



Dustin Johnson, Chair
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May 26, 2010

Patricia Van Gerpen
PUC Executive Director
500 E. Capitol Ave
Pierre, SD 57501

RE: EL09-018 Black Hills Rate case

Dear Ms. Van Gerpen:

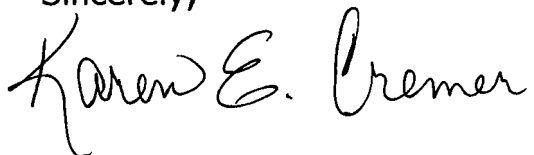
Commission Staff, one of the signatories of the Joint Motion for Approval of the Settlement Stipulation, respectfully submits this letter as its response to the Residential Consumers Coalition's Brief in Opposition to Joint Motion for Approval of Settlement Stipulation and Black Hills Power, Inc.'s Brief in Reply to Opposition to Joint Motion for Approval of Settlement Stipulation. Commission Staff believes that the statement of the issues, the analysis, and the conclusion reached by Black Hills Power in its brief succinctly presents the case law regarding the issues in this matter.¹

Commission Staff agrees with Black Hills Power that there is no dispute that non-settling intervenors have the right to present evidence in opposition to the settlement and to cross-examine witnesses offered in support of the settlement. Commission Staff further agrees that the Commission should proceed to a hearing on the Joint Motion for Approval of Settlement Stipulation, allowing Black Hills Power and Staff to present evidence in support of the Settlement Stipulation, and further allowing the objecting party the opportunity to present evidence opposing the merits

¹ Black Hills Power cites to SDCL 49-34A-18 on page 4 of its brief. Staff submits that the correct citation is SDCL 49-34A-8.

of the Settlement Stipulation. At the conclusion of the hearing on the Settlement Stipulation, the Commission should either 1) approve and adopt the Settlement Stipulation by making an independent finding supported by substantial evidence on the record as a whole that the Settlement Stipulation establishes just and reasonable rates, giving due consideration to the criteria set forth in SDCL 49-34A-8 for determination of rates, or 2) reject the Settlement Stipulation, in which event the parties will proceed to hearing on Black Hills Power, Inc.'s Application for Authority to Increase its Electric Rates.

Sincerely,

A handwritten signature in black ink that reads "Karen E. Cremer". The signature is written in a cursive style with a large, looped initial "K".

Karen E. Cremer

Staff Attorney