

**BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
SD PUC DOCKET: EL17-009**

REQUEST DATE : March 15, 2017
RESPONSE DATE : March 29, 2017
REQUESTING PARTY: Staff

SDPUC Request No. 1-1:

What were the circumstances behind the Black Hills Vision board choosing to suspend all future activity when Phase III was supposed to be produced and implemented in 2016? What is being done with any possible remaining balances from the nonprofit, including contributions from Black Hills Energy's Economic Development Plan in the past two years? Please provide a summary of the work performed by Black Hills Vision in 2016 to stimulate economic development, as it was intended to be "BHE's flagship economic development tool in 2016," according to last year's filing.

Response to SDPUC Request No. 1-1:

The Black Hills Vision ("BHV") board conducted a series of planning meetings in order to assess the needs of the Black Hills region. This process included meetings with economic development organizations, community stakeholders, strategic planning sessions, and a timeline for completing and implementing a Phase III fundraising campaign. The needs assessment resulted in a vote to suspend any future phases until regional projects or initiatives could be identified.

Funds are required for BHV to remain operational. The remaining balances are used to support community requests for funding, contract services (liability insurance, accounting services, and marketing support) and office supplies. Funds from Black Hills were also used to support program research specific to a Phase III Initiative. If Black Hills Vision implements another phase remaining funds if any will be used in future years. The following community funding support was granted in 2016 and 2017:

2016 Contributions & Expenses:

1) Air Service Partnership	\$125,000
2) Belle Fourche Economic Development Corp.	\$27,500
3) Ellsworth Development Authority	\$100,000
4) International Computer Program Competition	\$5,000
5) Rushmore Region Alliance	\$106,000
6) Southern Hills Economic Development Corp.	\$25,000
7) Workforce Development - BHCBC	\$26,306
8) Administration and contract services	\$14,827

2017 Contribution and Expenses:

1) Southern Hills Economic Development	\$25,000
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The following is a summary of work performed by BHV with specific economic impact and opportunities for community growth.

- 1) Air Service Partnership: Support cooperative marketing funds to be used for Delta Airlines expansion to Atlanta International Air Port which brings increase travel to Rapid City and surrounding cities.
- 2) Belle Fourche Economic Development Corp.: Funding supported the initial design plans for Rail Spur project located in the Belle Fourche Industrial Rail Park. This will bring new business attraction as manufacturers may be interested in rail services at a specific industrial park.
- 3) Ellsworth Development Authority: Funding support for matching dollars from the Governor's office. EDA support the mission of EAFB and ensure that Ellsworth remains a key economic engine for South Dakota. The EDA is an appointed commission appointed by the Governor.
- 4) International Computer Program Competition: Sponsorship support for the largest computer program competition event in the world which will be held at SDSM&T in Rapid City. This event was hosted in Russia last year. This event will bring over 2,500 college students to compete in various categories.
- 5) Rushmore Region Alliance: This group is a consortium of economic development professional from the Black Hills region with a common goal of promoting the Black Hills region through strategic marketing action plans in growing the communities through new business and job creations.
- 6) Southern Hills Economic Development Corp. (SHEDCO): SHEDCO received funds in 2016 and 2017 as they used fund for contract services in supporting in the development of a Plan B for the VA hospital closure located in Hot Springs. The proposed closure will have a dynamic impact on Hot Springs and southern hills as it may impact about 450 jobs at the VA hospital.
- 7) Workforce Development: Black Hills Community and Economic Development Corp produced a workforce development study that reached the Black Hills Communities. BHV was matching funds from other grant foundations.

Attachments:

None

Responder:

Jason Keil