



Gary Hanson, Chairperson  
Chris Nelson, Vice Chairperson  
Kristie Fiegen, Commissioner

*South Dakota*

**PUBLIC UTILITIES COMMISSION**

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October 29, 2014

James Martin, DVM  
[REDACTED]

Dear DVM Martin:

This is in response to your comments regarding Black Hills Power's request filed with the commission to increase their electric rates.

When a utility files a rate case with the commission, the commission is obligated by law to thoroughly process the case. Commissioners cannot simply say no and reject it outright since we are required to investigate it and make a just, reasonable decision. This process can take almost a year to complete. Each commissioner, the commission's staff and expert consultants hired by staff will review the entire case – also referred to as a docket – separately, along with any intervenors in the case.

It is important to understand the reasons BHP cited when filing this case, which includes investments in plant infrastructure and compliance with federal mandates in addition to storm recovery costs. The commission is currently processing an Xcel Energy electric rate case and a MidAmerican Energy electric rate case as well as natural gas rate case. The first two costs have been stated as causes for those cases also.

To help you better understand the processing of rate increase requests, a document titled Electric Rate Increase Requests Info Guide that is linked to the commission's website is enclosed.

My fellow commissioners and I are consumers too. We have family of several generations who are affected by utility costs and we understand how rate increases affect all of us. We have a strong desire to keep rates down and to protect the citizens against increases. None of us want to raise rates. In fact, we hate to agree to any rate increase.

Thank you for writing to share your concerns. Your comments will be filed in the BHP rate case, docket EL14-026, along with my response. Given your interest, I encourage you to follow along online as the docket is processed by accessing it at [www.puc.sd.gov](http://www.puc.sd.gov).

Sincerely,

Gary Hanson