

From: PUC
Sent: Thursday, July 9, 2026 10:20 AM
To: 'Tod Gohl' [REDACTED]
Subject: FW: [EXT] AI Data Centers in South Dakota

Mr. Gohl:

Thank you for contacting the South Dakota Public Utilities Commission with your comments regarding data centers. In South Dakota, the Public Utilities Commission does not have jurisdiction over the location and siting of data centers. As such, a permit is not required from the PUC before they are constructed. The PUC's siting authority applies to infrastructure like power plants, transmission lines, and wind or solar farms—not to the data centers as standalone facilities (see [SDCL Chapter 49-41B](#)). Any permitting related to the siting and construction of data centers would be done at a local level (county or municipality). The only time PUC permitting would come into play with a data center would be if the data center were to construct its own transmission or generation.

On March 11, 2026, Governor Rhoden signed [SB 135](#), An Act to protect residents from increased utility costs and utility shortages caused by data centers and clarify authority to regulate data centers. This bill defines a data center (10 MW or greater) and requires the provider of electricity to maintain separate terms and conditions for electric service for a data center and for the data center to pay all costs fairly attributable to the data center.

The PUC is currently processing two dockets related to electric service for a proposed data center near Leola. Your comments, along with this response, will be posted in both 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.

[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

Please direct any future comments to the PUC by emailing puc@state.sd. As noted in the PUC's [Informational Guide](#) and [Ex Parte explanation](#), comments on open dockets should not be sent directly to commissioners.

Chris Nelson, Chairman
Public Utilities Commission
Puc.sd.gov