

EL 06-011

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Executive Director  
Public Utilities Commission  
500 East Capitol Avenue  
Pierre, South Dakota 57501

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APR 12 2006

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

RE: MONTANA-DAKOTA UTILITIES COMPANY; NORTH CENTRAL LARGE  
LOAD PETITION, BOWDLE, SOUTH DAKOTA  
Our file: 0069

Dear Patty:

Enclosed are the original and ten copies of a petition for large load electrical service, which please file. With a copy of this letter, I am forwarding copies of the petition to North Central Farmers Elevator and to FEM Electric by mailing and telecopier.

Yours truly,

MAY, ADAM, GERDES & THOMPSON LLP

BY: 

DAG:mw

Enclosures

cc/enc: Keith Harney, Manager, North Central Farmers Elevator  
Paul Erickson, Manager, FEM Electric  
Don Ball  
Dan Kuntz

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APR 12 2006

BEFORE THE PUBLIC UTILITIES COMMISSION SOUTH DAKOTA PUE  
OF THE STATE OF SOUTH DAKOTA UTILITIES COMMISS

|                                     |                         |
|-------------------------------------|-------------------------|
| IN THE MATTER OF THE PETITION FOR ) | DOCKET NO. EL06-_____   |
| DESIGNATION OF MONTANA-DAKOTA )     |                         |
| UTILITIES CO. AS ELECTRIC )         |                         |
| SERVICE PROVIDER FOR THE NEW )      | PETITION FOR LARGE LOAD |
| NORTH CENTRAL FARMERS ELEVATOR )    | ELECTRICAL SERVICE      |
| LOCATION IN BOWDLE, SOUTH DAKOTA, ) |                         |
| AS A LARGE LOAD CUSTOMER. )         |                         |

COMES NOW Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group Inc., and petitions as follows:

1. North Central Farmers Elevator ("North Central") plans to construct a new grain handling/multi-unit train loading facility ("North Central Facility") to be located near Bowdle, South Dakota. North Central is a new customer, seeking electrical service at a new location, which has developed since March 21, 1975, and such location is outside municipal boundaries, all pursuant to SDCL § 49-34A-56. The site of the North Central Facility is as follows: Southwest Quarter of Section 20, Township 123 North, Range 73 West, Edmunds County, South Dakota. The center of the site will be one half mile south of the railroad line in Section 20, and one half mile west of the westerly Montana-Dakota service boundary for Bowdle. See attached Exhibit A.

2. The North Central Facility will have electric service requirements with a contracted minimum demand of 2,000 kilowatts.

3. Montana-Dakota files this petition because it has had discussions with North Central as to the terms and conditions of an electrical service contract. North Central has also negotiated with FEM Electric Association, Inc., P.O. Box 468, 800 5<sup>th</sup> Avenue, Ipswich, South Dakota, 57451 ("FEM"). Montana-Dakota believes that, regardless of customer preference, Montana-Dakota is best suited to provide electrical service to North Central under a service contract pursuant to the criteria established by SDCL § 49-34A-56, as follows:

- a) (1) **Electric service requirements.** Montana-Dakota is fully able to provide the electric service requirements of the load to be served. North Central Farmers Elevator has a service requirement of 480 volts. Montana-Dakota would provide the 480 volt service requirement through a 7.2/12.47KV distribution feeder provided from a 41.6KV-7.2/12.47KV distribution substation. The distribution substation would be served by one-half mile of 41.6KV transmission line.
- b) (2) **Adequate power supply.** Montana-Dakota has the availability of an adequate power supply for the foreseeable future through a combination of existing generation and contracted power purchase sources.
- c) (3) **Service system factors and economics.** Montana-Dakota will be required to expend significantly fewer dollars in cost than FEM to provide service to North Central's load requirements, thus eliminating wasteful spending and duplication of services in the industry. Montana-Dakota needs to construct only approximately one-half mile of transmission facilities to serve the load, while FEM will be required to construct approximately four miles of transmission to serve the load.
- d) (4) **Proximity of adequate facilities.** Montana-Dakota's facilities are in closer proximity to the load to be served and offer greater stability from outages.
- e) (5) **Customer preference.** The preference of the customer is but one of six criteria upon which the assignment of the load is to be based under the statute. Montana-Dakota believes that other criteria such as the stability of its services, the proximity of its services, the superiority of its services, the relative cost to extend its service, and the irrelevance of cost of service

to the customer as a factor in service territory assignment, outweigh customer preference.

- f) (6) **Factors to fulfill customer requirements.** Among other factors making Montana-Dakota better able to provide service is its superior redundancy, enabling it to provide reliable service. The one-half mile of 41.6KV line will tap an existing Montana-Dakota 41.6KV line which can be served from Montana-Dakota's Selby Jct transmission substation or Montana Dakota's Bowdle Jct. transmission substation. Both of these transmission substations have multiple transmission feeder options. On the other hand, FEM must tap East River Electric's existing 41.6KV line. East River Electric's 41.6KV line is tapped to Montana Dakota's 41.6KV line one mile East of Montana Dakota's Bowdle Jct. transmission substation on one end and to Montana Dakota's 41.6KV line one mile North of Ipswich, SD on the other end.

4. SDCL § 49-34A-56 is part of the "South Dakota Territorial Integrity Act." The policy underlying that Act is "elimination of duplication and wasteful spending in all segments of the electric utility industry." Customer preference is but one of six equal factors. The focus of determinations under the statute, from the clear meaning of the statute and court precedent, must be upon the impact of the transaction on the electric power infrastructure and industry as a whole, and not solely, or even predominately, upon customer preference.

5. Montana-Dakota is aware of North Central's desire to complete its project by early fall and filed this petition immediately upon learning of North Central's selection of a supplier to expedite the regulatory process to meet this deadline.

WHEREFORE, petitioner Montana-Dakota requests that the Commission, after notice and hearing in the above-entitled matter, assign to Montana-Dakota provision of electric service to the North Central Facility.

Dated this 12 day of April, 2006.

MAY, ADAM, GERDES & THOMPSON LLP

BY: 

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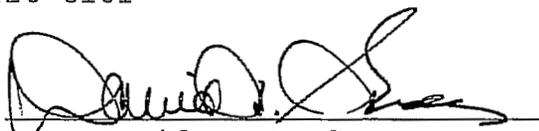
Telefax: (605)224-6289

CERTIFICATE OF SERVICE

David A. Gerdes of May, Adam, Gerdes & Thompson LLP hereby certifies that on the 12<sup>th</sup> day of April, 2006, he mailed by United States mail, first class postage thereon prepaid, and via telecopier a true and correct copy of the foregoing in the above-captioned action to the following at their last known addresses, to-wit:

Keith Harney, Manager  
North Central Farmers Elevator  
P.O. Box 366  
Ipswich, SD 57451  
fax: 605-426-6161

Paul Erickson, Manager  
FEM Electric Association, Inc.  
800 5<sup>th</sup> Avenue  
P.O. Box 468  
Ipswich, South Dakota 57451  
fax: 605-426-6161



David A. Gerdes

# EXHIBIT A

