

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF BLACK HILLS POWER,)
 INC., DBA BLACK HILLS ENERGY'S PETITION)
 FOR APPROVAL FOR DEFERRED)
 ACCOUNTING TREATMENT FOR FEBRUARY)
 COLD WEATHER COSTS)
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**ORDER GRANTING
 DEFERRED ACCOUNTING
 TREATMENT OF FEBRUARY
 COLD WEATHER COSTS
 ASSOCIATED WITH WINTER
 STORM URI AND CREATION
 OF REGULATORY ASSET;
 ORDER APPROVING TARIFF
 REVISIONS ON LESS THAN
 30 DAYS' NOTICE**

EL21-016

On May 3, 2021, the Commission received a petition from Black Hills Power, Inc. dba Black Hills Energy (Black Hills) requesting approval of deferred accounting treatment and the creation of a regulatory asset for its February cold weather costs associated with Winter Storm Uri. Black Hills states in its petition that if the request is approved by the Commission, Black Hills Power will: 1) defer recognition of these costs; 2) recover the regulatory asset account over a 12-month period beginning on June 1, 2021, and ending on May 31, 2022; and 3) apply a carrying charge of 1.35%, which is well below the 7% rate authorized through the Electric Cost Adjustment (ECA) Commodity Balancing Account. Black Hills claims the proposal will save customers approximately \$600,000 in carrying costs.

On May 6, 2021, the Commission electronically transmitted notice of the filing and the intervention deadline of May 12, 2021, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. No petitions to intervene or comments were filed. On May 7, 2021, Black Hills filed proposed tariff sheets with a requested effective date of June 1, 2021. On May 12, 2021, Black Hills responded to staff's data request. The revised tariff sheets effective for service rendered on and after June 1, 2021, are as follows:

South Dakota Electric Rate Book

<u>Section No. 3C</u>	
Fourth Revised Sheet No. 9	Cancels Third Revised Sheet No. 9
Fourth Revised Sheet No. 10	Cancels Third Revised Sheet No. 10

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-7, 49-34A-8, 49-34A-10, and 49-34A-12, and ARSD 20:10:13, specifically 20:10:13:20 and 20:10:13:21.

At its regularly scheduled meeting on May 13, 2021, the Commission considered this matter. Staff recommended the Commission approve the Company's request to use deferred accounting for costs incurred as a result of its February cold weather costs and authorize Black Hills to create a regulatory asset for amortization of these costs. Staff also recommended the Commission approve the tariff revisions effective June 1, 2021, on less than 30 days' notice. With Commissioner Nelson dissenting, the Commission voted to allow Black Hills to use

deferred accounting for costs incurred as a result of its February cold weather costs and authorize Black Hills to create a regulatory asset for amortization of these costs and approve the tariff revisions effective June 1, 2021, on less than 30 days' notice.

It is therefore

ORDERED, that Black Hills is allowed to use deferred accounting for costs incurred as a result of its February cold weather costs associated with Winter Storm Uri and Black Hills is authorized to create a regulatory asset for amortization of these costs; and it is further

ORDERED, that Black Hills' above-referenced tariff sheets are approved on less than 30 days' notice with an effective date of June 1, 2021.

Dated at Pierre, South Dakota, this 19th day of May 2021.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.
By: <u>Adam Chetwick</u>
Date: <u>5/19/21</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

CHRIS NELSON, Chairman, Dissenting

Kristie Eiegen
KRISTIE EIEGEN, Commissioner

Gary Hanson
GARY HANSON, Commissioner