

# JAY DAVIS LAW OFFICE

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February 7, 2017

Kristi Fiegen  
Chair, Public Utilities Commission  
500 E. Capitol  
Pierre, SD 57501

**RECEIVED**  
**FEB 10 2017**  
**SOUTH DAKOTA PUBLIC**  
**UTILITIES COMMISSION**

RE: Docket No. EL16-042 (Black Hills Energy)

Dear Ms. Fiegen:

As a resident of Rapid City and a ratepayer to Black Hills Energy who has invested in rooftop solar panels, I am writing to protest the proposed small power production service generation credit rate adjustment which would have the effect of increasing our monthly utility bills and decreasing the credit we receive from Black Hills Energy for producing electric power which is used by the grid.

The letter informing us of the proposed change was dated January 30, 2017 and received early this month. It suggests an effective date for the rate change of March 1, 2017. Clearly this is an inadequate period of time for consumers adversely affected by the change to be heard, or to receive information which might justify the decrease. Therefore, I am requesting that the Public Utilities Commission place the requested change on hold and schedule a public hearing, preferably in the Black Hills service area, so that consumers and others can evaluate the merits, or lack thereof, of this proposal. The burden of proof should be on Black Hills Energy.

My wife and I had several incentives to install rooftop solar, which has no battery storage and feeds any excess directly into the grid. We wanted to reduce our "carbon footprint" and be a positive example to other people in the community. We hoped to increase the resale value of our home by reducing its dependence on fossil fuels, so that at some future time when energy is more expensive, our home will be more efficient and competitive. We took advantage of a federal income tax credit. Nonetheless, we recognized that it would take a substantial period of time for our installation of rooftop solar to "pay for itself." A proposed decrease of 18.7% in the credit we receive for the power we produce clearly lengthens that period of time. It serves as a powerful disincentive for other electric consumers who are considering installing solar (or wind) energy for residential use.

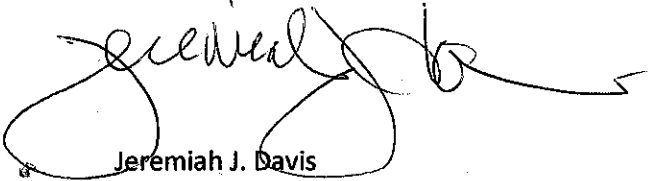
If it is accurate that Black Hills Energy is charging residential customers approximately 13 cents per kilowatt hour for electricity, then even the current credit rate that we receive (3.32 cents per kilowatt hour) is shamefully inadequate. I would ask that Black Hills Energy be forced to justify their need to reduce our reimbursement to a pitiful 2.7 cents per kilowatt hour. Since Black Hills Energy is a monopoly with a guaranteed rate of return (profit) on its investment, and since BHE has been

aggressively buying up smaller and weaker utility companies throughout mid-America, and is building a huge new corporate headquarters in Rapid City, for which they requested and received a property tax reduction, one wonders if BHE's insatiable appetite for more funds is truly driven by financial need and avoided costs. I would respectfully ask that any public hearing on this request require them to produce all relevant financial data, and that BHE not be allowed to keep crucial information secret on the grounds that it is "proprietary" information.

An 18.7% reduction in the rate that small power production service customers receive for the renewable energy they generate is a huge step backward, economically and environmentally. It would be useful to compare the proposed 2.7 cent rate with the credit currently being provided by other utility companies in the area, including rural electric cooperatives. Consumers such as myself are entitled to adequate notice, the opportunity to be heard at a public hearing, and enough financial data to make a truly informed comment on this destructive proposal.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeremiah J. Davis', with a long horizontal flourish extending to the right.

Jeremiah J. Davis  
Attorney at Law

cc: Jason Keil