

**BLACK HILLS POWER**  
SD PUBLIC UTILITIES COMMISSION  
DOCKET NO. EL14-034

REQUEST DATE : April 30, 2014  
RESPONSE DATE : May 5, 2014  
REQUESTING PARTY : South Dakota Public Utilities Commission

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**SDPUC Request 1-12:**

Provide an analysis showing the economics of BHP's intention to call the Series 2004 Campbell County Bonds prior to maturity if they can be refinanced at a lower rate of interest with the current issuance. Include the premium to call and explain why the bonds have not been called already.

**Response to SDPUC Request 1-12:**

Attached is the economic computation supporting the redemption of the Black Hills Power Series 2004 Campbell County Bonds.

Under the indenture, the bonds maturing on October 1, 2024, in the amount of \$12,200,000 have an optional redemption feature allowing Black Hills Power to redeem the bonds at a redemption price of 102% starting on October 1, 2014. If Black Hills Power redeems the bonds prior to this date, it must make a make-whole payment to bondholders in addition to the principal amount and accrued interest. The make-whole payment removes the economic incentive to call the bonds.

**Attachments:** 1-12 – Redemption BHP Series 2004 CC Bonds