

Dusty Johnson  
PUC Commissioner

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~~XXXXXXXXXXXX~~  
Rapid City SD  
57102

RECEIVED  
OCT 16 2009  
SOUTH DAKOTA  
UTILITIES CO.

THIS LETTER IS IN REFERENCE TO BLACK HILLS POWER (BHP) REQUEST FOR A RATE INCREASE. FOR OBVIOUS REASON I OBJECT TO ANYTHING BUT A TOKEN INCREASE FAR FROM THE REQUESTED 26+ PERCENT REQUESTED FOR THE FOLLOWING REASONS.

1. BHP DOES NOT PROMOTE CONSERVATION. THE DEMAND CONTROLLER REWARDS THOSE THAT USE LARGE AMOUNTS OF ELECTRIC POWER WITH LOWER RATES.
2. I WAS TOLD BY A RELIABLE SOURCE, THE RECENT ACQUISITIONS OF UTILITY COMPANIES IN THE REGION, HAVE MET WITH FINANCING PROBLEMS, LIKELY RESULTING IN HIGH INTEREST LOANS. I DON'T KNOW THIS FOR A FACT HOWEVER IF THOSE PURCHASES AND ADDED OPERATIONAL COSTS FOR BLACK HILLS CORP ARE FACTUAL, THAT MAY BE PART OF THE REASON FOR A RATE INCREASE FOR BHP CUSTOMERS.
3. THE 2008 COMPENSATION PACKAGE FOR DAVID EMERY WAS REPORTED AT 1.7 MILLION. THE ECONOMY WOULD DICTATE THAT ANY RATE INCREASE NOW WOULD BE SIMPLY BAD TIMING.
4. PROJECTING THE NEW DEMANDS FOR POWER AND A NEW PLANT TO PRODUCE THAT POWER SHOULD BE PAID FOR BY THE INCREASE FOR POWER DEMAND AS IT BECOMES A REALITY, NOT BEFORE. IF BHP/BHC WANT TO INVEST IN A NEW POWER PLANT, THEY SHOULD DO JUST THAT AND NOT EXPECT BHP USERS, WHO HAVE NO OTHER OPTION FOR ELECTRIC POWER, TO BE UNDUPLY ASKED TO SHOULDER THOSE COSTS.

KINDEST REGARDS



10/17/2009