

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

<b>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 )</b>	<b>ORDER CANCELING HEARING AND SCHEDULING MATTER FOR DECISION ON STIPULATION</b>
	<b>EL12-062</b>

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 BHII) 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 BHII 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 the Commission's 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. 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 April 29, 2013, the Commission issued an Order for and Notice of Procedural Schedule and Hearing setting this matter for hearing on September 16-20, 2013, at the State Capitol Building.

On May 23, 2013, BHP filed a Joint Motion for Approval of Settlement Agreement Between Black Hills Power and South Dakota Science and Technology Authority (SDSTA), Settlement Agreement Between Black Hills Power and South Dakota Science and Technology Authority, Supplemental Motion for Approval of Settlement Agreement, Joint Motion for Approval of Settlement Agreement Between Black Hills Power and Menards, Inc. d/b/a Midwest Manufacturing d/b/a Dakota Panel (Dakota Panel), Settlement Agreement Between Black Hills Power and Menard, Inc. d/b/a Midwest Manufacturing d/b/a Dakota Panel, and Supplemental Motion for Approval of Settlement Agreement. On June 13, 2013, BHP filed responses to the Commission staff's (Staff) data requests. On June 13, 2013, Staff filed a Staff Memorandum regarding the contracts with deviations set forth in the SDSTA and Dakota Panel stipulations. On June 14, 2013, BHP filed supplemental email requests and responses. On June 24, 2013, the Commission issued an Order Conditionally Authorizing and Approving Implementation of

Contracts with Deviations Rates on an Interim Basis. On September 6, 2013, BHP filed BHP's and BHII's Joint Motion for Approval of Settlement Agreement and Confidential Settlement Agreement between Black Hills Power, Inc. and Black Hills Industrial Intervenors. On September 6, 2013, Staff filed BHP's and Staff's Joint Motion for Approval of Settlement Stipulation, Settlement Stipulation, and Staff Memorandum Supporting Settlement Stipulation.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically, 49-34A-6, 49-34A-8, 49-34A-8.3, 49-34A-8.4, 49-34A-10, 49-34A-11, 49-34A-17, and 49-34A-73 through 49-34A-78.

The parties having agreed to a cancelation of the hearing scheduled for September 16-20, 2013, to achieve a resolution of this matter through settlement stipulation, it is therefore

ORDERED, that the hearing scheduled for September 16-20, 2013 is canceled. It is further

ORDERED, that this matter shall come before the Commission for decision on the Joint Motion for Approval of Settlement Stipulation and Joint Motion for Approval of Settlement Agreement on Tuesday, September 17, 2013, at 9:30 A.M. CDT in Room 413 of the State Capitol Building.

Dated at Pierre, South Dakota, this 9<sup>th</sup> day of September, 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:	<u>Joy Lashley</u>
Date:	<u>09.09.13</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Gary Hanson  
GARY HANSON, Chairman

Chris Nelson  
CHRIS NELSON, Commissioner

Kristie Fiegen  
KRISTIE FIEGEN, Commissioner