

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  BLACK HILLS/IOWA GAS UTILITY COMPANY, LLC D/B/A BLACK HILLS ENERGY	DOCKET NO. SPU-2015-0039
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**ORDER APPROVING DISCONNECTION LETTER**

On November 6, 2020, Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy (Black Hills), filed with the Utilities Board (Board) an update regarding outstanding easement issues related to farm taps. Black Hills states in its filing it still needs to secure numerous easements in order to comply with the requirements of the Board's final decision and order issued April 20, 2017. In the April 20, 2017 order, the Board found there were potential safety issues with customer-owned farm taps and required Black Hills to take control and ownership of the farm taps. At the time the order was issued, Black Hills had approximately 1,632 farm taps it needed to examine to ensure the farm taps complied with the requirements established in the April 20, 2017 order.

On November 23, 2020, Black Hills provided clarification as to how many farm tap customers were categorized into Sections E and F of Black Hills' Tariff Sheet No. 21. On January 25, February 11, and February 15, 2021, Black Hills filed additional information regarding its outstanding farm tap easement issues. In its February 15, 2021 filing, Black Hills stated it still needed to obtain easements for 72 customers.

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On November 30, 2020, the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, filed its response. OCA states it does not object to Black Hills' proposed disconnection process and form letter. OCA states it believes the proposed process would balance the interests between the customers and the safety issues. OCA states it objects to Black Hills' request for approval to offer compensation to obtain easements, unless Black Hills can demonstrate the compensation will have no impact on customers' rates. OCA further states that allowing Black Hills to provide compensation for easements would be inconsistent with the Board's final decision and order on this matter.

On February 18, 2021, a status conference was held to allow Black Hills to describe the current situation of its farm tap easement issues and to allow the Board and OCA to ask questions regarding the easement issues.

The Board has reviewed the information provided by Black Hills and OCA and will grant Black Hills the authority to send disconnection notices to those customers for whom Black Hills has yet to obtain the necessary easements. The Board's final decision and order required Black Hills to take control and ownership of the farm taps due to safety concerns. Being able to access the farm tap is essential to the safe operation of farm taps. Without Black Hills having the authority to access these farm taps, Black Hills is unable to ensure the farm tap is operating safely as required by 49 CFR Part 192.

The Board will require Black Hills to send the form letter identified as Attachment A to this order to all customers who have outstanding easement issues. Black Hills will be required to provide the notice to the customers with easement issues no earlier than

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May 15, 2021. The notice gives the customer six months to either resolve any outstanding easement issue or switch to an alternative energy source. One month prior to disconnection, Black Hills will be required to send an additional disconnection notice informing the customer that their service will be disconnected in 30 days. In addition to mailing the 30-day disconnection notice, Black Hills will be required to attempt to contact each farm tap customer subject to disconnection by telephone.

Black Hills will be required to file, at a minimum, the following information:

- a. a list of farm tap customers sent a disconnection notice, which includes:
  - i. the date the disconnection notice was mailed, and
  - ii. the anticipated disconnection date;
- b. the 30-day disconnection letter that will be sent to farm tap customers subject to disconnection.

Black Hills is encouraged to continue working with the remaining customers and landowners to resolve the remaining easements.

**IT IS THEREFORE ORDERED:**

1. No earlier than May 15, 2021, Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy, shall send the disconnection form letter, Attachment A, to all farm tap customers for whom there are outstanding easement issues.
2. Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy, shall file with the Utilities Board a list of all customers who received the disconnection notice, including the date the notice was mailed and the date of the anticipated disconnection.
3. One month prior to the date of disconnection, Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy, shall send an additional disconnection letter

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informing a farm tap customer with outstanding easement issues of the pending disconnection, as well as attempt to notify the customer by telephone.

4. Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy, shall file with the Utilities Board the 30-day disconnection letter that will be sent to farm tap customers to notify them of pending disconnection.

**UTILITIES BOARD**

**Geri Huser** Date: 2021.03.29  
16:59:54 -05'00'

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**Richard Lozier** Date: 2021.03.29  
17:01:45 -05'00'

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ATTEST:

**Anna Hyatt** Date: 2021.03.29  
17:18:44 -05'00'

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**Joshua J Byrnes** Date: 2021.03.29  
16:46:40 -05'00'

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Dated at Des Moines, Iowa, this 29th day of March, 2021.

**ATTACHMENT A**

Date 01, 20XX

(Certified Letter Number)  
(Addressee Name)  
0000 Main Street, Suite 0000  
(City), (ST) 00000-0000

**INFORMATION THAT WILL IMPACT YOUR  
NATURAL GAS FARM TAP**

Dear (Mr./Mrs./Ms.) (Name):

Black Hills/Iowa Gas Utility Company, LLC d/b/a Black Hills Energy (Black Hills) has previously reached out to you regarding the requirement that all Iowa Farm Tap fuel lines comply with federal and state safety standards. Under the mandatory testing program, Black Hills is required to either:

1. Acquire customer-owned lines that comply with specific safety requirements; or
2. Replace customer-owned lines that fail to comply with the same safety requirements.

According to Black Hills Tariff Sheet No. 21, Condition of Service Section E:

*“The customer shall grant the Company the right of ingress or egress to customer’s premises, for any and all purposes associated with Farm Tap Service or the exercise of any and all rights under the tariff. Customer authorizes Company representatives to enter Customer premises to inspect, test, maintain, repair or remove any Customer lines, service any odorization equipment if installed, and read any installed meters.”*

and Condition of Service Section F:

*“If Customer’s fuel line runs across another landowner’s property, Customer must obtain an easement to allow Company to access all Company owned property.”*

To date, Black Hills has been unsuccessful in obtaining the required easement(s) for the fuel line serving your property and is notifying you that failure to obtain the aforementioned easement by (DATE) will result in the disconnection of your natural gas service. When disconnection occurs, you will need to find an alternative energy source.

Black Hills will continue to work with you and landowners in an attempt to resolve the outstanding easement issues until the date set for disconnection. If Black Hills has not obtained the necessary easement rights to continue to serve you by (DATE), the natural gas service to your property will be disconnected. One month prior to your disconnection, Black Hills will provide you notice that it has been unable to obtain the necessary easement rights to continue to provide you with natural gas service.

Please reach out to our Farm Tap Customer Service number at 515-343-2040 with any questions or concerns.