

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

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

Docket No. NG17-009

**SOUTH DAKOTA INTRASTATE
PIPELINE COMPANY’S REQUEST
FOR HEARING TO COMPEL
SETTLEMENT AGREEMENT AND
RESPONSE TO STAFF’S MOTION
FOR SECOND PROCEDURAL
SCHEDULE**

South Dakota Intrastate Pipeline Company (“SDIP”) hereby submits this response to Staff’s recent Motion for Second Procedural Schedule and hereby requests a hearing on its request to compel a settlement agreement. SDIP submits the following as it relates to the Motion for Second Procedural Schedule:

1. Extensive settlement discussion occurred between the parties with a settlement in principle achieved on March 6, 2018.
2. This settlement in principle regarding SDIP’s revenue requirement was further revised by Staff, and on March 8, 2018, SDIP accepted a revised settlement amount. Staff indicated on that date that it would proceed with drafting up a settlement agreement.
3. On May 29, 2018, Staff filed its request for a procedural schedule.
4. SDIP was not aware that the Motion for Second Procedural Schedule was going to be filed and such Motion is contrary to the achieved settlement. Further, a critical witness for SDIP is not available at the time set for the proposed hearing.
5. It was only on May 29, 2018, after the filing of Staff’s motion, that SDIP learned, through discussions with Staff, that Staff had an issue with what SDIP considered was an agreement between the parties regarding the recovery of rate case expenses.
6. Since the filing of that Motion, the issue regarding the recovery of rate case expenses appears to be resolved.

7. Since the filing of that Motion, further discussions have occurred between SDIP and Staff and SDIP believes it may be necessary to have a hearing in order to determine whether any settlement must include language regarding potential new customers of SDIP.
8. When RingNeck intervened in this matter, RingNeck made it clear that they were not seeking to have their rate established in this docket. Nonetheless, the parties are attempting to finalize a settlement stipulation that will address RingNeck as an interruptible customer of SDIP.
9. On Thursday, June 7, 2018, SDIP was provided with a draft settlement stipulation.

SDIP believes the only question remaining in this docket is whether or not this docket must resolve potential new customers of SDIP. If the Commission determines that the addition of an unknown and hypothetical new customer is a necessary component of this docket, SDIP believes a hearing is necessary to determine the appropriate language of any such Order. Having a complete rate case hearing and undergoing the time and expense of the same does not appear to be a prudent use of the parties' resources. As a result, Commission guidance is necessary.

SDIP respectfully requests that Staff's motion be denied. SDIP further requests that, in its order denying Staff's motion, that the Commission note that the impending settlement stipulation need not include language regarding a hypothetical new customer, and further that the issue of a hypothetical new customer need not be addressed in this proceeding. Should the Commission deny SDIP's request regarding hypothetical new customers, SDIP respectfully requests that the Commission set a date to address whether or not language regarding potential new customers must be included in any order in this docket and allow additional briefing from the parties on this subject.

Date: June 8, 2018

Respectfully submitted,

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