

**From:** PUC  
**Sent:** Tuesday, January 14, 2014 7:56 AM  
**To:** [REDACTED]  
**Subject:** FW: BHP

Rex:

Thank you for your message about Black Hills Power and the storm-related costs the company recently experienced. Last week, the Public Utilities Commission approved BHP's request for deferred accounting regarding expenses resulting from winter storm Atlas that took place in October 2013. This approval references only the interim accounting of these storm expenses. It allows BHP to set aside these recovery costs for accounting so the costs may be reviewed for possible recovery during a future rate case. The commission's approval of this accounting method does not translate to approval of the costs. The commission will review these separate expenses during a rate case to determine if any are reasonable and allowable for rate recovery in a rate filing.

When the company files their next rate case, expected this spring, the commission will then fully analyze the costs to determine if they are appropriate and allowable under state law. Only those expenses that meet these standards will become part of the company's rates for the period of time approved in that case. Any cost recovery of the storm expenses allowed will take place over a number of years but only until the costs are fully recovered. I appreciate your concern and encourage you to follow BHP's future filings and rate cases. These are added to our website when filed, so you can follow them online at [www.puc.sd.gov](http://www.puc.sd.gov). Your comment will be added to the EL13-036 docket in which this accounting method was considered by the commission.

Commissioner Kristie Fiegen  
South Dakota Public Utilities Commission