

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE PETITION BY LEOLA DATA CENTER LLC  
TO HAVE MONTANA-DAKOTA UTILITIES CO., A SUBSIDIARY OF  
MDU RESOURCES GROUP INC., ASSIGNED AS ITS ELECTRIC  
PROVIDER IN THE SERVICE AREA OF FEM ELECTRIC ASSOCIATION

SD PUC DOCKET EL24-027

PRE-FILED DIRECT TESTIMONY OF DARCY J. NEIGUM, VICE PRESIDENT OF  
ELECTRIC SUPPLY, ON BEHALF OF MONTANA-DAKOTA UTILITIES CO., A  
SUBSIDIARY OF MDU RESOURCES GROUP INC.

October 11, 2024

1 **Q. Please state your name and business address.**

2 A. My name is Darcy J. Neigum, and my business address is 400 North Fourth Street,  
3 Bismarck, North Dakota 58501.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am the Vice President of Electric Supply for Montana-Dakota Utilities Co., a subsidiary  
6 of MDU Resources Group Inc. (Montana-Dakota).

7 **Q. Please describe your duties and responsibilities with Montana-Dakota.**

8 A. I have executive responsibility for Montana-Dakota's generation fleet, electric  
9 transmission system, and system operations group which manages the Company's participation  
10 in the Midcontinent Independent System Operations (MISO) and Southwest Power Pool (SPP)  
11 regional transmission organizations.

12 **Q. Please outline your educational and professional background.**

13 A. I hold a bachelor's degree in electrical and electronics engineering from North Dakota  
14 State University as well as a master's degree in business administration from the University of  
15 Mary. My work experience includes four years as a nuclear plant engineer; three years of  
16 experience as a coal-fired power plant engineer; eleven years of generation development and  
17 operational responsibilities for coal-fired, gas-fired, and renewable generation sources; and  
18 sixteen years of experience managing the system operations & planning department for  
19 Montana-Dakota. I have been in my current role for three months.

20 **Q. Have you testified in other proceedings before regulatory bodies?**

21 A. Yes. I have testified before this Commission, the Public Service Commissions of North  
22 Dakota, Montana, and Wyoming, and the Federal Energy Regulatory Commission.

1 **Q. Are you familiar with Leola Data Center?**

2 A. Yes, I am.

3 **Q. Have you participated in discussions with Leola Data Center regarding its**  
4 **relationship with MDU and the Docket in which you are providing testimony?**

5 A. Yes, I have.

6 **Q. Can you briefly relay to the Commission the nature and substance of those**  
7 **conversations?**

8 A. Yes, I can.

9 **Q. Please do so.**

10 A. In 2023, Leola Data Center approached Montana-Dakota regarding potential data center  
11 development sites including the availability of Montana-Dakota's Leola Transmission  
12 Substation. The Leola Transmission Substation is serviced from a radial 115kV transmission line  
13 which runs from Montana-Dakota's Ellendale Transmission Substation to Leola. This 115kV  
14 transmission line and Leola Transmission Substation are owned by Montana-Dakota and are part  
15 of the MISO transmission system. Montana-Dakota entered into an electric service agreement  
16 with Leola Data Center to serve between 10 and 50 MWs of electric power as part of the  
17 Company's Rate 45 Tariff approved by the South Dakota Public Utilities Commission.

18 **Q. Is it your understanding that Leola Data Center is a new customer at a new**  
19 **location?**

20 A. Yes, it is. The location is currently a brown field located adjacent to the Leola substation.

21 **Q. Will there be duplication of services required in order to serve Leola?**

22 A. Absolutely not.

23 **Q. What services will be required?**

1 A. Approximately 200 feet of overhead service line will be required from the substation to  
2 the proposed data center.

3 **Q. Will Leola Data Center require more than two megawatts of contracted minimum**  
4 **load?**

5 A. Yes. Pursuant to both their business plan, Montana-Dakota's Rate 45 tariff, and the  
6 associated electric service agreement between the parties, the load is well in excess of the  
7 statutory minimum required to invoke § 56.

8 **Q. Are there any of the six factors found in § 56 which are capable of being factually**  
9 **disputed?**

10 A. No, absolutely not. Leola Data Center is new customer in a new location requiring more  
11 than two megawatts of contracted minimum demand which has chosen to take service from  
12 Montana-Dakota pursuant to law. Montana-Dakota has the adequate power supply, the ability to  
13 serve, and all of the statutory factors are that there is no factual disputes thrown in any of them.

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16 Dated this 11 day of October, 2024.

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19 Darcy J. Neigum, Vice President of Electric Supply, on behalf of Montana-Dakota Utilities Co., a  
20 subsidiary of MDU Resources Group Inc.