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December 17, 2010

Ms. Patty Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

**RE: RM10-001 In the Matter of the Request to Amend Rules Regarding ARSD
Chapter 20:10:17 Gas and Electric Customer Billing.**

Dear Ms. Van Gerpen:

Black Hills Power, Inc. has reviewed the initial draft rules issued by Staff on November 23, 2010. We respectfully offer our comments to the rules as drafted:

With respect to the concept that these rule amendments set forth, Black Hills Power believes it is unfair to differentiate the treatment of under-collections between residential and commercial (“non-residential”) customers. Customers in both classes should be responsible for timely payment of under-charges resulting from meter errors or malfunctions. Specifically, residential customers should not be treated differently through a regulatory asset accounting method. The right to collect from residential (and non-residential) customers for the provision of electric service should occur on a timely basis after a meter error is corrected and not through a rate case proceeding.

In addition, the rules should not be drafted to discourage open and honest communication between the utility and its customers which may occur if the utility is not allowed to collect for meters that are slow or not registering.

Black Hills Power has been operating under the current rules for many years and has no issue with the rules currently in effect. For that reason, it is the company’s strong preference that the rules not be amended as proposed.

Apart from the general comments stated above, Black Hills Power offers the following:

20:10:17:06 Adjustments of bills for slow or fast meter error – Electric.

20:10:17:08 Adjustments to bills for meter failing to register.

20:10:17:09 Adjustments to bills for other meter errors.

With regard to the specific language in each of these sections, Black Hills Power would only suggest a change of the term “commercial” to “non-residential.”

20:10:17:09 Adjustments to bills for other meter errors.

In this section, Black Hills Power would like to add the words “manufacturing defect of the meter” to the list of other meter errors. Manufacturing defects are beyond the control of the utility. Manufacturing defects could cause meter under- or over-collections and should therefore be corrected through timely bill adjustments.

20:10:17:09.01 Creation of a regulatory asset for uncollected amounts.

Black Hills Power suggests adding the following at the end of the section: “...and such amounts shall be recovered from all residential customers.”

Black Hills Power appreciates the opportunity to comment on the draft rules. We look forward to further participation in this rulemaking docket.

Sincerely,

BLACK HILLS POWER, INC.



Chris Kilpatrick
Director of Rates – Electric Regulation