

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE)	
APPLICATION OF BLACK HILLS)	Docket No. EL12-061
POWER, INC., FOR AUTHORITY TO)	
INCREASE ITS ELECTRIC RATES)	
)	
IN THE MATTER OF THE)	Docket No. EL12-062
APPLICATION OF BLACK HILLS)	
POWER, INC., FOR THE PHASE IN)	
OF RATES REGARDING)	SUPPLEMENTAL MOTION FOR
CONSTRUCTION FINANCING)	APPROVAL OF SETTLEMENT
COSTS)	AGREEMENT
)	(SDSTA)

This Supplemental Motion for Approval of Settlement Agreement (“Supplemental Motion”) is made by Black Hills Power, Inc. (“BHP”). BHP hereby represents that this Supplemental Motion is made with the consent, authorization, and approval of South Dakota Science and Technology Authority (“SDSTA”). BHP and SDSTA are jointly referred to herein as “Parties.”

BHP requests that the South Dakota Public Utilities Commission (“Commission”) adopt and approve effective June 16, 2013, the Joint Motion for Approval of Settlement Agreement (SDSTA) (“Joint Motion”) that is being filed simultaneously with this Supplemental Motion. The Joint Motion requests approval of the Confidential Settlement Agreement (“Settlement Agreement”), including the Contract with Deviations attached as

an exhibit to the Settlement Agreement, as the settlement and resolution of all of the issues between the Parties.

Alternatively, BHP requests that the Commission conditionally authorize and approve, commencing June 16, 2013, the implementation of the rates set forth in the Settlement Agreement (“Settlement Rates”), subject to later approval of the Joint Motion by the Commission, with the agreement that:

1) if said Joint Motion is not subsequently approved by the Commission, the rates to be paid by SDSTA on and after June 16, 2013, shall be those rates in effect on June 15, 2013, with the difference between the applicable rates and the implemented rates subject to true up and refund or repayment as the case may be; or

2) if said Joint Motion is subsequently approved by the Commission with some modification of the Settlement Rates to be paid by SDSTA, that the rates to be paid by SDSTA on and after June 16, 2013, shall be such rates as approved by the Commission, with the difference between the Settlement Rates and the applicable rates (as approved by the Commission) subject to true up and refund or repayment as the case may be.

The reasons for the requested approval are as follows:

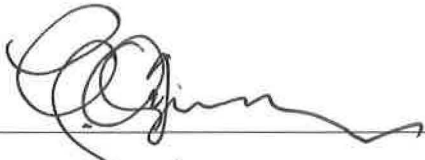
BHP filed with the Commission on May 2, 2013, BHP’s Notice of Intent to Implement Interim Rates (“Notice”). In settling, SDSTA did not expect to pay, and it would be unfair for it to pay, the interim rates that are expected to go into effect on June 16, 2013 as set forth in the Notice. In addition, the Settlement Rates contain a reduction in demand charges that is expected to begin benefiting SDSTA in the spring and summer months and it will benefit SDSTA if such provision commences sooner than later.

In summary, as a result of the settlement, it is in the best interest of the Commission and the Parties that the rate agreed upon by the Parties as set forth in the Settlement Agreement be implemented on June 16, 2013 rather than requiring SDSTA to pay those rates set forth in the Notice.

WHEREFORE, for the foregoing reasons, BHP requests that the South Dakota Public Utilities Commission adopt and approve, effective June 16, 2013, the attached Settlement Agreement and the Contract with Deviations, without modification, for the purposes of resolving all issues between the Parties. Alternatively, BHP requests that the Commission conditionally authorize and approve, commencing June 16, 2013, the implementation of the rates set forth in the Settlement Agreement ("Settlement Rates"), subject to later approval of the Joint Motion by the Commission.

Dated this 23rd day of May, 2013.

BLACK HILLS POWER, INC.

By:  _____

Its: Outside Attorney _____