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**South Dakota Public Utilities Commission Meeting**  
**September 16, 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, Eric Paulson, Patrick Steffensen, David Henry, Darren Kearney, Robin Meyerink, and Joseph Rezac; Consumer Affairs Supervisor: Deb Gregg; and Staff: Katlyn Gustafson.

Also present were:

Darla Rogers and Margo Northrup, Riter, Rogers, Wattier & Northrup, LLP, representing Clarity Telecom, LLC and RT Communications Inc.; and Jim Gleason, Clarity Telecom, LLC.

Joining the meeting by telephone were:

Jim Wilcox, Northern States Power Company dba Xcel Energy; Pete Beithon and Stuart Tommerdahl, Otter Tail Power Company; Mary Jo Biegler, Park Region Telephone Company, representing Valley Telephone Company; Ted Smith, Sioux Valley-Southwestern Electric Cooperative, Inc. dba Sioux Valley Energy; Kathy Ford, Arlene Morgan, Bruce Schoonover, Melissa Marks, and Jamie Bernal, Kite Parent Corp., Knology of the Plains, Inc., Knology of the Black Hills, LLC, Knology Community Telephone, Inc., Knology of South Dakota, Inc., Black Hills Fiber Systems, Inc., and Clarity Telecom, LLC; Keith Davidson, Clarity Telecom, LLC; Jason Topp, Qwest Corporation dba CenturyLink QC; Sharon Thomas, Technologies Management, Inc., representing Bandwidth.com CLEC, LLC; Lee Magnuson, Lindquist & Vennum, LLP, representing Black Hills Power, Inc.; Mary Sisak, Blooston, Mordkofsky, Dickens, Duffy & Prendergast, representing Brookings Municipal Telephone dba Swiftel Communications, LLP; Laura Julius, Steve Meyer, and Curt Kabris, Brookings Municipal Telephone dba Swiftel Communications; Dawn Damschen and Denise Smith, MCC Telephony of the Midwest, LLC; and Jon Thurber and Todd Brink, Black Hills Power, Inc.

(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 **September 2, 2014** (Staff: Joy Lashley)**

**Commissioner Fiegen moved to approve the minutes of the Commission meeting held on September 2, 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 September 3, 2014 Commission meeting.

16 of the contacts involved telecommunication services, 22 of the contacts involved electrical services, 8 of the contacts involved natural gas service, 1 contact involved cell phone service, 15 contacts were related to the Do Not Call Registry, 2 contacts were related to One Call, 2 contacts were related to the Keystone XL Pipeline, 1 contact was related to the Dakota Access Pipeline and 12 contacts were related to issues not regulated by the PUC.

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1,303 of the 1,341 complaints received in 2014 have been resolved.

### **Electric**

**1. 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; Eric Paulson; Staff Attorney: Karen Cremer)**

Mr. Lee Magnuson, Lindquist & Vennum, LLP, representing Black Hills Power, Inc. (BHP), requested that the Commission adopt and approve the settlement agreement and contract with deviations with the South Dakota Science and Technology Authority, without modification, or alternatively, conditionally authorize and approve the implementation of the rates set forth in the settlement agreement subject to later approval by the Commission. Ms. Karen Cremer, staff attorney, recommended that the Commission take no action on the contract with deviations until staff has finished its analysis of the rate case and that the Commission conditionally authorize, on an interim basis, the implementation of the rates set forth in the contract with deviations subject to the conditions recommended in staff's memorandum.

**Commissioner Nelson moved to conditionally authorize, on an interim basis, the implementation of the rates set forth in the contract with deviations subject to the three conditions recommended in staff's memorandum.** Motion carried 3-0.

**2. EL14-061 In the Matter of the Application of Black Hills Power, Inc. for a Permit to Construct a 230 kV Transmission Line from Northeastern Wyoming to the Rapid City Area in South Dakota (Staff Analysts: Brian Rounds, Darren Kearney; Staff Attorney: Karen Cremer)**

Ms. Karen Cremer, staff attorney, recommended that the Commission grant Mr. Barton Banks and Mr. James S. Hodgen's Applications for Party Status. Mr. Todd Brink, Black Hills Power, Inc. (BHP), stated BHP had no objections to the requests.

**Commissioner Fiegen moved to grant intervention to any party that may have filed.** Motion carried 3-0.

**3. EL14-070 In the Matter of Otter Tail Power Company's Request for Approval to Revise Its Fuel Adjustment Clause Rider to Include Emissions Controls Costs (Staff Analyst: Brittany Mehlhaff; Staff Attorney: Karen Cremer)**

Mr. Stuart Tommerdahl, Otter Tail Power Company (Otter Tail), asked that the Commission approve Otter Tail's tariff revisions effective October 1, 2014. Ms. Brittany Mehlhaff, staff analyst, recommended that the Commission grant approval to Otter Tail's request.

**Commissioner Nelson moved to approve the tariff revisions effective October 1, 2014.** Motion carried 3-0.

**4. EL14-073 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Dakota Energy Cooperative, Inc. and Northern Electric Cooperative, Inc. (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)**

**5. EL14-074 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Big Stone City Municipal Electric and Whetstone Valley Electric Cooperative, Inc. (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)**

**6. EL14-075 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Rosebud Electric Cooperative, Inc. and Burke Municipal Electric (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)**

**7. EL14-076 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Colman Municipal Electric and Sioux Valley Energy (Staff**

**Analyst: David Henry; Staff Attorney: Kristen Edwards)**

Mr. David Henry, staff analyst, recommended that the Commission approve the proposed electric service territory boundary agreements in dockets EL14-073, EL14-074, EL14-075, and EL14-076.

**In Dockets EL14-073, EL14-074, EL14-075, and EL14-076, Commissioner Hanson moved to approve the proposed electric service territory boundary agreements. Motion carried 3-0.**

**8. EL14-080 In the Matter of the Petition of Northern States Power Company dba Xcel Energy for Approval of its 2015 Transmission Cost Recovery Eligibility and Rate Rider Adjustment (Staff Analysts: Patrick Steffensen, Eric Paulson; Staff Attorney: Kristen Edwards)**

Ms. Kristen Edwards, staff attorney, recommended that the Commission assess Northern States Power Company dba Xcel Energy (Xcel), a filing fee in the amount of up to \$50,000 to account for actual expenses incurred in review of this filing commencing from the filing date. Mr. Jim Wilcox, Xcel, stated Xcel had no objections to staff's request.

**Commissioner Fiegen moved to assess a filing fee in the amount of up to \$50,000 to account for actual expenses incurred in review of this filing commencing from the filing date. Motion carried 3-0.**

**9. EL14-082 In the Matter of the Petition of Otter Tail Power Company to Establish an Environmental Quality Cost Recovery Tariff (Staff Analyst: Brittany Mehlhaff; Staff Attorney: Karen Cremer)**

Ms. Karen Cremer, staff attorney, recommended that the Commission assess Otter Tail Power Company (Otter Tail), a filing fee in the amount of \$50,000 to account for actual expenses incurred in review of this filing commencing from the filing date and give the Executive Director authority to enter necessary consulting contracts. Mr. Pete Beithon, Otter Tail, stated Otter Tail had no objections to staff's request.

**Commissioner Nelson moved to assess a filing fee in the amount of \$50,000 to account for actual expenses incurred in review of this filing commencing from the filing date and give the Executive Director authority to enter necessary consulting contracts. Motion carried 3-0.**

### Telecommunications

**1. In the Matter of Request for Certification Regarding the Use of Federal Universal Service Support in Dockets TC14-032, TC14-059, TC14-062, TC14-066, TC14-068 and TC14-071**

**TC14-032 In the Matter of the Request of Knology Community Telephone, Inc. for Certification Regarding its Use of Federal Universal Service Support (Staff Analyst: Eric Paulson; Staff Attorney: Kristen Edwards)**

Ms. Kathy Ford, Knology Community Telephone, Inc. (Knology), requested certification, but only for 2013. Mr. Eric Paulson, staff analyst, recommended that the Commission grant approval to Knology's request.

**Commissioner Nelson moved to provide a certification to the Federal Communications Commission and to the Universal Service Administration Company regarding the use of Federal Universal Service Support for 2013. Motion carried 3-0.**

**TC14-059 In the Matter of the Request of Farmers Mutual Telephone Company for Certification Regarding its Use of Federal Universal Service Support (Staff Analyst: Joseph Rezac; Staff Attorney: Kristen Edwards)**

Mr. Joseph Rezac, staff analyst, recommended that the Commission grant approval to Farmers

Mutual Telephone Company's request.

**TC14-062 In the Matter of the Request of RT Communications Inc. for Certification Regarding its Use of Federal Universal Service Support (Staff Analyst: Joseph Rezac; Staff Attorney: Kristen Edwards)**

Ms. Margo Northrup, Riter, Rogers, Wattier & Northrup, LLP, representing RT Communications Inc. (RT Communications), asked that the Commission grant approval to RT Communications' request. Mr. Joseph Rezac, staff analyst, recommended that the Commission grant approval to RT Communications' request.

**TC14-066 In the Matter of the Request of Valley Telephone Company for Certification Regarding its Use of Federal Universal Service Support (Staff Analyst: Joseph Rezac; Staff Attorney: Kristen Edwards)**

Ms. Mary Jo Biegler, Park Region Telephone Company, representing Valley Telephone Company (Valley Telephone), asked that the Commission grant approval to Valley Telephone's request. Mr. Joseph Rezac, staff analyst, recommended that the Commission grant approval to Valley Telephone's request.

**TC14-068 In the Matter of the Request of Brookings Municipal Telephone dba Swiftel Communications for Certification Regarding its Use of Federal Universal Service Support (Staff Analyst: Joseph Rezac; Staff Attorney: Kristen Edwards)**

Ms. Mary Sisak, Blooston, Mordkofsky, Dickens, Duffy & Prendergast, representing Brookings Municipal Telephone dba Swiftel Communications, LLP (Brookings), asked that the Commission grant approval to Brookings' request. Mr. Joseph Rezac, staff analyst, recommended that the Commission grant approval to Brookings' request.

**In Dockets TC14-059, TC14-062, TC14-066, and TC14-068, Commissioner Fiegen moved to provide a certification to the Federal Communications Commission and to the Universal Service Administration Company regarding the use of Federal Universal Service Support in each of the above dockets. Motion carried 3-0.**

**TC14-071 In the Matter of the Request of CenturyLink QC for Certification Regarding its Use of Federal Universal Service Support (Staff Analyst: Joseph Rezac; Staff Attorney: Kristen Edwards)**

Mr. Jason Topp, CenturyLink QC (CenturyLink), asked that the Commission grant approval to CenturyLink's request. Mr. Joseph Rezac, staff analyst, recommended that the Commission grant approval to CenturyLink's request.

**Commissioner Nelson moved to provide a certification to the Federal Communications Commission and to the Universal Service Administration Company regarding the use of Federal Universal Service Support. Motion carried 3-0.**

**2. TC14-073 In the Matter of the Joint Application of Kite Parent Corp. (a Subsidiary of WideOpenWest Finance, LLC) and Its Subsidiaries Knology of the Plains, Inc., Knology of the Black Hills, LLC, Knology Community Telephone, Inc., Knology of South Dakota, Inc., and Black Hills Fiber Systems, Inc. and Clarity Telecom, LLC Regarding the Sale of Telephone Exchanges to Clarity Telecom, LLC, Transfer of Certificates of Authority, Eligible Telecommunications Carrier Designation, and Relinquishment of Eligible Telecommunications Carrier Designations (Staff Analyst: Robin Meyerink; Staff Attorney: Karen Cremer)**

See addendum below for this docket.

**3. TC14-077 In the Matter of the Filing by Level 3 Communications, LLC for Approval of**

**Revisions to its Access Services Tariff No. 3 (Staff Analyst: Eric Paulson; Staff Attorney: Karen Cremer)**

Mr. Eric Paulson, staff analyst, recommended that the Commission grant approval to Level 3 Communications, LLC's revisions to its Access Services Tariff No. 3 effective July 31, 2014.

**Commissioner Nelson moved to approve Level 3 Communications, LLC's revisions to its Access Services Tariff No. 3 with an effective date of July 31, 2014.** Motion carried 3-0.

**4. TC14-079 In the Matter of the Filing by Bandwidth.com CLEC, LLC for Approval of Revisions to its Access Services Tariff No. 1 (Staff Analyst: Robin Meyerink; Staff Attorney: Kristen Edwards)**

Ms. Sharon Thomas, Technologies Management, Inc., representing Bandwidth.com CLEC, LLC (Bandwidth.com), asked that the Commission grant approval to Bandwidth.com's tariff revisions effective August 1, 2014. Ms. Robin Meyerink, staff analyst, recommended that the Commission grant Bandwidth.com's request.

**Commissioner Fiegen moved to approve Bandwidth.com CLEC, LLC's revisions to its South Dakota Tariff No. 1 with an effective date of August 1, 2014.** Motion carried 3-0.

**5. TC14-080 In the Matter of the Filing by MCC Telephony of the Midwest, LLC for Approval of Revisions to its Access Services Tariff No. 1 (Staff Analyst: Joseph Rezac; Staff Attorney: Karen Cremer)**

Ms. Dawn Damschen, MCC Telephony of the Midwest, LLC (MCC Telephony), asked that the Commission approve MCC Telephony's tariff revisions. Mr. Joseph Rezac, staff analyst, recommended that the Commission grant approval to MCC Telephony's request with an effective date of September 18, 2014.

**Commissioner Hanson moved to approve MCC Telephony's revisions to its Access Services Tariff No. 1 with an effective date of September 18, 2014.** Motion carried 3-0.

**ADDENDUM TO THE  
AGENDA OF COMMISSION MEETING**

**1. TC14-073 In the Matter of the Joint Application of Kite Parent Corp. (a Subsidiary of WideOpenWest Finance, LLC) and Its Subsidiaries Knology of the Plains, Inc., Knology of the Black Hills, LLC, Knology Community Telephone, Inc., Knology of South Dakota, Inc., and Black Hills Fiber Systems, Inc. and Clarity Telecom, LLC Regarding the Sale of Telephone Exchanges to Clarity Telecom, LLC, Transfer of Certificates of Authority, Eligible Telecommunications Carrier Designation, and Relinquishment of Eligible Telecommunications Carrier Designations (Staff Analyst: Robin Meyerink; Staff Attorney: Karen Cremer)**

A lengthy discussion took place regarding docket TC14-073. An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2014, September 16, 2014, recording located at:

<http://puc.sd.gov/commission/media/2014/PUC09162014.mp3>

**Commissioner Hanson moved to grant Knology CT and Knology Black Hills' request to relinquish their ETC designation upon the day of closing with Clarity.** Motion carried 3-0.

**Commissioner Nelson moved to grant Clarity's request that it be designated as an ETC in the exchanges in which Knology CT and Knology Black Hills are currently designated as of the date of closing.** Motion carried 3-0.

**Commissioner Fiegen moved to provide a certification to the Federal Communications**

**Commission and to the Universal Service Administration Company regarding the use of Federal Universal Service Support to Clarity.** Motion carried 3-0.

There being no further business, at the hour of 11:12 a.m. the South Dakota Public Utilities Commission meeting adjourned.

/s/Joy Lashley \_\_\_\_\_  
Joy Lashley  
Administrative Assistant  
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September 16, 2014