
From: PUC

Sent: Tuesday, March 24, 2015 8:19 AM

To: [REDACTED]

Subject: BHP RATE CASE, EL14-026

Mr. Champ:

Attached you will find a fact sheet provided by Black Hills Corporation regarding the corporation's new headquarters planned for Rapid City. It is important to note that the corporation – owned and managed by shareholders – owns Black Hills Power along with several other businesses including utilities in other states as the fact sheet points out. Here is an excerpt: *“Eight percent of our customers and 11 percent of our company assets are here in the Black Hills. The other 90-plus percent of customers, including more than 680,000 natural gas and electric utility customers and 89 percent of related assets, are in Colorado, Iowa, Kansas, Montana, Nebraska and Wyoming.”* In other words the vast majority of BHC's business is located outside of South Dakota and is not regulated by the PUC.

The building of a headquarters by BHC was not an issue or expense in the recent BHP rate case before the commission.

Regardless of whether you or I believe a new headquarters is needed, I hope we both can agree that it is fortunate BHC is keeping those jobs and payroll in South Dakota.

Chairman Chris Nelson
South Dakota Public Utilities Commission

www.puc.sd.gov



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View of the Black Hills
from the new facility site.



BHC CORPORATE HEADQUARTERS: FACT SHEET

WHY:

- ✔ We've chosen to build a new corporate headquarters in south Rapid City that will bring most of our 500 employees, currently separated in five local locations, under one roof. It'll also give us future expansion options as we continue to grow.
- ✔ In addition to long-term savings for our customers, the new facility will provide additional community engagement options through a public meeting and event space.
- ✔ The future is bright for Black Hills Corp. and Rapid City. We are committed to continuing to grow our company as we've done over the past 10 years and helping to grow the Rapid City community as we've done for more than 130 years.

HOW MUCH?

The approximately \$70 million cost of the facility will replace existing expenses for our five facilities throughout Rapid City and will be spread across all of our regulated utility subsidiaries and non-regulated energy subsidiaries.

We're moving employees from five facilities to one, which is more efficient. Predicting rate cases is challenging, but we expect the efficiencies gained from being in one location to help minimize rate increases.

Our Black Hills Power operations and warehouse employees in Rapid City will continue to work from our BHP Service Center on Deadwood Avenue.

WHERE?

The building will be at the southwest corner of the intersection of Catron Boulevard and U.S. Highway 16.

WHEN?

We plan to break ground this spring and begin moving employees into the building during the first part of 2017.

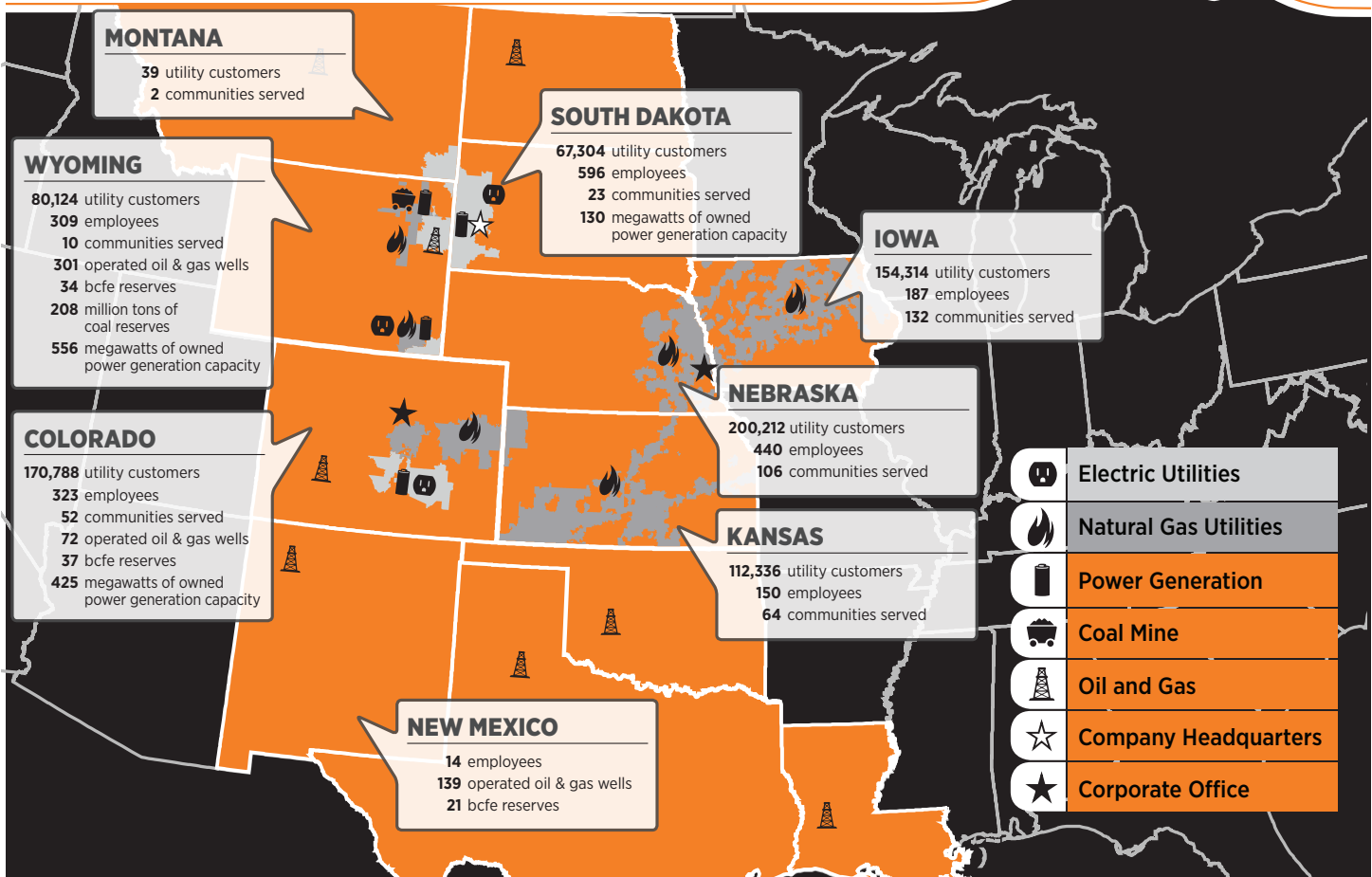
 Bringing
500 local employees,
who support customers in all our states,
under one roof.

500+ employees and families = **\$81** million annually
Economic impact to Rapid City

Find out why the future is bright for
Black Hills Corporation and Rapid City at www.bhchq.com.



BHC CORPORATE HEADQUARTERS: FACT SHEET



WE ARE MORE THAN BLACK HILLS POWER

WHO WE ARE:

Eight percent of our customers and 11 percent of our company assets are here in the Black Hills. The other 90-plus percent of customers, including more than 680,000 natural gas and electric utility customers and 89 percent of related assets, are in Colorado, Iowa, Kansas, Montana, Nebraska and Wyoming.

- Our \$3.8 billion company is one of the largest publicly traded companies headquartered in South Dakota. We employ over 2,000 people in seven states. We provide customers with natural gas and electric utility services, generate wholesale electricity, and produce natural gas, crude oil and coal.
- Over the past 10 years, our company has grown from serving 62,000 Black Hills Power electric customers to providing natural gas and electricity to almost 800,000 utility customers throughout seven states in nearly 400 communities.
- Although we're based in Rapid City, we also have 68 additional offices and service centers in Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming.
- Growing the company has also grown Rapid City. Since 2004, we've added over 300 jobs to the community, mostly by acquiring seven different utilities in five states. We now have over 500 local employees and families who contribute more than \$81 million annually to the Rapid City economy.