

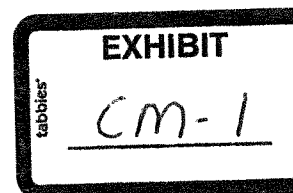
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

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

SD PUC DOCKET EL25-032

PRE-FILED DIRECT TESTIMONY OF CLARK MEYER, GENERAL MANAGER,
SWEETMAN CONST. CO. D/B/A KNIFE RIVER

January 15, 2026



1 **Q. Please state your name and business address.**

2 A. Clark Meyer. 1500 N Sweetman Pl., Sioux Falls, SD

3 **Q. By whom are you employed and in what capacity?**

4 A. I am a full-time employee and the President of Sweetman Const. Co. d/b/a Knife River
5 (“Knife River”)

6 **Q. Please describe your duties and responsibilities with the Knife River.**

7 A. As the President, I oversee the entire Sioux Falls and Iowa SMA (Strategic Market Area).

8 **Q. Please outline your educational and professional background**

9 A. I have worked for this company for 32 years in various capacities with almost all of it in
10 management. I took over as President in 2018 when Knife River purchased Sweetman Const.
11 Co.

12 **Q. Have you testified in other proceedings before a regulatory agency?**

13 A. No.

14 **Q. Have you participated in discussions with Xcel Energy (“Xcel”) regarding its
15 proposed relationship with Knife River?**

16 A. Yes.

17 **Q. Can you briefly relay to the Commission the nature and substance of those
18 conversations?**

19 A. Xcel is our power supplier at other sites for the company. We asked for a proposal from
20 them to supply our new site and rock crushing plant operation.

21 **Q. What led Knife River to negotiate with Xcel?**

22 A. The electric power supply is a crucial part and one of the largest expenses of our new
23 planned operation. As part of the due diligence and to make the best business decision, it's our
24 duty to vet all options and make an informed decision on what will be best for the operation.

25 **Q. Is Knife River an existing customer of Xcel?**

26 A. Yes.

27 **Q. Is Knife River an existing customer of Sioux Valley Electric?**

28 A. Yes.

29 **Q. Does Knife River own property near Corson, South Dakota?**

30 A. Yes, the company's existing sand plant is located near Corson. This plant is served by
31 Sioux Valley Electric. The proposed location of the new rock crushing facility is also located
32 near Corson. See, map attached as Exhibit A.

33 **Q. Does Knife River lease mineral rights adjacent to the property it owns near Corson,
34 South Dakota?**

35 A. No. Knife River owns all the necessary property for mineral extraction in the area.

36 **Q. Are these minerals in the same location?**

37 A. No, as Exhibit B shows, the mining of sand and quartzite is and will be done at different
38 locations.

39 **Q. What existing structures are on the property owned by Knife River near Corson,
40 South Dakota?**

41 A. See the attached map marked as Exhibit A which shows the existing sand plant that is
42 located near Corson, South Dakota. The proposed location of the new facility also shown on
43 Exhibits A and B has no structures, and is largely bare ground and undeveloped.

44 **Q. What is the legal description of the sand plant location? And the proposed rock**
45 **crushing facility?**

46 A. See, Exhibit B.

47 **Q. Are they on the same property?**

48 A. No, they are not.

49 **Q. Do the sand plant and proposed rock crushing facility have the same 911 address?**

50 A. At this point they do. At some point I would anticipate that will change. Currently the
51 two properties share the same approach to SD Hwy 11 due to the access to the properties
52 converging to pass underneath the BNSF railroad mainline.

53 **Q. What are the plans for new structures to be located on the property owned by Knife**
54 **River near Corson, South Dakota?**

55 A. The new facility will produce a new product, a crushed and screened quartzite rock. This
56 is different from the sand cleaned and produced at the existing plant.

57 **Q. Can you describe what the existing sand washing plant does?**

58 A. At the current natural sand plant, the raw material is mined from a glacial deposit. After
59 the overburden is stripped, the deposit, which the vein varies in depth from 10' to 50', is loaded
60 into a hopper feeding a conveyor that transports the raw feed, often containing clay, silt, organic
61 matter, and oversize particles. Large rounded stones and other oversize particles are removed
62 using a screening process. The oversize stones are then run through a log washer to break off
63 any clay lumps or surface contaminants. The fine material (sand) enters a classifying tank which
64 can produce multiple grades of sand by controlling the settling rates. Upon discharging from the
65 classifying tank, the sand retains excess moisture which requires a process using a dewatering
66 screw to reduce moisture, so the finished product is stackable. Another important component is

67 the water recycling and management system. The water used to wash the sand is processed
68 through a “mud plant” which used flocculants and a belt press system to remove the clay. The
69 clay is hauled back and deposited near where the original sand deposit was mined. This cleans
70 up the water enough to be recycled in the sand washing system. Final products are washed
71 concrete sand and a small percentage of round, natural, multi-colored decorative rock.

72 **Q. Why does Knife River want to build a new manufacturing plant on their property?**

73 A. Processing plants are typically built near wherever the natural mineral deposit is located
74 in the earth.

75 **Q. Describe what the new facility, or rock crushing plant, will produce.**

76 A. At a quarry rock crushing plant, the raw material is a metamorphic quartzite
77 deposit. After the overburden is stripped, the deposit is over 1,000’ deep. Retraction begins with
78 drilling blast holes into the rock face and then detonating controlled explosives to fracture the
79 rock into manageable pieces. The shot rock is then loaded into a jaw crusher which downsizes
80 the product into minus 10” material. This material is processed over vibrating screens. The
81 passing material is used in high-spec applications like asphalt concrete. The oversize material is
82 then processed by a cone crusher, which is ideal for producing uniform, cubical aggregates. The
83 material from the cone crusher is again screened into a variety of final sized products and
84 stockpiled separately for market.

85 **Q. Would the two plants once completed share any services?**

86 A. No. They will be standalone, separate operations.

87 **Q. So this rock crushing facility will not be an expansion of your existing operation?**

88 A. Correct, our sand washing operation is wholly separate. This will be a new product line
89 and from a completely newly constructed facility. They do not mix, are not related and one does
90 not require the use or involvement of the other.

91 **Q. Does the property you are planning to build the new rock crushing plant have**
92 **existing utility services?**

93 A. No. It is essentially bare ground.

94 **Q. Could Sioux Valley Electric serve your new rock crushing facility with the electrical**
95 **facilities it uses to serve the sand plant?**

96 A. It is my understanding they cannot.

97 **Q. What facilities, to your understanding, will need to be built by Xcel to service the**
98 **electrical needs of the new rock crushing plant?**

99 A. As I understand it, Xcel will have to run a 34.5Kv line from its local substation to the
100 property.

101 **Q. Will the new rock crushing plant require more than two megawatts of contracted**
102 **minimum load?**

103 A. Yes. The load is well in excess of the 2 MW required in SDCL §49-34A-56.

104 **Q. Has Xcel represented to you that they have the availability to provide adequate**
105 **power to your new plant?**

106 A. Yes.

107 **Q. Why does Knife River wish to obtain its electrical service from Xcel?**

108 A. We did an analysis of both possible providers. We believe in our business judgment that
109 Xcel was the better choice.

110 **Q. Have you discussed with Sioux Valley Electric the electrical needs of your new rock**
111 **crushing facility?**

112 A. Yes.

113 **Q. Are you aware of the electrical and transmission facilities of Sioux Valley in or**
114 **around your property near Corson, South Dakota?**

115 A. Generally, as they relate to serving our new proposed facility and our existing sand plant.

116 **Q. What were you told by Sioux Valley in your discussions with them?**

117 A. We were told that the best option for the new facility would be to construct a new
118 distribution substation on site to serve the load required. This substation would be at our
119 expense (estimated \$5.48 million) and we would have to provide the land (5-10 acres) for it to be
120 built on. We were told that servicing the new plant out of the Corson Substation, which currently
121 serves our sand processing facility, would be difficult without significant improvements, if it
122 were even possible.

123 **Q. Did Sioux Valley tell you who would be responsible for the costs of such**
124 **improvements, including possibly a new substation?**

125 A. Yes, they informed us we would be responsible for those costs. As contribution in aid of
126 construction.

127 **Q. Did Sioux Valley provide you with an estimate of those costs?**

128 A. Yes, with associated costs of East River Electric we were told the cost to provide
129 electrical service to the new facility would be approximately \$5,480,000.00.

130 **Q. What was the electrical rate Sioux Valley offered the new plant?**

131 A. We estimated it would be an average of between \$0.115 and \$0.136 / kWh.

132 **Q. In your discussions with Sioux Valley, did they acknowledge the substantial costs**
133 **involved for Knife River?**

134 A Yes

135 **Q. Did Sioux Valley offer to help in that regard?**

136 A. They offered to provide for a different arrangement reducing the costs to Knife River that
137 they would only share if we dropped the current petition with the Commission seeking service
138 from Xcel Energy.

139 **Q. Are you planning to do that at this time?**

140 A. No.

141 **Q. Are there any of the six factors found in § 49-34A-56 which are capable of being**
142 **factually disputed?**

143 A. No. Knife River's rock crushing plant will be a new customer in a new location requiring
144 electric service of more than two megawatts of contracted minimum demand. It has chosen to
145 take service from Xcel. Xcel has represented to Knife River that it has the adequate power
146 supply and the ability to serve the needs of the new rock crushing facility.

147

148 Dated this 15th day of January, 2026.

149

150 \s\ Clark Meyer

151 Clark Meyer, General Manager, Sweetman Const. Co d/b/a Knife River