

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

In the Matter of the Application
of Black Hills Power, Inc. for
the Phase in of Rates Regarding
Construction Financing Costs of
Cheyenne Prairie Generating
Station

Docket No. EL12-62

**PETITION TO INTERVENE
OF GCC DACOTAH, INC., RUSHMORE
FOREST PRODUCTS, INC., SPEARFISH
FOREST PRODUCTS, INC., AND
RAPID CITY REGIONAL HOSPITAL**

GCC Dacotah, Inc.; Rapid City Regional Hospital, Inc.; Rushmore Forest Products, Inc.; and Spearfish Forest Products, Inc. (collectively “Black Hills Industrial Intervenors”); hereby petition for leave to intervene as parties in the above entitled matter.

GCC Dacotah, Inc. (“GCC”) is a cement producer located in Rapid City, South Dakota. Its parent company is Grupo Cementos de Chihuahua, S.A. de C.V, which is headquartered in Mexico. Grupo Cementos de Chihuahua produces cement, ready-mixed concrete, limestone aggregates, concrete block and gypsum, and has an important presence, through U.S. subsidiary companies, in seven states in the United States and in the state of Chihuahua in Mexico. GCC was formed on March 16, 2001, in order to acquire the South Dakota State Cement Plant facility located in Rapid City, South Dakota. GCC markets and sells cement in nine states and distributes its cement through a network of distribution terminals located in South Dakota, Wyoming, and Colorado.

Rapid City Regional Hospital, Inc. (“RCRH”) is a not-for-profit, integrated, community-based health care system with more than 40 facilities serving South Dakota, Wyoming and Nebraska. These facilities include hospitals, specialty care centers, clinics, and senior care assistance operations. It is the region’s leading medical center, providing health care services to the 360,000 people who live in the Black Hills of South Dakota and the surrounding region, as well as thousands of visitors each year.

Rushmore Forest Products, Inc. (“Rushmore”) is located in Hill City, South Dakota. This is a Ponderosa Pine sawmill that produces lumber and other premium Ponderosa Pine building products. Rushmore is a subsidiary of Neiman Enterprises which acquired the Hill City mill in 1998.

Spearfish Forest Products, Inc. (“Spearfish”) is located in Spearfish, South Dakota. This company is also a subsidiary of Neiman Enterprises. This too is a Ponderosa Pine processing facility that includes a sawmill, drying kiln, and planer for manufacturing premium Ponderosa Pine building products. In addition, this facility also includes a renewable fuel manufacturing facility, a 45,000 ton per year wood pellet facility (with its product marketed as Heartland Pellets).

Each of the Black Hills Industrial Intervenors is a major industrial user of power produced and sold to them at retail by Black Hills Power, Inc. (“BHP”). Collectively, the Black Hills Industrial Intervenors seek to intervene in this matter because the proposed phased-in rate increase of Black Hills Power, Inc.’s (“BHP”), will greatly increase the cost of doing business for each of these companies at a time when they are under considerable economic stress. Based on a preliminary review without an opportunity to conduct discovery, Black Hills Industrial Intervenors question BHP’s alleged need for 55 MW of power from the proposed Cheyenne Prairie Generating Station. Absent sufficient notice, hearing, and ability to offer substantive comments, Black Hills Industrial Intervenors question BHP’s ability to impose a phase-in increase under S.D. CODIFIED LAWS §§ 49-34A-73 – 49-34A-78 and oppose an any increase in electric rates on February 1, 2013, including an “interim” increase in rates under S.D. CODIFIED LAWS § 49-34A-17. Interim rate increases should only be allowed (if at all) for costs associated with utility assets that are used and useful in providing service.

Black Hills Industrial Intervenors believe their interests in this proceeding are unique and may well not be adequately addressed by other intervenors. Based on the current service list available on the South Dakota Public Utilities Commission's website, it is not apparent that there are any other customer parties to this case, and no other large industrial customers are parties. Black Hills Industrial Intervenors' participation in this matter will not disadvantage or burden any other party. Therefore, Black Hills Industrial Intervenors ask that their petition be granted.

This filing also constitutes a Notice of Appearance of Charles P. Schroyer and Mark Moreno of Schmidt, Schroyer, Moreno, Lee & Bachand P.C. of Pierre, South Dakota as well as of Andrew P. Moratzka and William J. O'Brien of the law firm of Mackall, Crouse & Moore, PLC in Minneapolis, Minnesota who will jointly act as the attorneys for Black Hills Industrial Intervenors in this proceeding.

Respectfully submitted,

/s/ Charles P. Schroyer

Charles P. Schroyer Esq.
Mark Moreno, Esq.
SCHMIDT, SCHROYER, MORENO, LEE &
BACHAND, P.C.
124 South Euclid, Suite 201
P.O. Box 1174
Pierre, SD 57501-1174
Tel: 605-224-0461
Fax: 605-224-1607

and

Andrew P. Moratzka, Esq.
William J. O'Brien, Esq.
MACKALL, CROUNSE & MOORE, PLC
1400 AT&T Tower
901 Marquette Avenue
Minneapolis, MN 55402
Tel: 612-305-1400
Fax: 612-305-1414
apm@mcmlaw.com

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CERTIFICATE OF SERVICE

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

Andrew P. Moratzka, being first duly sworn on oath, deposes and states that on the 8th day of January, 2012, copies of the Petition to Intervene of Dakota Panel, GCC Dacotah, Inc., Rushmore Forest Products, Inc., Spearfish Forest Products, Inc., and Rapid City Regional Hospital in the above-referenced matter were e-filed with the South Dakota Public Utilities Commission. Copies were e-mailed to the parties on the attached service list.

/s/ Andrew P. Moratzka

Andrew P. Moratzka

Subscribed and sworn to before me
this 8th day of January, 2012.

/s/ Laura B. Fritz

Notary Public

SERVICE LIST

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
patty.vangerpen@state.sd.us
(605) 773-3201 - voice
(866) 757-6031 - fax

Ms. Karen E. Cremer
Staff Attorney
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
karen.cremer@state.sd.us
(605) 773-3201 - voice
(866) 757-6031 - fax

Ms. Kristen Edwards
Staff Attorney
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501Z
Kristen.edwards@state.sd.us
(605) 773-3201 - voice
(866) 757-6031 - fax

Mr. Jon Thurber
Staff Analyst
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
jon.thurber@state.sd.us
(605) 773-3201 - voice
(866) 757-6031 - fax

Ms. Brittany Mehlhaff
Staff Analyst
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
brittany.mehlhaff@state.sd.us
(605) 773-3201 - voice
(866) 757-6031 - fax

Mr. Patrick Steffensen
Staff Analyst
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
patrick.steffensen@state.sd.us
(605) 773-3201 - voice
(866) 757-6031 - fax

Mr. Chris Kilpatrick
Black Hills Power, Inc.
P.O. Box 1400
Rapid City, SD 57701
chris.kilpatrick@blackhillscorp.com
(605) 721-2748 - voice
(605)721-2568 - fax

Mr. Todd Brink
Black Hills Power, Inc.
P.O. Box 1400
Rapid City, SD 57701
todd.brink@blackhillscorp.com
(605) 721-2516 - voice

Mr. Lee A. Magnuson - Representing Black Hills Power, Inc.
Lindquist, Vennum, PLLP
Ste. 302
101 S. Reid St.
Sioux Falls, SD 57103
lmagnuson@lindquist.com
(605) 978-5201

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