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South Dakota Public Utilities Commission Meeting

June 25, 2019, at 9:30 A.M. CDT

Room 413, Capitol Building

Pierre, South Dakota

NOTE: Docket participants who wish to join this meeting by conference call should contact the Commission at 605-773-3201 by 5:00 p.m. CDT on Monday, June 24, 2019, to reserve a phone line. Lines are limited and assigned on a first come, first served basis, subject to possible reassignment to accommodate persons who must appear in a proceeding. Ultimately, if you wish to participate in docket discussion at the Commission Meeting and a line is not available, you may have to appear in person.

NOTE: To listen to the Commission Meeting live please go to the PUC's website www.puc.sd.gov and click on the LIVE link on the home page. The Commission requests persons who will only be listening to proceedings and not actively appearing in a case listen via the webcast to free phone lines for those who have to appear. The Commission meetings are archived on the PUC's website under the Commission Actions tab. Click on "Commission Meeting Archives," to access the recordings.

NOTE: Notice is further given to persons with disabilities that this Commission meeting is being held in a physically accessible place. If you have special needs, please notify the Commission and we will make all necessary arrangements.

AGENDA OF COMMISSION MEETING

Administration

1. Approval of Minutes of the Commission Meetings Held on May 14 and 28, 2019, and the Ad Hoc Meeting held on June 6, 2019 (Staff: Joy Lashley)

Consumer Reports

1. Status Report on Consumer Utility Inquiries and Complaints Received by the Commission (Consumer Affairs: Deb Gregg)

Electric

1. **EL16-020 In the Matter of the Filing by Otter Tail Power Company Regarding its Proposed South Dakota Energy Efficiency Plan for 2017-2019** (Staff Analysts: Darren Kearney, Eric Paulson; Staff Attorney: Amanda Reiss)

On April 29, 2016, the Commission received a filing from Otter Tail Power Company (Otter Tail) requesting approval of its proposed South Dakota Energy Efficiency Plan for 2017–2019 (2017–19 SD EEP). In the 2017–19 SD EEP, Otter Tail planned to continue, with modifications, its current portfolio of cost-effective energy efficiency projects in South Dakota. On November 28, 2016, the Commission issued an order approving Otter Tail's 2017-19 EEP and budgets subject to certain Commission staff recommendations. On December 11, 2018, the Commission approved a budget increase request for Otter Tail. Specifically, Otter Tail was allowed to increase the EEP budget from \$449,000 to \$699,000 or a \$250,000 annual increase for three years, beginning in 2019 through 2021, to allow Otter Tail to spread out the payment of eligible rebates to a single large industrial customer as well as allow for up to an additional \$110,000 in funds to be available for other customers over three years. Further, Otter Tail capped the amount of rebates the single large industrial customer is eligible to receive at \$250,000 each year. On May 22, 2019, Otter Tail requested an extension of the current plan for 2020.

TODAY, shall the Commission approve an extension of Otter Tail's energy efficiency plan through 2020? OR, how shall the Commission proceed?

2. EL18-021 In the Matter of the Application of Otter Tail Power Company for Authority to Increase Its Electric Rates (Staff Analysts: Brittany Mehlhaff, Patrick Steffensen, Eric Paulson, Joseph Rezac, Lorena Reichert; Staff Attorney: Kristen Edwards)

On April 20, 2018, the Commission received an application by Otter Tail Power Company (Otter Tail) for approval to increase rates for electric service in its South Dakota service territory by a net \$3,358,547 annually or 10.10 percent based on Otter Tail's 2017 test year, with an additional \$629,107, or 1.72 percent increase to revenues, effective January 1, 2020. The proposed rates may potentially affect approximately 11,700 customers in Otter Tail's South Dakota service territory. On May 16, 2018, the Commission issued an Order Suspending Operation of Proposed Rates; Order Assessing Filing Fee and an Order Authorizing Consulting Contracts. June 1, 2018, was noticed as the intervention deadline. On June 28, 2018, Valley Queen Cheese Factory, Inc. filed a Petition to Intervene, which was granted by the Commission on July 16, 2018. On October 18, 2018, Otter Tail implemented interim rates pursuant to 49-34A-17. On November 1, 2018, Otter Tail filed supplemental direct testimony and an errata filing. On February 5, 2019, Otter Tail and Commission staff (staff) filed a Stipulation for Procedural Schedule. On February 7, 2019, the Commission issued a Scheduling Order. On February 15, 2019, staff and Otter Tail filed a Joint Motion for Approval of Settlement Stipulation and Settlement Stipulation resolving all issues except for return on equity. The Commission issued an Order Granting Joint Motion for Approval of Settlement Stipulation and an Order Approving Settlement Stipulation on March 6, 2019. On March 7, 2019, the Commission issued an Order for and Notice of Evidentiary Hearing, setting the matter of rate of return on equity for hearing on March 26, 2019, through March 28, 2019. On March 15, 2019, the parties filed a Second Stipulation for Procedural Schedule. On March 18, 2019, the Commission issued an Amended Scheduling Order. The hearing was held as scheduled on March 26, 2019. On March 29, 2019, the parties filed a Third Stipulation for Procedural Schedule. On April 2, 2019, the Commission issued a Second Amended Scheduling Order, with oral argument scheduled for May 14, 2019. At its regular meeting on May 14, 2019, the Commission considered the issues heard at the hearing and took action on the issue of rate of return on equity. The Commission directed staff and Otter Tail to jointly file the final revenue requirement prior to the May 28, 2019, commission meeting. On May 24, 2019, the parties filed the final revenue requirement reflecting the May 14, 2019, Commission decision on rate of return of equity. On May 30, 2019, the Commission issued a Final Decision and Order, which included that Otter Tail submit a refund plan and tariff sheets conforming to this Final Decision and Order and the Order Approving Settlement Stipulation for Commission action at its regular meeting on June 25, 2019.

TODAY, shall the Commission approve the interim rate refund plan? AND, shall the Commission approve the tariff sheets? OR, how shall the Commission proceed?

3. EL18-060 In the Matter of the Filing by Black Hills Power, Inc. dba Black Hills Energy for Approval of a Renewable Ready Service Tariff and Tariff Revisions to Its Energy Cost Adjustment (Staff Analysts: Brittany Mehlhaff, Patrick Steffensen; Staff Attorney: Kristen Edwards)

On December 17, 2018, Black Hills Power, Inc. dba Black Hills Energy (BHP) filed an application to implement a new renewable ready service tariff and associated revisions to its energy cost adjustment tariff. The new tariff would serve commercial retail customers with an aggregate usage of 300,000 kWh or more per year and governmental accounts desiring renewable energy. BHP states this application is made in response to requests and interest expressed by large customers within the BHP service area. BHP states the tariff is designed to provide renewable energy to BHP customers with minimal impact to non-subscribing customers. BHP requests an effective date of August 1, 2019. January 4, 2019, was noticed as the intervention deadline. On February 11, 2019, Walmart, Inc. filed a Petition to Intervene which was granted by the Commission on March 7, 2019. On June 18, 2019, a Joint Motion for Approval of Settlement Stipulation and Settlement Stipulation were filed with the Commission.

TODAY, shall the Commission grant the Joint Motion for Approval of Settlement Stipulation and approve the terms and conditions stipulated therein? AND, shall the Commission approve the tariff sheets as filed with the application, effective August 1, 2019? OR, how shall the Commission proceed?

4. EL19-003 In the Matter of the Application by Crowned Ridge Wind, LLC for a Permit of a Wind Energy Facility in Grant and Codington Counties (Staff Analysts: Darren Kearney, Jon Thurber, Eric Paulson; Staff Attorneys: Kristen Edwards, Amanda Reiss, Mikal Hanson)

On January 30, 2019, Crowned Ridge Wind, LLC (Crowned Ridge or Applicant) filed an application for a permit to construct a wind energy conversion facility to be located in Grant County and Codington County, South Dakota (Project). The Project would be situated on approximately 53,186-acres in the townships of Waverly, Rauville, Leola, Germantown, Troy, Stockholm, Twin Brooks, and Mazeppa, South Dakota. The total installed capacity of the Project would not exceed 300 megawatts (MW) of nameplate capacity. The proposed Project includes up to 130 wind turbine generators, access roads to turbines and associated facilities, underground 34.5-kilovolt (kV) electrical collector lines, underground fiber-optic cable, a 34.5-kV to 345-kV collection substation, one permanent meteorological tower, and an operations and maintenance facility. The Project will utilize the Crowned Ridge 34-mile 230-kV generation tie line and a new reactive power compensation substation to transmit the generation from the Project's collector substation to the Project's point of interconnection located at the Big Stone South 230-kV Substation, which is owned by Otter Tail Power Company. Applicant has executed a power purchase agreement with Northern States Power Company (NSP) to sell NSP the full output of the Project. The Project is expected to be completed in 2020. Applicant estimates the total cost of the Project to be \$400 million. The Commission has granted party status to four individuals (Intervenors). On April 25, 2019, Intervenors filed Intervenors' Motion to Deny and Dismiss, which was denied by the Commission on May 10, 2019. On May 17, 2019, Intervenors filed Intervenors' Second Motion to Deny and Dismiss, which was denied by the Commission at the commencement of the evidentiary hearing. An evidentiary hearing was held on June 11 and 12, 2019, however the testimony of staff witness David Hessler was taken telephonically on June 6, 2019. On June 13, 2019, the Commission received an application for party status from Timothy and Linda Lindgren.

TODAY, shall the Commission grant the application for party status of Timothy and Linda Lindgren? OR, how shall the Commission proceed?

Gas and Electric

1. GE19-003 In the Matter of the Filing by MidAmerican Energy Company for Approval of a Revised Customer Information Welcome Booklet (Staff Analyst: Eric Paulson; Staff Attorney: Amanda Reiss)

On June 14, 2019, the Commission received a Filing from MidAmerican Energy Company (MidAmerican) for approval of its revised Customer Information Welcome Booklet. Pursuant to ARSD 20:10:16:02, the Customer Information Welcome Booklet shall be submitted to the Commission for approval. MidAmerican requests an effective date of June 14, 2019.

TODAY, shall the Commission approve the proposed revisions to MidAmerican's Customer Information Welcome Booklet?

Natural Gas

1. NG19-005 In the Matter of the Filing by NorthWestern Corporation dba NorthWestern Energy for Approval of Revisions to Its Sample Forms and Associated Tariff Revisions (Staff Analyst: Patrick Steffensen; Staff Attorney: Amanda Reiss)

On May 31, 2019, the Commission received a filing from NorthWestern Corporation dba NorthWestern Energy (NorthWestern) for approval of revisions to its sample forms and associated tariff sheets. NorthWestern seeks to modernize and remove unnecessary forms currently in NorthWestern's tariff that will reduce the administrative burden of both NorthWestern and the Commission.

TODAY, shall the Commission approve the proposed tariff revisions with an effective date of July 1, 2019?

Telecommunications

1. TC19-009 In the Matter of the Petition of North American Local, LLC for Designation as an Eligible Telecommunications Carrier in the State of South Dakota (Staff Analyst: Joseph Rezac; Staff Attorney: Amanda Reiss)

On April 24, 2019, the Commission received a Petition as an Eligible Telecommunications Carrier from North American Local, LLC for the purpose of offering Lifeline services on a wireless basis in the State of South Dakota. On June 3, 2019, the Commission issued an order granting South Dakota Telecommunications Association and Cheyenne River Sioux Tribe Telephone Authority party status in the docket. On May 29, 2019, Boomerang Wireless, LLC dba enTouch Wireless (Boomerang) filed a Petition to Intervene. At the June 11, 2019, Commission meeting, the Commission voted to deny Boomerang's Petition to Intervene. On June 11, 2019, Boomerang filed a new Petition to Intervene.

TODAY, shall the Commission grant Boomerang's Petition to Intervene?

Items for Commission Discussion

Public Comment

Individuals who wish to make public comments to the commission may do so in person during this time. All who offer public comment are requested to sign in at the commission meeting. Time limits for comments may be determined at the discretion of the chairman.

Announcements

1. An evidentiary hearing in Docket **EL19-007** - In the Matter of the Application by Triple H Wind Project, LLC for a Permit of a Wind Energy Facility in Hyde County, South Dakota, is scheduled to begin at 2:00 p.m. CDT, Thursday, June 27, 2019, in Room 414 at the State Capitol Building, Pierre, South Dakota.
2. The PUC office will be closed Thursday, July 4 and Friday, July 5, 2019, in observance of Independence Day.
3. The next regular commission meeting will be Tuesday, July 9, 2019, at 9:30 a.m. CDT in Room 413 at the State Capitol Building, Pierre, South Dakota.
4. Commissioners will attend the Governor's Agricultural Summit, July 10-11, 2019, at the Denny Sanford Premier Center, Sioux Falls, South Dakota.
5. Commissioners and staff will attend the National Association of Regulatory Utility Commissioners' Summer Policy Summit, July 21-24, 2019, at the J.W. Marriott Indianapolis, Indianapolis, Indiana.
6. Commission meetings are scheduled for July 25 and August 6, 2019.

/s/Cindy Kemnitz

Cindy Kemnitz

Finance Manager

[PUC Email](#)

June 18, 2019