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South Dakota Public Utilities Commission Meeting

October 29, 2015, at 9:30 A.M. CDT

Room 414, 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 Wednesday, October 28, 2015. 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 Meetings Held on September 29 and October 13, 2015, and the Ad Hoc Commission Meeting Held on September 24, 2015 (Staff: Joy Lashley)

Consumer Reports

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

Pipeline Safety

1. **PS15-001 In the Matter of the Filing by Commission Pipeline Safety Staff for Approval of a Penalty for a Pipeline Safety Violation by Humboldt Municipal Gas Utilities (Pipeline Safety Inspectors: Mary Zanter, Boice Hillmer; Staff Attorney: Kristen Edwards)**

On August 13, 2015, Staff filed a Complaint alleging violations discovered during a March 2015 inspection of Humboldt Municipal Gas Utilities (Humboldt). In the Complaint, Staff sought penalties for the violations. The deadline to answer the Complaint was September 2, 2015. Humboldt did not file an answer to the Complaint. This matter came before the Commission on September 15, 2015. The Commission deferred the docket at that time as no members of the Humboldt Gas Board were available to answer questions. This docket was discussed at the Ad Hoc Commission meeting on September 24, 2015. On October 5, 2015, Humboldt filed a letter in the docket detailing their plan for compliance. On October 13, 2015, this docket was discussed at the regular Commission meeting. At that time, the Commission posed several questions to Humboldt and requested this matter be placed on the next agenda to give Humboldt time to gather more information. On October 20, 2015, Staff filed a Stipulation and Agreement (Stipulation). In the Stipulation, Staff and Humboldt agreed that if Humboldt complies with certain conditions, Staff will recommend this docket be held in abeyance.

TODAY, how shall the Commission proceed?

Electric

1. 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)

On June 30, 2014, Black Hills Power, Inc. filed an application for a permit to construct the South Dakota portion of a 230 kV transmission line, which will run from northeastern Wyoming to the Rapid City area in South Dakota and associated modifications to the Lange Substation in Pennington County, South Dakota. The South Dakota portion includes approximately 45.4 miles of transmission line and will cross both private lands and federal lands managed by the Black Hills National Forest Service. Specifically, approximately 9.1 miles of the proposed Facility will cross private land and approximately 36.3 miles will cross National Forest Service lands. On August 25, 2014, the Commission held a public input hearing in Rapid City, S.D. The Commission granted intervention to Ruby B. Matejcek, Victoria Leonard, GCC Dacotah, Inc., Michael Lewis, Stephen Vadney, Dave Riemenschneider, Barbara Anderson Lewis, Robert Varilek/AW LLC, Barton Banks, and James S. Hodgen. A contested case hearing was held on November 6, 2014. On December 24, 2014, the Commission issued its Final Decision and Order granting the transmission facility permit as requested in the Application subject to the terms and conditions in the Settlement Stipulation. On October 14, 2015, BHP filed an Amended Notice of Material Deviation from the Described Centerline and requested approval of the deviation pursuant to paragraph 22 of the Settlement Stipulation.

TODAY, shall the Commission grant BHP's request for approval of a material deviation?

2. EL15-035 In the Matter of the Joint Request for Service Rights Exception between H-D Electric Cooperative, Inc. and Estelline Municipal Utility (Staff Analyst: Joseph Rezac; Staff Attorney: Adam de Hueck)

On September 28, 2015, Estelline Municipal Utility (EMU) and H-D Electric Cooperative, Inc. filed a request for a service rights exception so that H-D Electric can provide three-phase electric service to a new grain storage facility located in the assigned service territory of EMU. EMU does not have a three-phase line close to the point of desired service. This service exception is only for the three phase service to the site.

TODAY, shall the Commission approve the requested service rights exception between Estelline Municipal Utility and H-D Electric Cooperative, Inc.?

3. EL15-042 In the Matter of the Application of Black Hills Power, Inc. for Approval to Extend the Filing Date of Its Energy Efficiency Solutions Plan Status Reports and Updated EESA Cost Recovery Factors (Staff Analyst: Darren Kearney; Staff Attorney: Adam de Hueck)

On October 8, 2015, Black Hills Power, Inc. (BHP) filed an Application for Approval to Extend the Filing Date of its Energy Efficiency Solutions Plan Status Reports and Updated Energy Efficiency Solutions Cost Recovery Factors. In Docket EL14-038, the Commission approved BHP's Energy Efficiency Solutions Plan (EESP) and associated tariff sheets. The tariff sheets in that docket identified that BHP would file updated Energy Efficiency Solutions Adjustment (EESA) Rates with the Commission by October 15 of each year and that the EESA rates would have an effective date of December 1 for each year. In its application, BHP requests an extension until October 31, 2015, to file: 1) the status report for Plan Year 3 (ending August 31, 2014) of the EESP approved in Docket EL11-002; 2) the status report for Plan Year 1 (ending August 31, 2015) of the currently effective EESP approved in docket EL14-038; and 3) the updated residential and commercial/industrial EESA rates.

TODAY, shall the Commission approve an extension, through October 31, 2015, for BHP to file its Energy Efficiency Solutions Plan status reports and Energy Efficiency Solutions Adjustment

rates?

Hydrocarbon Pipeline

1. HP14-001 In the Matter of the Petition of TransCanada Keystone Pipeline, LP for Order Accepting Certification of Permit Issued in Docket HP09-001 to Construct the Keystone XL Pipeline (Staff Analysts: Brian Rounds, Darren Kearney; Staff Attorneys: Kristen Edwards and Karen Cremer)

On September 15, 2014, the Commission received a filing from TransCanada Keystone Pipeline, LP (Keystone) seeking an order accepting certification of the permit issued in HP09-001. The Commission issued an Amended Final Decision and Order granting a permit to Keystone on June 29, 2010. Because it has been at least four years since the permit was issued, Keystone now seeks an order accepting certification, per SDCL 49-41B-27. An evidentiary hearing was held from July 27 – August 5, 2015. Intervenor Cindy Myers filed pre-filed testimony on April 2, 2015, and testified at the hearing on August 3, 2015. Keystone objected to several aspects of her testimony, but offered to file a motion after the hearing in the interest of time. On September 21, 2015, the Commission received Keystone's Motion to Strike Testimony and Exhibits of Cindy Myers.

TODAY, shall the Commission grant Keystone's Motion to Strike Testimony and Exhibits of Cindy Myers?

Telecommunications

1. TC07-078 In the Matter of the Filing by Qwest Corporation for Approval of Withdrawal of Section 252(f) Statement of Generally Available Terms Compliance (Staff Attorney: Karen Cremer)

On June 15, 2007, Qwest Corporation (Qwest nka CenturyLink) filed a Withdrawal of its Statement of Generally Available Terms and Conditions (SGAT) in South Dakota. "Qwest's SGAT has become outdated because applicable law has changed since Qwest last filed revisions to its SGAT. The Triennial Review Order, the TRRO, and abolition of the pick and choose requirement in favor of the all-or-nothing rule have made many SGAT terms incompatible with existing and controlling law. Further, the SGAT has not been used as the interconnection contract template for over two (2) years. In contrast to other provisions of the SGAT, Qwest's Performance Indicator Definitions (PIDs) included as Exhibit B to the SGAT and the Performance Assurance Plan (PAP) have been the subject of periodic review and updates pursuant to processes contained in the PAP. The purpose of these reviews has been to provide current performance indicator definitions to the Commissions for their application across all CLECs. Because this process thus far has been a successful method of applying current performance indicator definitions on a non-discriminatory basis, Qwest will continue to make PIDs and the PAP available to CLECs until such time as the PAP, found in Exhibit K of the SGAT, is withdrawn or otherwise eliminated." On June 29, 2007, Level 3 Communications, LLC filed a Petition to Intervene. On August 14, 2007, the Commission issued its order granting Level 3 intervention in this matter. On October 5, 2015, CenturyLink filed a letter requesting that the docket be closed.

TODAY, shall the Commission dismiss and close this docket?

2. TC10-027 In the Matter of Qwest's Performance Assurance Plan Final Report (Staff Analyst: Eric Paulson; Staff Attorney: Adam de Hueck)

On April 20, 2010, the Commission voted unanimously to open a docket regarding Liberty Consulting's (Liberty) Final Report regarding its analysis of Qwest's Performance Assurance Plans (PAP) and on May 6, 2010, an Order was issued to open the docket and an Analysis of Qwest's PAP Final Report was filed with the Commission. Liberty's analysis concluded that the PAPs were still serving a useful purpose and also recommended some changes to the Performance Indicators (PIDs). Comments were requested from interested parties regarding the final report and the recommendations of Liberty by June 2, 2010, with reply comments due no later than June 16, 2010.

On June 2, 2010, Qwest (nka CenturyLink) filed comments on its Performance Assurance Plan Final Report. On October 5, 2015, CenturyLink filed a letter requesting that the docket be closed.

TODAY, shall the Commission dismiss and close this docket?

3. TC15-061 In the Matter of the Approval of an Amendment to Resale Agreement between Qwest Corporation dba CenturyLink QC and InTTec, Inc. (Staff Analyst: Joseph Rezac; Staff Attorney: Adam de Hueck)

On August 14, 2015, the Commission received a filing from Qwest Corporation dba CenturyLink QC, for approval of an Amendment to the Resale Agreement between Qwest Corporation dba CenturyLink QC and InTTec, Inc. pursuant to 47 U.S.C. § 252.

TODAY, shall the Commission approve the amendment to the resale agreement?

4. TC15-066 In the Matter of the Filing by Clarity Telecom, LLC dba Vast Broadband for Approval of Revision to its Access Service Tariff No. 3 (Staff Analyst: Lorena Reichert; Staff Attorney: Adam de Hueck)

On September 21, 2015, Clarity Telecom, LLC (Clarity) filed a request for approval of revisions to its Access Service Tariff No. 3. The revisions include changed language on "Interconnection Charge – Shared Port Charge" to "End Office – Shared Port Charge," removal of the Transitional Rate which expired in 2013, and removal of Tandem Switching Charges. Clarity requests that the tariff revisions become effective on July 1, 2015. On October 1, 2015, Clarity responded to staff's data request.

TODAY, shall the Commission approve Clarity Telecom, LLC's Revisions to its Access Service Tariff No. 3?

5. TC15-067 In the Matter of the Approval of a Power Reduction Amendment to the Interconnection Agreement between Qwest Corporation dba CenturyLink QC and CenturyLink Communications, LLC (Staff Analyst: Patrick Steffensen; Staff Attorney: Adam de Hueck)

On October 2, 2015, the Commission received a filing for approval of a power reduction amendment to an interconnection agreement between Qwest Corporation dba CenturyLink QC and CenturyLink Communications, LLC for the state of South Dakota. Any party wishing to comment may do so by filing written comments with the Commission and the parties to the Agreement no later than October 22, 2015. The filing was made pursuant to 47 U.S.C. § 252.

TODAY, shall the Commission approve the amendment to the interconnection agreement?

Electric

4. EL14-106 In the Matter of the Application of NorthWestern Corporation dba NorthWestern Energy for Authority to Increase its Electric Rates (Staff Analysts: Brittany Mehlhaff, Patrick Steffensen, Eric Paulson, Joseph Rezac; Staff Attorney: Karen Cremer)

On December 19, 2014, the Commission received an application by NorthWestern Corporation dba NorthWestern Energy (NWE) for approval to increase rates for electric service to customers in its South Dakota service territory by approximately \$26.5 million annually or approximately 20.24% based on its test year ending September 30, 2014. NWE states a typical residential electric customer using 750 kWh per month would see an increase of \$16.76 per month. The proposed changes may potentially affect approximately 62,100 customers in NWE's South Dakota service territory. NWE proposes an effective date of March 1, 2015. On January 8, 2015, the Commission issued an Order Assessing Filing Fee and Suspending Operation of Proposed Rates. On March 20, 2015, the Commission received a petition from twenty-seven (27) customers requesting to suspend the proposed rate increase requested by NWE. On May 14, 2015, a public meeting was held in Yankton to address concerns of the public. On June 26, 2015, NWE filed its notice of intent to

implement interim rates effective for service on or after July 1, 2015. On September 2, 2015, the parties agreed to suspend the procedural schedule. On September 24, 2015, Staff and NWE filed a Joint Motion for Approval of Settlement Stipulation and Settlement Stipulation. On October 16, 2015, a Revised Settlement Stipulation, Joint Motion for Approval of Revised Settlement Stipulation, and Staff Memorandum were filed. NWE will separately file a proposal for an Interim Rate Refund Plan.

TODAY, shall the Commission grant the Joint Motion for Approval of Revised Settlement Stipulation and approve the rates, tariff sheets, terms and conditions stipulated therein? AND, shall the Commission approve the Interim Rate Refund Plan? OR, how shall the Commission proceed?

Items for Commission Discussion

Announcements

1. Commissioners and Staff will attend the National Association of Regulatory Utility Commissioners Annual Meeting, November 8-11, 2015, at the JW Marriott, Austin, Texas.
2. The PUC offices will be closed Wednesday, November 11, 2015, in observance of Veterans Day
3. The next regularly scheduled commission meeting will be Thursday, November 12, 2015, at 1:30 p.m. CST in Room 413 at the State Capitol Building, Pierre, S.D.
4. Commission meetings are scheduled for November 24 and December 8, 2015.

/s/Cindy Kemnitz

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October 22, 2015