BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE PETITION FOR)
ELECTRICAL SERVICE BY AG	<u>)</u>
PROCESSING INC. TO HAVE	ORDER GRANTING PETITION
NORTHWESTERN CORPORATION DBA) FOR ELECTRIC SERVICE
NORTHWESTERN ENERGY ASSIGNED	PURSUANT TO SDCL 49-34A-56
AS ITS ELECTRIC PROVIDER IN THE)
SERVICE AREA OF NORTHERN) EL17-033
ELECTRIC COOPERATIVE, INC.)

On August 7, 2017, the South Dakota Public Utilities Commission (Commission) received a Petition for Electric Service (Petition) from Ag Processing, Inc a cooperative (AGP) pursuant to SDCL 49-34A-56. AGP requests authorization to take electric service from NorthWestern Corporation dba NorthWestern Energy (NorthWestern). AGP states it would be a new customer at a new location within the territory of Northern Electric Cooperative, Inc. (Northern Electric) located in Brown County, South Dakota, and will have a contracted minimum demand in excess of 2,000 kilowatts. AGP requests to be served electricity by NorthWestern pursuant to SDCL 49-34A-56. AGP also filed a Settlement Agreement signed by Northern Electric, NorthWestern, and AGP, a Confidentiality Agreement, and an Electric Distribution Service Agreement that AGP entered into with NorthWestern. The Settlement Agreement provides that Northern Electric and NorthWestern are in agreement with AGP's request based on certain conditions.

On August 10, 2017, the Commission electronically transmitted notice of the filing and the intervention deadline of August 25, 2017, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. On August 23, 2017, NorthWestern filed a petition to intervene which was withdrawn on August 24, 2017.

At its regularly scheduled meeting on August 29, 2017, the Commission considered this matter. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-56. Pursuant to SDCL 49-34A-56, the Commission may allow a new customer who requires electric service with a contracted minimum demand of 2,000 kilowatts or more to not take electric service from the electric utility having the assigned service area where the customer is located. In making its decision, the Commission considers the following factors: (1) the electric service requirements of the load to be served; (2) the availability of an adequate power supply; (3) the development or improvement of the electric system of the utility seeking to provide the electric service, including the economic factors relating thereto; (4) the proximity of adequate facilities from which electric service of the type required may be delivered; (5) the preference of the customer; and (6) any and all pertinent factors affecting the ability of the utility to furnish adequate electric service to fulfill customers' requirements.

AGP is seeking approval of permanent electric service to be provided by NorthWestern to AGP's new soybean processing plant and associated buildings and structures including future expansion of operations (Processing Plant) sited upon the following real property (Property):

The Northeast Quarter of Section 9, Township 123 North, Range 63 West of the 5th P.M., Brown County, South Dakota, and the Southeast Quarter of Section 9, Township 123 North, Range 63 West of the 5th P.M., Brown County, South Dakota, now known as:

Lots 1 and 2, AGP First Addition to Aberdeen, in Section 9, Township 123 North, Range 63 West of the 5th P.M., Brown County, South Dakota.

In the Settlement Agreement, NorthWestern, Northern Electric, and AGP agreed that NorthWestern is authorized to permanently provide electric service to the Processing Plant sited on the Property, subject to the terms of the Settlement Agreement. In addition, Northern Electric reserves its right to serve any future AGP facility located outside the Property and Northern Electric reserves its right under law to serve third parties conducting business upon the Property; provided that nothing herein restricts NorthWestern from providing electrical service to any subsequent owner or operator of the processing plant, including, affiliates, partners, subsidiaries, successors or assigns of AGP. The Settlement Agreement further provided that the "Agreement is not intended by the Parties to indicate consent to any other change in the service territories of NorthWestern or Northern Electric." Commission staff recommended approval of AGP's Petition subject to the conditions in the Settlement Agreement.

After consideration of the factors in SDCL 49-34A-56, the Commission unanimously voted to grant the Petition. The Commission finds that NorthWestern is authorized to permanently provide electric service to AGP as proposed and built on the Property, subject to the terms of the Settlement Agreement. The Commission finds that the requirements of SDCL 49-34A-56 have been met as AGP is a new customer who requires electric service with a contracted minimum demand of 2,000 kilowatts or more. In addition, an examination of the factors contained in SDCL 49-34A-56 demonstrates that AGP's Petition requesting NorthWestern as its permanent electric service provider should be granted. It is therefore

ORDERED, that AGP's request to receive electric service from NorthWestern pursuant to SDCL 49-34A-56 is hereby granted subject to the conditions in the Settlement Agreement.

Dated at Pierre, South Dakota, this 315th day of August, 2017.

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, electronically or by mail.

Date:

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

KRISTIE FIEGEN, Chairperson

GARY HANSON, Commissioner

CHRIS NELSON, Commissioner