

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

IN THE MATTER OF THE APPLICATION)	
OF SOUTH DAKOTA INTERSTATE)	STAFF’S RESPONSE TO RING-
PIPELINE COMPANY FOR AUTHORITY)	NECK’S PETITION TO
TO INCREASE ITS NATURAL GAS)	INTERVENE
RATES)	
)	NG17-009

On February 15, 2018, Ring-neck Energy & Feed, LLC (Ring-neck) filed a Petition to Intervene in this proceeding. Staff supports Ring-neck’s Petition to Intervene.

ARSD 20:10:01:15.05 provides in relevant part that

[a] petition to intervene shall be granted by the commission if the petitioner shows that the petitioner is specifically deemed by statute to be interested in the matter involved, that the petitioner is specifically declared by statute to be an interested party to the proceeding, or that by the outcome of the proceeding the petitioner will be bound and affected either favorably or adversely with respect to an interest peculiar to the petitioner as distinguished from an interest common to the public or to the taxpayers in general.

According to its Petition to Intervene, Ring-neck has a contract for a negotiated rate for interruptible service which would result in a usage of approximately 5,500 dk per day. This would make Ring-neck the largest customer of South Dakota Intrastate Pipeline (SDIP). Ring-neck also states that it intends to require gas service in November of 2018.

An addition of such a large customer will have a material effect on rates. An addition of such a large customer would require an evaluation of SDIP’s rates, specifically of the class cost of service. The current proceeding is for that purpose. Given the immense resources and time that have been dedicated to setting rates in this proceeding, it is inconceivable that another

evaluation could take place subsequent to this docket and be completed in time for Ring-neck to take service in November. Staff and the ultimate customers who would pay for a second rate evaluation would be greatly prejudiced if this proceeding were to be for naught in such a short period of time. While SDIP and Ring-neck could request approval of a contract with deviations after this rate case is complete, it would not provide for the requisite evaluation of cost of service given the large effect a customer of this size would have. When evaluating contract with deviations filings, Staff strives to ensure no other customers are harmed by approval of the contract with deviations. Staff believes MDU, and ultimately MDU's customers, would be prejudiced by such a contract with deviations as MDU's rate may no longer be appropriate once another customer is added to SDIP's system.

Further, it is essential to Staff's evaluation in this proceeding to have at the table any customer who would have such a material effect on the outcome of the proceeding. While Staff could and most likely would call Ring-neck as a witness if it were not a party, it makes a great deal more sense to have Ring-neck at the table during potential settlement negotiations.

This Petition to Intervene comes significantly late in the game. While it would have been significantly more beneficial to the process had it come earlier, it would do more harm than good to not allow the intervention. Provided Ring-neck does not seek to delay any of the previously set deadlines, neither Staff nor either of the other parties could be unduly prejudiced by this late intervention.

Dated this 21st day of February 2018.

A handwritten signature in blue ink that reads "Kristen Edwards". The signature is written in a cursive style and is positioned above a horizontal line.

Kristen N. Edwards and Amanda Reiss
Staff Attorneys
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501
Phone (605)773-3201
Kristen.edwards@state.sd.us