



PUBLIC UTILITIES COMMISSION

2012 Highlights

Leadership

Chairman Chris Nelson
Vice Chairman Kristie Fiegen
Commissioner Gary Hanson

TELECOMMUNICATIONS

- Commissioner Chris Nelson was appointed to the National Association of Regulatory Commissioners' Task Force on Federalism and Telecommunications that will review and set new policies on telecommunication regulation for NARUC.
- Deemed 39 telecommunications companies as eligible to collectively receive millions of dollars in high cost support from the federal Universal Service Fund for maintaining, upgrading and building out their networks in South Dakota in 2013. The Universal Service Administration Co. estimates companies invested more than \$69.3 million in USF monies in South Dakota in 2011.
- Continued monitoring, at local and national levels, issues related to completion of calls to customers of rural telecommunications companies. Researched complaints from consumers and companies.
- Approved 44 requests from telecommunications companies to reduce rates to comply with the FCC's intercarrier compensation reform. An additional 44 filings from companies were processed and approved for amendments to interconnection agreements to conform to the FCC's changes.
- Assisted South Dakota's rural telecommunications companies with communicating to the FCC the correct territory areas for the companies. The FCC had been underestimating the size of the territories, which could have resulted in reduced federal funding for broadband upgrades.

GRAIN WAREHOUSE

- Issued 315 licenses and performed 380 on-site inspections.
- Investigated producer complaints of Anderson Seed's failure to pay. Following inspector analysis, commission revoked the company's grain buyer license and followed statutory procedures to become the receiver of Anderson Seed's \$100,000 bond. Coordinated the bond proceeds claim process among producers and other grain suppliers. Bond proceeds will be paid to eligible claimants in 2013.
- Drafted a suite of proposed updates to grain buyer and warehouse statutes with input from agribusiness and producer organizations. Announced the five-point plan at a news conference held at the Governor's Ag Summit. Refined legislation for introduction at the 2013 legislative session.

ENERGY EFFICIENCY

- Approved updates to energy efficiency plans by investor-owned utilities that offer cost and energy savings to customers.
 - MidAmerican Energy Co. – The approved plan is a continuation and expansion of the company’s previously-approved plan, which provides rebates, audits and an appliance recycling program to qualified customers that install energy-efficient equipment and devices and/or use programs to help them reduce their energy use. Collective energy savings during the five-year plan are estimated to be more than 25 million kilowatt hours of electricity and 8 million therms of natural gas.
 - Otter Tail Power Co. –The update allows for greater customer participation in programs for lighting, motors, heat pumps and custom efficiency incentives.
- Created a new section on the South Dakota Energy Smart website that summarizes energy efficiency rebates available to South Dakotans. The information is organized by city and provider and includes links to specific information and applications.

HYDROCARBON PIPELINE

- Granted the release of construction bonds for the Keystone Pipeline, which is operational in eastern South Dakota.

ELECTRIC

- Processed 25 electric service territory boundary agreements to verify electric territory mapping data for conversion to electronic format and use in a Geographic Information System database.
- Continued working with counterparts from other states on the Eastern Interconnect States’ Planning Council/State Provincial Steering Committee to strategize regional transmission planning and cost allocation efforts.
- As part of the Western Interconnection Regional Advisory Body, continued to provide advice to the Western Electricity Coordinating Council, North American Electric Reliability Corporation and Federal Energy Regulatory Commission about electric reliability issues, specifically the group considered the ongoing reorganization of WECC.
- Approved a 5.12 percent electric rate increase by Xcel Energy. The company had sought a 9.28 percent increase. The commission’s decision trimmed more than \$6.5 million in additional annual revenue from Xcel Energy’s initial request.
- Approved the transfer of a construction permit granted in 2007 to the seven Big Stone II regional utilities, including Otter Tail Power Co. to Otter Tail exclusively. The permit transfer is Otter Tail’s first step in the permitting of the Multi-Value Project transmission line expected to run from Big Stone to Brookings.
- Approved a transmission cost recovery tariff for Xcel Energy for the company’s share of local and regional transmission investments. Staff and company representatives developed a cost allocation method that considers the jurisdiction that has created the need for regional transmission investment and the amount of investment that is appropriate to include in retail rates.

RENEWABLE ENERGY

- Compiled the annual South Dakota Renewable, Recycled and Conserved Energy Objective report and submitted it to the state legislature. Companies reporting for 2011 collectively owned 494 megawatts of renewable generation capacity in South Dakota; retired 20,796 megawatt hours of renewable energy credits; and reported 11,742 MWh in conserved energy and 737 MW of conserved capacity, all in South Dakota.
- Participated in the review, negotiation and approval of a new rate structure for the Midwest Renewable Energy Tracking System that reduces the cost of tracking renewable energy credits. PUC staff member Brian Rounds serves as secretary for the M-RETS governing board.
- Commissioner Gary Hanson delivered a presentation to fellow state regulators at the annual American Wind Energy Association convention. Hanson's remarks focused on renewable energy, electric transmission and regulatory issues in the country and the specific impact in South Dakota.

PIPELINE SITING, SAFETY AND INSPECTION

- Completed 170 days of pipeline safety inspections, exceeding the federal requirement of 133 days.
- Led six training webinars about inspections, federal legislation, penalties, emergency response, control room management and pipeline siting collectively attended by 150 pipeline operators.
- Pipeline safety staff participated in more than 140 hours of training.
- Assessed a total of \$3,550 in penalties against three different pipeline operators for pipeline safety violations.
- Approved a revised pipeline safety violation penalty worksheet that was developed by PUC staff with industry input. The worksheet meets state statutory requirements and federal expectations.
- Hosted delegates from the central region of the National Association of Pipeline Safety Representatives for their annual meeting held in Rapid City.
- Promoted the Call Before You Dig program with statewide news releases for National Safe Digging Month in April and National 8/11 Day in August. Encouraged visitors to the PUC's booth at the Brown County, Sioux Empire and State Fair to take the One Call pledge to call 811 before any excavation activity.
- Conducted an investigation into an incident affecting Montana-Dakota Utilities Co.'s system in Spearfish. A flatbed trailer full of logs detached from its semi-tractor on I-90 and hit the gas meter set on the Spearfish Wal-Mart. Damage to MDU's system was in excess of \$50,000. No pipeline safety violations were found.
- Completed all first round inspections of new public awareness effectiveness regulations and new Distribution Integrity Management inspections a year ahead of federal deadlines.
- Commissioner Kristie Fiegen delivered a presentation about the PUC's role in pipeline siting to South Dakota county commissioners.

LEADERSHIP

- Commissioner Chris Nelson was voted to serve as PUC chairman and Commissioner Kristie Fiegen was voted vice chairman.
- Commissioner Chris Nelson was elected to PUC to complete the term to which he had been appointed in 2011.
- Commissioner Kristie Fiegen was elected to PUC for a six-year term beginning in 2013, following an appointment to the commission in 2011.

PUBLIC OUTREACH AND CONSUMER ASSISTANCE

- Hosted a pre-session PUC briefing for legislators. The forum featured an update about proposed grain buyer legislation, wind energy development, the impact of EPA regulations, transmission challenges, Keystone pipelines and the Federal Communications Commission's 2011 order that overhauls telecommunications funding support. The event attracted nearly 40 legislators and a number of utility industry representatives.
- Assisted consumers on nearly 2,000 occasions with issues and complaints related to electric, natural gas, telecommunications (including wireless), energy efficiency and other utility-related topics.
- Conducted personal consumer outreach at home shows in Sioux Falls and Rapid City and fairs in Aberdeen, Sioux Falls and Huron. Commissioners and staff met with more than 3,200 consumers to answer questions about utility issues and promote the Call Before You Dig program, energy efficiency, Lifeline telephone assistance program and the Do Not Call registry.
- Helped to increase the amount of South Dakota telephone numbers on Do Not Call registry to 604,031.
- Commissioner Chris Nelson was a guest lecturer for Brookings eighth grade science classes and students at Sioux Falls' technology high school. Nelson and the students discussed wind, hydro and solar applications in South Dakota.
- Assisted a number of consumers whose wireless phone account had been fraudulently accessed. Issued a statewide news release encouraging consumers to check or add security measures to protect their wireless phone accounts.
- Warned South Dakotans, via a statewide news release and direct consumer contact, about a deceitful billing scheme by an out-of-state company attempting to elicit payment for telecommunications services not delivered.

LEGISLATION

- Introduced House Bill 1036, grain warehouse legislation, which added language to define an "independent provider." The bill also clarified other points of existing statutes.
- Shepherded the passage of Senate Bill 35 to update pipeline safety citations to federal regulations and laws. The legislation also increased the maximum civil penalties that can be levied against a pipeline operator that violates a safety rule or law.