
From: PUC

Sent: Tuesday, January 31, 2017 10:07 AM

To: 'Kevin Curry'

Subject: NG16-014

Mr. Curry:

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.

This Informational Guide may assist you in understanding why the PUC opened this docket and the commission's process: <http://www.puc.sd.gov/commission/dockets/naturalgas/2016/ng16-014/informationguide.pdf>.

PUC staff filed a letter in the docket on possibly resolving this matter via a meeting with Northern Natural Gas and NorthWestern Energy, <http://puc.sd.gov/commission/dockets/naturalgas/2016/ng16-014/ltr122016b.pdf>. However, the discussions involving PUC staff and the two companies have not resulted in an agreement, as staff's letter relayed, filed Jan. 9: <http://puc.sd.gov/commission/dockets/naturalgas/2016/ng16-014/ltr010917.pdf>. This docket was on the agenda for the commission's Jan. 17 meeting, with the following questions posed by PUC staff.

On November 9, 2016, PUC Staff filed a petition for a declaratory ruling to resolve the following issues: 1) Does the Commission have jurisdiction over the utility providing natural gas to farm tap customers taking natural gas from the transmission line owned and operated by Northern Natural Gas Company? 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? 3) Finally, 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? The Commission conducted oral arguments on December 14, 2016.

As you know, the commission's decisions at its Jan. 17 meeting were: 1) Yes, 2) NorthWestern, and 3) No. Here is a link to the commission's order: <http://puc.sd.gov/commission/orders/naturalgas/2017/ng16-014ruling.pdf>. South Dakota law does not provide the commission with jurisdiction over easement contracts NNG has with landowners. Those matters must be dealt with in circuit court.

Your message and my response will be posted under Comments and Responses in the docket.

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If you wish to discuss this docket further, you are welcome to communicate with a PUC staff analyst or attorney, and you may reach them by calling 1-800-332-1782 or 605-773-3201 or emailing PUC@state.sd.us.

Kristie Fiegen, Chairperson
South Dakota Public Utilities Commission
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