

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE PETITION OF THE) DECLARATORY RULING; NOTICE
PUC PIPELINE SAFETY PROGRAM) OF ENTRY
MANAGER AND STAFF FOR A)
DECLARATORY RULING REGARDING THE) PS25-002
PROPER CLASSIFICATION OF CERTAIN)
NORTHWESTERN ENERGY PIPELINES)

On September 23, 2025, the PUC Pipeline Safety Program Manager and Staff (Staff) filed a Petition for a Declaratory Ruling regarding the Proper Classification of Certain NorthWestern Energy Pipelines (Petition). The Petition requests the Commission declare whether four specific NorthWestern Energy pipelines ("pipelines" or "lines") are properly classified as distribution lines or transmission lines. The particular NorthWestern Energy pipelines at issue in this Petition are:

1. Scotland/Menno Branch Line fed from the Northern Natural Gas (NNG) "Parkston" line near Tripp
2. Groton Branch Line fed from the NNG "Webster" line near Ferney
3. Bristol Branch Line (runs from Bristol to Webster) fed from the NNG "Webster" line near Bristol
4. Marion/Parker Branch Line fed from NNG "Parker" Line, approximately 2 miles east of Canistota.

On September 25, 2025, the Commission electronically transmitted notice of the filing and the intervention deadline of October 10, 2025, to interested individuals and entities. On October 31, 2025, NorthWestern Energy filed Comments. On December 9, 2025, Staff filed a Memorandum. On December 12, 2025, NorthWestern Energy filed a Presentation.

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 1-26 and 49-34B, and 49 C.F.R. § 192.3.

At its regularly scheduled meeting on December 16, 2025, the Commission considered the Petition. NorthWestern Energy argued that the pipelines at issue are properly classified as distribution pipelines because (i) the pipelines are designed, constructed, and operated as distribution lines; (ii) the pipelines have been reported to federal and state authorities as distribution since installation; (iii) a distribution classification supports safe, reliable, and affordable service while enabling infrastructure development; (iv) reclassification of the pipelines from distribution to transmission would contradict design intent, add regulatory burdens, and increase costs; (v) the Commission has a longstanding regulatory treatment of similar pipelines as distribution; and (vi) the installation of Distribution Centers provides further delineation between NNG (transmission) and NorthWestern Energy (distribution) assets. Staff did not oppose NorthWestern Energy's request to classify the pipelines at issue as distribution pipelines.

The Commission voted unanimously to find that the pipelines at issue are properly classified as distribution lines rather than transmission lines because the lines at issue (i) do not transport gas

from a gathering pipeline or storage facility to a distribution center, storage facility, or large volume customer that is not down-stream from a distribution center; (ii) do not have an MAOP of 20 percent or more of SMYS; (iii) do not transport gas within a storage field; or (iv) are not voluntarily designated by NorthWestern Energy as transmission pipelines. The Commission found that the pipelines in question are part of NorthWestern's distribution system and that the designation as transmission by NNG has no bearing on the designation of NorthWestern's portion of the lines, which are declared to be distribution lines.

It is therefore

ORDERED, that the pipelines at issue in this Petition shall be classified as distribution pipelines.

Dated at Pierre, South Dakota, this 18th day of December 2025.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.

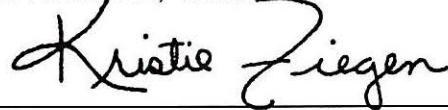
By: Kristie Fiegen

Date: 18 Dec 2025

BY ORDER OF THE COMMISSION:



CHRIS NELSON, Chairman



KRISTIE FIEGEN, Commissioner



GARY HANSON, Commissioner

NOTICE OF ENTRY

PLEASE TAKE NOTICE that this Declaratory Ruling was duly issued and entered on the 18th day of December 2025.