

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

IN THE MATTER OF THE APPLICATION OF BLACK HILLS POWER, INC. FOR AN ORDER AUTHORIZING IT TO ISSUE UP TO \$110 MILLION IN ADDITIONAL FIRST MORTGAGE BONDS.)))))))	ORDER AUTHORIZING THE ISSUANCE OF UP TO \$110 MILLION IN ADDITIONAL FIRST MORTGAGE BONDS
		EL14-034

On April 23, 2014, the South Dakota Public Utilities Commission (Commission) received an application from Black Hills Power, Inc. (BHP), for approval to issue up to \$110 million in additional first mortgage bonds. BHP and its sister utility Cheyenne Light, Fuel and Power Company are constructing the Cheyenne Prairie Generating Station (CPGS) in Cheyenne, Wyoming. BHP intends to issue debt under its existing indenture in an amount up to \$110 million to fund CPGS and other capital expenditures and to call the Series 2004 Campbell County Bonds prior to maturity if they can be refinanced at a lower rate of interest.

On April 24, 2014, the Commission electronically transmitted notice of the filing and the intervention deadline of May 9, 2014, to interested individuals and entities on the Commission's PUC Weekly Filing electronic listserv. No petitions to intervene or comments were filed. On May 7, 2014, BHP filed its responses to Commission Staff's (staff) data requests. On May 7, 2014, a Staff Memorandum was filed.

The Commission has jurisdiction over this matter pursuant to SDCL 49-34A, specifically 49-34A-29 to 49-34A-34.

At its regularly scheduled meeting of May 13, 2014, the Commission considered BHP's application. Staff recommended the Commission authorize BHP to issue up to \$110 million in additional first mortgage bonds, with the conditions that Commission authorization does not constitute the Commission's determination of any utility ratemaking issues and that the issuance of securities does not mean that the Commission is in any way prohibited at some future date from finding BHP's capital structure in need of adjustment. The Commission voted to approve the application and authorize the issuance of First Mortgage Bonds as requested by BHP, with the conditions recommended by staff. Pursuant to SDCL 49-34A-32, the Commission finds the following: the issuance and sale of the bonds is for a lawful object; it is within the corporate purposes of BHP and compatible with the public interest; it is necessary or appropriate for or consistent with the proper performance by BHP of service as a public utility and will not impair its ability to perform that service; and is reasonably necessary or appropriate for such purposes.

It is therefore

ORDERED, that BHP is authorized to issue up to \$110 million in additional First Mortgage Bonds, subject to the conditions that Commission authorization does not constitute the Commission's determination of any utility ratemaking issues and that the issuance of

securities does not mean that the Commission is in any way prohibited at some future date from finding BHP's capital structure in need of adjustment.

Dated at Pierre, South Dakota, this 19th day of May, 2014.

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>5-19-14</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Gary Hanson

GARY HANSON, Chairman

Chris Nelson

CHRIS NELSON, Commissioner

Kristie Fiegen

KRISTIE FIEGEN, Commissioner