South Dakota Public Utilities Commission FAQ Regarding SCS Carbon Transport, LLC's Request for a Deadline Extension and Suspension of Procedural Schedule, <u>docket HP24-001</u>

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Why did SCS Carbon Transport LLC request a deadline extension?

State law requires the commission make its final decision on a permit application for a carbon dioxide pipeline within 12 months of the application being filed. The law also allows for the commission to extend the deadline if the applicant requests the commission do so.

In its Motion to Suspend Current Scheduling Order and Extend Current Deadline Indefinitely, SCS relays that the state legislature's passage of HB1052 during the 2025 legislative session has significantly delayed route decisions as to right of way and makes the 12-month timeframe unrealistic.

This <u>Commission Order</u> filed on March 13, 2025, relays that the commissioners will hear SCS's motion on April 10, 2025.

Did SCS propose a new deadline for a commission decision in its request?

No. SCS requests an indefinite extension of the deadline. SCS did not provide an expected timeline for when the project will be ready to move forward in the permitting process.

Why did SCS request suspension of the procedural schedule?

The procedural schedule sets dates for submitting testimony, issuing discovery, filing motions, and holding the evidentiary hearing. The commission order providing the <u>current procedural</u> <u>schedule</u> is based on the law's 12-month deadline for the commission to make its decision.

Since SCS relayed that the current 12-month deadline is now unrealistic, it is asking the commission to suspend the procedural schedule so that the parties do not need to meet the deadlines there-in.

What will happen to the procedural schedule if the commission approves the suspension?

If the commission approves the procedural schedule suspension, all deadlines in the current procedural schedule will be delayed indefinitely. This essentially puts the commission's review and processing of the docket on hold.

At some point in the future, when SCS as the applicant makes a filing indicating that it is prepared to proceed, the parties will work together to develop a proposed new procedural schedule and timeline for the commission to process the docket. The new procedural schedule, like the current procedural schedule, must be reviewed and approved by the commission. SCS has not indicated when it may be ready to propose a new procedural schedule.

If the docket is suspended, will the 12-month deadline still apply when the suspension ends? The commission ruled in a previous docket, HP22-001, that when an extension of the deadline is requested and granted, the deadline for a decision no longer applies. Therefore, the 12-month decision deadline would no longer apply, and the commission would have discretion to determine a new, appropriate procedural schedule.

If the procedural schedule is suspended, do the parties still need to respond to discovery? Suspending the procedural schedule will delay the deadline set in the procedural schedule for responding to final discovery. However, since the docket remains open and pending, the parties are obligated to respond to discovery in accordance with the law unless otherwise ordered by the commission. If discovery is outstanding between parties when the procedural schedule is ordered suspended by the commission, those parties could work together and agree to delay discovery until a new procedural schedule is set. Further, if the commission grants the suspension, it may direct parties as to how discovery should be handled in its order.

In the meantime, while SCS's Motion to Suspend is pending, SCS has communicated to commission staff that SCS will grant an indefinite extension of time to respond to discovery. A party or intervenor should consult with their personal attorney regarding discovery obligations.

Can SCS build the pipeline since passage of HB1052 prevents it from using eminent domain? The commission will review the route for which SCS requests a permit in its application or

application supplements. SCS has not stated whether the proposed route, provided in its application filed on November 19, 2024, will change due to the passage of HB1052.

Can comments on the docket still be submitted to the commission?

Yes. The docket is still pending even if the procedural schedule is suspended. Comments from the public for the docket may be submitted to <u>PUC@state.sd.us</u>. Refer to the <u>Pipeline Siting</u> <u>Information Guide</u> posted in the docket for guidelines on proper communication with the commission.

Ex parte applies to any open, pending or imminent docket. As such, <u>direct communication</u> about the docket with a commissioner by any party or member of the public is **not** allowed outside of a properly and publicly noticed meeting or as explained in the Pipeline Siting Information Guide.