

**INTERIM REFUND PLAN**

Black Hills Power, Inc. (BHP) submits the following plan for refunding the portion of the interim rate surcharge that will exceed the amount of the Stipulation between BHP and Commission Staff. The interim rate period subject to refund is June 16, 2013, when interim rates began, through September 30, 2013.

On May 2, 2013, BHP filed its Notice of Intent to Implement Interim Rates with the Commission pursuant to S.D. Codified Law 49-34A-17. On June 16, 2013, BHP implemented an interim increase of \$13,745,830 on an annual basis for service occurring on and after June 16, 2013.

In the Commission's September \_\_, 2013 approval of the Settlement Stipulation, the parties agree to an increase in South Dakota jurisdictional electric revenues of \$8,831,464 to produce total retail related revenues of \$146,959,761 for the test year ending June 30, 2012. The steps that BHP will use for distributing this refund are described below.

BHP utilizes a refund software program that calculates the amount of refund due to customers by billing component. BHP will implement final rates, effective October 1, 2013. After the final approved rates have been implemented in the billing system, BHP will calculate and issue refunds, including 7% annual interest beginning in November 2013.

The estimated total refund amount to an average residential customer will be \$10.50. Refunds of the applicable sales taxes will also be included in the refund amount. Refunds for existing customers will be in the form of a bill credit posted to the customer's account. A bill message will be developed to briefly describe the refund credit. Customers due a refund who are no longer BHP customers will receive a check if the refund amount is \$3.00 or more. Any residual un-refunded monies will be credited to all customers in the next BHP South Dakota Energy Cost Adjustment (ECA).