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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

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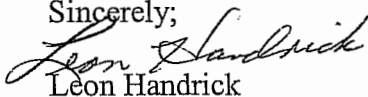
Patricia Van Gerpen, Executive Director
SD Public Utilities Commission

Re: BHP Rate Increase

BHP has notified its customers of its request for a 9.5 percent "rate design" aka rate increase. BHP rationalizes the US CPI climb since 1995 as justification, but the CPI is not of itself a compelling reason to grant the increase. The real question that needs to be answered is: does BHP need the increase to remain a viable business or by chance have recent years' profits adequately sustained viability? To state the issue another way: would denial of the proposed 9.5 percent predictably cause the BHP to develop a trend of financial impairment?

Once these questions are answered, then the relevancy of the US CPI can be addressed.

Sincerely;



Leon Handrick
PO Box 180
Custer, SD 57730