

BLACK HILLS POWER, INC.  
d/b/a BLACK HILLS ENERGY  
EL19-006

REQUEST DATE : 02/26/19  
RESPONSE DATE : 05/18/19  
REQUESTING PARTY: Staff

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**SDPUC Request No. 1.2:**

Regarding the economic impact, how will this project effect ratepayers in Applicant's service territory?

**Response to SDPUC Request No. 1.2:**

Customer impact will be seen in base rates, at the time of Black Hills Power's next general rate review, and in Black Hills Power's Transmission Cost Adjustment rate, which is filed annually. The estimated economic impact to an average residential customer's bill (using 600 kWh per month) will be approximately \$0.16796 per month or \$2.02 per year (approximately \$0.04796 per month in base rates and \$0.12000 per month in Transmission Cost Adjustment cost). This is an estimated economic impact based upon current construction budget.

**Supplemental Response to SDPUC Request No. 1.2:**

Due to material costs coming in higher than estimated, Black Hills has seen an increase in its original estimated construction cost of \$9.7 million. Black Hills now estimates the total construction costs to be approximately \$11.9 million based upon updated material costs. Due to this increase, Black Hills estimates the economic impact to an average residential customer's bill (using 600 kWh per month) will be approximately \$0.1863 per month or \$2.24 per year (approximately \$0.0588 per month in base rates and \$0.1275 per month in Transmission Cost Adjustment cost). This is an estimated economic impact based upon current construction costs of approximately \$11.9 million.

**Attachments:** None

**Responder:** Jason Keil