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South Dakota Public Utilities Commission Meeting

March 31, 2015, at 9:30 A.M. CDT

Room 413, Capitol Building

Pierre, South Dakota

MINUTES OF THE COMMISSION MEETING

Chairman Chris Nelson called the meeting to order. Present were: Commissioners: Kristie Fiegen and Gary Hanson; Commission Counsel: John Smith and Rolayne Wiest; Commission Advisor: Greg Rislov; Staff Attorney: Kristen Edwards; Staff Analysts: Darren Kearney, Eric Paulson, Patrick Steffensen, Brian Rounds, Brittany Mehlhaff, and Joseph Rezac; Executive Director: Patty Van Gerpen; and Staff: Katlyn Gustafson.

Also present were:

Cheri Wittler, Court Reporter; James Moore and Bill Taylor, Woods, Fuller, Schultz, and Smith, representing TransCanada Keystone Pipeline, LP; Jeff Carmon, Qwest Corporation dba CenturyLink QC; Rich Coit, South Dakota Telecommunications Association; Margo Northrup, Riter, Rogers, Wattier & Northrup, LLP, representing Venture Communications Cooperative, Golden West Telecommunications Cooperative Inc., Valley Telecommunications Cooperative Association, Inc., and Cheyenne River Sioux Tribe Telephone Authority; Matt Rappold, Rappold Law Office, representing Rosebud Sioux Tribe; Paula Antoine, Rosebud Sioux Tribe; Michael Good Shield, Rosebud Sioux Tribe; Bob Mercer, reporter; and Sabrina King, Dakota Rural Action.

Joining the meeting by telephone were:

Staff Attorney: Karen Cremer; Jason Sutton, Boyce Law Firm, LLC, representing Toshiba America Business Solutions, Inc., Trail King Industries, Inc., and Redfield Energy, LLC; Talbot Wieczorek, Gunderson, Palmer, Nelson & Ashmore, LLP, representing Wal-Mart Stores, Inc.; Chuck Rea, Tina Yoder, Cade Simmons, and Jennifer Moore, MidAmerican Energy Company; Travis Clark, Fredericks Peebles & Morgan LLP, representing Cheyenne River Sioux Tribe; Kimberly Craven, representing Indigenous Environmental Network; Peter Capossela, representing Standing Rock Sioux Tribe; Thomasina Real Bird, Fredericks Peebles & Morgan LLP, representing Yankton Sioux Tribe; Nancy Hilding, self; Bruce Ellison, Ellison Law Office, representing Dakota Rural Action; Paul Blackburn, Attorney, representing BOLD Nebraska; Marlene Bennett, Consortia Consulting, representing South Dakota Telecommunications Association; Jeff Decker, Cory Huber, and Pam Bonrud, NorthWestern Corporation dba NorthWestern Energy; Robin Martinez, Martinez Madrigal & Machicao, LLC, representing Dakota Rural Action; and Vineetha Pillai, Marashlian & Donahoe, LLC, representing inContact, Inc.

Administration

1. Approval of the Minutes of the Commission Meeting Held on **March 17, 2015 (Staff: Joy Lashley)**

Commissioner Hanson moved to approve the minutes of the Commission meeting held on March 17, 2015. Motion carried 3-0.

Consumer Reports

1. Status Report on Consumer Utility Inquiries and Complaints Received by the Commission (Consumer Affairs: Deb Gregg)

The Commission received a total of 49 contacts since the last report was prepared for the March 17, 2015, Commission meeting.

10 of the contacts involved telecommunication services, 8 of the contacts involved electrical services, 2 of the contacts involved natural gas service, 3 contacts involved cell phone service, 13

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contacts were related to the Do Not Call Registry, 3 contacts were related to the Dakota Access Pipeline, 1 contact was related to One Call, 1 contact was related to the Grain Warehouse Division and 8 contacts were related to issues not regulated by the PUC.

1,914 of the 1,916 complaints received in 2014 have been resolved.

499 of the 517 complaints received in 2015 have been resolved.

Electric

1. EL14-106 In the Matter of the Application of NorthWestern Corporation dba NorthWestern Energy for Authority to Increase its Electric Rates (Staff Analysts: Brittany Mehlhaff, Patrick Steffensen, Eric Paulson, Joseph Rezac; Staff Attorney: Karen Cremer)

Ms. Karen Cremer, staff attorney, recommended that the Commission hold a public hearing in Yankton, South Dakota, on May 14th, 2015. Ms. Pam Bonrud, NorthWestern Corporation dba NorthWestern Energy (NorthWestern), stated that NorthWestern had no objections to the public hearing.

Commissioner Fiegen moved that a public hearing be held in Yankton, South Dakota, to hear customers' comments, concerns, and questions, with the date, time, and place for such hearing to be arranged by Staff. Motion carried 3-0.

2. EL15-009 In the Matter of NorthWestern Corporation dba NorthWestern Energy's Request for Approval to Revise Its Fuel Adjustment Clause Rider to Include Reagent and Treated Water Costs (Staff Analyst: Joseph Rezac; Staff Attorney: Karen Cremer)

Mr. Jeff Decker, NorthWestern Corporation dba NorthWestern Energy (NorthWestern), asked for Commission approval to modify the Fuel Adjustment Clause to allow the inclusion of reagent and treated water expenses that are necessary to comply with the Federal Environmental Protection Agency's Mercury and Air Toxics Standards rules. Mr. Joseph Rezac, staff analyst, recommended that the Commission grant approval to NorthWestern's tariff revisions effective May, 1, 2015.

Commissioner Hanson moved to approve the tariff revisions effective May, 1, 2015. Motion carried 3-0.

Gas & Electric

1. GE15-001 In the Matter of the Filing by MidAmerican Energy Company for the Approval of Its Reconciliation for 2014 and its Proposed Energy Efficiency Plan for 2015 (Staff Analyst: Darren Kearney; Staff Attorney: Karen Cremer)

A lengthy discussion took place regarding docket GE15-001. An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2015, March 31, 2015, recording located at: <http://puc.sd.gov/commission/media/2015/puc03312015.mp3>.

Commissioner Hanson moved to approve the 2014 reconciliation amounts and 2014 performance incentive; the requested modifications to the 2015-2017 Energy Efficiency Plan; the resulting changes to the Energy Efficiency Cost Recovery Factors and tariff sheets; and Staff's recommendation, excluding the November 1 furnace application cutoff date.

Commissioner Fiegen then moved to amend the motion as follows: reduce the proposed residential gas furnace rebates from \$400 to \$300; reduce the commercial gas furnace rebate by 50% of the proposed amounts; approve the plan for only one year (2015); pay the 2014 outstanding furnace rebates at \$300 rather than requested \$600; and put a budget cap on funds for the year, clearly identifying that rebate funding will not be available when approved budgets are depleted.

Chairman Nelson moved to amend the amendment by striking the portion of the amendment that determines the 2014 outstanding rebates will be paid at \$300 rather than the requested \$600. Motion to amend the amendment carried 3-0.

The Commission then considered Commissioner Fiegen's motion to amend the original motion. Motion carried 2-1. Commissioner Hanson dissented.

The Commission then considered Commissioner Hanson's original motion as amended. Motion carried 2-1. Commissioner Hanson dissented.

Hydrocarbon Pipeline

1. HP14-001 In the Matter of the Petition of TransCanada Keystone Pipeline, LP for Order Accepting Certification of Permit Issued in Docket HP09-001 to Construct the Keystone XL Pipeline (Staff Analysts: Brian Rounds, Darren Kearney; Staff Attorney: Kristen Edwards)

A lengthy discussion took place regarding docket HP14-001. An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2015, March 31, 2015, recording located at: <http://puc.sd.gov/commission/media/2015/puc03312015.mp3>. A transcript of the discussion can be accessed on the PUC website at: <http://puc.sd.gov/commission/minutes/2015/033115transcripthp14-001.pdf>.

Commissioner Fiegen moved that the witness lists and exhibit lists must be filed and served by all parties no later than 5:00 p.m. CDT, on April 21, 2015. Motion carried 3-0.

Telecommunications

1. TC13-027 In the Matter of the Consideration of Eligible Telecommunications Carrier Certification Requirements (Staff Analyst: Brian Rounds; Staff Attorney: Karen Cremer)

A lengthy discussion took place regarding docket TC13-027. An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2015, March 31, 2015, recording located at: <http://puc.sd.gov/commission/media/2015/puc03312015.mp3>.

Commissioner Nelson moved that the Commission find that the ETC certification requirements are still in effect and are applicable to the 2015 state ETC certification process. Motion carried 3-0.

2. TC15-003 In the Matter of the Application of inContact, Inc. for a Certificate of Authority to Provide Interexchange Long Distance Services in South Dakota (Staff Analyst: Joseph Rezac; Staff Attorney: Karen Cremer)

Ms. Vineetha Pillai, Marashlian & Donahoe, LLC, representing inContact, Inc., (inContact), asked that the Commission grant inContact's request for withdrawal. Mr. Joseph Rezac, staff analyst, recommended that the Commission grant inContact's request.

Commissioner Fiegen moved to grant inContact's request for withdrawal. Motion carried 3-0.

ADDENDUM TO THE AGENDA OF COMMISSION MEETING

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Commissioner Hanson moved to grant in part Rosebud Sioux Tribe's Motion to Amend Order Setting Procedural Schedule and that new information acquired as a result of any motion to compel discovery granted by the Commission shall be allowed to be included in rebuttal testimony. Motion carried 3-0.

SECOND ADDENDUM TO THE AGENDA OF COMMISSION MEETING

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Commissioner Hanson moved to deny Standing Rock Sioux Tribe's Motion to Amend Procedural Schedule. Motion carried 3-0.

There being no further business, at the hour of 2:41 p.m. the South Dakota Public Utilities Commission meeting adjourned.

/s/Joy Lashley

Joy Lashley

Administrative Assistant

puc@state.sd.us

March 31, 2015