

BLACK HILLS POWER, INC.

SD PUC DOCKET: EL14-038

REQUEST DATE : August 8, 2014

RESPONSE DATE : August 14, 2014

REQUESTING PARTY: SDPUC Staff

SDPUC Request No. 1-8:

Please explain why the September 2011 program development costs provided in Attachment 6 of this filing differ from those costs reported on the EESA balancing account report dated 3/18/14. The actual costs in question are included in the attached spreadsheet “DR 1-7 and DR 1-8” and are highlighted for easy reference.

Response to SDPUC Request No. 1-8:

Program development costs totaling \$94,167.00 are included in the September 2011 program costs. These costs represent the consulting expenses incurred by Black Hills Power to create the Energy Efficiency Solutions Program (EESP). These costs were included in the balancing account as presented to the commission staff on March 18, 2014 with 50% allocated to residential customer class and 50% allocated to commercial/industrial customer class.

In Docket EL14-038, as supported in Attachment 6, 43% of the \$94,167.00 program development costs are allocated to the residential customer class and 57% to the commercial/industrial customer class based on 2011-2013 program budgets. This was changed in the March 18, 2014, balancing account to be consistent with the Cost Recovery Mechanisms provided in the testimony of Chris Kilpatrick in Exhibit C to the Energy Efficiency Program, Tariffs, and Cost Recovery Mechanisms filing approved by the Commission in Docket EL11-002 on July 7, 2011. This testimony stated that these costs are allocated to the residential and non-residential customer classes based on the respective EES program budgets.

This change in the allocation of program development costs resulted in a minor increase in the residential balancing account interest calculation and a corresponding minor decrease in the commercial/industrial balancing account interest calculation.

Attachments: None