

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

**IN THE MATTER OF THE APPLICATION OF
MONTANA-DAKOTA UTILITIES CO. FOR
AUTHORITY TO INCREASE ITS NATURAL
GAS RATES**

) **ORDER GRANTING MOTION**
) **TO AMEND ORDER AND**
) **APPROVING REFUND PLAN**

) **NG12-008**

On December 21, 2012, the South Dakota Public Utilities Commission (Commission) received an application from Montana-Dakota Utilities (MDU) for approval to increase rates for natural gas service to customers in its South Dakota service territory and also to consolidate the Black Hills and East River areas into one rate jurisdiction. On November 5, 2013, the Commission issued an Order Granting Joint Motion for Approval of Settlement Stipulation approving the rates, terms, conditions, and tariff sheets as specified in the Settlement Stipulation filed by MDU and the Commission's staff (Staff). On November 22, 2013, MDU filed a Refund Plan proposing to refund the difference between the interim rates charged by MDU and the final rates approved in the Order through a credit to the fuel clause. On November 26, 2013, Staff filed a Staff Memorandum in Opposition to Refund Plan. On December 9, 2013, the Commission issued an Order Denying Proposed Refund Plan and Approving Alternative Plan (Order). On December 30, 2013, MDU filed a Motion to Amend Order requesting the Commission to allow MDU to utilize the refund methodology approved for use by Xcel Energy (Xcel) in Docket EL12-046 (Motion).

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, particularly 49-34A-17 and 49-34S-22, and ARSD Chapter 20:10:13.

The Commission considered this matter at its regular meeting on January 7, 2014. MDU explained that due to the interim rate increase billing method it utilized and its billing system, the use of the Black Hills Power methodology specified by the Commission in the Order would be very difficult, time consuming, and expensive for MDU to attempt to implement and that its use of the refund method approved for use by Xcel in Docket EL12-046 would match the interim rate computation method it utilized, would be much more feasible and efficient to implement, and would produce refund results for customers that would most accurately reflect the actual interim rate over-collections from such customers. Staff did not object to the relief requested by MDU in the Motion. Finding that the refund method requested by MDU would match the interim rate increase collection method utilized by MDU and would result in just and reasonable refunds for customers, the Commission voted unanimously to grant MDU's Motion and approve the general refund methodology approved for Xcel in Docket EL12-046, with interest at the rate of 7 percent as specified in ARSD 20:10:19:08, with non-creditable refunds to former customers limited to refunds of three dollars or more, and with the non-refundable balance credited to customers in general through the purchased gas adjustment.

It is therefore

ORDERED, that MDU's Motion to Amend Order is granted and that MDU's request to utilize the refund computation methodology approved for Xcel Energy in Docket EL12-046 is approved, with interest at the rate of 7 percent, with non-creditable refunds to former customers

limited to refunds of three dollars or more, and with the non-refundable balance credited to customers in general through the purchased gas adjustment.

Dated at Pierre, South Dakota, this 8th day of January, 2014.

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, electronically.	
By:	<u>Joy Lashley</u>
Date:	<u>1.8.14</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Chris Nelson
CHRIS NELSON, Commissioner

Kristie Fiegen
KRISTIE FIEGEN, Commissioner