

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION OF NAVIGATOR HEARTLAND GREENWAY,
LLC FOR A PERMIT UNDER THE SOUTH DAKOTA ENERGY CONVERSION AND
TRANSMISSION FACILITIES ACT TO CONSTRUCT THE HEARTLAND GREENWAY
PIPELINE IN SOUTH DAKOTA

SD PUC DOCKET HP22-002

PRE-FILED DIRECT TESTIMONY OF TED SMITH
ON BEHALF OF SOUTH DAKOTA RURAL ELECTRIC ASSOCIATION ("SDREA")

MAY 25, 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 HP22-002, which is the**
17 **application of Navigator Heartland Greenway, LLC for a Permit to construct the**
18 **Heartland Greenway Pipeline in South Dakota ("HGPS")?**

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 HGPS pipeline and SDREA member electric
26 lines, both overhead and underground.

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27 **Q: Are you generally aware of Navigator's proposal for the HGPS pipeline?**

28 **A:** According to the Application, HGPS will capture carbon dioxide (CO₂) emissions
29 compressed into a dense phase, and will transport the compressed CO₂ to either an
30 underground sequestration site or to a terminal for distribution to industrial users of CO₂.
31 The entire pipeline is 1,300 miles across 5 states. In South Dakota, the HGPS consists of
32 approximately 111.9 miles of pipeline in parts of Brookings, Moody, Minnehaha, Lincoln,
33 and Turner Counties that connect three ethanol plants to the project.

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

35 **A:** Yes, to my knowledge the HGPS will cross electric facilities of my company, Sioux Valley
36 Energy, and Southeastern Electric Cooperative.

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

39 **A:** Yes.

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

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

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

44 **A:** Yes. For underground utility lines, we believe there should be a minimum separation
45 distance of 2 feet, and a crossing angle as close to 90 degrees perpendicular as possible.
46 When HGPS pipeline runs parallel to our underground utility lines, the minimum distance
47 of separation should be 10 feet. For overhead utility lines, all applicable OSHA and
48 National Electric Safety Code clearance must be maintained when crossing or paralleling
49 utility electric lines, including minimum ground clearance above access roads, working
50 clearances for construction equipment, and other applicable clearances. In addition, if
51 Navigator utilizes access roads, Navigator must perform 811 locate calls and spot checks
52 to ensure there is always at least 3 feet of cover. If a SDREA member electric utility needs

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53 to relocate an electric line or facility, Navigator should cover the costs to relocate.
54 Navigator must cover all costs of damage to electric lines, in the event of a rupture or leak.

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

57 **A:** I am not aware of that. I am aware that we are working on a template of a crossing
58 agreement to present to Navigator.

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

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

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

64 **A:** Yes.

65 **Q: In the event SDREA and its member cooperatives and Navigator fail to mutually**
66 **agree upon the terms and conditions of a crossing agreement, will SDREA appear at**
67 **the hearing to present evidence on the terms and conditions of a crossing agreement?**

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

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

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

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

77 **A:** Yes. Thank you.