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South Dakota Public Utilities Commission Meeting

May 15, 2018, at 9:30 A.M. CDT

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 5:00 p.m. CDT on Monday, May 14, 2018. 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 Meetings Held on April 20, and May 1, 2018 (Staff: Joy Lashley)

Consumer Reports

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

Electric

1. **EL17-006 In the Matter of the Application of Black Hills Power, Inc. dba Black Hills Energy for Approval of 2017 Transmission Facility Adjustment (Staff Analysts: Brittany Mehlhaff, Patrick Steffensen, Jon Thurber; Staff Attorney: Kristen Edwards)**

On February 15, 2017, Black Hills Power, Inc. dba Black Hills Energy (BHE) filed an Application for Approval of its 2017 Transmission Facilities Adjustment. On June 9, 2017, BHE and Commission staff (staff) filed a Settlement Stipulation and Joint Motion for Approval of Settlement Stipulation. The Commission issued an Order Granting Joint Motion for Approval of Settlement Stipulation on June 20, 2017. On May 1, 2018, BHE and staff filed an Amendment to Settlement Stipulation and Joint Motion for Approval of Amendment to Settlement Stipulation. Staff also filed a staff Memorandum Supporting Amendment to Settlement Stipulation on May 1, 2018.

TODAY, shall the Commission grant the Joint Motion for Approval of Amendment to Settlement Stipulation and approve the terms and conditions stipulated therein?

2. **EL17-008 In the Matter of the Application of Black Hills Power, Inc. dba Black Hills Energy for Approval of Its 2017 Environmental Improvement Adjustment (Staff Analysts: Brittany Mehlhaff, Patrick Steffensen, Jon Thurber; Staff Attorney: Kristen Edwards)**

On February 15, 2017, Black Hills Power, Inc. dba Black Hills Energy (BHE) filed an Application for Approval of its 2017 Environmental Improvement Adjustment. On June 9, 2017, BHE and Commission staff (staff) filed a Settlement Stipulation and Joint Motion for Approval of Settlement Stipulation. The Commission issued an Order Granting Joint Motion for Approval of Settlement Stipulation on June 20, 2017. On May 1, 2018, BHE and staff filed an Amendment to Settlement

Stipulation and Joint Motion for Approval of Amendment to Settlement Stipulation. Staff also filed a staff Memorandum Supporting Amendment to Settlement Stipulation on May 1, 2018.

TODAY, shall the Commission grant the Joint Motion for Approval of Amendment to Settlement Stipulation and approve the terms and conditions stipulated therein?

3. EL17-024 In the Matter of the Commission Approval of Stray Voltage Training Programs (Staff Analyst: Darren Kearney; Staff Attorney: Amanda Reiss)

Pursuant to the Commission's Stray Voltage Rules, specifically ARSD 20:10:39:07, the Commission is required to establish and update a list of commission-approved stray current and stray voltage training programs. On May 24, 2017, Commission staff opened the docket to allow for the Commission to establish and approve a list of stray voltage training programs. After discussing possible stray voltage training programs with interested parties, it was determined that the Commission should consider approving, and listing, stray voltage training programs offered by the University of Wisconsin and Midwest Rural Energy Council.

TODAY, shall the Commission approve the stray voltage training programs offered by the University of Wisconsin and Midwest Rural Energy Council? OR, how shall the Commission proceed?

4. EL18-003 In the Matter of the Application by Dakota Range I, LLC and Dakota Range II, LLC for a Permit of a Wind Energy Facility in Grant County and Codington County, South Dakota, for the Dakota Range Wind Project (Staff Analysts: Darren Kearney, Jon Thurber; Staff Attorneys: Kristen Edwards, Amanda Reiss)

On January 24, 2018, the Commission received an Application for a Facility Permit for a wind energy facility (Application) from Dakota Range I, LLC, and Dakota Range II, LLC (together Dakota Range or Applicant). Applicant proposes to construct a wind energy facility to be located in Grant County and Codington County, South Dakota, known as the Dakota Range Wind Project (Project). The Project would be situated within an approximately 44,500-acre project area, ten miles northeast of Watertown, South Dakota (Project Area). The total installed capacity of the Project would not exceed 302.4MW nameplate capacity. The proposed Project includes up to 72 wind turbine generators, access roads to turbines and associated facilities, underground 34.5-kilovolt (kV) electrical collector lines connecting the turbines to the collection substation, underground fiber-optic cable for turbine communications co-located with the collector lines, a 34.5 to 345-kV collection substation, up to five permanent meteorological towers, and an operations and maintenance facility. The Project would interconnect to the high-voltage transmission grid via the Big Stone South to Ellendale 345-kV transmission line which crosses the Project site. The Project is expected to be completed in 2021. Applicant estimates the total construction cost to be \$380 million. On April 6, 2018, the Commission issued an Order Granting Party Status to 16 individuals, including Daniel D. Seurer, Christian Reimche, and Paul Nelson. On May 2, May 4, and May 7, 2018, respectively, Dan Seurer, Christian Reimche, and Paul Nelson requested withdrawal of party status.

TODAY, shall the Commission grant withdrawal of party status to those who have filed?

5. EL18-009 In the Matter of the Application of Black Hills Power, Inc. dba Black Hills Energy for Approval of its 2017 Economic Development Report and 2018 Economic Development Plan (Staff Analyst: Lorena Reichert; Staff Attorney: Kristen Edwards)

On March 1, 2018, the Commission received an application from Black Hills Power, Inc. dba Black Hills Energy (BHE) requesting approval of its 2017 Economic Development Report and its 2018 Economic Development Plan and Budget. On April 16, 2018, BHE responded to Commission staff's data request.

TODAY, shall the Commission approve BHE's 2017 Economic Development Report and its 2018 Economic Development Plan?

6. EL18-018 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Madison Municipal Electric and Sioux Valley-Southwestern Electric Cooperative, Inc. dba Sioux Valley Energy (Staff Analyst: Joseph Rezac; Staff Attorney: Amanda Reiss)

On April 9, 2018, Commission staff filed an Electric Service Territory Boundary Agreement between Madison Municipal Electric and Sioux Valley Energy Electric Cooperative, Inc. This filing is made pursuant to current efforts of the PUC to verify electric territory mapping data for conversion to electronic format and use in a Geographic Information System (GIS) database. With the assistance of the above-referenced utilities, Commission staff has confirmed the service territory boundary shared by these utilities and has prepared updated mapping information. Commission staff asks for approval of the agreement to update official mapping data to properly reflect the service territory boundaries shared by the utilities in this docket.

TODAY, shall the Commission approve the proposed electric service territory boundary agreement?

7. EL18-020 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Brookings Municipal Utilities and Sioux Valley-Southwestern Electric Cooperative, Inc. dba Sioux Valley Energy (Staff Analyst: Joseph Rezac; Staff Attorney: Kristen Edwards)

On April 18, 2018, Commission staff filed an Electric Service Territory Boundary Agreement between Brookings Municipal Utilities and Sioux Valley Energy Electric Cooperative, Inc. This filing is made pursuant to current efforts of the PUC to verify electric territory mapping data for conversion to electronic format and use in a Geographic Information System (GIS) database. With the assistance of the above-referenced utilities, Commission staff has confirmed the service territory boundary shared by these utilities and has prepared updated mapping information. Commission staff asks for approval of the agreement to update official mapping data to properly reflect the service territory boundaries shared by the utilities in this docket.

TODAY, shall the Commission approve the proposed electric service territory boundary agreement?

8. EL18-021 In the Matter of the Application of Otter Tail Power Company for Authority to Increase Its Electric Rates (Staff Analysts: Brittany Mehlhaff, Patrick Steffensen, Eric Paulson, Joseph Rezac, Lorena Reichert; Staff Attorney: Kristen Edwards)

On April 20, 2018, the Commission received an application by Otter Tail Power Company (Otter Tail) for approval to increase rates for electric service in its South Dakota service territory. Otter Tail states that it proposes a two-step increase to rates, with the first step increasing rates by \$3,358,547 annually or 10.10 percent based on Otter Tail's 2017 test year. Otter Tail states a typical residential customer will see an increase of \$11.29 per month under the rate design proposed by the company. Otter Tail proposes to implement \$2,386,538, or 7.17 percent, of this increase on an interim basis once 30 days have passed from the date of filing, pursuant to SDCL 49-34A-17, with the full amount step-one increase becoming effective upon the Commission's final disposition in this case. The second step proposes an additional \$629,107, or 1.72 percent, increase to rates, effective January 1, 2020. This second step will facilitate the recovery of the Merricourt Wind Project, which is currently projected to enter service later in 2019. A typical residential electric customer using 927 kWh will see an additional increase of \$1.75 a month as a result of the step increase. The proposed rates may potentially affect approximately 11,700 customers in Otter Tail's South Dakota service territory.

TODAY, shall the Commission grant Otter Tail's request to implement interim rates effective May 21, 2018, subject to refund? OR, shall the Commission suspend the imposition of the tariff for 180 days beyond April 20, 2018? AND, shall the Commission assess a filing fee to account for actual expenses incurred from the date of filing, not to exceed \$250,000? AND, shall the Commission give the executive director authority to enter into consulting contracts as necessary? OR, how shall the Commission proceed?

Items for Commission Discussion

Announcements

1. An evidentiary hearing in [Docket EL17-055](#) - In the Matter of the Application by Crocker Wind Farm, LLC for a Permit of a Wind Energy Facility and a 345 kV Transmission Line in Clark County, South Dakota, for Crocker Wind Farm is scheduled for May 9-11, 2018, beginning at

9:00 a.m. CDT on Wednesday, May 9, in the Floyd Matthew Training Center in the Foss Building, 523 E. Capitol Ave., Pierre, S.D.

2. The PUC office will be closed Monday, May 28, 2018, in observance of Memorial Day.
3. The next regular commission meeting will be Tuesday, May 29, 2018, at 1:30 p.m. CDT in Room 413 at the State Capitol Building, Pierre, S.D.
4. A public input hearing for [docket EL18-019](#) - In the Matter of Application of Crowned Ridge Wind II, LLC for a Facility Permit to Construct a 230 kV Transmission Line in Codington County will be held Wednesday, May 30, 2018, at 5:30 p.m. CDT in the Waverly-South Shore School Gymnasium, 319 Mary Place, Waverly, S.D.
5. Commissioners and staff will attend the Mid-America Regulatory Conference annual meeting June 3-6, 2018, at The Westin Kansas City at Crown Center, Kansas City, Missouri.
6. Commission meetings are scheduled for June 12 and 26, 2018.

/s/Cindy Kernitz.

Cindy Kernitz

Finance Manager

[PUC Email](#)

May 8, 2018