

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF SOUTH DAKOTA

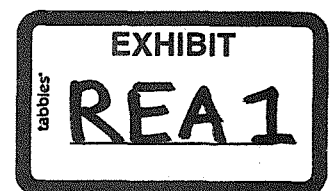
IN THE MATTER OF THE APPLICATION OF SCS CARBON TRANSPORT, LLC FOR A
PERMIT TO CONSTRUCT A CARBON DIOXIDE TRANSMISSION PIPELINE

SD PUC DOCKET HP22-001

PRE-FILED DIRECT TESTIMONY OF TED SMITH

ON BEHALF OF SOUTH DAKOTA RURAL ELECTRIC ASSOCIATION (“SDREA”)

June 16, 2023



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1 **Q: Would you please state your name and business address?**

2 **A:** Yes. My name is Ted Smith, I am the Vice President of Engineering & Operations at Sioux
3 Valley Energy, whose address is 47092 SD Hwy 34, Colman, SD 57017.

4 **Q: Could you describe your professional experience, including your duties in the position**
5 **of VP of Engineering & Operations?**

6 **A:** I am a registered professional engineer in the state of Minnesota. I have been the VP of
7 Engineering and Operations for Sioux Valley Energy for 17 years. In that role, I am
8 responsible for the planning, budgeting and execution of all construction and maintenance
9 activities related to the electric distribution system of Sioux Valley Energy. I am
10 responsible to ensure that Sioux Valley Energy's interests are not adversely affected by
11 any outside forces. This would include ensuring that all crossings of other utilities and
12 pipelines meet all applicable codes and laws.

13 **Q: Is Sioux Valley Energy a member of the South Dakota Rural Electric Association**
14 **("SDREA")?**

15 **A:** Yes.

16 **Q: Are you aware that SDREA filed for party status in HP22-001, which is the**
17 **application of SCS Carbon Transport, LLC ("SCS") for a Permit to construct the**
18 **South Dakota pipeline portion of the Midwest Carbon Express Project ("Project")?**

19 **A:** Yes, I am aware of that.

20 **Q: Are you aware of the reason SDREA intervened on behalf of its member electric**
21 **cooperatives?**

22 **A:** From a high level, to protect the interests of its member rural electric cooperatives in
23 provisioning the valuable resource of safe and reliable electric power to South Dakotans.
24 I believe SDREA and its impacted member electric cooperatives are particularly interested
25 in protecting the placement of and crossing of SCS pipeline and SDREA member electric
26 lines, both overhead and underground.

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27 **Q: Are you generally aware of SCS' proposal for the Project?**

28 **A:** According to the Application, SCS' owner, Summit Carbon Solutions, LLC, proposes to
29 build a carbon capture and sequestration Project that will move carbon dioxide (CO₂) from
30 participating industrial facilities in South Dakota (and other states) to a sequestration site
31 in North Dakota, where the CO₂ will be safely and permanently stored. Summit Carbon
32 Solutions, LLC has offtake agreements with seven ethanol plants in South Dakota. The
33 entire Project includes approximately 2,000 miles of pipeline, with 469 miles of pipeline
34 in South Dakota covering 18 counties.

35 **Q: Are you aware if the project will cross any SDREA member facilities?**

36 **A:** Yes, it is my understanding that SDREA has identified eleven member cooperatives that
37 may be impacted by the South Dakota portion of the Project: Codington-Clark Electric
38 Cooperative, Dakota Energy, FEM Electric Association, H-D Electric Cooperative,
39 Kingsbury Electric Cooperative, Northern Electric Cooperative, Oahe Electric
40 Cooperative, Sioux Valley Energy, Southeastern Electric Cooperative, East River Electric,
41 and Basin Electric.

42 **Q: Is SDREA, on behalf of its affected members, willing to collaborate with SCS**
43 **regarding safe crossing and parallel locating of their respective lines?**

44 **A:** Yes.

45 **Q: What steps have been taken to do this?**

46 **A?** To date, we have been meeting internally in an attempt to develop a crossing agreement.

47 **Q: From a high level, are there certain safety standards you believe need to be met to**
48 **preserve the integrity of SDREA member facilities?**

49 **A:** Yes. For underground utility lines, we believe there should be a minimum separation
50 distance of 2 feet, and a crossing angle as close to 90 degrees perpendicular as possible.
51 When SCS' pipeline runs parallel to our underground utility lines, the minimum distance
52 of separation should be 10 feet. For overhead utility lines, all applicable OSHA and
53 National Electric Safety Code clearance must be maintained when crossing or paralleling

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54 utility electric lines, including minimum ground clearance above access roads, working
55 clearances for construction equipment, and other applicable clearances. In addition, if SCS
56 utilizes access roads, SCS must perform 811 locate calls and spot checks to ensure there is
57 always at least 3 feet of cover. If a SDREA member electric utility needs to relocate an
58 electric line or facility, SCS should cover the costs to relocate. SCS must cover all costs
59 of damage to electric lines, in the event of a rupture or leak.

60 **Q: To your knowledge, has SDREA, on behalf of you and other affected member electric**
61 **cooperatives, reached out to SCS to negotiate a crossing agreement?**

62 **A:** It is my understanding that SDREA's attorneys have contacted SCS' local attorneys to
63 discuss negotiating a mutually acceptable crossing and relocation agreement.

64 **Q: Is it your goal and the goal of SDREA to negotiate a mutually acceptable agreement**
65 **with SCS, outside of the formal hearing scheduled in this docket?**

66 **A:** Yes, that is the goal.

67 **Q: Will you ask the Commission to include as a condition of any permit granted in this**
68 **docket adherence to the crossing agreement?**

69 **A:** Yes.

70 **Q: In the event SDREA and its member cooperatives and SCS fail to mutually agree**
71 **upon the terms and conditions of a crossing agreement, will SDREA appear at the**
72 **hearing to present evidence on the terms and conditions of a crossing agreement?**

73 **A:** Yes, that is our intent. Because of the importance of safe and reliable electric power to
74 South Dakotans, we believe that in this permitting process, the Commission should
75 implement safeguards for crossings of our electric lines by the SCS pipeline.

76 **Q: Are there any other interests SDREA and its member electric cooperatives have in**
77 **this docket?**

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78 A. Yes. We want to make sure that any negotiated agreements or Commission-imposed
79 conditions cover both current and future crossings. We also want to make sure that nothing
80 in the permitting process interferes with or compromises our existing or future easements.

81 Q: **Does that conclude your testimony?**

82 A: Yes. Thank you.