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Intervenor Testimony  
Steve T. Kolbeck

Before the South Dakota Public Utilities Commission  
State of South Dakota

In the Matter of the Petition of Sweetman Const. Co. dba Knife River, to have Xcel Energy Assigned as its Electric Provider in the Service Area of Sioux Valley Electric

Docket No. EL25-032  
Exhibit\_\_\_\_(STK-1)

February 17, 2026

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**I. INTRODUCTION AND QUALIFICATIONS**

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Q. PLEASE STATE YOUR NAME AND TITLE.

A. My name is Steve T. Kolbeck, I am the Director of State Affairs and Business Relations.

Q. PLEASE DESCRIBE YOUR QUALIFICATIONS AND EXPERIENCE.

A. I have an Associate of Applied Science degree in Telecommunications from Mitchell Technical College, a Bachelor of Science from South Dakota State University, and a master's in business administration from Dakota Wesleyan University. I have been in the utility industry for over 30 years. I am a former South Dakota PUC Commissioner and have served on national and state boards dealing with utilities. I am also a current member in my fourth year as a South Dakota State Senator.

Q. FOR WHOM ARE YOU TESTIFYING?

A. I am testifying on behalf of Northern States Power Company, a Minnesota corporation (NSP, Xcel Energy, or the Company).

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to provide background on how the Petitioner requested the Company to serve its electrical service as well as the benefits the Company expects if the Commission grants Knife River's Petition.

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**II. BACKGROUND AND EXPECTED BENEFITS**

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Q. HOW DID THE COMPANY BECOME AWARE OF PETITIONER KNIFE RIVER'S NEW ROCK PLANT?

A. Clark Meyers from Knife River called me in the fall of 2024 to request the Company to put in a bid to provide service to a new rock crushing facility (the "Plant") Knife River is building.

Q. WHERE IS THE PLANNED ROCK CRUSHING PLANT LOCATED?

A. It is my understanding based on Knife River's representations that the rock crushing plant will be located near the northwest corner of the intersection of 260th Street and 483<sup>rd</sup> Avenue, Brandon, South Dakota (the "Location").

Q. IS THE PLANT'S PLANNED LOCATION IN THE COMPANY'S SERVICE TERRITORY?

A. No, the Plant's location is approximately 1.5 miles outside the Company's service territory.

Q. DOES THE COMPANY PROVIDE SERVICE TO OTHER CUSTOMERS NEAR THE PLANT'S LOCATION?

A. Yes, the Company currently serves the Brandon, Corson, and Garretson, South Dakota areas, which are all near the planned Knife River Plant.

Q. DID THE COMPANY PROVIDE A BID?

A. Yes, on a phone call I informed Knife River that the Company could provide service and that service would be at the Company's standard tariff rates.

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1 Q. WILL ANY OTHER CUSTOMERS BE AFFECTED IF THE COMPANY PROVIDES  
2 SERVICE TO THE PLANT?

3 A. The Company's existing customers will benefit if the Company services the  
4 Plant because it will shore up reliability by adding operational flexibility, which  
5 allows for better movement of load when needed. It will also shore up backup  
6 capability with the Lawrence distribution feeders and provide better support to  
7 adjacent feeders out of South Renner substation.

8

9 Q. HOW MUCH WILL IT COST FOR THE COMPANY TO EXTEND SERVICE TO KNIFE  
10 RIVER'S PLANT?

11 A. The approximate cost of extending service to the new customer is  
12 **[PROTECTED DATA BEGINS PROTECTED DATA**  
13 **ENDS]**, which is revenue justified using existing rate tariffs.

14

15 Q. WHO WILL BEAR THE COSTS OF PROVIDING SERVICE TO THE NEW PLANT?

16 A. Service to the Plant is revenue justified through the Company's standard tariff  
17 rates that would be charged to Knife River.

18

19 Q. WOULD THE COMPANY REQUIRE A CONTRIBUTION IN AID OF CONSTRUCTION  
20 ("CIAC") IF KNIFE RIVER'S PETITION IS GRANTED?

21 A. No, the Company will not require a CIAC payment for the infrastructure  
22 needed to serve the Plant. At the existing tariff rates and at the assumed load  
23 factor of the Plant, the infrastructure build is cost justified by the new revenue,  
24 and therefore no CIAC is required. It is the Company's understanding based on  
25 Knife River's representations that Sioux Valley will require a CIAC to be made  
26 for the infrastructure needed for Sioux Valley to serve the Plant.

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1 Q. DOES THE COMPANY HAVE A CONTRACT WITH KNIFE RIVER TO PROVIDE  
2 SERVICE TO THE ROCK CRUSHING PLANT?

3 A. No, the Company does not currently have a contract with Knife River to  
4 provide service to the rock crushing plant. The Company will not enter into a  
5 contract with Knife River to serve the Plant unless the Commission grants  
6 Knife River's Petition.

7

8 Q. DID THE COMPANY HAVE ANY DISCUSSIONS WITH SIOUX VALLEY ENERGY  
9 REGARDING PROVIDING SERVICE TO THE PLANT?

10 A. I had one communication with Sioux Valley Energy regarding the provision of  
11 electric service to the proposed Plant on around September 3, 2025, when I  
12 made a courtesy call to Sioux Valley Energy's General Manager, Tim McCarthy,  
13 to inform him that after discussion with the Company, Knife River intended to  
14 petition the Commission to have the Company provide electric service at its  
15 proposed new facility at a new location. I asked Knife River multiple times if  
16 Sioux Valley was aware they were talking to Xcel Energy, and Knife River  
17 responded that Sioux Valley was aware. That is why I waited until Knife River  
18 was sure they wanted to proceed to call.

19

20 Q. IS THE COMPANY RELYING ON ANY REPRESENTATIONS FROM KNIFE RIVER  
21 WITH RESPECT TO ITS PETITION TO HAVE THE COMPANY PROVIDE SERVICE TO  
22 THE PLANT?

23 A. Yes, the Company is relying on Knife River's representations with respect to  
24 some of the requirements under SDCL § 49-34A-56, including: (1) the amount  
25 of load the Plant will require; (2) that Knife River is a new customer; and (3) that  
26 the Plant is a new location.

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1 Q. WHAT DID KNIFE RIVER REPRESENT TO YOU REGARDING THE LOAD REQUIRED  
2 TO SERVE THE PLANT?

3 A. Knife River stated that it would require approximately **[PROTECTED DATA**  
4 **BEGINS PROTECTED DATA ENDS]** of load.

5

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**III. CONCLUSION**

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8 Q. DOES THIS CONCLUDE YOUR INTERVENOR TESTIMONY?

9 A. Yes.