

Docket Number: EL21-021
Subject Matter: First Data Request
Request to: NorthWestern Energy and Dakota Energy Cooperative
Request from: South Dakota Public Utilities Commission Staff
Date of Request: July 14, 2021
Responses Due: July 23, 2021

1-1) Please provide documentation, signed by the property owner, that the property owner agrees to NorthWestern Energy serving the Grain Bin Site at NorthWestern's applicable tariffed rate.

[Response: Please see the attached email from customer Nate Munger.](#)

1-2) Referring to Section 2 (Reservation of Rights) in the *Consent and Agreement for Electric Service*, please explain what is intended by the statement: "NorthWestern acknowledges that Dakota Energy reserves the right to provide electrical utility service should future installations on the Property require electricity in excess of 500 kVA." Specifically, is the statement intended to revoke the service rights exception for the Grain Bin Site so that Dakota Energy Cooperative would then have the ability to serve the Grain Bin Site in addition to the future loads that cause the load at the Property to exceed 500 kVA?

[Response: In this and similar instances, the party releasing a customer typically includes a description of the planned service use and a size limit. Dakota Energy Cooperative is agreeing to release the customer to NorthWestern, but for the limited purpose of serving the Grain Bin Site up to 500kVA. Use in excess of the stated limit or for a different purpose would require further discussion between the parties and Commission approval. The customer intends to develop the site in stages over the next 6 years, and the total projected maximum load is expected to reach approximately 490 kVA. Based on the load projections the customer has provided, the customer's use will never exceed 500kVA.](#)

1-3) Please provide NorthWestern's calculations for customer revenue projections vs. estimated line extension costs that were done in accordance with Section 5.0, Sheet No. 1a, of NorthWestern's Tariff in order to demonstrate that property owner will not need to contribute to the line extension costs.

[Response: See CONFIDENTIAL 1-3 Attachment A, included with this response. NorthWestern was conservative in this calculation and assumed 150 kVA of load for 30 days in the fall and 53 kVA of load for 160 hours for grain removal during the winter months.](#)

1-4) Does the property owner have any plans to expand the facility within the next 3 years that could cause the load at the Property to exceed 500 kVA?

[Response: No intent to expand the facility in excess of 500kVA was communicated by the customer to NorthWestern. It is our understanding the customer intends to install all of the bins and load at this site over the next 6 years.](#)

Docket Number: EL21-021
Subject Matter: First Data Request
Request to: NorthWestern Energy and Dakota Energy Cooperative
Request from: South Dakota Public Utilities Commission Staff
Date of Request: July 14, 2021
Responses Due: July 23, 2021

1-5)Based on Section 4 (Termination) and Section 2 (Reservation of Rights) of the *Consent and Agreement for Electric Service*, please explain how NorthWestern will ensure that its other customers will not have to pay for a stranded asset should the service rights exception terminate prior to the customer's revenues covering the cost of the line extension.

Response: In accordance with applicable tariff, NorthWestern performed the same economic analysis applied to all customer requests for services of this type, and assumed a conservative 150 kVA of load. The completed site is expected to require nearly 500 kVA of load, and our evaluation did not result in a determination that credit measures were required. The most likely termination scenario would result from the customer abandoning or changing plans for the property. Considering the investment of the customer in this site, we believe the risk of termination is low. We believe the likelihood of stranded assets prior to recovery is also low, but similar to all developments of this type the risk does exist.