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Sent: Friday, September 25, 2026 6:01 PM
To: PUC-PUC <PUC@state.sd.us>
Subject: [EXT] Rate opposition letter

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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, 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, 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 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.

- 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.

- 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.

*Given these massive federal infusions, Black Hills Energy, Excel Energy, Northern States Power company MUST 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 while the company is already receiving millions in taxpayer- funded grants would be a violation of the “Just and reasonable” standard.

*Already high existing rates: Customers in Black Hills' service area pay the highest electric rates in Colorado, making further increases burdensome and unsustainable for residents and businesses.

coloradosun.com

*Economic hardship on communities: The hike would inflict financial strain on households, especially in economically challenged regions, with critics arguing it could strangle local growth by discouraging business development.

facebook.com

*Poor service quality: Despite high costs, the utility has faced complaints about unreliable service, prompting unified public opposition and calls for denial of the increase.

coloradosun.com

*Push for utility replacement: Ongoing concerns have led to ballot measures and feasibility studies in places like Pueblo to potentially end the franchise agreement with Black Hills due to high rates and lack of local oversight.

cpr.org

- Questionable justification: While the company cites infrastructure costs, opponents highlight that reductions in the request (from \$36.7M to \$25.1M) show the original ask was inflated, and alternatives like better cost management could avoid hikes.

chieftain.com

*Public hearings and comments to the Colorado Public Utilities Commission (PUC) have emphasized these points, with local leaders and residents urging rejection. Xcel Energy proposed a roughly 10% electric rate increase in Colorado for 2026, aiming to recover costs from infrastructure investments over the past three years. In Minnesota, under its Northern States Power subsidiary, it sought a multi-year plan with a 9.6% hike in 2025 and 3.6% in 2026 (totaling 13.2% or \$490.7 million). Similar proposals appeared in other states like North Dakota and South Dakota. Opposition focuses on affordability amid

economic pressures, with thousands of public comments filed against it. Reasons to oppose include: Excessive given economic conditions: The increase is seen as too large during tough times, with many customers already struggling to pay bills and facing disconnections.

coloradopols.com

*Disproportionate impact on vulnerable groups: Low-income households, seniors, and fixed-income residents would be hit hardest, exacerbating affordability issues without sufficient relief measures.

denver7.com

*High corporate profits: Xcel reported \$1.94 billion in profits for 2024 (up 9.3% from 2023), raising questions about why consumers should fund upgrades when the company is financially strong.

coloradopols.com

*Questioned investment decisions: Critics argue the hikes stem from capital spending on grid expansions (e.g., for data centers), but consumers shouldn't bear the full cost—big tech or shareholders should contribute more.

coloradopols.com

*Rising bills despite efficiency: Many customers report higher bills even with reduced usage, fueling frustration that rates keep climbing without clear benefits.

reddit.com

*Advocates like the Utility Consumer Advocate and groups such as Green Latinos have highlighted these concerns, noting the proposal's lack of balance between shareholder returns and consumer interests. Northern States Power Company Northern States Power Company (NSP), a subsidiary of Xcel Energy operating primarily in Minnesota, Wisconsin, and Michigan, was involved in rate cases that overlapped with Xcel's broader proposals. For instance, in Wisconsin and Michigan, NSP sought increases for 2025-2026 but settled for reduced amounts (e.g., 52% lower than requested in Wisconsin, with no new filing until 2027). Opposition mirrors Xcel's but with regional nuances. Reasons to oppose include: Affordability pressures: Similar to Xcel, hikes would strain budgets, especially in northern states where heating costs add to burdens, and customers are already facing higher disconnection rates.

mprnews.org

*Regional economic impacts: In areas like North Dakota, the increase would tighten budgets for homes, businesses, and even local governments (e.g., adding \$500/month to county bills), with critics noting lower AC usage doesn't offset the hit.

kfyrtv.com

- Data center and grid strain: Broader concerns tie to data centers driving demand, potentially raising rates without direct benefits to residential users, prompting calls for moratoriums or fairer cost allocation.

utilitydive.com

*Excessive returns for utility: Proposals for higher return on equity (ROE) were criticized as unsupported, with settlements capping ROE at 9.8% and requiring refunds for excess earnings to protect consumers.

cubminnesota.org

National trends in rate hikes: Part of a wider pattern where utilities seek billions in increases for infrastructure, but opponents argue this collides with affordability crises and could be mitigated by better planning or denying unjustified requests.

eenews.net

Groups like the Citizens Utility Board have pushed back successfully in some cases, emphasizing consumer protections over utility profits.

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

Thank you!!

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