



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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Bismarck, ND 58501

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March 3, 2014

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
Comments

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) January 29, 2014 Order to Proceed Regarding LEO Creation Rules and Establishing Comment Deadline (Order) in the above referenced case. In its Order the Commission requested interested parties comment on what should be included in rules setting forth the framework for a legally enforceable obligation (LEO) under the Public Utilities Regulatory Policy Act of 1978 (PURPA).

Montana-Dakota supports the consideration of the administrative rule promulgated by the Texas Public Utility Commission regarding the establishment of an LEO as suggested by NorthWestern Corporation in their initial comments submitted on January 10, 2014. The administrative rule developed by the Texas Public Utility Commission (Texas Admin. Code, Rule § 25.242(f)(1)(B)) provides an equitable criteria for defining how and when and LEO is created by a Qualifying Facility (QF). Montana-Dakota supports the adoption of a rule similar to the Texas Rule wherein an electric utility that is required to purchase energy from a QF with a design capacity of 100 kW or more shall be required to do so within 90 days of being notified by the QF that such energy is available to be delivered with the price to be paid based on the electric utility's avoided cost.

Montana-Dakota appreciates the opportunity to comment and looks forward to participating in the development of rules regarding LEO creation.

Sincerely,

Tamie A. Aberle

Tamie A. Aberle
Director of Regulatory Affairs

cc: Brett Koenecke