
From: Jurek, Steve[SMTP:STEVE.JUREK@BLACKHILLSCORP.COM]
Sent: Monday, December 02, 2013 11:25:57 AM
To: PUC Docket Filings
Subject: Existing Docket Filing
Auto forwarded by a Rule

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

Re: In the Matter of the Consideration of Standards to Govern Avoided Cost Determinations
RM13-002

Dear Ms. Van Gerpen:

Black Hills Power, Inc. (BHP) appreciates this opportunity to submit comments regarding the above referenced docket for consideration by the South Dakota Public Utilities Commission (SDPUC).

On October 16, 2013, the Commission issued an Order to Proceed and Request for Comments from Interested Persons (Order). In the Order, the Commission directed that a rulemaking proceeding be conducted for the purpose of receiving comments from utilities and other interested persons as to whether rules should be promulgated at this time governing PURPA QF avoided cost determinations in this state, and, if so, what subject matter areas should be addressed.

The SDPUC Staff, in a memo dated September 25, 2013, identified the following six possible issues that could be addressed in a rulemaking docket:

- 1) Requirements for the creation of a Legally Enforceable Obligation (LEO);
- 2) Acceptable methodology or methodologies for determination of avoided cost;
- 3) Appropriateness of particular methods in specified circumstances;
- 4) Appropriate contract term;
- 5) Standards for determination of when capacity credits shall be allowed; and
- 6) The appropriate method(s) for computing the magnitude and duration of such credits

In response to Staff's recommendation, BHP agrees that a rulemaking should be opened and that issue Nos. 1, 5 and 6 identified above represent policy considerations for which having prescribed rules would be beneficial for all stakeholders. On the other hand, BHP believes that none of the remaining issues identified by Staff (Nos. 2, 3 and 4) lend themselves to one-size-fits-all solutions, and therefore addressing these particular considerations should be left to the discretion of each utility based on its own unique circumstances. After reviewing the initial and reply comments in this preliminary inquiry, should the SDPUC decide to move forward and open a formal rulemaking docket, BHP intends at that time to provide detailed comments on the various areas the commission determines are appropriate for addressing in the rulemaking. BHP appreciates the opportunity to offer its recommendations at this point in the process and looks forward to participating in this proceeding in whatever manner it unfolds.

Respectfully submitted,

Steven M. Jurek
Vice-President Regulatory
Black Hills Power, Inc.
1102 E. 1st Street
Papillion, NE 68046

Cc: Service List (electronically)

Steven M. Jurek | Vice President, Regulatory | Black Hills Energy | 1102 E. First Street – Papillion, NE 68048 | 402-221-2262

This electronic message transmission contains information from Black Hills Corporation, its affiliate or subsidiary, which may be confidential or privileged. The information is intended to be for the use of the individual or entity named above. If you are not the intended recipient, be aware the disclosure, copying, distribution or use of the contents of this information is prohibited. If you received this electronic transmission in error, please reply to sender immediately; then delete this message without copying it or further reading.