From: Brandon Zapp [redacted]
Sent: Wednesday, November 11, 2026 5:32 PM
To: PUC <PUCPF@state.sd.us>
Subject: [EXT] Re: RE: Re: Docket EL26-024 – Black Hills Power

Subject: EL26-024 – Public comment (resubmitted with complete contact information)

South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

Re: Docket EL26-024 – Black Hills Power, Inc. d/b/a Black Hills Energy, Application to Amend its Phase In Plan Rate (Lange II)

Dear Commissioners Nelson, Fiegen, and Hanson,

I am resubmitting my comments with my complete contact information, as requested.

I am a Black Hills Energy residential customer in Custer on the Residential Total Electric rate. I am writing to the South Dakota PUC regarding Black Hills Energy's rate increases. I understand that increases are needed to keep up with inflation, but a 38% increase at once is a lot. I know that not every family in Custer can afford this adjustment.

Black Hills Energy's full original request would have raised my electric bill by about 49%. In the base rate case, however, the company received only about 54% of what it asked for. I ask the Commission to give the Lange II request the same careful review. I have four concerns.

1. Customers should not pay for Lange II before it produces power.
Black Hills' August application asked to implement the surcharge on an interim basis if Lange II is in service by December 1. Its October 30 notice of interim rates sets a December 1 start without repeating that condition. In its November 4 earnings release, the company described Lange II as still in the final stages of construction, with service expected sometime in the fourth quarter. I ask the Commission to require that no Lange II surcharge be billed until the plant is in commercial operation, or that anything collected before that date be refunded with interest.

2. The cost increase deserves a full prudence review.
Black Hills described Lange II as a $280 million project when construction began. It now reports $320 million, about $40 million (14%) more. I ask the Commission to require a full explanation of that increase and to allow only costs shown to be prudent.

3. The return should match the rate case settlement.

The Commission just approved a settlement in EL26-003 based on a 7.58% weighted average cost of capital. The return built into the Lange II surcharge should be no higher.

4. Residential and all-electric customers carry a heavy share.
The proposed rate is 3.051¢/kWh for residential customers, compared with 1.938¢/kWh for industrial contract customers. Because the surcharge is charged per kWh, all-electric homes pay the most, and most of that falls in winter. My household uses about 16,500 kWh a year. Between the base rate increase and this surcharge, my electric bill will rise about $890 a year, roughly 38%. I ask the Commission to make sure residential customers are not carrying more than their fair share of this plant.

I understand Black Hills is entitled to recover prudent costs for a plant that serves customers. I am asking that customers pay only for a plant that is actually running, at a cost that has been fully justified, and with a fair split between customer classes.

Thank you for your consideration.

Sincerely,

Brandon Zapp
[redacted]
Custer, SD 57730
[redacted]