



Chris Kilpatrick
Director of Rates- Electric Regulation
Chris.Kilpatrick@blackhillscorp.com

625 Ninth Street• P.O. Box 1400
Rapid City, South Dakota 57709-1400
P: 605.721.2748
F: 605.721.2568

February 16, 2010

Ms Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 East Capital
Pierre, SD 57504-5070

Re: Black Hills Power, Inc. – Amendment to the Application for Energy Cost
Adjustment; Docket No. EL10-001

Dear Ms. Van Gerpen:

Enclosed for filing is Black Hills Power, Inc.'s Amendment to the Application in the above referenced docket. This Amendment is filed to provide updated Statement R coal pricing and to provide for the correction of formulas in the Transmission Costs Adjustment interest rate calculation. These changes impact the Electric Cost Adjustment rate that was requested in the Application filed January 27, 2010.

If you have any questions about this filing, please do not hesitate to contact me.

Sincerely,



Chris Kilpatrick

**BEFORE THE SOUTH DAKOTA
PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF BLACK HILLS)
POWER, INC.'S AMENDMENT TO THE)
APPLICATION FOR APPROVAL OF ITS) Docket No. EL10-001
ELECTRIC COST ADJUSTMENT)
)

AMENDMENT TO THE APPLICATION FOR ELECTRIC COST ADJUSTMENT

Black Hills Power, Inc. (“Black Hills Power” or the “Company”), a South Dakota corporation, files this Amendment to the Application for approval of the Electric Cost Adjustment (ECA) to its electric rates, which were filed on January 27, 2010. The Amendment is to provide updated Statement R coal pricing and to provide for the correction of formulas in the Transmission Costs Adjustment interest rate calculation. In support of its Amended Application, Black Hills Power states as follows:

1. Black Hills Power is a public utility as defined under SDCL § 49-34A-1, with a business address of PO Box 1400, 625 Ninth Street, Rapid City, SD 57709.
2. The information set forth in the Application requesting approval of a change to the Company's ECA rate to be effective March 1, 2010 remains the same, except as specifically changed in this Amendment. Amended Exhibits Nos. 1, 2, 4, 5 and 7 are attached hereto.
3. Transmission Cost Adjustment (TCA). The distribution of the Balancing Account for the TCA is attached as Amended Exhibit No. 4. The TCA for this period is as follows:

Customer Class Transmission Cost Adjustment

Residential Service	\$0.00279/kWh
Small General Service	\$0.00346/kWh
Large General Service	\$0.00254/kWh
Industrial Contract Service	\$0.00268/kWh
Lighting Service	\$0.00287/kWh

4. Steam Plant Fuel Cost Adjustment (SPFCA). The calculation for the SPFCA is attached at Amended Exhibit No. 5. The SPFCA for this period, for all customer classes, is \$0.00211/kWh.

5. The proposed ECA rate for each customer class is as follows:

Residential Service	\$0.00496/kWh
Small General Service	\$0.00563/kWh
Large General Service	\$0.00471/kWh
Industrial Contract Service	\$0.00485/kWh
Lighting Service	\$0.00504/kWh

The detailed electric cost adjustments are set forth in the Energy Cost Adjustment Summary sheet contained in Amended Exhibit No. 2, attached hereto.

6. Approximately 63,500 South Dakota retail customers are affected by the ECA rate change. The annual increase in the cost of service is \$962,938 or 0.85% higher than 2009 revenue.
7. Attached hereto as Amended Exhibit No. 7 is a copy of the amended notice that has been provided to the public in accordance with ARSD § 20:10:13:15 and pursuant to §§ 20:10:13:17 to 20:10:13:19, inclusive.
8. In support of this Amended Application, attached hereto and made a part hereof by this reference are Amended Exhibit Nos. 1, 2, 4, 5, and 7, showing supporting data for the proposed ECA:

- Amended Exhibit No. 1 Report of Tariff Change
- Amended Exhibit No. 2 Energy Cost Adjustment Summary (Section No. 3C, Second Revised Sheet No. 11)
- Amended Exhibit No. 4 TCA Tariff calculation (Section No. 3C, Second Revised Sheet No. 5A)
- Amended Exhibit No. 5 SPFCA Tariff calculation (Section No. 3C, Third Revised Sheet No.8)
- Amended Exhibit No. 7 Notice to Customers

WHEREFORE, Black Hills Power respectfully requests that the Commission enter an order approving the proposed tariffs and ECA rate, as amended and placing the rate into effect for service on and after March 1, 2010.

Dated this 16th day of February, 2010.

BLACK HILLS POWER, INC.

By: 

Chris Kilpatrick

Director of Rates- Electric Regulation

Report of Tariff Change

Name of Utility: Black Hills Power Inc.; PO Box 1400, 625 Ninth Street, Rapid City, SD 57709

Address of Main Office: PO Box 1400, 625 Ninth Street, Rapid City, SD 57709

Changes to Black Hills Power Inc.'s South Dakota Electric Rate Book:

Section No. 3C, Second Revised Sheet No. 11

Section No. 3C, Third Revised Sheet No.1

Section No. 3C, Third Revised Sheet No.5

Section No. 3C, Second Revised Sheet No. 5A

Section No. 3C, Third Revised Sheet No.8

Section No. 1, Nineteenth Revised Sheet No. 1

Section No. 1, Fifteenth Revised Sheet No. 3

Description of the change: Electric Cost Adjustment to be implemented March 1, 2010

Reason for the change: To reflect the increase in the cost of service, as determined by the Conditional Energy Costs Adjustment, the Transmission Costs Adjustment, and the Steam Plant Fuel Cost Adjustment.

	Present Rate ¢/kWh	Proposed Rate ¢/kWh
Total Residential Service	0.326	0.496
Total Small General Service	0.330	0.563
Total Large General Service	0.324	0.471
Total Industrial Contract	0.322	0.485
Total Lighting Service	0.327	0.504

Approximation of annual amount of increase/(decrease) in revenue: \$2,073,830

Points affected: Approximately 63,500 South Dakota retail customers

Increase/(decrease) to cost of service: Approximately \$962,938

Remarks: The facts, opinions, documents and exhibits needed to support the proposed changes are included in the Application and exhibits thereto.

BLACK HILLS POWER, INC.

By:



Chris Kilpatrick
Director of Rates-Electric Regulation

SOUTH DAKOTA ELECTRIC RATE BOOK

Section No.	3C
Second Revised Sheet No.	11 (T)
Replaces First Sheet No.	11 (T)

ENERGY COST ADJUSTMENT SUMMARY

	Energy Cost Adjustment ¢/kWh	
	<u>ECA</u>	
1. <u>Residential Service</u>		
1. CECA	0.006	(R)
2. TCA	0.279	(I)
3. SPFCA	0.211	(I)
4. Total Residential Service	<u>0.496</u>	(I)
5. <u>Small General Service</u>		
5. CECA	0.006	(R)
6. TCA	0.346	(I)
7. SPCFA	0.211	(I)
8. Total Small General Service	<u>0.563</u>	(I)
9. <u>Large General Service</u>		
9. CECA	0.006	(R)
10. TCA	0.254	(I)
11. SPFCA	0.211	(I)
12. Total Large General Service	<u>0.471</u>	(I)
13. <u>Industrial Contract Service</u>		
13. CECA	0.006	(R)
14. TCA	0.268	(I)
15. SPFCA	0.211	(I)
16. Total Industrial Contract	<u>0.485</u>	(I)
17. <u>Lighting Service</u>		
17. CECA	0.006	(R)
18. TCA	0.287	(I)
19. SPFCA	0.211	(I)
20. Total Lighting Service	<u>0.504</u>	(I)

CECA - Conditional Energy Cost Adjustment
TCA - Transmission Cost Adjustment
SPFCA - Steam Plant Fuel Cost Adjustment

SOUTH DAKOTA ELECTRIC RATE BOOK

Section No.	3C
Second Revised Sheet No.	5A (T)
Replaces First Sheet No.	5A (T)

TRANSMISSION COST ADJUSTMENT CALCULATION, Continued

12.	Balancing Account (+/-) for each SD Customer Class	191,162	(I)
	Residential Service	\$ 64,995	(I)
	Small General Service	\$ 65,626	(I)
	Large General Service	\$ 39,628	(I)
	Industrial Contract Service	\$ 19,059	(I)
	Lighting Service	\$ 1,854	(I)
13.	Total Transmission Cost for each SD Customer Class (Refund)/Charge (Line 11 + Line 12)		
	Residential Service	\$ 1,446,576	(I)
	Small General Service	\$ 1,460,616	(I)
	Large General Service	\$ 881,986	(I)
	Industrial Contract Service	\$ 424,187	(I)
	Lighting Service	\$ 41,270	(I)
14.	Forecast SD Customer Class Annual Retail Energy Sales (kWh/Class)		
	Residential Service	517,641,131	(R)
	Small General Service	421,814,252	(R)
	Large General Service	347,355,081	(R)
	Industrial Contract Service	158,216,597	(R)
	Lighting Service	14,389,212	(R)
15.	South Dakota Customer Class Transmission Cost Adjustment (Line 13/Line 14)		
	Residential Service	\$ 0.00279 /kWh	(I)
	Small General Service	\$ 0.00346 /kWh	(I)
	Large General Service	\$ 0.00254 /kWh	(I)
	Industrial Contract Service	\$ 0.00268 /kWh	(I)
	Lighting Service	\$ 0.00287 /kWh	(I)

SOUTH DAKOTA ELECTRIC RATE BOOK

	Section No.	3C
	Third Revised Sheet No.	8 (T)
Page 1 of 3	Replaces Second Revised Sheet No.	8 (T)

STEAM PLANT FUEL COST ADJUSTMENT

APPLICABLE

This Steam Plant Fuel Cost Adjustment (SPFCA) applies to all rate schedules for all classes of service authorized by the South Dakota Public Utilities Commission (Commission). The SPFCA shall recover the fuel costs associated with the steam plant generation resources of Black Hills Power, Inc. (the Company) used to serve retail customers.

The SPFCA shall be calculated annually based on actual system steam plant fuel costs for the previous calendar year as compared to the base year steam plant fuel costs, and shall included an over-or-under recovery from prior years' adjustments through the Balancing Account. The Company will update and make the SPFCA filing with the Commission on an annual basis no later than February 10th.

<u>STEAM PLANT FUEL COST ADJUSTMENT CALCULATION</u>		For the Year Ended December 31, 2009	(T)
1.	Annual System Steam Plant Fuel Costs	\$ 20,371,025	(I)
2.	Power Marketing Steam Plant Fuel Costs	\$ 1,406,740	(I)
3.	Net Steam Plant Fuel Costs (Line 1 - Line 2)	\$ 18,964,286	(I)
4.	Annual System Energy Sales	2,285,473,928 kWh	(R)
5.	Adjusted Steam Plant Fuel Costs (Line 3 ÷ Line 4)	\$ 0.00830 /kWh	(I)
6.	Base Steam Plant Fuel Costs	\$ 0.00631 /kWh	
7.	Difference (Line 5 - Line 6)	\$ 0.00199 /kWh	(I)
8.	South Dakota Calendar Year Retail Energy Sales	1,430,800,272 kWh	(R)
9.	Steam Plant Fuel Costs to South Dakota (Line 7 x Line 8)	\$ 2,847,293	(I)
10.	Balancing Account (+/-)	\$ 227,308	(I)
11.	Balance of Steam Plant Fuel Costs for South Dakota (Refund)/Charge (Line 9 + Line 10)	\$ 3,074,601	(I)
12.	Projected South Dakota Retail Energy Sales	1,459,416,273 kWh	(R)
13.	Steam Plant Fuel Cost Adjustment (Line 11 ÷ Line 12)	\$ 0.00211 /kWh	(I)

In January 2010, Black Hills Power, Inc. filed an application with the South Dakota Public Utilities Commission (PUC) for a change to the Electric Cost Adjustment rate. This rate change affects all South Dakota Retail Customers. For the typical residential customer using 600 kWh per month, this adjustment will increase the electric bill by \$0.00170 per kWh or approximately \$1.02 per month.

The application is available in this office for inspection. Please inquire at the customer service desk.