

AN ACT

ENTITLED, An Act to revise the provisions related to phase in rate plans for plant additions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 49-34A-73 be amended to read as follows:

49-34A-73. Notwithstanding anything in this chapter to the contrary, an electric utility that is subject to rate regulation by the commission and plans plant additions that are expected to have a material impact on rates may make application to the commission for a phase in rate plan to provide for the phase in of expected rate increases resulting from plant additions. The plan may provide for any of the following:

- (1) Rate increases to be incrementally phased in prior to the commencement of commercial operation of the plant additions;
- (2) To the extent rate increases for plant additions are allowed prior to commercial operation, restrictions on the capitalization of allowance for funds used during construction for the plant additions;
- (3) Restrictions on other rate increases; and
- (4) Any other conditions which benefit the public interest and may be imposed by the commission consistent with the findings in § 49-34A-74.

Section 2. That § 49-34A-74 be amended to read as follows:

49-34A-74. The commission may approve a phase in rate plan as provided in § 49-34A-73 if:

- (1) The electric utility makes application for a phase in rate plan prior to the commencement of or during construction, or prior to acquisition of the plant additions;
- (2) The electric utility files with the application a full cost of service analysis as required for general rate increases including a projection of costs and revenue requirements to the date of the anticipated commercial operation of the plant additions or through the term of the

new power purchases;

- (3) The commission affords an opportunity for a hearing with notice given as required for any rate increase; and
- (4) The commission finds that the phase in rate plan is likely to enhance adequate utility service, rate stability, the financial stability of the electric utility, reasonable capital costs, just and reasonable rates, a fair rate of return, and other considerations that benefit the public interest.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1120

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1120

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20__

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State