

From: aviation life [REDACTED]
Sent: Friday, May 8, 2026 4:57 PM
To: PUC-PUC <PUC@state.sd.us>
Subject: [EXT] BH Energy rate increase

To: South Dakota Public utilities Commission

RE: EL25-022 black Hills & EL25-022 Otter Tail Rate Increase Application

Subject: Formal Opposition to Proposed Rate Increase based on SDCL49-34A-11 and 49-34A-8.4

Dear Commissioners,

I received notice of the proposed rate increase with increments in excess of 25%. If I've done my math correctly, over \$21 million increase for 62,000+ customers, this represents over \$300 per customer increase. Like property taxes, this represents a significantly higher increase than what we've experienced in income and wages, and would require extraordinary justification. The government accounting office puts inflationary increases and a much lower level than what is being requested.

Therefore, I am writing to formally oppose the proposed electric rate increase filed by Black Hills Energy, excel Energy, Norther States power company.

Under SDCL 49-34A-11, the burden of proof rests entirely on the utility to demonstrate that any proposed rate is "just and reasonable." Furthermore, SDCL 49-34A-8.4 mandates that the utility company must establish that its underlying costs are "prudent, efficient, and economical" and "necessary to provide service". I challenge the "necessity" of this increase based on the significant federal financial support the utility has already received for the very improvements they are asking ratepayers to fund.

1. Failure to Meet the Burden of Proof (SDCL 49-34A-11 & 8.4)

The utility has not sufficiently proven that this rate hike is "economical" for South Dakota families. Ratepayers should not be viewed as a primary source of capital when alternative, non-dilutive funding sources- such as federal grants- are being actively utilized by the companies.

2. Millions in Federal Funding for Fire Mitigation

The utility has applied for or received substantial federal assistance to harden the grid and mitigate wildfire risks. For example:

- Grid Resilience Grants: Major utilities operating in the region have been awarded up to \$100 million from the U.S. Department of Energy (DOE) specifically for wildfire mitigation

and grid resiliency.

- Infrastructure Investment and Jobs Act (IIJA):

Through programs like Grid Resilience Utility and Industry Grants , billions have been allocated nationally to help utilities modernize without placing full burden on local consumers.

- South Dakota Specific Allocations: The state has received over \$62 million in Federal grants aimed at reducing energy bills and improving local infrastructure.

Due to the significance of federal funding, Black Hills Energy, Excel Energy, Northern States Power company should be required to provide a full accounting of how these funds have been applied before any additional cost are passed onto South Dakota residents.

To allow a rate increase greatly surpassing GAO economic indicators, while the company is already receiving millions in taxpayer-funded grants would be a violation of the “Just and reasonable” standard.

Conclusion: I urge the Commission to hold Black hills Energy, Excel Energy, Northern States Power Company to strict “burden of proof” for “prudent, efficient, and economical” and “necessary to provide service” as required by law for an increase approval, and deny any increase until the utility can prove these federal funds are insufficient to cover their mitigation and operational cost, and limit this increase to only what is required to provide service, and not a slush fund for unnecessary spending or to capitalize interest from.

Citizens are justifiably reluctant to increase funding to “services“ run by people in large offices in masonic buildings with beautiful furniture and amenities and contacted support, while those of us they supposedly serve continue to work in old wooden and tin buildings or out of cars with tablets.

Sincerely

Douglas Bodine



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