

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
EL17-026

REQUEST DATE : 07/20/17

RESPONSE DATE : 08/03/17

REQUESTING PARTY: Staff

SDPUC Request No. 2.2:

Refer to the Company's response to Staff DR 1.8.

- a) Would the Company agree to moving non-cost effective C&I prescriptive measures to the C&I custom program so that it can be determined for each customer that the portfolio of measures chosen results in a TRC greater than 1.0?
- b) Explain the impact moving C&I prescriptive measures with a TRC less than 1.0 to the custom program would have on administrative costs.

Response to SDPUC Request No. 2.2:

a) Yes, Black Hills would agree to move non-cost effective C&I prescriptive measures to the C&I custom program. Black Hills assumes that the dollars that are included in the prescriptive measures would be moved to the Custom program and tracked accordingly.

Black Hills estimates that the additional program costs of moving the non-cost effective prescriptive measures to the customer program would be approximately \$167,899 per year. If the measures were moved, Black Hills estimates the following C&I custom program budgets:

Plan Year 1 - \$535,561

Plan Year 2 - \$541,688

Plan Year 3 - \$547,816

b) If C&I prescriptive measures, with a TRC of less than 1.0, were moved to the C&I custom program, Black Hills would incur additional administrative costs because each custom application would require individual analysis to determine the implementation payback period. Black Hills assumes that the dollars that are included in the prescriptive measures would be moved to the Custom program and tracked accordingly.

Attachments: None

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Responder: Don Martinez