

Attachment C

POWER FACTOR

A NEWSLETTER FOR INDUSTRIAL AND COMMERCIAL ELECTRIC CUSTOMERS • MARCH 2012

New Black Hills Power website puts you in control

If you've visited www.blackhillspower.com recently, we hope you liked the site's much-improved new look.

But more than just the look, we also hope you found the site a lot easier to navigate.



We launched the all-new www.blackhillspower.com in January. And your feedback helped us design it.

The site's new features will allow you to:

1. Easily access the three most commonly used functions from the home page.
 - Report an outage or problem — Report outages with the click of a button and view current outages on a map
 - Pay a bill — Review and select payment options quickly
 - Start/Stop service — Start or stop service online
2. Use your mobile device or tablet to access the site.
3. View your energy usage online in monthly increments.
4. Login easily or contact the company with questions.
5. Subscribe to news feeds to receive automated updates.
6. Use an improved search function to find information quickly from any page.
7. Quickly access dozens of money- and energy-saving tips and rebates.
8. Quickly access current rates and related information.
9. Learn about energy, from production to your meter.
10. See what steps we're taking to minimize our impact on the environment.

Save Energy and Money With LED Lights

Black Hills Power's Energy Efficiency Solutions Programs are available to help your business cash in on energy savings. Under our Custom Program, your business may be able to use light-emitting diodes (LEDs) for more energy-efficient lighting.

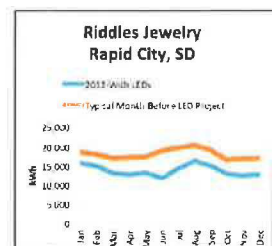


Riddles Jewelry store in Rapid City, S.D., recently completed a lighting project at one location. Riddles upgraded some of its fluorescent lights from 32-watt to 25-watt, the most efficient low-watt fluorescent lamps available. Even bigger savings came from changing 75 halogen lights to 20-watt LED lamps.

Black Hills Power energy rebates made the project possible. Energy savings with LEDs is considerable, but the up-front cost is higher than conventional lighting.

An important consideration for Riddles is to make sure lighting sources showcase their jewelry. Previously, incandescent lighting was the only option to adequately light displays. With new technologies, stores can reduce energy costs and still shed a positive light on their products.

Riddles saw a quick payback, especially since the staff replaced the lighting themselves. Another benefit of LED lights is comfort. One Riddles salesperson said that working in the showroom under the old lighting felt like standing under a heat lamp. That's no longer the case, and the jeweler is now looking to upgrade to LEDs in its other stores.





Energy Efficiency Solutions

We encourage commercial and industrial customers to save energy. That's why we offer several kinds of rebates and programs. Saving energy + saving money = win/win.

Lighting Rebates Black Hills Power offers our commercial and industrial customers rebates for installing, replacing or retrofitting lighting systems. Qualifying systems include T5 fluorescent, high performance T8 lamp and ballast combinations, high bay fluorescent fixtures and pulse start metal halide lamps. Rebates are calculated based on size and type per fixture.

Motor Rebates Replace older inefficient but functioning motors that operate in excess of 2,000 hours per year with NEMA Premium efficiency motors and receive a rebate based on the horsepower (HP) size of the motor.

Variable Frequency Drive Rebates Install variable frequency drives (VFD) on HVAC fans, pumps, cooling towers, process equipment and industrial fans that operate in excess of 2,000 hours per year and qualify for a \$30 per HP rebate.

Heat Pump Rebates Install a new, qualifying energy efficient air-source heat pump with a SEER rating of 15 and HSPF of 8.5 or higher and receive a cash rebate of \$150 per ton. Heat pump unit size is limited to 5 tons.

Install a new, qualifying geothermal heat pump system with a EER rating of 16.5 and COP of 3.6 or higher and receive a cash rebate of \$275 per ton. Heat pump unit size is limited to 5 tons.

Water Heater Rebates Install a new or replace your existing residential-type water heater with an energy-efficient electric model with an Energy Factor (EF) rating of .94 or greater for up to 50 gallon tanks and .92 for over 50 gallon tanks; and qualify for a rebate of \$1.50 per gallon.

Refrigerator Recycling Turn in your old, inefficient second refrigerator and receive \$30 cash back. Qualifying refrigerators in working condition between 10 and 30 cubic feet in size will be removed free of charge and disposed of in an environmentally safe and responsible manner. Maximum of two refrigerators.

Custom Rebates Custom rebates are available for projects that reduce electric usage, but are not covered under the prescriptive rebates listed above. Custom rebates must first pass a cost/benefit test. The rebate amount will be calculated based on the incremental cost or energy savings.

Maximum Rebate Amount Non-residential customers are eligible for rebates up to \$25,000 per year.

Black Hills Cares keeping the cold out for families in need



"I was really sick for two weeks, and unfortunately, I had to miss work and was having trouble paying my bills," our customer Roberta told us. "With two young boys in the house, I really needed some help."

Stories like Roberta's are far too common in today's economy. Unemployment. Single parenting. Disability. Illness. There's a heartbreaking litany of reasons why people need help — including with their utility bills.

For many of these people, home is not a place to escape the cold. But as a utility company, the last thing we want is for someone struggling financially to face living in an unheated home.

That's why we offer Black Hills Cares, the energy assistance program supported through customer and employee donations. We match those funds to help folks in need meet energy-related expenses. The funds go directly to local assistance agencies in the area where the donation originated.

In the areas that Black Hills Power serves, Black Hills Cares has provided millions of dollars to help thousands of our customers in need.

You can help someone near you in need with your tax-deductible donation to Black Hills Cares. There's a Black Hills Cares check box on your monthly bill. You can make a one-time contribution or choose to provide a set amount each month.

Easy ways to pay your bill

There are other options besides mailing your payment in the envelope provided with your bill.

NEW! Pay From Mobile Device: Scan the QR code at the top of your bill to submit a payment directly from your checking or savings account at no additional charge.

Pay Online: Receive your bill electronically through eBill and pay online at no additional charge. Sign up at www.blackhillspower.com.

Pay By Mail: Mail your payment in the envelope provided with your bill.

Visit any Black Hills Power district office during regular business hours.

Set Up Autopayments: Pay your monthly bill automatically from your checking or savings account on the due date of the bill. Learn more at www.blackhillspower.com.

Need Help?

You can find us here when you have questions.

24/7 Customer Service 800-742-8948
customerservice@blackhillscorp.com

24/7 Emergency Service 800-839-8197

Energy Efficiency www.bhpsavemoney.com

Call Before You Dig 811
It's toll-free and it's the law!

www.blackhillspower.com



Attachment 1

BLACK HILLS POWER

Energy Efficiency Solutions Program - 3 Year Plan Costs

<u>Line</u>	<u>3 Year South Dakota Plan</u>	<u>Electric Residential</u>	<u>Electric Non-Residential</u>
1.	Plan Development Costs	\$ 61,033	\$ 79,314
2.	Program Costs		
3.	September 1, 2011 to August 31, 2012	\$ 301,897.38	\$ 94,131.20
4.	September 1, 2012 to March 31, 2013	\$ 107,723.88	\$ 63,839.04
5.	Projected Remaining Program Costs	<u>\$ 623,641.74</u>	<u>\$ 1,215,194.76</u>
6.	Program Costs Total	\$ 1,033,263.00	\$ 1,373,165.00
7.	Lost Margin Recovery @ 30%	<u>\$ 309,979</u>	<u>\$ 411,950</u>
8.	Total	\$ 1,404,275	\$ 1,864,429