

BEFORE THE SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

**In the Matter of the Petition of Black Hills)
Power, Inc. to Establish an Environmental)
Measures Cost Recovery Tariff)
)
)
)**

**THIRD AMENDMENT TO
SETTLEMENT STIPULATION**

Docket No. EL11-001

This AMENDMENT is made and entered into, on this 14th day of May, 2013, 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. 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 submitted an Amendment to Settlement Stipulation II dated June 11, 2012, to incorporate the Commission's conditional approval requirement.

5. On April 4, 2013, BHP filed a letter with the Commission requesting the Commission accept Statements A through R and Work Papers 1 through 4 submitted in Docket EL12-061 on December 17, 2012, as BHP's 2012 Report. At its regularly scheduled meeting on April 23, 2013, the Commission considered this matter and on April 24, 2013, the Commission issued an Order Accepting Rate Case Submission as Annual Report of Jurisdictional Financial Condition.

6. The Parties agree the Settlement Stipulation should be amended in order to permit rate case submissions as the Report.

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 Third Amendment to Settlement Stipulation shall substitute, in full, the Amendment to Settlement Stipulation II.

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 2014, 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. The Company is not required to submit the report if BHP has (a) filed a general rate case within 12 months of the report due date or (b) adjusted rates as a result of a general rate case within 12 months of the report due date.”

(Proposed amended language is underlined.)

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:

Its:

Richard C. Foomis
Vice President, Operations

By:

Its:

Karen E. Cremer
Staff Attorney