

December 3, 2013

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501

Re: In the Matter of the Consideration of
Standards to Govern Avoided Cost
Determinations
Docket No. RM13-002

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc., herewith electronically submits its Comments in response to the South Dakota Public Utilities Commission's (Commission) October 16, 2013 Order to Proceed and Request for Comments from Interested Persons in the above referenced docket. In its Order the Commission directed that a rulemaking proceeding be conducted for the purpose of receiving Comments from utilities and other interested persons as to whether rules should be promulgated at this time governing PURPA QF avoided cost determinations in the state of South Dakota, and, if so, what subject matters should be addressed.

The Commission Staff identified the following six possible subject matter areas that could be addressed in a memo dated September 25, 2013:

1. Requirements for the creation of a Legally Enforceable Obligation (LEO);
2. Acceptable methodology or methodologies for determination of avoided cost;
3. Appropriateness of particular methods in specified circumstances;
4. Appropriate contract term;
5. Standards for determination of when capacity credits shall be allowed; and
6. The appropriate method(s) for computing the magnitude and duration of such credits.

Montana-Dakota agrees that a rulemaking is appropriate and at this time suggests that consideration of Issue Nos. 1, 5 and 6 may be beneficial as policy considerations addressed in Commission rules. Montana-Dakota submits the other subject areas, identified by Commission Staff, would be better addressed on a case by case basis by individual utility.

Montana-Dakota will participate and provide comments in the event the Commission proceeds with a rulemaking proceeding.

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Attachments

cc: Brett Koenecke