

8132-26-54

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

IN THE MATTER OF THE APPLICATION OF)	ORDER APPROVING
BLACK HILLS POWER AND LIGHT FOR)	SETTLEMENT AGREEMENT
AUTHORITY TO MAKE CERTAIN CHANGES IN)	
ITS CHARGES FOR RETAIL ELECTRIC)	EL95-003
SERVICE PROVIDED TO SOUTH DAKOTA)	
CUSTOMERS)	

On February 1, 1995, Black Hills Power and Light Company (BHP&L) filed with the Public Utilities Commission (Commission) an application for approval to increase its rates for electric service.

BHP&L proposed a total increase, if approved, of \$8,388,650. BHP&L wrote: "The proposed changes to the rate schedules is an increase of 9.96% in annual charges to South Dakota jurisdictional customers. The effective date of these proposed changes to the rate schedules is the in service date of the Company's 80 MW coal-fired power plant, Neil Simpson Unit #2, expected later this year. The proposed changes to the rate schedules would increase revenues from South Dakota jurisdictional customers \$8,388,650 based on the billings issued for sales of electric energy for the twelve months ended September 30, 1994. The proposed changes would affect the billings of approximately 52,240 customers located in South Dakota. The additional revenue requested in the application is needed to offset the increased costs incurred by the company in providing electric service to its customers, and the known changes to costs resulting from the completion and operation of Neil Simpson Unit #2 later this year."

On February 23, 1995, at its regularly scheduled meeting, the Commission reviewed BHP&L's filing. The Commission found that it had jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically, SDCL 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-17, 49-34A-19, 49-34A-19.2, and 49-34A-21. The Commission ordered that any individual or entity may file a petition to intervene pursuant to SDCL 1-26-17.1, 49-34A-13.1, and ARSD 20:10:01:15.02 and 20:10:01:15.03, or may comment on the merits of BHP&L's filing on or before March 31, 1995, and further ordered that BHP&L deposit up to \$125,000 in the SDPUC rate case fund when requested by the executive director.

On March 22, 1995, a Petition to Intervene was filed by the Black Hills Industrial Consumer Group ("BHIC Group"), which group consists of the South Dakota Cement Plant ("Dacotah Cement"), Homestake Mining Company of California ("Homestake"), Wharf Resources USA, Inc. ("Wharf"), Pope & Talbot, and the Department of Veterans Affairs Medical Center, Fort Meade ("VA Hospital"). On March 30, 1995, a Petition to Intervene was filed by the State of South Dakota, Bureau of Administration ("BOA"). By Order dated April 27, 1995, the Commission granted the BHIC Group's and BOA's Petitions to Intervene. A procedural schedule for briefing and a hearing date was set.

On June 6, 1995, the procedural schedule was amended to allow Staff and intervenors to file their prefiled testimony on June 16, 1995. A second amended order was issued on June 15, 1995, setting the date for filing Staff and intervenor prefiled testimony on June 23, 1995. On June 23, 1995, Staff and intervenors along with BHP&L filed a Settlement Stipulation. On June 26, 1995, Staff made an oral motion pursuant to ARSD 20:10:01:22.04 requesting that the time and place of the Hearing be changed from July 17, 1995, to June 30, 1995. The Commission found that good cause existed and unanimously voted to grant the motion to alter the procedural schedule.

At the June 30, 1995, hearing, the Commission reviewed the Settlement Stipulation, along with attached Exhibits A and B, that was entered into among Staff, BHP&L, and the intervenors. The Settlement Stipulation sets forth the bases for approval by the parties who jointly recommended a rate increase and other matters. The Commission unanimously voted to approve the Settlement Stipulation as proposed with the increase becoming effective for service rendered on and after August 1, 1995.

On June 30, 1995, BHP&L filed with the Commission the following rate schedules and related tariff sheets consistent with the revenue levels and rate design agreed to in the Settlement Stipulation to implement this decision:

New Tariffs

Section No. 1, Twelfth Revised Sheet No. 1
Section No. 1, Fourteenth Revised Sheet No. 2
Section No. 1, Third Revised Sheet No. 3
Section No. 1, Second Revised Sheet No. 4
Section No. 2, First Revised Sheet No. 1
Section No. 3, Ninth Revised Sheet No.'s 1, 2, 3, 4, 7, 8, 9, 10, 11, 12, 13,
14, 15, 19, 20, 24, 25, 26, and 27
Section No. 3, Seventh Revised Sheet No.'s 5 and 6
Section No. 3, Eleventh Revised Sheet No.'s 16, 17, and 18
Section No. 3, Tenth Revised Sheet No.'s 21, 22, and 23
Section No. 3, Eighth Revised Sheet No. 28
Section No. 3, First Revised Sheet No.'s 29 and 30
Section No. 3, Third Revised Sheet No. 31
Section No. 3, Second Revised Sheet No. 32
Section No. 3A, Third Revised Sheet No.'s 1, 2, 6, 7, 8, 12, 13, 14, 15, and 16
Section No. 3A, Second Revised Sheet No.'s 3, 4, 5, 9, 10, and 11
Section No. 3A, Original Sheet No.'s 17, 18, 19, and 20
Section No. 3B, Second Revised Sheet No.'s 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10
Section No. 4, Fifth Revised Sheet No. 1
Section No. 4, Original Sheet No.'s 2, 3, and 4
Section No. 5, Third Revised Sheet No. 21
Section No. 6, First Revised Sheet No. 17

It is therefore

ORDERED that the Settlement Stipulation incorporated herein by this reference with attached Exhibits A (Tariffs) and B (Contracts between BHP&L and Intervenors), dated June 23, 1995, entered into among BHP&L, Staff, and Intervenors shall be approved as filed; and it is further

ORDERED that the above-mentioned rate schedules and related compliance tariff sheets filed by BHP&L shall be effective for electric service rendered on and after August 1, 1995.

Dated this 19th day of July, 1995, at Pierre, South Dakota.

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, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u>Ron L. Woodrow</u>
Date:	<u>July 19, 1995</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:


KENNETH STOFFERAHN, Chairman


JAMES A. BURG, Commissioner


LASKA SCHOENFELDER, Commissioner