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June 30, 2010

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol  
Pierre, SD 57501-5070

Re: In the Matter of the Adoption of  
Rules Regarding Renewable,  
Recycled, and Conserved Energy,  
Docket No. RM09-002

Dear Ms. Van Gerpen:

Montana-Dakota Utilities Co. (Montana-Dakota), a Division of MDU Resources Group, Inc. herewith electronically submits its comments regarding proposed Section 20:10:38 of the South Dakota Public Service Commission's Administrative Rules filed by the Commission Staff on May 25, 2010. Montana-Dakota appreciates the opportunity to comment on the proposed rules relating to Renewable, Recycled and Conserved Energy reporting requirements.

Montana-Dakota also appreciates the Commission's Staff's efforts to provide a uniform framework for measuring and reporting energy efficiency and renewable energy actions that provides flexibility for regulated utilities to most efficiently and economically address the requirements of SDCL 49-34A.

Montana-Dakota offers the following comments for consideration as the rules under Section 20:10:38 are developed:

- ♦ **20:10:38:06 (6)** Montana-Dakota urges the Commission to not promulgate rules that would require that renewable energy credits (RECs) be retired in order to be counted toward South Dakota's Renewable Energy Objective. Customers may be better served by the sale of RECs generated until such time a renewable standard exists. Providing flexibility at this time of uncertainty regarding future Federal requirements will allow utilities to most economically work toward meeting the renewable energy objective.

- ◆ **20:10:38:06 (8)** the rule may be better expressed in terms of the amount of energy and capacity conserved through energy efficiency measures offered by the retail provider.
  
- ◆ **20:10:38:06 (10)-(13)** Montana-Dakota suggests the information required in the referenced sections of the proposed rule is currently part of the analyses required in the development of each individual utility's conservation and demand side management portfolios and should be a part of the applications filed with the Commission to implement such portfolios and not a part of the annual reporting requirements under proposed Section 20:10:38.

Montana-Dakota looks forward to working with the Commission and its Staff in developing rules that provide for the economical and efficient development and reporting of renewable energy resources and energy efficiency programs.

Sincerely,

*/s/ Tamie A. Aberle*

Tamie A. Aberle  
Pricing & Tariff Manager