

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE PETITION OF BLACK ) HILLS POWER INC. DBA BLACK HILLS ) ENERGY FOR APPROVAL OF DEFERRED ) ACCOUNTING TREATMENT FOR SD SUN ) PROJECT TRANSACTION AND ) DEVELOPMENT COSTS )	ORDER GRANTING REQUEST FOR WITHDRAWAL OF PETITION WITHOUT PREJUDICE AND CLOSE THE DOCKET  EL19-028
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On July 31, 2019, the South Dakota Public Utilities Commission (Commission) received a Petition from Black Hills Power Inc. dba Black Hills Energy (BHE) requesting approval to utilize deferred accounting and establish a regulatory asset related to the acquisition of development rights for three solar energy projects collectively known as the SD Sun Projects. In March of 2018, the Company acquired the ownership interests in the SD Sun Project Companies, which at the time were owners of the SD Sun Projects being developed as Qualifying Facility projects under the Public Utility Regulatory Policy Act of 1978 (PURPA). The SD Sun Projects were in various stages of development at the time of acquisition, and BHE was obligated to purchase the eventual output from these projects pursuant to PURPA. The Company states the decision to purchase the development rights of these projects would avoid approximately \$4,700,000 in annual costs for fuel and purchased power for customers. BHE also states it evaluated various options for developing the SD Sun Projects as a utility-owned resource but determined that it was not economically feasible to do so. BHE seeks approval to amortize the transaction and development costs related to the SD Sun Projects over a period of time beginning September 1, 2019, through December 31, 2022. BHE states it will not seek an increase in customer rates as a result of the accounting treatment requested.

On August 1, 2019, the Commission electronically transmitted notice of the filing and the intervention deadline of August 16, 2019, to interested individuals and entities on the Commission's PUC Weekly Filings electronic listserv. On August 14, 2019, Fall River Solar, LLC filed a Petition to Intervene. On October 2, 2019, the Commission issued an Order Denying Intervention. On January 14, 2020, the BHE filed a Request for Withdrawal of the pending petition without prejudice pursuant to a settlement stipulation in dockets EL17-006 and EL17-008.

The Commission has jurisdiction in this matter pursuant to SDCL Chapter 49-34A, specifically SDCL 49-34A-6 and 49-34A-8.

At its regularly scheduled meeting of January 21, 2020, the Commission considered the Request for Withdrawal. Commission staff recommended the Commission grant BHE's request. The Commission unanimously voted to grant BHE's Request for Withdrawal without prejudice. It is therefore

ORDERED, that Black Hills Power Inc. dba Black Hills Energy's Request for Withdrawal is granted. It is further

ORDERED, that the docket be dismissed without prejudice and closed.

Dated at Pierre, South Dakota, this 24<sup>th</sup> day of January 2020.

<b>CERTIFICATE OF SERVICE</b>
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.
By: <u>Adam DeHueck</u>
Date: <u>1/24/20</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

<u>Gary Hanson</u> GARY HANSON, Chairman
<u>Chris Nelson</u> CHRIS NELSON, Commissioner
<u>Kristie Fiegen</u> KRISTIE FIEGEN, Commissioner