

REQUEST FOR ACCOUNTING AUTHORITY ORDER
ALLOWING BLACK HILLS POWER TO INCLUDE ADDITIONAL COSTS IN THE
REGULATORY ASSET APPROVED IN DOCKET NO. EL 13-036

Black Hills Power, Inc. (“Black Hills Power” or the “Company”) requests that the South Dakota Public Utilities Commission (“Commission”) approve an accounting authority order permitting Black Hills Power to include additional costs in the regulatory asset approved in Docket No. EL 13-036. Black Hills Power requests this accounting authority order be approved if the pending rate case is not resolved prior to December 31, 2014.

- 1) On January 9, 2014, the Commission granted Black Hills Power the authority to establish a regulatory asset in Docket No. EL13-036 for the incremental costs incurred in relation to Winter Storm Atlas. When the regulatory asset was approved, Black Hills Power had paid incremental costs in the amount of \$2.5 million as of November 30, 2013.
- 2) All storm related invoices had not been received when the regulatory asset was approved. Black Hills Power has an additional \$0.5 million in associated costs since the approval and requests that these costs be included in the regulatory asset.
- 3) Black Hills Power has also determined that it is necessary to conduct a ground patrol of its Black Hills communities to identify any latent damage caused by Winter Storm Atlas. Black Hills Power estimates that the costs associated with

this ground patrol project will be approximately \$1.142 million. Black Hills Power requests that this amount also be included in the regulatory asset.

- 4) The Company requests that it receive a yearly rate of return on the balance in the Winter Storm Atlas regulatory asset. The rate of return will be equal to the rate of return approved by the Commission in this rate case.

If the Commission approves Black Hills Power's request, Black Hills Power will hold its deferred costs in Account No. 182.3, Other Regulatory Assets, until consideration of cost recovery occurs in the base rate proceedings. Permitting this treatment will allow Black Hills Power to make appropriate adjustments on its books for the regulatory asset and prevent it from having to record Winter Storm Atlas related incremental costs as expenses on its books in a condensed time period.