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June 28, 2013

Ms. Patricia Van Gerpen
South Dakota Public Utilities Commission
State Capitol
Pierre, SD 57501

RE: DOCKET NO. EL12-062 - IN THE MATTER OF THE APPLICATION OF BLACK HILLS POWER, INC. FOR THE PHASE IN OF RATES REGARDING CONSTRUCTION FINANCING COSTS OF CHEYENNE PRAIRIE GENERATING STATION

Dear Ms. Van Gerpen:

In accordance with the Stipulation Regarding Effective Date of Interim Phase In Rates (“Stipulation”) approved in Docket EL12-062, Black Hills Power, Inc. (“Black Hills Power” or Company) hereby submits its quarterly Phase In Plan Rate (“PIPR”) compliance filing for rates effective August 1, 2013.

The PIPR tariff allows for the recovery of construction financing costs associated with the Cheyenne Prairie Generating Station. As provided in the Stipulation, the PIPR rate is effective on an interim basis and is subject to refund until such rates are approved by the Commission. The clean and legislative versions of the revised PIPR tariff sheet, Section No. 3C, Sheet No. 5, have been attached hereto.

The following schedules have been provided to support the quarterly rate effective August 1, 2013 through October 31, 2013:

- Schedule A – PIPR Calculation
- Schedule B – PIPR Quarterly Revenue Requirement Calculation
- Schedule C – Customer Impact
- Schedule D – Monthly CPGS Construction Costs

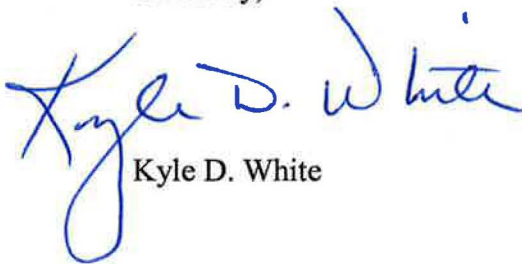
This quarterly compliance filing reflects an update to the following:

- Forecasted and actual CPGS construction costs;
- Forecasted Libor-based interest rate plus 150 basis points for Black Hills Corporation’s short term revolving credit agreement dated February 1, 2012; and
- Forecasted kWh sales by customer class;

The impact to customers' bills for the quarterly Phase In Plan Rate, effective August 1, 2013 through October 31, 2013, is provided in Schedule C. For the residential customer averaging 650 kWh usage per month, the bill increase will be approximately \$0.29 per month, or 0.40%. For the small general service customer averaging 2,678 kWh usage per month, the bill increase will be approximately \$0.11, or 0.04%.

Please feel free to contact me if there are any questions related to this compliance filing.

Sincerely,



Kyle D. White