

► [Commission Minutes](#) | [previous page](#)

South Dakota Public Utilities Commission Meeting
December 23, 2014, at 9:30 A.M. CST
Room 413, Capitol Building
Pierre, South Dakota

MINUTES OF THE COMMISSION MEETING

Vice Chairman Chris Nelson called the meeting to order. Present were: Commission Counsel: John Smith and Rolayne Wiest; Commission Advisor: Greg Rislov; Staff Attorneys: Karen Cremer and Kristen Edwards; Staff Analysts: Brittany Mehlhaff, Darren Kearney, Brian Rounds, David Henry, and Joseph Rezac; Consumer Affairs Supervisor: Deb Gregg; and Staff: Katlyn Gustafson.

Also present were:

Brett Koenecke, May, Adam, Gerdes and Thompson, LLP, representing Dakota Access, LLC and Montana-Dakota Utilities Co.; Kara Semmler, May, Adam, Gerdes and Thompson, LLP, representing Dakota Access, LLC; Margo Northrup, Riter, Rogers, Wattier & Northrup, LLP, representing Venture Communications Cooperative, Inc.; and Randy Houdek, Venture Communications Cooperative, Inc.

Joining the meeting by telephone were:

Chairman Gary Hanson; Commissioner Kristie Fiegen; Ron Gogolin, NorthWestern Corporation dba NorthWestern Energy; Lance Steinhart, attorney at law, representing New Horizons Communications Corp.; Tamie Aberle, Larry Oswald, and Kathy Baerlocher, Montana-Dakota Utilities Co; Dennis Kruse, Kingsbury Electric Cooperative, Inc.; Scott Fritz, Matt Olsen, and Scott Wiese, Otter Tail Power Company; and John Gors, Clay-Union Electric Cooperative.

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 60 contacts since the last report was prepared for the December 9, 2014 Commission meeting.

15 of the contacts involved telecommunication services, 23 of the contacts involved electrical services, 5 of the contacts involved natural gas service, 1 contact involved cell phone service, 11 contacts were related to the Do Not Call Registry, and 5 contacts were related to issues not regulated by the PUC.

1,815 of the 1,845 complaints received in 2014 have been resolved.

Electric

1. EL14-094 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Kingsbury Electric Cooperative, Inc. and Otter Tail Power Company (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)

2. EL14-095 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Sioux Valley-Southwestern Electric Cooperative, Inc. dba Sioux Valley Energy and Otter Tail Power Company (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)

3. EL14-096 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Traverse Electric Cooperative Inc. and Otter Tail Power Company (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)

4. **EL14-097** In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between White Municipal Electric and Otter Tail Power Company (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)
5. **EL14-098** In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Big Stone City Municipal Electric and Otter Tail Power Company (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)
6. **EL14-099** In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Badger Municipal Electric and Otter Tail Power Company (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)
7. **EL14-100** In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Kingsbury Electric Cooperative, Inc. and NorthWestern Corporation dba NorthWestern Energy (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)
8. **EL14-101** In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Clay-Union Electric Cooperative and NorthWestern Corporation dba NorthWestern Energy (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)
9. **EL14-102** In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Douglas Electric Cooperative, Inc. and NorthWestern Corporation dba NorthWestern Energy (Staff Analyst: David Henry; Staff Attorney: Kristen Edwards)

Commissioner Fiegen requested that the Commission defer the above dockets until January 6, 2015, Commission meeting for further reviewing.

Hydrocarbon Pipeline

1. **HP14-002** In the Matter of the Application of Dakota Access, LLC for an Energy Facility Permit to Construct the Dakota Access Pipeline (Staff Analysts: Brian Rounds, Darren Kearney; Staff Attorney: Kristen Edwards)

Ms. Kristen Edwards, staff attorney, recommended that the Commission assess Dakota Access, LLC (Dakota Access) a filing fee not to exceed \$610,000 with an initial deposit of \$8,000 and authorize the Executive Director to enter into necessary consulting contracts. Mr. Brett Koenecke, May, Adam, Gerdes and Thompson, LLP, representing Dakota Access stated Dakota Access had no objection.

Commissioner Hanson moved to assess a filing fee not to exceed \$610,000 with an initial deposit of \$8,000 and authorize the Executive Director to enter into necessary consulting contracts. Motion carried 3-0.

Natural Gas

1. **NG14-007** In the Matter of the Filing by Montana-Dakota Utilities Co. for Approval of its Conservation Portfolio Plan 2015-2017 (Staff Analysts: Brian Rounds, Darren Kearney; Staff Attorney: Karen Cremer)

Mr. Darren Kearney, staff analyst, recommended that the Commission grant approval of Montana Dakota Utilities (MDU) proposed portfolio of Natural Gas Conservation Programs to be effective for calendar years 2015-2017. Mr. Kearney further recommended setting a performance incentive cap based on MDU's tax adjusted rate of return multiplied by 100% of the approved budget. After a thorough discussion of the matter by Commissioners, MDU, and Staff, the Commission voted unanimously to approve MDU's proposed 2015-2017 Natural Gas Conservation Portfolio Plan for

calendar years 2015-2017 except for the Energy Audit Program, which the Commission voted to remove from the plan due to the unavailability of the plan in MDU's western region and the resulting discriminatory subsidy effect this would result in for customers in the western region.

Commissioner Fiegen moved to approve MDU's proposed portfolio of Natural Gas Conservation Programs for calendar years 2015-2017 as outlined by staff's recommendations.

Commissioner Nelson moved to amend the motion to remove the home Energy Audit Program from the Natural Gas Conservation Portfolio for 2015-2017. Motion carried 3-0.

Commissioner Fiegen's original motion to approve MDU's proposed portfolio of Natural Gas Conservation Programs for calendar years 2015-17 as outlined by staff's recommendations, as amended by Commissioner Nelson's motion to amend, was taken up for action. Motion carried 3-0.

Telecommunications

1. TC14-086 In the Matter of the Request of New Horizons Communications Corp. for an Amended Certificate of Authority (Staff Analyst: Joseph Rezac; Staff Attorney: Karen Cremer)

Mr. Lance Steinhart, representing New Horizons Communications Corp., (New Horizon) asked that the Commission approve New Horizons' request for an amended certificate of authority. Mr. Joseph Rezac, staff analyst, recommended that the Commission grant New Horizons an amended certificate of authority subject to a continuous \$25,000 bond.

Commissioner Hanson moved to approve the request for an Amended Certificate of Authority with staff's recommendations. Motion carried 3-0.

2. TC14-087 In the Matter of the Application for Approval of an Amendment to the Certificate of Authority of Venture Communications Cooperative, Inc. and for Waiver of Certain Requirements of ARSD 20:10:32:03 (Staff Analyst: Joseph Rezac; Staff Attorney: Karen Cremer)

Ms. Margo Northrup, Riter, Rogers, Wattier & Northrup, LLP, representing Venture Communications Cooperative, Inc. (Venture), asked that the Commission approve Venture's request for an amended certificate of authority to permit it to offer local exchanges service in the Cresbard, Faulkton, and Orient telephone exchanges. Ms. Northrup also asked that the Commission grant approval of a waiver of the requirements under A.R.S.D. 20:10:32:03. Mr. Joseph Rezac, staff analyst, recommended that the Commission grant approval of Venture's requests pending completion of the merger.

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

There being no further business, at the hour of 10:06 a.m. the South Dakota Public Utilities Commission meeting adjourned.

/s/Joy Lashley

Joy Lashley
Administrative Assistant
puc@state.sd.us
December 23, 2014