

South Dakota Public Utilities Commission Meeting
March 17, 2020, at 9:30 A.M. CDT
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. CDT on Monday, March 16, 2020, 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 Minutes of the Commission Meeting Held on March 6, 2020, and the Ad Hoc Commission Meeting Held on February 27, 2020 (Staff: Macy Jo Murren)

Consumer Reports

1. Status Report on Consumer Utility Inquiries (Consumer Affairs: Deb Gregg)

Telecommunications

1. [TC20-001](#) In the Matter of the Application by Qwest Corporation dba CenturyLink QC for Approval of Waiver of Switched Access Cost Study (Staff Analyst: Brittany Mehlhaff; Staff Attorney: Amanda Reiss)

On January 28, 2020, the Commission received an application by Qwest Corporation dba CenturyLink QC (CenturyLink) for approval of a waiver of the requirement to perform a switched access cost study pursuant to ARSD 20:10:27:02. ARSD 20:10:27:07 requires that a carrier's carrier submit cost data in support of its switched access service tariff no less than once every three years. ARSD 20:10:27:02 provides that the Commission, for good cause shown, may either on its own motion or by application from a carrier's carrier, temporarily waive or suspend any rule in chapter 20:10:27. CenturyLink requests a waiver of the cost study requirement because (1) many access rates are limited by the federal ruling in the USF/ICC Transformation Order; (2) producing such a study is costly and consumes a great deal of resources; (3) CenturyLink does not intend to increase access rates at this

time; and (4) preliminary analysis based on past studies indicates that a cost study would likely justify higher rates than those from the last submitted study. On March 9, 2020, CenturyLink responded to staff's data requests.

TODAY, shall the Commission grant the Waiver of the Switched Access Cost Study? OR how shall the Commission proceed?

Electric

1. **EL18-004** **In the Matter of the Petition of Northern States Power Company dba Xcel Energy for Approval of a Proxy Pricing Proposal to Adjust Certain Fuel Clause Rider Power Purchase Costs (Staff Analysts: Brittany Mehlhaff, Jon Thurber; Staff Attorney: Kristen Edwards)**

On January 29, 2018, the Commission received a filing from Northern States Power Company dba Xcel Energy (Xcel) for approval of a proxy pricing proposal to adjust certain fuel clause rider power purchase costs. Xcel proposes a proxy pricing solution to address the costs associated with a limited number of existing wind and solar projects that currently flow through the South Dakota fuel clause. Xcel states its recommended proposal provides customers with a reasonable degree of certainty regarding certain costs currently recovered through the fuel clause, reflects a balance between ratepayers and Xcel, and maintains the basic tenets of the integrated system and associated benefits. Xcel requests approval of the proxy pricing proposal beginning retroactively on December 1, 2016, which, consistent with the Settlement Stipulation in Docket EL16-037, is the date of the initial suspension of Xcel's fuel clause adjustment. On December 18, 2019, Xcel and staff filed a Joint Motion for Approval of Settlement Stipulation and Settlement Stipulation. On January 17, 2020, Xcel and staff filed a Joint Motion for Approval of Revised Settlement Stipulation and Revised Settlement Stipulation. Staff filed its Memorandum Supporting Revised Settlement Stipulation on February 12, 2020.

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

2. **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, the Commission received an Application for a Facility Permit for a wind energy facility (Application) from Crowned Ridge Wind, LLC (Crowned Ridge or Applicant) to construct a wind energy conversion facility to be located in Grant County and Codington County, South Dakota (Project). Applicant has executed a power purchase agreement with Northern States Power Company (NSP) to sell NSP the full output of the Project. The Project became operational in 2020. Applicant estimates the total cost of the Project to be \$400 million. On July 26, 2019, the Commission issued a Final Decision and Order Granting Permit to Construct Facility; Notice of Entry. On February 3, 2020, Amber Christenson, Patrick Lynch, Melissa Lynch, Kristi Mogen, and Allen Robish (Intervenors) filed a Motion to Revoke Docket EL19-003. On February 24, 2020, Commission staff filed Staff's Response to Motion to Revoke.

TODAY, shall the Commission grant the Intervenors' Motion to Revoke Docket EL19-003? OR, how shall the Commission proceed?

3. **EL19-027** **In the Matter of the Application by Crowned Ridge Wind II, LLC for a Permit of**

a Wind Energy Facility in Deuel, Grant and Codington Counties (Staff Analysts: Darren Kearney, Jon Thurber, Eric Paulson; Staff Attorneys: Kristen Edwards, Amanda Reiss)

On July 9, 2019, the Commission received an Application for a Wind Energy Facility Permit (Application) from Crowned Ridge Wind II, LLC (CRW II), a subsidiary of NextEra Energy Resources, LLC. CRW II proposes to construct a wind energy facility to be located in Codington, Deuel and Grant counties, South Dakota (Project). The Project would be situated within an approximately 60,996-acre project area, located east of the city of Watertown (Project Area). The Project Area is in Waverly, Kranzburg North, Kranzburg South, Troy, Rome, Goodwin, and Havana townships. The total installed capacity of the Project would be approximately 301 megawatts of nameplate capacity. The proposed Project includes up to 132 wind turbine generators, access roads to turbines and associated facilities, underground 34.5-kV electrical collector lines, underground fiber-optic cable, a 34.5-kV to 230-kV collection substation, up to two permanent meteorological towers, and an operations and maintenance facility. The Project would interconnect to the electric grid at the Big Stone South 230-kV Substation using the Crowned Ridge II 5-mile 230-kV transmission line that was approved in Docket EL18-019 and the Crowned Ridge 34-mile generation tie line that was approved in Docket EL17-050. The Project is expected to be completed in 2020. CRW II has executed a purchase and sale agreement with Northern States Power Company dba Xcel Energy (NSP) to sell NSP the Project upon commercial operation. CRW II estimates the total construction cost to be \$425 million. The Commission has granted party status to nine individuals (Intervenors). An evidentiary hearing was held February 4 - 6, 2020.

TODAY, shall the Commission grant, deny, or grant with conditions, a permit for the construction of a wind energy facility to Crowned Ridge Wind II, LLC pursuant to SDCL 49-41B-25? OR, how shall the Commission proceed?

4. [EL20-002](#) In the Matter of Commission Staff's Request for an Order to Show Cause regarding Crowned Ridge Wind, LLC (Staff Analysts: Darren Kearney, Jon Thurber, Eric Paulson; Staff Attorneys: Kristen Edwards, Amanda Reiss)

On July 26, 2019, in Docket EL19-003, the Commission issued to Crowned Ridge, LLC (Crowned Ridge) a Final Decision and Order Granting Permit to Construct Facility; Notice of Entry with Permit Conditions (Permit) for the Crowned Ridge Wind facility in Grant and Codington Counties. On January 13, 2020, staff filed a Petition to Show Cause requesting the Commission to issue an Order to Show Cause requiring Crowned Ridge to come forward and show cause as to why it should not be found in violation of SDCL 49-41B-25.2 and Permit Condition 2 for failure to equip the Crowned Ridge Wind facility with an aircraft detection lighting system (ADLS). The matter was deferred at the January 21, and February 3, 2020, Commission meetings.

TODAY, shall the Commission issue an Order to Show Cause? OR, how shall the Commission proceed?

5. [EL20-003](#) In the Matter of the Filing by Otter Tail Power Company for Approval of Tariff Revisions to Its Rates for Small Power Production and Cogeneration (Staff Analyst: Brittany Mehlhaff; Staff Attorney: Amanda Reiss)

On January 31, 2020, the Commission received a filing from Otter Tail Power Company (Otter Tail) for approval of tariff revisions to its Small Power Producer Riders, Sections 12.01, 12.02, and 12.03. Otter Tail proposes to update the energy and capacity payments as well as the renewable energy credits. These payments are made to small qualifying facilities within the Otter Tail service area. Otter Tail requests an effective date of April 1, 2020.

TODAY, shall the Commission approve the proposed revisions to Otter Tail Power Company's rates for Small Power Production and Cogeneration for Qualifying Facilities?

6. [EL20-006](#) **In the Matter of the Filing by MidAmerican Energy Company for Approval of Tariff Revisions to Its 2019 Transmission Cost Recovery Reconciliation and 2020 Transmission Cost Recovery Factors (Staff Analyst: Patrick Steffensen; Staff Attorney: Kristen Edwards)**

On February 13, 2020, the Commission received MidAmerican Energy Company's (MidAmerican) filing for approval of tariff revisions to its Transmission Cost Recovery (TCR) 2019 Reconciliation and 2020 New Factor Calculation. MidAmerican's TCR mechanism was established in the company's most recent rate case, EL14-072. With this filing, MidAmerican is establishing new TCR rates based on true ups to the actual over/under recovery from 2019, 2020 forecasted MISO transmission expense, and the forecast over/under recovery for January through March of 2020. MidAmerican requests the new TCR factors have an effective date of April 2, 2020.

TODAY, shall the Commission approve the revised Transmission Cost Recovery rate factors and revised tariff sheet with an effective date of April 2, 2020?

7. [EL20-009](#) **In the Matter of the Filing by Montana-Dakota Utilities Co., a Subsidiary of MDU Resources Group Inc., for Approval of the Annual Update to Its Infrastructure Rider Rate (Staff Analyst: Patrick Steffensen; Staff Attorney: Amanda Reiss)**

On February 28, 2020, the Commission received a petition from Montana-Dakota Utilities Co. (MDU) for approval of the annual update to its Infrastructure Rider Rate, pursuant to the terms of the Company's Infrastructure Rider Rate 56 tariff. MDU is proposing to increase the tariff rate to \$0.00846 per kWh for the rate period covered by this filing. Under the Infrastructure Rider Rate 56 tariff, MDU shall update the Infrastructure Rider annually to be effective each May 1.

TODAY, shall the Commission assess a filing fee in the amount of up to \$250,000 to account for actual expenses incurred in review of this filing commencing from the filing date?

8. [EL20-010](#) **In the Matter of the Filing by Montana-Dakota Utilities Co., a Subsidiary of MDU Resources Group Inc., for Approval of the Annual Update to Its Transmission Cost Recovery Rider Rate (Staff Analyst: Brittany Mehlhaff; Staff Attorney: Amanda Reiss)**

On February 28, 2020, Montana-Dakota Utilities Co. (MDU) filed for approval of its annual update to its Transmission Cost Recovery (TCR) Rider. MDU states the proposed tariff change is necessary to reflect the projected 2020 charges assessed to MDU for transmission-related services provided by the Midcontinent Independent System Operator (MISO) and Southwest Power Pool (SPP), along with the projected revenues and/or credits received by MDU for transmission-related services. In addition, MDU is including the projected 2020 revenue requirements for two transmission projects in its projected 2020 TCR update. MDU proposes a TCR Rider rate of \$0.00513 per kWh which is a decrease of \$0.00002 per kWh from that currently authorized.

TODAY, shall the Commission 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?

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 commission.

Announcements

1. The PUC will host and commissioners and staff will attend the South Dakota/North Dakota Pipeline Safety Operators Training, March 24-25, 2020, at the Ramkota Conference Center, Sioux Falls, South Dakota.
2. PUC commissioners and staff will meet with consumers at the Black Hills Home Show, March 27-29, 2020, at the Rushmore Plaza Civic Center, Rapid City, South Dakota.
3. The next regular commission meeting will be Tuesday, March 31, 2020, at 9:30 a.m. CDT in Room 413 at the State Capitol Building, Pierre, South Dakota.
4. Commissioners will attend the Center for Public Utilities' Current Issues Forum, April 5-8, 2020, at the Eldorado Hotel, Santa Fe, New Mexico.
5. Commission meetings are scheduled for April 14 and 29, 2020.

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March 10, 2020