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South Dakota

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October 16, 2017

Ms. Patricia Van Gerpen
Executive Director
SD Public Utilities Commission
500 E. Capitol Ave
Pierre, SD 57501

RE: In the Matter of the Application of South Dakota Intrastate Pipeline Company for Authority to Increase its Natural Gas Rates

Dear Ms. Van Gerpen,

On October 2, 2017, Staff filed with the Commission a Motion for Adoption of Procedural Schedule. On October 4, 2017, Staff filed a letter requesting the Commission adopt an evidentiary hearing date of June 12-15, 2018. This matter was discussed at the Commission's regularly scheduled Commission meeting on October 11, 2017. At the meeting, South Dakota Intrastate Pipeline (SDIP) agreed with Staff's proposed schedule and proposed hearing dates. Montana Dakota Utilities Co. (MDU) did not agree with staff's proposed hearing dates. The Commission did order a discovery response time of ten business days after receipt of the discovery request and established deadlines of July 28, 2017 for SDIP's Initial Testimony and November 17, 2017 for SDIP's Supplemental Testimony. The Commission deferred further action on the Procedural Schedule until the next Commission Meeting and requested Staff work with the parties to determine a hearing date.

After the Commission Meeting, Staff reviewed the options for hearing dates in the months of April, May, and June. Staff found five available dates in these months, four in May and one in June. However, due to conflicts from SDIP and MDU, the options were narrowed to two, May 15-18, 2018 and June 12-15, 2018. Staff sent the available dates to the parties and requested that the parties work to come to an agreement on a hearing date by 5:00 pm on Friday, October 13th, 2017.

At this point, the parties have been unable to agree on a hearing date and Staff requests the Commission review the matter and set a hearing date for the parties. SDIP claims to have conflicts throughout the entire month of May and requested the June 12-15 hearing date. MDU has indicated a conflict on June 12, 2018 and has requested that the hearing not be held in June. Staff has no conflict with any of the proposed dates, however Staff would prefer that a hearing be held June 13-15 to accommodate SDIP's schedule and MDU's June 12, conflict.

As a bit of background for this request, on June 1, 2017, SDIP made an initial filing of a letter to open a docket to increase its natural gas rates. This filing came as a result of a settlement stipulation entered into on September 26, 2016 by SDIP and MDU and Staff in Docket NG16-006. On June 29, 2017, SDIP filed documents in support of its application letter. These documents were all filed confidentially. SDIP filed certain documents as public on July 28, 2017, with the remaining documents filed public on August 3, 2017, after the

Commission ordered the documents be made public. As Staff reviewed the documents, it became evident that the filing did not include the information needed to properly process the application and Staff began sending discovery requests to obtain that information on July 11, 2017. At this point, Staff has issued five sets of discovery requests to SDIP, with only the first discovery request meeting Staff's requested response deadline. SDIP requested extensions to respond to Data Requests 2 through 4. Data Request 5 is due October 27. Staff continues to wait for SDIP to provide workpapers and other information that should have been filed with the initial application and will continue to send discovery requests in order to obtain the information necessary to process the docket.

When Staff began the process of scheduling a hearing, Staff initially proposed a hearing date in May. After Staff was informed that May would not work for SDIP, Staff considered holding a hearing in either April or June. Staff found that there was no availability for a hearing in April. Additionally, Staff determined that given that SDIP has not provided the information needed to process the docket in a timely manner, an April hearing would be unworkable. The lack of information currently available to process the docket also influences Staff's preference for the June 13-15, 2018 hearing dates as opposed to May 15-18, 2018. Staff believes allowing more time to process the docket will ensure adequate information is obtained to determine a just and reasonable rate.

Respectfully,

Amanda M. Reiss

Amanda M. Reiss
Staff Attorney