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**From:** Earl Chrysler  
**Sent:** Saturday, November 28, 2009 8:31:57 PM  
**To:** PUC  
**Subject:** Black Hills Power Rate Increase  
**Auto forwarded by a Rule**

Dear Ladies and Gentlemen of the Public Utilities Commission:

In my judgment the Black Hills Power Company has exhibited very poor planning and now hopes to have its customers pay for their lack of planning.

The management group of Black Hills Power should have observed an increase in the number of households and/or businesses using their service over time as new homes were built and businesses experienced an increase in demand for their products and services as the number of households increased in their service area. A simple time-series trend analysis would have indicated that the demand for electricity was climbing toward their maximum generating capacity.

By prudent planning, the management group should have requested nominal rate increases some time ago so the necessary funds would be ready when construction would be needed to have additional generating capacity on line when their forecasts indicated it would be needed. Nominal rate increases could have allowed consumers to adjust to these new rates and have slightly larger electricity bills over a period of years.

Instead, the management group has procrastinated until the time when forecasted demand will exceed current capacity is apparently on the horizon. Now the management group wishes to raise the rates to acquire the needed funds in a short period of time, putting consumers in the position of experiencing very large increases in their electricity bills. The size of these increases implies that consumers will have to significantly reduce their expenditures on other necessities. Also, the increase in the electrical bills experienced by firms will require that they reduce their expenditures in other areas, one of which may be employee wages.

My suggestion is that Black Hills Power be allowed to increase their rates somewhat, but that the management group raise the funds needed soon by issuing bonds or obtaining bank loans. These bonds and/or loans could be paid off by using the amount the rates are raised over several years. Once the loans and/or bonds are paid, the rates could be adjusted to a point where a reasonable profit level is provided to the utility.

Sincerely yours,

Earl Chrysler, DBA  
Spearfish, SD 57783