

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
EL25-012

REQUEST DATE : 05/01/25

RESPONSE DATE : 05/15/25

SUPPLEMENTAL RESPONSE DATE: 05/28/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

SDPUC Request No. 3.8:

Refer to BHE's response to DR 2-1. Provide an itemized breakout of all the capital cost and an itemized breakout of all the O&M costs. Include in these breakouts any costs related to BHE having to stand up its own balancing authority.

Response to SDPUC Request No. 3.8:

Forecasted Capital Costs for Balancing Authority and WEIM Implementation:

<u>Vendor - Consultant</u>	<u>Capital Funding Project Breakout</u>	<u>Total Implementation CapEx</u>
Utilicast	WEIM Project Management	\$125,000
Utilicast	WEIM Consultant	\$400,000
Competitive Energy	Merchant Consultant	\$125,000
PowerOptix	PRSC - Merchant Operations	\$530,000
PowerOptix	PRSC - Merchant Settlements	\$150,000
PowerOptix	PRSC - Invoicing	\$220,000
PowerOptix	MDM	\$150,000
PowerOptix	EESC Settlements	\$385,000
OSI-Aspentech	OSI CAISO Modules	\$145,000
	Contingency / AFUDC / Taxes	\$900,399
	1/ Total Forecasted BA/WEIM Capital	<u>\$3,130,399</u>
	Black Hills Power's Allocated Portion (50%)	<u>\$1,565,200</u>

1/ Excludes Internal Labor

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Forecasted O&M Costs for Balancing Authority and WEIM Implementation:

<u>Vendor - Consultant</u>	<u>O&M</u>	<u>Total Implementation O&M</u>
CAISO	CAISO Implementation Milestone	\$150,000
CAISO	CAISO Legal Application	\$15,000
CAISO	Scheduling Coordinator Fees	\$22,500
Utilicast	WEIM Project Management	\$350,000
Utilicast	WEIM SME Consultant	\$700,000
Competitive Energy	Merchant Consultant	\$100,000
OATI	EESC - Scheduling / Balancing Software	\$350,000
OATI	EESC Change Order / Add'l Requirements	\$250,000
PowerOptix	PRSC - Merchant Operations	\$55,000
PowerOptix	PRSC - Merchant Settlements	\$15,000
PowerOptix	PRSC – Invoicing	\$22,000
PowerOptix	MDM (Meter Data Management) Updates	\$15,000
PowerOptix	EESC Settlements	\$60,000
OSI-Aspentech	OSI CAISO Modules	\$20,000
	Taxes (6.5%)	\$138,093
	2/ Total BA/WEIM O&M Expense Forecasted	<u>\$2,262,593</u>
	Black Hills Power's Allocated Portion (50%)	<u>\$1,131,297</u>

2/ Excludes Internal Labor

Supplemental Response to SDPUC Request No. 3.8:

The estimated cost of implementation of Balancing Authority (BA) services for both Black Hills Power and Cheyenne Light is estimated at \$8.85 million which includes the addition of 11 new employees and leveraging outside experts to aid in training, development processes, and procedures, configuring software systems, and updating meters. The on-going administrative costs for staff and systems are estimated at \$2.63 million. See tables below for WEIM implementation Capital and O&M costs.

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Forecasted capital costs for WEIM implementation:

<u>Vendor - Consultant</u>	<u>Capital Funding Project Breakout</u>	<u>Total Implementation CapEx</u>
Utilicast	WEIM Project Management	\$125,000
Utilicast	WEIM Consultant	\$400,000
Competitive Energy	Merchant Consultant	\$125,000
PowerOptix	PRSC - Merchant Operations	\$530,000
PowerOptix	PRSC - Merchant Settlements	\$150,000
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PowerOptix	MDM	\$150,000
PowerOptix	EESC Settlements	\$385,000
OSI-Aspentech	OSI CAISO Modules	\$145,000
	Contingency / AFUDC / Taxes	\$900,399
	1/ Total Forecasted WEIM Capital	\$3,130,399
	Black Hills Power's Allocated Portion (50%)	\$1,565,200

1/ Excludes Internal Labor

Forecasted O&M costs for WEIM implementation:

<u>Vendor - Consultant</u>	<u>O&M</u>	<u>Total Implementation O&M</u>
CAISO	CAISO Implementation Milestone	\$150,000
CAISO	CAISO Legal Application	\$15,000
CAISO	Scheduling Coordinator Fees	\$22,500
Utilicast	WEIM Project Management	\$350,000
Utilicast	WEIM SME Consultant	\$700,000
Competitive Energy	Merchant Consultant	\$100,000
OATI	EESC - Scheduling / Balancing Software	\$350,000
OATI	EESC Change Order / Addt'l Requirements	\$250,000
PowerOptix	PRSC - Merchant Operations	\$55,000
PowerOptix	PRSC - Merchant Settlements	\$15,000
PowerOptix	PRSC - Invoicing	\$22,000
PowerOptix	MDM (Meter Data Management) Updates	\$15,000
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OSI-Aspentech	OSI CAISO Modules	\$20,000
	Taxes (6.5%)	\$138,093
	2/ Total Forecasted WEIM O&M	\$2,262,593
	Black Hills Power's Allocated Portion (50%)	\$1,131,297

2/ Excludes Internal Labor

Responder: Denton McGregor

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Attachments: None