



**Jason S. Keil**  
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June 16, 2020

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
Capitol Building, 1<sup>st</sup> floor  
500 E. Capitol Ave.  
Pierre, SD 57501-5070

RE: Black Hills Power, Inc. d/b/a Black Hills Energy - GE20-002 In the Matter of Investor Owned Utilities' Joint Request for Deferred Accounting Treatment of the Financial Effects of COVID-19 and the Creation of Regulatory Assets

Dear Ms. Van Gerpen:

At the request of Commission Staff, Black Hills Energy hereby provides explanation of why it did not sign on to Docket No. GE20-002.

During the onset of the COVID-19 pandemic, Black Hills Energy had conversations with Commission Staff on whether Deferred Accounting Treatment or utilizing the current Stipulation Agreement in Docket Nos. EL17-006 & EL17-008 was the best option for Black Hills Energy and customers. Black Hills Energy and Commission Staff agreed that the best option for Black Hills Energy and customers was to utilize the Stipulation Agreement in Docket Nos. EL17-006 & EL17-008.

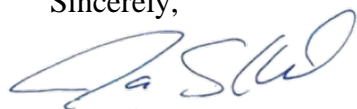
Black Hills Energy and Commission Staff agreed to the following:

- Black Hills Power will not request Commission approval for regulatory asset treatment of COVID-19 costs or benefits.
- Black Hills Power will leave all COVID-19 costs and benefits on the income statement in their appropriate FERC account (including costs, benefits, and revenue impacts).
- All COVID-19 costs, benefits, and revenue impacts that remain on the income statement will be included in Black Hills Power's jurisdictional normalized earnings report.
- Staff will not require COVID-19 costs, benefits, and revenue impacts to be normalized out of its jurisdictional normalized earnings report, other than those costs, benefits, and revenues which are currently being normalized and listed in element 7 of the Stipulation.

- Staff continues to reserve the right to review the individual costs for prudence.
- At the request of Staff, Black Hills Power will provide specific FERC account details of COVID-19 impacts.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason S. Keil".

Jason S. Keil  
Manager - Regulatory & Finance