From: PUC Sent: Tuesday, January 13, 2015 8:58 AM To: Subject: BHP Rate Case, EL14-026

Mr. Ryan:

Thank you for your comment. It will be added to the Black Hills Power rate case docket, <u>http://www.puc.sd.gov/Dockets/Electric/2014/EL14-026.aspx</u>, along with my response for the other commissioners and those interested to read regarding this open docket. Since commissioners have a decision-making role in docket matters, any discussion with a commissioner about an open docket must take place in a public forum.

Here is a document which explains the processing of electric rate case requests which may be helpful to you. It references the South Dakota Codified Laws governing utilities and the commission regarding electric utility rate requests: <u>http://www.puc.sd.gov/commission/Publication/electricratecasehandout.pdf</u>

The commission is working on four electric rate increase request dockets at this time, from Xcel Energy, MidAmerican Energy and NorthWestern Energy in addition to BHP's. I encourage you to read the applications submitted by these utilities and posted online to note the cost-causers cited. All point to federal mandates such as new Environmental Protection Agency requirements. The cost of compliance with federal laws is passed along to customers via increased rates as allowed by law.

I appreciate your concern about rising utility costs. I assure you that I am not interested in raising electric rates beyond what is justified and reasonable according to the evidence provided in this docket for which the commission has yet to rule. I am confident my fellow commissioners would relay the same. All of us and our families are consumers of energy in South Dakota as well, and we understand the difficulty in paying increased costs. Therefore, a thorough job must be done investigating the facts and following the law, as is currently underway.

Gary Hanson, Chairperson South Dakota Public Utilities Commission www.puc.sd.gov