

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

THE MATTER OF THE APPLICATION OF BLACK)
HILLS POWER, INC. FOR AUTHORITY TO PASS ON AN)
ENERGY COST ADJUSTMENT DECREASE OF \$0.0008) Docket No. 20002-102-EP-16
PER KWH FOR THE PERIOD OF SEPTEMBER 1, 2016) (Record No. 14443)
THROUGH AUGUST 31, 2017)

NOTICE AND ORDER
(Issued September 29, 2016)

This matter is before the Wyoming Public Service Commission (Commission) upon the application of Black Hills Power, Inc. (BHP or the Company) for authority to pass on to its electric customers an Energy Cost Adjustment (ECA) decrease, as more fully described below. The Commission, having reviewed the application, its files regarding BHP, applicable Wyoming utility law, and otherwise being fully advised in the premises, FINDS and CONCLUDES:

1. BHP is a public utility as defined by W.S. § 37-1-101(a)(vi)(C), subject to the Commission's jurisdiction pursuant to W.S. § 37-2-112.

2. On July 13, 2016, BHP filed an application requesting authorization for a decrease of \$0.0008 to its electric rates through its ECA to be effective for service rendered from September 1, 2016 through August 31, 2017, pursuant to Commission Rule Chapter 3, Section 26 (b) and in accordance with ECA procedures approved in Docket No. 20002-75-ER-09. BHP states the decrease is the result of lower purchased power costs compared to the prior years' power costs. The ECA is calculated annually based on actual Delivered Energy Costs for the twelve months ending in May as compared to the base year Delivered Energy Costs, and includes an over-or-under recovery through the Balancing Account. This ECA application includes a reduction of \$1,200 for revenue from the sale of Renewable Energy Credits (REC). The proposed ECA calculation is from June 2015 through May 2016. The ECA for this period, for all customer classes, is \$0.0005 per kWh.

3. By *Suspension Order* issued on July 14, 2016, BHP's application was suspended for the initial statutory period provided for pursuant to W. S. § 37-3-106.

4. The following table depicts the current versus the new ECA rate change for BHP:

<i>Rate Component</i>	<i>Current \$/kWh</i>	<i>New \$/kWh</i>	<i>Difference \$/kWh</i>	<i>% Change</i>
ECA for all Rate Classes	0.0013	0.0005	(0.0008)	-61.54%

5. The application was considered by the Commission pursuant to due notice at its regular open meeting on August 30, 2016. Margaret McGill participated by telephone for BHP. McGill provided a summary of the application and described the components of the proposed ECA decrease, generally describing the information set forth in paragraphs 2 and 4 above. Staff recommended approval of the application.

6. Based on the application and representations by BHP and the analysis and recommendations of the Staff, the Commission finds BHP's ECA decrease should be approved, effective for usage from September 1, 2016, through August 31, 2017, subject to public notice, protest, opportunity for hearing, refund and such further modification and order as deemed appropriate by the Commission.

7. Public notice shall be in the following form:

PUBLIC NOTICE

Black Hills Power, Inc. (BHP or the Company) has received authority from the Wyoming Public Service Commission (Commission) for a \$0.0005 per kWh surcharge, which is an Energy Cost Adjustment decrease of \$0.0008/kWh in its electric rates to be effective for service rendered from September 1, 2016, through August 31, 2017. The approval granted is subject to notice, protest, opportunity for hearing, refund, and such other order as the Commission may deem appropriate.

The average residential customer using approximately 731 kWh per month may expect a monthly gas bill decrease of \$0.58, or 0.61%, excluding taxes. Actual bills will vary with usage.

BHP's application is available for inspection by any interested person during regular business hours at the Commission's offices in Cheyenne and at the Company's office in Newcastle, Wyoming.

Anyone who wants to file an intervention petition, request for a hearing, or a statement, protest, or public comment in this matter must file in writing with the Commission on or before October 28, 2016. Please mention Docket No. 20002-102-EP-16 when you call or write. Intervention petitions and requests for a hearing must state the position and interest of the person so filing.

If you wish to intervene in this matter or request a public hearing that you will attend, or want to make a statement, a protest or a public comment, and you require reasonable accommodation for a disability, please contact the Commission at (307) 777-7427, or write to the Commission at 2515 Warren Avenue, Suite 300, Cheyenne, Wyoming 82002, to make arrangements. Communications impaired persons may also contact the Commission by accessing Wyoming Relay at 711.

Dated: September 29, 2016.

IT IS THEREFORE ORDERED:

1. Pursuant to open meeting action taken on August 30, 2016, Black Hills Power, Inc.'s application for authority to pass on to its electric customers an Energy Cost Adjustment decrease of \$0.0008 per kilowatt-hour for service rendered from September 1, 2016, through August 31, 2017, is approved, subject to notice, protest, intervention, opportunity for hearing, refund and such other order as the Commission may deem appropriate.

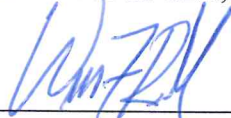
2. This *Notice and Order* is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming, on September 29, 2016.

PUBLIC SERVICE COMMISSION OF WYOMING



ALAN B. MINIER, Chairman



WILLIAM F. RUSSELL, Deputy Chairman



KARA BRIGHTON, Commissioner



Attest:



STEVE MINK, Assistant Secretary