



South Dakota Rural Electric Association, Inc.
222 West Pleasant Drive
Post Office Box 1138
Pierre, South Dakota 57501-1138
Phone: 605-224-8823
Fax: 605-224-4430

www.sdrea.coop

June 15, 2006

Chairman Bob Sahr
Commissioner Dusty Johnson
Commissioner Gary Hanson
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

RECEIVED
JUN 19 2006
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Dear Commissioners Sahr, Johnson & Hanson:

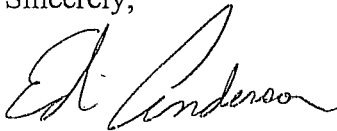
The South Dakota Rural Electric Association is a member services organization representing generation, transmission and distribution cooperatives. On behalf of our 31 member systems, we are pleased to respond to the Commission's request for comments in PUC Docket EL06-018. As outlined in the order opening EL06-018, the Energy Policy Act of 2005 amended the Public Utility Regulatory Policies Act (PURPA) of 1978 by adding five new federal standards to that act and establishing timelines for state regulatory authorities and certain non-regulated utilities to consider adoption of those standards. The five new standards address net metering, fuel diversity, fossil fuel generation efficiency, smart metering, and interconnection service for distributed resources.

PURPA requires state regulatory authorities (in South Dakota the Public Utilities Commission) and large non-regulated electric utilities to determine for themselves whether to adopt the federal standards. State regulatory authorities (for the utilities whose rates they regulate) and certain non-regulated electric utilities covered by PURPA must follow specific procedures to consider the federal standards that are outlined in the law. They must also make specific statutory determinations with respect to the federal standards. If, after conducting the necessary process, a state regulatory authority (for the utilities whose rates it regulates) or a non-regulated electric utility determines that it is not appropriate under PURPA or state law to implement the new federal standards, it can choose not to. Under PURPA, and specifically as it relates to the obligation to consider the new federal standards, none of the 31 SDREA member systems would be considered jurisdictional utilities, obligated to consider the new standards.

We would note however, that although a statutory obligation to consider does not exist, each of our member systems is committed to a coordinated review of the new standards in their continuing commitment to provide their members with safe, reliable, high quality electric service at the lowest possible cost. South Dakota's electric cooperatives continue

to take a lead role in utilizing wind generation in their overall power mix and have proven track records in encouraging the use of new and existing technologies and methodologies to promote the efficient use of our energy resources. The five new standards for consideration proposed under the new law fit well within our existing commitments to rural electric consumers throughout South Dakota. For the purpose of moving forward on EL06-018 in an expedient manner we would suggest that the Commission utilize one docket for the entire proceeding and would also suggest that the issue of net metering has been considered by the South Dakota Legislature on more than one occasion during a legislative session and should therefore not be considered as an issue moving forward.

Sincerely,

A handwritten signature in cursive script that reads "Ed Anderson". The signature is written in black ink and is positioned above the typed name.

Ed Anderson, Director
Government Relations