

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE PUBLIC UTILITIES COMMISSION

In the Matter of a Petition by Great Plains
Natural Gas Company, a Division of MDU
Resources Group, Inc., for Authority to
Increase Natural Gas Rates in Minnesota

**THIRD
PREHEARING ORDER**

This matter came on for telephone conference before Administrative Law Judge Richard C. Luis on May 19, 2005, at 3:00 p.m. In response to discussions at the conference, Great Plains filed a revised motion for waiver on May 20, 2005 and a statement regarding witness availability submitted by email on May 23, 2005.

Brian M. Meloy, Attorney at Law, Leonard, Street and Deinard, P.A., 150 South Fifth Street, Suite 2300, Minneapolis, MN 55402 and Donald R. Ball, Assistant Vice President for Governmental Affairs, 400 N. Fourth Street, Bismarck, ND 58501-4092 appeared on behalf of Great Plains Natural Gas Company (Great Plains).

Vincent Chavez, Gas Division Supervisor for the Minnesota Department of Commerce (Department) and Julia Anderson, Assistant Attorney General, 445 Minnesota Street, Suite 1400, Saint Paul, MN 55101, appeared on behalf of the Department.

Janet Gonzalez, Supervisory Rate Analyst, Clark Kaml, Rate Analyst, Robert Harding, Rate Analyst, Jerry Dasinger, Rate Analyst, and Kari Zipko, Assistant Attorney General, 445 Minnesota Street, Suite 1100, Saint Paul, MN 55101, appeared on behalf of the Commission staff.

Based on the discussions during the telephone conference, and all of the files and proceedings, the Administrative Law Judge makes the following:

ORDER

1. The revised motion by Great Plains Natural Gas Company (Great Plains) requesting waiver of the timelines in Minn. Stat. § 216B.16, subd. 2, is GRANTED, under the terms set forth in this Order.
2. In consideration of, and as a condition for, receiving the waiver to the statutory timelines, Great Plains has affirmatively waived its right to have its proposed

natural gas rates take effect on September 12, 2005. Great Plains has also affirmatively agreed to refund any amounts collected in interim rates that are in excess of the final rate approved by the Commission. The interim rate period was identified by Great Plains as including the period of extension beyond September 12, 2005.

SCHEDULE

3. The following amendments to the schedule are adopted:

Surrebuttal Testimony (Department)	July 13, 2005
Evidentiary Hearings (including hearing any pretrial motions)	July 20- 22, 2005 (with any additional dates to be determined)
Initial Briefs	August 26, 2005 (Estimated, date to be announced at conclusion of hearing)
Reply Briefs and Proposed Findings	September 9, 2005 (Estimated, date to be announced at conclusion of hearing)
ALJ Recommendation	October 10, 2005 (Estimated)

NEED FOR FURTHER EXTENSIONS

7. In the discussion regarding scheduling, Great Plains expressed concern that the open-ended waiver could work a hardship for the company, insofar as its finally determined rate will necessarily be delayed due to the current change in the schedule and could be delayed further if other extensions are needed. The Administrative Law Judge considers this concern to be valid and has committed only to grant further extensions in this schedule based on demonstrated need. Further rescheduling, in the event any will be needed, will be on a day-for-day basis.^[1]

FURTHER DISCOVERY

8. Great Plains requested leave to make additional discovery requests with an expedited response time for issues raised by the Department's surrebuttal testimony, to be filed on July 13, 2005. The original prehearing order in this matter provided for expedited discovery responses, but only prior to the surrebuttal deadline. The July 13, 2005 surrebuttal has been provided to the Department to afford it a response to the new information submitted by Great Plains, relatively late into this process. Allowing the requested discovery would impair the Department's ability to prepare for the hearing in this matter. The inquiry Great Plains seeks can be done through cross-examination of the Department's witnesses at the hearing.

This Order is effective immediately. Modifications to this Order may be made by the Administrative Law Judge, for cause.

Dated this 2nd day of June, 2005.

/s/ Richard C. Luis
RICHARD C. LUIS
Administrative Law Judge

MEMORANDUM

The Second Prehearing Order in this matter conditionally granted an extension in the hearing schedule for this matter. The condition was for Great Plains to waive its right to have the filed rates take effect at the conclusion of ten months after the rate filing was accepted as complete. The original deadline was September 12, 2005. With an additional two months for considering settlement afforded by the statute, that deadline would be moved back to early November. This is insufficient time to conduct the proceedings necessitated by the changes in Great Plains' filing.

In its revised motion filed on May 20, 2005, Great Plains has affirmatively and unconditionally waived its rights under Minn. Stat. § 216B.16, subd. 2, to have its filed rate take effect at the conclusion of either the ten-month or settlement-extended twelve-month period. Great Plains has also committed to extend the interim rate refund period to coincide with the effective date (if any) of the Commission's final order on rates in this proceeding.

R.C.L.

^[1] Thus any additional days of delay in the hearing schedule will be matched by an equal number of days added to the deadlines in this matter.