

THE LAW FIRM OF

**MORENO, LEE & BACHAND, P.C.**

A PROFESSIONAL CORPORATION

206 West Missouri Avenue - P.O. Box 1174

Pierre, South Dakota 57501-1174

Telephone: (605) 224-0461 • Fax: (605) 224-1607

[www.pirlaw.com](http://www.pirlaw.com)

Mark A. Moreno \*  
Thomas E. Lee  
Paul E. Bachand  
Edward S. Hruska III

June 29, 2017

Charles P. Schroyer (Ret.)

\* Also admitted in NE

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol  
Pierre, SD 57501

**RE: In the Matter of the Application of South Dakota Intrastate Pipeline Company for Authority to Increase its Natural Gas Transportation Rate  
Docket No. NG17-009**

Dear Ms. Van Gerpen:

South Dakota Intrastate Pipeline Company ("SDIPC") hereby submits the enclosed Application to the South Dakota Public Utilities Commission ("Commission") for authority to increase its natural gas transportation rate for its one customer, Montana-Dakota Utilities Company ("MDU"). The Application and accompanying documents consists of financial information that is entitled to confidential protection under the provisions of SDCL 15-6-26(c)(7) and ARSD 20:10:01:39. SDIPC respectfully requests that this filing be designated as confidential in the Commission's file.

SDIPC's transportation rate was last increased in 2001, when the Commission approved an amendment to the Transportation Agreement between SDIPC and MDU that increased the transportation rate to \$2.398 per dekatherm. The rate and tariff changes proposed in the Notice of Change in Rates would result in an annual increase in natural gas transportation revenues of \$1,775,032. SDIPC proposes to replace the per dekatherm rate with a flat monthly charge of \$330,739.66. The resulting rate increase for SDIPC's sole customer, MDU, will therefore depend on MDU's transportation volumes.

SDIPC proposes to make the transportation rate and tariff changes effective upon expiration of the Transportation Agreement on August 31, 2018.

This Application, consisting of the following documents, has been electronically filed, and eleven copies will be hand delivered to the commission:

- Transmittal Letter
- Application
  - Appendix A – Current Tariff Sheets
  - Appendix B – Proposed Tariff Sheets and Redline
  - Appendix C – Comparison of Sales, Services, Revenues
  - Appendix D – Attestation by Chief Accounting Officer
  - Appendix E – Notice of Change in Rates
  - Appendix F – Report of Tariff Schedule Change
- Statements and Support Schedules: A through Q
- Testimony and Supporting Schedules, Workpapers, and Tariffs

SDIPC has complied with ARSD §§ 20:10:13:17-19 because the Company's one customer, Montana-Dakota Utilities Co., is on notice of this proposed change in rates and has intervened in this proceeding.

As stated in my letter filed with the Commission on June 1, 2017, SDIPC has omitted the following schedules from the Rate Case Filing, for the reasons set forth below:

- 20:10:13:56 – Schedule D-2 -- Plant addition and retirement for test period.
  - The Company has not made any plant additions or retirements in the test period.
- 20:10:13:58 – Schedule D-4 – Plant account working papers for previous years.
  - The Company has no book changes in plant in service.
- 20:10:13:59 – Schedule D-5 -- Working papers on capitalizing interest and other overheads during construction.
  - The Company has not completed any construction during the test period.
- 20:10:13:60 -- Schedule D-6 -- Changes in intangible plant working papers.
  - The Company has no intangible plant.
- 20:10:13:61 – Schedule D-7 -- Working papers on plant in service not used and useful.
  - The Company has no plant in service not used and useful.
- 20:10:13:62 – Schedule D-8 -- Property records working papers.
  - The Company has no retirements.
- 20:10:13:63 – Schedule D-9 -- Working papers for plant acquired for which regulatory approval has not been obtained.
  - The Company has not acquired plant for which regulatory approval has not been obtained.
- 20:10:13:65 – Schedule E-1 -- Working papers on recorded changes to accumulated depreciation.
  - The Company has no book changes to accumulated depreciation.

- 20:10:13:82 – Schedule H-2 -- Cost of power and gas.
  - The Company does not purchase gas and merely transmits the gas that MDU has purchased.
- 20:10:13:97 – Statement N -- Allocated cost of service.
  - The Company's sole customer is MDU and there is thus no reason to allocate the cost of service among customers or classes of customers.
- 20:10:13:98 – Statement O -- Comparison of cost of service.
  - The Company's sole customer is MDU and there is thus no reason to allocate the cost of service among customers or classes of customers.
- 20:10:13:100 – Statement P -- Fuel cost adjustment factor.
  - The Company does not purchase fuel.
- 20:10:13:102 – Statement R -- Purchases from affiliated companies.
  - The Company has no affiliate companies.

We request that communications regarding this Application be directed to:

Andrew P. Moratzka  
 Stoel Rives LLP  
 33 S. 6th St., Ste. 4200  
 Minneapolis, MN 55402  
 (612) 373-8822  
[andrew.moratzka@stoel.com](mailto:andrew.moratzka@stoel.com)

Paul E. Bachand  
 Moreno, Lee & Bachand, PC  
 206 W. Missouri Ave.  
 Pierre, SD 57501-1174  
 (605) 224-0461  
[pbachand@pirlaw.com](mailto:pbachand@pirlaw.com)

William Murphy  
 South Dakota Intrastate Pipeline Co.  
 1415 N. Airport Road  
 Pierre, South Dakota 57501-5661  
 605-224-0949  
[bmurbro1@gmail.com](mailto:bmurbro1@gmail.com)

Sincerely,

  
 Paul E. Bachand

Enclosures

PEB:rh