

BEFORE THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Petition of Black Hills) AMENDMENT TO SETTLEMENT
Power, Inc. to Establish an Environmental) STIPULATION II
Measures Cost Recovery Tariff)
)
) Docket No. EL11-001
)

This AMENDMENT is made and entered into, on this 11^A day of June, 2012, by Black Hills Power, Inc., a South Dakota Corporation (BHP), and the Staff of the South Dakota Public Utilities Commission (Commission Staff); throughout this agreement, BHP and Commission Staff will be jointly referred to as the Parties.

RECITALS

1. The Parties hereto are the parties to the agreement titled Settlement Stipulation in South Dakota Public Utilities Commission (Commission) Docket EL11-001, which was put before the Commission on May 31, 2011, and approved by the Commission as final resolution of all matters in Docket EL11-001.
2. The Settlement Stipulation established several annual reporting obligations of BHP of information regarding its Environmental Improvement Adjustment (EIA) tariff mechanism applicable to electric service rendered by BHP to its South Dakota customers.
3. According to Paragraph 5, under *Elements of Settlement Stipulation* of the Settlement Stipulation, the Parties agreed BHP will provide Commission Staff with an *Annual Report of South Dakota Jurisdictional Financial Condition* (Report) and the Report is to be provided by June 1st of each year beginning 2012.
4. According to Paragraph 6, under *Elements of Settlement Stipulation* of the Settlement Stipulation, rates established under the initial EIA were implemented with an effective date of June 1, 2011. Pursuant to BHP's South Dakota Electric Tariff Book, Section No. 3C, Sheet No. 20, this June 1st effective date is carried forward to EIA annual rate adjustments.
5. The Parties recognize the Report is intended to provide Commission Staff information to assist in the evaluation process of BHP's EIA annual filings. As Commission Staff requires the Report during the review process of annual filings, the Parties agree the submission deadline for

the Report must be adjusted so the Report deadline falls at a time prior to the effective date for EIA annual adjustments. This will allow Commission Staff and the Commission adequate time to review information contained in the Report when assessing EIA annual filings.

6. In order to remedy this timing discrepancy, the Parties filed an Amendment to Settlement Stipulation dated May 10, 2012, which altered the Report submission deadline from June 1st of each year to May 1st of each year. At its regularly scheduled meeting, the Commission considered this matter and approved the Amendment to Settlement Stipulation on the condition that the Report submission deadline is changed to April 15th of each year instead of the May 1st date proposed by the Parties. The Parties agreed to this change and submit this Amendment to Settlement Stipulation II to incorporate the Commission's conditional approval requirement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises, covenants, undertakings, and conditions set forth herein, the Parties agree to amend the Settlement Stipulation as follows:

1. This Amendment to Settlement Stipulation II shall substitute, in full, the Amendment to Settlement Stipulation in order to incorporate the conditional approval requirement set forth by the Commission at its meeting of May 22, 2012.

2. Paragraph 5 under *Elements of Settlement Stipulation* of the Settlement Stipulation is hereby amended and restated in its entirety to read as follows:

“Annual Reports of South Dakota Jurisdictional Financial Condition–

The Parties agree that, by April 15th of each year beginning in 2013, the Company will send to Commission Staff an informational report of its South Dakota jurisdictional financial condition for the preceding calendar year. The determinations will be presented on an actual basis and will reflect South Dakota ratemaking practices. This requirement will exist only as long as the Company is receiving revenue from the EIA.”

3. This Amendment is intended to relate only to the specific matters referred to herein; the Parties waive no right or claim with respect to any matter not expressly provided for herein.

IN WITNESS WHEREOF, the Parties have caused this Amendment to the Settlement Stipulation to be executed by their duly authorized representatives.

Black Hills Power, Inc.

South Dakota Public Utilities Commission

By:

Richard C. Joomis

Its:

Vice President, Operations

By:

Jon Thumber

Its:

Staff Analyst