

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

IN THE MATTER OF THE FILING BY)	ORDER APPROVING
MONTANA-DAKOTA UTILITIES CO., A)	CONTRACT WITH
DIVISION OF MDU RESOURCES GROUP, INC.)	DEVIATIONS
FOR APPROVAL OF AN EXTENSION OF A)	
CONTRACT WITH DEVIATIONS WITH)	NG03-005
MERRILLAT CORPORATION)	

On October 7, 2003, the Public Utilities Commission (Commission) received a filing by Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (MDU), requesting approval of its 10th Revised Sheet No. 1, Section No. 4, of MDU's State of South Dakota Gas Rate Schedule, covering Contracts with Deviations and the underlying contract with Merillat Corporation (Merillat) of Rapid City, South Dakota. The proposed contract would be effective November 1, 2003 through October 31, 2004.

MDU stated that Merillat is a large volume, high load factor customer, and it is in the best interest of the other customers for MDU to enter into another agreement which will satisfy Merillat's request for firm sales gas service at a competitive price that allows MDU to continue to provide natural gas service to this facility.

The existing firm customers will continue to benefit under this renegotiated contract through Merillat's contribution toward transmission pipeline demand costs and distribution cost recovery, which would not exist if Merillat were to utilize an alternate fuel.

In accordance with ARSD 20:10:13:30, MDU hereby requests that this request be approved by November 1, 2003.

MDU further requests waiver of the 30 days notice to the Commission required by ARSD 20:10:13:15 and 30 days notice to the public required by ARSD 20:10:13:17.

On October 16, 2003,, at a regularly scheduled meeting, the Commission considered the request for approval of the Contract with Deviations.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A, specifically, 49-34A-6, 49-34A-8, 49-34A-10, and 49-34A-11. Further, the Commission finds that MDU's request for approval of a Contract with Deviations is just and reasonable and shall be approved. As the Commission's final decision in this matter, it is therefore

ORDERED, that as of the date of this order the request seeking approval of a Contract with Deviations is in the public interest and is hereby granted; and it is further

ORDERED, that a waiver of the notice requirements of ARSD 20:10:13:15 and 20:10:13:17 shall be granted; and it is further

ORDERED, that the above-mentioned tariff is approved and is effective for service rendered on and after the date of this order.

Dated at Pierre, South Dakota, this 28th day of October, 2003.

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: Helaine Kalks

Date: 10/29/03

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Robert K. Sahr
ROBERT K. SAHR, Chairman

Gary Hanson
GARY HANSON, Commissioner

James A. Burg
JAMES A. BURG, Commissioner