

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

**IN THE MATTER OF STAFF'S
REQUEST REGARDING THE
FEBRUARY 2021 COLD WEATHER
EVENT AND ITS IMPACT ON
UTILITY FUEL CLAUSE
ADJUSTMENTS AND PURCHASED
GAS ADJUSTMENTS**

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PETITION FOR TEMPORARY
WAIVER OF FUEL CLAUSE
ADJUSTMENT AND PURCHASED GAS
ADJUSTMENT TARIFF PROVISIONS
TO MITIGATE RATE IMPACTS**

COMES NOW, Staff of the South Dakota Public Utilities Commission (Commission) and hereby files this Petition pursuant to SDCL Chapter 49-34A, including but not limited to SDCL §§ 49-34A-4, 49-34A-6, and 49-34A-25. Specifically, Staff requests the Commission issue an Order authorizing Staff to work with South Dakota electric and natural gas investor owned utilities to make the necessary modifications to the fuel clause adjustment and/or purchased gas adjustment tariffs to mitigate the rate impact associated with the natural gas costs from the February 2021 cold weather event. Such modifications could include, but may not be limited to, the timing, effective dates, and calculations of the fuel clause adjustment and/or purchased gas adjustment.

I.

Freezing temperatures in areas throughout the United States beginning the second week of February 2021, resulted in unprecedented demand for natural gas and substantially impacted natural gas prices for both electric and natural gas utilities. With regards to electric utilities, members of the Southwest Power Pool (SPP) were significantly affected, although it is Staff's understanding that members of the Midwest Independent System Operator (MISO) also saw some increased spot prices. While it is too early to know the total net impacts of the increased prices for each utility and its customers, based on information available at this time Staff believes the impact could be significant on customer bills for some utilities.

Staff requests the Commission authorize Staff to work with each utility to make the necessary modifications to fuel clause adjustment and/or purchased gas adjustment tariffs in order to mitigate the rate impact associated with the natural gas costs from this severe weather event. Such modifications could include, but may not be limited to, the timing, effective dates, and calculations of the fuel clause adjustment and/or purchased gas adjustment. In the event that tariff language contradicts the implementation of such modifications, Staff requests the Commission provide a temporary waiver which shall only apply to this weather event. Certain modifications/deviations from current tariff language may be necessary by March 1, 2021 for some utilities to most effectively address the impacts. Therefore, Staff makes this request in order to expedite the process to ensure any adjustments can be made in a timely manner in the

interest of both the customer and the utility. With any modification made, Staff's goal is to strike a balance between rate mitigation and the carrying cost of the outstanding balance.

Many or all of the costs resulting from this weather issue will likely be recoverable pursuant to SDCL 49-34A-25, and Staff requests the ability to work cooperatively with each individual company to determine the best way to recover the costs while lessening and mitigating rate shock for customers.

Staff's request includes the following utilities: Black Hills Power, Inc. dba Black Hills Energy, MidAmerican Energy Company, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., NorthWestern Corporation dba NorthWestern Energy, Otter Tail Power Company, and Northern States Power Company dba Xcel Energy. However, Staff notes that it is possible that not every utility will require any modifications to its fuel clause or purchased gas adjustments and each utility's situation will be individually analyzed.

In the event Staff and a utility do not agree regarding the mechanics of the fuel clause adjustment/purchased gas adjustment that may be necessary regarding this weather event, a separate filing will need to be made with the Commission.

Staff also commits to ensuring a compliance filing is made in this docket summarizing the impacts and modifications made regarding this weather event for each utility.

II.

WHEREFORE, Staff requests the Commission issue an Order authorizing Staff to work with South Dakota electric and natural gas investor owned utilities to make the necessary modifications to the fuel clause adjustment and/or purchased gas adjustment tariffs to mitigate the rate impacts associated with the natural gas costs from the February 2021 cold weather event.

FURTHERMORE, Staff requests the Commission's order provide a temporary waiver of the tariff language that might be contradictory to the remediations taken in this process. Such waiver shall only apply to this weather event.

Dated this 17th day of February 2021.



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