

01-20-01

EL 01-032

Black Hills Power

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December 20, 2001

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**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Ms. Debra Elofson
South Dakota Public
Utilities Commission
500 E Capitol
Pierre, SD 57501

Subject: Contract With Deviations Filing

Dear Ms. Elofson:

Enclosed is an Electric Service Contract between Black Hills Power (BHP) and Premier Bankcard. This Contract is for electric service to Premier Bankcard's Call Center complex located at Spearfish, South Dakota. We are requesting a "Contract with Deviation" approval since BHP has offered a Business Development Incentive to Premier Bankcard, in addition to the General Service - Large tariff. The Contract with Premier Bankcard is contingent on the South Dakota Public Utilities Commission approval.

In November 1999, BHP was contacted about the new Call Center and the potential for locating the complex within our service area. The proposed facility, with up to 500 jobs, would require assistance in order to move into one of our communities. Our proposal offers Premier Bankcard an electric rate reduction of \$0.005/kWh for the first three (3) years of our agreement or up to a \$25,000 discount, which ever occurs first.

Premier Bankcard meets the eligibility criteria set forth in the Business Development Service (BDS) tariff. The Contract also includes provisions that meet or exceed the BDS tariff standards. The effective date of the contract is pending action of the Commission on BHP's Contract with Deviations request. However, the General Service - Large tariff rate has been implemented due to the associated savings.

In addition to the Contract, BHP is providing the following tariff sheets for Commission approval:

- Section 1, Tenth Revised Sheet No. 3, replacing Ninth Revised Sheet No. 3
- Section 4, Third Revised Sheet No. 5, replacing Second Revised Sheet No. 5
- Section 4, Second Revised Sheet No. 6, replacing First Revised Sheet No. 6

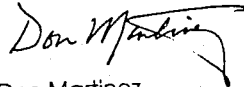
Ms. Debra Elofson
Page 2
December 20, 2001

BHP's Tariff Sheet located in Section 4, Third Revised Sheet No. 5, replacing Second Revised Sheet No. 5 is being revised at this time since Contract #12964 with Wharf Resources is no longer applicable. Wharf signed a contract with BHP with the standard provisions included in the Large Demand Curtailment Service tariff. As a result, this contract no longer needs to be listed as a Contract with Deviations.

BHP respectfully requests the Commission's approval of its contract with Premier Bankcard and the associated tariffs. We ask that the contract be treated as confidential as provided for under the Business Development Service tariff.

If you have any questions regarding this request, feel free to contact me.

Sincerely,



Don Martinez

enclosure

cc: Kyle D. White - B H Corporation, Vice-President - Corporate Affairs
Linden R. Evans - B H Corporation, Corporate Attorney
Monte Bertsch - Premier Bankcard, Directing Officer



ELECTRIC POWER SERVICE CONTRACT
State Of South Dakota

Contract Number 13865
Effective Date _____

THIS CONTRACT, made between BLACK HILLS POWER, INC. (hereinafter referred to as "Company"), and PREMIER Bankcard, Inc. (hereinafter referred to as "Customer"),

WITNESSETH: That the parties hereto, for and in consideration of the mutual agreements hereinafter set forth, contract as follows:

1. Electric Power Supply. Company shall supply, and the Customer shall take all electric power and energy required for the operation of Customer's equipment installed or to be installed by it at its facility, located at 120 Industrial Drive, Spearfish, SD. Such power and energy shall be three (3) phase, alternating current, approximately 60 cycles, at a nominal voltage of 480/277 volts.
2. Company Facilities & Contract Capacity. Company agrees to extend and maintain its lines to the premises of Customer and to install all transformers, switches, lightning arresters, meters, recording devices and other apparatus necessary for the purpose of delivering and measuring the power and energy at the point of delivery which shall be at the secondary bushings of Company's pad mount transformer. Such facilities of Company shall be of sufficient capacity to satisfy a demand by Customer of 250 kVA (kilovolt amperes) of electric power, which shall constitute the Contract Demand hereunder. Customer shall notify Company of any anticipated substantial increase in demand not less than ninety (90) days prior to date of such increase, and adjustment in Contract Demand shall be made accordingly.
3. Customer Facilities. Customer shall install and maintain, at its own expense, in approved standards of construction, all other facilities on Customer's side of point of delivery which are necessary for the proper reception of electrical power and energy and for its use beyond such point. Such facilities and Customer's plant equipment shall be of types which will not interfere with other service rendered by Company and be subject to inspection by Company at reasonable times.
4. Right Of Way. Customer agrees to provide Company, without cost, a suitable location and right of way on Customer's premises for necessary lines and apparatus. All apparatus installed by and at cost of Company shall remain its property and it shall have the right to inspect, repair or remove the same.
5. Terms. The initial term of this Agreement shall commence on _____, _____, and shall extend for a period of not less than seven (7) years, and if not then terminated by at least two years prior written notice by either party, the contract shall continue until so terminated. Provided, however, at such time as the Customer has the current legal right to receive or request delivery of its electric power from an alternative energy supplier under terms and conditions which are not subject to the jurisdiction of the South Dakota Public Utilities Commission ("Customer Choice"), then the Customer may request that the

Company meet the terms of a bona fide offer from any alternative energy supplier. In order to qualify as a bona fide offer, the initial term must be at least one year. Customer shall supply to Company the terms and conditions of the bona fide offer and other information which may be pertinent to Company's evaluation of the bona fide offer. The Company shall have sixty (60) days from its receipt of the terms and conditions of the bona fide offer and other information requested by Company to determine whether the Company will meet the bona fide offer. If the Company is unable or unwilling to meet the terms and conditions of the bona fide offer, then Customer shall have the right to take its electric power from the alternative energy supplier. The Company's right hereunder to meet the terms of any bona fide offer from an alternative energy supplier shall extend for five years after Customer Choice has been implemented. In the event that Customer takes electric power from an alternative energy supplier under the terms of a contract which extends for less than five years after Customer Choice has been implemented, then the Company's right to meet the terms of any bona fide offer from an alternative energy supplier shall again apply at the termination of Customer's contract and the Company's right hereunder shall have first priority over any similar rights (including, without limitation, options to extend) granted to other energy suppliers.

6. Payment. Company shall bill, and the customer shall pay for all electric power and energy supplied hereunder at the rates and charges due and payable therefore, pursuant to the Company's electric rate schedule General Service-Large, GL-13, copy of which is attached as a part hereof, and upon the terms and conditions set forth in such rate schedule and in the Company's rules and regulations. It is understood that the initial basis for charges pursuant to this contract as above referred to may be revised by the Company from time to time, and the customer agrees that should the Company, during the term of this contract, revise or eliminate the schedule or rates attached hereto, such revised rate schedule or the remaining applicable rate schedule most favorable to Customer shall be the basis for charges under this contract thereafter. Customer shall be notified promptly of any such revision or elimination.
7. Business Development Incentive. Company has offered the Customer, as an incentive to locate their business in Company's service territory at Spearfish, a rate reduction of \$0.005/kWh for up to three years or \$25,000, which ever occurs first. The rate reduction, offered under the Company's Business Development Service Tariff (Rate No. BDS-1), will be implemented only if the South Dakota Public Utilities Commission (SDPUC) approves the Business Development Incentive. If approved, the rates would be reduced from the rate schedule listed in Section 6, beginning the first billing date after the SDPUC ruling becomes official.
8. Non-Payment. In the event that any bill for electric service is not paid in accordance with payment provisions of the effective rate schedule, Company may suspend the supply of power and energy or cancel this contract, but such action shall not release Customer from the obligation to pay for service furnished and the minimum charges under said rate schedule for the unexpired period of the contract or from liability for damages because of any breach hereof.

8162.505

- 9. No Guarantee Of Continuous Service. Company will endeavor to maintain adequate and continuous service, but does not guarantee that the supply of energy will at all times be constant. In case service should be interrupted or fail by an act of God or public enemy, fire, explosion, flood, strike, other cessation of work by personnel, picketing, insurrection, mob violence, governmental interference, breakdown of or injury to machinery or lines, extraordinary repairs, or other accident or other causes not reasonably within its control, Company shall not be liable for damages on account of interruption of service. Minimum and demand charges in said rate schedule shall be prorated should Customer be prevented from taking energy for a period in excess of forty-eight (48) hours occasioned by the occurrence of any of the above events to the Company's system.
- 10. Liability And Indemnification. Company shall not be liable for any loss or damage to property or injury to or death of persons, whether suffered by Customer, its agents or employees, or by any third person, persons or corporation, resulting from the location, use or operation of electrical or other equipment located on Customer's side of the point of delivery, or from electric energy present therein or escaping therefrom, and customer agrees to indemnify and save Company harmless from all such loss, damages, injuries or death.
- 11. Disconnect. If for any reason the Customer desires the facilities temporarily disconnected the Company shall comply with such request within a reasonable time after notice thereof; provided, however, such discontinuance shall in no case relieve the Customer from complying with the terms of this contract.
- 12. Amendments. The provisions of this contract shall not be changed except by writing duly signed by Company and Customer. However, the contract is subject to valid orders of legally constituted regulatory bodies having jurisdiction over the Company's rates.
- 13. Assignees And Successors. This contract shall inure to and be binding and enforceable upon Customer and its assigns, lessees and successors in interest to its facility located at 120 Industrial Drive, Spearfish, SD, and upon Company's assigns, lessees, and successors in interest.

ACCORDINGLY, the parties hereto have executed this contract in duplicate this _____ day of October 30, 2001, binding and extending to their successors and assigns.

Black Hills Power, Inc.
 By: [Signature]
 Title: President and Chief Operating Officer

PREMIER Bankcard, Inc.
 By: [Signature]
 Title: Directly Office - Cust. Service
Spearfish

0132.98.6

PUBLIC UTILITIES COMMISSION OF SOUTH DAKOTA

BLACK HILLS POWER AND LIGHT COMPANY
RAPID CITY, SOUTH DAKOTA

SECTION NO. 1
TENTH REVISED SHEET NO. 3
REPLACES NINTH REVISED SHEET NO. 3

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Second Revised Sheet 8	Schedule 2-Cogeneration and Small Power Production Service--Simultaneous Purchase and Sale
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Second Revised Sheet 10	Schedule 3-Cogeneration and Small Power Production Service--Simultaneous Rider

SECTION 4 CONTRACTS WITH DEVIATIONS

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Original Sheet 2	Business Development Service
Original Sheet 3	Business Development Service
Original Sheet 4	Business Development Service
Third Revised Sheet 5	Summary List of Contracts With Deviations
Second Revised Sheet 6	Summary List of Contracts With Deviations

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SECTION 5 RULES AND REGULATIONS

DATE FILED: December 20, 2001

EFFECTIVE DATE:

ISSUED BY: Donald J. Martinez
Donald J. Martinez
Energy Services Engineer

01002-000-7

PUBLIC UTILITIES COMMISSION OF SOUTH DAKOTA

BLACK HILLS POWER AND LIGHT COMPANY
RAPID CITY, SOUTH DAKOTA

SECTION NO. 4
THIRD REVISED SHEET NO. 5
REPLACES SECOND SHEET NO. 5

SUMMARY LIST OF CONTRACTS WITH DEVIATIONS

Contract #12951

Homestake Mining Company Electric Power Service Agreement. The agreement was effective January 1, 2000 and has a maximum term of ten years. This contract replaces the previous contract and associated Amendments.

Contract #10431

City of Rapid City Large Demand Curtailable Service Agreement. The agreement was effective June 1, 1993 and has a term of three years and continued thereafter until canceled by the one year written notice of either party.

Contract #10432

City of Rapid City Large Demand Curtailable Service Agreement. The agreement was effective June 1, 1993 and has a term of three years and continues thereafter until canceled by the one year written notice of either party.

Contract #7660.3

Wharf Resources Large Demand Curtailable Service Agreement. The agreement was effective August 1, 1995, under Docket No. EL95-003.

Contract #12964

United States Air Force Electric Power Service Agreement for the military family housing and related facilities located in the Dakota Ridge Subdivision in Rapid City. The agreement was effective January 29, 2000 and has a term of ten years

Contract #11155

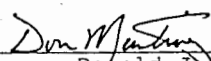
Pennington County Energy Storage Service Contract. The agreement was effective June 1, 1995 and has a term of three years and continues thereafter until canceled by the one year written notice of either party.

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DATE FILED: December 20, 2001

EFFECTIVE DATE:

ISSUED BY:



Donald J. Martinez
Energy Services Engineer

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PUBLIC UTILITIES COMMISSION OF SOUTH DAKOTA

BLACK HILLS POWER AND LIGHT COMPANY
RAPID CITY, SOUTH DAKOTA

SECTION NO. 4
SECOND REVISED SHEET NO. 6
REPLACES FIRST SHEET NO. 6

SUMMARY LIST OF CONTRACTS WITH DEVIATIONS

Contract #121-9

South Dakota State Cement Plant Commission Electric Power Service Agreement, effective January 1, 1999.

Contract #13041

State of South Dakota: South Dakota School of Mines & Technology and Black Hills State University Electric Service Agreement, effective June 1, 2000 and has a term of three (3) years and continues until canceled by one year written notice of either party. The agreement is to provide Distribution Wheeling Service and Supplemental Power Service.

Contract #13865

Premier Bankcard Electric Service Agreement, effective _____ and has a term of not less than seven (7) years and continues until canceled by two (2) years written notice of either party. The agreement is to provide General Service - Large tariff along with a Business Development Incentive.

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DATE FILED: December 20, 2001

EFFECTIVE DATE:

ISSUED BY: _____

Don J. Martinez

Donald J. Martinez
Energy Services Engineer

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South Dakota Public Utilities Commission

WEEKLY FILINGS

For the Period of December 20, 2001 through December 26, 2001

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this filing. Phone: 605-773-3705 Fax: 605-773-3809

ELECTRIC

EL01-032 In the Matter of the Filing by Black Hills Power, Inc. for Approval of a Contract with Deviations with Premier Bankcard, Inc.

On December 21, 2001, the Commission received a request for approval of a contract with deviations between Black Hills Power, Inc. (BHP) and Premier Bankcard. According to the parties the Agreement is a negotiated agreement whereby BHP will provide electrical service to Premier Bankcard's new Call Center complex in Spearfish, South Dakota. Under the contract, BHP offers to provide Premier Bankcard an electrical rate reduction of \$0.005/kWh for three (3) years of the agreement or up to a \$25,000 discount, whichever occurs first. Premier Bankcard meets the eligibility criteria set forth in the Business Development Service (BDS) tariff. The contract also includes provisions that meet or exceed BDS tariff standards. The effective date of the contract is pending approval by the Commission. The filing also includes a request for approval of various tariff sheets in addition to the contract.

Staff Analyst: Dave Jacobson
Staff Attorney: Kelly Frazier
Date Docketed: 12/21/01
Intervention Deadline: 01/11/02

TELECOMMUNICATIONS

TC01-195 In the Matter of the Application of Weston Telecommunications, LLC for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

Weston Telecommunications, LLC is seeking a Certificate of Authority to provide resold interexchange telecommunications services in South Dakota. The Applicant plans to offer MTS, in-WATS and out-WATS and calling card services.

Staff Analyst: Keith Senger
Staff Attorney: Karen Cremer
Date Docketed: 12/21/01
Intervention Deadline: 01/11/02

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01-09-2001-8

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING BY BLACK) ORDER APPROVING
HILLS POWER, INC. FOR APPROVAL OF A) CONTRACT WITH
CONTRACT WITH DEVIATIONS WITH) DEVIATIONS
PREMIER BANKCARD, INC.) EL01-032

On December 21, 2001, the Public Utilities Commission (Commission) received a filing by Black Hills Power, Inc. (BHP) for approval of a Contract with Deviations with Premier Bankcard, Inc. (Premier). According to the parties, the agreement is a negotiated agreement whereby BHP will provide electrical service to Premier's new Call Center complex in Spearfish, South Dakota. Premier meets the eligibility criteria set forth in the Business Development Service (BDS) tariff. The contract also includes provisions that meet or exceed BDS tariff standards. BHP filed the following tariff sheets for Commission approval:

- Section No. 1, Tenth Revised Sheet No. 3, replacing Ninth Revised Sheet No. 3
- Section No. 4, Third Revised Sheet No. 5, replacing Second Revised Sheet No. 5
- Section No. 4, Second Revised Sheet No. 6, replacing First Revised Sheet No. 6

On January 24, 2002, at its regularly scheduled meeting, the Commission considered the request for approval of the Contract with Deviations. Commission Staff recommended approval.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A, specifically, 49-34A-6, 49-34A-8, 49-34A-10, and 49-34A-11. Further, the Commission finds that BHP's request for approval of a Contract with Deviations is just and reasonable and shall be approved. As the Commission's final decision in this matter, it is therefore

ORDERED, that the request seeking approval of a Contract with Deviations is in the public interest and is hereby granted. It is further

ORDERED, that the above-referenced tariff sheets are effective for service rendered on and after January 30, 2002.

Dated at Pierre, South Dakota, this 31st day of January, 2002.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By: Melaine Kells

Date: 2/1/02

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Robert K. Sahr
ROBERT K. SAHR, Commissioner