

Dustin Johnson, Chair Gary Hanson, Vice Chair Steve Kolbeck, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue Pierre, South Dakota 57501-5070 www.puc.sd.gov Capitol Office (605) 773-3201 (605) 773-3809 fax

Warehouse (605) 773-5280 (605) 773-3225 fax

Consumer Hotline 1-800-332-1782

January 12, 2007

Mr. John Reints 234 S Canyon Rd Rapid City SD 57702

Re: CN03-003

Dear Mr. Reints:

Thank you for contacting the Commission regarding docket number CN03-003. I am sorry confusion remains concerning the same. I encourage you to read the Order, attached hereto, as issued by the Commission in CN03-003. The Order addresses all points in your recent e-mails to Jason Schuchard of our Consumer Affairs Division.

In addition, please note the following points of clarification:

- 1) The Commission did separately docket your Black Hills Power and Black Hills Fibercom complaints.
 - a) Your Black Hills Fibercom complaint was docked under <u>CT03-155</u>. Two separate hearings were scheduled in this case. Despite sufficient notice, you did not appear for the first scheduled hearing. You were, however, allowed a rehearing. Again, despite sufficient notice, you did not appear for the second hearing and the case was dismissed. Please see the attached Order.
 - b) Your Complaint against Black Hills Power was docketed under <u>CE03-003</u>. Please see the attached Order. In summary, the Commission concluded: the monthly charge you dispute does not violate the existing tariff on file with the Commission, new facts were not presented above those considered in the initial tariff filing and further a sufficient basis to investigate did not exist.
- Please note the Commission does address your request for an investigation in <u>CN03-003</u> pursuant to SDCL 49-34A-26. I agree with your statements that, "on its own motion or upon a complaint made against any public utility...the Public Utility Commission shall proceed with notice, to make such an

investigation...". The Commission may perform such an investigation in the event they find it necessary due to unreasonable rates or services, insufficient or unjust discrimination. The rates, as they exist in the tariff, did not meet the necessary burden in the above statute, particularly in light of the fact that the Commission had just approved the rates in a full rate case. An investigation was, therefore, unnecessary and the docket was dismissed. Your complaint alone does not require the Commission take on an investigation. First, you must prove the necessity thereof.

South Dakota rules and statues present time frames for reconsideration of a Commission decision. You did not make such a request and time frames have lapsed. You no longer have recourse on the above dockets within the Public Utilities Commission. Furthermore, the orders provided you with a notice of your right to appeal to the courts, and you chose not to do so.

Please read the enclosed Orders. The Commission has clearly made its decision regarding fixed charges and the reasonableness thereof. The reasoning behind allowing some level of fixed charge is that the facilities needed to supply gas or electricity to a customer must be paid for regardless of whether the customer uses gas or electricity or not. It is the same as with any other asset. You have to make your car payment whether you drive it or not in a particular month. If you decide not to have natural gas service and go with propane or oil, you need to pay for your tank and piping whether you use any propane or oil or not. The reality of the utilities' fixed charges in South Dakota is that they are actually significantly less than what economic analysis shows they should be and are in fact significantly subsidized already by usage charges.

Thank you for taking advantage of the Public Utility procedures available to you. Thank you for taking advantage of the Public Utility procedures available to you and I am sorry no further recourse exists within the Commission. In addition, any Circuit Court appeal ability you once had has expired. I urge you to please call me in the event you wish to discuss further.

Thank you

Kara Van Bockern Staff Attorney

cc. Deb Gregg, Consumer Affairs Manager

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