

From: Amanda Loy [REDACTED]

Sent: Thursday, August 27, 2026 9:24 AM

To: PUC-PUC <PUC@state.sd.us>

Subject: [EXT] Black Hills Energy Rate increase proposal Docket No. EL26-003

BEFORE THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Docket No. EL26-003

Consumer Comment Regarding Black Hills Energy's Proposed Electric Rate Increase and Residential Customer Affordability

Dear Commissioners:

I am writing as a South Dakota residential electric customer of Black Hills Energy to strongly oppose the proposed rate increase and to ask the Commission to thoroughly scrutinize Black Hills Energy's requested revenue increase and its impact on residential customers.

My household is already facing significant and increasingly difficult electricity costs. Our current Budget Billing amount is [REDACTED] **per month**.

I understand that Black Hills Energy's proposed increase is based on the company's requested revenue requirement and that the impact will vary from customer to customer. However, I am concerned that the financial impact on households like mine is being understated when the company uses a hypothetical residential customer using approximately [REDACTED] kWh per month.

My household uses substantially more electricity than that because our home is entirely electric, including essential household functions such as heating and cooking. Our most recent bill shows [REDACTED] **kWh of usage during the August billing period**, and our 12-month usage history shows extremely significant seasonal consumption, including [REDACTED] **kWh in January and [REDACTED] kWh in December**.

There is also a Budget Billing issue that I believe deserves the Commission's attention. My July 2026 bill showed a **deferred balance of [REDACTED]**. That bill also showed actual charges of [REDACTED] and a Budget Billing amount of [REDACTED].

My following August 2026 bill showed actual charges of only [REDACTED], while my Budget Billing amount remained [REDACTED]. However, the deferred balance shown on that bill had increased dramatically to [REDACTED].

The difference between the July deferred balance of [REDACTED] and the August deferred balance of [REDACTED] is [REDACTED] — **exactly the amount of the August actual charges**.

I do not understand how this calculation was reached when I was also charged the [REDACTED] Budget Billing amount for that month. I am not alleging that Black Hills Energy has made an error, but I believe customers deserve a clear and transparent explanation of how these deferred balances are calculated.

I respectfully request that the Commission require Black Hills Energy to clearly explain how the [REDACTED] **deferred balance** was calculated and why the balance increased by the exact amount of the August actual charges despite the [REDACTED] Budget Billing payment. I also request that the Commission examine whether Budget Billing calculations and adjustments are sufficiently transparent for residential customers to understand what they actually owe and why their deferred balances change.

This concern is particularly important because Black Hills Energy's July statement stated that my Budget Billing amount had been adjusted because of a change of at least 10% in previous usage and/or fuel costs.

I am concerned about the cumulative financial burden being placed on residential customers.

Black Hills Energy customers in my area do not have the practical ability to choose another electric utility. We cannot simply switch providers when rates increase. We are captive customers of a regulated utility, which makes the Commission's oversight especially important.

I understand that Black Hills Energy must maintain reliable infrastructure and recover legitimate costs necessary to provide safe and dependable electric service. I am not asking the Commission to prevent necessary investment.

I am asking the Commission to require Black Hills Energy to **demonstrate that every portion of its requested increase is reasonable, necessary, prudent and appropriately allocated to customers before approving it.**

I respectfully ask the Commission to examine:

- Whether Black Hills Energy's requested operating expenses are reasonable and necessary.
- Whether proposed capital expenditures are prudent and provide sufficient benefits to current customers.
- Whether all requested costs are appropriately allocated among customer classes.
- Whether Black Hills Energy's requested return and other financial components of its revenue requirement are reasonable.
- Whether there are costs that can be reduced or removed without compromising reliability or safety.
- Whether customers are being asked to pay for investments whose benefits primarily occur in the future.
- Whether the cumulative effect of this rate case and other pending rate-related proceedings is becoming unreasonable for residential customers.
- Whether the company's Budget Billing calculations and deferred-balance accounting are sufficiently transparent and understandable to customers.
- Whether the Commission should require additional consumer protections or reporting regarding Budget Billing adjustments.

I also ask the Commission to consider the difference between the "typical" residential customer and actual high-usage residential households.

A customer using [REDACTED] kWh per month is in a very different financial position from a household using several thousand kWh per month. A rate increase that may appear modest when applied to [REDACTED] kWh can have a much larger effect on households with electric heat and other necessary electric loads.

Renters face an additional problem. We may not have the authority or financial ability to make permanent improvements to the property that could significantly reduce electricity consumption. We cannot simply replace the home's heating system, install permanent solar panels, replace major appliances or make structural energy-efficiency improvements without the property owner's permission.

This means that customers can be placed in an extremely difficult position: we have no practical choice of electric provider, and we may have limited ability to make permanent changes to the property to reduce our electricity needs.

For these reasons, I respectfully ask the Commission to **deny any portion of Black Hills Energy's requested increase that the company cannot demonstrate, with substantial evidence, is reasonable, necessary, prudent and in the public interest.**

I also ask the Commission to carefully consider the cumulative impact of this proceeding and other pending rate-related charges on South Dakota residential customers.

Finally, I respectfully request that the Commission require Black Hills Energy to provide a clear accounting of my Budget Billing deferred balance and explain how a balance of

██████ in July became ██████ in August, particularly when my August actual charges were ██████ and my Budget Billing payment remained ██████.

South Dakota families deserve reliable electricity, but they also deserve rates that are just and reasonable and billing practices that are transparent and understandable.

Thank you for your consideration and for protecting the interests of South Dakota utility customers.

Respectfully submitted,

Amanda M. Loy

South Dakota Residential Electric Customer