

Exhibit 1

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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE)
COMPLAINT OF ENERGY OF) Docket No. EL 18-038
UTAH LLC, AND FALL RIVER)
SOLAR, LLC AGAINST BLACK) DEPOSITION OF:
HILLS POWER INC. DBA) KYLE WHITE
BLACK HILLS ENERGY FOR)
DETERMINATION OF)
AVOIDED COSTS)

DATE: December 11, 2019 at 9:17 a.m.

PLACE: Gunderson, Palmer, Nelson & Ashmore
506 Sixth Street
Rapid City, SD 57701

APPEARANCES:

Representing Black Hills Energy:
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Associate General Counsel
Black Hills Energy
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Rapid City, SD 57702

Representing Fall River Solar, LLC:
MR. WILLIAM TAYLOR
Taylor Law Firm, PC
Attorneys at Law
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Representing South Dakota Public Utilities Commission:
MS. KRISTEN EDWARDS
Staff Attorney
South Dakota Public Utilities Commission
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ALSO PRESENT: Jon Thurber, Darren Kearney

Reported By: Jacqueline K. Weller
Registered Professional Reporter
Black Hills Reporting
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Rapid City, SD 57701
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1 Q (BY MR. TAYLOR:) Okay. Just in summary form,
2 Mr. White, tell me your educational and
3 employment history.

4 A I have a BS in business administration with a
5 major in management from the University of
6 South Dakota. I also pursued a Master's in
7 Business Administration from the University of
8 South Dakota.

9 And basically employed my entire adult life
10 by Black Hills Corporation or its predecessors,
11 and 37 years.

12 Q Okay. Do you -- what year did you graduate
13 from the University of South Dakota?

14 A May of 1982.

15 Q That's when you got your bachelor's?

16 A Yes.

17 Q And then did you go right on through and get
18 your MBA?

19 A No.

20 Q Did that later?

21 A Did that later.

22 Q When did you get your MBA?

23 A Received my diploma in August of 1989.

24 Q So you must be about 58, 59?

25 A 60.

1 Q 60. You started your employment right out of
2 college with Black Hills' predecessor?

3 A As close as I could.

4 Q The name of that company was?

5 A Black Hills Power & Light Company.

6 Q And at that time, Black Hills Power & Light
7 Company was basically a regional utility company
8 with a coal mining arm?

9 A Yes.

10 Q And when you started, what was your first
11 position?

12 A Rate analyst.

13 Q And just in summary form, tell me how your
14 career has progressed through the company, the
15 jobs you've filled, the roles you've played.

16 A I have had primarily marketing, public affairs,
17 and rates and regulatory positions, most often
18 rates and regulatory.

19 During the 1980s, I was a one-person rate
20 department, beginning in 1986. In the 1990s, I
21 added rates and demand-side management to my
22 title and began supervising employees. In 1998,
23 I was promoted to vice president of energy
24 services.

25 Q Energy services?

1 A Energy services.

2 Q What did that entail?

3 A It was energy efficiency, demand-side
4 management. It was basically a position getting
5 ready for the possibility of deregulation of the
6 electric utilities, and so it would have been
7 the customer-facing portion of the business if
8 it was, in fact, unbundled. That lasted only a
9 short period of time.

10 I've been involved in business startups, was
11 Employee Number 3 for Black Hills FiberCom,
12 which was a local hybrid fiber-coax, high-speed
13 internet, cable TV, and phone company.

14 I was vice president of corporate affairs
15 for some time, and so I had public relations,
16 governmental affairs. So it's been a
17 progression -- a progression of different
18 responsibilities through the years, quite often
19 project related.

20 Q You said that you were vice president of the
21 coax company. Does the coax company still
22 exist?

23 A It's now Vast. So we sold our interests in 19-
24 -- or, in 2005, and it's had two or three
25 different owners since that time.

1 revisions to their net metering statute that
2 were before them, and I was representing the
3 company's interest to get those revised on
4 behalf of our customers.

5 Q You said the Wyoming Commission?

6 A Wyoming State Legislature.

7 Q In the state legislature?

8 A Yes.

9 Q Not the Public Service Commission?

10 A Correct.

11 Q Okay. Your current title is vice president of
12 regulatory strategy?

13 A Yes.

14 Q Help me. What's a regulatory strategist do?

15 A I assist in developing business cases and
16 regulatory strategies, and then often regulatory
17 strategy execution in front of public service --
18 or, public utilities commissions.

19 So, it's been rate cases, certificate of
20 public convenience and necessities, utility
21 acquisitions, disputes like this one.

22 Q The title "regulatory strategist" connotes some
23 interesting ideas. Your job is to examine
24 regulatory climates and figure out how the
25 utility fits into the regulatory climate?

1 A That would be a portion of it.

2 Q In the process of doing that, do you stay
3 current with the regulatory scheme in the states
4 in which the utility is active?

5 A Usually I'm playing catch-up.

6 Q And what do you mean by that?

7 A We have activities that are -- well, we have
8 utilities operating in eight states. So it's
9 difficult to maintain an expertise in each of
10 those states. So as a project or a need
11 develops, then I come up to speed and get
12 involved. Most of my recent activity has been
13 in South Dakota and Wyoming.

14 Q Who do you work for?

15 A Marne Jones.

16 Q Whose -- what company's name is on your
17 paycheck?

18 A Black Hills Service Company.

19 Q And tell me what Black Hills Service Company is.

20 A Black Hills Service Company is the subsidiary of
21 Black Hills Corporation where the company's
22 centralized services employees work that support
23 all of our utility and nonregulated business
24 activities.

25 Q So maybe we should talk a little bit about how

1 MS. SABERS: I'm going to object as to form.
2 I think it's a legal conclusion, but.

3 Q (BY MR. TAYLOR:) I mean, you were offered up as
4 the Rule 30(b)(6) testimonial witness.

5 A Yes.

6 Q And you are an officer of one of the
7 subsidiaries of the parent company, but you're
8 not an officer of the Black Hills utility
9 company.

10 A I actually am an officer of Black Hills Power,
11 Inc.

12 Q You are?

13 A Yes.

14 Q Okay. What's your title; do you know?

15 A Vice president of regulatory strategy.

16 Q For?

17 A Black Hills Power, Inc., and essentially each of
18 the electric utilities. It's been our business
19 practice to list us as subsidiary officers.

20 Q Okay. So you're cross-deputized into each of
21 the electric utilities?

22 A Less clear as to where I fit in the corporate
23 structure, more clear as to where I fit in the
24 utility structure.

25 Q Sure. Now, who owns the generating assets? Are

1 hearings?

2 A Yes.

3 Q How many times, do you think? Many?

4 A Many.

5 Q Hundreds?

6 A No.

7 Q 50?

8 A Probably less than that. I would say 20 to 40
9 times.

10 Q And how many times do you think you've testified
11 before the South Dakota Public Utilities
12 Commission?

13 A Can you define how you refer to as testimony?
14 Because they have open meetings. We have major
15 dockets, and there's a difference.

16 Q I would consider testimony to be when you were
17 under oath and subject to cross-examination.

18 A Let's see, a dozen, maybe.

19 Q And can you just categorize for me roughly what
20 those topics might have been.

21 A Fuel and purchase power adjustment tariffs,
22 energy efficiency and demand-side management
23 programs and tariffs. Certi- -- well, wouldn't
24 be certificates. Testified in a QF dispute.
25 Testified in rate cases. Primarily rate cases,

1 A For Black Hills Power, yes, and I'm not familiar
2 with the other utilities.

3 Q So the only QF dispute you've ever been involved
4 in is that Rosebud case?

5 A Yes.

6 Q I'm curious because Todd Brink told me once that
7 the company's first QF exposure was South Dakota
8 Sun. But Rosebud would have been before Todd's
9 time?

10 A That's correct.

11 Q Now, I want to talk to you a little bit about
12 your understanding of PURPA and your background
13 with PURPA. You know what PURPA is?

14 A Yes.

15 Q In your pre-filed testimony, you testify at some
16 length about PURPA and the statute itself and
17 the regulations that implement the statute.

18 A Yes.

19 Q Have you had any specialized training on that
20 subject, the subject of PURPA?

21 A No.

22 Q What's your exposure, your professional exposure
23 been to PURPA, particularly with respect to the
24 QF applications of PURPA?

25 A At various times in my career, inquiries as to

1 our avoided costs would come through, me or my
2 group. And so we had to have a general
3 familiarity with the avoided costs, giving
4 indicative pricing, potentially field questions
5 and evaluate parties.

6 But generally, our avoided cost has been
7 very low, and the projects have had economics
8 that didn't cause people to want to pursue it
9 very far with us.

10 Q So my question was the basis for exposure to
11 PURPA in the QF Worldnet, and your answer is
12 primarily because you've had avoided --
13 indicative avoided cost inquiries over the
14 years?

15 A Yes. And I was originally hired to help with
16 implementation of parts of PURPA. We were
17 conducting a residential load research program,
18 so PURPA was part of my career pretty early on.

19 Q The South Dakota Public Utilities Commission
20 conducted a string of hearings on implementation
21 of PURPA in the early '80s. Were you involved
22 in those --

23 A It was prior to my time. Most of that
24 compliance work had been done before I started.

25 Q Because you said you started in '82?

1 Q And certainly you're not an expert on what
2 Congress intended by the enactment of the
3 statute?

4 A I was a senior in high school.

5 Q I was trying car wreck cases, but...

6 So you don't consider yourself an expert on
7 what Congress intended with respect to PURPA.
8 Same with the FERC regulations that implement
9 PURPA?

10 A I think I can read them as well as most, and I
11 do know how to apply to an avoided cost
12 standard.

13 Q But my point is, you're not an -- you don't
14 consider yourself to be an expert on what FERC
15 intended when it authored those?

16 A I can read what they have provided for direction
17 with regard to their rules.

18 Q There's a lawyer for a NorthWestern Energy
19 Company who has founded the word "hortatory."
20 Have you ever heard of that?

21 A No.

22 Q So you don't know what it means?

23 A There's a lot of words I don't know what they
24 mean, and that's one.

25 Q Okay. So let's change subjects a little bit.