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February 14, 2014

Patricia Van Gerpen South Dakota Public Utilities Commission State Capitol Pierre, South Dakota 57501

RE: IN THE MATTER OF BLACK HILLS POWER, INC.'S APPLICATION FOR APPROVAL OF ITS TRANSMISSION FACILITIES ADJUSTMENT

Dear Patricia:

As provided in the Order dated September 19, 2013, in Docket EL12-061 the Commission established the Transmission Facility Adjustment (TFA) tariff and ordered Black Hills Power, Inc. ("Black Hills Power" or "Company") to make an annual rate filing for adjustment of rates by February 15th of each year.

The enclosed Application and Exhibits have been provided to support the proposed TFA rates effective June 1, 2014 through May 31, 2015:

- Schedule A Proposed Tariffs
- Schedule B Rate Calculation
- Schedule C Customer Notice

The impact to customers' bills for the period of June 1, 2014 through May 31, 2015 is shown on Schedule B-5. For the typical residential customer averaging 650 kWh per month, the bill increase will be approximately \$0.26 or 0.3%.

If you have any questions, please feel free to contact me.

Sincerely,

Chris Kilpatrick

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