

STATE OF SOUTH DAKOTA)
 :SS
COUNTY OF HUGHES)

IN CIRCUIT COURT

SIXTH JUDICIAL CIRCUIT

In the Matter of the Application of
Black Hills Power, Inc. for Authority
to Increase its Electric Rates

Civ. No. 15-146

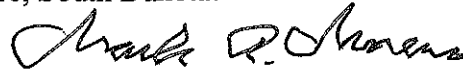
**STATEMENT OF
ISSUES ON APPEAL**

Pursuant to SDCL § 1-26-31.4 and SDCL § 15-6-6(a), Appellants, Black Hills Industrial
Intervenors below, 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. present the following statement of issues on appeal in this case.

STATEMENT OF THE ISSUES

- 1. Can the South Dakota Public Utilities Commission (the “Commission”) permit adjustments to a utility’s cost of service analysis under South Dakota Administrative Rule (“ARSD”) 20:10:13:44 when those adjustments were not supported and were neither known with reasonable certainty nor measureable with reasonable accuracy at the time the utility filed its application to increase rates?**
- 2. If ARSD 20:10:13:44 allows the Commission to permit continual post-filing adjustments to a utility’s application to increase utility rates that were neither known with reasonable certainty nor measurable with reasonable accuracy, was the Commission’s decision to approve the calculation of a five-year average pension expense -- based upon the five years from 2010–2014, rather than 2011–2015 -- arbitrary and capricious when the data for 2015 was known to the Commission and submitted into evidence by Black Hills Power, Inc. in its rebuttal testimony?**
- 3. Does a utility meet its burdens – under South Dakota Codified Laws 49-34A-8.4 and 49-34A-11 and ARSD 20:10:13:44 – of proving that its incentive compensation package is prudent, efficient, and economical, is reasonable and necessary to provide service to its customers in South Dakota, and is fully supported, by presenting conclusory and self-interested statements of one of its own executives, unsubstantiated by analysis, means of calculation or any documentation?**

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



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 10th day of July, 2015, a true and correct copy of Appellant's Statement of Issues on Appeal in the above-captioned case was sent by first class U.S. Mail and electronically mailed to the following persons:

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The Statement of Issues on Appeal was also electronically filed this date with the Hughes County Clerk of Courts, 104 East Capitol Avenue, Pierre, South Dakota, 57501.

Dated this 10th day of July, 2015.

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