

**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 CANCELING HEARING )  
AND SCHEDULING MATTER )  
FOR DECISION ON )  
STIPULATION )**

**EL12-061**

On December 17, 2012, the South Dakota Public Utilities Commission (Commission) received an Application for Authority to Increase Its Electric Rates (Application) filed by Black Hills Power, Inc. (BHP) for approval to increase rates for electric service to customers in its South Dakota service territory by approximately \$13.7 million annually or approximately 9.94% based on BHP's test year ending June 30, 2012. BHP states that a typical residential electric customer using 650 kWh per month would see an increase of \$7.11 per month. The proposed changes may potentially affect approximately 65,000 customers in BHP's South Dakota service territory.

On December 20, 2012, the Commission electronically transmitted notice of the filing and the intervention deadline of February 28, 2013, to interested individuals and entities. On January 15, 2013, a Petition to Intervene of GCC Dacotah, Inc., Rushmore Forest Products, Inc., Spearfish Forest Products, Inc., Pete Lien & Sons, Inc., and Rapid City Regional Hospital (collectively Black Hills Industrial Intervenors or BHII) was filed. On January 17, 2012, the Commission issued an Order Assessing Filing Fee and Suspending Operation of Proposed Rates. On January 28, 2013, a Petition to Intervene of Regency Midwest Ventures Limited Partnership and Deadwood Resort, L.L.C. (Regency) was filed. On January 28, 2013, BHP filed Black Hills Power, Inc.'s Statement of No Objection to Petition for Intervention of Industrial Intervenors. On January 29, 2013, a Petition to Intervene of Wal-Mart Stores, Inc. and Sam's West, Inc. (Wal-Mart) was filed. On February 5, 2013, the Commission issued an Order Granting Intervention to Black Hills Industrial Intervenors. On February 11, 2013, BHP filed Black Hills Power, Inc.'s Response to Intervention Petitions. On February 15, 2013, the Commission issued an Order Granting Intervention to Wal-Mart, and on February 28, 2013, the Commission issued an Order Denying Intervention without Prejudice denying intervention to Regency. On May 2, 2013, the Commission issued an Order for and Notice of Procedural Schedule and Hearing setting the matter for hearing on October 8-11, 2013, at the State Capitol Building.

On May 23, 2013, BHP filed a Joint Motion for Approval of Settlement Agreement Between Black Hills Power and South Dakota Science and Technology Authority (SDSTA), Settlement Agreement Between Black Hills Power and South Dakota Science and Technology Authority, Supplemental Motion for Approval of Settlement Agreement, Joint Motion for Approval of Settlement Agreement Between Black Hills Power and Menards, Inc. d/b/a Midwest Manufacturing d/b/a Dakota Panel (Dakota Panel), Settlement Agreement Between Black Hills Power and Menard, Inc. d/b/a Midwest Manufacturing d/b/a Dakota Panel, and Supplemental Motion for Approval of Settlement Agreement. On June 13, 2013, BHP filed responses to the Commission staff's (Staff) data requests. On June 13, 2013, Staff filed a Staff Memorandum regarding the contracts with deviations set forth in the SDSTA and Dakota Panel stipulations. On June 14, 2013, BHP filed supplemental email requests and responses. On June 24, 2013, the Commission issued an Order Conditionally Authorizing and Approving Implementation of Contracts with Deviations Rates on an Interim Basis. On September 6, 2013, BHP filed BHP's

and Wal-mart's Joint Motion for Approval of Settlement Agreement and Confidential Settlement Agreement between Confidential Settlement Agreement between Black Hills Power, Inc. and Wal-Mart and BHP's and BHII's Joint Motion for Approval of Settlement Agreement and Confidential Settlement Agreement between Black Hills Power, Inc. and Black Hills Industrial Intervenors. On September 6, 2013, Staff filed BHP's and Staff's Joint Motion for Approval of Settlement Stipulation, Settlement Stipulation, and Staff Memorandum Supporting Settlement Stipulation.

The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically, 49-34A-6, 49-34A-8, 49-34A-8.3, 49-34A-8.4, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-14, 49-34A-17, 49-34A-19, 49-34A-19.1, 49-34A-19.2, 49-34A-21, and 49-34A-22.

The parties having agreed to a cancelation of the hearing scheduled for October 8-11, 2013, to achieve a resolution of this matter through settlement stipulation, it is therefore

ORDERED, that the hearing scheduled for October 8-11, 2013 is canceled. It is further

ORDERED, that this matter shall come before the Commission for decision on the Joint Motion for Approval of Settlement Stipulation and the Joint Motions for Approval of Settlement Agreement on Tuesday, September 17, 2013, at 9:30 A.M. CDT in Room 413 of the State Capitol Building.

Dated at Pierre, South Dakota, this 9<sup>th</sup> day of September, 2013.

<b>CERTIFICATE OF SERVICE</b>	
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>Joy Lashley</u>
Date:	<u>9.9.13</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Gary Hanson  
GARY HANSON, Chairman

Chris Nelson  
CHRIS NELSON, Commissioner

Kristie Fiegen  
KRISTIE FIEGEN, Commissioner