

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

IN THE MATTER OF THE)	ORDER TO PROCEED REGARDING LEO
CONSIDERATION OF STANDARDS)	CREATION RULES AND ESTABLISHING
TO GOVERN AVOIDED COST)	COMMENT DEADLINE
DETERMINATIONS)	
)	RM13-002

On September 25, 2013, the staff (Staff) of the South Dakota Public Utilities Commission (Commission) filed a request to open a rulemaking docket as directed in the Commission's Interim Order issued on May 15, 2012, in Docket EL11-006 for the purpose of considering the proper standards under the Public Utility Regulatory Policies Act of 1978, as amended (PURPA) for Qualifying Facility (QF) avoided cost determinations in this state and to receive public comments regarding what rules the Commission should consider. On September 26, 2013, the Commission electronically transmitted notice of the filing to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv.

The Commission has jurisdiction over this matter pursuant to SDCL 1-26, 49-1, and 49-34A, including specifically 49-1-11, 49-34A-4, and 49-34A-93, 16 U.S.C. Chapter 12, § 824a-3, and 18 C.F.R. Part 292.

On October 16, 2013, the Commission issued an Order to Proceed and Request for Comments from Interested Persons (Order). In the 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 this state, and, if so, what subject matter areas should be addressed. On October 22, 2013, the Commission issued an Order Establishing Comment Schedule requiring initial comments to be filed by December 3, 2013, and responsive comments to be filed by January 10, 2014. 47 comments were received by the Commission.

At its regular meeting on January 27, 2014, the Commission considered what rulemaking action, if any, to proceed with at this time regarding PURPA QF avoided cost determinations. After discussion and consultation with Staff and others present, the Commission voted unanimously to proceed with a rulemaking regarding the requirements for establishing a legally enforceable obligation (LEO), request that interested parties submit comments on what should be included in such rules by March 1, 2014, and direct Staff to subsequently recommend a set of rules.

It is therefore

ORDERED, that a rulemaking regarding the requirements for establishing an LEO shall proceed. It is further

ORDERED, that interested parties shall submit comments on what should be included in such rules by March 1, 2014. It is further

ORDERED, that following the expiration of the comment period, Staff is directed to recommend a set of rules for consideration by interested parties and the Commission.

Dated at Pierre, South Dakota, this 29th day of January, 2014.

<p align="center">CERTIFICATE OF SERVICE</p> <p>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.</p> <p>By: <u>Tina Douglas</u></p> <p>Date: <u>1-29-14</u></p> <p align="center">(OFFICIAL SEAL)</p>
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BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Chris Nelson
CHRIS NELSON, Commissioner

Kristie Fiegen
KRISTIE FIEGEN, Commissioner