

BEFORE THE SOUTH DAKOTA 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 PROVIDER IN THE SERVICE AREA OF SIOUX VALLEY ELECTRIC

SD PUC DOCKET EL25-032

REBUTTAL TESTIMONY OF TED SMITH, VICE PRESIDENT OF ENGINEERING AND OPERATIONS,  
ON BEHALF OF SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.

March 2, 2026

1 Q. **PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.**

2 A. Ted Smith. The business address for Sioux Valley Energy is 23491 471st Avenue, Colman, South Dakota.

3 Q. **HAVE YOU SUBMITTED TESTIMONY IN THIS PROCEEDING PREVIOUSLY?**

4 A. Yes. I submitted direct testimony dated February 17, 2026.

5 Q. **TO WHOSE TESTIMONY ARE YOU RESPONDING IN REBUTTAL?**

6 A. I am responding to the testimony of Joseph Rezac, Bradley L. Sylliaasen, Steven T. Kolbeck, and Clark Meyer.

7 Q. **BASED UPON YOUR REVIEW OF THE TESTIMONY OF BRADLEY L. SYLLIAASEN, WHAT IS YOUR  
8 UNDERSTANDING AS TO FACILITIES XCEL ENERGY WOULD NEED TO CONSTRUCT TO PROVIDE  
9 ELECTRIC SERVICE TO KNIFE RIVER AT THE PROPOSED QUARTZITE OPERATION?**

10 A. Mr. Sylliaasen testified on page 1, lines 26 – 27 and page 2, lines 1-3 that “[t]he Company would construct approximately 10 miles  
11 of 34.5 kV of distribution level infrastructure along the mapped route proved in in [sic] Exhibit \_(BLS-1), Schedule 1. The  
12 customer has stated they will want primary service. The primary meter location is marked as “New Service Location” in Schedule  
13 1.”

14 Q. **BASED UPON THE TESTIMONY OF BRADLEY L. SYLLIAASEN, WOULD XCEL ENERGY NEED TO  
15 CONSTRUCT AN ON-SITE ELECTRICAL DISTRIBUTION SYSTEM FOR THE PROPOSED QUARTZITE  
16 OPERATION?**

17 A. No. Mr. Sylliaasen testified on page 2, lines 12 – 14, “No, the Company would serve them with primary voltage service at 34.5  
18 kV. Any distribution facilities beyond that point would be owned and operated by customer.”

19 Q. **BASED UPON YOUR TRAINING, EXPERIENCE, AND REVIEW OF KNIFE RIVER’S PROPOSED QUARTZITE  
20 OPERATION, IS IT YOUR OPINION THAT IT WILL BE NECESSARY TO CONSTRUCT AN ON-SITE ELECTRIC  
21 DISTRIBUTION SYSTEM?**

22 A. Yes. It is my opinion that Knife River will need to construct an on-site electric distribution system to receive electric service at its  
23 proposed quartzite operation.

24 Q. **BASED UPON YOUR TRAINING AND EXPERIENCE, IN GENERAL TERMS, WHAT FACILITIES OR**

25 **EQUIPMENT WOULD BE NECESSARY FOR SUCH AN ON-SITE DISTRIBUTION SYSTEM.**

26 A. Assuming Knife River were to receive electrical service in the southeast corner of its property, and based upon the conveyor lines  
27 of its proposed plant diagram (See Exhibit\_TS-5 Knife River CAD File Overlaid on Sioux Valley Energy Distribution Map) and  
28 furnishing services at seven different locations, at a minimum, one would expect it to be necessary to install approximately 9,400  
29 feet (1.8 miles) of medium voltage distribution line, as well as approximately nine on-site three phase pad mount distribution  
30 transformers.

31 Q. **BASED UPON YOUR TRAINING AND EXPERIENCE, WHAT IS YOUR OPINION AS TO A ROUGH ESTIMATE AS  
32 TO THE COST OF CONSTRUCTING AN ON-SITE DISTRIBUTION SYSTEM SHOULD THE SDPUC GRANT  
33 KNIFE RIVER'S PETITION?**

34 A. In my opinion, a rough cost estimate of the construction of an on-site distribution system necessary for Knife River to receive  
35 electric service from Xcel Energy as currently proposed would range from approximately \$1.2 to \$1.5 Million Dollars.

36 Q. **DO YOU HAVE ANY CONCERNS WITH THE PLANS AS LAID OUT BY KNIFE RIVER?**

37 A. The practical application of two separate electric distribution systems, at different voltages, lead to significant safety concerns.  
38 The entire system will not be mapped anywhere, and the two systems will not be integrated.

39 Dated this 2nd day of March, 2026.

40

41 \s\ Ted Smith

42 Vice President of Engineering and Operations, Sioux Valley Energy