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SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

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IN THE MATTER OF THE APPLICATION OF
BLACK HILLS POWER, INC. FOR AUTHORITY
TO INCREASE ITS ELECTRIC RATES

EL14-026

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Transcript of Recorded Proceedings
September 16, 2014

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BEFORE THE PUBLIC UTILITIES COMMISSION,
GARY HANSON, CHAIRMAN
CHRIS NELSON, VICE CHAIRMAN
KRISTIE FIEGEN, COMMISSIONER

ORIGINAL

Reported By Cheri McComsey Wittler, RPR, CRR

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TRANSCRIPT OF RECORDED PROCEEDINGS, held in the
above-entitled matter, at the South Dakota State Capitol
Building, 500 East Capitol Avenue, Pierre, South Dakota,
on the 16th day of September, 2014.

1 CHAIRMAN HANSON: EL14-026, In the Matter of the
2 Application of Black Hills Power, Inc. for Authority to
3 Increase its Electric Rates.

4 The question before the Commission is today
5 shall the Commission grant in whole or in part the Motion
6 for Approval of Settlement Agreement with SDSTA?

7 And shall the Commission grant intervention to
8 any party that may have filed?

9 We'll start off with Black Hills Power.

10 MR. MAGNUSON: Thank you, Chairman Hanson,
11 Commissioner Fiegen, Vice Chair Nelson. This is Lee
12 Magnuson. I'm appearing today on behalf of Black Hills
13 Power. I also have on the phone today Todd Brink, the
14 senior managing counsel for Black Hills Corporation, as
15 well as John Thurber, manager for regulatory affairs for
16 Black Hills Power.

17 Black Hills Power has moved for approval of a
18 Settlement Agreement between Black Hills Power and
19 South Dakota Science and Technology Authority, which I
20 will try to refer to as SDSTA.

21 The Settlement Agreement has been filed
22 simultaneously with the motion, and the Contract with
23 Deviations that have been entered into between Black
24 Hills Power and SDSTA was attached as an exhibit to the
25 Settlement Agreement. Both of those documents have been

1 filed with the Commission confidentially.

2 Black Hills Power respectfully requests that the
3 Commission approve the Settlement Agreement and Contract
4 with Deviations without modification. Alternatively, we
5 have requested that the Commission conditionally
6 authorize and approve commencing October 1, 2014, the
7 implementation of the rates that are set forth in the
8 Settlement Agreement subject to later approval of the
9 motion by this Commission with the agreement that if the
10 rates are -- excuse me, if the motion is not approved, we
11 would do a true-up going back to the difference between
12 the applicable rates and the implemented rates, and,
13 alternatively, if the motion is subsequently approved by
14 the Commission with some modification, that we would do a
15 true-up, again the difference between the settlement
16 rates and the applicable rates as approved by the
17 Commission.

18 And with that, I'm available to answer any
19 questions that the Commission might have.

20 CHAIRMAN HANSON: Thank you.

21 Ms. Mehlhaff.

22 MS. CREMER: This is Karen Cremer of Staff. And
23 I apologize. I left my notes on this one downstairs, but
24 I think I can wing it well enough.

25 Staff would recommend that the Commission take

1 no action on the Contract with Deviations until such time
2 as Staff has had an opportunity to finish its analysis of
3 the rate case. So we would recommend that the Commission
4 adopt the alternative by -- suggested by the company,
5 which is to conditionally authorize on an interim basis
6 the implementation of the rates set forth in the Contract
7 with Deviations to begin on October 1, 2014, subject to
8 the three conditions that were found in Staff's memo.

9 CHAIRMAN HANSON: Thank you.

10 MS. CREMER: Thank you.

11 CHAIRMAN HANSON: Any further presentation? I'm
12 not aware of anyone else who would be presenting on this
13 item. And we -- I'm checking to see if we have okayed
14 any Intervenors up to this juncture.

15 Let's move to Commission questions.

16 Any questions by Commissioners?

17 Hearing none, is there a motion?

18 Commissioner Nelson.

19 COMMISSIONER NELSON: I will move in EL14-026
20 that we adopt the recommendation of Staff for conditional
21 authorization with the three terms or conditions outlined
22 in the Staff memorandum.

23 CHAIRMAN HANSON: Thank you.

24 Discussion on the motion.

25 COMMISSIONER NELSON: I just -- I would agree

1 with Staff that at this point I think we are premature in
2 approving this type of agreement. I think we need to let
3 Staff finish their analysis of the entire rate case
4 before we make these type of permanent decisions.
5 Granting the conditional authorization will allow the
6 process to move forward and I think is appropriate at
7 this time.

8 Thank you.

9 CHAIRMAN HANSON: Thank you.

10 Any further discussion?

11 Commissioner Nelson.

12 COMMISSIONER NELSON: Aye.

13 CHAIRMAN HANSON: Commissioner Fiegen.

14 COMMISSIONER FIEGEN: Fiegen votes aye.

15 CHAIRMAN HANSON: Hanson votes aye. The motion
16 carries.

17 On the second question, shall the Commission
18 grant intervention to any party that may have filed, do
19 we have any parties other than Dakota Rural Action?

20 I believe on June 26 we granted intervention to
21 Dakota Rural Action. Is there anyone else at this
22 juncture?

23 MS. CREMER: And this is Karen Cremer of Staff
24 again. And we had anticipated an intervention, but it
25 did not come in so that question need not be answered.

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CHAIRMAN HANSON: Thank you.

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STATE OF SOUTH DAKOTA)

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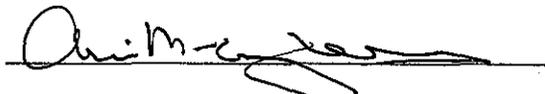
CERTIFICATE

COUNTY OF HUGHES)

I, CHERI MCCOMSEY WITTLER, a Registered Professional Reporter, Certified Realtime Reporter and Notary Public in and for the State of South Dakota:

DO HEREBY CERTIFY that as the duly-appointed shorthand reporter, I transcribed the electronic recording of the foregoing proceedings.

Dated at Pierre, South Dakota this 10th day of September, 2015.



Cheri McComsey Wittler,
Notary Public and
Registered Professional Reporter
Certified Realtime Reporter

1	<p>authority [2] - 3:2, 3:19</p> <p>authorization [2] - 5:21, 6:5</p> <p>authorize [2] - 4:6, 5:5</p> <p>available [1] - 4:18</p> <p>Avenue [1] - 2:3</p> <p>aware [1] - 5:12</p> <p>aye [3] - 6:12, 6:14, 6:15</p>	<p>1:11, 5:19, 5:25, 6:12, 6:14</p> <p>Commissioners [1] - 5:16</p> <p>company [1] - 5:4</p> <p>conditional [2] - 5:20, 6:5</p> <p>conditionally [2] - 4:5, 5:5</p> <p>conditions [2] - 5:8, 5:21</p> <p>confidentially [1] - 4:1</p> <p>contract [4] - 3:22, 4:3, 5:1, 5:6</p> <p>Corporation [1] - 3:14</p> <p>counsel [1] - 3:14</p> <p>COUNTY [1] - 8:3</p> <p>CREMER [3] - 4:22, 5:10, 6:23</p> <p>Cremer [2] - 4:22, 6:23</p> <p>CRR [1] - 1:20</p>	F	J 1
<p>1 [2] - 4:6, 5:7</p> <p>10th [1] - 8:11</p> <p>16 [1] - 1:7</p> <p>16th [1] - 2:4</p>	B	<p>11:11, 5:19, 5:25, 6:12, 6:14</p> <p>Commissioners [1] - 5:16</p> <p>company [1] - 5:4</p> <p>conditional [2] - 5:20, 6:5</p> <p>conditionally [2] - 4:5, 5:5</p> <p>conditions [2] - 5:8, 5:21</p> <p>confidentially [1] - 4:1</p> <p>contract [4] - 3:22, 4:3, 5:1, 5:6</p> <p>Corporation [1] - 3:14</p> <p>counsel [1] - 3:14</p> <p>COUNTY [1] - 8:3</p> <p>CREMER [3] - 4:22, 5:10, 6:23</p> <p>Cremer [2] - 4:22, 6:23</p> <p>CRR [1] - 1:20</p>	<p>FIGEN [2] - 1:11, 6:14</p> <p>Figen [3] - 3:11, 6:13, 6:14</p> <p>filed [4] - 3:8, 3:21, 4:1, 6:18</p> <p>finish [2] - 5:2, 6:3</p> <p>FOR [1] - 1:4</p> <p>foregoing [1] - 8:10</p> <p>forth [2] - 4:7, 5:6</p> <p>forward [1] - 6:6</p>	<p>John [1] - 3:15</p> <p>juncture [2] - 5:14, 6:22</p> <p>June [1] - 6:20</p>
2			G	K
<p>2014 [4] - 1:7, 2:4, 4:6, 5:7</p> <p>2015 [1] - 8:12</p> <p>26 [1] - 6:20</p>			<p>GARY [1] - 1:10</p> <p>grant [3] - 3:5, 3:7, 6:18</p> <p>granted [1] - 6:20</p> <p>granting [1] - 6:5</p>	<p>Karen [2] - 4:22, 6:23</p> <p>KRISTIE [1] - 1:11</p>
5				L
<p>500 [1] - 2:3</p>				<p>Lee [1] - 3:11</p> <p>left [1] - 4:23</p>
A				M
<p>above-entitled [1] - 2:2</p> <p>action [1] - 5:1</p> <p>Action [2] - 6:19, 6:21</p> <p>adopt [2] - 5:4, 5:20</p> <p>affairs [1] - 3:15</p> <p>agree [1] - 5:25</p> <p>agreement [2] - 4:9, 6:2</p> <p>Agreement [6] - 3:6, 3:18, 3:21, 3:25, 4:3, 4:8</p> <p>allow [1] - 6:5</p> <p>alternative [1] - 5:4</p> <p>alternatively [2] - 4:4, 4:13</p> <p>analysis [2] - 5:2, 6:3</p> <p>answer [1] - 4:18</p> <p>answered [1] - 6:25</p> <p>anticipated [1] - 6:24</p> <p>apologize [1] - 4:23</p> <p>appearing [1] - 3:12</p> <p>applicable [2] - 4:12, 4:16</p> <p>APPLICATION [1] - 1:4</p> <p>application [1] - 3:2</p> <p>appointed [1] - 8:8</p> <p>appropriate [1] - 6:6</p> <p>approval [3] - 3:6, 3:17, 4:8</p> <p>approve [2] - 4:3, 4:6</p> <p>approved [3] - 4:10, 4:13, 4:16</p> <p>approving [1] - 6:2</p> <p>attached [1] - 3:24</p> <p>AUTHORITY [1] - 1:4</p>	<p>basis [1] - 5:5</p> <p>BEFORE [1] - 1:9</p> <p>begin [1] - 5:7</p> <p>behalf [1] - 3:12</p> <p>between [4] - 3:18, 3:23, 4:11, 4:15</p> <p>BLACK [1] - 1:4</p> <p>Black [9] - 3:2, 3:9, 3:12, 3:14, 3:16, 3:17, 3:18, 3:23, 4:2</p> <p>brink [1] - 3:13</p> <p>Building [1] - 2:3</p>	<p>DAKOTA [2] - 1:2, 8:1</p> <p>Dakota [7] - 2:2, 2:3, 3:19, 6:19, 6:21, 8:7, 8:11</p> <p>Dated [1] - 8:11</p> <p>decisions [1] - 6:4</p> <p>deviations [4] - 3:23, 4:4, 5:1, 5:7</p> <p>difference [2] - 4:11, 4:15</p> <p>discussion [2] - 5:24, 6:10</p> <p>DO [1] - 8:8</p> <p>documents [1] - 3:25</p> <p>downstairs [1] - 4:23</p> <p>duly [1] - 8:8</p> <p>duly-appointed [1] - 8:8</p>		M
	C			<p>MAGNUSON [1] - 3:10</p> <p>Magnuson [1] - 3:12</p> <p>manager [1] - 3:15</p> <p>managing [1] - 3:14</p> <p>MATTER [1] - 1:4</p> <p>matter [2] - 2:2, 3:1</p> <p>MCCOMSEY [1] - 8:5</p> <p>McComsey [2] - 1:20, 8:17</p> <p>Mehlhoff [1] - 4:21</p> <p>memo [1] - 5:8</p> <p>memorandum [1] - 5:22</p> <p>might [1] - 4:19</p> <p>modification [2] - 4:4, 4:14</p> <p>motion [9] - 3:5, 3:22, 4:9, 4:10, 4:13, 5:17, 5:24, 6:15</p> <p>move [3] - 5:15, 5:19, 6:6</p> <p>moved [1] - 3:17</p> <p>MR [1] - 3:10</p> <p>MS [3] - 4:22, 5:10, 6:23</p>
		D		H
		<p>East [1] - 2:3</p> <p>EL14-026 [3] - 1:4, 3:1, 5:19</p> <p>electric [1] - 3:3</p> <p>ELECTRIC [1] - 1:5</p> <p>electronic [1] - 8:9</p> <p>entered [1] - 3:23</p> <p>entire [1] - 6:3</p> <p>entitled [1] - 2:2</p> <p>excuse [1] - 4:10</p> <p>exhibit [1] - 3:24</p>	<p>HANSON [10] - 1:10, 3:1, 4:20, 5:9, 5:11, 5:23, 6:9, 6:13, 6:15, 7:1</p> <p>Hanson [2] - 3:10, 6:15</p> <p>hearing [1] - 5:17</p> <p>held [1] - 2:1</p> <p>HEREBY [1] - 8:8</p> <p>Hills [9] - 3:2, 3:9, 3:12, 3:14, 3:16, 3:17, 3:18, 3:24, 4:2</p> <p>HILLS [1] - 1:4</p> <p>HUGHES [1] - 8:3</p>	I
		E		N
			<p>implementation [2] - 4:7, 5:6</p> <p>implemented [1] - 4:12</p> <p>IN [1] - 1:4</p> <p>Inc [1] - 3:2</p> <p>INC [1] - 1:4</p> <p>Increase [1] - 3:3</p> <p>INCREASE [1] - 1:5</p> <p>interim [1] - 5:5</p> <p>Intervenors [1] - 5:14</p> <p>intervention [4] - 3:7, 6:18, 6:20, 6:24</p> <p>Item [1] - 5:13</p> <p>ITS [1] - 1:5</p>	<p>need [2] - 6:2, 6:25</p> <p>NELSON [4] - 1:10, 5:19, 5:25, 6:12</p> <p>Nelson [3] - 3:11, 5:18, 6:11</p> <p>none [1] - 5:17</p> <p>Notary [2] - 8:7, 8:18</p> <p>notes [1] - 4:23</p>

<p style="text-align: center;">O</p> <p>October [2] - 4:6, 5:7 OF [7] - 1:2, 1:4, 2:1, 8:1, 8:3 okayed [1] - 5:13 one [1] - 4:23 opportunity [1] - 5:2 outlined [1] - 5:21</p>	<p>refer [1] - 3:20 Registered [2] - 8:5, 8:18 regulatory [1] - 3:15 Reported [1] - 1:20 Reporter [4] - 8:6, 8:18, 8:19 reporter [1] - 8:9 requested [1] - 4:5 requests [1] - 4:2 respectfully [1] - 4:2 RPR [1] - 1:20 Rural [2] - 6:19, 6:21</p>	<p>TO [1] - 1:5 today [3] - 3:4, 3:12, 3:13 Todd [1] - 3:13 transcribed [1] - 8:9 Transcript [1] - 1:7 TRANSCRIPT [1] - 2:1 true [2] - 4:11, 4:15 true-up [2] - 4:11, 4:15 try [1] - 3:20 type [2] - 6:2, 6:4</p>
<p style="text-align: center;">P</p> <p>part [1] - 3:5 parties [1] - 6:19 party [2] - 3:8, 6:18 permanent [1] - 6:4 phone [1] - 3:13 Pierre [2] - 2:3, 8:11 point [1] - 6:1 Power [3] - 3:2, 3:9, 3:13, 3:16, 3:17, 3:18, 3:24, 4:2 POWER [1] - 1:4 premature [1] - 6:1 presentation [1] - 5:11 presenting [1] - 5:12 Proceedings [1] - 1:7 proceedings [1] - 8:10 PROCEEDINGS [1] - 2:1 process [1] - 6:6 Professional [2] - 8:6, 8:18 PUBLIC [2] - 1:1, 1:9 Public [2] - 8:7, 8:18</p>	<p style="text-align: center;">S</p> <p>science [1] - 3:19 SDSTA [3] - 3:6, 3:20, 3:24 second [1] - 6:17 see [1] - 5:13 senior [1] - 3:14 September [3] - 1:7, 2:4, 8:12 set [2] - 4:7, 5:6 Settlement [6] - 3:6, 3:18, 3:21, 3:25, 4:3, 4:8 settlement [1] - 4:15 shall [3] - 3:5, 3:7, 6:17 shorthand [1] - 8:9 simultaneously [1] - 3:22 SOUTH [2] - 1:2, 8:1 South [5] - 2:2, 2:3, 3:19, 8:7, 8:11 SS [1] - 8:2 Staff [8] - 4:22, 4:25, 5:2, 5:20, 5:22, 6:1, 6:3, 6:23 Staff's [1] - 5:8 start [1] - 3:9 STATE [2] - 1:2, 8:1 State [2] - 2:2, 8:7 subject [2] - 4:8, 5:7 subsequently [1] - 4:13 suggested [1] - 5:4</p>	<p style="text-align: center;">U</p> <p>up [3] - 4:11, 4:15, 5:14 UTILITIES [2] - 1:1, 1:9</p>
<p style="text-align: center;">Q</p> <p>questions [3] - 4:19, 5:15, 5:16</p>	<p style="text-align: center;">T</p> <p>technology [1] - 3:19 terms [1] - 5:21 THE [5] - 1:1, 1:2, 1:4, 1:9 three [2] - 5:8, 5:21 Thurber [1] - 3:15</p>	<p style="text-align: center;">V</p> <p>vice [1] - 3:11 VICE [1] - 1:10 votes [2] - 6:14, 6:15</p>
<p style="text-align: center;">R</p> <p>rate [2] - 5:3, 6:3 RATES [1] - 1:5 rates [8] - 3:3, 4:7, 4:10, 4:12, 4:16, 5:6 Realtime [2] - 8:6, 8:19 recommend [2] - 4:25, 5:3 recommendation [1] - 5:20 Recorded [1] - 1:7 RECORDED [1] - 2:1 recording [1] - 8:10</p>	<p style="text-align: center;">W</p> <p>whole [1] - 3:5 wing [1] - 4:24 Wittler [2] - 1:20, 8:17 WITTLER [1] - 8:5</p>	