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# NorthWestern<sup>TM</sup> Energy

August 22, 2002

Ms. Debra Elofson  
Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol  
Pierre, SD 57501-5070

**RECEIVED**

AUG 23 2002

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

Re: Gas Transportation Tariff Change - Fuel Retention Percentage

Dear Ms. Elofson:

Enclosed are an original and ten copies of 7<sup>th</sup> Revised Sheet No. 6.2 of Section No. 5 of NorthWestern's filed Natural Gas Tariff. This filing is made to comply with the fuel retention provisions of Paragraph 7 of the Gas Transportation Tariff General Terms and Conditions. Those provisions call for the retention percentage for the Company's South Dakota distribution system to be adjusted annually, to be effective October 1, based on the actual percentage incurred by the Company for the prior 12 month period ending July 31.

The new fuel retention percentage proposed to be effective October 1, 2002 is 1.08%. This is a decrease of 0.30% from the currently effective retention percentage of 1.38%. The retention percentages effective October 1, 1999 and 2000 were 1.48% and 1.86%, respectively. Exhibit A, attached, shows the computation of the actual percentage incurred by the Company for the twelve month period ending July 31, 2002.

NorthWestern asks that the proposed retention percentage be approved to be effective October 1, 2002.

Sincerely,



Jeff J. Decker

enclosure

SOUTH DAKOTA GAS RATE SCHEDULE

NORTHWESTERN PUBLIC SERVICE COMPANY  
HURON  
SOUTH DAKOTA

Section No. 5  
7<sup>th</sup> Revised Sheet No. 6.2  
Canceling 6<sup>th</sup> Revised Sheet No. 6.2

**CLASS OF SERVICE: Gas Transportation Tariffs**  
**RATE DESIGNATION: General Terms and Conditions**

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(Con't)

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

**6. Liability:**

- (a) General - Gas shall be and shall remain the property of the Customer while being transported and delivered by the Company. The Company shall not be liable to the Customer for any loss arising from or out of Gas Transportation Service while in the Company's system or for any other cause, except for gross or willful negligence of the Company's own employees. The Company reserves the right to commingle gas of the Customer with other gas supplies including propane and liquefied natural gas.
- (b) Insurance - The Customer shall be responsible for determining the extent of and maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.

**7. Retention:** A Customer or Group Customer, if applicable, shall have the option to choose one of the following methods to apply retention:

Option One (Indexed Based): The value of retention shall be determined by multiplying i) the monthly average price plus applicable interstate pipeline transportation charges as reported in the BTU's Daily Gas Wire Index for each pipeline (NNG: MidContinent Pooling Point) times ii) the Retention percentage times iii) the Deliveries. This value shall be billed monthly. This billing shall represent compensation for Lost and Unaccounted for Gas. The Retention percentage for the Company's South Dakota distribution system is 1.08% and will be adjusted annually, to be effective October 1, based on the actual percentage incurred by the Company for the prior 12 month period ending July 31. Retention amounts collected under this option will be credited to expense in PGA true-up filings. If the Customer, or Group Customer, does not select one of the options presented in this retention section, retention shall be calculated as stated in this paragraph. (R)

Option Two (Inkind): The Customer, or Group Customer, if applicable, upon written request, may deliver retention quantities inkind. The request shall include the Customer's account number and the meter number of which inkind retention is being requested and shall be delivered to the Company's representative. Upon the Company's acknowledgment of the receipt of the request, the Customer shall be allowed to deliver retention volumes inkind. The Customer shall have the option to have the quantity of transportation gas received from the transporting pipeline reduced, upon delivery to the Customer, by a fixed percentage of 1.08% (to be adjusted as set forth above), which shall represent compensation for Company-Used Gas and Lost and Unaccounted For Gas. Where fuel reimbursement is inkind, the standard fuel calculation mechanism, as this is related to the nominating process, should be  $(1 - (\text{fuel \%}/100))$  multiplied by receipt quantity = delivery quantity. (R)

Date Filed: August 22, 2002

Effective Date: October 1, 2002

Michael J. Hanson  
Issued By: **President & CEO**

**NORTHWESTERN PUBLIC SERVICE**

**Exhibit A**

Gas Balancing Statement  
 Twelve Months Ended July 31, 2002

Description	South Dakota MMBtu					
	9 Mos. Ended 09/30/01	3 Mos. Ended 12/31/01	Year Ended 12/31/01	7 Mos. Ended 7/31/02	7 Mos. Ended 7/31/01	12 Mos. Ended 7/31/02
<b>Gas Sources</b>						
Purchases	3,483,173	1,772,397	5,255,570	2,978,719	3,355,679	4,878,610
Transportation Receipts	3,309,253	1,468,022	4,777,275	3,634,029	2,719,691	5,691,613
Propane Peaking	0	0	0	0	0	0
<b>Total Sources</b>	<u>6,792,426</u>	<u>3,240,419</u>	<u>10,032,845</u>	<u>6,612,748</u>	<u>6,075,370</u>	<u>10,570,223</u>
<b>Gas Uses</b>						
Sales	4,411,299	1,089,525	5,500,824	3,591,000	4,252,806	4,839,018
Transportation Deliveries	3,247,701	1,447,763	4,695,464	3,583,879	2,669,105	5,610,238
Company Use	9,148	1,256	10,404	5,087	9,096	6,395
<b>Total Uses</b>	<u>7,668,148</u>	<u>2,538,544</u>	<u>10,206,692</u>	<u>7,179,966</u>	<u>6,931,007</u>	<u>10,455,651</u>
<b>Lost &amp; Unaccounted For</b>	<u>(875,722)</u>	<u>701,875</u>	<u>(173,847)</u>	<u>(567,218)</u>	<u>(855,637)</u>	<u>114,572</u>
<b>L&amp;U Retention Percentage</b>	<u>1.86%</u>	<u>1.38%</u>		<u>1.38%</u>	<u>1.86%</u>	<u>1.08%</u>

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 AUG 22 2002  
 SOUTH DAKOTA PUBLIC  
 UTILITIES COMMISSION

**South Dakota Public Utilities Commission**

**WEEKLY FILINGS**

**For the Period of August 22, 2002 through August 28, 2002**

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this report. Phone: 605-773-3705 Fax: 605-773-3809

**CONSUMER COMPLAINTS**

**CT02-033 In the Matter of the Complaint filed by Denise Haerter, Sioux Falls, South Dakota, against MCIWorldCom and Qwest Corporation Regarding Unauthorized Switching of Services.**

Complainant states that she has three phone lines into her home and two of the lines were switched to MCI without authorization. Complainant wants MCI or Qwest to be fined the \$1,000.00 per line as stated in the South Dakota slamming law, a letter of apology from the company, and a removal of all charges.

Staff Analyst: Mary Healy  
Staff Attorney: Karen Cremer  
Date Docketed: 08/22/02  
Intervention Deadline: N/A

**CT02-034 In the Matter of the Complaint filed by John M. Rice on behalf of Rice Insurance Agency, Inc., Sioux Falls, South Dakota, against McLeodUSA Telecommunications Services, Inc. Regarding Telephone Book Listing, Poor Service, Contract Dispute, No Long Distance or 800# Service.**

Complainant states that it began having problems with McLeod in 2001. After Complainant relocated its business, McLeod omitted putting the Complainant's new address in the McLeod phone book. When Complainant decided to change providers, it contacted McLeod to see if it could match the offer that was made by Qwest, and McLeod did not respond to the offer. Complainant switched its local service to Qwest and left its long distance and 800# with McLeod. Complainant continued to be billed for its service with McLeod and a fee for canceling its local service. Although Complainant paid its long distance charges, its service was disconnected for several days. Complainant switched its remaining service to Sprint, but McLeod would not release its 800# until it paid a termination of contract fee of \$3,245.00 to McLeod. Complainant paid the fee in order to get its 800# working with Sprint. Complainant has now received another termination of contract bill from McLeod for \$10,000.00. Complainant requests a refund of the termination of contract fees that it has paid, the removal of any other penalty from McLeod, and reimbursement for loss of business, down-time and inconvenience to its business.

Staff Analyst: Amy Kayser  
Staff Attorney: Kelly Frazier  
Date Docketed: 08/27/02  
Intervention Deadline: N/A

## NATURAL GAS

### **NG02-006 In the Matter of the Filing by NorthWestern Energy for Approval of Tariff Revisions.**

Application by NorthWestern Energy to update its fuel retention percentage for natural gas transportation service. NorthWestern Energy's tariff provides that the fuel retention percentage be adjusted annually with the updated percentage to be effective October 1 of each year.

Staff Analyst: Dave Jacobson  
Staff Attorney: Kelly Frazier  
Date Docketed: 08/23/02  
Intervention Deadline: 09/13/02

### **NG02-007 In the Matter of the Filing by MidAmerican Energy Company for Approval of Continuation of the IGSP.**

Application by MidAmerican Energy to Continue its Incentive Gas Supply Procurement Program (IGSP). This program was initially approved by the Commission for a three-year period in 1995, and was approved with modifications for a second three-year period in 1999. This filing proposes to further extend application of the plan, with modifications, to be effective through October 31, 2005. The IGSP compares actual gas supply costs to a benchmark and allows for a sharing of the difference between ratepayers and MidAmerican Energy.

Staff Analyst: Dave Jacobson  
Staff Attorney: Kelly Frazier  
Date Docketed: 08/27/02  
Intervention Deadline: 09/13/02

## TELECOMMUNICATIONS

### **TC02-109 In the Matter of the Application of NECC Telecom, Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.**

NECC Telecom, Inc. has filed an application with the South Dakota Public Utilities Commission for a Certificate of Authority to provide interexchange service in South Dakota. The applicant intends to provide resold interexchange service, including 1+ and 101XXXX outbound dialing, 800/888 toll-free inbound dialing, directory assistance, data services and travel card service to customers throughout South Dakota.

Staff Analyst: Heather Forney  
Staff Attorney: Kelly Frazier  
Date Docketed: 08/23/02  
Intervention Deadline: 09/13/02

**TC02-110 In the Matter of the Application of Voicecom Telecommunications, LLC to Approve the Transfer of the Certificate of Authority of Premiere Communications, Inc.**

On February 13, 1996, Premiere Communications, Inc. received a Certificate of Authority to provide interexchange telecommunications services in South Dakota. On August 26, 2002, Voicecom Telecommunications, LLC (VTL), Voicecom Telecommunications, Inc. (VTI) and Premiere Communications, Inc. (PCI) filed a joint application to transfer the Certificate of Authority of PCI to VTL. VTL intends to offer post-paid long distance calling card services throughout South Dakota through resale.

Staff Analyst: Keith Senger  
Staff Attorney: Kelly Frazier  
Date Docketed: 08/26/02  
Intervention Deadline: 09/13/02

**TC02-111 In the Matter of the Request of Citizens Telecommunications Company of Minnesota, Inc. For Certification Regarding its Use of Federal Universal Service Support.**

On August 26, 2002, Citizens Telecommunications Company of Minnesota, Inc. (Citizens) provided information constituting Citizens' plan for the use of its federal universal service support and to otherwise verify that Citizens will use all federal universal service support received in a manner that is consistent with the federal universal service provisions of 47 U.S.C. Section 254.

Staff Analyst: Harlan Best  
Staff Attorney: Karen E. Cremer  
Date Docketed: 08/26/02  
Intervention Deadline: 09/06/02

**TC02-112 In the Matter of the Application of Global Communications Consulting Corp. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.**

Global Communications Consulting Corp. is seeking a Certificate of Authority to provide interexchange telecommunications services in South Dakota. The Applicant intends to offer a full range of interexchange services on a resale basis. Services include direct dial, MTS, in-WATS, out-WATS and Calling Card services.

Staff Analyst: Keith Senger  
Staff Attorney: Kelly Frazier  
Date Docketed: 08/28/02  
Intervention Deadline: 09/13/02

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

IN THE MATTER OF THE FILING BY ) ORDER APPROVING TARIFF  
NORTHWESTERN ENERGY FOR APPROVAL ) REVISIONS  
OF TARIFF REVISIONS ) NG02-006

On August 23, 2002, the Public Utilities Commission (Commission) received a filing from NorthWestern Energy (NWE) for approval of revisions to its 6th Revised Sheet No. 6.2 of Section No. 5 of NWE's filed Natural Gas Tariff. According to the filing, "This filing is made to comply with the fuel retention provisions of Paragraph 7 of the Gas Transportation Tariff General Terms and Conditions. Those provisions call for the retention percentage for NWE's South Dakota distribution system to be adjusted annually, to be effective October 1, based on the actual percentage incurred by NWE for the prior 12 month period ending July 31. The new fuel retention percentage proposed to be effective October 1, 2002 is 1.08%. This is a decrease of 0.30% from the currently effective retention percentage of 1.38%."

The proposed revised tariff is Section No. 5, 7th Revised Sheet No. 6.2, Cancelling 6th Revised Sheet No. 6.2.

At its regularly scheduled meeting on September 24, 2002, the Commission considered this matter. Commission Staff recommended approval.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A-4 and 49-34A-6. The Commission further finds that the filing is just and reasonable and shall be approved. As the Commission's final decision in this matter, it is therefore

ORDERED, that the above mentioned proposed tariff is approved and is effective for service rendered on and after October 1, 2002.

Dated at Pierre, South Dakota, this 30<sup>th</sup> day of September, 2002.

**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 Kalbs

Date: 10/1/02

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg  
JAMES A. BURG, Chairman

Pam Nelson  
PAM NELSON, Commissioner

Robert K. Sahr  
ROBERT K. SAHR, Commissioner