

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

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| IN THE MATTER OF COMMISSION |) | ORDER DENYING PETITION |
| STAFF'S PETITION FOR DECLARATORY |) | FOR REHEARING AND MOTION |
| RULING REGARDING FARM TAP |) | FOR JUDICIAL NOTICE |
| CUSTOMERS |) | |
| |) | |
| |) | NG16-014 |

On November 9, 2016, the South Dakota Public Utilities Commission Staff (Staff) filed a petition with the South Dakota Public Utilities Commission (Commission) for a declaratory ruling to resolve the following issues: 1) Does the Commission have jurisdiction over any utility providing natural gas to farm tap customers taking natural gas from the transmission line owned and operated by Northern Natural Gas Company (Northern)? 2) If so, which entity, NorthWestern Corporation dba NorthWestern Energy (NorthWestern) or Northern, if either, is a public utility as defined by SDCL Chapter 49 with respect to these farm tap customers? 3) Are the farm taps in whole or in part subject to state jurisdiction for the purpose of pipeline safety pursuant to SDCL Chapter 49-34B?

Notice of the filing was issued November 10, 2016. Intervention was granted to Northern, NorthWestern, and Montana-Dakota Utilities Company on November 23, 2016. A Notice of Hearing was issued on November 30, 2016. The hearing was held as scheduled on December 14, 2016.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26, 19-19, and 49-34A, and ARSD 20:10:01:29, 20:10:01:30.01, 20:10:01:34, and 20:10:01:35. The Commission may rely upon any or all of these or other laws of this state in making its determination.

On January 24, 2017, the Commission issued a Declaratory Ruling regarding Farm Taps. On February 17, 2017, Northern filed a Petition for Rehearing and a Motion for Judicial Notice (Motions). On February 23, 2017, NorthWestern filed a Petition for Reconsideration of Declaratory Ruling (Petition). On March 7, 2017, Commission Staff filed its Response to Motions for Rehearing and Reconsideration. On March 9, 2017, Northern filed its Answer to NorthWestern's Petition and NorthWestern filed its Objection to Northern's Motion for Judicial Notice and its Answer to Northern's Petition for Rehearing. On March 10, 2017, NorthWestern filed its Reply to Staff's Response and Northern's Answer. On March 13, 2017, Northern filed a Reply Brief in Support of Motion for Judicial Notice and a Reply to NorthWestern's Answer to Northern's Petition for Rehearing.

On March 14, 2017, the Commission considered the Motions. After considering the arguments of the parties, the Commission unanimously voted to deny the Motions. It is therefore

ORDERED, that Northern's Petition for Rehearing and Motion for Judicial Notice are denied.

Dated at Pierre, South Dakota, this 20th day of March, 2017.

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| 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: <u>Adam DeHueck</u> |
| Date: <u>3/20/17</u> |
| (OFFICIAL SEAL) |

BY ORDER OF THE COMMISSION:

Kristie Fiegen
KRISTIE FIEGEN, Chairperson

Gary Hanson
GARY HANSON, Commissioner

Chris Nelson
CHRIS NELSON, Commissioner