

TESTIMONY IN SUPPORT OF SENATE BILL 2339
HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE
MARCH 20, 2025

DARYL ANDERSON - DIRECTOR OF ELECTRIC DISTRIBUTION SERVICES, MONTANA-DAKOTA UTILITIES Co.

Good morning, Chairman Porter and members of the Committee.

My name is Daryl Anderson, and I am here today to testify in support of Senate Bill 2339 on behalf of Montana-Dakota Utilities Co. MDU proudly serves 158 communities in North Dakota with electricity and natural gas.

Senate Bill 2339 is a bill designed to aid in the prevention of wildfires. It primarily does three things:

- It directs utilities to develop and implement comprehensive wildfire mitigation plans, establishing standards for these plans and requiring annual reporting on compliance.
- It codifies the common law understanding that strict liability does not apply to qualified utilities.
- It provides that the preparation, publication, and compliance with a qualified utility's wildfire mitigation plan constitutes prima facie evidence that the utility exercised a reasonable standard of care.

MDU has consistently provided safe, reliable, and affordable service to its customers over its 100-year history through its long-standing Operations and Maintenance programs. These ongoing improvements and maintenance efforts strengthen the electric system and help reduce the likelihood of system faults and enhance wildfire prevention.

Recognizing the heightened risk of catastrophic wildfires in the current environment, MDU has begun directing policies and programs to address this threat with targeted prioritization to lower safety risks. The Company is developing a Wildfire Mitigation Plan to reduce the risk of wildfires sparked by its electric system and employee work practices. We are also focusing our efforts on making changes to our operations procedures to aid in system restoration and safety during catastrophic wildfires.

The plan focuses on three main elements:

- **Daily Operational Fire Prevention Procedures:** Implementing daily operational changes based on real-time environmental situational awareness monitoring.

- **System Fire Risk Mitigation and Hardening:** Developing a fire risk model to prioritize capital and maintenance projects, reducing fire risk of electric equipment operations, and hardening the system against wildfires.
- **Customer and Community Outreach:** Enhancing communications and outreach to customers, community leaders, and first responders to raise awareness of wildfire dangers, explain the Company's risk reduction efforts, and develop procedures and communications for wildfire dangers, wildfire weather risks, operational changes, and active wildfire events.

MDU has initiated several projects and processes to reduce wildfire risk:

- Implementing Daily Operational Fire Prevention Procedures and monitoring environmental situational awareness during fire season, with operational changes for certain fire danger indices and red flag warnings.
- Deploying a Distribution SCADA system over the past several years to monitor and control the Electric Distribution System for real-time situational awareness and operational control changes based on weather events.
- Establishing a Distribution System Operation Center in January 2024, in addition to the Electric System Operation Center for transmission/generation, to control and monitor the Distribution system.
- Deploying an Outage Management System in January 2024, enhancing the Company's understanding of power outage causes and system failures, which will play a crucial role in wildfire risk reduction.
- Actively developing the specifics of the Wildfire Mitigation Plan, including a wildfire risk model to guide construction and maintenance projects and inform daily operational situational awareness decisions.

I respectfully urge the committee to recommend a "Do Pass" on SB 2339.

Thank you, Mr. Chairman and members of the committee, for allowing me to speak with you today.