
From: PUC

Sent: Friday, December 12, 2014 2:10 PM

To: [REDACTED]

Subject: RE: DOCKET EL14-026

Dear John and Jolene,

Thank you for your message regarding Black Hills Power's rate increase request. You refer to BHP's request to cover costs incurred from storm Atlas. I agree with you that many people suffered losses from this storm and this is very unfortunate. However, a public utility is allowed to recover certain expenses under state law and it is necessary for them to do so in order to continue to operate.

The commission will analyze the storm-related costs to determine if they are allowed to be recovered from rate payers according to state law. Only expenses that meet the standards set forth in state law will be included for recovery through BHP's rates.

When a utility files a rate case with the commission, the commission is obligated by law to thoroughly process the case. The commission cannot simply say no and reject it outright since they are legally required to investigate it and make a just and reasonable decision. This process can take almost a year to complete. Each commissioner, the commission's staff and expert consultants hired by staff will review the entire case – also referred to as a docket – separately, along with the intervenors in the case. The commission and staff request and review additional data and information from the utility before a decision is rendered.

Given your interest, I encourage you to read the key documents filed in this docket as well as submissions that continue to be posted. This will allow you to become educated on the issues in this case. Here is a document which helps explain the commission's processing of rate cases:

<http://www.puc.sd.gov/commission/Publication/electricratecasehandout.pdf>. Here is a link to the docket itself: <http://puc.sd.gov/Dockets/Electric/2014/EL14-026.aspx>.

Thank you for writing to share your concerns. I appreciate the opportunity to answer your questions which I hope is of value to you. Your message and this response will be added to the PUC's EL14-026 docket.

Sincerely,

Gary Hanson, Chairperson

South Dakota Public Utilities Commission

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