



Gary Hanson, Chairman
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South Dakota

PUBLIC UTILITIES COMMISSION

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January 27, 2025

Acacia Deadrick

[REDACTED]
Sioux Falls, SD 57108

Dear Ms. Deadrick,

This is in response to your letter relaying your concern about the potential for hyperscale data centers to be built in South Dakota.

My fellow commissioners and I share some of your concerns. That is the reason we hosted a Large Load Education Session in Pierre on Nov. 26, 2024. We invited representatives of the state's investor-owned electric utilities, generation and transmission cooperatives, as well as regional transmission organizations and data centers to this discussion. There was a great deal of valuable information shared as you can hear by accessing the recording via the event posting online. Click on the PUC Events tab on the PUC website home page, then scroll down and click on the Large Load Education Session.

However, the commission does not have authority to approve or site data centers, or to place restrictions on noise or other aspects of operation. This commission is involved in one aspect of data centers and that occurs if and when the requested electric load requires approval by law within the commission's jurisdiction. This typically deals with what electric provider is proposed to supply the large load, and if/how an IOU electric provider's tariffed rate may be proposed to change to provide service.

The county and/or municipality in which a data center is to be built would have additional authority depending on the local governments' zoning ordinances. This would relate to items such as construction site and impacts, affected public roads, noise and other safety issues. As such, you may wish to engage with government officials at the local level, and possibly also with legislators with regard to state laws.

The commission has two open dockets dealing with providing electricity to data centers. As such, your letter will be posted under Comments and Responses in these dockets and you will learn much more on the commission's work by reading through these dockets:

EL24-027 - 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 Inc., and

EL24-028 - In the Matter of the Request by Montana-Dakota Utilities Co., a Subsidiary of MDU Resources Group Inc., for Approval of an Electric Service Agreement under Rate 45 between Montana-Dakota Utilities Co., a Subsidiary of MDU Resources Group Inc., and Leola Data Center LLC.

You can access these by clicking on Commission Actions, Commission Dockets, Electric Dockets, 2024 Electric Dockets, and scrolling down to the dockets referenced.

Thank you for reaching out to share your concerns and allowing me to explain the commission's involvement in these hyperscale or large load data centers.

Sincerely,



Gary Hanson