

STATE OF SOUTH DAKOTA
BEFORE THE PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PROPOSED
2023 ELECTRIC AND NATURAL GAS
SERVICE RATE CASES OF MONTANA-
DAKOTA UTILITIES CO.

EL23-_____; NG23-_____

**PETITION FOR EXTENSION
OF TEST PERIOD**

COMES NOW Montana-Dakota Utilities Co. (Montana-Dakota), by and through its attorney of record, and, for its Petition to the South Dakota Public Utilities Commission (Commission) for Extension of Test Period, submits as follows:

1. Montana-Dakota is currently planning to file natural gas and electric general rate cases with this Commission in August 2023. Its natural gas and electric rates, currently in effect, were determined by orders of the Commission issued June 15, 2016. Montana-Dakota proposes to base its requests on the analysis of a historical test year being the 2022 calendar year.

2. Pertinent Commission rule is as follows:

20:10:13:44. Analysis of system costs for a 12-month historical test year. The statement of the cost of service shall contain an analysis of system costs as reflected on the filing utility's books for a test period consisting of 12 months of actual experience ending no earlier than 6 months before the date of filing of the data required by §§ 20:10:13:40 and 20:10:13:43 unless good cause for extension is shown. The analysis shall include the return, taxes, depreciation, and operating expenses and an allocation of such costs to the services rendered. The information submitted with the statement shall show the data itemized in this section for the test period, as reflected on the books of the filing public utility. Proposed adjustments to book costs shall be shown separately and shall be fully supported, including schedules showing their derivation, where appropriate. However, no adjustments shall be permitted unless they are based on changes in facilities, operations, or costs which are known with reasonable certainty and measurable with reasonable accuracy at the time of the filing and which will become effective within 24 months of the last month of the test period used for this section and unless expected changes in revenue are also shown for the same period.

Source: 2 SDR 90, effective July 7, 1976; 9 SDR 55, effective November 7, 1982; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL 49-34A4

Law implemented: SDCL 49-34A-10, 49-34A-12, 49-34A-41.

Thus, existing rule requires the use of a test period consisting of 12 months of actual experience ending no earlier than 6 months before the date of filing **unless good cause for extension** is shown (Emphasis added.)

3. Montana-Dakota requests an extension under the rule above in order to use a calendar year 2022 test period as the basis for its proposed rates. At the time the filings are made in early August, only approximately seven months will have transpired since the close of the test period. Montana-Dakota believes the calendar year 2022 test period, with appropriate pro forma adjustments, will properly reflect its cost of service and provide an accurate view of its financial results.

4. Montana-Dakota asserts that the following reasons constitute good cause supporting the use of a calendar year test period:

(a) An August 2023 filing date is no more than 60 days beyond June 30, 2023. Montana-Dakota asserts that costs, revenues, and expenses will not be stale and will not have substantially changed so as to make the calendar 2022 test period unrepresentative.

(b) The 2022 calendar year test period consisting of 12 months actual experience and adjusted for known and measurable changes will accurately reflect Montana-Dakota's rate base and cost of service.

(c) Montana-Dakota maintains its books and records on a calendar-year basis. Required regulatory reports, such as the FERC Forms 1, are published on a calendar-year basis. Verification by Staff and other parties of

data will be more accurate and less time-consuming when these audited and attested reports can be used as source documents.

(d) Use of a non-calendar test period could increase rate costs by a small amount if additional non-standard documents must be prepared such as benefits calculations and sales forecasts.

WHEREFORE, Montana-Dakota respectfully requests the South Dakota Public Utilities Commission find good cause exists under ARSD 20:10:13:44 to permit use of a 2022 adjusted test period for its proposed August 2023 gas and electric general rate filings for the reasons as provided herein, and issue its Orders accordingly.

Dated this 19th day of May, 2023.

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