

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

**IN THE MATTER OF THE APPLICATION OF)
BLACK HILLS POWER, INC. DBA BLACK HILLS)
ENERGY FOR APPROVAL OF ITS 2016)
ENVIRONMENTAL IMPROVEMENT ADJUSTMENT)
)
)**

**ORDER APPROVING
ENVIRONMENTAL
IMPROVEMENT
ADJUSTMENT**

EL16-006

On February 16, 2016, the South Dakota Public Utilities Commission (Commission) received an application from Black Hills Power, Inc. dba Black Hills Energy (BHE) for Approval of its 2016 Environmental Improvement Adjustment (EIA). BHE is proposing to include costs related to the Neil Simpson II ESP Upgrade Project, the Gillette Energy Complex Compressed Air System Upgrade Project, and the Amended Silicates Silo Projects. BHE proposes a June 1, 2016, effective date. Approximately 68,000 South Dakota retail customers are affected by the EIA rate change. The annual net increase in the cost of service as proposed by BHE is approximately \$117,000. The average bill impact for a typical residential electric customer using 650 kWh is approximately 0.05%.

On February 18, 2016, the Commission electronically transmitted notice of the filing and the intervention deadline of March 4, 2016, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were filed.

On March 1, 2016, the Commission issued an Order Assessing Filing Fee. On April 29, 2016, BHE filed revised EIA calculations and associated tariff page. On May 3, 2016, the Commission's staff (Staff) filed a Memorandum recommending approval of the 2016 EIA and the associated tariff as filed on April 29, 2016.

The revised tariff sheet filed April 29, 2016, to be effective for service rendered on and after June 1, 2016, is as follows:

South Dakota Electric Rate Book

Section No. 3C

Fifth Revised Sheet No. 20

Cancels Fourth Revised Sheet No. 20

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically SDCL 49-34A-97 through 49-34A-100.

At its regularly scheduled meeting on May 10, 2016, the Commission considered this matter. Commission Staff recommended that the Commission approve the 2016 EIA, including the associated tariff sheet and revised rates, as filed on April 29, 2016, with an effective date of June 1, 2016. Finding the revised exhibits and tariff sheet meet the standards for approval set forth in SDCL 49-34A-98, the Commission voted unanimously to approve the 2016 EIA, including the associated tariff sheet and revised rates, as filed on April 29, 2016. It is therefore

ORDERED, that BHE's 2016 EIA, including the above referenced tariff sheet, is hereby approved with the revised calculations set forth in BHE's April 29, 2016 filing, effective June 1, 2016.

Dated at Pierre, South Dakota, this 13th day of May, 2016.

<p style="text-align: center;">CERTIFICATE OF SERVICE</p> <p>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 or by mail.</p> <p>By: <u>Rolayne West</u></p> <p>Date: <u>5-13-16</u></p> <p style="text-align: center;">(OFFICIAL SEAL)</p>

BY ORDER OF THE COMMISSION:

Chris Nelson

CHRIS NELSON, Chairman

Kristie Fiegen

KRISTIE FIEGEN, Commissioner

Gary Hanson

GARY HANSON, Commissioner