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## SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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March 4, 2011

Patricia Van Gerpen  
Executive Director  
SD Public Utilities Commission  
500 E. Capitol Ave.  
Pierre, SD 57501

**Re: EL11-001 - In the Matter of the Petition of Black Hills Power, Inc. to Establish an Environmental Measures Cost Recovery Tariff**

Dear Ms. Van Gerpen:

On January 25, 2011, the Commission received a petition from Black Hills Power, Inc. ("BHP") seeking approval to establish an Environmental Improvement Adjustment tariff ("EIA"), pursuant to SDCL 49-34A, Sections 97 through 100. If approved, the tariff mechanism will allow for the automatic annual adjustment of charges for the jurisdictional capital costs and operating expenses incurred by BHP on environmental improvements to existing electric generation facilities. BHP is proposing an effective date of June 1, 2011.

BHP requests approval for recovery of amounts expended on environmental improvements made to the Wyodak Power Plant to achieve compliance with the Regional Haze Rule (40 CFR 51). The Wyodak plant is a 335MW coal-fired plant constructed in 1977 and is located near Gillette, Wyoming. BHP holds a 20% interest in the Wyodak plant.

Pursuant to SDCL 49-1A-8, Staff asks the Commission to assess a regulatory assessment fee with respect to the petition. The statutory amount designated for the filing fee in this review is \$50,000. The filing fee will account for actual costs incurred by Staff in review of the petition. Staff asks that the filing fee relate back to the initial filing date to account for time already dedicated to this docket.

Sincerely,



Ryan Soye

cc Chris Kilpatrick  
Jan Kirsch  
Glynda Rahn