



City of Hill City

The Heart of the Hills

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November 23, 2009

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Public Utilities Commission
Capitol Building, 1st floor
500 E. Capitol Ave.
Pierre, SD 57501-5070

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

RE: Proposed BHP Energy Rate Increase

Dear Public Utility Commissioners,

The City of Hill City, SD is concerned with the recent request by Black Hills Power, Inc. (BHP) to increase energy rates by 26.6 percent. While we realize the need to pay for the expansion and debt payment of energy operations, this request seems quite abrupt and excessive.

A 7.8 percent increase was just approved by the South Dakota Public Utilities Commission and put into effect January 2007; now a new and more significant increase is being requested only three years later. It appears that not only a soft economy, but also some poor long term planning are causing this request to be made now.

Hill City, along with other municipalities in the Black Hills, has already set its budget for 2010 and we will not easily be able to accommodate this rate increase into our already tight operating budget. More importantly, our citizens are struggling to make their monthly dollars stretch to meet the ever rising cost of services.

We ask that you seek a more reasonable, long term approach to resolving the financial needs of BHP. A phased increase over the next several years would allow time for families and communities to adjust their spending habits to meet the inevitable rise in the cost of energy. A delay in the implementation to January 2011 of any approved increase would also help considerably.

BHP has been an active community partner for several decades and we hope this relationship will continue for the betterment of both company and community in the future.

Sincerely,

Don Voorhees
Mayor
City of Hill City