

From: PUC

Sent: Tuesday, May 4, 2021 4:51 PM

To: [REDACTED]

Subject: EL21-011

Mr. Lucas,

Thank you for your interest in Black Hills Energy's proposed amendment to its cogeneration and small power production tariff as filed with the Public Utilities Commission. My fellow commissioners and the PUC's staff have significant work ahead of us to review what the utility is proposing and look at options before reaching any conclusions or resolution.

It is important to understand that because BHE is a monopoly electric utility, as are five other electric utilities in our state, the PUC has jurisdiction over its rates and tariff by law. Here are excerpts from the PUC's website that help explain the commission's role.

There are six investor-owned utility companies that provide electric service to specific geographic areas in South Dakota. These companies are owned by their investors and are managed as private enterprises. The PUC has regulatory authority, including ratemaking authority, over these investor-owned utilities: Black Hills Energy, MidAmerican Energy Co., Montana-Dakota Utilities Co., NorthWestern Energy, Otter Tail Power Co. and Xcel Energy.

The South Dakota Legislature gave the PUC authority to ensure utility companies in South Dakota provide safe and reliable service at fair and reasonable rates. In considering a rate case, the commission weighs the public's need for adequate, efficient and reasonable service and the need for the utility to collect revenues to enable it to meet its total current cost of furnishing such service and the opportunity to earn a fair and reasonable return. The commission determines these factors based on definitions, standards and references specified in South Dakota Codified Law.

Given your interest, you will want to follow the progress of this docket and the new filings added to it at <https://puc.sd.gov/Dockets/Electric/2021/EL21-011.aspx>. I appreciate you taking the time to provide the commission with your opinion.

Commissioner Gary Hanson
South Dakota Public Utilities Commission
[PUC.sd.gov](https://puc.sd.gov)