

Nov. 11, 2009

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Public Utilities Commission, S. Dakota
500 E. Capital Ave
Pierre, SD 57501

We are not in favor of the 26.6% rate increase proposed by Black Hills Power.

We have an all electric home including an electric boiler for hot water heat. The home is about 1,300 sq. ft., certainly not a large home. We used about 23,000 KWH from June '08 to May, '09 (an average of about 1,900 KWH / month).

We currently pay about \$0.07/KWH. This proposal would increase our rate about \$0.02 per KWH. Our electrical bill would increase about \$450 per year.

An article in the Rapid City Journal indicated a residential customer using 600 KWH/month would have an increase of about \$18/month. This is an increase of \$0.03/KWH. A \$0.03/KWH rate hike would increase ~~an~~ annual electric bill about \$100/yr. This is an outrageous increase.

We are retired and will not receive a cost of living adjustment in our annuities for 2010. Our supplemental health insurance premium will increase more than \$550 in 2010. We do not know how much our Medicare premiums will increase in 2010. We are facing an annual increase of about \$1,000 for electricity and supplemental health insurance. If the rate increase is \$0.03/KWH, our increase for electricity and health insurance will be about \$1,250/yr. This does not include an increase

in Medicare premiums.

These increases will have to be paid by revising our budget and also paid from savings. Any residential customer who does not receive a salary or annuity increase in 2010 will have to make budget revisions and/or take money from savings.

We feel Black Hills Power should revise their budget and use some or more money from their reserves. They certainly are forcing their customers to make financial changes in order to pay for the proposed rate hike. Perhaps they should take a long, hard look at how much their management executives are being paid.

A 36.6% rate increase is too much, especially in the current recession.

We thank you for the opportunity to express our concerns about this proposed rate increase.

Sincerely,

Darwin D. Hoeft and Jerrilee Hoeft

Custer, SD 57730