



**SOUTH DAKOTA ELECTRIC RATE BOOK**

**COST ADJUSTMENT SUMMARY**

Section No. 3C

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~~Tenth~~-Eleventh Revised Sheet No. 11  
Cancels ~~Ninth~~-~~Tenth~~ Revised Sheet No. 11

**COST ADJUSTMENT SUMMARY**

Rate Schedule	Base Costs <sup>1</sup>	ECA <sup>2</sup>	EIA <sup>3</sup>	EESA <sup>4</sup>	TFA <sup>5</sup>	Total Rate (\$/kWh)	
Residential Services	\$0.0227	<del>\$0.0038</del> <u>0.00352</u>	\$0.0005	\$0.0004	\$0.0000	<del>\$0.0274</del> <u>0.02712</u>	(R)
Small General Service	\$0.0227	<del>\$0.0043</del> <u>0.00402</u>	\$0.0005	\$0.0002	\$0.0000	<del>\$0.0277</del> <u>0.02724</u>	(R)
Large General Service	\$0.0227	<del>\$0.0039</del> <u>0.00362</u>	\$0.0003	\$0.0002	\$0.0000	<del>\$0.0274</del> <u>0.02682</u>	(R)
Industrial Contract Service	\$0.0227	<del>\$0.0033</del> <u>0.00302</u>	\$0.0003	\$0.0002	\$0.0000	<del>\$0.0265</del> <u>0.02622</u>	(R)
Lighting Service	\$0.0227	<del>\$0.0039</del> <u>0.00362</u>	\$0.0002	\$0.0002	\$0.0000	<del>\$0.0270</del> <u>0.02672</u>	(R)

<sup>1</sup>Base Costs are comprised of:

Base FPP Costs of \$0.0146/kWh as approved by the South Dakota Public Utilities Commission (the Commission) in Docket EL09-018; prior to ~~April 1, 2013~~June 16, 2013 the Base FPP Costs were recovered through base rates

Base Transmission Costs of \$0.0081 as approved by the Commission in Docket EL09-018; prior to ~~April 1, 2013~~June 16, 2013 the Base Transmission Costs were recovered through base rates

<sup>2</sup>Energy Cost Adjustments (ECA) is comprised of:

Fuel and Purchased Power Adjustment (FPPA) Sheet No. 12  
(Effective ~~April 1, 2013~~June 16, 2013)

Transmission Cost Adjustment (TCA) – Sheet No. 17

Fuel and Purchase Power Adjustment (FPPA) Sheet No. 1  
(Effective ~~April 1, 2014~~June 16, 2013)

<sup>3</sup>Environmental Improvement Adjustment (EIA) – Sheet No. 20

<sup>4</sup> Energy Efficiency Solutions Adjustments (EESA) Sheet No. 21

<sup>5</sup> Transmission Facility Adjustment (TFA) Sheet No. 22

Date Filed: ~~June 7, 2013~~  
December 17, 2012  
Docket: ~~EL11-002~~EL12-061

By: Chris Kilpatrick  
Director of ~~Resource Planning and~~  
Rates

Effective Date: ~~August 1, 2013~~  
October 1, 2013



**SOUTH DAKOTA ELECTRIC RATE BOOK**

**FUEL AND PURCHASED POWER ADJUSTMENT**

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~~Third~~ Fourth Revised Sheet No. 12  
Cancels ~~Second~~ Third Revised Sheet No. 12

**FUEL AND PURCHASED POWER ADJUSTMENT**

**APPLICABLE**

This Fuel and Purchased Power Adjustment (FPPA) applies to all rate schedules for all classes of service authorized by the South Dakota Public Utilities Commission (Commission).

The FPPA shall be calculated annually based on actual system costs for Fuel and Purchased Power (FPP) for the twelve months of April through March as compared to the base year FPP costs, and shall include an over-or-under recovery from prior years' adjustments through the Balancing Account. Black Hills Power, Inc. (the Company) will update and make a FPPA filing with the Commission on an annual basis no later than May 10<sup>th</sup>.

<b><u>FUEL AND PURCHASED POWER ADJUSTMENT CALCULATION</u></b>		For the Twelve months ended March 31, 2013	(T)
1.	Annual System FPP Costs	\$ 33,425,580	(R)
2.	Annual System Energy Sales	2,061,639,885 kWh	(I)
3.	FPP Cost /kWh (Line 1 ÷ Line 2)	\$ 0.0162	/kWh (R)
4.	Approved Base FPP Costs	\$ 0.0146	/kWh
5.	FPP Cost /kWh Difference (Line 3 – Line 4)	\$ 0.0016	/kWh (R)
6.	Total FPP Change from Base (Line 2 x Line 5)	\$ 3,298,624	(R)
7.	South Dakota Annual Retail Energy Sales	1,488,492,737 kWh	(I)
8.	Total SD (Refund) / Charge (Line 5 x Line 7)	\$ 2,381,588	(R)
9.	SD Balancing Account (+/-)	\$ <del>330,840</del> <u>344,669</u>	(I)
<u>10.</u>	<u>Rate Case True-up Items</u>	\$ <u>(506,531)</u>	(N)
<del>10.</del> <u>11.</u>	SD Surplus Energy Phase-out	\$ 500,000	(I)
<del>11.</del> <u>12.</u>	Net SD Amount to (Refund)/Charge (Line 8 + Line 9 + Line 10 + <u>Line 11</u> )	\$ <del>3,212,428</del> <u>2,719,726</u>	(R)
<del>12.</del> <u>13.</u>	Projected South Dakota Retail Energy Sales	1,494,792,736 kWh	(R)
<del>13.</del> <u>14.</u>	SD FPPA (Line 11 ÷ Line 12)	\$ <del>0.00210</del> <u>0.0018</u>	/kWh (R)

Date Filed: ~~April 30, 2013~~  
September 6, 2013

By: Chris Kilpatrick  
Director of ~~Resource Planning and~~  
Rates

Effective Date: ~~June 1, 2013~~  
October 1, 2013



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**FUEL AND PURCHASED POWER ADJUSTMENT**

**POWER MARKETING OPERATING INCOME (Continued)**

- e. Bonuses payable to the Company's generation dispatch and power marketing personnel as a result of Power Marketing Sales shall be included as an expense.
- f. Any specifically identified expenses associated with Power Marketing Sales, such as legal expense or bad debt expense, shall be included as an expense.

**SHARING OF POWER MARKETING OPERATING INCOME**

The calculated Pre-Tax PMOI will be multiplied by 65% to determine the amount of the credit to be applied as a credit to the FPP costs.

The Power Marketing Operating Income Credit shall not be less than \$2,000,000.

**ANNUAL SYSTEM ENERGY SALES (Line 2)**

Annual System Energy Sales are the total kilowatt hours associated with the FERC accounts for Sales of Electricity by Rate Schedules and Sales for Resale, less Power Marketing Sales.

**BASE FPP COSTS (Line 4)**

The Base FPP Costs are as approved by the Commission in Docket EL09-018.

**SOUTH DAKOTA ANNUAL RETAIL ENERGY SALES (Line 7)**

The South Dakota Annual Retail Energy Sales are the total South Dakota retail energy kilowatt hour sales for the previous period for all classes of service authorized by the Commission.

**SD BALANCING ACCOUNT (Line 9)**

This Balancing Account amount on Line 9 (positive or negative) is the Line 10 amount from the previous filing (SD Net Amount to (Refund)/Charge) less the actual FPPA amount (Refunded) or Charged for the period, adjusted for applicable interest. The Balancing Account shall have interest applied or credited monthly at the annual rate of seven percent (7%). The FPPA (Refund)/Charge will be applied monthly to the Balancing Account, first to the interest balance, and thereafter to the principal amount.

**RATE CASE TRUE-UP ITEMS (Line 10)**

The Rate Case True-up Items adjustment includes items that need to be charged or (refunded) to customers as a result of rate case items to be handled outside of the general rate case. These items are handled in the time period required per the outcome of each case. The total dollar amount may reflect items from various cases.

(N)



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**FUEL AND PURCHASED POWER ADJUSTMENT**

**SD SURPLUS ENERGY PHASE-OUT (Line ~~10~~11)**

(T)

The determination of South Dakota Base Rates included a Surplus Energy Credit which is phased-out as follows:

- For the twelve month period April 2010 through March 2011 the amount will be \$0
- For the twelve month period April 2011 through March 2012 the amount will be \$250,000
- For the twelve month period April 2012 through March 2013 the amount will be \$500,000
- All periods after March 2013, the phase-out amount will be \$2,500,000

**NET SD AMOUNT TO (REFUND)/CHARGE (Line ~~11~~12)**

(T)

The net amount to refund or charge customers is the South Dakota's share of the total Net FPP costs adjusted by the Balancing Account and the SD Surplus Energy Phase-out (Line 8 + Line 9 + Line 10 + Line 11).

(N)

**PROJECTED SOUTH DAKOTA RETAIL ENERGY SALES (Line ~~12~~13)**

(T)

These are the kilowatt hours of retail sales projected for the State of South Dakota for the period that the FPPA (Line ~~12~~13) will be in effect.

(T)

**SD FUEL AND PURCHASED POWER ADJUSTMENT (Line ~~13~~14)**

(T)

The FPPA on Line ~~12-13~~ shall be included in the Company's annual Energy Cost Adjustment and shall be applied to all rate schedules in all classes of service authorized by the Commission.

(T)

**EFFECTIVE DATE**

The FPPA will be updated and filed annually with the effective date of June 1<sup>st</sup>.