

Commission Minutes | [previous page](#)

**South Dakota Public Utilities Commission Meeting**  
**November 22, 2016, at 9:30 A.M. CST**  
**Room 414, Capitol Building**  
**Pierre, South Dakota**

### MINUTES OF THE COMMISSION MEETING

Chairman Chris Nelson called the meeting to order. Present were: Commissioner: Kristie Fiegen; Commission Attorneys: Karen Cremer and Adam de Hueck; Commission Advisor: Greg Rislov; Staff Attorneys: Amanda Reiss and Kristen Edwards; Staff Analysts: Joseph Rezac, Brittany Mehlhaff, Jon Thurber, and Lorena Reichert; Consumer Affairs Supervisor: Deb Gregg; and Staff: Katlyn Gustafson.

Also present were:

Brett Koenecke, May, Adam, Gerdes & Thompson LLP, representing Montana-Dakota Utilities Co.; Jim Dillon, Don Martinez, and Jason Keil, Black Hills Power, Inc. dba Black Hills Energy; Rich Coit, South Dakota Telecommunications Association; Brian Rounds, AESL Consulting; and Margo Northrup, Riter, Rogers, Wattier & Northrup, LLP, representing Midstate Telecom, Inc. and Cheyenne River Sioux Tribe Telephone Authority.

Joining the meeting by telephone were:

Commissioner: Gary Hanson; Eric Paulson, Patrick Steffensen, and Mary Zanter, Staff Analysts; Erin Stitz, Applied Energy Group, Inc., representing Black Hills Power, Inc. dba Black Hills Energy; Jason Topp, Qwest Corporation dba CenturyLink QC; Gina Ice, Bryce Haugen, Jason Grenier, Amber Stalboerger, Jon Fabre, and Brenda Sandahl, Otter Tail Power Company; Greg Porter, Northern Natural Gas; Howard Hoffman, Jessica Peterson, Jim Wilcox, and Eric Pauli, Northern States Power Company dba Xcel Energy; Pam Bonrud, Bill Thompson, Jeff Decker and Tim Olson, NorthWestern Corporation dba NorthWestern Energy; and Scott Seab, Level 3 Communications, LLC.

#### Administration

**1. Approval of the minutes of the Commission meeting held on November 8, 2016. (Staff: Joy Lashley)**

**Commissioner Fiegen moved to approve the minutes of the Commission meeting held on November 8, 2016. 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 61 contacts since the last report was prepared for the November 8, 2016, Commission meeting.

Ten contacts involved telecommunication services, 20 contacts involved electrical services, 11 contacts were related to natural gas services, one contact was related to gas and electric services, four contacts were related to wireless service, three contacts were related to the Do Not Call Registry, three contacts were related to the Dakota Access Pipeline, one contact was related to Wind Energy and eight contacts were related to issues not regulated by the PUC.

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

Complaints received in 2016: 1,291 of the 1,313 have been resolved.

#### Electric

**1. EL16-018 In the Matter of the Petition of Northern States Power Company dba Xcel Energy for Approval of Its 2015 Demand Side Management Report and 2017 Proposed**

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**Demand Side Management Plan (Staff Analyst: Darren Kearney; Staff Attorney: Amanda Reiss)**

A lengthy discussion took place regarding Docket EL16-018. An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2016, November 22, 2016, recording located at:

<http://puc.sd.gov/commission/media/2016/PUC11222016.mp3>

Commissioner Hanson moved to approve the Company's 2015 DSM Status Report and tracker account, the performance incentive of \$232,512 earned in 2015, the proposed DSM Plan for 2017, the 2017 DSM Cost Adjustment Factor of \$0.000507/kWh with a January 1, 2017, effective date, the fixed percentage incentive which shall be set at 30 percent of actual expenses (with a cap set at 30 percent of the approved budget), and to accept the customer bill insert message as filed on April 29, 2016.

Commissioner Nelson moved to amend the motion by removing the ground source heat pump provision and making the appropriate adjustment to the cost factor for the reduction in expenditure in that particular program. Motion carried 2-1. Commissioner Hanson dissented.

Commissioner Nelson moved to postpone the motion until the next Commission meeting.

Commissioner Hanson made a substitute motion to amend the main motion to defer the elimination of the ground source heat pump incentive to 2018. Motion failed 1-2. Commissioners Nelson and Fiegan dissented.

Motion to postpone carried 3-0.

**2. EL16-020 In the Matter of the Filing by Otter Tail Power Company Regarding its Proposed South Dakota Energy Efficiency Plan for 2017-2019 (Staff Analyst: Darren Kearney; Staff Attorney: Amanda Reiss)**

A lengthy discussion took place regarding Docket EL16-020. An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2016, November 22, 2016, recording located at:

<http://puc.sd.gov/commission/media/2016/PUC11222016.mp3>

Commissioner Nelson moved approve Otter Tail Power Company's 2017-2019 Energy Efficiency Plan including staff's conditions that: 1) Otter Tail shall use the company's weighted average cost of capital, 8.5 percent, as the discount rate when calculating the Total Resource Cost test; 2) for the residential lighting pilot program for students, Otter Tail shall estimate the number of students receiving LED light bulbs that reside in the company's service territory and only claim energy savings for those students; 3) the fixed percentage incentive shall be calculated as 30 percent of actual expenses, with a cap set at 30 percent of the approved budget; and 4) actual spending shall not exceed 10 percent above the approved budget, unless approved by the Commission. Motion carried 3-0.

**3. EL16-034 In the Matter of the Application of Black Hills Power, Inc. dba Black Hills Energy for Approval of a Revision to the Energy Efficiency Solutions Adjustment (EESA) Rates (Staff Analysts: Brittany Mehlhaff, Joseph Rezac; Staff Attorney: Amanda Reiss)**

A lengthy discussion took place regarding Docket EL16-034. An audio of the discussion can be found on the PUC website under Commission Actions, Commission Meeting Archives, 2016, November 22, 2016, recording located at:

<http://puc.sd.gov/commission/media/2016/PUC11222016.mp3>

Commissioner Nelson moved to approve the Energy Efficiency Solutions Program Status Report for Program Year 2015 as revised per the Company's responses to Staff's data requests 1-6 and 2-2, the balancing account for Program Year 2015, including the performance incentive recovery, as revised to the 30% of budget cap per the Company's response to Staff's data request 2-2, and the proposed revised EESA rates of \$0.0007/kWh for residential service and \$0.0013/kWh for commercial and industrial services including the associated tariff sheets effective December 1, 2016. Motion carried 3-0.

**4. EL16-035 In the Matter of the Petition of Otter Tail Power Company for Approval of the Transmission Cost Recovery Rider Rate (Staff Analysts: Patrick Steffensen, Lorena Reichert; Staff Attorney: Amanda Reiss)**

Ms. Amanda Reiss, staff attorney, recommended that the Commission assess Otter Tail Power Company (Otter Tail) a filing fee up to \$50,000 to account for actual expenses incurred in review of this filing commencing from the filing date. Mr. Bryce Haugen, Otter Tail, stated Otter Tail did not object to staff's request.

**Commissioner Fiegen moved 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.** Motion carried 3-0.

**Natural Gas**

**1. NG16-010 In the Matter of the Filing by NorthWestern Corporation dba NorthWestern Energy for Approval of its Refund Plan regarding its Recovery of Manufactured Gas Plant Site Remediation Costs (Staff Analysts: Brittany Mehlhaff, Eric Paulson; Staff Attorney: Kristen Edwards)**

Mr. Jeff Decker, NorthWestern Corporation dba NorthWestern Energy (NorthWestern), asked that the Commission approve NorthWestern's refund plan rates on an interim basis effective December 1, 2016. Ms. Brittany Mehlhaff, staff analyst, recommended that the Commission approve NorthWestern's refund plan on an interim basis effective December 1, 2016, subject to a later resolution of an unresolved issue between NorthWestern and Commission staff.

**Commissioner Fiegen moved to approve the refund plan rates on an interim basis effective December 1, 2016.** Motion carried 3-0.

**2. NG16-014 In the Matter of Commission Staff's Petition for Declaratory Ruling Regarding Farm Tap Customers (Staff Analysts: Brittany Mehlhaff, Mary Zanter, Patrick Steffensen; Staff Attorney: Kristen Edwards)**

Mr. Brett Koenecke, May, Adam, Gerdes & Thompson LLP, representing Montana-Dakota Utilities Co., Mr. Greg Porter, Northern Natural Gas, and Tim Olson, NorthWestern Corporation dba NorthWestern Energy, asked for Commission approval to grant intervention. Ms. Kristen Edwards, staff attorney, did not object to the requests.

**Commissioner Hanson moved to grant intervention to Montana-Dakota Utilities Co., Northern Natural Gas, and NorthWestern Corporation dba NorthWestern Energy.** Motion carried 3-0.

**Telecommunications**

**1. TC12-133 In the Matter of the Petition of Midstate Telecom for Approval of its Cost Based Switched Access Rates and for a Phase-In (Staff Analyst: Patrick Steffensen; Staff Attorney: Karen Cremer)**

Ms. Margo Northrup, Riter, Rogers, Wattier & Northrup, LLP, representing Midstate Telecom, Inc. (Midstate), asked that the Commission grant Midstate's Motion to Withdraw Petition and dismiss and close the docket. Ms. Karen Cremer, staff attorney, recommended that the Commission approve Midstate's request.

**Commissioner Fiegen moved to grant the Motion to Withdraw Petition and dismiss and close the docket.** Motion carried 3-0.

**2. TC16-059 In the Matter of the Petition of the Petition of Cheyenne River Sioux Tribe Telephone Authority for an Amended Certificate of Authority (Staff Analyst: Eric Paulson; Staff Attorney: Kristen Edwards)**

Ms. Margo Northrup, Riter, Rogers, Wattier & Northrup, LLP, representing Cheyenne River Sioux Tribe Telephone Authority (CRSTTA), asked that the Commission approve the requested waivers of ARSD 20:10:32:03 (1-8); (10-22); and (24) and approve CRSTTA's amended certificate of authority. Mr. Jason Topp, Qwest Corporation dba CenturyLink QC; stated CenturyLink supported CRSTTA's

requests. Ms. Kristen Edwards, staff attorney, recommended that the Commission approve CRSTTA's requests.

**Commissioner Fiegen moved to approve the request for waivers of ARSD 20:10:32:03 (1-8); (10-22); and (24) and approve CRSTTA's amended certificate of authority with the condition that CRSTTA submit letters from the affected customers memorializing their consent within two weeks of this Order.** Motion carried 3-0.

**3. TC16-060 In the Matter of the Approval of a Carrier Partner for Interconnected VoIP Provider Amendment to the Interconnection Agreement between Qwest Corporation dba CenturyLink QC and Level 3 Communications, LLC (Staff Analyst: Lorena Reichert; Staff Attorney: Amanda Reiss)**

Mr. Jason Topp, Qwest Corporation dba CenturyLink QC (CenturyLink), and Mr. Scott Seab, Level 3 Communications, LLC. (Level 3 Communications) asked that the Commission approve the amendment to the Interconnection agreement. Mr. Amanda Reiss, staff attorney, recommended that the Commission rely on staff's memo that was submitted on November 21, 2016.

**Commissioner Nelson moved to approve the amendment to the Interconnection agreement.** Motion carried 3-0.

**4. TC16-061 In the Matter of the Approval of a Wireless Interconnection Agreement between Qwest Corporation dba CenturyLink QC and Onvoy Spectrum, LLC (Staff Analyst: Patrick Steffensen; Staff Attorney: Amanda Reiss)**

Mr. Jason Topp, Qwest Corporation dba CenturyLink QC (CenturyLink), asked that the Commission approve the interconnection agreement between CenturyLink and Onvoy Spectrum. Ms. Amanda Reiss, staff attorney, stated that the agreement was properly filed, properly executed, and does not appear to contain discriminatory provisions, and no comments were filed. Ms. Reiss recommended that the Commission grant approval.

**Commissioner Nelson moved to approve the interconnection agreement.** Motion carried 3-0.

There being no further business, at the hour of 11:15 a.m. the South Dakota Public Utilities Commission meeting adjourned.

/s/Joy Lashley

Joy Lashley

Administrative Assistant

[PUC Email](#)

November 22, 2016