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South Dakota Public Utilities Commission Meeting

November 12, 2015, at 1:30 P.M. CST

Room 413, Capitol Building

Pierre, South Dakota

NOTE: If you wish to join this meeting by conference call, please contact the Commission at 605-773-3201 by 10:00 a.m. CST on Thursday, November 12, 2015. Lines are limited and are given out on a first come, first served basis, subject to possible reassignment to accommodate persons who must appear in a proceeding. Ultimately, if you wish to participate in the Commission Meeting and a line is not available, you may have to appear in person.

NOTE: To listen to the Commission Meeting live please go to the PUC's website www.puc.sd.gov and click on the LIVE link on the home page. The Commission requests persons who will only be listening to proceedings and not actively appearing in a case listen via the web cast to free phone lines for those who have to appear. The Commission meetings are archived on the PUC's website under the Commission Actions tab, Click on "Commission Meeting Archives," to access the recordings.

NOTE: Notice is further given to persons with disabilities that this Commission meeting is being held in a physically accessible place. If you have special needs, please notify the Commission and we will make all necessary arrangements.

AGENDA OF COMMISSION MEETING

Administration

1. Approval of the Minutes of the Commission Meeting Held on October 29, 2015 (Staff: Joy Lashley)

Consumer Reports

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

Pipeline Safety

1. **PS13-001 In the Matter of the Filing by Commission Pipeline Safety Staff for Approval of a Penalty for a Pipeline Safety Violation by Humboldt Municipal Gas Utilities (Staff Analyst: Mary Zanter; Staff Attorney: Kristen Edwards)**

On May 7, 2013, Pipeline Safety Staff (Staff) of the Public Utilities Commission filed a complaint, alleging violations of pipeline safety regulations by Humboldt Municipal Gas Utilities (Humboldt). Staff filed an amended complaint on July 23, 2013. On December 9, 2013, the parties filed a Stipulation and Request for Dismissal without Prejudice. On December 18, 2013, the Commission entered an Order Approving Stipulation and Dismissing Complaint without Prejudice. As per the Stipulation, the parties agreed and the Commission ordered that Humboldt will employ or contract with a Utility Manager and employ administrative personnel who will dedicate a minimum of 20 hours per week to natural gas. On October 16, 2014, Staff filed a Second Amended Complaint, alleging Humboldt had been out of compliance with the Order since January 2014. On November 2, 2015, Staff filed a Motion to Dismiss Second Amended Complaint and Close Docket (Motion to Dismiss). In its Motion to Dismiss, Staff states that the issues have been resolved through the resolution reached in Docket PS15-001.

TODAY, Shall the Commission grant the Motion to Dismiss?

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Telecommunications**1. TC15-059 In the Matter of the Filing by Native American Telecom, LLC for Approval of Revisions to its Access Service Tariff No. 2 (Staff Analyst: Lorena Reichert; Staff Attorney: Adam de Hueck)**

On July 30, 2015, Native American Telecom, LLC (NAT) filed a request for approval of revisions to its Access Services Tariff No. 2. NAT is submitting this filing to be in compliance with the Federal Communications Commission's November 18, 2011, Intercarrier Compensation Reform Order (FCC 11-161) and to make other changes to the tariff. NAT requests that the tariff revisions become effective on July 31, 2015. On August 20, 2015, CenturyLink Communications, LLC (CenturyLink) filed a Petition to Intervene. On August 27, 2015, NAT filed revisions to its tariff in response to CenturyLink's concerns. On September 1, 2015, CenturyLink withdrew its Petition to Intervene. On August 12, 2015, NAT responded to staff's first data request by submitting a redlined version of the tariff revisions. On September 30, 2015, NAT responded to staff's second data request and filed revised tariff pages.

TODAY, shall the Commission approve Native American Telecom, LLC's Revisions to its Access Service Tariff No. 2?

2. TC15-060 In the Matter of the Filing by MCC Telephony of the Midwest, LLC for Approval of Revisions to its Access Services Tariff No. 1 (Staff Analyst: Lorena Reichert; Staff Attorney: Adam de Hueck)

On July 31, 2015, the Commission received a filing from MCC Telephony of the Midwest, LLC (MCC Telephony) requesting approval of revisions to its Access Services Tariff No. 1. The purposes of this filing are to maintain MCC Telephony's switched access rates at applicable benchmark levels, incorporate cross-references to the its federal tariff for terminating rates, and insert clarifying text. MCC Telephony requests an effective date of August 30, 2015. On October 29, 2015, MCC Telephony responded to Staff's data requests.

TODAY, shall the Commission approve MCC Telephony of the Midwest, LLC's revisions to its Access Services Tariff No. 1?

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 Attorneys: Kristen Edwards, Karen Cremer)**

On September 15, 2014, the Commission received a filing from TransCanada Keystone Pipeline, LP (Keystone) seeking an order accepting certification of the permit issued in HP09-001. The Commission issued an Amended Final Decision and Order granting a permit to Keystone on June 29, 2010. Because it has been at least four years since the permit was issued, Keystone now seeks an order accepting certification, per SDCL 49-41B-27. An evidentiary hearing was held from July 27 to August 5, 2015. Intervenor Cindy Myers filed pre-filed testimony on April 2, 2015, and testified at the hearing on August 3, 2015. Keystone objected to several aspects of her testimony, but offered to file a motion after the hearing in the interest of time. Following the hearing, the Commission ordered post-hearing briefs. On September 21, 2015, the Commission received Keystone's Motion to Strike Testimony and Exhibits of Cindy Myers (Motion to Strike). At its regular meeting on October 29, 2015, the Commission considered the Motion to Strike. Chairman Nelson moved to grant the Motion to Strike with the clarifications discussed at the hearing. After a majority of the Commission voted to deny Commissioner Hanson's motion to amend Chairman Nelson's motion by removing Cindy Myers's Exhibit 6001 from the exclusion list, the Commission voted unanimously to grant Chairman Nelson's motion and grant Keystone's Motion to Strike. On November 4, 2015, Commissioner Hanson filed a Request for Reconsideration of the Commission's action on the Motion to Strike.

On October 1, 2015, Keystone submitted its post-hearing brief and attached Proposed Findings of Fact and Conclusions of Law. On November 4, 2015, several intervening parties submitted a Joint Motion to Strike Proposed Findings of Fact and Conclusions of Law.

TODAY, shall the Commission grant Commissioner Hanson's request for reconsideration? IF SO, how shall the Commission rule on Keystone's Motion to Strike Testimony and Exhibits of Cindy Myers? AND, shall the Commission grant the Joint Motion to Strike Proposed Findings of Fact and Conclusions of Law?

Electric

1. EL15-020 In the Matter of the Application by Wind Quarry Operations, LLC, for a Wind Energy Facility Permit for the Willow Creek Wind Energy Facility and Associated Facilities (Staff Analysts: Brian Rounds, Darren Kearney; Staff Attorneys: Adam de Hueck, Kristen Edwards)

On May 27, 2015, Wind Quarry Operations, LLC (Applicant), filed with the South Dakota Public Utilities Commission (Commission) an Application for a Wind Energy Facility Permit (Application) to construct the Willow Creek Wind Energy Facility (Project), a 103-megawatt (MW) nameplate capacity wind energy facility located on approximately 40,000 acres of privately-owned land in Butte County, South Dakota (Project Area), approximately 10 miles northeast of Newell, South Dakota. The proposed Project includes approximately 45 wind turbines, associated access roads, a new collector substation, an operations and maintenance (O&M) facility, and associated transmission interconnection facilities. The Project would interconnect to the U.S. Department of Energy (DOE) Western Area Power Administration (Western) Maurine to Rapid City 115-kilovolt (kV) transmission line, which extends through the Project Area. The Project would generate utility scale electric power for residential, commercial, and industrial consumers. Per state law, the Commission has six months from the date of application to render a decision on this application. No applications for party status were filed. Prior to the November 12, 2015, meeting, Staff filed a Settlement Stipulation signed by Staff and the Applicant, as well as a Joint Motion for Approval of Settlement Stipulation (Joint Motion). If approved, the Joint Motion would grant the permit to construct the Project, subject to the conditions detailed in the Settlement Stipulation.

TODAY, shall the Commission grant the Joint Motion for Approval of Settlement Stipulation? OR, how shall the Commission proceed?

2. EL15-030 In the Matter of the Petition of Northern States Power Company dba Xcel Energy for Approval of its 2016 Transmission Cost Recovery Eligibility and Rate Adjustment (Staff Analysts: Patrick Steffensen, Eric Paulson; Staff Attorney: Kristen Edwards)

On September 1, 2015, the Commission received a petition from Northern States Power Company dba Xcel Energy (Xcel) for approval of its 2016 Transmission Cost Recovery (TCR) Rider, TCR rate factor, and tracker account report. For 2016, Xcel proposes recovery of the South Dakota jurisdictional portion of the revenue requirements related to 18 transmission projects located throughout its service territory, three of which are new projects being added at this time. Xcel proposes to recover \$5.76 million associated with these projects for the 2016 calendar year. Included in the \$5.76 million figure is the 2015 over-collection balance of \$375,746. The total of the transmission investment costs and the tracker balance results in an average bill impact of \$2.04 per month for a typical residential electric customer using 750 kWh per month. This is an increase of \$0.23 per month from the current TCR Rider recovery. The Company proposes to implement a rate of \$0.002715 per kWh applied to all energy billed to each customer class beginning January 1, 2016, through December 31, 2016. This represents an increase of \$0.000298 from the existing rate of \$0.002417 per kWh. On November 4, 2015, the Commission received Revised Attachments 3 – Expenditures, 4 – Annual Tracker, 5 – 2014 Tracker, 6 – 2015 Tracker, 7 – 2016 Tracker, 8 – 2017 Tracker, 9 – Revenues, 10 – Universal Inputs, 11 – OATT Adjustment Factor, 12 – Inputs that Differ by Project, 13 – Regional Expansion Criteria and Benefits, 14 – Revenue Requirement by Projects, 15 – Proposed Tariff Page, and 16 – Proposed Customer Bill Notice.

TODAY, shall the Commission approve the TCR rate factor and revised tariff sheet with an

effective date of January 1, 2016?

3. EL15-034 In the Matter of the Filing by Northern States Power Company dba Xcel Energy for Approval of Tariff Revisions to its Rates for Small Power Production and Cogeneration (Staff Analyst: Eric Paulson; Staff Attorney: Adam de Hueck)

September 23, 2015, the Commission received an application from Northern States Power (Xcel) for approval of revisions to Xcel's tariffed rate sheets for cogeneration and small power production services, specifically Occasional Delivery Energy Service and Time of Delivery Energy Service rates, pursuant to docket No F-3365. On November 3, 2015, Xcel responded to staff's data request.

TODAY, shall the Commission grant Xcel's application for tariff revisions?

4. EL15-039 In the Matter of the Request by Trinity Point, LLC for a Variance to the Separate Metering Requirement in ARSD 20:10:26:03(4) for a 48 Unit Multi-Family Housing Structure in Sioux Falls, South Dakota. (Staff Analyst: Darren Kearney; Staff Attorney: Adam de Hueck)

On October 1, 2015, Trinity Point, LLC filed a request for a variance of the individual metering requirement contained in ARSD 20:10:26. Trinity Point plans to build a 48 unit multi-family housing structure designed to provide affordable housing to the community of Sioux Falls. Under the lease structure on this project, the Landlord is going to pay all utilities. Therefore, Trinity Point is requesting to master meter the building for electrical and gas services.

TODAY, shall the Commission grant the Master Metering Variance request to Trinity Point, LLC?

5. EL15-040 In the Matter of the Request by Aberdeen Housing Authority for a Variance to the Separate Metering Requirement in ARSD 20:10:26:03(4) for a 40 Unit Multi-Family Housing Structure in Aberdeen, South Dakota (Staff Analyst: Darren Kearney; Staff Attorney: Adam de Hueck)

On October 1, 2015, Aberdeen Housing Authority filed a request for a variance of the individual metering requirement contained in ARSD 20:10:26. Aberdeen Housing Authority plans to build a 40 unit multi-family housing structure designed to provide affordable senior housing to the community of Aberdeen. Under the lease structure on this project, the Landlord is going to pay all utilities. Therefore, Aberdeen Housing Authority is requesting to master meter the building for electrical and gas services.

TODAY, shall the Commission grant the Master Metering Variance request to Aberdeen Housing Authority?

6. EL15-041 In the Matter of the Request by SF Housing Ministry, LLC for a Variance to the Separate Metering Requirement in ARSD 20:10:26:03(4) for a 39 Unit Multi-Family Housing Structure in Sioux Falls, South Dakota (Staff Analyst: Darren Kearney; Staff Attorney: Adam de Hueck)

On October 1, 2015, SF Housing Ministry, LLC filed a request for a variance of the individual metering requirement contained in ARSD 20:10:26. SF Housing Ministry plans to build a 39 unit multi-family housing structure designed to provide affordable housing to the community of Sioux Falls. Under the lease structure on this project, the Landlord is going to pay all utilities. Therefore, SF Housing Ministry is requesting to master meter the building for electrical and gas services.

TODAY, shall the Commission grant the Master Metering Variance request to SF Housing Ministry, LLC?

7. EL15-045 In the Matter of the Petition of Otter Tail Power Company for Approval of its 2016 Transmission Cost Recovery Eligibility And Rate Adjustment (Staff Analysts: Patrick Steffensen, Joseph Rezac; Staff Attorney: Adam de Hueck)

On October 30, 2015, Otter Tail Power Company (OTP) filed a petition for approval of its 2016 Transmission Cost Recovery (TCR) Rider. OTP's TCR rate has been adjusted to reflect the TCR revenue requirements for the next recovery period (calendar year 2016). The update includes the tracker balance estimated for the end of the current recovery period so that no over or under-recovery of TCR costs occurs. The update also includes new costs from the Southwest Power Pool (SPP) and new revenues from the Midcontinent Independent System Operator (MISO) that are not currently in base rates and have not previously been approved for inclusion in the Rider.

TODAY, shall the Commission assess a filing fee in the amount of up to \$50,000 to account for actual expenses incurred in review of this filing commencing from the filing date?

Rule Making

1. RM15-001 In the Matter of the Consideration of Rules Regarding Stray Electrical Current and Voltage Remediation (Commission Counsel: Rolayne Ailts Wiest)

On November 4, 2015, Staff filed a letter requesting the Commission open a rulemaking docket to consider the adoption of stray voltage rules. Pursuant to SDCL 49-47-2, the Commission has one year from July 1, 2015, to promulgate stray voltage rules. Staff included draft stray voltage rules and requested that the Commission allow comments to be received from interested persons or entities on the draft rules. Following the comment period, the Commission would then consider the comments and decide whether to make any changes to the draft rules. The next step would be to proceed to the formal rulemaking process.

TODAY, shall the Commission open a rulemaking docket? If so, how shall the Commission proceed?

Items for Commission Discussion

Announcements

1. Commissioners and Staff will attend the National Association of Regulatory Utility Commissioners Annual Meeting, November 8-11, 2015, at the JW Marriott, Austin, Texas.
2. The PUC offices will be closed Wednesday, November 11, 2015, in observance of Veterans Day.
3. The next regularly scheduled commission meeting will be Tuesday, November 24, 2015, at 9:30 a.m. CST in Room 413 at the State Capitol Building, Pierre, S.D.
4. An ad hoc commission meeting is scheduled for Monday, November 30, 2015, at 1:30 p.m. CST in Room 413 at the State Capitol Building, Pierre, S.D.
5. The PUC offices will be closed Thursday, November 26 and Friday, November 27, 2015, in observance of the Thanksgiving holiday.
6. Commissioners and staff will meet with representatives of NorthWestern Energy on Wednesday, December 2, 2015, at 1:30 p.m. CST in Room 413 at the State Capitol, Pierre, S.D. The agenda is to discuss an update of NorthWestern Energy's operations, finance and customer service activities.
7. Commission meetings are scheduled for December 8 and 22, 2015.

/s/Cindy Kemnitz

Cindy Kemnitz
Finance Manager

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November 5, 2015

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