. 3.1, canceling 7th Revised Sheet No. 3.1

South Dakota Gas Rate Schedule, Section No. 3, 7th Revised Sheet No. 4.1, canceling 6th Revised Sheet No. 4.1

South Dakota Gas Rate Schedule, Section No. 3, 8th Revised Sheet No. 6.1, canceling 7th Revised Sheet No. 6.1

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-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.

At its November 15, 1999, meeting, the Commission considered whether to approve the tariff sheets. The Commission voted unanimously to approve the rate schedules and related tariff sheets. Based upon the settlement agreement, the Commission finds that the rate schedules and related tariff sheets are consistent with the revenue levels and rate design agreed to in the settlement agreement. It further finds that the filing is just and reasonable and shall be approved. It is therefore

ORDERED, that the above mentioned proposed tariffs are approved and shall be effective for billings rendered on and after December 1, 1999.

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

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>Melanie Kalbo</u>
Date:	<u>12/8/99</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