

BLACK HILLS POWER, INC.
SD PUC DOCKET: EL-14-013

REQUEST DATE : April 16, 2014

RESPONSE DATE : April 29, 2014

REQUESTING PARTY: SDPUC Staff

SDPUC Request No. 2-1: Please explain how the 69 kV sub-transmission facilities are eligible for inclusion in the TFA under SDCL 49-34A-25.1. While the lines meet the 34.5 kV or more requirement, please explain how the lines qualify as transmission facilities as opposed to serving distribution functions.

Response to SDPUC Request No. 2-1:

Prior to the construction of the 230 kV Common Use System (“CUS”), the 69 kV transmission system performed a stand-alone transmission function of moving bulk power throughout Black Hills Power’s entire system. As the regional power system evolved, the CUS was constructed to serve as a joint transmission system for Black Hills Power, Basin Electric Power Cooperative (“Basin”), and Powder River Energy Corporation (“PRECorp”). Since Black Hills Power’s 69 kV system does not provide transmission services for Basin and PRECorp, these facilities were excluded from the CUS tariff.

Currently, the 69 kV system is used to transmit power from the CUS system to general geographical areas and load centers within Black Hills Power’s service territory. Some examples of general geographical areas in South Dakota are the Northern Black Hills, Southern Black Hills, and Rapid City. From the geographical areas, power is moved to multiple distribution substations. The distribution substations serve loads that are locally interconnected to that particular distribution substation.

The 69 kV system is classified as sub-transmission because the facilities transmit power from the CUS system to distribution load centers. The voltage ranges for transmission, sub-transmission, and distribution systems can overlap. Generally, Black Hills Power’s transmission voltages are 230 kV, sub-transmission voltages are 69 kV, and distribution voltages are 24.9 kV and below.

For additional support to classify the 69 kV system as sub-transmission, Black Hills Power is a co-owner of portions of the 69 kV system with Rushmore Electric Power Cooperative, Black Hills Electric Cooperative, and Butte Electric Cooperative (collectively known as “Cooperatives”). The Cooperatives payment or investment for use of the system is based on its load ratio share. Similarly, Black Hills Power offers wheeling service to Black Hills State University and the South Dakota School of Mines & Technology on the 69 kV system.

As described above, the two 69 kV rebuild projects qualify as transmission facilities under SDCL 49-34A-25.1.