

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION)	ORDER GRANTING INTERVENTION;
OF BLACK HILLS POWER, INC. FOR THE)	ASSESSING FILING FEE;
PHASE IN OF RATES REGARDING)	SUSPENDING OPERATION OF
CONSTRUCTION FINANCING COSTS OF)	PROPOSED RATES; AND
CHEYENNE PRAIRIE GENERATING)	GRANTING JOINT MOTION FOR
STATION)	APPROVAL OF STIPULATION
)	
)	
)	EL12-062

On December 17, 2012, Black Hills Power, Inc. (BHP) filed with the South Dakota Public Utilities Commission (Commission) the Application of Black Hills Power, Inc. for the Phase In of Rates Regarding Construction Financing Costs (Application) requesting approval to implement a phase in rate increase for its South Dakota customers relating to the construction financing costs of Cheyenne Prairie Generating Station (CPGS) pursuant to SDCL 49-34A-73. CPGS is a natural gas-fired power plant that will be constructed in Cheyenne, Wyoming, that will provide 55 MW of generation to BHP. BHP states that a typical residential electric customer using an average of 650 kWh per month would see an increase of \$0.88 per month for the first quarterly filing. Over the term of the phase in plan, the typical residential customer's bill will increase starting at around 1% and ending up at the completion of the phase in plan at approximately 4.5%.

On December 20, 2012, the Commission electronically transmitted notice of the Application and the intervention deadline of February 28, 2013, to interested individuals and entities. On January 8, 2013, a Petition to Intervene of GCC Dacotah, Inc., Rushmore Forest Products, Inc., Spearfish Forest Products, Inc., and Rapid City Regional Hospital (collectively, Black Hills Industrial Intervenors or BHI) was filed. On January 11, 2013, a Petition to Intervene of Pete Lien & Sons, Inc. (Pete Lien) was filed. The petition stated that it will join BHI as an intervenor. On January 11, 2013, BHP filed a Statement of No Objection to Petition for Intervention of Industrial Intervenors.

On January 11, 2013, BHP and Commission Staff (Staff) filed a Joint Motion for Approval of Stipulation Regarding Effective Date of Interim Phase In Rates and a Stipulation Regarding Effective Date of Interim Phase In Rates.

SDCL 49-1A-8 authorizes the Commission to require a deposit of up to two hundred fifty thousand dollars (\$250,000) in the Commission's Regulatory Assessment Fee fund to defray Commission expenses incident to analyzing and ruling upon an application to increase rates. The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26, 49-1A, 49-34A and ARSD 20:10:01:15.02, 20:10:01:15.03, and 20:10:13.

At its regularly scheduled meeting on January 15, 2013, the Commission considered this matter. The Commission found that the petitions to intervene of BHI and Pete Lien demonstrated good cause to grant intervention and voted unanimously to grant intervention to BHI and Pete Lien. The Commission voted unanimously to assess BHP a filing fee pursuant to SDCL 49-1A-8 up to the statutory limit of \$250,000. The Commission heard argument from the parties regarding the Joint Motion for Approval of Stipulation Regarding Effective Date of Interim Phase In Rates. Following the discussion, the Commission voted unanimously to grant the Joint Motion for Approval of Stipulation Regarding Effective Date of Interim Phase In Rates.

It is therefore

ORDERED, that the Petition to Intervene of BHI and the Petition to Intervene of Pete Lien are hereby granted. It is further

ORDERED, that BHP shall be assessed a filing fee in an amount up to the statutory limit of Two Hundred Fifty Thousand Dollars (\$250,000), with payments made to the Commission's Regulatory Assessment Fee fund as periodically billed by the Commission. It is further

ORDERED, that the Joint Motion for Approval of Stipulation Regarding Effective Date of Interim Phase In Rates is hereby granted.

Dated at Pierre, South Dakota, this 17th day of January, 2013.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.

By: *Gary Hanson*

Date: 1-18-13

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Gary Hanson

GARY HANSON, Chairman

Chris Nelson

CHRIS NELSON, Commissioner

Kristie Fiegen

KRISTIE FIEGEN, Commissioner