

**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**

**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 Application and the intervention deadline of February 28, 2013, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. 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) 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 a 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. (Walmart) was filed. At its regular meeting on January 30, 2013, the Commission granted BHP's request for more time to respond to the intervention petitions of Regency Midwest Ventures Limited Partnership, Deadwood Resort, L.L.C. and Walmart. 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 Walmart. On February 28, 2013, the Commission issued an Order Denying Intervention without Prejudice with respect to Regency's petition. On April 15, 2013, the parties stipulated via an exchange of emails that all responses to discovery by any party will be served within 14 days following service of the discovery request, exclusive of the day of service of the request.

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, and 49-34A-22, and ARSD Chapter 20:10:13.

The procedural schedule in this matter shall be as follows:

August 23, 2013	Staff and Intervenors' Testimony filed and served
September 30, 2013	All parties' Rebuttal Testimony filed and served
October 1, 2013	All parties' Exhibit List and Witness List served
October 8-11, 2013	Hearing

A hearing shall be held commencing at 1:00 p.m. CDT, with marking of exhibits to begin at 12:30 p.m., on Tuesday, October 8, 2013, in Room 414, State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota, and continuing at 8:30 a.m. on Wednesday, October 9 – Friday, October 11, 2013, in Room 414, State Capitol Building.

The issues for hearing are whether, and to what extent, the Commission shall approve: (i) BHP's proposed increase in rates for retail electric service; (ii) BHP's proposed new transmission facility cost recovery tariff; (iii) BHP's use of deferred accounting and regulatory asset accrual of costs for vegetation management; and (iv) BHP's other proposed changes to its tariff provisions for service to its South Dakota electric customers.

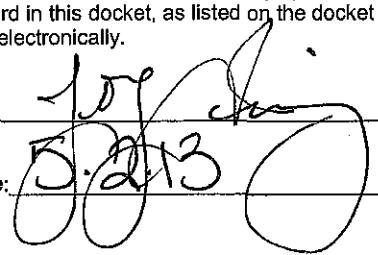
The hearing will be open to the public. The hearing will be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All persons testifying will be subject to cross-examination. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights may be forfeited if not exercised at the hearing. If a party or its representative fails to appear at the time and place set for the hearing, the Final Decision will be based solely on the testimony and exhibits, if any, offered and received in evidence at 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 received in evidence 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 will determine whether to grant BHP's request to implement revised electric rate schedules designed to produce additional annual revenues of approximately \$13.7 million and to make certain other tariff and accounting changes as set forth above. 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 except as modified by order of the Commission or stipulation of the parties. It is further


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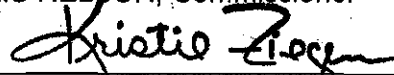
Dated at Pierre, South Dakota, this 2<sup>nd</sup> day of May, 2013.

<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:	
Date:	5/2/13
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

  
GARY HANSON, Chairman

  
CHRIS NELSON, Commissioner

  
KRISTIE FIEGEN, Commissioner