

Kevin,

Thanks for taking the time to write. You raise a lot of issues.

First, South Dakota ratepayers won't pay for portions of a plant they aren't using. It doesn't matter to me if some of the plants capacity is unused or sold to another entity. Black Hills Power ratepayers are only going to pay for the portion of plant that serves Black Hills Power ratepayers.

Second, you are prejudging some facts. I don't have that luxury and have to wait until all the evidence is in and has been tested before I can say whether or not this is "outdated technology" or that this power "is not needed in South Dakota."

The whole purpose of our proceeding is to ensure that Black Hills Power only receives recovery of expenses that have been prudently incurred.

Third, I can promise you that South Dakota ratepayers will not be "forced to fund Black Hills Corp's expansion and profit and [will receive] absolutely zero benefit." The PUC would not allow them to pass expansion costs or unreasonable profits onto ratepayers. Again, that is the whole purpose of our proceeding.

Fourth, you ask that we have a "hearing on the original proposed rate increase and give them nothing." We intend to do the first part, but I can make no promises on the second part. I'll make a decision based on the facts of the case, and allow reasonable recovery of prudently incurred costs.

Kevin, I can promise you that everyone at the commission involved with this proceeding wants your electric rates to be as low as they reasonably can be to provide safe and reliable energy. None of us got into utility regulation to hurt our friends, family, and fellow South Dakotans. We are working hard and I believe the final outcome of this proceeding will absolutely serve the public interest.

Thanks for writing,

Dusty

Dustin "Dusty" Johnson

Public Utilities Commission

605-773-3201

-----Original Message-----

From: Kevin ODea

Sent: Thursday, March 18, 2010 5:38 PM

To: Johnson, Dustin (PUC)

Subject: RE: BHP Rate Increase

Thank you for taking the time to consider my email. I read in the paper that BHP has sold a portion of the Wygen plant to MDU and another portion to the city of Gillette. If they can sell 50% of the plant, doesn't that prove it's unnecessary and also further negate the need for a rate increase?

--- On **Wed, 3/17/10, Dustin Johnson** wrote:

From: Dustin Johnson

Subject: RE: BHP Rate Increase

To: Kevin ODea
Date: Wednesday, March 17, 2010, 8:26 PM

Kevin,

I'm sorry I haven't emailed back yet. I don't want to just pass you off to a staffer and do want to respond to you specifically, but have been struggling to find the time. I'll get back with you soon.

Dusty
Dustin "Dusty" Johnson
Public Utilities Commission
605-773-3201

-----Original Message-----

From: Kevin ODea
Sent: Friday, March 12, 2010 9:09 AM
To: Johnson, Dustin (PUC); Kolbeck, Steve; Hanson, Gary (PUC)
Subject: BHP Rate Increase

Good Morning

As a resident of Lawrence County and a customer of Black Hills Power, I'm dismayed at the recent "interim" rate hike and the cavalier and callous attitude of Black Hills Corporation as displayed by their representative during the rate hike hearing. Given our current economic state, a rate hike is ill advised, unneeded, and capricious. I work in a public school and even the lesser 20% rate hike will cost my district approximately \$30,000. Couple this with the damage being done in the legislature, and we will be forced to cut staff. I can't even image the impact on Lawrence County as a whole, especially Spearfish Forest Products and the Homestake Underground Lab.

I question the need for any rate hike. Black Hills Corp chose to build additional capacity out of state utilizing outdated technology to provide additional capacity that is not needed in South Dakota at this time. Until our demand greatly increases, they will be able to sell their additional capacity to other utilities in the western US at a great profit. The South Dakota customers are being forced to fund Black Hills Corp's expansion and profit and are receiving absolutely zero benefit. Additional capacity should be added by building renewable sources here in SD so that the very least our rate increases would support the local economy.

I urge you to hold a hearing on the original proposed rate increase and give them nothing. They have not shown any concern for the people, schools, or economy of South Dakota. Until they do so, let their profits on the wholesale market fund their dirty power.

Thank you,
Kevin O'Dea
Lawrence County