

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

IN THE MATTER OF THE APPLICATION OF)	DECISION AND ORDER
MONTANA-DAKOTA UTILITIES CO. FOR)	APPROVING SETTLEMENT
AUTHORITY TO INCREASE RATES FOR)	STIPULATION
NATURAL GAS SERVICE)	NG02-011

On December 30, 2002, Montana-Dakota Utilities Co. (MDU), filed with the Public Utilities Commission (Commission) an application to increase natural gas rates in its Black Hills service territory. The application seeks an increase in rates in the approximate amount of \$2,173,380. On January 16, 2003, the Commission suspended the proposed schedule of rates for 90 days beyond January 30, 2003. On April 1, 2003, Commission Staff recommended that the suspension of the tariff be further extended for 60 days.

At its April 1, 2003, meeting, the Commission considered this matter. MDU concurred with Staff's recommendation. The Commission voted unanimously to grant the extension sought by Commission Staff. On April 30, 2003, the Commission received MDU's motion to continue and reschedule the hearing.

At its May 6, 2003, meeting, the Commission considered this matter. MDU agreed to suspend implementing the proposed rate increase for 30 days after the June 29, 2003, expiration date. The Commission voted unanimously to grant the continuance. On May 22, 2003, the Commission received MDU's motion to extend deadline for rebuttal testimony to June 6, 2003.

At its June 3, 2003, meeting, the Commission considered this matter. The Commission voted unanimously to grant MDU's motion to extend deadline for rebuttal testimony to June 6, 2003. On June 13, 2003, the Commission received a motion to continue and reschedule the hearing and further suspend rates from MDU and Commission Staff.

At its June 17, 2003, meeting, the Commission considered this matter. The Commission voted unanimously to grant MDU's and Commission Staff's motion to continue and reschedule the hearing and further suspend rates.

On October 27, 2003, the Commission received a joint motion for approval of settlement stipulation and staff memorandum supporting settlement stipulation from Staff.

Based on the Joint Motion for Approval of the Proposed Settlement Stipulation, the Commission noticed the Settlement Stipulation for consideration on December 2, 2003, at 1:30 P.M., in Room 412, State Capitol, 500 East Capitol, Pierre, South Dakota. On December 1, 2003, the Commission notified the parties that the meeting location had been changed to the Kneip Room, Governors Inn, 700 West Sioux Avenue, Pierre, South Dakota. The Commission also notified John Reints, complainant in Docket No. CN03-003, of the original meeting time and place and the change of location.

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-8.1, 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.

On December 2, 2003, the Commission heard from MDU and Commission Staff concerning the proposed Settlement Stipulation. After examining the parties as to issues of concern to the

Commission and having received satisfactory answers, the Commission voted to approve the Settlement Stipulation, including the attached customer notice and tariff sheets reflecting the new rates, with the exception of the effective date, which the Commission set, with the agreement of the parties, as December 2, 2003. Customer bills shall be prorated so that usage prior to December 2, 2003, is billed at the previous rates and usage on and after December 2, 2003, is billed at the rates approved in the Settlement Stipulation. MDU shall submit revised tariff sheets and a revised customer notice incorporating the approved effective date of December 2, 2003.

The tariff sheets approved and cancelled by this Order are as follows:

Section 1

Volume 2, Original Sheet No. 1 cancelling Volume 1, 15th Revised Sheet No. 1
Volume 2, Original Sheet No. 1.1 cancelling Volume 1, 6th Revised Sheet No. 1.1

Section 2

Volume 2, Original Sheet No. 1 cancelling Volume 1, 5th Revised Sheet No. 1
Volume 2, Original Sheet No. 1.1 cancelling Volume 1, 5th Revised Sheet No. 1.1

Section 3

Volume 2, Original Sheet No. 1
Volume 2, Original Sheet No. 2 cancelling Volume 1, 19th Revised Sheet No. 1
Volume 2, Original Sheet No. 5 cancelling Volume 1, 2nd Revised Sheet No. 5
Volume 2, Original Sheet No. 5.1 cancelling Volume 1, 2nd Revised Sheet No. 5.1
Volume 2, Original Sheet No. 7 cancelling Volume 1, 1st Revised Sheet No. 7
Volume 2, Original Sheet No. 11 cancelling Volume 1, 2nd Revised Sheet No. 11
Volume 2, Original Sheet No. 11.1
Volume 2, Original Sheet No. 12 cancelling Volume 1, 1st Revised Sheet No. 12
Volume 2, Original Sheet No. 12.1 cancelling Volume 1, 1st Revised Sheet No. 12.1
Volume 2, Original Sheet No. 12.2
Volume 2, Original Sheet No. 13 cancelling Volume 1, 2nd Revised Sheet No. 13
Volume 2, Original Sheet No. 13.1
Volume 2, Original Sheet No. 22 cancelling Volume 1, 1st Revised Sheet No. 22
Volume 2, Original Sheet No. 22.1 cancelling Volume 1, 1st Revised Sheet No. 22.1
Volume 2, Original Sheet No. 22.2 cancelling Volume 1, 2nd Revised Sheet No. 22.2
Volume 2, Original Sheet No. 22.3 cancelling Volume 1, 1st Revised Sheet No. 22.3
Volume 2, Original Sheet No. 22.4 cancelling Volume 1, 1st Revised Sheet No. 22.4
Volume 2, Original Sheet No. 22.5 cancelling Volume 1, 1st Revised Sheet No. 22.5
Volume 2, Original Sheet No. 22.6 cancelling Volume 1, 1st Revised Sheet No. 22.6
Volume 2, Original Sheet No. 22.7 cancelling Volume 1, 1st Revised Sheet No. 22.7
Volume 2, Original Sheet No. 22.8 cancelling Volume 1, 2nd Revised Sheet No. 22.8
Volume 1, 1st Revised Sheet No. 22.9 is cancelled
Volume 2, Original Sheet No. 26 cancelling Volume 1, 1st Revised Sheet No. 26
Volume 2, Original Sheet No. 26.1 cancelling Volume 1, 1st Revised Sheet No. 26.1
Volume 2, Original Sheet No. 26.2
Volume 2, Original Sheet No. 28
Volume 2, Original Sheet No. 28.1
Volume 2, Original Sheet No. 29 cancelling Volume 1, 3rd Revised Sheet No. 29
Volume 2, Original Sheet No. 29.1 cancelling Volume 1, 1st Revised Sheet No. 29.1
Volume 2, Original Sheet No. 29.2 cancelling Volume 1, 1st Revised Sheet No. 29.2
Volume 2, Original Sheet No. 29.3 cancelling Volume 1, 2nd Revised Sheet No. 29.3
Volume 2, Original Sheet No. 29.4 cancelling Volume 1, 2nd Revised Sheet No. 29.4
Volume 2, Original Sheet No. 29.5 cancelling Volume 1, 1st Revised Sheet No. 29.5

Volume 2, Original Sheet No. 30 cancelling Volume 1, 4th Revised Sheet No. 30
Volume 2, Original Sheet No. 30.1 cancelling Volume 1, 3rd Revised Sheet No. 30.1
Volume 2, Original Sheet No. 30.2 cancelling Volume 1, 3rd Revised Sheet No. 30.2
Volume 2, Original Sheet No. 30.3 cancelling Volume 1, 3rd Revised Sheet No. 30.3
Volume 2, Original Sheet No. 30.4 cancelling Volume 1, 2nd Revised Sheet No. 30.4
Volume 2, Original Sheet No. 30.5 cancelling Volume 1, Original Sheet No. 30.5

Section 4

Volume 2, Original Sheet No. 1 cancelling Volume 1, 9th Revised Sheet No. 1

Section 5

Volume 2, Original Sheet No. 1 cancelling Volume 1, 1st Revised Sheet No. 1
Volume 2, Original Sheet No. 1.1 cancelling Volume 1, 1st Revised Sheet No. 1.1
Volume 2, Original Sheet No. 1.2 cancelling Volume 1, 1st Revised Sheet No. 1.2
Volume 2, Original Sheet No. 1.3 cancelling Volume 1, 2nd Revised Sheet No. 1.3
Volume 2, Original Sheet No. 1.4 cancelling Volume 1, 1st Revised Sheet No. 1.4
Volume 2, Original Sheet No. 1.5 cancelling Volume 1, 1st Revised Sheet No. 1.5
Volume 2, Original Sheet No. 1.6 cancelling Volume 1, 1st Revised Sheet No. 1.6
Volume 2, Original Sheet No. 1.7 cancelling Volume 1, 1st Revised Sheet No. 1.7
Volume 2, Original Sheet No. 1.8 cancelling Volume 1, 1st Revised Sheet No. 1.8
Volume 2, Original Sheet No. 1.9 cancelling Volume 1, 1st Revised Sheet No. 1.9
Volume 2, Original Sheet No. 1.10 cancelling Volume 1, 1st Revised Sheet No. 1.10
Volume 2, Original Sheet No. 1.11 cancelling Volume 1, 1st Revised Sheet No. 1.11
Volume 2, Original Sheet No. 1.12 cancelling Volume 1, 1st Revised Sheet No. 1.12
Volume 2, Original Sheet No. 1.13 cancelling Volume 1, 1st Revised Sheet No. 1.13
Volume 2, Original Sheet No. 1.14 cancelling Volume 1, 1st Revised Sheet No. 1.14
Volume 2, Original Sheet No. 1.15 cancelling Volume 1, 1st Revised Sheet No. 1.15
Volume 2, Original Sheet No. 1.16 cancelling Volume 1, 1st Revised Sheet No. 1.16
Volume 2, Original Sheet No. 1.17 cancelling Volume 1, Original Sheet No. 1.17
Volume 2, Original Sheet No. 1.18
Volume 2, Original Sheet No. 1.19
Volume 2, Original Sheet No. 3 cancelling Volume 1, Original Sheet No. 3
Volume 2, Original Sheet No. 19 cancelling Volume 1, Original Sheet No. 19
Volume 2, Original Sheet No. 19.1 cancelling Volume 1, Original Sheet No. 19.1
Volume 2, Original Sheet No. 20 cancelling Volume 1, 1st Revised Sheet No. 20
Volume 2, Original Sheet No. 20.1 cancelling Volume 1, 1st Revised Sheet No. 20.1
Volume 2, Original Sheet No. 20.2 cancelling Volume 1, 1st Revised Sheet No. 20.2
Volume 2, Original Sheet No. 20.3 cancelling Volume 1, 1st Revised Sheet No. 20.3
Volume 2, Original Sheet No. 20.4 cancelling Volume 1, Original Sheet No. 20.4
Volume 2, Original Sheet No. 20.5
Volume 2, Original Sheet No. 24 cancelling Volume 1, Original Sheet No. 24
Volume 1, Original Sheet No. 24.1 is cancelled
Volume 1, Original Sheet No. 25 is cancelled
Volume 2, Original Sheet No. 34 cancelling Volume 1, Original Sheet No. 34
Volume 2, Original Sheet No. 34.1 cancelling Volume 1, Original Sheet No. 34.1
Volume 2, Original Sheet No. 34.2 cancelling Volume 1, Original Sheet No. 34.2
Volume 2, Original Sheet No. 34.3 cancelling Volume 1, Original Sheet No. 34.3

Section 6

Volume 2, Original Sheet No. 1 cancelling Volume 1, 4th Revised Sheet No. 1
Volume 1, 4th Revised Sheet No. 2 is cancelled
Volume 2, Original Sheet No. 2 cancelling Volume 1, Original Sheet No. 2.1

Volume 2, Original Sheet No. 3 cancelling Volume 1, 2nd Revised Sheet No. 3
Volume 1, 2nd Revised Sheet No. 4 is cancelled
Volume 2, Original Sheet No. 4 cancelling Volume 1, 6th Revised Sheet No. 5
Volume 2, Original Sheet No. 4.1
Volume 2, Original Sheet No. 5 cancelling Volume 1, 4th Revised Sheet No. 6
Volume 2, Original Sheet No. 6 cancelling Volume 1, 1st Revised Sheet No. 7
Volume 2, Original Sheet No. 7 cancelling Volume 1, 2nd Revised Sheet No. 8
Volume 2, Original Sheet No. 7.1 cancelling Volume 1, Original Sheet No. 8.1
Volume 2, Original Sheet No. 8 cancelling Volume 1 Original Sheet No. 9
Volume 1, Original Sheet No. 10 is cancelled
Volume 1, Original Sheet No. 11 is cancelled
Volume 2, Original Sheet No. 9 cancelling Volume 1, Original Sheet No. 12
Volume 2, Original Sheet No. 10 cancelling Volume 1, Original Sheet No. 13
Volume 2, Original Sheet No. 11 cancelling Volume 1, 1st Revised Sheet No. 14
Volume 2, Original Sheet No. 12 cancelling Volume 1, Original Sheet No. 15
Volume 2, Original Sheet No. 13 cancelling Volume 1, Original Sheet No. 16
Volume 2, Original Sheet No. 14 cancelling Volume 1, 1st Revised Sheet No. 17
Volume 2, Original Sheet No. 15 cancelling Volume 1, Original Sheet No. 18
Volume 1, Original Sheet No. 19 is cancelled
Volume 1, Original Sheet No. 20 is cancelled
Volume 1, Original Sheet No. 21 is cancelled
Volume 2, Original Sheet No. 16
Volume 2, Original Sheet No. 17
Volume 2, Original Sheet No. 17.1
Volume 2, Original Sheet No. 17.2
Volume 2, Original Sheet No. 17.3
Volume 2, Original Sheet No. 18 cancelling Volume 1, Original Sheet No. 23
Volume 2, Original Sheet No. 19 cancelling Volume 1, Original Sheet No. 24
Volume 2, Original Sheet No. 19.1 cancelling Volume 1, Original Sheet No. 24.1
Volume 2, Original Sheet No. 19.2 cancelling Volume 1, Original Sheet No. 24.2
Volume 2, Original Sheet No. 19.3 cancelling Volume 1, Original Sheet No. 24.3
Volume 2, Original Sheet No. 19.4
Volume 2, Original Sheet No. 19.5
Volume 2, Original Sheet No. 19.6
Volume 2, Original Sheet No. 19.7
Volume 2, Original Sheet No. 20 cancelling Volume 1, 1st Revised Sheet No. 26
Volume 2, Original Sheet No. 20.1
Volume 2, Original Sheet No. 21 cancelling Volume 1, Sub. Original Sheet No. 28
Volume 2, Original Sheet No. 21.1
Volume 2, Original Sheet No. 22
Volume 2, Original Sheet No. 23
Volume 2, Original Sheet No. 24

It is therefore

ORDERED, that the Settlement Stipulation entered into between MDU and Commission Staff, including the attached customer notice, is approved, with the exception of the effective date. The Settlement Stipulation, including attachment, as so revised is incorporated by reference into this Decision and Order the same as if it had been set forth in its entirety herein; and it is

FURTHER ORDERED, that customer bills shall be prorated so that usage prior to December 2, 2003, is billed at the previous rates and usage on and after December 2, 2003, is billed at the new rates; and it is

FURTHER ORDERED, that the tariff revisions set forth above in this Order are approved.

Dated at Pierre, South Dakota, this 17th day of December, 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: Delaine Kolbo

Date: 12/19/03

(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