

Linda M. Lane
[REDACTED]
Mission Hill, South Dakota 57046
December 6, 2016

South Dakota Public Utilities Commission
Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Re: Comments on the Farm Tap Declaratory Rulings Docket NG16-014

Dear Commissioners,

I am a utility customer of Northwestern Energy and am dependent on that utility to supply natural gas to my home. I am retired and on a limited income. I use the natural gas to heat my home, heat my water, cook, and to help prepare goods which I sell in a farmers' market. Our family paid a considerable amount to be able to hook up to this utility back when we built this house 25 years ago. We rely on it.

I received letters from Northwestern Energy indicating they want to stop providing natural gas service to me effective December 31, 2017.

I understand the hearing on December 14, 2016 will examine three questions proposed by your staff, and I have the following comments.

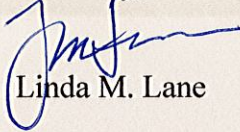
- 1) Does the Commission have jurisdiction over any utility providing natural gas from the transmission line owned and operated by Northern Natural Gas Company?
 - a. It appears to me, as a customer, that both Northern Natural Gas Company and Northwestern Energy fit your definitions of a "Gas Utility" and that both provide "Gas Service" in my part of South Dakota. I found the definitions in the South Dakota Codified Laws 49-34A-1.
 - b. Northern Natural Gas presents itself on its website as a gas transmission company, not a utility. But, its transmission lines run through the most productive farmland in South Dakota, and allowing farms and homes to tap those lines where they are nearby makes good economic and environmental sense. There is no economic reason to install separate lines to serve local delivery when the transmission line is available. Northern is very proud of their Green credentials, and this economical use of clean natural gas should fit in with that commitment by the company.
 - c. See comment 2a. below.
- 2) If so, which entity, NorthWestern Corporation dba NorthWestern Energy or Northern Natural Gas Company, if either, is a public utility as defined by SDCL Chapter 49 with respect to these farm tap customers?
 - a. Please find attached a copy of my recent gas bill from Northwestern Energy. They clearly think they are my gas utility, and it says so on the bill. They are charging me for "Utility Services" as shown on page 2 of the bill. Furthermore, they refer me to you, the Public Utilities

Commission if I have any "unresolved questions or concerns" and they provide your phone number. With the greatest respect, I think both Northwestern Energy and I agree that they are a utility, and that they are my utility, and that I am their customer.

- 3) Are the farm taps in whole or in part subject to state jurisdiction for the purpose of pipeline safety pursuant to SDCL Chapter 49-34B?
 - a. Since our tap is regulated to very low pressure, I don't think it needs regulation as a hazardous pipeline.

Thank you for your attention to my comments. Please understand, my goal is to be able to keep natural gas service to my home, and to my neighbors' homes and farms, whoever supplies it. The current tap has worked well for many years, and it seems to me there is no better solution than to keep it operating.

Sincerely,



Linda M. Lane



NorthWestern
Energy

Delivering a Bright Future

Customer Service: 1-800-245-6977

CUSTOMER:

LINDA LANE

ACCOUNT NUMBER:

ACCOUNT DESCRIPTION:

BILLING DATE:

August 31, 2016

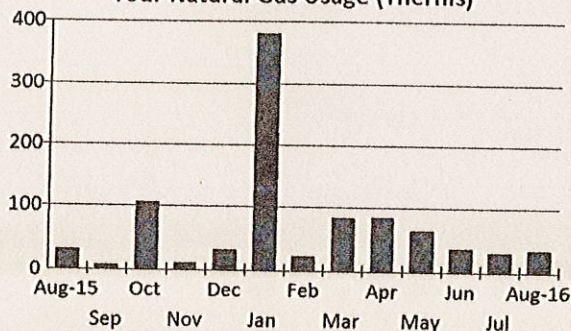
Service Address:

NNG WORTHING SD 57077

11 E Park St | Butte, MT 59701-1711 | NorthWesternEnergy.com

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Your Natural Gas Usage (Therms)



	Aug 2015	Jul 2016	Aug 2016
Days of Service	32	27	32
Therms Used	31.00	31.00	36.00
Avg. Therms per day	1.0	1.1	1.1
Avg. cost per day	\$0.76	\$0.85	\$0.82
Avg. daily temp (°F)	72	75	74

DUE DATE

September 21, 2016

TOTAL AMOUNT DUE

\$ 27.56



ACCOUNT SUMMARY

Previous Balance			\$	23.94
Payments Received	August 15, 2016	Thank you	\$	(23.94)
Current Charges			\$	26.37
Tax			\$	1.19

Total Amount Due

\$ 27.56

☒ **SUMMARY OF CURRENT CHARGES**

	Utility Service	TOTAL
Natural Gas Service	\$ 26.37	\$ 26.37

Total Current Charges

\$ 26.37

\$ 26.37



BUDGET BILLING INFORMATION



IMPORTANT ACCOUNT INFORMATION



MESSAGE BOARD

Questions about your bill or service? Call the NorthWestern Energy Customer Contact Center TOLL FREE at 800-245-6977 (Monday through Friday, 7 a.m.-6 p.m. Central Time) or visit us at: www.northwesternenergy.com

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Account Number: [REDACTED]
Customer Name: LINDA LANE
Service Address: [REDACTED] NNG WORTHING SD 57077

NorthWestern Energy: 1-800-245-6977
Customer Service: (M-F 7 AM - 6 PM)
and Emergencies 24 hours a day

PAY BY PHONE OPTIONS:

Credit/Debit or ATM Card:

1-877-361-4927

Checking, Savings, or Money Market:

1-800-218-4959

Customers with unresolved questions or concerns may contact the consumer affairs division of South Dakota Public Utilities Commission at 1-800-332-1782 or write the PUC at 500 East Capitol Ave, Pierre, SD 57501.

Current Rates Effective 08/02/2016

NATURAL GAS SERVICES

Service Charge	\$	6.00
Farm Tap Customer Charge	\$.2100500
Purch Gas Commodity SD 81	\$.3583100

UTILITY SERVICES

GAS SERVICES

Read Dates			Meter Readings		Read	Meter	Conversion	Average	Billed
From	To	Day	Previous	Current	Code	Volume	Pressure	BTU Factor	Therms
07/22/2016	08/23/2016	32	843.00	864.00	Actual	21.00	1.6259334	1.058375	36.00

Meter Number: [REDACTED]

Rate: 81M-Farm Tap Customer Charge

Customer Charge	\$	6.00
Energy Charge	\$	7.56
Purch Gas Commodity SD 81	\$	12.81

Natural Gas Services Total \$ 26.37

TOTAL UTILITY SERVICES \$ 26.37

TAXES

STATE TAX - SOUTH DAKOTA	\$	1.19
TOTAL TAXES	\$	1.19

Rate definitions and how to calculate your bill may be found on our website:
www.northwesternenergy.com



Chris Nelson, Chairperson
Kristie Fiegen, Vice Chairperson
Gary Hanson, Commissioner

South Dakota

PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue
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www.puc.sd.gov

Capitol Office
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Grain Warehouse
(605) 773-5280

Consumer Hotline
1-800-332-1782

Email
puc@state.sd.us

December 12, 2016

Linda Lane

■ ■ ■
Mission Hill, SD 57046

Dear Ms. Lane:

Thank you for your letter and accompanying North Western Energy invoice regarding the farm taps matter, docket NG16-014. I understand your concern about the possibility of losing your farm tap and natural gas supply for your home and for use in your farmers' market business.

Since this is an open docket before the commission, your letter and my response will be posted under Comments and Responses in the docket for my fellow commissioners, the PUC staff analysts and attorney working on this docket, and others to read.

If you haven't already read it, the enclosed Informational Guide was prepared to assist farm tap customers in understanding the filing of this docket and the PUC's process and is posted on the commission's home page.

If you wish to communicate with a PUC staff member regarding this docket, please contact the commission by calling 1-800-332-1782 or 605-773-3201 or emailing PUC@state.sd.us.

Sincerely,


Chris Nelson

From: David Brouwer

Sent: Monday, 12 December 2016 13:45:00 (UTC-06:00) Central Time (US & Canada)

To: PUC

Subject: NG16-014

Regarding Docket NG16-014 "In the Matter of Commission Staff's Petition for Declaratory Ruling Regarding Farm Tap Customers" (sent 12/12/16)

From:

David and Deanna Brouwer

[REDACTED]

Beresford, SD 57004

[REDACTED]

To whom it Concerns;

Thank you for reading this statement and taking it into consideration in the decision you are making. We are current farm tap customers that this will have a direct impact on. This farm tap has a positive value on our property value as well as other things and not having this farm tap will decrease the value of our property.

I would first like to ask you if these *farm tap* customers are the only ones in the state? If they are not you need to treat every customer equal and you need to consider any decisions in this situation and how it will affect other *farm tap* customers throughout the state.

No matter how you define the entities in this case what has occurred here is a contract in which Northern, in exchange for land easements, has agreed to provide natural gas via a farm tap. This is not something that can just be taken away as it would be a breach in contract. Unless of course there was lack of payment or not being used for a specified time period.

In layman's terms, again, not a specific definition, I would consider Northwestern's part in this situation as that of a sub-contractor of Northern. Ultimately it is Northern's responsibility to provide service to the current farm tap customers. That can continue to be done with renegotiation of Northwestern's contract or by finding another sub-contractor to provide this service. In the past Northern has formed its own sub-contractor to provide this service and that certainly could be an option once again at this time. I would say that the current contract that Northwestern has with Northern is just that, a contract that was made in 1987 that is due to be renegotiated at this time. An option that is not available is to just disconnect the farm tap customers as it is part of a larger agreement made decades prior.

Disconnecting this service to customers will have a negative and unfair burden placed on customers. There may be some situations in which it isn't possible to convert to another type of energy. Even if there is a possibility of this occurring a modest payment to help with this cost is not enough as the farm tap is a payment for the pipeline being placed across private property. In addition it will have a negative effect on the value of residents that use this farm tap. We recently purchased a new furnace and hot water heater. If we were to have to change fuel sources I would be more apt to consider something such as geothermal. This would be a benefit for many and would consider anything less a breach of contract.

Is there a safety concern regarding the gas line from the meter to the customer? There have been no issues regarding this in the past. I believe the issue with leaks and costs incurred after the meter is the responsibility of the customer and they should be responsible to pay for that. We don't believe that the issue with leaks is even a concern or something to be considered in this situation. Again I will mention if there are other farm tap customers throughout the state. If there are how is the line from the meter to the customer serviced? This should be something that is standardized across the state and not individually from line to line as that is not fair or equal treatment. Would it be possible to move the meter from the farm tap to the customer and have most of that expense taken on by the supplier and a modest amount be taken on by the customer? If the customer is not willing to pay a modest amount for that conversion then a cash buy-out would be imposed on the supplier and the farm tap would be discontinued, thus discontinuing the original contract. That buy-out of course needs to take into consideration not only conversion costs to the customer but also reimbursement for the land use easement by Northern as well as property value loss without this fuel supply.

There are many moving parts to this situation. Every farm tap customer must be treated equally throughout the state! Something that cannot be lost in this is the contract that was made decades ago between Northern and the land owners. In addition the cost it will have on property values if this service is abandoned as well as conversion to another fuel supply.

We are eagerly awaiting the results of this as it may have an effect on not only our fuel source but our property and cost of operation for many years to come.

David and Deanna Brouwer

[REDACTED]

Beresford, SD 57004

[REDACTED]

From: PUC
Sent: Monday, December 12, 2016 4:27 PM
To: [REDACTED]
Subject: NG16-014

Mr. and Mrs. Brouwer:

Thank you for your message regarding the farm taps matter, docket NG16-014. I understand your concern about the possibility of losing your farm tap and natural gas supply. I encourage you to follow along as this docket is reviewed and information is gathered by the commission. Here is a link to the online, public docket:

<http://www.puc.sd.gov/Dockets/NaturalGas/2016/ng16-014.aspx>.

Since this is an open docket before the commission, your message and my response will be posted under Comments and Responses in the docket for my fellow commissioners, the PUC staff analysts and attorney working on this docket, and others to read.

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<http://www.puc.sd.gov/commission/dockets/naturalgas/2016/ng16-014/informationguide.pdf>.

If you wish to communicate with a PUC staff member on this docket, please contact the commission with this request by calling 1-800-332-1782 or 605-773-3201 or emailing PUC@state.sd.us.

Chris Nelson, Chairman
South Dakota Public Utilities Commission
www.puc.sd.gov

000242

From: PUC

Sent: Monday, December 12, 2016 3:31 PM

To: [REDACTED]

Cc: [REDACTED]

Subject: NG16-014

Mr. and Mrs. McInerney:

Thank you for your message regarding the farm taps matter, docket NG16-014. I understand your concern about the possibility of losing your farm taps and natural gas supply for your home and farm operation. I encourage you to follow along as this case is reviewed and information is gathered by the commission. Here is a link to the online, public docket: <http://www.puc.sd.gov/Dockets/NaturalGas/2016/ng16-014.aspx>.

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Chris Nelson, Chairman
South Dakota Public Utilities Commission
www.puc.sd.gov

000243



Chris Nelson, Chairperson
Kristie Fiegen, Vice Chairperson
Gary Hanson, Commissioner

South Dakota

PUBLIC UTILITIES COMMISSION

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December 12, 2016

Francis Hass

Raymond, SD 57258

Dear Mr. Hass:

Thank you for your letter regarding the farm taps matter, docket NG16-014. I understand your concern about the possibility of losing your farm taps and natural gas supply for your family's home.


I encourage you to follow along as this case is reviewed and information is gathered by the commission. You can find the docket by going to the commission's home page at www.puc.sd.gov and clicking on Commission Actions, Commission Dockets, Natural Gas Dockets, 2016 Natural Gas Dockets, and scroll down to docket NG16-014.

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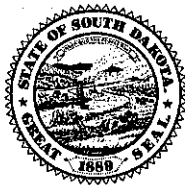
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Sincerely,


Chris Nelson

000244



Chris Nelson, Chairperson
Kristie Fiegen, Vice Chairperson
Gary Hanson, Commissioner

South Dakota

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December 12, 2016

Evelyn Pederson
Pederson Farms
[REDACTED]
Worthing SD 57077

Dear Ms. Pederson:

Thank you for your letter regarding the farm taps matter, docket NG16-014. I understand your concern about the possibility of losing your farm taps and natural gas supply for your family's home and your farm operation.

I encourage you to follow along as this case is reviewed and information is gathered by the commission. You can find the docket by going to the commission's home page at www.puc.sd.gov and clicking on Commission Actions, Commission Dockets, Natural Gas Dockets, 2016 Natural Gas Dockets, and scroll down to docket NG16-014.

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Sincerely,

Chris Nelson