

Service Date: April 18, 2012

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF Black Hills Power, Inc.'s) REGULATORY DIVISION
Petition for a Short-Term Waiver from Full)
Compliance with the Community Renewable) DOCKET NO. D2012.1.12
Energy Project Requirement)

**DATA REQUESTS OF THE MONTANA PUBLIC SERVICE COMMISSION
TO BLACK HILLS POWER, INC.**

PSC-001

- a. In its petition, Black Hills Power (BHP) writes, “Based on the unique facts of this case, the Commission should determine that BHP has undertaken all reasonable steps to procure renewable energy credits for satisfaction of its obligations under the Renewable Act, but that qualifying renewable energy credits are not available to BHP for purposes of satisfying its CREP requirement ...” Please provide a description of the distinct steps that BHP took to obtain or develop qualifying CREP facilities for the 2012-2014 period together with any documentation of those steps.
- b. Please list any facilities BHP has knowledge of that may meet the CREP size, ownership and deliverability requirements as well as describe any communications that may have taken place with any of these CREP facilities.

PSC-002

- a. The petition states, “Although Black Hills has not conducted a Request for Proposals (RFP), the very small and rural nature of the Black Hills Montana service territory renders it highly unlikely that a qualifying third party would respond to a RFP.... BHP and its customers should not be required to incur the expense of a formal RFP to establish the lack of an economic option for meeting its diminutive CREP requirement.” What methodology or experience (either of BHP or another utility) did BHP utilize in judging the likelihood that a third party would not respond to an RFP?
- b. What factors did Black Hills consider in deciding to not issue a RFP?
- c. How did BHP estimate the expense of a formal RFP? Please provide copies of calculations, work papers, and analyses executed by BHP in its efforts to determine the cost of conducting a RFP process.

- d. Please describe the format and elements, such as generation or fuel type, desired facility size, and third-party qualifications of any formal RFP process that BHP considered, as well as any alternatives to a formal RFP process that were considered.
- e. In considering the idea of conducting a RFP, did BHP refer to any template or model for conducting a request for proposal? If so, please provide the templates or models used.

PSC-003

- a. The petition from BHP states that “The diminutive scale of Black Hill’s CREP requirement renders the development of a qualifying CREP in its service territory uneconomic, unrealistic, and highly unlikely.” What experience, evidence, or reference sources did Black Hills utilize in stating that the development of a qualifying CREP in the utility’s service territory is uneconomic, unrealistic, and highly unlikely?
- b. The petition states that “Black Hills could not find an entity in its Montana service territory to contract for such a small facility.” What specific inquiries or efforts did BHP make to find a potential developer of a qualifying CREP facility? Please submit records of verbal or written communications that describe or provide detail of any efforts to find a potential developer of a CREP facility.
- c. For any inquiries made to find a potential CREP developer, please describe the geographical area in which those inquiries were made and what criteria were used to determine that area.
- d. What factors did BHP consider in reaching its judgment that there was no economic option for meeting its CREP requirement?

PSC-004

- a. Did Black Hills evaluate the possibility of a self-build option to meet its CREP requirements? If so, please provide documentation of such an evaluation.
- b. If a self-build option was evaluated, what conclusions did the evaluation produce?
- c. What were the unit costs of capacity and energy associated with the self-build option, if one was considered?