

EXHIBIT __ (LK-21)

BLACK HILLS POWER, INC.
SD PUC DOCKET: EL-14-026
RATE CASE

REQUEST DATE : April 25, 2014
RESPONSE DATE : July 7, 2014
REQUESTING PARTY: Black Hills Industrial Intervenors

BHII Request No. 5: Refer to Statement G, page 3 of 5. Please provide a copy of the source for the 5.79% interest rate assumed on the projected October 1, 2014 debt issuance.

Response to BHII Request No. 5:

The interest cost of 5.79% assumed on Statement G, page 3 of 5 was determined by using an estimate of the 30 year treasury rate plus a spread over the treasury rate applicable to Black Hills Power. These estimates were made just prior to the time the case was filed. On June 30, 2014, Black Hills Power entered into an agreement to issue \$85 million of 30 year First Mortgage Bonds with a coupon rate of 4.43. The bond offering will be closed and funded on October 1, 2014.

Attachments: None