

NG 98 - 003

RESOLUTION REQUEST

I ask that the Public Utilities Commission grant the following relief. (What do you think the Commission should do to solve this problem?)

If all negotiations with Peoples Gas Co. fail, I would ask that SD Dept. of Revenue allow me to receive a refund after I pay sales tax to Peoples Gas Co. OR I will pay sales tax DIRECTLY To S.D. Dept of Revenue For non ag usage.

NOTE: Please attach any additional pages, if necessary.

VERIFICATION

Complainant's signature must be witnessed by a notary public.

[Signature]
Complainant's Signature

May 4, 1998
Date

State of South Dakota)
County of Spear)
JSS

On this 4th day of May, 1998,

before me personally came and appeared [Signature] known to me to be the individual described herein and who executed the foregoing instrument, and who duly acknowledged to me that he/she executed same for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[Signature]
Signature of Notary Public

(SEAL)
My comm. term expires: 5/1/2004

note To

PUBLIC UTILITIES Comm.

MAY 4, 1998

I believe Peoples Gas Co is
being INCONSISTANT in Their Reason
For REFUSING To allow a Sales Tax
exemption. My complaint along
with the evidence presented makes
IT VERY CLEAR Peoples Gas Co has
no INTENTION OF COOPERATING. In
The past 30 years since the gas-
line was installed, and with over
300 Farm hookups, I believe IT
IS TIME This matter was corrected

Sincerely

Theresa Anderson

December 19, 1997

Duane Muxen
40182 US Hwy 212
Doland, SD 57436 6802

*This is EXHIBIT 1
as referred to in
Foamat complaint*

RE: Account 348521-0023

I have spoken with our tax department in Kansas City and they have advised that in order to exempt a customer from paying sales tax that we must have a tax exemption certificate on file. I would suggest contacting your tax accountant for the form and help in determining the percent of exemption. The tax department indicates that the exemption will begin with the date on the certificate.

If you have any questions, please contact me at 307-335-6667.

Sincerely,



Bonnie Rogrow
Lead Customer Associate

The undersigned certifies that its purchases are exempt from the South Dakota Sales or Use Tax and that all the purchases of tangible personal property or services are for personal use of a member or employee.

DESCRIPTION OF PURCHASE

Natural Gas is purchased for resale from Peoples Natural Gas

Oct and Nov 1987
DATE OF PURCHASE

Peoples Natural Gas
NAME OF ORGANIZATION

EXEMPTION NUMBER

[Signature]
SIGNATURE AND TITLE OF OFFICER

ANY PERSON UNLAWFULLY ISSUING OR SIGNING THE ABOVE CERTIFICATE WITH INTENT TO ELUDE THE TAX WILL BE SUBJECT TO PENALTIES AS PROVIDED BY LAW.

THE BURDEN OF PROOF IS UPON THE SELLER TO DETERMINE WHETHER OR NOT THE BUYER IS EXEMPT AS PROVIDED BY LAW FROM PAYMENT OF THE TAX FOR WHICH THIS CERTIFICATE IS ISSUED.

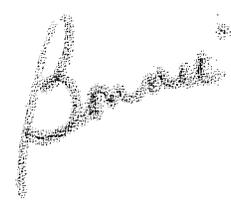
Memorandum

DATE: January 28, 1998
TO: Nancy Borren
FROM: Bonnie Roggow
RE: Tax exemption - South Dakota
CC: Duane Muxen

Nancy,

On the request of Sheryl I am sending you an exemption form that I received from a customer from South Dakota. He is requesting a sales tax exemption for the amount that he uses on grain and/or wheat. He has indicated that he received a tax refund last year. I have contacted the office that previously handled this account and we are reviewing the account.

Thank you for checking, please give me a call at 313-443-0322 if you have any questions. I will be out of the office until February 9th.



PEOPLES NATURAL GAS
ENERGY BUREAU

February 18, 1998

NO. 5 IN FORMER COMP
EXHIBIT 5

Duane Muxen
40182 US Hwy 212
Doland, SD 57436 6102

RE: Acct 348521-002

Dear Duane,

Yesterday I received a call from our Tax Department in Kansas City in regards to tax exemption for agriculture use in South Dakota. They have determined that sales tax pursuant to sec. 10-45-19, is exempt only if a separate meter is installed to register gas used specific to agriculture.

Kati spoke with a representative in Pierre, SD at phone number 603-773-5181. So at this time, the tax is due and payable to the State of South Dakota. Thank you for your patience while this matter was being researched.

Sincerely,



Bonnie Ruggow
Lead Customer Associate

94-95-16

APPROXIMATE
gas line length
3500 FT.

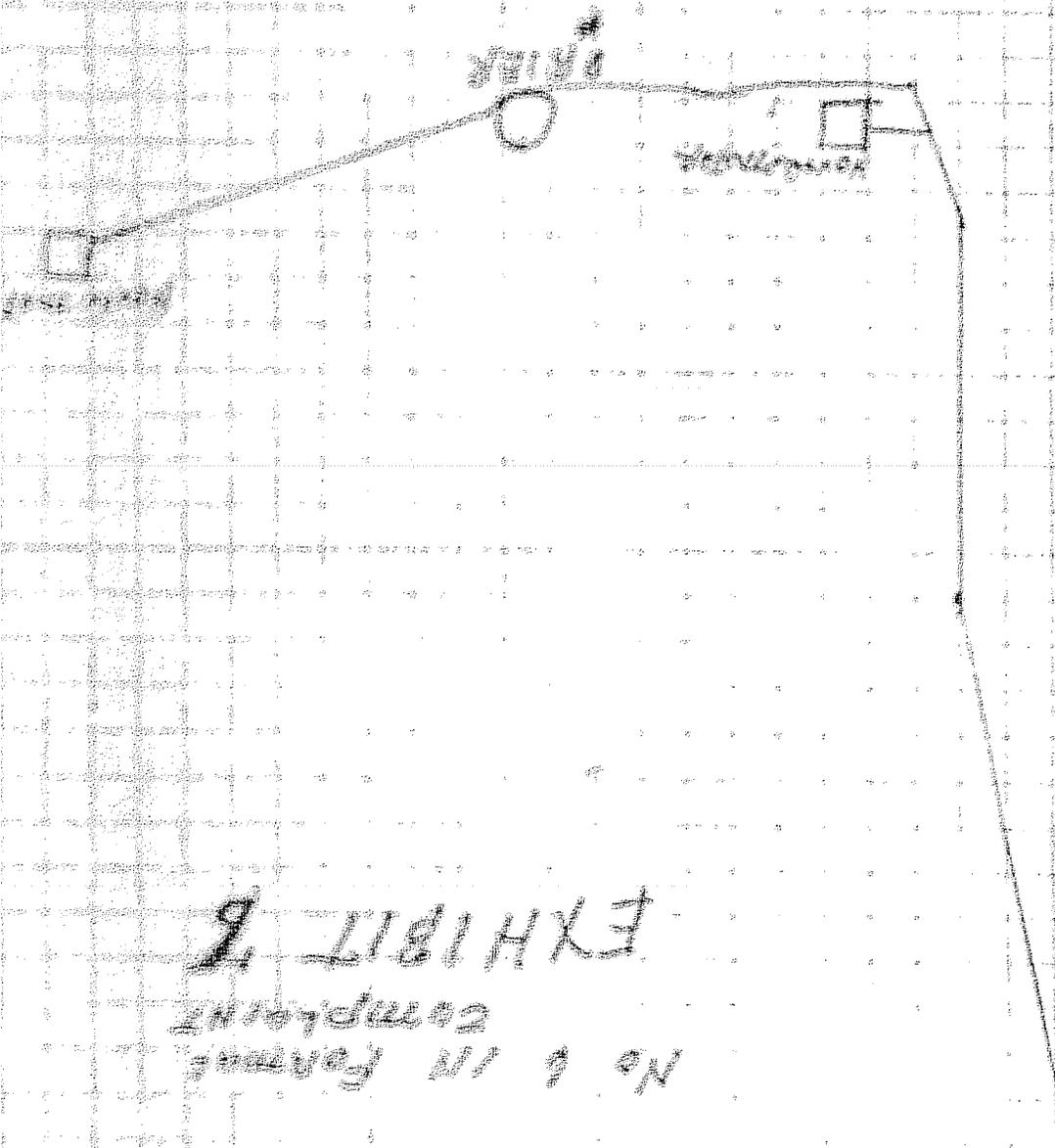


EXHIBIT 2
No 6 IN FORMER
COMPONENT

PROPERTY LINE

MAIN GAS LINE

MAIN GAS LINE
gas meter

Doland So Dak
Feb 20 1898

Dept of Revenue

To Julie Larson

I am sending this letter
regarding our conversation about
Sales Tax exemption that you
Requested.

We purchase natural gas from
The Main Line of Peoples Natural
Gas Co. Each Fall we use on
The average of 5000⁺ of gas
For grain drying. We use gas for
our 2 homes that have separate
meters. To determine the amount
of Sales Tax exempt gas we
subtract the gas used in our
2 houses from the total, and
will pay Sales Tax on gas used in
our houses.

The gas company says all of

Their BILLING is done by com-
puter and it would be hard
to separate The two usages.

You Told me you would send me
a letter That should get me
a Sales Tax exemption. I
appreciate your assistance
IN This MATTER.

SINCERELY
Frank M. Jones

EXHIBIT 7

NO. 7 IN FORMAL
COMPLAINT

February 26, 1998

Duane Muxen
40182 US Hwy 212
Doland, SD 57436-6802

Dear Mr. Muxen:

This letter is response to your letter dated February 20, 1998, requesting a letter to purchase natural gas for use in a grain dryer exempt from sales tax.

In your letter, you stated that you purchase natural gas from the main line of Peoples Natural Gas Co. Each fall you use on the average \$5000 worth of natural gas for grain drying purposes. You also use natural gas in your home. You stated that your home has a separate meter.

South Dakota Codified Law 10-45-19, states that natural gas used for agricultural purposes is exempt from South Dakota sales tax. It states that agricultural purposes does not include the lighting or heating of any farm residence.

If you have separate meters for regulating the amount of natural gas used in your home versus amount used for grain drying purposes, the amount used for grain drying purposes may be purchased exempt from South Dakota sales tax.

If additional information or assistance is needed, please feel free to contact this office.

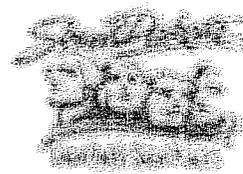
Sincerely,

Julie Lorenson

Julie Lorenson
Revenue Agent

P.S. from Duane to Bonnie Roggenbom.

In our conversation on Feb 27, 1998, I suggested I would try to get a refund from So Dak. Dept of Revenue. They told me that only applied to Minn. & Neb. and I couldn't get a refund from So. Dak., they stated I would have to get a refund or exemption from the gas company.





PEOPLES NATURAL GAS

Notice of Proposed Disconnection

EXHIBIT 8

ACCOUNT	SERVICE ADDRESS	EST. AMOUNT DUE
348521-0023	NE 32 SPINK 117-61	\$ 18.98

MUXEN, DUANE 00384 PLEASE DISREGARD THIS
 40182 US HWY 212 NOTICE IF PAYMENT HAS
 DOLAND, SD 57436-4802 BEEN MADE.

ATTENTION..... YOUR GAS SERVICE ACCOUNT IS NOW PAST-DUE!

THIS AMOUNT PAST DUE COVERS GAS SERVICE THROUGH 01/02/98

WE REQUEST THAT YOU GIVE THIS MATTER YOUR IMMEDIATE ATTENTION SINCE IT WILL BE NECESSARY FOR US TO DISCONTINUE GAS SERVICE UNLESS THIS AMOUNT IS PAID OR WE REACH AN AGREEMENT REGARDING PAYMENT ON OR BEFORE 02/09/98

WE TRUST THAT WE SHALL RECEIVE YOUR REMITTANCE PROMPTLY SO THAT YOU WILL CONTINUE TO RECEIVE UNINTERRUPTED GAS SERVICE.

A CHARGE OF \$ 10.00 WILL BE MADE FOR RECONNECTION IF GAS SERVICE IS DISCONTINUED. IN THE EVENT GAS SERVICE IS DISCONTINUED IT CANNOT BE RESUMED UNTIL YOUR ACCOUNT IS PAID, OR UNTIL WE REACH AN AGREEMENT REGARDING PAYMENT.

YOU MAY RECEIVE ADDITIONAL BILLING. IF SO, THIS BALANCE WILL BE IDENTIFIED AS PAST DUE.

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT **Thank You**

Notice of Proposed Disconnection

DUE DATE 02/09/98

ACCOUNT	EST. AMOUNT DUE
348521-0023	\$ 18.98



PEOPLES NATURAL GAS

PEOPLES NATURAL GAS
 201 E THIRD
 PO BOX 251
 FAIRMONT, MN 56031-0251

MUXEN, DUANE
 40182 US HWY 212
 DOLAND, SD 57436

If you have any questions about this amount or if you need to make arrangements for payment, please call Peoples Natural Gas Office etc.

(800) 503-0752
 OFFICE HOURS : 8:00 - 5:00 ON WEEKDAYS



Notice of Proposed Disconnection

8

ACCOUNT	SERVICE ADDRESS	GAS AMOUNT DUE
348521-0023	NE 32 SPINK 117-61	\$ 18708

MUXEN, DUANE 00439 PLEASE DISREGARD THIS
 40182 US HWY 212 NOTICE IF PAYMENT HAS
 DOLAND, SD 57436-6802 BEEN MADE.

ATTENTION..... YOUR GAS SERVICE ACCOUNT IS NOW PAST-DUE!

THIS AMOUNT PAST DUE COVERS GAS SERVICE THROUGH 01/30/98.

WE REQUEST THAT YOU GIVE THIS MATTER YOUR IMMEDIATE ATTENTION SINCE IT WILL BE NECESSARY FOR US TO DISCONTINUE GAS SERVICE UNLESS THIS AMOUNT IS PAID OR WE REACH AN AGREEMENT REGARDING PAYMENT ON OR BEFORE 03/12/98.

WE TRUST THAT WE SHALL RECEIVE YOUR REMITTANCE PROMPTLY SO THAT YOU WILL CONTINUE TO RECEIVE UNINTERRUPTED GAS SERVICE.

A CHARGE OF \$ 10.00 WILL BE MADE FOR RECONNECTION IF GAS SERVICE IS DISCONTINUED. IN THE EVENT GAS SERVICE IS DISCONTINUED IT CANNOT BE RESUMED UNTIL YOUR ACCOUNT IS PAID, OR UNTIL WE REACH AN AGREEMENT REGARDING PAYMENT.

YOU MAY RECEIVE ADDITIONAL BILLING. IF SO, THIS BALANCE WILL BE IDENTIFIED AS PAST DUE.

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT THROUGH YOUR

Notice of Proposed Disconnection



ACCOUNT	GAS AMOUNT DUE
348521-0023	\$ 18708

DUE DATE 03/12/98

PEOPLES NATURAL GAS
 201 E THIRD
 PO BOX 231
 FAIRMONT, MN 56031-0231

MUXEN, DUANE
 40182 US HWY 212
 DOLAND, SD 57436

If you have any questions about this amount or if you need to make a pre-arrangement for payment, please call Peoples Natural Gas Office at:

(800)303-0752
 OFFICE HOURS : 8:00 - 5:00 ON WEEKDAYS



PEOPLES
NATURAL
GAS

Notice of Proposed Disconnection

8

ACCOUNT	SERVICE ADDRESS	GAS AMOUNT DUE
348521-0023	NE 32 SPINK 117-41	\$ 18390

MUXEN, DUANE 00462
40182 US HWY 212
DOLAND, SD 57436-6802

PLEASE DISREGARD THIS
NOTICE IF PAYMENT HAS
BEEN MADE.

ATTENTION..... YOUR GAS SERVICE ACCOUNT IS NOW PAST-DUE!

THIS AMOUNT PAST DUE COVERS GAS SERVICE THROUGH 03/02/98 .

WE REQUEST THAT YOU GIVE THIS MATTER YOUR IMMEDIATE
ATTENTION SINCE IT WILL BE NECESSARY FOR US TO DISCONTINUE
GAS SERVICE UNLESS THIS AMOUNT IS PAID OR WE REACH AN
AGREEMENT REGARDING PAYMENT ON OR BEFORE 04/10/98

WE TRUST THAT WE SHALL RECEIVE YOUR REMITTANCE PROMPTLY SO
THAT YOU WILL CONTINUE TO RECEIVE UNINTERRUPTED GAS SERVICE.

A CHARGE OF \$ 10.00 WILL BE MADE FOR RECONNECTION IF GAS
SERVICE IS DISCONTINUED. IN THE EVENT GAS SERVICE IS
DISCONTINUED IT CANNOT BE RESUMED UNTIL YOUR ACCOUNT IS
PAID, OR UNTIL WE REACH AN AGREEMENT REGARDING PAYMENT.

YOU MAY RECEIVE ADDITIONAL BILLING. IF SO, THIS BALANCE
WILL BE IDENTIFIED AS PAST DUE.

△



PEOPLES
NATURAL
GAS

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT Thank You

Notice of Proposed Disconnection

DUE DATE 04/10/98

ACCOUNT	GAS AMOUNT DUE
348521-0023	\$ 18390

PEOPLES NATURAL GAS
201 E THIRD
PO BOX 231
FAIRMONT, MN 56031-0231

MUXEN, DUANE
40182 US HWY 212
DOLAND, SD 57436

If you have any questions about this
amount or if you need to make ar-
rangements for payment, please call
Peoples Natural Gas Office at:

(800)303-0752

OFFICE HOURS : 8:00 - 5:00 ON WEEKDAYS.

51

Kolbo, Delaine

From: Jacobson, David
To: Bullard, Bill; Hoseck, Camron; Meaney, Ethan; Rislav, Greg; Healy, Len; <<SUPPORT STAFF>>
Subject: Muxen complaint.....Peoples rep
Date: Thursday, May 21, 1998 10:51AM

The person who will be representing Peoples at the 28th Commission meeting is Richard Haubensak. He should be faxed the agenda.
His phone number is 402-221-2024
His fax number is 402-221 2501.
He is from Omaha.

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

IN THE MATTER OF THE COMPLAINT)	ORDER FINDING NO
FILED BY DUANE MUXEN, DOLAND,)	PROBABLE CAUSE, DISMISSING
SOUTH DAKOTA, AGAINST PEOPLES)	COMPLAINT AND CLOSING
NATURAL GAS REGARDING SALES TAX)	DOCKET
EXEMPTION)	NG98-003

On May 5, 1998, the Public Utilities Commission (Commission) received a Complaint filed by Duane Muxen (Complainant), Doland, South Dakota, against Peoples Natural Gas (PNG). The Complainant explains that he has filed the certificate of [tax] exemption and has a letter from the Department of Revenue (Revenue) indicating that all requirements were met to qualify for a sales tax exemption. PNG has indicated that Revenue requires a separate meter owned by PNG.

On May 28, 1998, at a duly noticed meeting, Complainant explained his complaint against PNG regarding a sales tax exemption. Commission Staff (Staff) noted that representatives from Revenue elected not to attend the meeting and also recommended finding probable cause. The Commission deferred any action on the complaint in order for Staff to negotiate with Revenue and Complainant.

On July 23, 1998, at a duly noticed meeting, the Commission granted Complainant's request to defer any action on his complaint until the Commission's next regularly scheduled meeting.

Pursuant to ARSD 20:10:01:08.01 and 20:10:01:09, if a complaint cannot be settled without formal action, the Commission shall determine if the complaint shows probable cause of an unlawful or unreasonable act, rate, practice or omission to go forward with the complaint.

On August 4, 1998, at a duly noticed meeting, the Commission heard comments from the Complainant and PNG. Staff noted that pursuant to South Dakota Law, PNG collects and remits sales tax to Revenue on all their natural gas sales in South Dakota. In order to satisfy the Revenue's requirements, the Commission would have to order PNG to take possession of Complainant's submetering facilities which are located on the customer's side of the billing meter. Staff indicated that it has not been the Commission's practice to regulate customer owned facilities and recommended that the Commission not find probable cause of an unlawful or unreasonable act, rate, practice or omission by PNG to go forward with the complaint.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A-2, 49-34A-4, 49-34A-58 and ARSD 20:10:01:08.01 and 20:10:01:09.

Pursuant to ARSD 20:10:01:09, the Commission unanimously voted to find no probable cause of an unlawful or unreasonable act, rate, practice, or omission on the part of PNG and to dismiss the Complaint and close the docket. As the Commission's final decision in this matter, it is therefore

ORDERED that the complaint is dismissed and docket NG98-003 is hereby closed.

Dated at Pierre, South Dakota, this 14th day of August, 1998.

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><i>Allemaie Kalvo</i></u>
Date:	<u>8/14/98</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