

Dale,

I understand your frustration, but we are doing our job. There are thousands and thousands of pages of evidence to review, hundreds of questions that need to be asked of Black Hills Power, and millions of dollars to be accounted for. That type of due diligence should not be rushed.

We are going to subject Black Hills Power to all of the scrutiny their sizable request warrants (and that's a lot of scrutiny). We have six regulatory experts and two outside regulatory consulting firms working on this case, and they need to have enough time to prepare their case. Just think about how long most court cases and legal processes take. That's what this is -- an administrative law proceeding. There will be discovery, witnesses testifying under oath, cross-examination by attorneys, and evidence introduced into the record. All of that takes time. I suspect that the party most irritated by the Commission's methodical and thorough review is Black Hills Power. That is too bad, but I am not going to rush this process. The ratepayers deserve sufficient scrutiny of this filing.

Am I happy that they have put interim rates into effect? No, I am not. That is an option they have available to them under state law, however, and I don't have the power to change that. I do have the power to make sure we do our job on the pending rate case carefully, thoroughly, and fairly, and that's what we are going to do. I hope you can understand that.

I don't yet have enough information to determine whether or not their request is "wholly unreasonable."

Such a determination will have to be based on hard facts and evidence in the record. Their request does seem quite high, and is larger than we have seen in quite a few years. We are in the process of examining the request, and I can promise you that we will be subjecting it to great scrutiny. We have both internal and external experts reviewing the filing, trying to determine which costs have been prudently incurred by Black Hills Power and which have not been. Our ultimate decision will need to be based on what the costs look like after that review.

Dale, I know it is tempting to paint with a broad brush, but not every politician in the country is identical, and not all "politicians these days only look out for themselves and their special interests not the people who elected them." 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,  
Dusty

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

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

**From:** Dale Casteel

**Sent:** Wednesday, March 03, 2010 1:10 PM

**To:** Johnson, Dustin (PUC)

**Subject:** Re: black hills power 26 percent increase

Dusty,

I did not start this email, I simply gladly added my name and passed it on. Hopefully, though you did hear from a lot of South Dakotans who feel preyed upon by Black Hills Power and Light. No one in their right mind would dream of raising rates 26%, which has been widely reported in the local news media. I

am aware that BH Power and Light now only plans to raise their rates by 20% on April 1, which is still wholly unreasonable.

I guess the general public feels that nothing is being done because 6 months have gone by and BH Power and Light has still not been told "no" and now they are going ahead and raising their rates anyway. Seems like this should have been nipped in the bud a long time ago.

Best place to explain the PUC's stand would be in the newspaper where every one can see it.

I just saw yesterday that South Dakota is one of the states that has the highest requests for public heating assistance in the nation and it is ludicrous to let BH Power and Light raise their rates in that light. BH Power and Light may have to suffer like the rest of us economically and not be able to pay for a fancy new power plant in another state.

People in this state cannot continue to be made to suffer or chaos will break out. Our government has become a shambles and politicians these days only look out for themselves and their special interests not the people who elected them. That has got to stop! Dale

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

**From:** [Dustin](#) Johnson

**To:** [Dale](#) Casteel

**Sent:** Wednesday, March 03, 2010 11:26 AM

**Subject:** RE: black hills power 26 percent increase

[Dale](#),

I'd like to talk to you sometime to explain the regulatory process a case like this works through. It is not true that a 26.6% increase is taking place on April 1 and we are doing nothing to stop it. I feel badly that so many people have received incorrect information from you. I know the process is a bit confusing, so I'm certainly not blaming you . . . I just feel like we will all be better served if everyone has the correct information. When would you like to talk?

Thanks,  
Dusty

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

**From:** [Dale Casteel](#)

**Sent:** Tuesday, March 02, 2010 10:19 PM

**Subject:** black hills power 26 percent increase

please, please, please... send this to the 3 people listed below. they are our public utility commissioners here in south dakota. even if you live out of state, we must get this message out across the country, because if one power company gets away with it, then you know full well that the rest of them can, and will. this is no joke! this rate hike is set to take effect the first of april and our elected officials are doing nothing to stop it. please also forward this to everyone in your in box. we need your help  
thank you very much for you assistance

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To: Dustin Johnson; Gary Hanson; Steve Kolbeck

Unbelievable!

This must be a bad dream.

How can this be happening?

The virtual monopoly of Black Hills Power is getting ready to increase our monthly bills by 26.6% and you people are just sitting on your hands doing nothing about it?

Why are you in office? You were elected to serve the interests of your constituents, not the all mighty power company's! There is no way that this type of increase could ever be justified, what with the daily headlines of massive lay offs, record unemployment and foreclosures happening all around us, and yes, right here in Rapid City. Would we boycott the local gas station for a 26% increase, would we change supermarkets if they instituted a 26% price increase? The answer is yes, of course we all would. But it's not like we have any choice from whom to purchase our electric power, so how do you justify your total inaction regarding this matter? I read that if the increase is later ruled invalid, then BHP would have to refund, with interest, the increased amounts, which would be done through credits.

Excuse me! I didn't pay my bill with credits, you will refund my money with cash!

I can assure you, there is no excuse and your failure to act according to your sworn duties to represent the people, will result in drastic actions from the people. We will no longer sit by as our elected officials turn a blind eye to our plight.

Either do your job (and stop this insanity) or abdicate your position.