BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

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IN THE MATTER OF THE APPLICATION OF	*	
BLACK HILLS POWER, INC., d/b/a BLACK	*	SETTLEMENT STIPULATION
HILLS ENERGY TO AMEND ITS	*	
COGENERATION AND SMALL POWER	*	EL21-011
PRODUCTION SERVICE TARIFF	*	
	*	
	*	

It is hereby stipulated and agreed by and between the Applicant, Black Hills Power, Inc. d/b/a Black Hills Energy ("Applicant" or "Black Hills Power"), Richard A. Bell, R. Sonny Rivers, Xanterra Parks & Resorts, Inc., Black Hills Homestead, Cobblestone, LLC, Pangea Design Group, LLC, GenPro Energy Solutions, LLC, Steve and Lynn Hammond, and Staff of the South Dakota Public Utilities Commission, (jointly "Party" or "Parties"), that the following Settlement Stipulation may be adopted by the South Dakota Public Utilities Commission ("Commission") in the above-captioned matter.

In its support of its Application, the Applicant hereby offers this Stipulation, and the Application, along with its testimony and exhibits, filed on March 19, 2021. The Parties offer no answering testimony or exhibits, conditioned upon the Commission accepting the following Stipulation and the Terms and Conditions without any material condition or modification.

I. INTRODUCTION

In this docket, Black Hills Power is requesting Commission approval of an amendment to its existing Cogeneration and Small Power Production Service tariff to become its Qualifying Facility (QF) Service Tariff. The proposed amendment was set out in the tariff and presented new rate requirements for customers who install behind-the-meter generation in an effort to ensure proper recovery of fixed costs among all customers of Black Hills Power.

II. PURPOSE

This stipulation has been prepared and executed by the Parties for the sole purpose of resolving Docket No. EL21-011. In consideration of the mutual promises hereinafter set forth, the Parties agree as follows:

- 1. Upon execution of this Stipulation, the Parties shall file this Stipulation with the Commission together with a joint motion requesting that the Commission issue an order approving this Stipulation in its entirety without condition or modification.
- 2. This Stipulation includes all terms and conditions of the settlement and is submitted with the condition that, in the event the Commission imposes any material changes or

conditions to this Stipulation which are unacceptable to any Party, this Stipulation may, at the option of any Party, be withdrawn and shall not constitute any part of the record in this proceeding or any other proceeding nor be used for any other purpose.

- 3. This Stipulation shall become binding upon execution by the Parties, provided however, that if this Stipulation does not become effective in accordance with Paragraph 2 above, it shall be null, void, and privileged. This Stipulation is intended to relate only to the specific matter referred to herein; no Party waives any claim or right, which it may otherwise have, with respect to any matter not expressly provided for herein. No Party or a representative thereof shall directly or indirectly refer to this Stipulation as precedent in any other current or future proceeding before the Commission.
- 4. The Parties to this proceeding stipulate that all pre-filed testimony, exhibits, and responses to data requests will be made a part of the record in this proceeding. The Parties understand that if this matter had not been settled, the Parties would have been able to file direct and rebuttal testimony.
- 5. The terms and conditions contained in this Stipulation shall inure to the benefit of and be binding upon the respective successors, affiliates, owners, stockholders, partners, parents, subsidiaries, directors, officers, agents, employees, representatives, attorneys, and assigns of the Parties. In addition, the terms and conditions of this Stipulation shall bind the Parties, including consultants, contractors and retained professionals.
- 6. This Stipulation constitutes the entire agreement between the Parties and shall be deemed to supersede any other understanding or agreements, whether written, oral, expressed or implied, relating to the Application. This Stipulation may not be amended, modified, or supplemented, and waivers or consents to departures from the terms and conditions of this Stipulation may not be given without the written consent thereto executed by all Parties.
- 7. This Stipulation shall be interpreted and construed in accordance with the laws of the State of South Dakota.
- 8. This Stipulation may be executed by electronic mail or facsimile and in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

III. TERMS AND CONDITIONS OF THE SETTLEMENT STIPULATION

1. **Further Examination of Proposed Solution.** The Parties agree to further examination of potential revisions to Black Hills Power's tariffs to address fixed-cost recovery, which alternatives may include, without limitation, a demand rate, a time of use rate, an increased customer charge, and other solutions proposed by the Parties.

- 2. <u>Data Collection</u>. The Parties will work collaboratively on the best strategy to collect, share, and analyze data for the examination of alternative potential revisions to Black Hills Power's tariffs. Black Hills Power agrees, at its expense, to install production meters on a select number of behind-the-meter generation facilities to collect data to better understand the generation profile of the facility and the impact on the Black Hills Power system.
- 3. <u>Input Meetings.</u> The Parties agree that they will conduct meetings to exchange data and discuss potential revisions to the Black Hills Power's tariffs to address fixed-cost recovery. The Parties agree to at least two meetings in 2022 and at least two meetings in 2023.
- 4. <u>Proposed Solution.</u> The Parties agree that Black Hills Power will file a proposed revision to its tariffs to address the fixed-cost recovery, with a rate effective date no earlier than January 1, 2024. The Parties further agree that nothing in this Stipulation is a waiver of a Party's ability to intervene and assert any arguments, testimony, or other evidence in any such future docket, including those the Parties asserted, or could have asserted, in this proceeding. The Parties further agree that this Stipulation shall not be deemed to have approved, accepted, agreed, or consented to any ratemaking principle, or be advantaged or prejudiced or bound thereby in any other current or future rate proceeding before the Commission.
- 5. <u>Dismissal of Docket</u>. The Parties agree that Commission dismissal of this docket, without prejudice, is appropriate given the agreements herein.

Dated this 27 day of September, 2021.

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By:(

Its: Tom Stevens - Vice President, Regulatory

Richard A. Bell, PE ularf 4.

R. Sonny Rivers

Steve and Lynn Hammond ente minary 0

Xanterra Parks & Resorts, Inc.

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Black Hills Homestead

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Its: Tom Stevens - Vice President, Regulatory

Richard A. Bell, PE

R. Sonny Rivers

Robert Rivers

Steve and Lynn Hammond

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Xanterra Parks & Resorts, Inc.

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Black Hills Homestead

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Its: Tom Stevens – Vice President, Regulatory

Richard A. Bell, PE

R. Sonny Rivers

Steve and Lynn Hammond

Xanterra Parks & Resorts, Inc.

By: Com 200002 Its: Timaty Schonvord-Chiet Merch & Supply Chain Officer

Black Hills Homestead

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By:

Its: Tom Stevens - Vice President, Regulatory

Richard A. Bell, PE

R. Sonny Rivers

Steve and Lynn Hammond

Xanterra Parks & Resorts, Inc.

By: _____

Its:

Black Hills Homestead _____ By:

Its: Member

Pangea Design Group, LLC By: Its: Owner

GenPro Energy Solutions, LLC,

By: _____

Its:_____

Public Utilities Commission Staff

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Cobblestone, LLC

By:_____

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Pangea Design Group, LLC

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GenPro Energy Solutions, LLC,

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Public Utilities Commission Staff

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