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South Dakota Public Utilities Commission Meeting

April 15, 2014, at 9:30 A.M. CDT

Room 413, Capitol Building

Pierre, South Dakota

NOTE: If you wish to join this meeting by conference call, please contact the Commission at 605-773-3201 by 5:00 p.m. CDT on Monday, April 14, 2014. Lines are limited and are given out on a first come, first served basis, subject to possible reassignment to accommodate persons who must appear in a proceeding. Ultimately, if you wish to participate in the Commission Meeting and a line is not available, you may have to appear in person.

NOTE: To listen to the Commission Meeting live please go to the PUC's website www.puc.sd.gov and click on the LIVE link on the home page. The Commission requests persons who will only be listening to proceedings and not actively appearing in a case listen via the web cast to free phone lines for those who have to appear. The Commission meetings are archived on the PUC's website under the Commission Actions tab, Click on "Commission Meeting Archives," to access the recordings.

NOTE: Notice is further given to persons with disabilities that this Commission meeting is being held in a physically accessible place. If you have special needs, please notify the Commission and we will make all necessary arrangements.

AGENDA OF COMMISSION MEETING

Administration

1. Approval of the Minutes of the Commission Meeting Held on April 1, 2014 (Staff: Joy Lashley)

Consumer Reports

1. Status Report on Consumer Utility Inquiries and Complaints Received by the Commission (Staff Attorney: Kristen Edwards)

Administration

1. Establishment of the Gross Receipts Tax Levy for the 2015 Fiscal Year (Finance Manager: Cindy Kemnitz)

SDCL Chapter 49-1A establishes the South Dakota Public Utilities Commission Gross Receipts Tax Fund. This Fund is financed by assessing a tax on the annual intrastate gross receipts received by a utility. The Fund is used by the Commission to defray regulatory expenses related to the regulation of telecommunications, electricity and natural gas. On April 1 of each year, all utilities and telecommunications companies doing business in South Dakota shall file with the Commission, on forms provided by the Commission, the amount of its gross receipts derived from customers within South Dakota during the preceding calendar year pursuant to SDCL 49-1A-4. The report shall be sworn to and verified by an officer of the company. The Commission shall, by order, establish the rate and assess the tax authorized in SDCL 49-1A-3 which, together with any funds remaining from the current fiscal year and the two hundred fifty dollar minimum gross receipt tax, will fund the Commission's budget for the next fiscal year and provide a contingency reserve in an amount not to exceed the prior year's budget. In accordance with SDCL 49-1A-5, the tax is due and payable on July 15 of each year.

TODAY, shall the Commission Establish the Rate and Assess the Gross Receipts Tax as Authorized in SDCL49-1A-3?

001810

Electric**1. EL14-003 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Lake Region Electric Association, Inc. and Codington-Clark Electric Cooperative, Inc. (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)**

On January 7, 2014, Commission Staff filed an Electric Service Territory Boundary Agreement between Lake Region Electric Association, Inc. and Codington-Clark Electric Cooperative, Inc. This filing is made pursuant to current efforts of the PUC to verify electric territory mapping data for conversion to electronic format and use in a Geographic Information System (GIS) database. With the assistance of the above-referenced utilities, Commission Staff has confirmed the service territory boundary shared by these utilities and has prepared updated mapping information. Commission Staff asks for approval of the agreement to update official mapping data to properly reflect the service territory boundaries shared by the utilities in this docket.

TODAY, shall the Commission approve the proposed electric service territory boundary agreement?

2. EL14-010 the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between NorthWestern Corporation dba NorthWestern Energy and Codington-Clark Electric Cooperative, Inc. (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)

On January 21, 2014, Commission Staff filed an Electric Service Territory Boundary Agreement between NorthWestern Corporation dba NorthWestern Energy and Codington-Clark Electric Cooperative, Inc. This filing is made pursuant to current efforts of the PUC to verify electric territory mapping data for conversion to electronic format and use in a Geographic Information System (GIS) database. With the assistance of the above-referenced utilities, Commission Staff has confirmed the service territory boundary shared by these utilities and has prepared updated mapping information. Commission Staff asks for approval of the agreement to update official mapping data to properly reflect the service territory boundaries shared by the utilities in this docket.

TODAY, shall the Commission approve the proposed electric service territory boundary agreement?

3. EL14-011 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Kingsbury Electric Cooperative, Inc. and Codington-Clark Electric Cooperative, Inc. (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)

On February 11, 2014, Commission Staff filed an Electric Service Territory Boundary Agreement between Kingsbury Electric Cooperative, Inc. and Codington-Clark Electric Cooperative, Inc. This filing is made pursuant to current efforts of the PUC to verify electric territory mapping data for conversion to electronic format and use in a Geographic Information System (GIS) database. With the assistance of the above-referenced utilities, Commission Staff has confirmed the service territory boundary shared by these utilities and has prepared updated mapping information. Commission Staff asks for approval of the agreement to update official mapping data to properly reflect the service territory boundaries shared by the utilities in this docket.

TODAY, shall the Commission approve the proposed electric service territory boundary agreement?

4. EL14-012 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Kingsbury Electric Cooperative, Inc. and Badger Municipal Electric (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)

On February 11, 2014, Commission Staff filed an Electric Service Territory Boundary Agreement between Kingsbury Electric Cooperative, Inc. and Badger Municipal Electric. This filing is made pursuant to current efforts of the PUC to verify electric territory mapping data for conversion to

electronic format and use in a Geographic Information System (GIS) database. With the assistance of the above-referenced utilities, Commission Staff has confirmed the service territory boundary shared by these utilities and has prepared updated mapping information. Commission Staff asks for approval of the agreement to update official mapping data to properly reflect the service territory boundaries shared by the utilities in this docket.

TODAY, shall the Commission approve the proposed electric service territory boundary agreement?

5. EL14-016 In the Matter of the Petition of Northern States Power Company dba Xcel Energy for Approval of its 2014 Transmission Cost Recovery Eligibility and Rate Adjustment (Staff Analysts: Brittany Mehlhaff, Patrick Steffensen, Eric Paulson; Staff Attorney: Kristen Edwards)

On February 21, 2014, the Commission received a petition from Northern States Power Company dba Xcel Energy (Xcel) for approval of its 2014 Transmission Cost Recovery (TCR) Rider, TCR rate factor, and tracker account report. For 2014, Xcel proposes to continue recovery of the South Dakota jurisdictional portion of the revenue requirements related to 22 transmission projects located throughout its service territory. No new projects are being added at this time. Xcel proposes to recover \$3.97 million associated with these projects for the 2014 calendar year. Included in the \$3.97 million figure is the 2013 over-collection balance of \$407,217. The total of the transmission investment costs and the tracker balance results in an average bill impact of \$1.95 per month for a typical residential electric customer using 750 kWh per month. This is an increase of \$1.95 per month from the current TCR Rider recovery. The Company proposes to implement a rate of \$0.002606 per kWh applied to all energy billed to each customer class beginning April 1, 2014, through December 2014. This represents an increase of \$0.002606 from the existing rate of \$0.00 per kWh. On March 18, 2014, the Commission received a Revised Attachment 14 – Revenue Requirement by Project. Xcel and Staff have agreed to a May 1, 2014, effective date as opposed to the April 1, 2014, effective date proposed by Xcel. Revised attachments reflecting the revised rate due to the revised effective date are expected to be filed by Friday, April 11, 2014.

TODAY, shall the Commission approve the TCR rate factor and revised tariff sheet with an effective date of May 1, 2014?

6. EL14-017 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Whetstone Valley Electric Cooperative, Inc. and Lake Region Electric Association, Inc. (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)

On February 25, 2014, Commission Staff filed an Electric Service Territory Boundary Agreement between Whetstone Valley Electric Cooperative, Inc. and Lake Region Electric Association, Inc. This filing is made pursuant to current efforts of the PUC to verify electric territory mapping data for conversion to electronic format and use in a Geographic Information System (GIS) database. With the assistance of the above-referenced utilities, Commission Staff has confirmed the service territory boundary shared by these utilities and has prepared updated mapping information. Commission Staff asks for approval of the agreement to update official mapping data to properly reflect the service territory boundaries shared by the utilities in this docket.

TODAY, shall the Commission approve the proposed electric service territory boundary agreement?

7. EL14-018 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Codington-Clark Electric Cooperative, Inc. and Whetstone Valley Electric Cooperative, Inc. (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)

On February 25, 2014, Commission Staff filed an Electric Service Territory Boundary Agreement between Codington-Clark Electric Cooperative, Inc. and Whetstone Valley Electric Cooperative, Inc. This filing is made pursuant to current efforts of the PUC to verify electric territory mapping data for conversion to electronic format and use in a Geographic Information System (GIS) database. With the assistance of the above-referenced utilities, Commission Staff has confirmed the service territory

boundary shared by these utilities and has prepared updated mapping information. Commission Staff asks for approval of the agreement to update official mapping data to properly reflect the service territory boundaries shared by the utilities in this docket.

TODAY, shall the Commission approve the proposed electric service territory boundary agreement?

8. EL14-020 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Codington-Clark Electric Cooperative, Inc. and H-D Electric Cooperative, Inc. (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)

On March 3, 2014, Commission Staff filed an Electric Service Territory Boundary Agreement between Codington-Clark Electric Cooperative, Inc. and H-D Electric Cooperative, Inc. This filing is made pursuant to current efforts of the PUC to verify electric territory mapping data for conversion to electronic format and use in a Geographic Information System (GIS) database. With the assistance of the above-referenced utilities, Commission Staff has confirmed the service territory boundary shared by these utilities and has prepared updated mapping information. Commission Staff asks for approval of the agreement to update official mapping data to properly reflect the service territory boundaries shared by the utilities in this docket.

TODAY, shall the Commission approve the proposed electric service territory boundary agreement?

9. EL14-024 In the Matter of the Filing of Northern States Power Company dba Xcel Energy for Approval of its 2013 Economic Development Activities and 2014 Budget (Staff Analyst: Darren Kearney; Staff Attorney: Kristen Edwards)

On March 18, 2014, Northern States Power Company dba Xcel Energy (Xcel Energy) filed for approval of its 2013 Economic Development Annual Report and 2014 Economic Development Budget. The filing includes Xcel Energy's report on the projected and actual 2013 economic development activities budget and provides documentation of the actual economic development expenses incurred. The filing also provides a revised economic development budget that Xcel Energy plans for 2014. On March 25, 2014, Xcel filed its response to staff's data request.

TODAY, shall the Commission approve Xcel Energy's 2013 Economic Development Report and its 2014 Economic Development Plan?

10. EL14-026 In the Matter of the Application of Black Hills Power, Inc. for Authority to Increase its Electric Rates (Staff Analysts: Brittany Mehlhaff, Patrick Steffensen, Robin Meyerink, Eric Paulson; Staff Attorney: Karen Cremer)

On March 31, 2014, the Commission received an application by Black Hills Power, Inc. (BHP) for approval to increase rates for electric service to customers in its South Dakota service territory by approximately \$14.6 million annually or approximately 9.27% based on BHP's test year ending September 30, 2013. The Company states a typical residential electric customer using 650 kWh per month would see an increase of \$10.91 per month. The proposed changes may potentially affect approximately 65,500 customers in BHP's South Dakota service territory. The proposed increase would be effective no earlier than October 1, 2014.

TODAY, shall the Commission assess a filing fee for actual expenses not to exceed \$250,000? AND, shall the Commission give the Executive Director authority to enter into necessary consulting contracts?

Gas & Electric

1. GE14-001 In the Matter of the Filing by MidAmerican Energy Company for the Approval of Its Reconciliation for 2013 and its Proposed Energy Efficiency Plan for 2014 (Staff Analyst: Darren Kearney; Staff Attorney: Karen Cremer)

On February 27, 2014, the Commission received a filing from MidAmerican Energy Company (MidAmerican) that included its 2013 Energy Efficiency Annual Report, the reconciliation for the 2013 Energy Efficiency Cost Recovery Factor for the 2013 calendar year, and MidAmerican's 2014 Energy Efficiency Plan Update. MidAmerican requested approval of modifications to its 2014 Energy Efficiency Plan and Energy Efficiency Cost Recovery Rider, which includes 2013 reconciliation amounts, the 2013 performance incentive and 2014 budget amounts.

TODAY, shall the Commission approve the 2013 reconciliation amounts and the 2013 performance incentive? AND, shall the Commission approve the requested modifications to the 2014 Energy Efficiency Plan? AND, shall the Commission approve the resulting changes to the Energy Efficiency Cost Recovery Rider tariff sheets?

Telecommunications

1. TC13-027 In the Matter of the Consideration of Eligible Telecommunications Carrier Certification Requirements (Staff Analyst: Brian Rounds; Staff Attorney: Karen Cremer)

At its March 26, 2013, meeting, the Commission considered whether it should consider revising or waiving any of its ETC requirements, including its June 1, 2013, deadline, in light of the FCC's new annual reporting requirements. At its April 23, 2013, meeting, the Commission voted to waive the June 1 deadline as set forth in ARSD 20:10:32:52 and allows ETCs to file their annual certification petitions on or before July 1. With respect to ARSD 20:10:32:54(1), the Commission found that if an ETC is filing a five-year plan with the FCC and the Commission, that ETC is not required to file a two-year plan pursuant to the Commission's rule. All other ETCs must continue to file their two-year plans. With respect to ARSD 20:10:32:54(2), the Commission found that all ETCs are still required to file progress reports on their previously filed service quality improvement plans; however, the minor differences in this provision as compared to the FCC's similar progress report provision are waived. With respect to ARSD 20:10:32:54(4) and (5), the Commission waived the portions of these subdivisions that are not consistent with the federal requirements. With respect to ARSD 20:10:32:54(8) and (9), the Commission waived these requirements in their entirety. On March 26, 2014, SDTA filed a letter seeking clarification to confirm that the previous Order remains in effect and will be deemed applicable to the 2014 state ETC certification process.

TODAY, does the Commission find that the terms of its previous order are still in effect and are applicable to the 2014 state ETC certification process?

2. TC13-109 In the Matter of Qwest Corporation dba CenturyLink QC's Petition for Approval of Non-Impaired Wire Center Lists Pursuant to the Triennial Review Remand Order (Staff Analyst: Robin Meyerink; Staff Attorney: Karen Cremer)

On September 5, 2013, Qwest Corporation dba CenturyLink QC (CenturyLink) petitioned the Commission to open an investigation to develop a Commission-approved initial list of non-impaired wire centers pursuant to the FCC's Triennial Review Remand Order, CC Docket No. 01-338, WC Docket No. 04-313 (FCC rel. February 4, 2005) and SDCL § 49-31-81. CenturyLink also filed a proposed protective agreement that it will offer to CLECs wishing to see the supporting information it files. On January 27, 2014, the Commission granted CenturyLink's request for a Protective Order and deferred further action so that CenturyLink could file procedures specific to South Dakota regarding the TRRO. The matter was re-noticed on the March 13, 2014, PUC Weekly Filing. On March 10, 2014, CenturyLink filed its South Dakota TRRO Procedures.

TODAY, shall the Commission adopt CenturyLink's proposal for the determination of the impairment status of wire centers? OR, how shall the Commission proceed?

3. TC14-006 In the Matter of the Approval of a Wireline Adoption Interconnection Agreement between Qwest Corporation dba CenturyLink QC and BCN Telecom, Inc. (Staff Analyst: Robin Meyerink; Staff Attorney: Kristen Edwards)

On March 11, 2014, the Commission received a filing pursuant to 47 USC § 252 for approval of a

Wireline Interconnection Agreement between Qwest Corporation dba CenturyLink QC and BCN Telecom, Inc.

TODAY, shall the Commission approve the adoption of the interconnection agreement?

4. TC14-007 In the Matter of the Application of City of Brookings Municipal Telephone dba Swiftel Communications for an Amended Certificate of Authority (Staff Analyst: Brian Rounds; Staff Attorney: Kristen Edwards)

On March 18, 2014, the City of Brookings Municipal Telephone dba Swiftel Communications (Swiftel) filed an application for an Amended Certificate of Authority for local exchange service pursuant to SDCL 49-31-69. As a result of annexations by the City of Brookings, Swiftel requests adding new telephone service territory previously held by Interstate Telecommunication Cooperative (ITC). ITC does not object to Swiftel's request. Swiftel also requests the Commission waive ARSD 20:10:32:03 (1-8); (10-22); and (24).

TODAY, shall the Commission approve the request for waiver? AND shall the Commission approve the request for an Amended Certificate of Authority?

Items for Commission Discussion

1. Following the Commission's consideration of a master metering exception determination in Docket [EL13-034](#) on November 22, 2013, the Commission discussed potentially undertaking a rule making at its December 3, 2013, regular meeting. The majority of the discussion focused on repealing the Commission's master metering rules found in ARSD Chapter 20:10:26, and no motion was made to initiate a rule making. Commission Staff requests a discussion on the Commission's role in deciding when individual metering is not required, as laid out in ARSD 20:10:26:04(6). Specifically, the rule requires the applicant to "notify the commission so it may determine whether the applicant's system falls within this exception or whether the applicant is required to file an application for a variance." Commission Staff would prefer the Commission either undertake a rule making to remove this requirement or draft an order delegating the Commission's determination to Commission Staff.

Announcements

1. Commissioners will attend the Rushmore Electric Power Cooperative annual meeting, Thursday, April 10, 2014, at The Lodge at Deadwood, Deadwood, S.D.
2. The PUC offices will close at Noon CDT, Friday, April 18, 2014, in observance of Good Friday.
3. Commissioners will attend the Heartland Electricity Dialog, April 24-25, 2014, at the Kellogg School of Management, Wieboldt Hall, Northwestern University, Chicago, Ill.
4. The next regularly scheduled commission meeting will be Wednesday, April 30, 2014, at 9:30 a.m. CDT in Room 413 at the State Capitol Building, Pierre, S.D.
5. Commission meetings are scheduled for May 13 and 27, 2014.

/s/Cindy Kemnitz

Cindy Kemnitz
Finance Manager
puc@state.sd.us
April 8, 2014