

From: PUC
Sent: Wednesday, January 11, 2017 12:33 PM
To: [REDACTED]
Subject: NG16-014

Mr. and Mrs. Stearns:

Thank you for your message regarding the farm taps matter, docket NG16-014. I understand your concern about the possibility of losing your farm tap and natural gas supply. You will want to follow this docket as it is reviewed and new information is collected by the commission.

This Informational Guide may assist you in understanding why the PUC opened this docket and the commission's process: <http://www.puc.sd.gov/commission/dockets/naturalgas/2016/ng16-014/informationguide.pdf>.

The commission held a hearing on Dec. 14 with testimony from Northern Natural Gas and NorthWestern Energy representatives and PUC staff. You can listen to the recording of the hearing by clicking on the link titled Recording under the Hearing heading in the docket, <http://www.puc.sd.gov/Dockets/NaturalGas/2016/ng16-014.aspx>.

PUC staff filed a letter on possibly resolving this matter via a meeting with NNG and NW, <http://puc.sd.gov/commission/dockets/naturalgas/2016/ng16-014/ltr122016b.pdf>. However, the discussion thus far involving PUC staff and the two companies has not yet resulted in an agreement, as relayed via staff's letter filed in the docket on Monday, Jan. 9: <http://puc.sd.gov/commission/dockets/naturalgas/2016/ng16-014/ltr010917.pdf>. This docket is on the agenda for the commission's next meeting to be held on Jan. 17: <http://puc.sd.gov/agendas/2017/0117.aspx>. Following are the questions on the agenda posed by PUC staff.

On November 9, 2016, Commission Staff filed a petition for a declaratory ruling to resolve the following issues: 1) Does the Commission have jurisdiction over the utility providing natural gas to farm tap customers taking natural gas from the transmission line owned and operated by Northern Natural Gas Company? 2) If so, which entity, NorthWestern Corporation dba NorthWestern Energy or Northern Natural Gas Company, if either, is a public utility as defined by SDCL Chapter 49 with respect to these farm tap customers? 3) Finally, are the farm taps in whole or in part subject to state jurisdiction for the purpose of pipeline safety pursuant to SDCL Chapter 49-34B? The Commission conducted oral arguments on December 14, 2016. On December 22, 2016, Northern Natural Gas Company filed a Motion to Reopen the Record, Take Judicial Notice and Correct the Record. On December 30, 2016, Staff filed a Motion for Judicial Notice.

Therefore, my fellow commissioners and I will take up this docket again at next week's public commission meeting. The discussion may help answer some of your questions, although I do not know when there will be a resolution. As indicated by PUC staff in the Jan. 9 letter, staff's communication with the companies and work on this matter continues.

As a commissioner, I will be voting on this docket. Therefore, your message and my response will be posted under Comments and Responses in the docket.

You are welcome to communicate with a PUC staff analyst or attorney working on this docket, and you may reach them by calling 1-800-332-1782 or 605-773-3201 or emailing PUC@state.sd.us.

Kristie Fiegen, Chairperson
South Dakota Public Utilities Commission
www.puc.sd.gov