

February 23, 2026

SD Public Utility Commission

PUC@State.sd.us

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

Dear Commissioners,

I am writing to respectfully **oppose** the proposed electric rate increase filed by Black Hills Energy, Excel Energy, and Northern 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, SCL 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 do not believe 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 has been met.

1. Failure to Meet the Burden of Proof (SDCL 49-34A-11 and 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 Resiliency 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.

Given these massive federal infusions, Black Hills Energy, Excel Energy, Northern States Power must be required to provide a full accounting of how these funds have been applied before any additional costs are passed onto South Dakota residents. To allow a rate increase while the company is already receiving millions in taxpayer-funded grants would be a violation of the “Just and reasonable” standard.

I urge the Commission to hold Black Hills Energy, Excel Energy, Northern States Power Company to the strict “burden of proof” required by law and deny this increase until the utility can prove these federal funds are insufficient to cover their mitigation and operational costs.

Regards,

Karen M. McNeal

[REDACTED]

Rapid City, SD 57701

[REDACTED]

[REDACTED]