

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE PETITION FOR
SWEETMAN CONST. CO. D/B/A KNIFE
RIVER, TO HAVE XCEL ENERGY
ASSIGNED AS ITS ELECTRIC
PROVIDER IN THE SERVICE AREA OF
SIOUX VALLEY ELECTRIC

EL-25-032

**SIOUX VALLEY ELECTRIC'S
RESPONSES TO THE STAFF OF THE
PUBLIC UTILITIES COMMISSION'S
FIRST DATA REQUEST**

Docket Number: EL25-032
Subject Matter: First Data Request
Request to: Sioux Valley – Southwestern Electric Cooperative, Inc.
Request from: South Dakota Public Utilities Commission Staff
Date of Request: 10/31/2025
Responses Due: 11/14/2025

- 1-1. Per SDCL § 49-34A-56(2) provide details about the availability of Sioux Valley – Southwestern Electric Cooperatives, Inc.'s (Sioux Valley) adequate power supply for the anticipated load of 11 Megawatts. For example, where is the power supply located, what are the technical specifications of the power supply?

RESPONSE: Sioux Valley currently has a 7.2/12.47 kV distribution feed to the Knife River plant site extending from East River's Corson substation, which is located 1.3 miles away. The current distribution feed has limited capacity and would not be capable of serving the 11 MW load without upgrades to the distribution system and substation facilities. There is a robust 115 kV transmission system in the area operated by Sioux Valley's supplier East River which has ample capacity to service the 11 Megawatt load. The existing 115 kV line is located either 1 mile west of the plant site or 1 mile north of the plant site.

- 1-2. Per SDCL § 49-34A-56(3) provide a detailed answer as to the development or improvement of Sioux Valley's electric system, including the economic factors relating thereto, needed for Sioux Valley to serve this customer

RESPONSE: It would be necessary for Sioux Valley and East River to expand the current substation/distribution system in the area to accommodate 11 Megawatts of load. Relative to the 7.2/12.47 kV distribution system, it would be necessary for Sioux

Valley to construct a minimum of two dedicated feeders to service the Knife River plant load. To improve reliability, Sioux Valley would recommend three feeders to accommodate opportunity for expansion and recommended redundancy. In addition, substation facilities would need to be upgraded, or in the alternative, a new substation would need to be constructed to accommodate the load. If a new substation were to be required, an additional 115 kV line would need to be constructed to serve the substation at the desired location.

- 1-3. Per SDCL § 49-34A-56(4) provide the proximity of Sioux Valley's adequate facilities from which electric service of the anticipated load of 11 Megawatts may be delivered. What type of service would be extended and what is the approximate cost Sioux Valley anticipates to extend service to the customer? What existing facilities exist? Who would Sioux Valley anticipate pay for such extension cost?

RESPONSE: East River currently has a 115 kV transmission line approximately 1.25 miles west of a proposed new substation site that has been previously discussed with Knife River. Given Knife River's request, Sioux Valley proposed to serve the 11 Megawatt load by constructing approximately 1.25 miles of 115 KV transmission line, a new distribution substation, and initially, two 7.2/12.47 kV distribution circuits. The 1.25 miles of 115 kV transmission line would carry an approximate cost of [PROTECTED DATA BEGINS] [REDACTED] [PROTECTED DATA ENDS] which would be attributed solely to Knife River, as such newly constructed transmission line would be deemed dedicated facilities. The distribution substation would be constructed at an approximate cost of [PROTECTED DATA BEGINS] [REDACTED] [PROTECTED DATA ENDS] of which Knife River would be responsible for 100% [PROTECTED DATA BEGINS] [REDACTED] [PROTECTED DATA ENDS]. The two 7.2/12.47 kV distribution circuits would be constructed at an approximate cost of [PROTECTED DATA BEGINS] [REDACTED] [PROTECTED DATA ENDS] which would be attributed solely to Knife River, as such newly constructed distribution circuits would be deemed dedicated facilities. In sum, the total project cost would be approximately [PROTECTED DATA BEGINS] [REDACTED] [PROTECTED DATA ENDS] of which Knife River would be responsible for approximately [PROTECTED DATA BEGINS] [REDACTED] [PROTECTED DATA ENDS]

It is important to note that there does remain an option to utilize the existing substation to accommodate Knife River's anticipated 11 Megawatt load, although Sioux Valley has yet to be granted an opportunity to discuss such an option with Knife River. If such an option were to be utilized, the estimated cost to Knife River would be [PROTECTED DATA BEGINS] [REDACTED] [PROTECTED DATA ENDS]. Sioux Valley would certainly be amendable to discussing payment terms with Knife River

relative to utilizing the existing substation. Such an option would require Sioux Valley to build approximately 3 miles of distribution line from the existing Corson substation. This option is similar to that which appears to be Xcel's proposal to Knife River, with the important distinction that instead of constructing 10 miles of distribution infrastructure (as proposed by Xcel), East River would need to upgrade the Corson Substation, and Sioux Valley would need to construct approximately 3 miles of distribution infrastructure.

- 1-4. SDCL § 49-34A-56(5) states the Commission shall consider the preference of the customer. Explain in detail why the Commission should disregard the preference of the Customer in favor of taking power from Sioux Valley, taking into account that a new customer at a new location ... with a contracted minimum demand of 2,000 kilowatts or more is not obligated to take electric service from the electric utility having the assigned service area.

RESPONSE: This request addresses one of six factors that SDCL § 49-34A-56 directs the Commission to consider in determining whether a new customer at a new location may seek an alternate service provider. At this time, Sioux Valley does not have any information to determine whether Knife River indeed qualifies as a new customer or that the location at issue is a new location pursuant to SDCL § 49-34A-56. Sioux Valley currently has distribution facilities into this site serving an existing load for Knife River. The load now proposed appears to be an expansion of the existing Knife River facility to provide additional product/services. All of Knife River's parcels are contiguous, and many of the proposed new facilities are located on the existing parcels currently under operation by Knife River. In addition, Sioux Valley disputes the existence of a contracted minimum demand of 2,000 kilowatts. Moreover, awarding Xcel the right to serve Knife River's expansion results in the duplication of facilities and wasteful spending, a result that runs contrary to the efficient and economical use and development of the State's electric system. In addition, it appears that the cost for constructing Xcel's additional distribution line and upgrade to its feeder infrastructure is to be borne by the rate payers as opposed to the cost causer. Sioux Valley Energy, East River, and Basin Electric have served a set of joint data requests upon Knife River. Knife River's responses are not yet due. Sioux Valley reserves the right to amend or supplement this response.

- 1-5. Per SDCL § 49-34A-56(6) Provide any and all pertinent factors affecting the ability of Sioux Valley to furnish adequate electric service to fulfill the customers' requirements.

RESPONSE: Necessary and/or recommended infrastructure upgrades as indicated in Responses to Data Requests, 1-1, 1-2, and 1-3. Sioux Valley respectfully asserts that

despite the necessary and/or recommended infrastructure upgrades, Sioux Valley's facilities are closer in proximity to the project site than those of Xcel Energy.

1-6. Do you dispute that this is a new customer?

RESPONSE: Yes. Please see Responses to Data Requests 1-1, 1-2, 1-3, and 1-4.

1-7. Do you dispute that this is a new location?

RESPONSE: Yes. Please see Responses to Data Requests 1-1, 1-2, 1-3, and 1-4.

1-8. Do you dispute that this is located outside municipalities?

RESPONSE: No.

1-9. Do you dispute that Xcel has the availability of an adequate power supply?

RESPONSE: Sioux Valley, East River, and Basin Electric served a set of joint discovery requests upon Xcel Energy seeking information relative to how Xcel Energy intends to fulfill Knife River's demand and energy requirements, whether it will need to procure or construct additional capacity to cover Knife River's expected demand, and whether it has or will perform any studies on the large load addition to its transmission system. Xcel Energy's responses are not yet due. Sioux Valley reserves the right to amend or supplement this response when such information is known.

Dated this 14th day of November, 2025.

/s/ Mike Nadolski

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