

From: PUC

Sent: Thursday, October 02, 2014 12:06 PM

To: [REDACTED]

Subject: BHP Rate Case, EL14-026

Mr. Thorpe:

This is response to your message regarding the Black Hills Power rate case currently before the South Dakota Public Utilities Commission.

BHP is a public utility and as such, extensive laws at the federal and state levels govern it and also govern the commission as to regulatory oversight of the utility. The utility is allowed to pass along to its consumers most of the costs it incurs in providing you and all customers with electric service. This government oversight is in contrast to most other businesses providing us with services.

When a utility files a rate case with the commission, the commission is obligated by law to thoroughly process the case. We cannot simply say no and reject it outright since we are legally required to investigate it and make a just and 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. We request and review additional data and information from the utility before a decision is rendered.

All discussion involving commissioners on the case must be available to the public. The commission's work is done electronically to be the most time and cost effective, and therefore, anyone can review the majority of the filings in the case online. Consumers can submit comments to the commission electronically and these are made public.

My fellow commissioners and I are consumers too. We have family of several generations 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 citizens against increases. None of us want to raise rates. In fact, we hate to agree to any rate increase.

I believe your comments regarding BHP making it harder for ratepayers to invest in their own electric generation are in reference a rate change the utility decided to withdraw. Thus, as the commission won't be ruling on that request, those comments are not addressed in this letter.

Your comments and my response will be filed in the open docket so my fellow commissioners and others can read them. You can access the complete docket online at <http://www.puc.sd.gov/Dockets/Electric/2014/EL14-026.aspx>

Given your interest, I encourage you to read the key documents filed in this docket as well as submissions that continue to be posted. This will allow you to become educated on the issues in this case. Here is a document which helps explain the commission's processing of rate cases:

<http://www.puc.sd.gov/commission/Publication/electricratecasehandout.pdf>

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