

State of South Dakota

NINETIETH SESSION
LEGISLATIVE ASSEMBLY, 2015

625W0408

HOUSE ENGROSSED NO. **HB 1120** - 02/04/2015

Introduced by: Representatives Willadsen, Bartling, Beal, Gosch, Hawley, Heinemann (Leslie), Kirschman, Langer, Novstrup (Al), Otten (Herman), Rounds, Rozum, Schoenbeck, Solum, Stalzer, Verchio, and Wiik and Senators Soholt, Haggar (Jenna), Hunhoff (Bernie), Lederman, Novstrup (David), Peterson (Jim), Rave, Tieszen, and White

1 FOR AN ACT ENTITLED, An Act to revise the provisions related to phase in rate plans for
2 plant additions.

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

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

5 49-34A-73. Notwithstanding anything in this chapter to the contrary, an electric utility that
6 is subject to rate regulation by the commission and plans plant additions that are expected to
7 have a material impact on rates may make application to the commission for a phase in rate plan
8 to provide for the phase in of expected rate increases ~~prior to the commercial operations of the~~
9 resulting from plant additions. The plan may provide for any of the following:

- 10 (1) Rate increases to be incrementally phased in prior to the commencement of
11 commercial operation of the plant additions;
- 12 (2) To the extent rate increases for plant additions are allowed prior to commercial
13 operation, restrictions on the capitalization of allowance for funds used during



1 construction for the plant additions;

2 (3) Restrictions on other rate increases; and

3 (4) Any other conditions which benefit the public interest and may be imposed by the
4 commission consistent with the findings in § 49-34A-74.

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

6 49-34A-74. The commission may approve a phase in rate plan as provided in § 49-34A-73
7 if:

8 (1) The electric utility makes application for a phase in rate plan prior to the
9 commencement of ~~construction or acquisition~~ or during construction, or prior to
10 acquisition of the plant additions;

11 (2) The electric utility files with the application a full cost of service analysis as required
12 for general rate increases including a projection of costs and revenue requirements
13 to the date of the anticipated commercial operation of the plant additions or through
14 the term of the new power purchases;

15 (3) The commission affords an opportunity for a hearing with notice given as required
16 for any rate increase; and

17 (4) The commission finds that the phase in rate plan is likely to enhance adequate utility
18 service, rate stability, the financial stability of the electric utility, reasonable capital
19 costs, just and reasonable rates, a fair rate of return, and other considerations that
20 benefit the public interest.