

----- Original Message -----

Subject: Fwd:

From: Ernie Otten [REDACTED]

To: Chris Nelson [REDACTED]

CC:

I am having problems with my emails and internet. This was attachment was sent to me. I do not have the knowledge or understanding to respond to this. Can you look at this and advise or email them with the right answer .

Ernie Otten

State Senator, District 6
[REDACTED]

Future natural gas service for farm tap customers

Cary G [REDACTED]

Sat 12/17/2016 12:40 PM

To: Ernie Otten [REDACTED]

To Ernie,

This is in regards to South Dakota Public Utilities Commission Docket No. NG16-014.

<http://puc.sd.gov/Dockets/NaturalGas/2016/ng16-014.aspx>

Landowners BEWARE of entering into agreements with natural gas pipeline companies and empty promises.

There is a contractual agreement between 197 landowners and Northern Natural Gas. One of these parties is not upholding the contract. From documents that I have read as a farm tap customer, the South Dakota Public Utilities Commission appears to be leaning against the landowners.

Northern Natural Gas Company built pipelines in South Dakota in the 1950s. At that time, Northern agreed to install a farm tap on the interstate pipeline in exchange for easements so the pipeline could cross a landowner's property. The landowner was/is responsible for installing, owning, and maintaining the service line from the farm tap to the house.

The provider of the natural gas service to the farm tap customers has changed over time. Currently, NorthWestern Energy is the service provider. The services provided are responding to a gas leak, odorizing, monthly billing services, and annual meter reading.

In 1987, an agreement was executed between Northern and the service provider at the time to document what services would be provided to farm tap customers. That 1987 agreement also included a termination date of May 31, 2017. NorthWestern Energy has decided not to renew the current contract. There are currently 197 farm tap customers under this 1987 agreement. As you can already guess, I am one of those customers.

NorthWestern Energy estimates it would cost \$12,000 to \$30,000 per farm tap customer to take over ownership of these service lines. Neither Northern nor NorthWestern want to claim responsibility to provide service. There is also disagreement if the farm taps are state or federal jurisdiction.

Apparently in 2015, Northern Natural Gas raised this issue with the South Dakota Public Utilities Commission. As a customer, I was first notified in November 2016. There was definitely a gap in communication to customers affected most by this issue. Significant agricultural and residential investments were made by customers during this time. It amazes me that something that was agreed upon over 75 years ago, can all of a sudden become null and void. The right to receive natural gas service simply abandoned. This decision affects future natural gas service not only for me but also the other 196 customers. An unnecessary financial burden to convert all home appliances and furnaces to an alternative fuel source. However, farm taps to homes is not the extent of this issue. Energy is a large component of farm operating costs. This will have a significant impact on farmers who use farm taps for growing and harvesting crops and growing livestock. After all, don't we all need farms?

Sincerely,

Aaron and Cary Gerdes