

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

**IN THE MATTER OF THE APPLICATION )  
OF BLACK HILLS POWER, INC. FOR THE )  
PHASE IN OF RATES REGARDING )  
CONSTRUCTION FINANCING COSTS OF )  
CHEYENNE PRAIRIE GENERATING )  
STATION )**

**ORDER FOR AND NOTICE OF  
PROCEDURAL SCHEDULE AND  
HEARING  
  
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 the Commission's PUC Weekly Filings electronic listserv. 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 Stipulation Regarding Effective Date of Interim Phase In Rates. On January 17, 2013, the Commission issued an Order Granting Intervention, Assessing Filing Fee, Suspending Operation of Proposed Rates, and Granting Joint Motion for Approval of Stipulation. On February 8, 2013, BHP filed Supplemental Testimony and Exhibits of Kyle D. White. On April 15, 2013, the parties stipulated via an exchange of emails that all responses to discovery by any party will be served within 14 days following service of the discovery request, exclusive of the day of service of the request.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-17, 49-34A-19, 49-34A-21, 49-34A-22, and 49-34A-73 through 49-34A-78.

The procedural schedule in this matter shall be as follows:

August 12, 2013	BHI and Staff Testimony filed and served
September 9, 2013	BHP, BHI, and Staff Rebuttal Testimony filed and served

September 9, 2013

BHP, BHI, and Staff Exhibit List and Witness List served

September 16, 2013

Hearing

A hearing shall be held commencing at 1:00 p.m. CDT, with marking of exhibits to begin at 12:30 p.m., on Monday, September 16, 2013, in Room 414, State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota, and continuing at 8:30 a.m., on Tuesday, September 17, 2013, in Room 413, and at 8:30 a.m. on Wednesday, September 18 – Friday, September 20, in Room 414.

The issue for hearing is whether, and to what extent, the Commission shall approve BHP's proposed phase-in rate plan, and associated tariff provisions, to recover the South Dakota jurisdictional construction financing costs of Cheyenne Prairie Generating Station, estimated by BHP to total \$9,184,964 over the twenty month construction period, subject to true-up.

The hearing will be open to the public. The hearing will be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All persons testifying will be subject to cross-examination. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights may be forfeited if not exercised at the hearing. If a party or its representative fails to appear at the time and place set for the hearing, the Final Decision will be based solely on the testimony and exhibits, if any, offered and received in evidence at the hearing, or a Final Decision may be issued by default pursuant to SDCL 1-26-20. After the hearing, the Commission will consider all evidence and testimony that was received in evidence at the hearing. The Commission will then enter Findings of Fact, Conclusions of Law, and a Final Decision regarding this matter. As a result of this hearing, the Commission will determine whether to grant BHP's request to implement revised electric rate schedules designed to produce additional annual revenues of approximately \$14.6 million. The Commission's Final Decision may be appealed by the parties to the state Circuit Court and the state Supreme Court as provided by law.

It is therefore

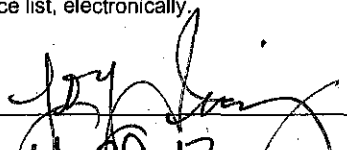
ORDERED, that the procedural schedule set forth above shall be followed by all parties to these proceedings except as modified by order of the Commission or stipulation of the parties. It is further

ORDERED, that all responses to discovery by any party will be served within 14 days following service of the discovery request, exclusive of the day of service of the request. It is further

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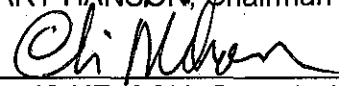
Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

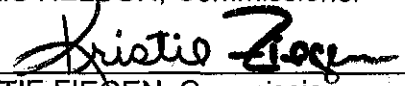
Dated at Pierre, South Dakota, this 29<sup>th</sup> day of April, 2013.

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:	
Date:	<u>4.29.13</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

  
GARY HANSON, Chairman

  
CHRIS NELSON, Commissioner

  
KRISTIE FIEGEN, Commissioner