

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

**IN THE MATTER OF THE APPLICATION OF BLACK
HILLS POWER, INC. DBA BLACK HILLS ENERGY
FOR APPROVAL OF ITS 2016-2018 VEGETATION
MANAGEMENT BUDGET**

) **ORDER GRANTING APPROVAL OF**
) **2016-2018 VEGETATION**
) **MANAGEMENT BUDGET**

) **EL16-012**
)

On March 30, 2016, the South Dakota Public Utilities Commission (Commission) received a filing from Black Hills Power, Inc. dba Black Hills Energy (BHE), for approval of its 2016-2018 Vegetation Management Budget. Per the Settlement Stipulation in Docket EL12-061, BHE is required to provide an annual report to demonstrate the actual vegetation management costs incurred, an explanation of the progress made on the overall five year plan, and update the forecast for the remaining years based on actual progress to date. On December 29, 2015, the Commission approved BHE's request for an extension to file the vegetation management budget for 2016 through 2018 by March 31, 2016, in Docket EL15-050. The 2015 Vegetation Management Report was filed in Docket EL15-051. This application requesting approval of the 2016-2018 budget, in combination with Docket EL15-051, fulfills the annual reporting requirements from Docket EL12-061 for 2015. BHE requests an order from the Commission approving the 2016 through 2018 vegetation management budget, subject to the condition that such approval shall not preclude Commission review of the project, including project and cost management, accounting data and methods, and the resulting balance in the regulatory asset, for prudence and reasonableness for rate recovery in any determination of rates, including both rate filings by BHE and rate reviews initiated by the Commission.

On March 31, 2016, the Commission electronically transmitted notice of the filing and the intervention deadline of April 15, 2016, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were filed. On July 27, 2016, Commission staff filed its memorandum. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A.

At its regularly scheduled meeting on August 2, 2016, the Commission considered this matter. Following a lengthy discussion with BHP, the Commission voted unanimously to approve the 2016-2018 vegetation management budget, subject to the condition that such approval shall not preclude Commission review of the project, including project and cost management, accounting data and methods, and the resulting balance in the regulatory asset, for prudence and reasonableness for rate recovery in any determination of rates, including both rate filings by BHE and rate reviews initiated by the Commission. It is therefore

ORDERED, that BHP's 2016-2018 vegetation management budget is hereby approved, subject to the condition that such approval shall not preclude Commission review of the project, including project and cost management, accounting data and methods, and the resulting balance in the regulatory asset, for prudence and reasonableness for rate recovery in any determination of rates, including both rate filings by BHE and rate reviews initiated by the Commission.

Dated at Pierre, South Dakota, this 11th day of August, 2016.

<p>CERTIFICATE OF SERVICE</p> <p>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 or by mail.</p> <p>By: <u>Karen E. Cremer</u></p> <p>Date: <u>8/11/16</u></p> <p align="center">(OFFICIAL SEAL)</p>

BY ORDER OF THE COMMISSION:

Chris Nelson
CHRIS NELSON, Chairman

Kristie Fiegen
KRISTIE FIEGEN, Commissioner

Gary Hanson
GARY HANSON, Commissioner