

BEFORE THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
BLACK HILLS POWER, INC. FOR)
APPROVAL OF ENERGY EFFICIENCY)
PROGRAMS, TARIFFS, AND COST) Docket No. EL ___ - _____
RECOVERY MECHANISM)

INTRODUCTION

Black Hills Power, Inc. (“BHP” or the “Company”) operating in South Dakota petitions the South Dakota Public Utilities Commission (the “Commission”) for approval of a new cost recovery tariff and establishing an Energy Efficiency Solutions Plan, Tariffs and Cost Recovery Mechanisms (the “Plan”).

The following information is provided pursuant to South Dakota Administrative Rule 20:10:13:26 regarding the proposed new tariff and cost recovery:

- (1) Name and address of the public utility;

Black Hills Power, Inc.
625 Ninth Street
Rapid City, SD 57701

- (2) Section and sheet number of tariff schedule;

BHP proposes to add an Energy Efficiency Solutions Adjustment tariff sheet number 21 to Section 3C of the Black Hills Power, Inc. South Dakota Electric Rate Book. Exhibit B depicts the proposed tariff sheets that would implement this proposed Energy Efficiency Solutions Adjustment rate.

- (3) Description of the change;

The proposed tariff seeks to implement an Energy Efficiency Solutions Plan that expands on the Company’s current energy efficiency efforts. The proposed tariffs implement separate rates for the residential and commercial/industrial customer classes. Further, the Energy Efficiency Solutions Adjustment described and proposed in this filing would be implemented through a separate line item on customer bills.

(4) Reason for the change;

This request proposes to expand on the Company's current energy efficiency efforts which are not currently memorialized in the Company's tariff. The Plan will help customers manage their electrical demand, lower electrical energy usage and save money on their monthly electric bill.

(5) Present rate;

BHP has been providing energy efficiency programs to its South Dakota customers since 1993. The programs currently consist of: residential water heater, heat pump, demand controller, and electric heat (installed with a demand controller) rebates, commercial heat pump rebates, plus educational outreach programs and events. These energy efficiency program costs were excluded from the Company's most recent rate case. These programs will be modified and expanded upon by those in the Company's Energy Efficiency Solutions Plan.

(6) Proposed rate;

BHP proposes to recover the costs of the Energy Efficiency Solutions Plan through mechanisms to provide for concurrent recovery of costs incurred to implement the Plan and to provide the Company with an incentive to promote the programs contained therein. Further detail of the energy efficiency cost recovery mechanism and supporting tariff may be found in the Direct Testimony of Chris Kilpatrick in Exhibit C.

OVERVIEW OF PROPOSED PROGRAMS AND BENEFITS

The Company's three year Energy Efficiency Solutions Plan is attached hereto as Exhibit A. The Plan is composed of two broad categories: residential and non-residential (commercial and industrial), with each designed to meet the needs of various customer types. Further detail on the Plan is also found in the Direct Testimony of Jim Keck in Exhibit D.

COMPANY REPRESENTATIVES

Copies of all notices, other correspondence and all inquiries concerning this Application should be sent to:

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VERIFICATION

Attached is the Verification signed by Mr. Chuck Loomis, who is authorized to act on behalf of Black Hills Power, affirming that the contents of this Application are true, accurate and correct to the best of his understanding, knowledge and belief.

CONCLUSION

Based on this Application and exhibits, Black Hills Power respectfully requests that the Public Utilities Commission of the State of South Dakota (i) issue an order approving its Energy Efficiency Solutions Plan by June 1, 2011, attached hereto as Exhibit A; (ii) approve

and authorize the new Energy Efficiency Solutions Adjustment rates set forth on the tariff sheets contained in Exhibit B; and (iii) authorize Black Hills Power to place into effect the tariff sheets implementing its new adjustment clause effective 90 days after Commission approval, but not prior to September 1, 2011.

Dated this 26th day of January, 2011.

Respectfully Submitted,

BLACK HILLS POWER, INC.

By: 

Chuck Loomis
Vice President, Operations
Black Hills Power, Inc.

