

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

IN THE MATTER OF THE) APPLICATION OF MONTANA-DAKOTA) UTILITIES CO., A DIVISION OF MDU) RESOURCES GROUP, INC. FOR) AUTHORITY TO INCREASE ITS) NATURAL GAS RATES)	ORDER GRANTING JOINT MOTION FOR APPROVAL OF SETTLEMENT STIPULATION NG15-005
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On June 30, 2015, the South Dakota Public Utilities Commission (Commission) received an application by Montana-Dakota Utilities Co. (MDU) for approval to increase rates for natural gas service to customers in its South Dakota service territory by approximately \$1.5 million annually or approximately 3.1 percent based on MDU's test year ending December 31, 2014 (Application). MDU states a typical residential natural gas customer using 72 dk on an annual basis would see an increase of \$2.21 per month or 4.64 percent. The proposed changes may potentially affect approximately 57,600 natural gas customers in MDU's South Dakota service territory. MDU proposed an effective date of July 1, 2016.

On July 2, 2015, the Commission electronically transmitted notice of the Application and the intervention deadline of September 11, 2015, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. Two comments were filed.

On July 22, 2015, the Commission issued an Order Assessing Filing Fee and Suspending Operation of Proposed Rates. On July 29, 2015, the Federal Executive Agencies (FEA) filed a Petition to Intervene. On August 20, 2015, the Commission granted intervention to the FEA. On November 23, 2015, MDU filed a Notice of Intent to Implement Interim Natural Gas Service Rates effective for service on and after January 1, 2016. On May 19, 2016, Staff, MDU, and FEA filed a Joint Motion for Approval of Settlement Stipulation and Settlement Stipulation. On May 20, 2016, Commission Staff filed a Memorandum Supporting Settlement Stipulation. On May 27, 2016, MDU filed its Notice to Customer of the Rate Increase.

The revised tariff sheets proposed by MDU, effective for service rendered on and after July 1, 2016, were filed as Exhibit A to the Settlement Stipulation with one corrected sheet and a rate summary sheet subsequently filed on June 9, 2016. The revised tariff sheets are as follows:

State of South Dakota Gas Rate Schedule- SDPUC Volume No. 2

Section No. 1

7 th Revised Sheet No. 1	Canceling 6 th Revised Sheet No. 1
5 th Revised Sheet No. 1.1	Canceling 4 th Revised Sheet No. 1.1

Section No. 3

124 th Revised Sheet No. 1	Canceling 123 rd Revised Sheet No. 1
6 th Revised Sheet No. 2	Canceling 5 th Revised Sheet No. 2
5 th Revised Sheet No. 11	Canceling 4 th Revised Sheet No. 11
4 th Revised Sheet No. 11.1	Canceling 3 rd Revised Sheet No. 11.1
4 th Revised Sheet No. 12	Canceling 3 rd Revised Sheet No. 12
7 th Revised Sheet No. 13	Canceling 6 th Revised Sheet No. 13
4 th Revised Sheet No. 13.1	Canceling 3 rd Revised Sheet No. 13.1

4th Revised Sheet No. 22.1
5th Revised Sheet No. 26
3rd Revised Sheet No. 28.1

Canceling 3rd Revised Sheet No. 22.1
Canceling 4th Revised Sheet No. 26
Canceling 2nd Revised Sheet No. 28.1

Section No. 5

2nd Revised Sheet No. 1
3th Revised Sheet No. 1.1
2nd Revised Sheet No. 1.2
2nd Revised Sheet No. 1.3
2nd Revised Sheet No. 1.4
2nd Revised Sheet No. 1.5
2nd Revised Sheet No. 1.6
2nd Revised Sheet No. 1.7
2nd Revised Sheet No. 1.8
2nd Revised Sheet No. 1.9
2nd Revised Sheet No. 1.10
2nd Revised Sheet No. 1.11
2nd Revised Sheet No. 1.12
3rd Revised Sheet No. 1.13
3rd Revised Sheet No. 1.14
4th Revised Sheet No. 1.15
3rd Revised Sheet No. 1.16
2nd Revised Sheet No. 1.17
2nd Revised Sheet No. 1.18
3rd Revised Sheet No. 1.19
Original Sheet No. 1.20

Canceling 1st Revised Sheet No. 1
Canceling 2nd Revised Sheet No. 1.1
Canceling 1st Revised Sheet No. 1.2
Canceling 1st Revised Sheet No. 1.3
Canceling 1st Revised Sheet No. 1.4
Canceling 1st Revised Sheet No. 1.5
Canceling 1st Revised Sheet No. 1.6
Canceling 1st Revised Sheet No. 1.7
Canceling 1st Revised Sheet No. 1.8
Canceling 1st Revised Sheet No. 1.9
Canceling 1st Revised Sheet No. 1.10
Canceling 1st Revised Sheet No. 1.11
Canceling 1st Revised Sheet No. 1.12
Canceling 2nd Revised Sheet No. 1.13
Canceling 2nd Revised Sheet No. 1.14
Canceling 5th Revised Sheet No. 1.15
Canceling 2nd Revised Sheet No. 1.16
Canceling 1st Revised Sheet No. 1.17
Canceling 1st Revised Sheet No. 1.18
Canceling 2nd Revised Sheet No. 1.19

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically, 1-26-20, 49-34A-3, 49-34A-6, 49-34A-8, 49-34A-8.4, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-14, 49-34A-17, 49-34A-19, 49-34A-19.1, 49-34A-19.2, and 49-34A-21.

The Joint Motion for Approval of Settlement Stipulation was noticed for Commission consideration and action at its regularly scheduled meeting on June 7, 2016. The Commission heard from MDU, FEA, and Commission Staff concerning the Joint Motion and the related Settlement Stipulation. Having thoroughly reviewed the filings in the docket and made further inquiry of the parties, the Commission found that the terms and conditions proposed in the Settlement Stipulation were just, reasonable, and in the public interest and that good and sufficient cause was demonstrated to approve the Settlement Stipulation. The Commission voted unanimously to grant the Joint Motion for Approval of Settlement Stipulation and approve the Settlement Stipulation, including the attached Interim Refund Plan. It is therefore

ORDERED, that the Joint Motion for Approval of Settlement Stipulation is granted and the Settlement Stipulation, including the attached Interim Refund Plan, is approved. The Settlement Stipulation is incorporated by reference into this Decision and Order the same as if it had been set forth in its entirety herein. It is further

ORDERED, that the tariff sheets set forth above are approved for service rendered on and after July 1, 2016.

Dated at Pierre, South Dakota, this 15th day of June, 2016.

<p style="text-align: center;">CERTIFICATE OF SERVICE</p> <p>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 or by mail.</p> <p>By: <u>Karen E. Bremer</u></p> <p>Date: <u>June 15, 2016</u></p> <p style="text-align: center;">(OFFICIAL SEAL)</p>
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BY ORDER OF THE COMMISSION:

Chris Nelson

CHRIS NELSON, Chairman

Kristie Fiegen

KRISTIE FIEGEN, Commissioner

Gary Hanson

GARY HANSON, Commissioner