



Request 2017-14

State of Colorado

LEGISLATIVE REQUEST FOR INTERIM STUDY COMMITTEE

To: Legislative Council

Requested by: Senator Garcia

Re: Request for Interim Study Committee Regarding Black Hills Energy Rate Increases

Date: 04/14/2017

Information Required Pursuant to Section 2-3-303.3, C.R.S.

I hereby request that an interim study committee be formed to study the rate increases of Black Hills Energy (BHE) during the interim between the 2017 and 2018 legislative sessions. The interim study committee would be named the "Interim Study Committee on Rate Increase Requests by Black Hills Energy".

The policy questions to be studied are:

- How does BHE decide to file for a rate increase?;
- Who from BHE is involved when making the decision to request a rate increase with the Public Utilities Commission (PUC)?;
- What steps, reports, or requirements does BHE need in order to prove that the rate increase is necessary?;
- What process does the PUC follow when approving rate increases by BHE?;
- What transparency policies or community outreach practices does BHE have in regards to working with communities on rate increases?;
- What information is made available to the public in regards to the need for rate increases?;
- What role, if any, do ratepayers have when BHE requests a rate increase?;
- What is the average cost of a utility bill paid by a BHE customer?;
- On average, how many power outages has BHE had on an annual basis?;
- On average, how many BHE customers have had their service disconnected in the last five years?;
- How much revenue does BHE collect annually from reactivation fees?;
- What are the demographics of BHE customers who have had their service disconnected?;
- How much do BHE customers pay in comparison to other utilities in the state or in similar regions?;
- On average, for how many customers does BHE provide energy assistance annually?;

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- How much profit has BHE grossed on an annual basis for the last five years?;
- How many complaints has BHE received in the last five years?; and
- What actions have been taken to remedy these issues?

The interim study committee would need to meet five times to study the issues.

The interim study committee should consist of six members of the General Assembly selected as follows:

- three members of the Senate, with 2 appointed by the President of the Senate and one appointed by the minority leader of the Senate.
- three members of the House of Representatives, with 2 appointed by the Speaker of the House of Representatives and one appointed by the minority leader of the House of Representatives.

The chair and vice-chair will be elected by the committee.

The appointments must be made by June 15, 2017.

Five nonlegislative members will have a role in the interim study committee to help the committee fully understand the rate increases that have been requested by BHE. Their responsibilities include providing information from stakeholders about the rate increases. One member shall be from a business in the BHE service area. One member shall be from a nonprofit organization in the BHE service area. One member shall be a representative from the City of Pueblo. One member shall be a representative from Pueblo County. One member shall be a citizen from the BHE service area.

The interim study committee will need up to three bills to address the issues it studies.

Additional Information Related to the Interim Study Committee Request

The PUC may be called upon to provide assistance or information to the interim study committee.

The interim study committee would like to conduct up to five meetings outside of the Denver metropolitan area within the BHE service area.

Thank you for your consideration of this request.