

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

<b>IN THE MATTER OF THE FILING BY )</b>	<b>ORDER GRANTING</b>
<b>MONTANA-DAKOTA UTILITIES CO. FOR A )</b>	<b>WAIVERS AND ORDER</b>
<b>WAIVER OF TARIFFS )</b>	<b>APPROVING TARIFF</b>
)	<b>REVISION</b>
)	<b>NG08-007</b>

On July 10, 2008, Montana-Dakota Utilities Co. (MDU) filed for approval to waive tariff provisions in order to implement an out of cycle surcharge adjustment and to modify the effective date for August and September Purchased Gas Adjustments. MDU is proposing to implement a new surcharge (true up) adjustment on August 1, instead of the tariffed annual date of October 1. The current surcharge adjustments were established in October 2007, and reflect an over recovery of gas costs for the firm customers. MDU is now in the position of having an under recovery of gas costs for all classes except the Air Force and East River 100% load factor classes. In order to avoid adding to the under recovery, MDU proposes to eliminate the current negative surcharge for the firm classes and implement a zero surcharge. The Air Force and East River 100% load factor rate classes currently reflect an over recovery of gas costs. MDU proposes to eliminate the currently effective surcharges and implement a zero surcharge for these two classes also. The large interruptible class surcharge is currently a positive adjustment and it is proposed to continue that amortization. MDU also requests a waiver from Section 2(a) of its Rate 88 and Rate 89 tariffs and an associated tariff revision with less than 30 days notice, which specifies that the purchased gas cost adjustment be implemented on a bills rendered basis. MDU is currently integrating its Automated Meter Reading (AMR) system and may be rerouting some meter read cycles to most efficiently use the AMR system. As a result, during the implementation period, affected customers may receive bills that are longer or shorter than the normal cycle of approximately 30 days. MDU proposes to implement the purchased gas cost adjustment on a service rendered basis for bills submitted to customers in August and September in order to avoid potential effects on customers due to the longer or shorter billing cycles. As a result, customers' usage prior to August 1, 2008, will be billed at the rate established in June (also effective in July) and usage on and after August 1, 2008, will be billed at the cost of gas established in this filing. As a result of the proposed waiver, MDU filed for a revision to the following tariff sheet:

Section No. 3, 45<sup>th</sup> Revised Sheet No. 1, Canceling 44<sup>th</sup> Revised Sheet No. 1

At its regularly scheduled meeting on July 29, 2008, the Commission considered this matter. Commission Staff recommended granting the waivers and tariff revision.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A-4. The Commission further finds that the filing is just and reasonable and shall be granted. As the Commission's final decision in this matter, it is therefore

ORDERED, that the request for a waiver of tariffs and approval of revised tariff are hereby granted on less than 30 days notice.

Dated at Pierre, South Dakota, this 6<sup>th</sup> day of August, 2008.

**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: Melaine Koelbo

Date: 8/7/08

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Gary Hanson  
GARY HANSON, Chairman

Steve Kolbeck  
STEVE KOLBECK, Commissioner

Dustin M. Johnson  
DUSTIN M. JOHNSON, Commissioner