

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

<b>IN THE MATTER OF THE FILING BY ) MONTANA-DAKOTA UTILITIES CO. FOR A ) CONTRACT WITH DEVIATION WITH MORRIS ) ASPHALT, INC. )</b>	<b>ORDER APPROVING CONTRACT WITH DEVIATIONS NG96-010</b>
--	--

On May 8, 1996, the Public Utilities Commission (Commission) received a filing from Montana-Dakota Utilities Co. (MDU) of its 5th Revised Sheet No. 1, Section No. 4, of MDU's Gas Rate Schedule, covering Contracts with Deviations. In its filing, MDU states: "MDU has entered into a Letter Agreement with Morris Asphalt Inc. for natural gas service to Morris' facility located at Fort Pierre, South Dakota at a rate that deviates from the currently authorized Rate 66 applicable to all natural gas service provided by MDU in the East River Natural Gas System. The Letter Agreement provides for the sale of natural gas to Morris at a rate indexed to the alternate fuel price available to Morris' asphalt operation with a minimum price of 32.1 cents per dk plus the cost of gas. The minimum price reflects the cost of service associated with the incremental investment necessary to serve Morris. The Letter Agreement also requires that a minimum of 40,000 dk be used over the four year term of the Letter Agreement." MDU proposes an effective date of May 15, 1996, in order to effectively serve the customer who is in need of natural gas service on an expedited basis.

At a duly noticed ad hoc meeting on May 15, 1996, MDU explained its filing. Commission Staff recommended approval with three conditions: That the contract include March 15 to November 15, as the seasonal dates of operation for the plant; that the 30 day notice be waived; and a May 15, 1996, effective date.

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 MDU's Gas Tariff, 5th Revised Sheet No. 1, Section No. 4, covering Contracts with Deviations, is approved subject to the aforementioned conditions, and is effective for service rendered on and after May 15, 1996.

Dated at Pierre, South Dakota, this 3rd day of June, 1996.

<b>CERTIFICATE OF SERVICE</b>
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>Aldine Kalbo</u>
Date: <u>6/5/96</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Kenneth Stofferahn  
KENNETH STOFFERAHN, Chairman

James A. Burg  
JAMES A. BURG, Commissioner

Laska Schoenfelder  
LASKA SCHOENFELDER, Commissioner