

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

**IN THE MATTER OF THE PETITION FOR)
SWEETMAN CONST. CO. D/B/A KNIFE)
RIVER, TO HAVE XCEL ENERGY)
ASSIGNED AS ITS ELECTRIC) **Docket No. EL25-32**
PROVIDER IN THE SERVICE AREA OF)
SIOUX VALLEY ELECTRIC)
)**

**PRE-FILED INTERVENOR TESTIMONY
OF SCOTT SHEWEY
ON BEHALF OF EAST RIVER ELECTRIC POWER COOPERATIVE, INC.**

- 1 **Q: Please state your name and business address for the record.**
- 2 **A: Scott Shewey. My business address 211 South Harth Ave., Madison, SD 57042.**
- 3 **Q: Please state your title and responsibilities.**
- 4 **A: Chief Financial Officer for East River Electric Power Cooperative, Inc. ("East River"). I**
5 **am responsible for overseeing the financial health and results of the organization, maintaining**
6 **adequate liquidity, funding for capital improvements, financial reporting and accounting,**
7 **wholesale rate maintenance and development, financial and sales forecasting, member billing,**
8 **supply chain management, and strategic development.**
- 9 **Q: Do you have a resume or CV?**
- 10 **A: Yes. It is marked Exhibit SS-1.**
- 11 **Q: What is the purpose of your direct testimony?**

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12 **A:** To provide testimony regarding East River's rates and financing of costs relevant to Sioux
13 Valley-Southwestern Electric Cooperative, Inc. (“Sioux Valley Energy”) serving the electric
14 energy needs of Sweetman Const. CO. D/B/A Knife River (“Knife River”) for Knife River’s Rock
15 Crushing Plant (the “Plant”) in Minnehaha County, near the City of Courson, South Dakota. in
16 contrast with Excel Energy’s proposed rate as provided in their answers to data requests.

17 **Q: What documents did you review in preparation for providing this testimony?**

18 **A.** I reviewed Knife River’s Petition, as well as its responses, document production, and
19 corresponding exhibits to the First and Second Set of Joint Data Requests submitted by Sioux
20 Valley Energy, East River Electric Power Cooperative, and Basin Electric Power Cooperative
21 (“Basin Electric”) and Staff’s First and Second Set of Data Requests submitted to Knife River. I
22 also reviewed the pre-filed direct testimony of Clark Meyer, General Manager, Sweetman Const.
23 Co., doing business as Knife River, as well as the exhibits attached thereto. I also reviewed Xcel
24 Energy’s Petition to Intervene, as well as its responses to the First and Second Set of Joint Data
25 Requests submitted by Sioux Valley Energy, East River Electric Power Cooperative, and Basin
26 Electric Power Cooperative, and Staff’s First Set of Data Requests to Xcel.

27 **Q: Did you become aware of the specific Xcel Rates, Charges, Sheet No’s., General Rules**
28 **and Regulations, and Customer Service Forms applicable to the Plant?**

29 **A:** Yes. Excel responded to Sioux Valley Energy, East River Electric, and Basin Electric Data
30 Request 2-9 that their proposed rate is E20, Peak Controlled Service, Primary Voltage found on
31 page 28 under Section 5. The Rules for Application of Peak Controlled Service are on page 35.
32 The General Rules and Regulations are in Section 6. The Electric Service Agreement for Peak
33 Controlled Service is on page 17 under Section 8.

34 **Q. What is the relationship between Sioux Valley Energy , East River, and Basin?**

35 A. East River, Sioux Valley Energy, and Basin Electric are part of a three-tiered cooperative
36 power supply network following the cooperative governance model. East River is a Class A
37 Member owner of Basin Electric and has entered into a long-term, bilateral wholesale power
38 supply contract with Basin Electric, pursuant to which Basin Electric sells and delivers capacity
39 and energy requirements to East River for resale by East River to its member distribution
40 cooperatives, including Sioux Valley Energy. Sioux Valley Energy is a member-owner of East
41 River, and East River is Sioux Valley Energy's wholesale power supply provider for South Dakota.
42 Sioux Valley Energy provides retail electric service to its members, including Knife River. Basin
43 Electric generates power from a mix of generation sources, including coal, natural gas, wind, solar,
44 hydropower, recovered energy, oil/diesel/jet fuel, and market purchases.

45 **Q. In your capacity as Chief Financial Officer for East River, are you familiar with the**
46 **rate Sioux Valley Energy proposed to Knife River for its Plant?**

47 A. Yes.

48 **Q. Do you do a comparison between Sioux Valley Energy's proposed rate and Xcel's?**

49 A. Yes.

50 **Q. Please describe the process and results of your comparison.**

51 A. The Xcel rate indicated to be utilized by Knife River is E20 Peak Controlled Service, which
52 requires the load to elect a maximum load during control periods or a fixed amount of load control
53 that is utilized during curtailment calls. The load did not indicate to Sioux Valley Energy that it
54 was able to and interested in curtailment, and as such, the pricing provided by Sioux Valley Energy
55 does not include the benefit of load control.

56 Under the Xcel Rate E20 Peak Controlled Service, the kWh charge includes an energy charge plus
57 4 rate riders plus 1 DSM Cost Adjustment Factor, plus an Interim Rate Surcharge. The total charge

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58 per kWh, excluding demand charges, for loads utilizing the Xcel rate is \$0.08508, which when
59 compared to the updated Sioux Valley Energy quote of [Protected Data Begins] [REDACTED]
60 [Protected Data Ends] to the load utilizing estimated kWh volumes from Exhibit SS-2, is
61 [Protected Data Begins] [REDACTED]. [Protected Data Ends]

62 Using the billing determinants for energy and demand from Exhibit SS-2, the monthly bill
63 calculation for the load utilizing Xcel rate E20, with 2,000 kW of controlled load, would be
64 \$666,518 in the summer and \$617,170 in the winter compared to the updated Sioux Valley quote
65 of [Protected Data Begins] [REDACTED] [Protected Data Ends] without load control. Sioux Valley
66 Energy's original quote provided in Exhibit SS-2 was just under [Protected Data Begins] [REDACTED]
67 [Protected Data Ends] per month.

68 Using the billing determinants for energy and demand from Exhibit SS-2, the lowest annual bill
69 calculation for the load utilizing Xcel rate E20, with 2,000 kW of controlled load would be
70 \$6,407,164 or \$0.10429 per kWh compared to the Sioux Valley Energy's quote of [Protected Data
71 Begins] [REDACTED] [Protected Data Ends] without load control or [Protected Data Begins]
72 [REDACTED] [Protected Data Ends] per kWh. The Sioux Valley Energy rate is more than [Protected
73 Data Begins] [REDACTED] [Protected Data Ends] than the Xcel E20 rate. The original quote provided
74 in Exhibit SS-2, [Protected Data Begins] [REDACTED] [Protected Data Ends] per year.

75 There were some large assumptions made in providing bill estimates for Xcel's E20 Peak
76 Controlled Service. The largest assumption was that the load would control 2,000kW per month
77 under this rate, which creates a savings of about \$104,902 per year in demand charges. The Sioux
78 Valley Energy rate estimate does not account for any load control savings.

79 Another assumption was how the Interim Rate Surcharge of 29.19% would be applied to voltage
80 discounts. In my analysis I assumed that the surcharge would INCREASE the discount, which

81 reduced the cost under Xcel Rate E20 by \$65,337 per year. I could not find any language that
82 clarifies how the Interim Rate Surcharge of 29.19% is applied to voltage discounts.

83 **Q. Using the results of your analysis on a monthly basis, what is the difference between**
84 **Sioux Valley Energy’s and Xcel’s proposed rates?**

85 **A.** Based on my analysis, even under the most favorable assumptions for Xcel Energy’s E20 Peak
86 Controlled Service rate, Knife River would incur higher monthly electric costs than under Sioux Valley
87 Energy’s proposed rate. In a best-case scenario, Xcel’s monthly bill would exceed Sioux Valley
88 Energy’s by approximately [Protected Data Begins] [REDACTED] [Protected Data Ends]. Under a less
89 favorable scenario, that monthly difference would increase to approximately [Protected Data
90 Begins] [REDACTED] [Protected Data Ends]. Importantly, both scenarios assume that Knife River would
91 be required to curtail load to realize these costs, whereas Sioux Valley Energy’s proposed rate does
92 not require load curtailment.

93 **Q. Does this conclude your pre-filed written testimony?**

94 **A:** Yes.

95 Dated this 17th day of February, 2026

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Scott Shewey

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