

BLACK HILLS POWER, INC.
SD PUC DOCKET: EL14-038

REQUEST DATE : August 8, 2014

RESPONSE DATE : August 14, 2014

REQUESTING PARTY: SDPUC Staff

SDPUC Request No. 1-7:

Please explain why certain Planning Year 2011 and Planning Year 2012 actual costs differ from the costs reported in the annual reports previously filed with the commission. The actual costs in question are included in the attached spreadsheet “DR 1-7 and DR 1-8” and are highlighted for easy reference.

Response to SDPUC Request No. 1-7:

The differences in actual costs as reported in the annual reports and this docket are explained below:

PY 2012			
Program	Actual Costs	As filed in Annual Report	Difference
Heat Pumps-Retro-Commissioning	\$7,269	\$7,609	\$(340)(1)
C&I Prescriptive-Lighting	\$65,008	\$65,747	\$(739)(2)

- (1) The Heat Pump Retro-Commissioning program costs reported in the PY2012 Annual Report were based on information in BHP’s VisionDSM software system. This incorrectly included rebates for Wyoming customers.
- (2) The C&I Prescriptive Lighting costs reported in the Annual Report for PY2012 was an incorrect number resulting from a data entry error. The \$65,747.41 reported was the Residential Total number from the line directly above it. The actual cost of this program for PY2012 was \$65,007.65.

PY 2011			
Program	Actual Costs	As filed in Annual Report	Difference
Residential Refrigerator Recycling	\$25,069	\$28,584	\$(3,515)(1)
Heat Pumps-Retro-Commissioning	\$18,244	\$13,024	\$5,220(2)
Residential Audits	\$46,314	\$56,649	\$(10,335)(3)
C&I Refrigerator Recycling	\$369	\$150	\$219(4)
General Administration	\$67,143	\$67,693	\$(550)(5)

- (1) The Refrigerator Recycling program costs reported in the PY2011 Annual Report did not include a \$3,665.08 credit from journal entry 9001136R posted in February 2012 to reverse a January 2012 accrual journal entry. Additionally, the PY2011 Annual Report did not include \$150 in Residential Refrigerator Recycling program rebates which were incorrectly attributed to the C&I Refrigerator Recycling program.
- (2) The Heat Pump Retro-Commissioning program costs reported in the PY2011 Annual Report included only those costs charged to the work order established for this program. The cost in the annual report did not include rebates processed as credits to customer accounts in BHP’s Customer Information System.
- (3) Black Hills Power’s share of a Home Energy Suite cost was initially charged to the Residential Audits program and reflected as such in the PY2011 Annual Report. These costs were reclassified as a Cross

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Marketing and Training cost in February 2012. However, the reclassification entry was reversed in error. This was corrected in February 2014.

- (4) The C&I Refrigerator Recycling program costs reported in the PY2011 Annual Report did not include the \$369.10 in actual costs for the program. Instead it incorrectly included \$150 attributable to the Residential Refrigerator Recycling program.
- (5) A correcting journal entry was made after the annual report was provided.

Attachments: None