

**PUBLIC UTILITIES COMMISSION  
MINUTES OF PUBLIC HEARING**

The Public Utilities Commission convened at 9:00 a.m. on Wednesday, November 9, 2011, in Room 413, Fourth Floor, State Capitol, Pierre, South Dakota.

The purpose of the meeting was to conduct a public hearing on the proposed rules of the Commission numbered 20:10:22:05, 20:10:36:02 20:10:17:06, 20:10:17:07, 20:10:17:08, 20:10:17:09, 20:10:17:09.01, 20:10:17:09.02, and 20:10:38:01 to 20:10:38:07, inclusive.

**Hearing Officer:** Chairman Gary Hanson.

**Members of the Commission in Attendance:** Chairman Gary Hanson, Vice Chairman Chris Nelson, and Commissioner Kristie Fiegen.

**Others in Attendance:** Jeff Rud and Bob Sahr, East River Electric Power Cooperative; Darla Pollman Rogers, South Dakota Rural Electric Association (SDREA); Pam Bonrud, NorthWestern Energy; Kevin Kouba, Ron Spangler (phone), Kerry Kaseman (phone), Kim Peterson (phone), Otter Tail Power Co.; James Wilcox, Sara Cardwell (phone), and Kari Valley (phone), Xcel Energy; Jeff Mehlhaff, South Dakota Municipal Electric Association; Jennifer Moore, Gretta Knight, Chuck Rea (phone), MidAmerican Energy; Rolayne Wiest, Greg Rislov, Kara Semmler, Chris Daugaard, and Brian Rounds, PUC Staff.

**Written Testimony**

No written testimony was received prior to or at the hearing. Written comments were received after the hearing from Xcel Energy, OtterTail Power, MidAmerican Energy, East River Electric Power Cooperative, NorthWestern Energy, and the South Dakota Rural Electric Association.

**Oral Testimony**

Jim Wilcox, Xcel Energy, stated that Xcel supports Staff's position as they have presented the proposed rules. Mr. Wilcox stated Xcel stands by previous comments it made in its filings made prior to this formal rulemaking docket and will supply written comments in this docket.

Darla Pollman Rogers, SDREA, stated that SDREA is generally supportive of the proposed rules. Ms. Rogers stated that SDREA applauds the adoption of standards that will uniformly apply to current and future technologies and programs. She stated that SDREA will supply some written comments regarding load management, generation and transmission, and some of the reporting requirements.

Bob Sahr, East River Electric, stated that East River appreciates the hard work of the Commission regarding the rules. He stated that the Commission is positioning itself as a leader on this issue and hopes the rules becomes a model for other states to follow. He stated that East River strongly supports the proposed rules and will file written comments.

Pam Bonrud, NorthWestern Energy, stated NorthWestern will file written comments and will reiterate comments made in the informal proceedings regarding cost-effective measurements. She stated that NorthWestern looks forward to working with Commission on this rulemaking effort.

Kevin Kouba, OtterTail Power, stated that he would just do a "me to" in the essence of time.

Jennifer Moore, MidAmerican Energy, noted that the Commission had adopted a lot of the recommendations made in the informal rulemaking process and that MidAmerican generally supports the rules as they are written. She stated that MidAmerican intends to will file written comments regarding two suggested changes. The first change concerns 20:10:17:09 and MidAmerican will advocate the inclusion of a five year limitation to apply in cases not involving residential customers. She stated this would be a fair approach. She stated that MidAmerican supports the renewable, recycled and conserved energy rules with one suggested change. The suggested change regards 20:10:38:07. Ms. Moore stated that it would be easier to have this reporting requirement only apply to those utilities that are complying with the objective. Other than those two suggested changes. MidAmerican supports the rules as proposed.

**Adjournment:** 9:25 a.m.


#### **Final Action**

At its December 6, 2011, meeting the Commission considered final action on the rules. Based on the comments, Staff recommended the following changes: 1) as requested by NorthWestern, revise 20:10:17:09.01 and in the second sentence change "may be billed" to "may pay"; 2) as requested by East River Electric and SDREA, add in references to "high energy use" in the definition of demand response found in 20:10:38:01(2); 3) as requested by SDREA, add an additional sentence to 20:10:38:02 regarding the aggregation of conserved energy. The additional sentence is: "Municipal and cooperative retail providers may aggregate the conserved energy with their wholesale municipal power agency or generation and transmission cooperative suppliers."; 4) make the style and form changes as requested by LRC. Staff noted that LRC had asked a question regarding 20:10:17:09 as to whether the last sentence of 20:10:17:06 and 20:10:17:07 should be added to 20:10:17:09. Staff stated that this sentence should not be added because that last sentence applies to testing for meter errors and the types of errors in 20:10:17:09 do not regard the testing of meters.

Commissioner Nelson moved to accept Staff's recommended changes and approve the rules with those changes. Commissioner Nelson then moved to amend the motion and add two additional changes. The additional changes are: 1) as requested by Xcel, for 20:10:38:03, specify that the appropriate periodic interval as referenced in the rule is "no more frequent than once every three years"; 2) as requested by MidAmerican, limit the reporting requirement to those providers that retire renewable energy credits to meet the renewable objective and add "to meet the renewable, recycled, and conserved energy objective" after the word "credits" in the first sentence of 20:10:38:07. The Commission unanimously voted to amend the motion to make both of the changes.

Chairman Hanson asked if anyone had any questions or concerns regarding the proposed rules and no one offered any further comments or questions. The Commission then unanimously voted to make the changes as proposed by Staff and Commissioner Nelson. The result of the motion was that all of the changes as proposed by both Staff and Commissioner Nelson were incorporated into the proposed rules.

Respectfully submitted,

A handwritten signature in cursive script, reading "Rolayne Wiest", is written over a horizontal line.

Rolayne Wiest  
Commission Counsel  
Public Utilities Commission