

NG 98-001

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PO BOX 66
PIERRE SD 57501-0066

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REGULATORY AFFAIRS MANAGER
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PO BOX 160
PIERRE SD 57501-0160

JIM PAHL
GENERAL MANAGER
WEST RIVER ELECTRIC ASSOCIATION, INC
PO BOX 412
WALL SD 57790

NG 98-001

RECEIVED

FILED

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE
STATE OF SOUTH DAKOTA

In the Matter of the Application)
of the Rapid City Gas)
Transportation Company, LLC)
for a Permit to)
Construct a 6.625 Inch O.D.)
Transmission Pipeline Facility)
in Pennington County, South Dakota)

Case No. _____

APPLICATION

Olinger, Lovald, Robbennolt and McCahren, P.C.
Attorneys for Rapid City Gas Transportation Company, LLC
117 East Capitol
PO Box 66
Pierre, SD 57501

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE
STATE OF SOUTH DAKOTA

In the Matter of the Application)
of the Rapid City Gas)
Transportation Company, LLC)
for a Permit to)
Construct a 6.625 Inch O. D.)
Transmission Pipeline Facility)
in Pennington County, South Dakota.)

Case No. _____

APPLICATION

Rapid City Gas Transportation Company, LLC (Company), pursuant to the South Dakota Energy Facility Permit Act, SDCL 49-41B and the rules of the South Dakota Public Utilities Commission, ARSD Ch. 20:10:22, hereby applies for a permit to construct a 6.625 inch O.D. transmission pipeline and associated facilities. In support of its request, the Company respectfully shows the following:

General Applicant Information (20:10:22:06,07)

The Company will construct, operate, and maintain the transmission line. The name, title, and address of persons involved in the authorization of the proposed facility at the time of filing are as follows:

Walter J. Woods, President
Rapid City Gas Transportation Company, LLC
117 East Capitol, PO Box 66
Pierre, South Dakota 57501
(605) 224-8851

All communications and questions relating to the Application should be addressed to James Robbenolt at the address and telephone number noted above.

The Company is a Limited Liability Company (LLC) organized and existing under the laws of the State of South Dakota, with its principal place of business located at 117 East Capitol, Pierre, South Dakota 57501. The LLC is authorized to conduct, and is conducting, business in the State of South Dakota. The LLC is engaged in the purchase, transportation and sale for resale of natural gas within the State of South Dakota.

Purpose of Facility (20:10:22:08)

The purpose of the facility is to supply natural gas to entities including, but not limited to, the Merrillat Company, Rapid City, South Dakota.

Estimated Cost of Facility (20:10:22:09)

The estimated construction cost of the proposed transmission pipeline and associated facilities is approximately \$1,000,000.00. (See Exhibit 1)

Demand for Facility (20:10:22:10)

Merillat Company is a manufacturer of wood cabinets at a plant in Rapid City, South Dakota. Merillat wants a direct connection from its pipeline transporter to its factory. Rapid City Gas Transportation Company is willing to provide that service. It appears that there will be little demand in the area, other than Merillat, since the area is already served by a distribution system.

General Site Description (20:10:22:11)

The proposed 6.625 inch O.D. transmission line will extend from a point on the existing Williston Basin Interstate Pipeline

Company, located at Township 2 North, Range 8 East, NW ¼, Section 21, in Pennington County, South Dakota, extending in a southerly direction in the Elk Creek Rd. right-of-way for a distance of approximately 1.1 miles to the Interstate Highway 90 and continuing in a southerly direction in the Elk Creek Rd. right-of-way for 2.6 miles to State Highway 44. The pipeline will then continue in a southerly direction in the proposed new state limited access Highway for 2.6 miles to the Merrillat Plant Lateral then westerly for 0.5 miles to the Merrillat Plant. A map showing the transmission pipeline route, which will be in the public right of way, is attached hereto as Exhibit 2.

Alternate sites (20:10:22:12)

The Company is constructing a new facility whose route has been chosen to most efficiently and adequately serve Merrillat.

The State Highway Department has requested Rapid City Gas Transportation Company use the proposed Highway right-of-way, and since it was a viable route, an alternate route was not investigated.

Environmental Information (20:10:22:13)

The proposed project is located in the county of Pennington. The terrain through which the proposed facility will pass is on the eastern edge of Rapid City which is sparsely populated.

The proposed new pipeline will be constructed within the bar ditch of existing State and/or County rights-of-way. The route selected for this facility will have no impact upon land currently utilized for agricultural or business purposes. Approximately 0.10

acres (80 ft. x 80 ft.) of land along the Williston Basin Air Base Housing Line lateral, will be permanently utilized for industrial use by the proposed gas receipt station. The location of a delivery meter station will require an additional 0.54 acre (40 ft. x 40 ft.) site located on Merrillat property. In addition, as required by law, requisite valve settings will be adequately enclosed by appropriate fencing. It is the opinion of the Company, based upon the selected pipeline route, that the environmental impact from the construction of the transmission line will be minor and if required, easily mitigated.

Effect on Physical Environment (20:10:22:14)

Specific information for Pennington County satisfying the requirements contained in ARSD 20:10:22:14 will be furnished upon receipt from the State Geologists office. Exhibit 3

Hydrology (20:10:22:15)

The dominant topographic feature of the proposed project area is the undulating uplands of Western South Dakota. One perennial drainage Rapid Creek, is crossed by the proposed route. Various ephemeral and intermittent drainage ways are crossed by the proposed route. Creek crossings will be drilled and if necessary will be contoured and stabilized to prevent erosion of stream bed. No impacts to ground water or drainage patterns are anticipated.

Effect on Terrestrial Ecosystems (20:10:22:16)

It is anticipated that no habitat will be altered as the result of the proposed project. There may be some dislocation of

wildlife during construction which will be temporary and should not affect population size. The U.S. Fish and Wildlife Service and the State Department of Game, Fish and Parks were consulted regarding impacts to threatened or endangered species. The Natural Heritage Database was searched for the proposed route and has been forwarded to them for project clearance. A copy of the Database and forwarding letters are attached. Exhibit 4

Effect on Aquatic Ecosystems (20:10:22:17)

The dominant topographic feature of the proposed project area is the undulating uplands of Western South Dakota. The proposed route crosses one perennial, Rapid Creek, and various intermittent drainage way. The proposed pipeline will be drilled under the creek and if there are disrupted creek banks they will be recontoured and stabilized to prevent erosion. No stream bed alteration or channelization is expected to occur as the result of construction of the proposed pipeline.

Land Use (20:10:22:18-19)

The project area is primarily being utilized for agricultural or business purposes. However, the specific area which will contain the pipeline is the State and/or County bar ditch roadway right-of-way which are not utilized for agricultural purposes. With the exception of the proposed delivery meter station and sales station previously mentioned in the Environmental Information section, there will be no changes in the present land use as a result of the proposed pipeline facility.

No municipal zoning changes are required by the proposed

pipeline facility.

Water Quality (20:10:22:20)

The proposed pipeline will have no impact on water quality.

Air Quality (20:10:22:21)

There will be slight degradation in air quality resulting from construction activities which may increase total suspended particulates (dust) in the construction area. Such impact will be minimal and temporary.

Time Schedule (20:10:22:22)

In order to have facilities in place by the 1998-1999 heating season, it is proposed that construction occur as follows:

Transmission Pipeline - August 1 - October 1

Meter Stations (2) - August 15 - October 15

If certification is not granted by June 15, 1998, construction will not be complete by November 1, 1998.

Community Impact and Employment Estimated (20:10:22:23-24)

The socioeconomic impact of the proposed pipeline is positive in nature. Construction crews will utilize local food, petroleum and lodging establishments increasing community revenue. The proposed pipeline is expected to increase tax revenues for Pennington County.

Revenues resulting from construction materials and equipment are expected to be minimal. The majority of construction materials and equipment will have been purchased prior to construction.

The South Dakota State Historic Preservation Center (SDSPC) was contacted for informal consultation as to the project's potential

impact on cultural resources.

Based upon the proposed location of the pipeline facility, no known archeological sites will be affected by the proposed project.

The South Dakota State Historic Preservation Center and the Company have reviewed and agreed to a Memorandum of Agreement reflecting the above. This Memorandum of Agreement is attached hereto and labeled Exhibit 5.

Future Additions and Modification (20:10:22:25)

None

ARSD 20:10:22:26-20:10:22:36

These provisions of the Administrative Rules apply only to energy conversion facilities and thus are not applicable to this proposed facility.

Statement Required Describing Gas Transmission Line Standards of Construction (20:10:22:37)

The Company will design, install, inspect, test, construct, operate, replace, and maintain the facilities in accordance with State safety standards and plans for maintenance and inspection as provided for in the regulations of the Department of Transportation, 49 C.F.R. Part 192.

Gas Transmission Line Description (20:10:22:38)

The transmission pipeline will be constructed of 6.8 miles of 6.625 inch outside diameter, 0.156 inch wall thickness, electric resistance welded API 5L-Grade B steel line pipe. It will be designed to operate at 720 psig, normal operating pressure will range between 150-400 psig. The pipeline is designed to deliver 3.0 MMCFD of natural gas at an inlet pressure of 80 psig at the

delivery meter station.

The pipeline system will be constructed so as to be in compliance with applicable State pipeline safety standards.

Exhibit 6, is a flow diagram depicting the peak day conditions of the Company's transmission system with proposed facilities.

Testimony and Exhibits (20:10:22:39)

All data and exhibits which support this Application are attached hereto. The LLC requests waiver of the requirement to provide individual testimony relating to the Application at this time. If the Commission so requires, the Company will submit testimony.

NOW, THEREFORE, the LLC respectfully requests that the South Dakota Public Utilities Commission:

1. Issue a construction permit for the transmission pipeline and associated facilities as more fully described herein.
2. Expedite the processing of this Application and the scheduling of a public hearing to allow the Company to meet an in-service date prior to the winter of 1998-1999.
3. Declare that the rate establishment requirements of SDCL 49-34A do not apply to the Application for the reason that the LLC only intends to serve one customer.

Dated at Pierre, South Dakota, this 24th day of February, 1998.

Respectfully Submitted,

RAPID CITY GAS TRANSPORTATION COMPANY, LLC

BY: Walter J. Woods
Walter J. Woods
President

STATE OF SOUTH DAKOTA)

) SS.

COUNTY OF HUGHES)

On this the 24th day of February, 1998, before me, the undersigned officer, personally appeared Walter J. Woods, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

My Commission Expires:

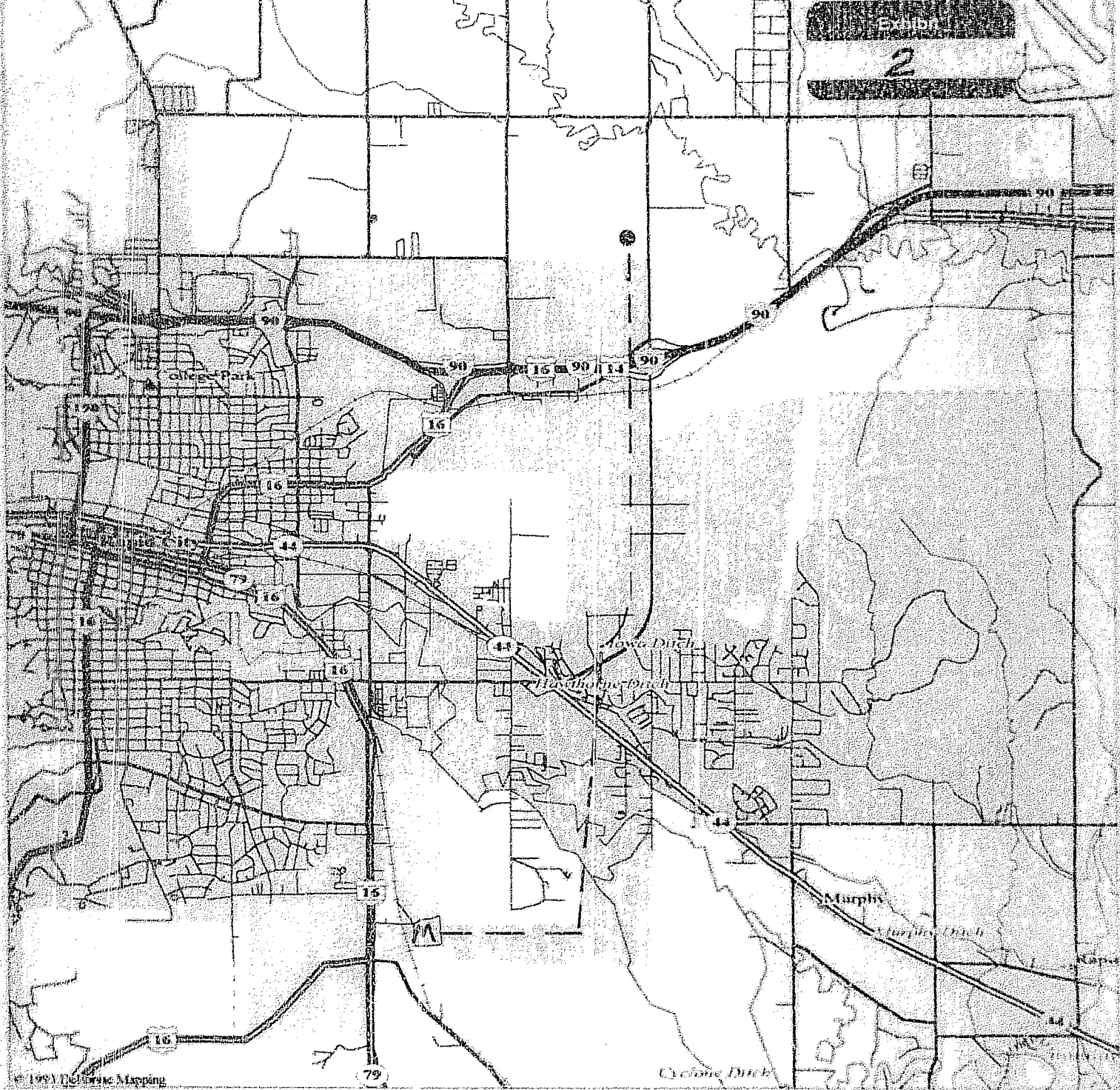
James Robbennolt
Notary Public - South Dakota

(SEAL)

JAMES ROBBENNOLT, Notary Public
My Commission Expires
January 13, 2001

COST ESTIMATE

ITEM	Description	Amount	Unit	\$/Unit	Cost
1.	6" - pipe	35,900	ft.	\$3.10	\$111,290
2.	I 90 crossing	1,000	ft.	\$100.00	\$100,000
3.	Meter Station	1	1 lot	\$140,000.00	\$140,000
4.	Valves	1	1 lot	\$35,000.00	\$35,000
5.	Coating	35,900	ft.	\$.30	\$10,770
6.	Installation	35,900	ft.	\$ 9.00	\$323,100
7.	Engineering, Drafting insp., x-ray	1	1 lot	\$55,000.00	\$55,000
8.	ROW and Damages	1	1 lot	\$35,000.00	\$35,000
9.	Permits, enviroment	1	1 lot	\$50,000.00	\$50,000
10.	WB Interconnect	1	1 lot	\$95,000.00	\$95,000
11.	Subtotal				\$955,150
12.	O & C		4.7%	\$44,846.00	
13.	Total Cost				\$1,000,000



© 1993 DeLorme Mapping

LEGEND

- | | | | |
|--|----------------------|--|--------------------|
| | State Route | | Local Road |
| | Geo. Feature | | Major Street Road |
| | Town, Small City | | Street Road |
| | Port | | Interstate |
| | Interstate, Turnpike | | Int. State Highway |
| | US highway | | State Route |
| | Route Center | | US Highway |
| | Street, Road | | Roadway |

Scale 1:62,500 (at center)

1 Miles

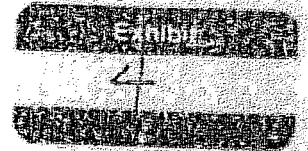
2 KM

Mag 13 00

Mon Feb 23 08:50:10 1996

Proposed Pipeline Route

Rapid City Gas Transportation Company
c/o Olinger, Lovald, Robbennolt and McCahren, P.C.
PO Box 66
Pierre, SD 57501



February 23, 1998

State Supervisor
Fish and Wildlife
420 S. Garfield
Pierre, South Dakota 57501-3182

Attn: Mr. Pete Gober

Dear Mr. Gober

Rapid City Gas Transportation Co., LLC is filing to build a natural gas pipeline along state highway 437 (Elk Creek Rd.) and the proposed new extension of the 16B Bypass around Rapid City. The pipeline will be in public ROW in Pennington County on the east side of Rapid City. I have attached a map of the general area for your use.

Attached is the National Heritage Data Base Search Scott Larson requested for the proposed pipeline right of way. The report indicates there would be little or no impact on the environment in the right of way that RCGT plans to use. Would you please review the information and advise RCGT if it is acceptable or if you require anything else

Also we have attached a National Wetlands Inventory map obtained from the SD D.O.T. The pipeline will be built in the proposed Rapid City Bypass and we have been informed by the Rapid City Region D.O.T. that the bypass will not effect any wetlands. Please advise me if you need anymore information.

Sincerely,

Walter J. Woods
President

CC: J. Robbennolt ✓

Rapid City Gas Transportation Company
c/o Olinger, Lovald, Robbennolt and McCahren, P.C.
PO Box 66
Pierre, SD 57501

February 23, 1998

South Dakota Game, Fish and Parks
Anderson Building
445 E. Capitol Avenue
Pierre, South Dakota 57501-3182

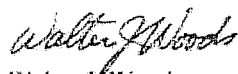
Attn: Mr. John Kirk

Dear Mr. Kirk

Rapid City Gas Transportation Co., LLC is filing to build a natural gas pipeline along state highway 437 (Elk Creek Rd.) and the proposed new extension of the 16B Bypass around Rapid City. The pipeline will be in public ROW in Pennington County on the east side of Rapid City. I have attached a map of the general area for your use.

Also is attached the National Heritage Data Base Search for the proposed pipeline right of way. The report indicates there would be little or no impact on the environment in the right of way that RCGT plans to use. Would you please review the information and advise RCGT if it is acceptable or if you require anything else

Sincerely,



Walter J. Woods
President

CC: J. Robbennolt



DEPARTMENT OF GAME, FISH AND PARKS

Foss Building
523 East Capitol
Pierre, South Dakota 57501-3182

February 19, 1998

Mr. Walter J. Woods
Rapid City Gas Transportation Company
c/o Olinger, Lovald, Robbenolt and McCahren, P.C.
PO Box 66
Pierre, SD 57501

Dear Mr. Woods:

As you requested in your letter of February 18, I have searched the SD Natural Heritage Database for records of rare, threatened or endangered species in the vicinity of the proposed gas pipeline route. The enclosed printout lists those rare species that are documented as occurring in the area and that may be present if suitable habitat is present along the pipeline route. The black-footed ferret, an endangered species, is considered extirpated from South Dakota. This species has been reintroduced in the Badlands National Park area, but it is not likely to be present anywhere else in its historic range in South Dakota. Unless there are prairie dog towns along the pipeline route, there is no need to consider impacts to this species. The records of rare plants are old, but if there is native prairie along the route it is possible that these plants still occur in the area. The sage thrasher was most likely a migrant through the area, and the whooping cranes definitely were migrants. Very little is known about the biology and distribution of the dwarf shrew, but apparently this secretive shrew is an inhabitant of grasslands in western South Dakota. Its apparent rarity may be mostly because of lack of collecting effort using proper sampling techniques. Again, whether any of these species occur along the pipeline route is largely determined by the habitat present.

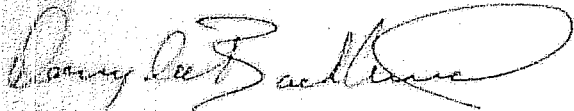
Of course, the lack of rare species records for any area does not indicate absence. This area has probably never been thoroughly surveyed for rare species. Migratory species such as the federally threatened bald eagle or federally endangered peregrine falcon or whooping crane could be expected to occur temporarily.

The fee for this report is itemized as follows:

one computer search at \$30.00 per search	\$30.00
one hour staff time at \$30.00 per hour	\$30.00
	\$60.00

I am including a key to the codes used in the printout. If you have any questions or need additional information, please contact me at your convenience.

Sincerely,

A handwritten signature in cursive script, appearing to read "Doug Backlund". The signature is fluid and includes a large, sweeping loop at the end.

Doug Backlund
Resource Biologist

RARE, THREATENED, OR ENDANGERED SPECIES DOCUMENTED IN THE VICINITY OF THE
PROPOSED GAS PIPELINE ROUTE, PENNINGTON COUNTY

SOUTH DAKOTA NATURAL HERITAGE DATABASE
FEBRUARY 19, 1998

NAME	TOWNSHIP RANGE & SECTION	LAST OBSERVED	FEDERAL STATUS	STATE STATUS	STATE RANK	GLOBAL RANK	EDDATA
SAGE THRASHER OREOSCOPTES MONTANUS	002N008E	1968-04-21			S20, S2N	G5	ONE PHOTOGRAPHED BY ROSE
EASTER DAISY TOWNSENDIA EXSCAPA	002N008E	1924-05-24			S47	G5	
EASTER DAISY TOWNSENDIA EXSCAPA	001N008E 29	1925-04-24			S47	G5	
WHOOPIING CRANE GRUS AMERICANA	001N009E 18	1988-04-21	LE	SE	S24	G1	4 ADULTS AND 1 YOUNG SIGHTED FEEDING IN WHEAT (BY STUBBLE FIELD)
DWARF SHREW Sorex nanus	002N009E 23	1970-03-03			S1	G4	FEMALE CAPTURED IN GRASSY FIELD
BLACK-FOOTED FERRET MUSTELA NIGRIPES	002N009E 29	1913-	LE	SE	S1	G1	(TOTAL=2, TL=35, HF=9) ONE INDIVIDUAL COLLECTED 10 JAN 1913

KEY TO CODES USED IN NATURAL HERITAGE DATABASE REPORTS

FEDERAL STATUS LE = Listed endangered
 LT = Listed threatened
 LE/LT = Listed endangered in part of range, threatened in part
 of range
 PE = Proposed endangered
 PT = Proposed threatened
 C = Candidate for federal listing, information indicates that
 listing is justified.

STATE STATUS SE = State Endangered
 ST = State Threatened

An endangered species is a species in danger of extinction throughout all or a significant portion of its range. (applied rangewide for federal status and statewide for state status)

A threatened species is a species likely to become endangered in the foreseeable future.

<u>Global Rank</u>	<u>State Rank</u>	<u>Definition</u> (applied rangewide for global rank and statewide for state rank)
G1	S1	Critically imperiled because of extreme rarity (3 or fewer occurrences or very few remaining individuals or acres) or because of some factor(s) making it especially vulnerable to extinction.
G2	S2	Imperiled because of rarity (6 to 10 occurrences or few remaining individuals or acres) or because of some factor(s) making it very vulnerable to extinction throughout its range.
G3	S3	Either very rare and local throughout its range, or found locally (even abundantly at some of its locations) in a restricted range, or vulnerable to extinction throughout its range because of other factors; in the range of 21 of 100 occurrences.
G4	S4	Apparently secure, though it may be quite rare in parts of its range, especially at the periphery. Cause for long term concern.
G5	S5	Demonstrably secure, though it may be quite rare in parts of its range, especially at the periphery.
GU	SU	Possibly in peril, but status uncertain, more information needed.
GH	SH	Historically known, may be rediscovered.
GX	SX	Believed extinct, historical records only.
G?	S?	Not yet ranked
_?	_?	Inexact rank
_T		Rank of subspecies or variety
_Q		Taxonomic status is questionable, rank may change with taxonomy
	SZ	No definable occurrences for conservation purposes, usually assigned to migrants
	SP	Potential exists for occurrence in the state, but no occurrences
	SR	Element reported for the state but no persuasive documentation
	SA	Accidental or casual

Bird species may have two state ranks, one for breeding (S#B) and one for nonbreeding seasons (S#N). Example: Ferruginous Hawk (S3B, S2N) indicates an S3 rank in breeding season and S2 in nonbreeding season.

5

Rapid City Gas Transportation Company
c/o Olinger, Lovald, Robbennolt and McCahren, P.C.
PO Box 66
Pierre, SD 57501

February 23, 1998

Mr. Bruce Penner
State Historic Preservation Office
Cultural Heritage Center
Pierre, South Dakota 57501-3132

Dear Mr. Penner


Rapid City Gas Transportation Co., LLC is filing to build a natural gas pipeline along state highway 437 (Elk Creek Rd.) and the proposed new extension of the 16th Bypass around Rapid City. The pipeline will be in public ROW in Pennington County on the east side of Rapid City. I have attached a map of the general area for your use.

RCGT would like to enter into an agreement with the SHPO similar to the one I faxed you on Wednesday February 18, 1998 or any other agreement you might suggest that would allow this filing to proceed on an expedited basis.

I look forward to meeting you and discussing this project and request on Monday February 23, 1998.

Sincerely

Sincerely,


Walter J. Woods

CC: J. Robbennolt

February 23, 1998



WALTER J. WOODS
RAPID CITY GAS TRANSPORTATION CO
C/O OLINGER, LOVALD, ROBBENNOLT & MCCAHERN
PO BOX 66
PIERRE SD 57501

CULTURAL HERITAGE CENTER
900 Governors Drive
Pierre, SD 57501-2217
(605) 773-3456 Fax (605) 773-5041

SECTION 106 PROJECT CONSULTATION - IDENTIFICATION

Project: 980217022F -- Rapid City Gas Transportation Co. Pipeline along Hwy 437 and
16th Bypass

Location: Pennington County
(SD PUC)

Dear Mr. Woods:

Thank you for the opportunity to comment on the above referenced project pursuant to Section 106 of the National Historic Preservation Act of 1966 (as amended). The South Dakota SHPO Program has made the following determination regarding the likelihood that historic properties (whether recorded, unrecorded or undiscovered) exist within the project area's APE (area of potential effects).

Based upon the information submitted during our meeting on February 23, the State Historic Preservation Officer has made the following consensus determination. Given that almost the entire APE has been previously surveyed with negative results and that construction activities will be largely limited to disturbed road rights-of-way, **NO HISTORIC PROPERTIES** are likely to be located within the proposed project area and/or will be affected by this undertaking. Therefore, no further actions to identify such properties are recommended by our office. Should this project change substantially (new locations of impacts) from that presented in your packet, our office would like the opportunity to review these changes.

If during the course of any ground disturbance related to this project, any bones, artifacts, foundations, or other indications of past human occupation of the area are uncovered, the project should be temporarily stopped and the State Historic Preservation Officer notified immediately.

Should you require any additional information, please do not hesitate to contact Bruce Penner, Review & Compliance Coordinator, at 773-6004. Your concern for the non-renewable cultural heritage of our state is appreciated.

Sincerely,

Jay D. Vogt
State Historic Preservation Officer

Bruce R. Penner

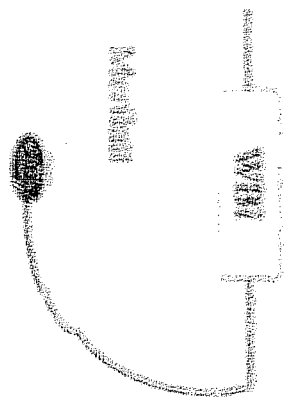
Bruce R. Penner
Review & Compliance Coordinator



Department of Education and Cultural Affairs
Office of History

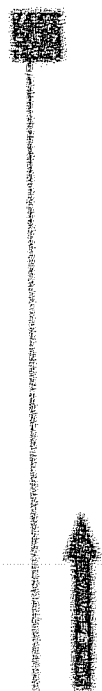
Millerton Station

Interstate Pipeline



Millerton

Q=3.0
P=137
MP=7.0



3.0

Millerton Station
Interstate Pipeline
Company

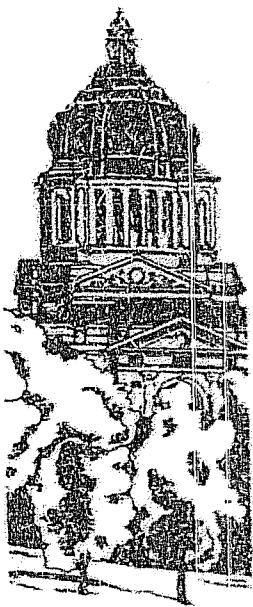
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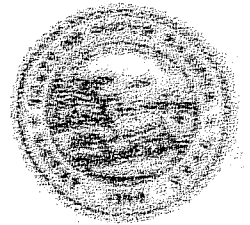
LEGEND

- Q=0.0 MMCF
- P=0060 PSIG
- MP=0.0 MILE POST

RAPID CITY GAS
TRANSPORTATION COMPANY
MAXIMUM DAY
FLOW DIAGRAM



South Dakota Public Utilities Commission



State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070

RECEIVED

March 4, 1998

MAR 04 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Mr. James Robbenolt
Rapid City Gas Transportation Company, LLC
117 East Capitol Avenue
Pierre, SD 57501

Capitol Office
Telephone (605)773-3101
FAX (605)773-3809

Transportation/
Warehouse Division
Telephone (605)773-5120
FAX (605)773-3225

Consumer Hotline
1-800-332-1782

TTY Through
Relay South Dakota
1-800-877-4113

Internet
bill@puc.state.sd.us

Jim Burg
Chairman
Pam Nelson
Vice-Chairman
Laska Schenfelder
Commissioner

William Bulard Jr.
Executive Director

Edward R. Anderson
Harlan Best
Martin C. Bettmann
Charlie Bolte
Sue Cochran
Karen E. Cremer
Marlene Frisethrich
Shirleen Fugitt
Lewis Hammond
Katie Hartford
Lem Hirsch
Cannon Hovick
Dave Jacobson
Bob Knadle
Delaine Kolbu
Jeffrey P. Larsonson
Terry Norum
Gregory A. Ralston
Tamara Strongohr
Steven M. Wagner
Rosalynne Aftis Witt

RE: Application of Rapid City Gas Transportation Company, LLC (RCGT) for a Permit to Construct a 6 625 Inch O.D. Transmission Pipeline in Pennington County, South Dakota. Docket NG98-001

Dear Mr. Robbenolt

The South Dakota Public Utilities Commission Staff (Staff) has completed its initial review above the above referenced application and now requests that RCGT provide the Staff with responses to the enclosed data request. Staff feels that the information is necessary for both it and the Commission to properly evaluate this application.

Please respond to the data request by having the responses in the Commission's office on or before March 18, 1998.

Sincerely,

Martin C. Bettmann
Staff Engineer

Enclosure

cc: William Bulard, Jr. Executive Director
Rosalynne Aftis, Commission Counsel
Karen Cremer, Staff Counsel

RAPID CITY GAS TRANSPORTATION COMPANY, LLC

South Dakota Public Utilities Commission
Staff Data Request No. 1
Docket NG98-001

March 4, 1998

1. Provide a more detailed description of the location of the pipeline route. For example, On which side of the roadway will the pipeline be located? Where will it be located in relation to the centerline of the roadway? Where are the municipal or other similar boundaries? Are any public facilities such as schools, hospitals, parks or other public facilities located near the proposed route?
2. Provide the exact location and a diagram of the facilities that will be located at the point of connection with the Williston Basin pipeline and the point of termination at the Merrillat plant. (Note: Exhibit 2 of the application shows the starting point of the proposed pipeline to be in the SE 1/4, Sec 21, T2N, R8E, and the description of the location on Page 3 of the application, states that the pipeline will start in the NW 1/4 of the same section.)
3. What will be the size and make up of the construction crew and to what extent will the local labor force be used for construction and operation of the proposed facility?
4. What is the estimated property tax revenue that will be generated by the proposed facility?
5. Provide a description of the sequence of construction activities.
6. If water will be used for testing the proposed pipeline, what is the source of the water, where will it be discharged, and have you applied for any required permits?
7. What would the consequences be, if the pipeline would not be constructed or if the construction would be delayed until next year?

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION OF) THE RAPID CITY GAS TRANSPORTATION) COMPANY, LLC FOR A PERMIT TO) CONSTRUCT A 6.625 INCH O.D.) TRANSMISSION PIPELINE FACILITY IN) PENNINGTON COUNTY, SOUTH DAKOTA))	ORDER FOR AND NOTICE OF OPPORTUNITY TO INTERVENE OR COMMENT AND ASSESSMENT OF A FILING FEE NG98-001
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------

On February 24, 1998, the Public Utilities Commission (Commission) received an application for a construction permit from Rapid City Gas Transportation Company, LLC (Rapid City Gas) to build a 6.625 inch O.D. transmission pipeline and associated facilities. The purpose of the facility is to supply natural gas to entities including, but not limited to, the Merillat Company, Rapid City, South Dakota. Merillat Company is a manufacturer of wood cabinets at a plant in Rapid City. Merillat wants a direct connection from its pipeline transporter to its factory. The estimated construction cost of the proposed transmission pipeline and associated facilities is approximately \$1,000,000.00.

The proposed 6.625 inch O.D. transmission line will extend from a point on the existing Williston Basin Interstate Pipeline Company, located at Township 2 North, Range 8 East, Section 21, in Pennington County, South Dakota, extending in a southerly direction in the Elk Creek Road right-of-way for a distance of approximately 1.1 miles to the Interstate Highway 90 and continuing in a southerly direction in the Elk Creek Road right-of-way for 2.6 miles to State Highway 44. The pipeline will then continue in a southerly direction in the proposed new state limited access Highway for 2.5 miles to the Merillat Plant Lateral then westerly for 0.5 miles to the Merillat Plant.

At its regularly scheduled March 10, 1998, meeting, the Commission reviewed Rapid City Gas' filing. The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-41B, specifically, SDCL 1-26-16, 1-26-17, 1-26-17.1, 49-41B-1, 49-41B-4, 49-41B-11, 49-41B-12, 49-41B-13, 49-41B-14, 49-41B-15, 49-41B-16, 49-41B-17, 49-41B-17.1, 49-41B-19, 49-41B-21, 49-41B-22, and 49-41B-24 and ARSD 20:10:01:15.02, 20:10:01:15.03, 20:10:01:15.06 and 20:10:01:22.02.

The Commission finds that any individual or entity may file a petition to intervene or may comment on the merits of Rapid City Gas' filing on or before April 27, 1998.

The Commission further finds that pursuant to SDCL 49-41B-12, Rapid City Gas is required to deposit with the Commission up to eight thousand dollars (\$8,000) to defray hearing expenses incident to the application. The deposit is to be paid in installments when requested by the Executive Director. It is therefore

ORDERED, that any individual or entity may file with the Commission a petition to intervene or may comment in this matter on or before April 27, 1998, and it is

FURTHER ORDERED, that Rapid City Gas deposit up to eight thousand dollars (\$8,000) with the Commission when requested by the Executive Director, and it is

FURTHER ORDERED, that the Executive Director shall establish a procedural schedule; and it is

FURTHER ORDERED, that the Commission hereby gives notice that the parties to this proceeding are Rapid City Gas and the Commission. Further, each municipality, county and governmental agency in the area where the facility is proposed to be sited; any nonprofit organization, formed in whole or in part to promote conservation, or natural beauty, to protect the environment, personal health or other biological values, to preserve historical sites, to promote consumer interests, represent commercial and industrial groups, or to promote the orderly development of the areas in which the facility is to be sited or any interested person, may be granted party status in this proceeding upon making written application to the Commission. The application shall be on a form provided by the Commission and must be filed with the Commission no later than April 27, 1998, and it is

FURTHER ORDERED, that pursuant to SDCL 49-41B-17.1, a party may receive all material filed in this matter by making a specific request to the Commission for personal service of the material. Absent any such specific request, for the purposes of this proceeding, the Pennington County Auditor is the designated agent for the service of process upon all other parties to this proceeding. A copy of the application will be filed with the Pennington County Auditor as required under SDCL 49-41B-15(5); and it is

FURTHER ORDERED, that the application by Rapid City Gas shall be incorporated herein as if set forth in full.

Dated at Pierre, South Dakota, this 18th day of March, 1998.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By	<u>William Kalis</u>
Date	<u>3/18/98</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

RAPID CITY GAS TRANSPORTATION COMPANY, LLC
PO BOX 66
PIERRE, SOUTH DAKOTA 57501

March 12, 1998

Mr. Martin C. Bettmann
Staff Engineer
South Dakota Public Utilities Commission
State Capitol
Pierre, SD 57501

RECEIVED

MAR 18 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

RE: Rapid City Gas transportation Company, LLC
Docket No. NG98-001

Dear Mr. Bettmann:

The information you requested in your letter of March 4, 1998 is attached. Information that is not available at this time will be sent to you as soon as it becomes available. RCGT has been asked to utilize the proposed Highway 16 bypass as much as possible and we agreed to construct our line in the state right of way. To date RCGT has not surveyed the right of way but has relied on information obtained from the State Highway Department.

Most of the information you have requested is included in the attachments. RCGT will obtain any missing information as soon as possible. Please do not hesitate to call us at (605) 224-6471 if you have any questions or need any clarification.

Sincerely,



Walter J. Woods
President
Rapid City Gas Transportation Company, LLC

cc: Board of Directors
J. Robbennolt
G. Woods

RAPID CITY GAS TRANSPORTATION COMPANY, LLC

RESPONSE TO:

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION
STAFF DATA REQUEST NO. 1
BUCKET NO. NG98-001

MARCH 12, 1998

Q1. Provide a more detailed description of the pipeline route. For example, on which side of the roadway will the pipeline be located? Where will it be located in relationship to the centerline of the roadway? Where are the Municipal or other similar boundaries? Are any public facilities such as schools, hospitals, parks or other public facilities located near the proposed route?

A 1. The following answers are based on drawings obtained from the State Highway Department. RCGT will update these answers, if necessary, when they have completed their survey.

- RCGT proposes to put the pipeline on the western edge of the state highway right of way
- The pipeline will be located on the extreme western edge of the highway as far away from the centerline as possible.
- The only municipal boundary that RCGT is aware of is the Rapid City boundary. RCGT will provide the exact coordinates of the pipeline crossing into Rapid City when the route is surveyed. From the information available it appears that the pipeline will enter Rapid City on State Highway 437 south of Interstate 90 and north of State Highway 44
- RCGT is not aware of any public facilities along the pipeline route.

Q 2. Provide the exact location and a diagram of the facilities that will be located at the point of connection with the Williston Basin Pipeline and the point of connection at the Meridatt Plant. (Note: Exhibit 2 of the application shows the starting point of the proposed pipeline to be in the SE 1/4, Sec 21, T2N, R10E, and the description of the location on Page 3 of the application states that the pipeline will start in the NW 1/4 of the same section.)

A 1. The exact location of the interconnect with Williston Basin has not been finalized, however, it will be in Sec 21 or Sec 28. When negotiations with Williston Basin are completed RCGT will notify you of the exact location.

- The termination point for the Merilatt facility will be on Merilatt's property in TIN, R8E, Sec 17
- Attached is a typical meter run diagram. Both the receipt station at the interconnect with Williston Basin and the delivery station at Merilatt will be enclosed in a building. The exact arrangement and dimensions will be forwarded to you when the equipment is purchased.
- The description in the application on page 3 should have been 36 1/4

Q 3. What will be the size and make up of the construction crew and to what extent will the local labor force be used for construction and operation of the proposed facility?

A 3. Construction of the proposed facility will be bid and the successful bidder will be responsible for the size of the construction crew. The successful bidder will also be responsible for hiring local people if needed. A project of this size will require about 35 people and about 1/3 rd of them could be local people. RCGT will employ two people, one of them part time. The people will live in the Rapid City area.

Q 4. What is the estimated property tax revenue that will be generated by the proposed facility?

A 4. RCGT estimates the property tax revenue at approximately \$20,000.

Q 5. Provide a description of the sequence of construction events:

A 5. The construction of a pipeline can be described in the following general terms:

- The pipeline right-of-way is cleared and graded.
- Topsoil is separated and stockpiled as needed and the trench is dug, separating soil types when appropriate.
- The pipe joints are strung along the ditch line and bent to fit the contour of the ditch.
- The pipe joints are welded together and the welds are x-rayed.
- The pipe is coated and lowered into the ditch.
- The ditch is backfilled. The ms are made and the pipeline is hydrostatically tested and.
- The right-of-way is finished graded, fertilized, seeded and mulched.

Q 6. If water is used for testing the proposed pipeline, what is the source of the water, where will it be discharged, and have you applied for any required permits?

A 6. The pipeline will be hydrostatically tested to yield by a contractor. The contractor will be responsible for obtaining the water supply, safely discharging the water and obtaining all necessary permits. To date a contractor has not been selected. As soon as a contractor has been selected the PUC will be notified and provided with the information requested.

Q 7. What would the consequences be if the pipeline would not be constructed or if the construction would be delayed until next year?

A.7. The impact on RCGT will be limited to loss of income on finance spent in 1993 and interest on that money.

The impact on Merilatt will be.

- Continued large excessive cost of plant operation.
- Negatively impact plant earnings and:
- Could cause reevaluation of plant location.

LAW OFFICES
OLINGER, LOVALD, ROBBENNOLT & McCAHREN, P.C.

117 EAST CAPITOL

P.O. BOX 55

PIERRE, SOUTH DAKOTA 57501-0055

RONALD D. OLINGER
JOHN S. LOVALD
JAMES ROBBENNOLT
LEE C. "KIT" McCAHREN
WADE A. REIMERS

TELEPHONE 224-8261
AREA CODE 605
FAX 605 224-8269

March 24, 1998

Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre SD 57501

Fax: 773-3809

Re: Rapid City Gas Transportation - Merrillat Pipeline

Dear Commission:

Effective today, we are withdrawing our Petition for a permit to construct a pipeline for Merrillat. Thank you.

Sincerely,



JAMES ROBBENNOLT
Attorney at Law

JM/lrn

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION OF)
THE RAPID CITY GAS TRANSPORTATION)
COMPANY, LLC FOR A PERMIT TO)
CONSTRUCT A 6.625 INCH O.D.)
TRANSMISSION PIPELINE FACILITY IN)
PENNINGTON COUNTY, SOUTH DAKOTA)

**ORDER GRANTING
WITHDRAWAL AND
CLOSING THE DOCKET**

NG98-001

On February 24, 1998, the Public Utilities Commission (Commission) received an application for a construction permit from Rapid City Gas Transportation Company, LLC (Rapid City Gas) to build a 6.625 inch O.D. transmission pipeline and associated facilities. The purpose of the facility is to supply natural gas to entities including, but not limited to, the Merillat Company, Rapid City, South Dakota. Merillat Company is a manufacturer of wood cabinets at a plant in Rapid City. Merillat wants a direct connection from its pipeline transporter to its factory. The estimated construction cost of the proposed transmission pipeline and associated facilities is approximately \$1,000,000.00. On March 24, 1998, Rapid City Gas filed a letter withdrawing the application.

At its regularly scheduled April 9, 1998, meeting, the Commission considered the matter of the withdrawal of the application. The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-41B, specifically, SDCL 1-26-16, 1-26-17, 1-26-17.1, 49-41B-1, 49-41B-4, 49-41B-11, 49-41B-12, 49-41B-13, 49-41B-14, 49-41B-15, 49-41B-16, 49-41B-17, 49-41B-17.1, 49-41B-19, 49-41B-21, 49-41B-22, and 49-41B-24 and ARSD 20:10:01:15.02, 20:10:01:15.03, 20:10:01:15.06 and 20:10:01:22.02.

The Commission unanimously voted to allow Rapid City Gas to withdraw its application and the Commission also voted to close the docket. It is therefore:

ORDERED, that Rapid City Gas be allowed to withdraw its application; and it is

FURTHER ORDERED, that docket NG98-001 is hereby closed.

Dated at Pierre, South Dakota, this 20th day of April, 1998.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.
By: <u>Helaine Keebo</u>
Date: <u>4/30/98</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner