

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

**IN THE MATTER OF THE APPLICATION OF
BLACK HILLS POWER, INC. FOR APPROVAL OF
ENERGY EFFICIENCY PROGRAMS, TARIFFS,
AND COST RECOVERY MECHANISM**

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**ORDER APPROVING ENERGY
EFFICIENCY PARTNERSHIP
PLAN**

EL11-002

On January 26, 2011, the Public Utilities Commission (Commission) received an application from Black Hills Power, Inc. (BHP) requesting the Commission to approve new energy efficiency programs, tariff revisions, and a cost recovery mechanism. BHP proposes to implement a new three-year Energy Efficiency Solutions Plan (EESP) that expands on the company's current energy efficiency efforts. The proposed program will implement separate rates for residential and non-residential customer classes. BHP proposes to recover the costs of the EESP through a tariff mechanism to provide for concurrent recovery of costs incurred to implement the plan and to provide the company with an incentive to promote energy efficiency programs. On January 27, 2011, the Commission electronically transmitted notice of the filing and the intervention deadline of February 11, 2011, to interested individuals and entities. No petitions to intervene were filed. One comment was filed.

The initial year of the program will start September 1, 2011 and end May 31, 2012. The initial rate will be \$0.0008/kWh for residential customers and \$0.0009/kWh for commercial and industrial customers. The second year of the program will run from June 1, 2012 to May 31, 2013, and the third year will begin June 1, 2013 and ending May 31, 2014. At this time, both BHP and Staff consider this to be a pilot program with an initial three year commitment.

The revised tariff sheets are as follows:

Section No. 1, Twenty-third Revised Sheet No. 1, Replaces Twenty-second Revised Sheet No.1

Section No. 1, Eighteenth Revised Sheet No.3, Replaces Seventeenth Revised Sheet No. 3

Section No. 3C, Fifth Revised Sheet No. 11, Replaces Fourth Revised Sheet No. 11

Section No. 3C, First Revised Sheet No. 11A, Replaces Original Sheet No. 11A

Section No. 3C, Original Sheet No. 21

At its June 28, 2011 meeting, the Commission considered the request for approval of BHP's EESP. Staff recommended the Commission approve BHP's proposed EESP, effective September 1, 2011.

The Commission finds it has jurisdiction over this matter pursuant to SDCL 49-34A, specifically, 49-34A-6, 49-34A-8, 49-34A-8.2, 49-34A-10, 49-34A-11, and 49-34A-25. Further, the Commission finds that BHP's request for approval of its EESP is just and reasonable and shall be approved.

It is therefore

ORDERED, that BHP's revised tariff sheets as described above are approved and shall be effective for service rendered on and after the date of this Order. It is further

ORDERED, that the request by BHP seeking approval of its EESP is hereby granted with a program launch date of September 1, 2011 and end May 31, 2012. The initial rate will be \$0.0008/kWh for residential customers and \$0.0009/kWh for commercial and industrial customers. The second year of the program will run from June 1, 2012 to May 31, 2013, with the third year beginning June 1, 2013 and ending May 31, 2014.

Dated at Pierre, South Dakota, this 7th day of July, 2011.

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| 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, electronically. |
| By: <u>Tina Douglas</u> |
| Date: <u>7-7-11</u> |
| (OFFICIAL SEAL) |

BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Chris Nelson
CHRIS NELSON, Vice Chairman