



Kristie Fiegen, Chairperson
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South Dakota

PUBLIC UTILITIES COMMISSION

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Patricia Van Gerpen
Executive Director
Public Utilities Commission
500 E Capitol Ave.
Pierre, SD 57501

Ms. Van Gerpen:

The commission has received the majority of the completed intrastate revenue forms from companies that are required to report for calendar year 2016. Past history of the companies that have not reported to-date indicate they would each owe the minimum tax. I have analyzed the PUC's expenditure history, taken into account anticipated new expenditures, and considered new charge-back dockets staff believes may be filed in fiscal year 2018 to project the PUC's cash balance. The assessments along with the gross receipts cash balance cannot exceed the commission's current fiscal year budget along with next year's budget, as required by SDCL 49-1A-4. The maximum cash balance for the FY18 levy is \$3,999,563.

The lower number of charge-back dockets filed with the PUC during fiscal year 2017 has caused a decrease in the PUC's cash balance. I anticipate that the charge-back dockets filed with the commission will not increase significantly during the first part of FY18. Therefore, I request that the PUC's gross receipts tax levy be set at .0015 or \$250 per company, whichever amount is greater.

Respectfully,

Cindy Kemnitz
Finance Manager