

South Dakota Public Utilities Commission Meeting
September 17, 2019, 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, September 16, 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 Minutes of the Commission Meeting Held on September 3, 2019 (Staff: Joy Lashley)

Consumer Reports

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

Electric

1. [EL15-020](#) In the Matter of the Application by Wind Quarry Operations, LLC, for a Wind Energy Facility Permit for the Willow Creek Wind Energy Facility and Associated Facilities (Staff Analysts: Darren Kearney, Jon Thurber; Staff Attorney: Amanda Reiss)

On May 27, 2015, Wind Quarry Operations, LLC, filed with the South Dakota Public Utilities Commission (Commission) an Application for a Wind Energy Facility Permit to construct the Willow Creek Wind Energy Facility (Project), a 103-megawatt nameplate capacity wind energy facility located on approximately 40,000 acres of privately-owned land in Butte County, South Dakota (Project Area), approximately 10 miles northeast of Newell, South Dakota. The proposed Project includes

approximately 45 wind turbines, associated access roads, a new collector substation, an operations and maintenance facility, and associated transmission interconnection facilities. The Project would interconnect to the U.S. Department of Energy Western Area Power Administration Maurine to Rapid City 115-kilovolt transmission line, which extends through the Project Area. The Project would generate utility scale electric power for residential, commercial, and industrial consumers. On November 16, 2015, the Commission issued an Order Granting Joint Motion for Approval of Settlement Stipulation and Granting Permit to Construct Facilities. On September 4, 2019, staff and Willow Creek filed a Joint Motion for Approval of Settlement Stipulation and a Stipulation regarding condition 32.

TODAY, shall the Commission grant the Joint Motion for Approval of the Settlement Stipulation and Adopt the Stipulation?

2. [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. On February 22, 2019, the Commission issued an Order Granting Joint Motion of Approval of Settlement Stipulation and Granting Permits to Construct Facilities. On September 4, 2019, Dakota Range III filed a Letter requesting the Commission approve a Murray A. McKay as the public liaison officer for the project. On September 9, 2019, Dakota Range III filed a letter requesting an Exemption from Condition 36, the public liaison requirement, of the Permit.

TODAY, shall the Commission grant Dakota Range III's Request for an Exemption from Condition 36 of the Permit? OR, shall the Commission approve Dakota Range III's proposal for public liaison? 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. On February 20, 2019, the Commission issued an Order Approving 2019 Transmission Cost Recovery Rate Adjustment for rates effective March 1, 2019. On July 1, 2019, OTP and staff (Parties) filed a Joint Motion for Approval of Stipulation on Correcting Electric Plant In Service – Transmission Rate Base Total. This Stipulation was prepared and executed by the Parties for the purpose of equitably and efficiently addressing a mistake in OTP's reported rate base in Docket EL18-021. The Parties agree that this error, arising from a rate base adjustment for the Big Stone

Area Transmission to Brookings project, should be corrected and the most appropriate vehicle for achieving this end is OTP's TCR Rider. The Stipulation specifies the Parties agree that OTP will file an update to the TCR Rider at a time to permit the rates reflecting the correction to go into effect on October 1, 2019. On July 11, 2019, the Commission issued an Order Granting Joint Motion for Approval of Settlement Stipulation; Order Approving Settlement Stipulation (Order). On July 31, 2019, OTP made its supplemental filing pursuant the Order. On September 5, 2019, OTP filed revisions to its supplemental filing to revise the TCR rates in order to fully recover the tracker balance by the end of the current recovery period.

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

4. [EL18-053](#) **In the Matter of the Application of Deuel Harvest Wind Energy LLC for a Permit of a Wind Energy Facility and a 345-kV Transmission Line in Deuel County (Staff Analysts: Darren Kearney, Jon Thurber; Staff Attorneys: Kristen Edwards, Amanda Reiss)**

On November 30, 2018, the South Dakota Public Utilities Commission (Commission) received an Application for Facility Permits (Application) from Deuel Harvest Wind Energy LLC (Deuel Harvest or Applicant), an affiliate of Invenergy LLC. Deuel Harvest proposes to construct a wind energy facility and a 345-kilovolt (kV) transmission line with an associated 345-kV interconnection substation to be located in Deuel County, South Dakota, known as the Deuel Harvest North Wind Farm (Project). The Project is expected to be completed in 2020. Applicant estimates the total construction cost to be \$400 million. An evidentiary hearing was held April 15-18, 2019. On May 30, 2019, the Commission issued a Final Decision and Order Granting Permit to Construct Facilities; Notice of Entry. On September 10, 2019, Deuel Harvest filed a Letter regarding Compliance Filing, Condition No. 33 of the Permit. The letter requested the Commission approve Mr. Eric Munz as the public liaison officer for the Project.

TODAY, shall the Commission grant Deuel Harvest's proposal for the public liaison officer? OR, how shall the Commission proceed?

5. [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, Mikal Hanson) – This docket will be discussed toward the end of the meeting.**

On July 9, 2019, the South Dakota Public Utilities Commission (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. On August 6, 2019, CRW II requested that pages 3-6 of the Application for Party Status be redacted pursuant to ARSD 20:10:01:39 (4) and SDCL 15-6-26 (c) (7). At the August 21, 2019, Commission meeting, deferred the issue of confidentiality in order to allow the parties to submit briefs. On September 10, 2019, Commission staff filed a Motion for Adoption of a Procedural Schedule.

TODAY, shall the Commission issue a procedural schedule? AND, shall the Commission grant CRW II's request to designate Section 11.10 as found in the August 6 Application for Party Status as confidential? OR, how shall the Commission proceed?

6. [EL19-029](#) In the Matter of the Filing by MidAmerican Energy Company for Approval of Tariff Revisions to Update the Disconnect Notice (Staff Analyst: Joseph Rezac; Staff Attorney: Amanda Reiss)

On August 8, 2019, the South Dakota Public Utilities Commission received a filing from MidAmerican Energy Company (MidAmerican) for approval of tariff revisions to update its disconnect notice located in the sample forms portion of the tariff. MidAmerican requests an effective date of September 20, 2019. On September 4, 2019, MidAmerican filed revised tariff sheets.

TODAY, shall the Commission approve the proposed tariff revisions with an effective date of September 20, 2019?

7. [EL19-030](#) In the Matter of the Filing by NorthWestern Corporation dba NorthWestern Energy for Approval of Tariff Revisions to Its LED Light Rates (Rates 19 and 56) (Staff Analysts: Brittany Mehlhaff, Patrick Steffensen; Staff Attorney: Amanda Reiss)

On August 23, 2019, the South Dakota Public Utilities Commission received a filing from NorthWestern Corporation dba NorthWestern Energy (NorthWestern) for approval of changes to its Rate 19 Reddy Guard and Rate 56 street light tariffs. The proposed changes are made to accommodate the varying wattages of LED lights used by NorthWestern's customers. NorthWestern requests an effective date of October 1, 2019.

TODAY, shall the Commission approve NorthWestern's tariff revisions with an effective date of October 1, 2019?

8. [EL19-032](#) In the Matter of the Petition of Northern States Power Company dba Xcel Energy for Approval of Its 2020 Transmission Cost Recovery Eligibility and Rate Adjustment (Staff Analysts: Brittany Mehlhaff, Patrick Steffensen; Staff Attorney: Kristen Edwards)

On August 30, 2019, the Commission received a petition from Northern States Power Company dba Xcel Energy (Xcel) for approval of its 2020 Transmission Cost Recovery (TCR) Rider, TCR rate factor, and tracker account report. For 2020, Xcel proposes recovery of the South Dakota jurisdictional

portion of the revenue requirements related to 19 transmission projects located throughout its service territory. Xcel proposes to include four new projects for 2020. Xcel proposes to recover \$6.5 million associated with these projects for the 2020 calendar year. Included in the \$6.5 million figure is the 2019 over-collection balance of \$737,588. The total of the transmission investment costs and the tracker balance results in an average bill impact of \$2.24 per month for a typical residential electric customer using 750 kWh per month. This is a decrease of \$0.04 per month from the current TCR Rider recovery. Xcel proposes to implement a rate of \$0.002986 per kWh applied to all energy billed to each customer class beginning January 1 through December 31, 2020. This represents a decrease of \$0.000051 from the existing rate of \$0.003037 per kWh.

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?

Natural Gas

1. [NG19-007](#) **In the Matter of the Filing by MidAmerican Energy Company for Approval of Tariff Revisions to Update the Disconnect Notice (Staff Analyst: Joseph Rezac; Staff Attorney: Amanda Reiss)**

On August 8, 2019, the Commission received a filing from MidAmerican Energy Company (MidAmerican) for approval of tariff revisions to update its disconnect notice located in the sample forms portion of the tariff. MidAmerican requests an effective date of September 20, 2019. On September 4, 2019, MidAmerican filed revised tariff sheets.

TODAY, shall the Commission approve the proposed tariff revisions with an effective date of September 20, 2019?

2. [NG19-008](#) **In the Matter of the Filing by NorthWestern Corporation dba NorthWestern Energy for Approval of its Gas Transportation Tariff Revisions Regarding Fuel Retention Percentage (Staff Analyst: Eric Paulson; Staff Attorney: Amanda Reiss)**

On August 23, 2019, the Commission received a filing from NorthWestern Corporation dba NorthWestern Energy (NorthWestern). This filing proposes to update Sheet No. 6.2 in Section No. 5 of NorthWestern's filed natural gas tariff. NorthWestern's tariff provides that the Fuel Retention Percentage is to be updated annually and be effective October 1 each year. NorthWestern also proposes to update the fuel rate for customers with an average daily therm usage greater than 30,000. NorthWestern states that customers who fit this high usage criterion are primarily direct connect customers whose gas system is not subject to the normal losses in a distribution system. NorthWestern seeks an effective date of October 1, 2019.

TODAY, shall the Commission approve the proposed tariff revisions effective October 1, 2019?

Telecommunications

1. [TC19-039](#) **In the Matter of the Request of Qwest Corporation dba CenturyLink QC for Certification Regarding Its Use of Federal Universal Service Support (Study Area: 395145) (Staff Analyst: Lorena Reichert; Commission Attorney: Karen Cremer) – This docket will be discussed toward the end of the meeting.**

On June 28, 2019, the South Dakota Public Utilities Commission (Commission) received an application from Qwest Corporation dba CenturyLink QC (Company) requesting the Commission to issue a certification to the FCC and USAC indicating it is in compliance with 47 U.S.C. Section 254(e) and should receive all federal universal service support determined for distribution to the Company. On July 25, 2019, the Company responded to staff's data request. At the September 3, 2019, Commission meeting, this matter was deferred to the September 17, 2019, Commission meeting.

TODAY, shall the Commission provide a certification to the Federal Communications Commission and to the Universal Service Administration Company regarding the use of Federal Universal Service Support?

2. [TC19-041](#) **In the Matter of AF Pierre, Inc. dba Anytime Fitness' Petition for a Declaratory Ruling Regarding Alleged Do Not Call Violations (Consumer Affairs Manager: Deb Gregg; Staff Attorneys: Kristen Edwards and Mikal Hanson) – This docket will be discussed toward the end of the meeting.**

On July 10, 2019, AF Pierre, Inc. dba Anytime Fitness (Anytime) filed a Petition for Declaratory Ruling requesting the Commission issue a declaratory ruling finding that telephone calls made by Anytime do not constitute telephone solicitation as defined by SDCL 49-31-1(30). Staff filed a Response on July 15, 2019, contending that the calls do violate Do-Not-Call laws. On July 17, 2019, Commission staff filed an Amended Response clarifying Anytime's status as a business entity. Anytime filed a Reply on July 18, 2019.

TODAY, shall the Commission issue a Declaratory Ruling? OR, how shall the Commission proceed?

3. [TC19-042](#) **In the Matter of the Application of Time Warner Cable Business LLC for a Certificate of Authority to Provide Interexchange Long Distance Services in South Dakota (Staff Analyst: Joseph Rezac; Staff Attorney: Amanda Reiss)**

On July 22, 2019, Time Warner Cable Business LLC filed an application for a Certificate of Authority to provide interexchange long distance services in South Dakota. Specifically, Time Warner Cable Business LLC seeks to operate as a provider of facilities-based interexchange telecommunications services in the State of South Dakota.

TODAY, shall the Commission grant Time Warner Cable Business LLC request for a Certificate of Authority to provide interexchange telecommunication services in South Dakota?

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 next regular commission meeting will be Tuesday, October 1, 2019, at 9:30 a.m. CDT in Room 413 at the State Capitol Building, Pierre, South Dakota.
2. Commissioners and staff will meet with representatives of Northern Natural Gas on Tuesday, October 1, 2019, at 2:00 p.m. CDT in Room 413 at the State Capitol Building, Pierre, South Dakota. The agenda is to discuss a rate case and business update and a recap of the company's winter 2018-2019 activities.
3. The PUC office will be closed Monday, October 14, 2019, in observance of the Native American Day holiday.
4. PUC commissioners and staff will meet with Nebraska Public Service Commission representatives, CenturyLink representatives and South Dakota CenturyLink customers from the Valentine, Nebraska, telephone exchange (prefix 378) on Wednesday, October 9, 2019, at 6:30 p.m. CDT at The Niobrara Lodge, 803 E. Highway 20, Valentine, Nebraska. The agenda is to discuss the progress of improvements to the CenturyLink telephone system and provision of broadband internet service in the area.
5. Commission meetings are scheduled for October 15 and 30, 2019.

/s/Cindy Kemnitz

Cindy Kemnitz
Finance Manager
puc@state.sd.us
September 10, 2019