



Gary Hanson, Chairperson
Chris Nelson, Vice Chairperson
Kristie Fiegen, Commissioner

South Dakota

PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
www.puc.sd.gov

Capitol Office
(605) 773-3201
1-866-757-6031 fax

Grain Warehouse
(605) 773-5280
(605) 773-3225 fax

Consumer Hotline
1-800-332-1782

March 5, 2013

Brett Burditt, Business Manager
Meade School District 46-1
1230 Douglas St
Sturgis SD 57785

Dear Mr. Burditt:

Thank you for your letter to the commission regarding the pending Black Hills Power rate case, EL12-061. Since your comments pertain to an open docket on which commissioners will ultimately vote, Commissioner Nelson asked PUC staff to respond to you. Commissioners must refrain from discussing open dockets on which they have yet to act or vote on in a public meeting. In order for the commissioners, other parties in the case, and individuals interested to see your comments, they will be made part of the official docket.

Since BHP is one of the state's six investor-owned utilities, as opposed to a municipal electric or rural electric association with citizens or members presiding over rate decisions, the utilities' rates cannot be raised without approval by the commission.

I understand your concerns regarding increased costs associated with energy and other ongoing expenses. However, the commission must investigate and act on any rate increase request filed by a regulated utility such as BHP, as required by state law. See South Dakota Codified Law 49-34A at www.legis.state.sd.us/statutes.

In its filing, BHP requests an increase *"for authority and consent to make certain changes in its charges for retail electric service provided to the company's South Dakota customers, for authority and consent for a new transmission facility cost recovery tariff, for an accounting order for vegetation management, and other changes to the tariffs for service to its South Dakota electric customers."*

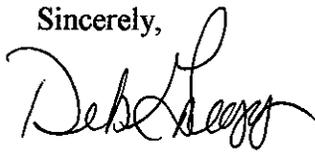
Whether or not the commission agrees with BHP's justifications of these expenses or a portion of them will be determined in the case's processing and eventually, the commissioners' decisions regarding the case.

You may be interested in following the filings in this case and you may do so online by going to www.puc.sd.gov and clicking on "Commission Actions," and "Commission Dockets." Click on "Electric Dockets," "2012 Electric Dockets" and "EL12-061." You may also find the Electric Rate Case Increase Requests Info Guide helpful: <http://www.puc.sd.gov/commission/Publication/electricratecasehandout.pdf> (I have enclosed a copy of this document.)

We understand increases are difficult to handle, especially for individuals and organizations with limited means to increase income and revenue. I assure you none of the commissioners wish to increase utility rates for South Dakotans. Commissioners and staff are consumers and understand how increased costs affect us all. They take their duties seriously as they carefully review this case's filings and all the decisions required for commissioners to make according to state law.

I hope this helps explain how the commission is reviewing the BHP rate case. Thank you for writing to make us aware of your concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Deb Gregg". The signature is written in a cursive style with a large initial "D".

Deb Gregg
Consumer Affairs Manager