

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

<b>IN THE MATTER OF THE APPLICATION OF )</b>	<b>ORDER APPROVING )</b>
<b>BLACK HILLS POWER, INC. FOR APPROVAL )</b>	<b>DEFERRED ACCOUNTING )</b>
<b>OF DEFERRED ACCOUNTING FOR COSTS )</b>	<b>FOR STORM DAMAGE )</b>
<b>INCURRED DUE TO WINTER STORM ATLAS )</b>	<b>COSTS AND TRANSFER OF )</b>
<b>DAMAGE AND TO TRANSFER THE )</b>	<b>REMAINING PLANT )</b>
<b>REMAINING PLANT BALANCE FOR THE )</b>	<b>BALANCE FOR SOON TO BE )</b>
<b>SOON TO BE DECOMMISSIONED NEIL )</b>	<b>DECOMMISSIONED PLANTS )</b>
<b>SIMPSON I, OSAGE, AND BEN FRENCH )</b>	<b>TO A REGULATORY ASSET )</b>
<b>PLANTS TO A REGULATORY ASSET )</b>	
	<b>EL13-036</b>

On November 15, 2013, the South Dakota Public Utilities Commission (Commission) received an Application by Black Hills Power, Inc. (BHP) requesting an accounting order allowing it to 1) accumulate and defer for potential recovery in base rate proceedings before the Commission its expenses incurred to repair damage and restore service to its customers as a result of Winter Storm Atlas and 2) transfer the remaining plant balance for the soon to be decommissioned Neil Simpson I, Osage, and Ben French plants to a regulatory asset.

On November 21, 2013, the Commission electronically transmitted notice of the filing and the intervention deadline of December 6, 2013, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. No parties sought intervention or filed comments. On January 2, 2014, the Commission's staff (Staff) filed its memorandum regarding its recommendations for this docket.

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-7.

At its regularly scheduled meeting on January 7, 2014, the Commission considered this matter. Staff recommended that the Commission approve BHP's requests with the conditions recommended in Staff's Memorandum. The Commission voted unanimously to allow BHP to use deferred accounting for costs incurred as a result of Winter Storm Atlas and authorize BHP to transfer the remaining plant balance for the soon to be decommissioned Ben French, Osage, and Neil Simpson I plants to a regulatory asset, including spare parts inventory, with the following conditions:

1. The accounting methods and the resulting regulatory assets shall not preclude Commission review of these amounts for reasonableness for rate recovery in any determination of rates, including both rate filings by BHP and rate reviews initiated by the Commission and does not guarantee any such recovery.
2. The allowance of a deferral/amortization accounting method and the resulting creation of a regulatory asset, after the related costs have been incurred, as is the case with the storm damage costs, is not to be interpreted as allowing future post expenditure deferrals. The Commission's decision in this case is based on the facts of this case and

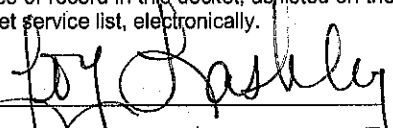
any future allowance of the deferral/amortization accounting method and the resulting creation of a regulatory asset must be approved by the Commission.

It is therefore


ORDERED, that BHP is allowed to use deferred accounting for costs incurred as a result of Winter Storm Atlas and BHP is authorized to transfer the remaining plant balance for the soon to be decommissioned Ben French, Osage, and Neil Simpson I plants to a regulatory asset, including spare parts inventory, with the following conditions:

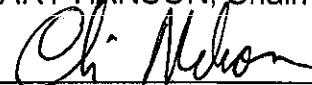
1. The accounting methods and the resulting regulatory assets shall not preclude Commission review of these amounts for reasonableness for rate recovery in any determination of rates, including both rate filings by BHP and rate reviews initiated by the Commission and does not guarantee any such recovery.
2. The allowance of a deferral/amortization accounting method and the resulting creation of a regulatory asset, after the related costs have been incurred, as is the case with the storm damage costs, is not to be interpreted as allowing future post expenditure deferrals. The Commission's decision in this case is based on the facts of this case and any future allowance of the deferral/amortization accounting method and the resulting creation of a regulatory asset must be approved by the Commission.

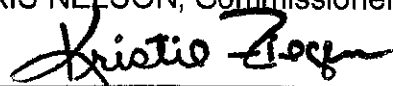
Dated at Pierre, South Dakota, this 9<sup>th</sup> day of January, 2014.

<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:	01.10.14
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

  
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GARY HANSON, Chairman

  
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CHRIS NELSON, Commissioner

  
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KRISTIE FIEGEN, Commissioner