

Mehlhoff, Brittany

From: Thurber, Jon <Jon.Thurber@blackhillscorp.com>
Sent: Wednesday, May 08, 2013 4:48 PM
To: Mehlhoff, Brittany; Cremer, Karen
Cc: Kilpatrick, Chris
Subject: RE: EL13-009 DR 1
Attachments: Response 1 - Debt Cost and Capital Structure.pdf

Brittany,

See below for responses. Does staff want to make the first attempt at drafting the amendment to the stipulation?

Please let me know if you need anything else.

Thanks,

Jon Thurber

Black Hills Corporation

Regulatory Services - Rates

Black Hills Corporation | Work: 605-721-1603 | Cell: 605-858-1800 Jon.Thurber@blackhillscorp.com

From: Mehlhoff, Brittany [<mailto:Brittany.Mehlhoff@state.sd.us>]
Sent: Tuesday, May 07, 2013 3:20 PM
To: Kilpatrick, Chris; Thurber, Jon
Cc: Cremer, Karen
Subject: EL13-009 DR 1

Chris and Jon,

Please see the questions/comments below regarding Docket EL13-009. Please provide a response by Friday, May 10th. Due to the requested effective date of June 1st, the only commission meeting available for decision is May 21st. Staff also plans to request the filing fee at that time to account for staff time spent on the docket.

- 1) Please provide supporting documentation for the capital structure and debt costs as of March 31, 2013, found on Schedule 4-9.
Please see "Response 1 – Debt Cost and Capital Structure.pdf". The amounts agree with the 1st Quarter FERC FORM 3Q that will be submitted to FERC on May 30, 2013.
- 2) Please provide the actual annual SD kWh sales for June 1, 2012 – May 31, 2013 (including forecasts for April and May as is reflected in the revenues on Schedule 4-1.2).
Please see Attachment C, worksheet 17 submitted in support of the 2013 ECA rate adjustment for actual June 2012 – March 2013 SD kWh sales. In the electronic model provided in support Exhibit 4 of the EIA filing, the forecasted sales for April 2013 and May 2013 are listed within the cells corresponding to actual revenues on Tab "4-1.2 Annual True-up".
- 3) Would BHP prefer to amend the settlement stipulation in EL11-001 (or have a condition as part of a new settlement stipulation in EL13-009) to include an exception for filing the annual report of SD jurisdictional financial condition if BHP has filed a rate case within the year?
BHP would like to amend the settlement stipulation in Docket EL11-001 to include an exception for filing the annual report of SD jurisdictional financial condition if BHP has (a) filed a general rate case within 12 months of the report due date or (b) adjusted rates as a result of a general rate case within 12 months of the report due

date. This would alleviate the need to file a report if a rate case is pending before the commission or the commission has completed its review of rates within the last 12 months.

- 4) Refer to Schedule 4-9. Staff would propose to use the [REDACTED] % ROE for purposes of determining the rates to be effective June 1st, 2013, with the condition that this ROE be revised next year during the true-up of year 3 to reflect the ROE determined as a result of either a settlement or Commission decision in Docket EL12-061.
BHP accepts Staff's proposal.

Thanks
Brittany

This electronic message transmission contains information from Black Hills Corporation, its affiliate or subsidiary, which may be confidential or privileged. The information is intended to be for the use of the individual or entity named above. If you are not the intended recipient, be aware the disclosure, copying, distribution or use of the contents of this information is prohibited. If you received this electronic transmission in error, please reply to sender immediately; then delete this message without copying it or further reading.