

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

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

) **ORDER FOR AND NOTICE**
) **OF HEARING**

) **EL14-026**

On March 31, 2014, the South Dakota Public Utilities Commission (Commission) received an Application for Authority to Increase Electric Rates (Application) filed by Black Hills Power, Inc. (BHP) for approval to increase rates for electric service to customers in its South Dakota service territory by approximately \$14.6 million annually or approximately 9.27% based on BHP's test year ending September 30, 2013. BHP states a typical residential electric customer using 650 kWh per month would see an increase of \$10.91 per month. The proposed changes affect approximately 65,500 customers in BHP's South Dakota service territory. The proposed increase would be effective no earlier than October 1, 2014.

On April 3, 2014, the Commission electronically transmitted notice of the Application and the intervention deadline of June 6, 2014, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. On April 11, 2014, BHP filed revisions to certain pages originally filed in the Application. On April 16, 2014, the Commission issued an Order Assessing Filing Fee. On June 6, 2014, GCC Dacotah, Inc., Pete Lien & Sons, Inc., Rushmore Forest Products, Inc., Spearfish Forest Products, Inc., Rapid City Regional Hospital, Inc., and Wharf Resources (U.S.A.), Inc. (collectively, Black Hills Industrial Intervenors or BHII) filed a Petition to Intervene. On June 6, 2014, Dakota Rural Action (DRA) also filed a Petition to Intervene. On June 18, 2014, BHP filed its Objection to Intervention Petition of Dakota Rural Action and its Response to Intervention Petition of Black Hills Industrial Intervenors. On June 20, 2014, DRA filed a Notice of Appearance of Attorney for Dakota Rural Action and a Response to Black Hills Power Inc.'s Objection to Dakota Rural Action, Inc.'s Petition to Intervene, including the attachment to paragraph 4 thereof. On June 26, 2014, the Commission issued an Order Granting Intervention, granting intervention to Black Hills Industrial Intervenors and Dakota Rural Action. On June 27, 2014, DRA filed a Supplemental Affidavit to Intervenor Dakota Rural Action, Inc.'s Petition to Intervene and Response to Black Hill Power, Inc.'s Objection. On September 3, 2014, BHP filed a Notice of Intent to Implement Interim Rates advising the Commission and the public of BHP's intent to implement its requested rate increase as of October 1, 2014. On September 4, 2014, BHP filed a Motion for Approval of Settlement Agreement and Settlement Agreement to settle outstanding issues between BHP and the South Dakota Science and Technology Authority (SDSTA). On September 10, 2014, the Commission's staff (Staff) filed a Staff Memorandum setting forth Staff's recommendations regarding the Settlement Agreement. On September 12, 2014, BHP filed its Responses to Staff's Data Requests 9-1 through 9-6. On September 18, 2014, the Commission issued an Order Conditionally Authorizing and Approving Implementation of Contract with Deviations Rates on an Interim Basis. On September 24, 2014, BHP filed a revised tariff sheet Section 3A, Sheet No. 1. On December 9, 2014, BHP and Staff jointly filed a Joint Motion for Approval of Settlement Stipulation, Settlement Stipulation, and Exhibits. On December 12, 2014, the Commission issued a Scheduling Order setting this matter for hearing on January 27-29, 2015.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-34A, including 1-26-20, 49-34A-3, 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-8.4, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-14, 49-34A-19, 49-34A-19.1, 49-34A-19.2, and 49-34A-21.

A hearing will be held commencing at 9:00 a.m. CST, with marking of exhibits to begin at 8:30 a.m. CST, on Tuesday, January 27, 2015, and continuing at 8:00 a.m., on January 28-29, 2015, in the Matthew Training Center, Foss Building, 523 East Capitol Avenue, Pierre, South Dakota. All persons testifying will be subject to cross-examination.

The issues at the hearing are: (i) shall the Commission grant the Joint Motion for Approval of Settlement Stipulation and approve the Settlement Stipulation as just and reasonable and as its decision in this matter, including the approval of the contract with deviations between BHP and SDSTA? or (ii) what rates, terms, and conditions shall the Commission approve as just and reasonable?

The hearing will be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. 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 evidence provided, if any, during 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 presented 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 make decisions on the issues set forth above. The Commission's Final Decision may be appealed by the parties to the Circuit Court and the Supreme Court as provided by law. It is therefore

ORDERED, that the hearing shall commence at 9:00 a.m. CST, with marking of exhibits to begin at 8:30 a.m. CST, on Tuesday, January 27, 2015, and continuing at 8:00 a.m., on January 28 & 29, 2015, in the Matthew Training Center, Foss Building, 523 East Capitol Avenue, Pierre, South Dakota.

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 30th day of December, 2014.

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>[Signature]</u>
Date:	<u>12.30.14</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

[Signature]

GARY HANSON, Chairman

[Signature]

CHRIS NELSON, Commissioner

[Signature]

KRISTIE FIEGEN, Commissioner