

# Memorandum

To: Commissioners Fedorchak, Christmann and Haugen-Hoffart

From: Victor Schock, Director, Public Utilities Division 

Date: October 11, 2022

Re: Montana-Dakota Utilities Co., Applied Block Chain Office – Dickey County, Public Convenience and Necessity, Case No. PU-22-366 and Montana-Dakota Utilities Co., Applied Block Chain Data Processing Extension, Public Convenience and Necessity, Case No. PU-22-370.

On September 16, 2022, Montana-Dakota Utilities Co. (MDU) filed a request for Temporary Authority to extend service to Applied Block Chain's office at a location in Dickey County, North Dakota filed under Case PU-22-366. MDU also filed a request for Temporary Authority to extend service to Applied Block Chain's data processing facility at a location near the office location noted in Case PU-22-366 in Dickey County, North Dakota filed under Case PU-22-370.

On September 19, 2022, Staff emailed a copy of the request in Case PU-22-366 to Mark Kinzler and Brandon Giesler with Dakota Valley Electric Cooperative (Dakota Valley). The email requested a response as soon as possible if Dakota Valley intends to protest the application.

On September 26, 2022, Staff emailed a copy of the request in Case PU-22-370 to Mark Kinzler and Brandon Giesler with Dakota Valley Electric Cooperative (Dakota Valley). The email requested a response as soon as possible if Dakota Valley intends to protest the application.

On October 4, 2022, Brandon Giesler responded to Staff's emails notifying us that they intend to protest the applications in both PU-22-366 and PU-22-370.

On October 7, 2022, John Schuh and Victor Schock with Staff spoke to Brandon and Mark on the phone to discuss the extent of their protests. During that phone call we were advised that they intend to protest both the temporary and permanent authority to serve Applied Block Chain's office and data processing facility.

On October 7, 2022, Mark Kinzler, General Manager with Dakota Valley filed a protest and request for hearing on the temporary authority permits for both PU-22-366 and PU-22-370. The request did not identify a justification for the protest or request for hearing.

On October 10, 2022, Applied Digital, Inc., who is the customer for both the office and data processing facility filed a letter with the Commission in case PU-22-370. The letter requested that the Commission grant MDU's temporary authority request, and specified

that the equipment they intend to utilize for construction of the data processing facility requires three phase 480v service. The request noted that they are anxious to begin construction the week of October 10, 2022.

The location of the Applied Blockchain office PU-22-366 is approximately 1.5 miles west of the city of Ellendale, ND. This location is on the opposite side of 87<sup>th</sup> Ave SE and approximately 600 feet north of MDU's 345kV substation. MDU estimates it would need to extend approximately 2000 feet of 3 phase line from this substation to serve the office at a cost of approximately \$53,092. Dakota Valley would need to extend its three phase line approximately 14,910 feet (2.8 miles) to serve the office at a cost of approximately \$125,000.

The location of the Applied Blockchain data processing facility PU-22-370 is approximately 1.5 miles west of the city of Ellendale, ND. This location is directly across 87<sup>th</sup> Ave SE from MDU's 345kV substation. MDU estimates it would need to extend approximately 1 foot of 34.5 kV transmission line to serve the data processing facility at a cost of approximately \$3,444,131. Dakota Valley would need to extend their 3 phase line approximately 14,910 feet (2.8 miles) to serve the data processing facility. Dakota Valley did not provide a cost estimate for this portion of the extension.

On a temporary basis, MDU proposes to run a 1975 foot extension to a point near the office facility that will be utilized for construction of both the office and data processing facilities, and could be used to serve the office facility on a permanent basis. The cost of this proposed extension would be similar to the cost of the permanent extension to the office facility at approximately \$53,000.