



Black Hills Power, Inc.
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

ENERGY EFFICIENCY SOLUTIONS ADJUSTMENT

Section No. 3C

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ENERGY EFFICIENCY SOLUTIONS ADJUSTMENT

APPLICABLE

This Energy Efficiency Solutions Adjustment (EESA) applies to all rate schedules for all classes of service authorized by the South Dakota Public Utilities Commission (Commission).

~~The EESA shall be calculated annually based on actual versus forecasted energy efficiency solutions program costs for the twelve months of September through August and kWh retail sales for the applicable rate schedules, 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 an EESA filing with the Commission on an annual basis no later than October 15th. The first year rate recovery period will be from September 1, 2014 through November 30, 2015 and the last rate recovery period of the 2014—2016 Energy Efficiency Solutions Plan will be from December 1, 2016 through November 30, 2017.~~

The EESA shall be calculated annually, no later than October 1st, based on actual versus forecasted Energy Efficiency Solutions Program Costs for twelve months of September through August of each Plan Year (PY) and kWh retail sales for the applicable rate schedules, and shall include an over or under recovery from prior years adjustments through the Balancing Account. Rates for each recovery period will be effective from December 1st through November 30th.

Black Hills Power, Inc. (the Company) will file with the Commission any recommended modifications to the currently effective Energy Efficiency Plan no later than June 1st. Approved plan changes will be effective for the start of the upcoming PY.

ENERGY EFFICIENCY SOLUTIONS ADJUSTMENT RATE

An EESA rate shall be determined by dividing the energy efficiency program costs and the forecasted balance of the EESA Balancing Account by the forecasted retail sales volumes for the upcoming year. The EESA rate shall be rounded to the nearest \$0.0001 per kWh.

The EESA rate may be adjusted annually with approval of the Commission. The EESA rates for the applicable rate schedules are:

Residential: \$0.0003
Commercial/Industrial: \$0.0012

Energy Efficiency Solutions Program Costs shall include all expenses, costs and lost margins associated with energy efficiency programs and that are approved by the Commission. All revenues recovered pursuant to the Energy Efficiency Solutions Adjustment shall be credited to the Balancing Account.

EESA Balancing Account amount is the energy efficiency program costs incurred less all revenues recovered pursuant to the Energy Efficiency Solutions Adjustment for the annual year as adjusted for applicable interest. The Balancing Account shall have interest applied or credited monthly at the annual rate of seven percent (7%). The EESA revenues will be applied monthly to the Balancing Account for each customer class, first to the interest balance, and thereafter to the principal amount.

Forecasted Retail Sales Volumes shall be the estimated retail electric sales for the applicable rate schedules for the designated recovery period.

EFFECTIVE DATE

The EESA will be updated and filed by October ~~15th~~1st each year with the effective date of December 1st.

Date Filed: November 16,
2018

By: Marne Jones

Effective Date: December 1, 2017
2016

Docket: EL17-045

Director of Regulatory Services