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South Dakota Public Utilities Commission Meeting
February 15, 2019, at 8:30 A.M. CST
Room 413, Capitol Building
Pierre, South Dakota

NOTE: Docket participants who wish to join this meeting by conference call should contact the Commission at 605-773-3201 by 5:00 p.m. CST on Thursday, February 14, 2019, to reserve a phone line. Lines are limited and assigned 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 docket discussion at 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 webcast 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 February 1, 2019 (Staff: Joy Lashley)

Consumer Reports

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

Electric

1. **EL18-046 In the Matter of the Application of Dakota Range III, LLC for a Permit of a Wind Energy Facility and a 345-kV Transmission Line in Grant and Roberts Counties (Staff Analysts: Darren Kearney, Jon Thurber; Staff Attorney: Amanda Reiss)**

On October 26, 2018, Dakota Range III, LLC (Dakota Range III) filed an application to construct an approximately 8-mile 345-kilovolt interconnection transmission line and an up to 151.2-megawatt wind energy conversion facility (Project). The Project will be in Grant County and Roberts County, South Dakota, with the wind portion in an 18,717-acre area. The transmission line will run from the Project's substation located in section 13 of Blooming Valley Township, outside the public right of way along 455th Avenue, turning east on Farmington Township's 150th Street to the Otter Tail Power Company switchyard located in section 14 of Mazeppa Township. The Project is expected to be in service by December 31, 2020, with a total of up to 42 wind turbines and associated facilities. Dakota Range III estimates the total cost of the proposed Project to be approximately \$200 million. On February 7, 2019, Dakota Range III and staff filed a Joint Motion for Approval of a Settlement Stipulation and a Settlement stipulation.

TODAY, shall the Commission grant the Joint Motion and Adopt the Settlement Stipulation?
AND, shall the Commission issue the requested Permits? OR, how shall the Commission Proceed?

2. **EL18-026 In the Matter of the Application by Prevailing Wind Park, LLC for a Permit of a Wind Energy Facility in Bon Homme County, Charles Mix County and Hutchinson County, South Dakota, for the Prevailing Wind Park Project (Staff Analysts: Darren Kearney, Jon Thurber; Staff Attorney: Kristen Edwards)**

On May 30, 2018, Prevailing Wind Park, LLC (Applicant) filed an application to construct the Prevailing Wind Park Project (Project), a wind energy facility located on approximately 50,364 acres of land in Bon Homme, Charles Mix and Hutchinson counties, South Dakota, between the towns of Avon, Tripp, and Wagner, South Dakota. The total installed capacity of the Project would not exceed 219.6 MW nameplate capacity. The proposed Project includes up to 61 wind turbine generators, access roads to turbines and associated facilities, underground electrical power collector lines connecting the turbines to the collection substation, an operation and maintenance facility, and temporary construction areas, including crane paths, public road improvements, a laydown yard, and a concrete batch plant(s) (as needed), and four permanent meteorological towers. The Project would interconnect at Western Area Power Administration's existing Utica Junction Substation, located approximately 27 miles east of the Project. A public input meeting was held on July 12, 2018. On August 9, 2018, the Commission issued an order granting intervention to six individuals and one county government. One individual filed a late application for party status, which was granted by the Commission. An evidentiary hearing (Hearing) was held October 9–12, 2018. The Commission received post-hearing briefs from the parties on November 13, 2018. The Commission issued a Final Decision and Order Granting Permit to Construct Facilities (Permit) on November 28, 2018. Condition 36 of the Permit requires Applicant to provide a public liaison officer, approved by the Commission prior to commencement of construction. On January 23, 2019, Applicant filed a letter regarding proposed public liaison officer Kelsey McGregor. Condition 40 of the Permit requires Applicant to file an escrow account plan with the Commission for Commission approval. Applicant filed the escrow agreement between Applicant and Minnwest Bank on February 7, 2019.

TODAY, shall the Commission approve Applicant's proposal for public liaison? AND, shall the Commission approve Applicant's escrow agreement? OR, how shall the Commission proceed?

3. EL18-048 In the Matter of the Petition of Otter Tail Power Company for Approval of the Transmission Cost Recovery Rider Rate (Staff Analysts: Patrick Steffensen, Joseph Rezac; Staff Attorney: Kristen Edwards)

On October 31, 2018, Otter Tail Power Company (OTP) filed a petition for approval of its 2019 Transmission Cost Recovery (TCR) Rider. 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. OTP's petition proposed a March 1, 2019, effective date. On February 1, 2019, OTP filed a Supplemental Filing with revised Attachments 1 through 19.

TODAY, shall the Commission approve Otter Tail Power Company's TCR rate factors and revised tariff sheet with an effective date of March 1, 2019?

4. EL18-062 In the Matter of the Filing by Montana-Dakota Utilities Co. for Approval of Tariff Revisions to Its Rates for Rate 95 and Rate 96 (Staff Analyst: Joseph Rezac; Staff Attorney: Amanda Reiss)

On December 28, 2018, Montana-Dakota Utilities Co. (MDU) filed for approval of tariff revisions for Rate 95 (occasional power purchase non-time differentiated) and Rate 96 (short-term power purchase). This filing updates the energy and capacity payments as well as metering charges based on current data. MDU states it currently has only one customer taking service under these rates and the annual change in revenue due to this filing will be minimal. A February 15, 2019, effective date is requested. On January 23, 2019, MDU filed its responses to staff's data request.

TODAY, shall the Commission approve Montana-Dakota Utilities Co.'s tariff revisions with an effective date of February 15, 2019?

5. EL19-001 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between Black Hills Power, Inc. dba Black Hills Energy and Black Hills Electric Cooperative, Inc. (Staff Analyst: Joseph Rezac; Staff Attorney: Amanda Reiss)

On January 15, 2019, Commission staff (staff) filed an Electric Service Territory Boundary Agreement between Black Hills Power, Inc. dba Black Hills Energy and Black Hills 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, staff has confirmed the service territory boundary shared by these utilities and has prepared updated mapping information. Staff

requests 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?

6. EL19-002 In the Matter of the Petition of Northern States Power Company dba Xcel Energy for Approval of a Credit Mechanism for Payments from the Second Extended Department of Energy Settlement (Staff Analysts: Patrick Steffensen, Joseph Rezac; Staff Attorney: Amanda Reiss)

On January 22, 2019, Northern States Power Company dba Xcel Energy (NSP) filed for approval of a credit mechanism for funds received pursuant to an extended Settlement with the United States Department of Energy (DOE) for DOE's partial breach of its contract to take spent nuclear fuel. The gross amount currently available for credit is approximately \$15.4 million on a total NSP system basis, or \$858,358 on a South Dakota jurisdictional basis. NSP is requesting this DOE refund be reduced by its supplemental November 2018 TCJA refund amount of \$252,677, for a net DOE refund amount of \$605,681. Due to refunds in other jurisdictions, NSP is proposing that the first of the bill credits be applied in August 2019, with the two additional future bill credits for 2018 and 2019 being refunded in a more timely matter similar to years past.

TODAY, shall the Commission approve Northern States Power's request and the continuation of the one-time bill credit mechanism? OR, how shall the Commission proceed?

7. EL19-003 In the Matter of the Application by Crowned Ridge Wind, LLC for a Permit of a Wind Energy Facility in Grant and Codington Counties (Staff Analysts: Darren Kearney, Jon Thurber, Eric Paulson; Staff Attorneys: Kristen Edwards, Amanda Reiss)

On January 30, 2019, Crowned Ridge Wind, LLC (Crowned Ridge or Applicant) filed an application for a Permit to construct a wind energy conversion facility to be located in Grant County and Codington County, South Dakota (Project). The Project would be situated on approximately 53,186-acres in the townships of Waverly, Rauville, Leola, Germantown, Troy, Stockholm, Twin Brooks, and Mazeppa, South Dakota. The total installed capacity of the Project would not exceed 300 megawatts (MW) of nameplate capacity. The proposed Project includes up to 130 wind turbine generators, access roads to turbines and associated facilities, underground 34.5-kilovolt (kV) electrical collector lines, underground fiber-optic cable, a 34.5-kV to 345-kV collection substation, one permanent meteorological tower, and an operations and maintenance facility. The Project will utilize the Crowned Ridge 34-mile 230-kV generation tie line and a new reactive power compensation substation to transmit the generation from the Project's collector substation to the Project's point of interconnection located at the Big Stone South 230-kV Substation, which is owned by Otter Tail Power Company. Applicant has executed a power purchase agreement with Northern States Power Company (NSP) to sell NSP the full output of the Project. The Project is expected to be completed in 2020. Applicant estimates the total cost of the Project to be \$400 million. On February 6, 2019, the Commission received applications for party status from three individuals.

TODAY, shall the Commission assess a filing fee not to exceed \$400,000 with an initial deposit of \$8,000? AND, shall the Commission authorize the executive director to enter into necessary consulting contracts? AND, shall the Commission grant party status to those who have filed?

8. EL19-004 In the Matter of the Request for Approval of an Electric Service Territory Boundary Agreement between MidAmerican Energy Company and Southeastern Electric Cooperative, Inc. (Staff Analyst: Joseph Rezac; Staff Attorney: Amanda Reiss)

On January 30, 2019, Commission staff (staff) filed an Electric Service Territory Boundary Agreement between MidAmerican Energy Company and Southeastern 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, staff has confirmed the service territory boundary shared by these utilities and has prepared updated mapping information. 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?

9. EL19-006 In the Matter of the Application of Black Hills Power Inc. dba Black Hills Energy for a Facility Permit to Construct a 230 kV Transmission Line and Associated Facilities in Pennington County (Staff Analysts: Eric Paulson, Joe Rezac; Staff Attorney: Kristen Edwards)

On February 5, 2019, Black Hills Power, Inc. dba Black Hills Energy (BHE) filed for a permit to construct a 0.7-mile 230 kV transmission line and associated facilities (Project) in Pennington County, South Dakota. The Project would include a substation at the location of the former Ben French Power Plant on the northwest side of Rapid City, South Dakota. It will also include a 230 kV transmission line from the substation running southeast approximately 0.2 miles, then east approximately 0.5 miles. The transmission line will be constructed entirely within an existing BHE easement, and the substation will be constructed on property owned by BHE.

TODAY, shall the Commission assess a filing fee not to exceed \$24,250 with an initial deposit of \$8,000? AND, shall the Commission authorize the executive director to enter into necessary consulting contracts?

10. EL19-007 In the Matter of the Application by Triple H Wind Project, LLC for a Permit of a Wind Energy Facility in Hyde County, South Dakota (Staff Analysts: Darren Kearney, Jon Thurber, Joe Rezac; Staff Attorneys: Kristen Edwards, Amanda Reiss)

On February 6, 2019, Triple H Wind Project, LLC (Triple H) filed for a permit to construct Triple H Wind Project (Project), a wind energy facility located on approximately 27,247 acres of land in Hyde County, South Dakota, approximately 3.2 miles southwest of Highmore, South Dakota. The total installed capacity of the Project would not exceed 250.24 MW nameplate capacity. The proposed Project includes up to 92 wind turbine generators, access roads to turbines and associated facilities, underground electrical power collector lines connecting the turbines to the collection substation, and operations and maintenance facility, a Sonic Detection Ranging Unit, and temporary construction areas, including crane paths, public road improvements, a laydown yard, and a concrete batch plant (s) (as needed), and one permanent meteorological tower. The Project would interconnect to the existing Leland Olds to Fort Thompson transmission line via a new 500-ft transmission interconnection line within the Project area. Triple H has entered into an agreement with Walmart and another undisclosed buyer for the electricity generated by the Project. The remaining 52 MW will be sold on a merchant basis.

TODAY, shall the Commission assess a filing fee not to exceed \$350,000 with an initial deposit of \$8,000? AND, shall the Commission authorize the executive director to enter into necessary consulting contracts?

Natural Gas

1. NG19-001 In the Matter of the Filing by NorthWestern Corporation dba NorthWestern Energy for Approval of a Contract with Deviations with POET Biorefining - Hudson, LLC (Staff Analyst: Lorena Reichert; Staff Attorney: Amanda Reiss)

On January 23, 2019, NorthWestern Corporation dba NorthWestern Energy (NorthWestern) filed for approval of a contract with deviations with POET Biorefining - Hudson, LLC (POET Hudson). POET Hudson has reached the expiration date of its initial contract. NorthWestern desires to provide this customer with continuing natural gas service and has negotiated a new contract with deviations. NorthWestern states the new rate will allow NorthWestern to maintain POET Hudson as a customer, which will benefit not only POET Hudson but also NorthWestern and its natural gas customers, through recovery of administrative and general costs and common costs from this customer. NorthWestern requests approval with an effective date for the tariff revisions of March 1, 2019.

TODAY, shall the Commission approve NorthWestern Energy's contract with deviations with POET Biorefining - Hudson, LLC and the associated tariff revisions with an effective date of March 1, 2019?

Telecommunications

1. TC13-026 In the Matter of Study Area Boundaries for Incumbent Local Exchange Carriers (Staff Analyst: Lorena Reichert; Staff Attorney: Kristen Edwards)

In orders released by the Federal Communications Commission's (FCC) Wireline Competition Bureau, the FCC requires the submission of study area boundary data to be used as part of the implementation of certain universal service reforms adopted by the FCC. Further, the FCC concluded that state commissions may certify to the accuracy of study area boundary data and submit it on behalf of incumbent local exchange carriers (ILECs) operating in their states. The South Dakota Public Utilities Commission (Commission) opened docket TC13-026 to address the study area boundary submittal required by the FCC. At its April 9, 2013, meeting, the Commission unanimously voted that it shall provide the certification of study area boundary data to the FCC for all ILECs located in South Dakota. On January 9, 2014, the FCC issued an Order requiring study area boundary filers to "review and recertify their study area boundary data every two years and provide updated data when study area boundaries change." On March 19, 2014, the Commission issued an order delegating to Commission Staff (staff) the authority to certify study area boundaries with certain exceptions, one of which is the Commission will biannually certify the study area boundaries. The Commission certified the study area boundaries as described by staff on December 29, 2015, and March 17, 2017. Commission certification is required for 2019. Since the last certification made by the Commission, staff is aware of two boundary changes (dockets TC17-023 and TC17-061) that should be submitted to the FCC by March 15, 2019.

TODAY, shall the Commission certify the current study area boundaries, as described by staff?

Items for Commission Discussion

Public Comment

Individuals who wish to make public comments to the commission may do so in person during this time. All who offer public comment are requested to sign in at the commission meeting. Time limits for comments may be determined at the discretion of the chairman.

Announcements

1. The PUC office will be closed Monday, February 18, 2019, in observance of Presidents Day.
2. PUC commissioners will attend the South Dakota State Federation of Labor Legislative Conference on Thursday, February 21, 2019, at 3:30 p.m. CST at the Ramkota Conference Center, Pierre, South Dakota.
3. PUC commissioners and staff will meet with consumers at the Sioux Empire Home Show, February 22-24, 2019, at the Sioux Falls Convention Center & Arena, Sioux Falls, South Dakota.
4. The next regular commission meeting will be Friday, March 1, 2019, at 9:30 a.m. CST in Room 413 at the State Capitol Building, Pierre, South Dakota.
5. Commission meetings are scheduled for March 19 and April 2, 2019.

/s/Cindy Kemnitz _____

Cindy Kemnitz
Finance Manager
[PUC Email](#)
February 8, 2019