

14 April 2010

Public Utilities Commission (PUC)
Public Comment Meeting
Colonial House Restaurant
Rapid City, SD 57701

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**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Dear PUC:

I would request the PUC to deny Black Hills Corporation's requested twenty six (26) percent rate increase. My request is based on two separate issues:

1. Black Hills Corporation is currently a very viable, 1.2B capitalization, and profitable utility that produces approximately 4.5 percent return on invest for its shareholders. This rate of return compares very well with other Utilities of similar capitalization which includes Great Plains Power (2.5B, 4.37%), Northwest Energy (1B, 4.92%) and West Star Energy (2.5B, 5.44%). The profitability earned by Black Hills Corporation was achieved without the increased capacity gained with the addition of the 100 Megawatt, Wygen III power plant. With up to 100 Megawatts of additional product available for sale their continued, and indeed increased, profitability is assured without the requested rate increase.

2. Black Hills Corporation had little difficulty obtaining the necessary capital for construction of Wygen III without prior assurance that the South Dakota PUC would grant a 26% rate increase. The lenders, partners and shareholders must therefore, have been confident that at even at current rates for electricity, Black Hills Corporation was fully capable of recouping their investment. Had Black Hills Corporation required the rate increase in order to recoup the investment necessary for Wygen III, then the rate increase should have been requested before Wygen III was constructed. If Black Hills Corporation could not have raised the necessary capital and if they could have shown that the plant was absolutely necessary for the public good, then publicly guaranteed financing should have been explored.

The public being pressured into ever increasing electrical rates is nothing new in America. During the 1920's electric companies owned 94% of our electricity generation facilities and hence could and did charge whatever they wanted for electrical power. This situation was finally settled in the public's best interest when the Federal Government established the Tennessee Valley Authority in the southeast United States and the Bonneville Power Administration in the northwest. Both the TVA and Bonneville have been highly successful in supplying the abundance and affordable electric power necessary to enable both regions to rise from poverty to today's economic giants of innovation and manufacturing. Perhaps our future lies in the formation of a "Mountain & Plains Power Authority" under which the generation of ample and affordable electrical power would be assured and from which companies, such as Black Hills Corporation, would purchase their power.

Thank you for this opportunity to present my comments on this critical issue.

Sincerely,


Louis Leahy


Spearfish, SD 57783