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

IN THE MATTER OF THE PETITION FOR ELECTRICAL SERVICE BY DAKOTA ACCESS, LLC TO HAVE NORTHWESTERN ENERGY ASSIGNED AS ITS ELECTRIC PROVIDER IN THE SERVICE AREA OF NORTHERN ELECTRIC COOPERATIVE, INC. ORDER GRANTING PETITION FOR ELECTRIC SERVICE PURSUANT TO SDCL 49-34A-56

EL15-023

On June 16, 2015, the South Dakota Public Utilities Commission (Commission) received a Petition for Electric Service (Petition) from Dakota Access, LLC (Dakota Access) pursuant to SDCL 49-34A-56. Dakota Access requests authorization to take electric service from NorthWestern Corporation dba NorthWestern Energy (NorthWestern). Dakota Access states it would be a new customer within the territory of Northern Electric Cooperative, Inc. (Northern Electric) located in Spink County, South Dakota, and will have a contracted minimum demand in excess of 2,000 kilowatts. Dakota Access requests to be served electricity by NorthWestern pursuant to SDCL 49-34A-56.

On June 18, 2015, the Commission electronically transmitted notice of the filing and the intervention deadline of July 6, 2015, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. On June 23, 2015, Northern Electric filed a Petition to Intervene. By order dated July 9, 2015, the Commission granted intervention to Northern Electric. On December 14, 2015, NorthWestern filed a Petition to Intervene. By order dated December 23, 2015, the Commission granted intervention.

On August 21, 2015, Dakota Access responded to Staff's data requests. On October 28, 2015, Dakota Access filed an Electric Distribution Service Agreement that Dakota Access entered into with NorthWestern. On December 17, 2015, Dakota Access filed a Confidentiality Agreement. On December 23, 2015, Dakota Access filed a Nondisclosure Agreement. On January 8, 2016, Northwestern responded to Staff's data requests. On February 11, 2016, Dakota Access filed a Settlement Agreement signed by Northern Electric, NorthWestern, and Dakota Access.

At its regularly scheduled meeting on February 12, 2016, the Commission considered this matter. The Commission has jurisdiction over this matter pursuant to SDCL chapter 49-34A, specifically 49-34A-56. Pursuant to SDCL 49-34A-56, the Commission may allow a new customer who requires electric service with a contracted minimum demand of 2,000 kilowatts or more to not take electric service from the electric utility having the assigned service area where the customer is located. In making its decision, the Commission considers the following factors: (1) the electric service requirements of the load to be served; (2) the availability of an adequate power supply; (3) the development or improvement of the electric system of the utility seeking to provide the electric service, including the economic factors relating thereto; (4) the proximity of adequate facilities from which electric service of the type required may be delivered; (5) the preference of the customer; and (6) any and all pertinent factors affecting the ability of the utility to furnish adequate electric service to fulfill customers' requirements.

Dakota Access is seeking approval of permanent electric service to be provided by NorthWestern to the Dakota Access pipeline pump station (Pump Station) that is to be located in Spink County. The Pump Station will be located directly adjacent to an existing NorthWestern transmission line and will have a minimum contracted demand of 2,000 kilowatts or more. NorthWestern states that "[p]roviding electric service to Dakota Access will have a neutral effect on our electric system from an operations or technical perspective. The benefit will be economic based on revenue growth." In order to provide this service, NorthWestern and Dakota Access have entered into an Electric Distribution Service Agreement.

In the Settlement Agreement, NorthWestern, Northern Electric, and Dakota Access agreed that NorthWestern is authorized to serve the Pump Station as proposed and as built and that if the energy needs at the Pump Station increase, Northwestern is authorized to serve that additional load. In addition, the Settlement Agreement provided that the "parties reserve their rights under law in regard to electrical service rights for any new facility or service which may be developed in the future." The Settlement Agreement further provided that the "Agreement is not intended by the parties to indicate consent to any other change in the service territories of NorthWestern or Northern Electric." Staff recommended approval of Dakota Access's Petition.

After consideration of the factors in SDCL 49-34A-56, the Commission unanimously voted to grant the Petition. The Commission finds that NorthWestern is authorized to provide electrical service to Dakota Access's Pump Station as proposed and built, and if energy needs to be increased at the Pump Station, NorthWestern is authorized to serve that load. The Commission finds that the requirements of SDCL 49-34A-56 have been met as Dakota Access is a new customer who requires electric service with a contracted minimum demand of 2,000 kilowatts or more. In addition, an examination of the factors contained in SDCL 49-34A-56 demonstrates that Dakota Access's Petition requesting NorthWestern as its electric service provider should be granted. It is therefore

ORDERED, that Dakota Access's request to receive electric service from NorthWestern pursuant to SDCL 49-34A-56 is hereby granted.

Dated at Pierre, South Dakota, this <u>22</u> day of February, 2016.

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, electronically or by mail.

Date

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Chairman CHRIS NELSON

IEGEN, Comrojssioner

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GARY HANSON, Commissioner