

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION OF BLACK HILLS POWER, INC. FOR AUTHORITY TO INCREASE ITS ELECTRIC RATES)))))	ORDER FOR AND NOTICE OF PROCEDURAL SCHEDULE AND HEARING EL06-019
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On June 30, 2006, Black Hills Power, Inc. (BHP), filed with the Public Utilities Commission (Commission) an application to increase rates for electric service to customers in its service territory by \$9,593,688 annually or approximately 9.5% based on BHP's 2005 test year. The company states the proposed increase for a residential customer would be \$5.16 per month based on usage of 600 kwh. The proposed rates may potentially affect approximately 60,434 customers in BHP's service territory.

At its regularly scheduled meeting of July 11, 2006, the Commission found that pursuant to SDCL 49-1A-8, BHP shall be assessed a filing fee as requested by the deputy executive director up to the statutory limit of \$100,000. The Commission further established an intervention deadline of August 25, 2006. Pursuant to SDCL 49-34A-14, the Commission suspended the operation of the schedule of rates proposed by BHP for 90 days beyond July 30, 2006. On July 28, 2006, the Commission received a Petition to Intervene from Merillat Industries, LLC, Pope & Talbot, Inc. and GCC Dacotah, Inc. (collectively Black Hills Intervenors). At a regularly scheduled meeting of August 8, 2006, the Commission granted intervention to the Black Hills Intervenors. On August 25, 2006, the Commission received a Petition to Intervene from the City of Gillette, Wyoming (Gillette). On August 31, 2006, the Commission received Black Hills Power, Inc.'s Objection to the Petition of City of Gillette to Intervene. On September 7, 2006, the Commission received a Withdrawal of Petition of City of Gillette to Intervene. At a regularly scheduled meeting of September 12, 2006, the Commission granted the withdrawal of the City of Gillette's Petition to Intervene. On September 18, 2006, the Commission received a Petition to Intervene and Notice of Appearance of Rushmore Forest Products.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-17, 49-34A-19, 49-34A-21.

The procedural schedule shall be as follows:

DATE	PROCEDURAL SCHEDULE
October 27, 2006	Staff and Intervenor Prefiled Testimony Due
November 8, 2006	BHP Rebuttal Testimony Due
November 20 and 21, 2006	Hearing
December 8, 2006	Initial Briefs Due
December 15, 2006	Rebuttal Briefs Due

A hearing shall be held commencing at 9:30 a.m., on Monday, November 20, 2006, in Room 412, State Capitol, 500 East Capitol, Pierre, South Dakota, and if necessary, shall continue commencing at 8:30 a.m., on Tuesday, November 21, 2006. The hearing is open to the public. All persons testifying shall be subject to cross-examination.

The issue at the hearing is whether the Commission shall grant BHP's request to implement revised electric rate schedules designed to produce additional revenues of \$9,593,688.

The hearing shall be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights shall be forfeited if not exercised at the hearing. If you or your representative fail to appear at the time and place set for the hearing, the Final Decision will be based solely on the testimony and evidence provided, if any, during the hearing or a Final Decision may be issued by default pursuant to SDCL 1-26-20. After the hearing the Commission will consider all evidence and testimony that was presented at the hearing. The Commission will then enter Findings of Fact, Conclusions of Law, and a Final Decision regarding this matter. As a result of this hearing, the Commission shall determine whether it shall grant BHP's request to implement revised rate schedules. The Commission's Final Decision may be appealed by the parties to the state Circuit Court and the state Supreme Court as provided by law. It is therefore

ORDERED, that the procedural schedule set forth above shall be followed by all parties to these proceedings. It is further

ORDERED, that the hearing shall commence at 9:30 a.m., on Monday, November 20, 2006, in Room 412, State Capitol, 500 East Capitol, Pierre, South Dakota, and if necessary, shall continue commencing at 8:30 a.m., on Tuesday, November 21, 2006.

Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 26th day of September, 2006.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u> <i>Alaine Kolbo</i> </u>
Date:	<u> <i>9/27/06</i> </u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

 Robert K. Sahr
ROBERT K. SAHR, Chairman

 Dustin M. Johnson
DUSTIN M. JOHNSON, Commissioner

 Gary Hanson
GARY HANSON, Commissioner