

Black Hills Power Rate Increase

On September 30, 2009, Black Hills Power, Inc. filed an application with the South Dakota Public Utilities Commission (SDPUC) for a rate increase for Black Hills Power's electric customers to recover costs associated with the Wygen III power plant, other generation, transmission and distribution system investments and increased operating expenses incurred during the past four years. In its request, Black Hills Power sought a 34.2 percent increase in base rates across all South Dakota customer groups.

On Month XX, 2010, the SD PUC authorized a xx percent increase in annual utility revenues, with new rates effective for service on and after April 1, 2010.

When compared to the rates in effect prior to Black Hills Power's rate application, a typical residential customer using 600 kilowatt-hours (kWh) of power each month will see an increase of \$10.99 per month or \$0.36 per day. The actual change in each customer's monthly utility bill will vary based on their electric service rates and electricity use.

Black Hills Power will issue a refund to customers, with interest, for the difference between the interim rates that had been implemented and final approved rates effective for electricity service on and after April 1, 2010.

Residential Service:

	Prior Rates	Final Rates
Customer Charge	\$8.00	\$8.25
Energy Charge	0.0841 ¢/kWh	0.1020 ¢/kWh
Energy Cost Adjustment	.00496	.00496

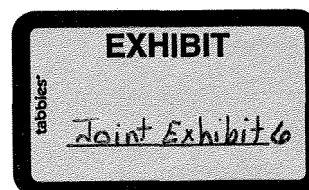
Minimum - Customer Charge

Residential Service -- Monthly Bill Example

Usage (kWh)	Prior Rates	New Rates	Amount of Increase	Percent Increase
300	34.72	40.34	5.62	16.19%
400	43.62	51.03	7.41	16.99%
500	52.53	61.73	9.20	17.51%
600	61.44	72.43	10.99	17.89%
700	70.34	83.12	12.78	18.17%
800	79.25	93.82	14.57	18.39%

Does not include sales tax.

If you have any questions please contact your local Black Hills Power office or call toll-free 1-800-742-8948.



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On Month XX, 2010, the SD PUC authorized a xx percent increase in annual utility revenues, with new rates effective for service on and after April 1, 2010.

When compared to the rates in effect prior to Black Hills Power's rate application, a typical residential total electric customer using 1000 kilowatt-hours (kWh) of power each month will see an increase of \$14.65 per month or \$0.48 per day. The actual change in each customer's monthly utility bill will vary based on their electric service rates and electricity use.

Black Hills Power will issue a refund to customers, with interest, for the difference between the interim rates that had been implemented and final approved rates effective for electricity service on and after April 1, 2010.

Residential Total Electric Service:

	Prior Rates	Final Rates
Customer Charge	\$10.50	\$10.75
Energy Charge	0.0681 ¢/kWh	0.0825 ¢/kWh
Energy Cost Adjustment	0.00496	0.00496

Minimum - Customer Charge

Residential Total Electric Service – Monthly Bill Example

Usage (kWh)	Prior Rates	New Rates	Amount of Increase	Percent Increase
800	68.95	80.72	11.77	17.07%
900	76.25	89.46	13.21	17.32%
1000	83.56	98.21	14.65	17.53%
2000	156.62	185.67	29.05	18.55%
3000	229.68	273.13	43.45	18.92%
4000	302.74	360.59	57.85	19.11%

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On Month XX, 2010, the SD PUC authorized a xx percent increase in annual utility revenues, with new rates effective for service on and after April 1, 2010.

When compared to the rates in effect prior to Black Hills Power's rate application, a typical residential demand service customer using 2,000 kilowatt-hours (kWh) and a demand of 10 kilowatts each month will see an increase of \$25.35 per month or \$0.83 per day. The actual change in each customer's monthly utility bill will vary based on their electric service rates and electricity use.

Black Hills Power will issue a refund to customers, with interest, for the difference between the interim rates that had been implemented and final approved rates effective for electricity service on and after April 1, 2010.

Residential Demand Service:

	Prior Rates	Final Rates
Customer Charge	\$11.50	\$11.75
Energy Charge	0.0326 ¢/kWh	0.0398 ¢/kWh
Demand Charge	\$5.65	\$6.72
Energy Cost Adjustment	0.00496	0.00496

Minimum - Customer Charge

Residential Demand Service – Monthly Bill Example

Usage (kWh)	Demand (kW)	Prior Rates	New Rates	Amount of Increase	Percent Increase
1000	6	82.96	96.83	13.87	16.72%
1200	7	96.12	112.50	16.38	17.04%
1500	8	113.04	132.65	19.61	17.35%
2000	10	143.12	168.47	25.35	17.71%
2500	12	173.20	204.29	31.09	17.95%
3000	14	203.28	240.11	36.83	18.12%

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