

Pre-filed Direct Testimony
Bradley S. Wenande

In the Matter of the Application of
NorthWestern Energy Public Service Corporation, d/b/a NorthWestern Energy

For Authority to Increase Natural Gas Utility Rates
in South Dakota

Docket No. NG24-_____

June 21, 2024

TABLE OF CONTENTS

Witness Information.....	1
Purpose of Testimony	2
Overview of South Dakota Natural Gas Operations	2
Natural Gas Distribution System Upgrades.....	2

1 **Witness Information**

2 **Q. Please state your name and business address.**

3 **A.** My name is Bradley S. Wenande. My business address is 3210 Douglas Ave,
4 Yankton, South Dakota 57078.

5
6 **Q. By whom are you employed and in what capacity?**

7 **A.** I am the Director of SD/NE Operations for NorthWestern Energy Public Service
8 Corporation d/b/a NorthWestern Energy (“NorthWestern” or “Company”).

9
10 **Q. Please summarize your education and employment experience.**

11 **A.** I am a 1993 graduate of South Dakota School of Mines and Technology. I hold a
12 Bachelor of Science degree in Electrical Engineering. My experience is primarily
13 in the areas of distribution, transmission, and substation
14 engineering/operations/maintenance, business unit management (including
15 personnel, financial accountability, safe work performance, reliability
16 performance), and labor relations/negotiations.

17
18 **Q. What are your responsibilities as Director of SD/NE Operations?**

19 **A.** I am responsible for all aspects of NorthWestern’s electric and natural gas
20 distribution systems in South Dakota and Nebraska, including the systems’ safe,
21 reliable, and efficient operation; operations planning, engineering, and
22 maintenance.

1 **Purpose of Testimony**

2 **Q. What is the purpose of your testimony in this proceeding?**

3 **A.** My testimony:

- 4 • Provides an overview of NorthWestern’s South Dakota natural gas
5 distribution system; and
- 6 • Provides an overview of major system improvements made in South
7 Dakota to ensure reliability of natural gas service to customers.

8

9 **Overview of South Dakota Natural Gas Operations**

10 **Q. Please provide an overview of the South Dakota natural gas distribution**
11 **system.**

12 **A.** NorthWestern provides natural gas to approximately 49,800 customers in 63
13 communities in South Dakota. We also transport natural gas for nine gas-
14 marketing firms and three large end-user accounts. We have approximately
15 1,747 miles of distribution main in South Dakota and 55 miles of intrastate
16 transmission pipeline. Since the last natural gas rate review in 2010,
17 NorthWestern has invested over \$82 million in our South Dakota natural gas
18 infrastructure to continue our commitment to providing reliable natural gas
19 service at the most affordable rates possible for our customers.

20

21 **Natural Gas Distribution System Upgrades**

22 **Q. Please describe how NorthWestern determines and addresses capital**
23 **system needs.**

1 **A.** NorthWestern maintains a five-year capital investment plan. Capital projects are
2 introduced to this plan from a number of sources. Distribution Operations
3 employees with local situational awareness may submit project ideas. Other
4 sources include our Asset Management team who often bring forward projects.

5
6 Each project brought forward for consideration is assigned a ranking using
7 criteria such as safety, regulatory requirement, customer need, outage
8 restoration time, division priority, and equipment condition. Projects are then
9 prioritized by ranking total score. Those falling within the funded priority level are
10 considered for approval in the budget cycle. Those with rankings outside of the
11 funded priority level are moved out in the five-year plan.

12
13 Each Division is assigned oversight of an annual capital budget and projects are
14 managed at that level. Local resources are heavily involved in the engineering
15 and project management phases of projects. The overall capital budget and
16 budget process is managed by our Central Construction department.

17
18 **Q. Please provide a summary of major capital natural gas projects completed
19 during the past five years, including a discussion of why they were needed.**

20 **A.** Projects completed for our South Dakota natural gas operations include:

- 21 ○ Automated Meter Reading (“AMR”) – This multi-year project touched all
22 natural gas meters in South Dakota. The AMR platform established two-
23 way communication with meters that were formerly manually read. The

1 ability to capture meter data on an immediate basis has provided impactful
2 benefits to customers. These include situational awareness from meter
3 data and reduced expenses from meter reading labor and fewer truck
4 rolls. Customer experience will be heightened through expanded use of
5 the AMR platform in the future.

6 ○ Milbank DOT Transmission Work – This investment was part of a South
7 Dakota Department of Transportation (“SDDOT”) project to widen four
8 miles of State Highway 15 south of Milbank. NorthWestern had a 6” line in
9 conflict in this section that needed to be rerouted. We obtained private
10 right-of-way easements due to the excavation designs provided. The
11 project included approximately five miles of 6” steel pipe installation and
12 several farm tap removals with distribution main installed to serve the
13 customers.

14 ○ Tea Area Expansion – NorthWestern has been working hard to bring
15 commercial and residential natural gas service to the quickly developing
16 areas of South Sioux Falls, Tea, and Harrisburg. As part of our long-term
17 commitment to this area, NorthWestern obtained franchises to serve
18 customers in the cities of Tea, Harrisburg, and Sioux Falls as well as
19 Lincoln County. Over the last several years, NorthWestern has focused
20 on building relationships with local and regional developers and builders
21 doing business in the area. These partnerships are driving success as we
22 are being invited to build our natural gas system into many new
23 commercial and residential developments. Today this is one of the fastest

1 growing areas in NorthWestern’s footprint. Our efforts have positioned us
2 well to capture additional growth both in the near term and long term as
3 this area of our state continues to expand. We anticipate customer counts
4 to accelerate well into the future.

- 5 ○ Station Monitoring through SCADA – NorthWestern installed SCADA
6 (Supervisory Control and Data Acquisition) equipment at several
7 regulating stations throughout South Dakota to provide continuous
8 pressure monitoring at these locations. This allows NorthWestern
9 Energy’s Gas Controllers to better monitor the system and help local
10 resources respond to abnormal operating conditions.
- 11 ○ Menno – We relocated and rebuilt 7.8 miles of natural gas pipeline along
12 US Highway 18 from Olivet to Menno. The SDDOT’s road improvement
13 project regraded the ditches, and our existing 3" steel gas line was in
14 conflict with their construction plans.
- 15 ○ Altamont – NorthWestern had a farm tap serving the small community of
16 Altamont which was converted to a city gate. We installed a pre-
17 fabricated control house that included a Town Border Station piping
18 design to replace the farm tap. This project enhanced system integrity to
19 customers in the area.
- 20 ○ Lake Madison – NorthWestern completed a capacity project to correct a
21 pressure issue by installing a 4” plastic main on the west side of Lake
22 Madison to complete a loop feed.

- 1 ○ Revilla Town Border Station (“TBS”) to Labolt TBS – The Labolt regulator
2 station had 1” threaded pipe that was strained by frost heave.
3 NorthWestern upgraded the Revilla TBS and installed two miles of 4” main
4 back to Labolt. The Labolt TBS was retired.
- 5 ○ Territory-wide projects – NorthWestern continuously invested in new and
6 upgraded infrastructure to ensure safe and reliable service to customers.
7 Several regulator stations were rebuilt to address capacity and reliability.
8 Internal standardized operational programs are in place to help us identify
9 and replace outdated piping and equipment such as threaded services
10 and Century gas pipe. Many odorizers (equipment utilized to add odorant
11 to the gas) have been replaced. First cut regulators and farm tap
12 customers, once fed from higher-pressure lines, have been converted to
13 the distribution system, removing exposed, above-ground equipment.

14

15 **Q. Please provide a summary of major capital natural gas projects completed**
16 **during the test year for which a normalizing entry has been proposed as**
17 **part of Witness Jeffrey B. Berzina’s Exhibit JBB-1.**

18 **A.** NorthWestern is normalizing three non-revenue producing projects that were
19 placed into service during the test year. These projects include:

- 20 ○ Goodwin – This project converted a farm tap to a city gate near Goodwin,
21 South Dakota. This project included the retirement of the Tunerville farm
22 tap. NorthWestern used the same solution for this farm tap replacement

1 as the Altamont design, resulting in enhanced system integrity for
2 customers.

3 ○ Brookings – The City of Brookings has a 4-year plan to replace their water
4 and sewer pipes and widen 22nd Avenue. NorthWestern relocated 3400'
5 of main and upgraded the pipe from 4" steel to 8" steel.

6 ○ Huron – The City of Huron completed a sewer and water main upgrade
7 project along Dakota Avenue that required NorthWestern to relocate 8"
8 and 6" steel main.

9

10 **Q. Does this complete your pre-filed direct testimony?**

11 **A.** Yes, it does.