

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE CONSIDERATION)	ORDER FOR AND NOTICE
OF THE NEW PURPA STANDARDS)	OF PROCEDURAL
)	SCHEDULE AND HEARING
)	EL08-028

On December 19, 2007, the President signed the Energy Independence and Security Act of 2007 (EISA) into law. The EISA includes four new federal standards to PURPA for state commissions and utilities to consider. They are (1) Integrated Resource Planning, (2) Rate Design Modification to Promote Energy Efficiency Investments, (3) Consideration of Smart Grid Investments, and (4) Smart Grid Information. The Commission must consider these standards and make a specific determination on whether their implementation is appropriate to encourage the conservation of energy supplied by electric utilities, optimal efficiencies of electric utility facilities and resources, and equitable rates for electric consumers.

At its November 25, 2008, meeting, the Commission considered this matter. Staff recommended that the Commission open a docket to consider the standards, use the December 19, 2009 deadline for all of the standards, conduct an initial paper hearing, and have Staff work with Commission Counsel to set a procedural schedule after time for intervention has run. The Commission unanimously voted to open a docket to consider the four new PURPA standards by December 19, 2009, and set an intervention deadline of December 31, 2008.

On December 22, 2008, the Commission received Petitions to Intervene from Montana-Dakota Utilities Co. (MDU) and Otter Tail Corporation d/b/a Otter Tail Power Company (OTP). On December 23, 2008, the Commission received a Petition to Intervene from MidAmerican Energy Company (MidAmerican). On December 24, 2008, the Commission received a Petition to Intervene from Xcel Energy (Xcel). On December 30, 2008, the Commission received Petitions to Intervene from NorthWestern Corporation d/b/a NorthWestern Energy (NWE) and Black Hills Power, Inc. (BHP). At a regularly scheduled meeting of January 27, 2009, the Commission granted intervention to MDU, OTP, MidAmerican, Xcel, NWE and BHP.

The Commission has jurisdiction over this matter pursuant to SDCL chapter 49-34A, specifically 49-34A-93, and the EISA.

The procedural schedule shall be as follows:

DATE	PROCEDURAL SCHEDULE
June 19, 2009	Utility Direct Testimony Due
August 14, 2009	Staff Direct Testimony Due
September 4, 2009	Utility Reply Testimony Due
September 22 and 23, 2009	Hearing
October 16, 2009	Initial Briefs Due
November 1, 2009	Reply Briefs Due

A hearing shall be held commencing at 1:00 p.m. on Tuesday, September 22, 2009, in Room 413, State Capitol, 500 East Capitol, Pierre, South Dakota, and shall continue commencing at 9:00 a.m., on Wednesday, September 23, 2009. The hearing is open to the public. All persons testifying shall be subject to cross-examination.

The issue at the hearing is whether the Commission should implement the following four new federal standards to PURPA: (1) Integrated Resource Planning, (2) Rate Design Modification to Promote Energy Efficiency Investments, (3) Consideration of Smart Grid Investments, and (4) Smart Grid Information.

The hearing will be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights may be forfeited if not exercised at the hearing. If a party or their representative fails to appear at the time and place set for the hearing, the Final Decision will be based on the testimony and other evidence provided, if any, during the hearing or a Final Decision may be issued by default pursuant to SDCL 1-26-20. All persons testifying will be sworn and subject to cross-examination by the Commission Staff, the Commission and other parties. After the hearing, the Commission will consider all evidence and testimony that was presented at the hearing. The Commission may then enter Findings of Fact, Conclusions of Law, and a Final Decision regarding this matter. As a result of the hearing, the Commission may determine whether to implement the following four new federal standards to PURPA: (1) Integrated Resource Planning, (2) Rate Design Modification to Promote Energy Efficiency Investments, (3) Consideration of Smart Grid Investments, and (4) Smart Grid Information. The Commission's Final Decision may be appealed by the parties to the state Circuit Court and the state Supreme Court as provided by law. It is therefore

ORDERED, that the procedural schedule set forth above shall be followed by all parties to these proceedings. It is further

ORDERED, that a hearing shall be held at the time and place specified above on the issues as stated above.

Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 9th day of March, 2009.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.
By: <u>Arlaine Kaelo</u>
Date: <u>3/10/09</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Dustin M. Johnson
DUSTIN M. JOHNSON, Chairman

Steve Kolbeck
STEVE KOLBECK, Commissioner

Gary Hanson
GARY HANSON, Commissioner