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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

MINUTES OF THE COMMISSION MEETING

Chairman Gary Hanson called the meeting to order. Present were: Commissioners: Chris Nelson and Kristie Fiegen; Commission Counsel: John Smith and Rolayne Wiest; Commission Advisor: Greg Rislov; Staff Attorneys: Karen Cremer and Kristen Edwards; Staff Analysts: Brian Rounds, Brittany Mehlhaff, David Henry, Patrick Steffensen, Robin Meyerink, Darren Kearney, and Eric Paulson; and Staff: Katlyn Gustafson

Also present were:

Rich Coit, South Dakota Telecommunications Association

Joining the meeting by telephone were:

Finance Manager, Cindy Kemnitz; Troy Kwasniewski, H-D Electric Cooperative, Inc.; Jason Topp, Qwest Corporation dba CenturyLink QC; Paul Lehman, Emily Smith, Drew Sudbury, Michelle Terwilliger, Rebecca Eilers, Kari Valley, Eric Pauli, and Jim Wilcox, Northern States Power Company dba Xcel Energy; Ron Gogolin, NorthWestern Corporation dba NorthWestern Energy; Dennis Kruse, Kingsbury Electric Cooperative, Inc.; Drew Moratzka, Black Hills Industrial Intervenors; Amy Koenig, Black Hills Power, Inc.; Bob Johnson, Codington-Clark Electric Cooperative, Inc.; Richard Schmeling, BCN Telecom, Inc.; Curt Kabris, Brookings Municipal Telephone dba Swiftel Communications; and Tina Yoder, Chuck Rea, and Jennifer Moore, MidAmerican Energy Company

(NOTE: For the purpose of continuity, these minutes are not necessarily in chronological order.)

Administration

1. Approval of the minutes of the Commission meeting held on April 1, 2014 (Staff: Joy Lashley)

Commissioner Nelson moved to approve the minutes of the Commission meetings held on April 1, 2014. Motion carried 3-0.

Consumer Reports

1. Status Report on Consumer Utility Inquiries and Complaints Received by the Commission (Consumer Affairs: Deb Gregg)

The Commission received a total of 79 contacts since the last report was prepared for the April 1, 2014 Commission meeting.

8 of the contacts involved telecommunication services, 27 of the contacts involved electrical services, 12 of the contacts involved natural gas service, 2 contacts involved cell phone service, 22 contacts were related to the Do Not Call Registry, 1 contact was related to the Keystone XL Pipeline and 7 contacts were related to issues not regulated by the PUC.

573 of the 598 complaints received in 2014 have been resolved.

Administration

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

001816

Ms. Cindy Kernitz, Finance Manager, requested that the Commission establish the rate of .14% or \$250, whichever is greater, and assess the gross receipts tax as authorized in SDCL 49-1A-3.

Commissioner Hanson moved to establish the Rate and Assess the Gross Receipts Tax as Authorized in SDCL 49-1A-3. Motion carried 3-0.

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)**
2. **EL14-010 In 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)**
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)**
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)**
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)**
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)**
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)**

Mr. David Henry, staff analyst, recommended that the Commission grant approval to the proposed electric service territory boundary agreements in the above dockets.

Commissioner Fiegen moved to approve the proposed electric service territory boundary agreements in dockets EL14-003, EL14-010, EL14-011, EL14-012, EL14-017, EL14-018, and EL14-020. Motion carried 3-0.

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)**

A lengthy discussion took place regarding docket EL14-016. An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2014, April 15, 2014, recording located at: <http://puc.sd.gov/commission/media/2014/puc04152014.mp3>

Commissioner Hanson moved to approve the TCR rate factor and revised tariff sheet with an effective date of May 1, 2014, subject to a compliance filing, including revised tariff sheet if the calculated rate changes, reflecting the removal of the costs of the Hollydale project and that such compliance filing shall be subject to Staff's review and approval. Motion carried 3-0.

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)

A lengthy discussion took place regarding docket EL14-024. An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2014, April 15, 2014, recording located at: <http://puc.sd.gov/commission/media/2014/puc04152014.mp3>

Commissioner Nelson moved to approve Xcel Energy's 2013 Economic Development Report and its 2014 Economic Development Plan. Motion carried 3-0.

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)

Ms. Karen Cremer, staff attorney, recommended that the Commission assess a filing fee for actual expenses not to exceed \$250,000 and give the Executive Director authority to enter into necessary consulting contracts. Ms. Amy Koenig, Black Hills Power, Inc. (BHP), stated BHP had no objections.

Commissioner Nelson moved to assess a filing fee for actual expenses not to exceed \$250,000 and give the Executive Director authority to enter into necessary consulting contracts. Motion carried 3-0.

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)

A lengthy discussion took place regarding docket GE14-001. An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2014, April 15, 2014, recording located at: <http://puc.sd.gov/commission/media/2014/puc04152014.mp3>

Docket deferred until next Commission meeting.

Telecommunications

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

Mr. Rich Coit, South Dakota Telecommunications Association (SDTA), asked that the Commission find that the terms of its previous order are still in effect and are applicable to the 2014 state ETC certification process.

Commissioner Nelson moved to find that the terms of its previous order are still in effect and are applicable to the 2014 state ETC certification process. Motion carried 3-0.

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)

A lengthy discussion took place regarding docket TC13-109. An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2014, April 15, 2014, recording located at: <http://puc.sd.gov/commission/media/2014/puc04152014.mp3>

Commissioner Nelson moved to approve CenturyLink's proposed South Dakota TRRO Procedures subject to CenturyLink filing a revised South Dakota TRRO Procedure document incorporating the changes suggested by the Commission and that the CLECs or any other party will have 30 days from the date the revised TRRO Procedures are filed to raise

objections to CenturyLink's request for approval of a list of non-impaired wire centers.

Motion carried 3-0.

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)

Mr. Jason Topp, Qwest Corporation dba CenturyLink QC, and Richard Schmeling, BCN Telecom, Inc. asked that the Commission approve the adoption of the interconnection agreement. Ms. Kristen Edwards, staff attorney, stated that the agreement was properly filed, properly executed, and does not appear to contain discriminatory provisions, and no comments were filed. Ms. Edwards recommended that the Commission grant approval.

Commissioner Nelson moved to approve the adoption of the interconnection agreement.

Motion carried 3-0.

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)

Mr. Curt Kabris, City of Brookings Municipal Telephone dba Swiftel Communications (Swiftel), asked that the Commission approve its amended Certificate of Authority for local exchange service. Mr. Kabris also requested the Commission waive ARSD 20:10:32:03 (1-8); (10-22); and (24). Mr. Brian Rounds, staff analyst, recommended that the Commission grant approval of Swiftel's requests.

Commissioner Fiegen moved to approve the request for waiver and approve the request for an Amended Certificate of Authority. Motion carried 3-0.

Items for Commission Discussion

1. A lengthy discussion took place regarding what, if any, changes should be made to the requirement in ARSD 20:10:26:04(6) that building owners or developers must "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." An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2014, April 15, 2014, recording located at: <http://www.puc.sd.gov/Archives/2014/default.aspx> The exception from the master metering prohibition in ARSD 20:10:26:04(6) is "[f]or multiple-occupancy buildings which have central heating or cooling systems, central ventilating systems, or central water heating systems." Commissioner Nelson moved to initiate a rulemaking proceeding to delete the last sentence of ARSD 20:10:26:04(6) requiring notice to the Commission. After discussion, the motion failed 2-1 with Commissioner Nelson voting in the affirmative. Chairman Hanson then directed Commission Counsel Smith to draft a proposed order for consideration by the Commission at a subsequent meeting that would delegate to the Executive Director the authority to have Staff review the notice provided by the developer and then determine whether the exception has been met and notify the developer accordingly.

There being no further business, at the hour of 11:30 a.m. the South Dakota Public Utilities Commission meeting adjourned.

/S/Joy Lashley

Joy Lashley

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April 15, 2014