## BLACK HILLS POWER, INC. COMPARISON OF REVENUE FROM SALES UNDER PRO FORMA AND PROPOSED RATES FOR THE TEST YEAR ENDED SEPTEMBER 30, 2013

No.   SCRIDENTIAL SERVICE						REVENUE FROM SALES			AVERAGE	
Residential Total Electric   Sect 3, 14   SD712, SD876   S32,835,952   8   42,966,74   8   47,975,480   5,018,686   11,68%   62,725   7,286   11,68%   62,725   7,286   11,68%   62,725   7,286   11,68%   62,725   7,286   11,68%   62,725   7,286   11,68%   62,725   7,286   11,68%   62,725   7,286   11,68%   62,725   7,286   11,68%   12,68%   1	LINE	3	TARIFF			PRO FORMA	PROPOSED	PROPOSED	INCREASE	NUMBER OF
2 Residential Total Electric         Sect 3, 3-4         SD712, SD876         88,923,685         \$ 9,480,758         \$ 10,108,103         657,345         6,96%         6,725           4 Utility Controlled Residential (Closed)         Sect 3A, 4-5         SD714, SD716, SD876         30,865         \$ 9,480,758         \$ 9,427,4         539         6,17%         3           5 TOTAL Residential Service         Sect 3A, 4-5         SD717, SD878         356,168,400         \$ 8,623,208         \$ 6,090,902         \$ 5,65,679         10,79%         \$ 2,490           8 MALL GENERAL SERVICE         Sect 3, 7-8         SD720, SD8778         356,168,400         \$ 46,242,061         \$ 9,662,738         34,20,676         7,40%         10,841           10 General Service         Sect 3, 7-8         SD720, SD8778         356,168,400         \$ 46,242,061         \$ 9,662,738         3,420,676         7,40%         10,841           10 General Service         Sect 3, 7-8         SD720, SD878         356,168,400         \$ 4,614,629         300,240         6,96%         882           11 Unity Controlled General Service (Closed)         Sect 3, 1-12         SD727         2,375,455         \$ 11,600         \$ 1,61,60         \$ 2,622,478         3,40,667         7,40%         10,81         10,92         1,72,90         6,12% <td< th=""><th>NO.</th><th>RESIDENTIAL SERVICE</th><th>SCHEDULE</th><th>RATE IDS</th><th>kWh</th><th>RATES</th><th>RATES</th><th>AMOUNT</th><th>% INCREASE</th><th>CUSTOMERS</th></td<>	NO.	RESIDENTIAL SERVICE	SCHEDULE	RATE IDS	kWh	RATES	RATES	AMOUNT	% INCREASE	CUSTOMERS
Secidential Demand Metered   Seci 3A, 1-3   SD714, SD716, SD877   90,666,049   \$8,137,939   \$8,998,136   860,197   10,57%   3,579	1	Residential	Sect 3, 1-2	SD710, SD875	328,835,952	\$ 42,956,794	\$ 47,975,480	\$ 5,018,686	11.68%	42,144
Dilling Controlled Residential Closed  Sect 3A, 4-5   SD717   131,002   S, 273   S, 9,274   539   6,17%   3, 2, 480	2	Residential Total Electric	Sect 3, 3-4	SD712, SD876	88,923,685	\$ 9,450,758	\$ 10,108,103	657,345	6.96%	6,725
Sect 3, 1-8   SMALL GENERAL SERVICE   Sect 3, 7-8   SD720, SD770, SD878   356, 168,400   \$46,242,061   \$49,662,738   3,420,676   7,40%   10,841	3	Residential Demand Metered	Sect 3A, 1-3	SD714, SD716, SD887	90,666,049	\$ 8,137,939	\$ 8,998,136	860,197	10.57%	3,579
SMALL GENERAL SERVICE   General Service   Sect 3, 7-8   SD720, SD770, SD878   356, 168, 400   \$46,242,061   \$49,662,738   3,420,676   7,40%   10,841	4	Utility Controlled Residential (Closed)	Sect 3A, 4-5	SD717	131,002	\$ 8,735	\$ 9,274	539	6.17%	3
SMALL GENERAL SERVICE   Sect 3, 7-8   SD720, SD770, SD878   356, 168, 400   \$ 46,242,061   \$ 49,662,738   3,420,676   7,40%   10,841	5	TOTAL Residential Service	•		508,556,688	\$ 60,554,226	\$ 67,090,992	\$ 6,536,767	10.79%	52,450
General Service - Total Electric   Sect 3, 7-8   SD720, SD70, SD878   356, 184,00   \$46,242,061   \$8.966,2738   \$34,020,76   7.40%   10.841	6									
General Service - Total Electric   Sect 3, 7-8   SD720, SD770, SD878   356, 168,400   \$4,6242,061   \$5,966,2738   \$3,420,676   7,40%   10,841	7									
10   General Service - Total Electric   Sect 3, 9-10   SD232,SD703   38,153,493   \$4,514,389   \$4,614,629   300,240   6,96%   882     11   Irrigation Pumping   Sect 3, 19-20   SD726   887,365   \$11,196   \$12,6457   7,290   61,2%   18     12   Utility Controlled General Service (Closed)   Sect 3, 4,1-12   SD727   2,375,455   \$166,068   \$178,024   11,957   7,20%   24     13   Energy Storage Service   Sect 3, 6-10   SD755   4,800,579   \$374,486   \$402,899   28,412   7,59%   20     14   Municipal Pumping Service   Sect 3, 4-25   SD743   23,737,116   \$2,062,417   \$2,2199,447   137,030   6,64%   98     15   Small Interruptible General Service (Closed)   Sect 3, 4-25   SD743   23,737,116   \$2,062,417   \$2,2199,447   137,030   6,64%   98     15   Small Interruptible General Service (Closed)   Sect 3, 4-18-20   SD750   211,580   \$19,185   \$2,04,544   1,269   6,62%   4     16   TOTAL Small General Service   Sect 3, 16-18   SD24, SD840   3,937,907   \$611,640   \$657,807   46,167   7,55%   404     17   Sirred Lighting Service-Customer Owned   Sect 3, 2-123   SD840   3,577,040   \$794,414   \$857,462   63,048   7,94%   20     22   Street Lighting Service-Customer Owned   Sect 3, 2-123   SD841, SD741   5,987,307   \$48,214   \$857,462   63,048   7,94%   20     23   Traffic Signals   Sect 3, 26-27   SD742   706,762   \$78,092   \$86,681   30,605   63.5%   18     24   Remal Facilities   Sect 3, 26-27   SD742   706,762   \$78,092   \$86,681   8,589   11,00%   146     25   General Service - Large (69 kV)   Sect 3, 11-13   SD721, SD731   \$2,555,097   \$11,675,799   \$12,433,722   757,923   64,9%   108     25   General Service - Large (79 inmary and Secondary)   Sect 3, 13-15   SD722, SD772, SD775   199,871,750   598,721   578,420   578,240   75,993   578,420   75,993   578,420   75,993   578,420   75,993   578,420   75,993   578,420   75,993   578,420   75,993   578,420   75,993   75,993   75,993   75,993   75,993   75,993   75,993   75,993   75,993   75,993   75,993   75,993   75,993   75,993   75,993   75,993   75,993   75,993   75,993	8	SMALL GENERAL SERVICE								
11 Irrigation Pumping   Sect 3, 19-20   SD726   S87,365   \$ 119,166   \$ 126,457   7.290   6,12%   18	9	General Service	Sect 3, 7-8	SD720, SD770, SD878	356,168,400	\$ 46,242,061	\$ 49,662,738	3,420,676	7.40%	10,841
	10	General Service - Total Electric	Sect 3, 9-10	SD723,SD703	38,153,493	\$ 4,314,389	\$ 4,614,629	300,240	6.96%	882
13   Energy Storage Service   Sect 3A, 6-10   SD755   4,800,579   \$ 374,486   \$ 402,899   28,412   7,59%   20	11	Irrigation Pumping	Sect 3, 19-20	SD726	887,365	\$ 119,166	\$ 126,457	7,290	6.12%	18
Municipal Pumping Service   Sect 3, 24-25   SD743   23,373,116   \$ 2,062,417   \$ 2,199,447   137,030   6,64%   98	12	Utility Controlled General Service (Closed)	Sect 3A, 11-12	SD727	2,375,455	\$ 166,068	\$ 178,024	11,957	7.20%	24
Small Interruptible General Service (Closed)   Sect 3A, 18-20   SD750   211,580   \$19,185   \$20,454   1,269   6,62%   4	13	Energy Storage Service	Sect 3A, 6-10	SD755	4,800,579	\$ 374,486	\$ 402,899	28,412	7.59%	20
TOTAL Small General Service   425,969,988   \$53,297,772   \$57,204,647   \$3,906,875   7.33%   11,886	14		Sect 3, 24-25	SD743	23,373,116	\$ 2,062,417	\$ 2,199,447	137,030	6.64%	98
TOTAL Small General Service   425,969,988   \$53,297,772   \$57,204,647   \$3,906,875   7.33%   11,886	15	Small Interruptible General Service (Closed)	Sect 3A, 18-20	SD750	211,580	\$ 19,185	\$ 20,454	1,269	6.62%	4
18	16		•		425,969,988	\$ 53,297,772	\$ 57,204,647	\$ 3,906,875	7.33%	11,886
LIGHTING SERVICE   Public or Private Area Lighting   Sect 3, 16-18   SDA24, SDB24, SDC24   3,937,907   \$ 611,640   \$ 657,807   \$ 46,167   7.55%   404	17									
Public or Private Area Lighting   Sect 3, 16-18   SDA24, SDB24, SDC24   3,937,907   \$ 611,640   \$ 657,807   46,167   7.55%   404	18									
Street Lighting Service-Company Owned   Sect 3, 21-23   SD840   3,577,040   \$794,414   \$857,462   63,048   7.94%   20	19	LIGHTING SERVICE								
Street Lighting Service-Customer Owned   Sect 3, 21-23   SD841, SD741   5,987,037   \$ 482,114   \$ 512,718   30,605   6.35%   18	20	Public or Private Area Lighting	Sect 3, 16-18	SDA24, SDB24, SDC24	3,937,907	\$ 611,640	\$ 657,807	46,167	7.55%	404
Traffic Signals   Sect 3, 26-27   SD742   706,762   \$78,092   \$86,681   8,589   11.00%   146	21	Street Lighting Service-Company Owned	Sect 3, 21-23	SD840	3,577,040	\$ 794,414	\$ 857,462	63,048	7.94%	20
Rental/Facilities   Sect 3, 22   SD798/SD799   -   \$58,943   \$58,943   -   0.00%   59	22	Street Lighting Service-Customer Owned	Sect 3, 21-23	SD841, SD741	5,987,037	\$ 482,114	\$ 512,718	30,605	6.35%	18
TOTAL Lighting Service   TOTAL Large General Service   Sect 3, 11-13   SD771   20,550,893   1,479,881   1,580,023   100,142   6.77%   1	23	Traffic Signals	Sect 3, 26-27	SD742	706,762	\$ 78,092	\$ 86,681	8,589	11.00%	146
LARGE GENERAL SERVICE & INDUSTRIAL  28 LARGE GENERAL SERVICE & INDUSTRIAL  29 General Service - Large (69 kV)  30 General Service - Large (Primary and Secondary)  31 General Service - Large (Optional Combined Account Billing)  32 Large Demand Curtailable Service  33 Industrial Contract Service (69 kV)  34 Forest Products Service - Primary  35 Forest Products Service - Secondary  36 TOTAL Large General Service & Industrial  37 TOTAL Large General Service & Industrial  38 LARGE GENERAL SERVICE & INDUSTRIAL  39 Sect 3, 11-13  \$ SD71  \$ 20,550,893  \$ 1,479,881  \$ 1,580,023  \$ 100,142  \$ 6.77%  \$ 1  \$ 100,142  \$ 6.77%  \$ 10  \$	24	Rental/Facilities	Sect 3, 22	SD798/SD799	-	\$ 58,943	\$ 58,943	-	0.00%	59
27 28 LARGE GENERAL SERVICE & INDUSTRIAL 29 General Service - Large (69 kV) 30 General Service - Large (Primary and Secondary) 31 General Service - Large (Optional Combined Account Billing) 32 Large Demand Curtailable Service 33 Industrial Contract Service (69 kV) 34 Forest Products Service - Primary 55 Forest Products Service - Secondary 56 TOTAL Large General Service & Industrial 57 Industrial 58 Industrial 58 SECT 3, 11-13 58 SD751, SD751 58 SD752, SD7752, SD7752 58 SD752, SD7752, SD7753 58 SD752, SD7753 58 SD752, SD7753 59 SD752 59 SD752 50 SD	25	TOTAL Lighting Service			14,208,746	\$ 2,025,202	\$ 2,173,611	\$ 148,409	7.33%	647
28 LARGE GENERAL SERVICE & INDUSTRIAL         Sect 3, 11-13         SD771         20,550,893         \$ 1,479,881         \$ 1,580,023         100,142         6.77%         1           30 General Service - Large (Primary and Secondary)         Sect 3, 11-13         SD721, SD731         125,655,017         \$ 11,675,799         \$ 12,433,722         757,923         6.49%         108           31 General Service - Large (Optional Combined Account Billing)         Sect 3, 31-35         SD752, SD772, SD775         199,897,157         \$ 17,420,507         \$ 19,632,407         2,211,900         12,70%         150           32 Large Demand Curtailable Service         Sect 3A, 13-17         SD722         998,721         \$ 71,582         \$ 78,447         6,865         9.59%         242           33 Industrial Contract Service (69 kV)         Sect 3, 14-15         SD761         96,403,799         \$ 5,336,167         \$ 5,782,101         445,934         8.36%         1           34 Forest Products Service - Primary         Sect 3, 36-38         SD764,SD774         74,131,937         \$ 4,941,885         \$ 5,398,335         456,450         9.24%         2           35 Forest Products Service - Secondary         Sect 3, 36-38         SD765         11,054,048         \$ 898,866         \$ 967,759         68,894         7.66%         1	26	5 5								
Sect 3, 11-13   SD771   20,550,893   \$1,479,881   \$1,580,023   100,142   6.77%   1	27									
30 General Service - Large (Primary and Secondary) Sect 3, 11-13 SD721, SD731 125,655,017 \$ 11,675,799 \$ 12,433,722 757,923 6.49% 108 31 General Service - Large (Optional Combined Account Billing) Sect 3, 31-35 SD752, SD772, SD775 199,897,157 \$ 17,420,507 \$ 19,632,407 2,211,900 12.70% 150 32 Large Demand Curtailable Service Sect 3A, 13-17 SD722 998,721 \$ 71,582 \$ 78,447 6,865 9.59% 242 33 Industrial Contract Service (69 kV) Sect 3, 14-15 SD761 96,403,799 \$ 5,336,167 \$ 5,782,101 445,934 8.36% 1 34 Forest Products Service - Primary Sect 3, 36-38 SD764,SD774 74,131,937 \$ 4,941,885 \$ 5,398,335 456,450 9.24% 2 35 Forest Products Service - Secondary Sect 3, 36-38 SD765 11,054,048 \$ 898,866 \$ 967,759 68,894 7.66% 1 36 TOTAL Large General Service & Industrial Sec	28	LARGE GENERAL SERVICE & INDUSTRIAL								
Secondary   Seco	29	General Service - Large (69 kV)	Sect 3, 11-13	SD771	20,550,893	\$ 1,479,881	\$ 1,580,023	100,142	6.77%	1
32         Large Demand Curtailable Service         Sect 3A, 13-17         SD722         998,721         \$ 71,582         \$ 78,447         6,865         9.59%         242           33         Industrial Contract Service (69 kV)         Sect 3, 14-15         SD761         96,403,799         \$ 5,336,167         \$ 5,782,101         445,934         8.36%         1           34         Forest Products Service - Primary         Sect 3, 36-38         SD764,SD774         74,131,937         \$ 4,941,885         \$ 5,398,335         456,450         9.24%         2           35         Forest Products Service - Secondary         Sect 3, 36-38         SD765         11,054,048         \$ 898,866         \$ 967,759         68,894         7.66%         1           36         TOTAL Large General Service & Industrial         528,691,572         \$ 41,824,686         \$ 45,872,794         \$ 4,048,108         9.68%         505           38	30	General Service - Large (Primary and Secondary)	Sect 3, 11-13	SD721, SD731	125,655,017	\$ 11,675,799	\$ 12,433,722	757,923	6.49%	108
Secondary   Seco	31	General Service - Large (Optional Combined Account Billing)	Sect 3, 31-35	SD752, SD772, SD775	199,897,157	\$ 17,420,507	\$ 19,632,407	2,211,900	12.70%	150
Forest Products Service - Primary   Sect 3, 36-38   SD764,SD774   74,131,937   \$4,941,885   \$5,398,335   456,450   9.24%   2   2   2   2   2   2   2   2   2	32	Large Demand Curtailable Service	Sect 3A, 13-17	SD722	998,721	\$ 71,582	\$ 78,447	6,865	9.59%	242
35         Forest Products Service - Secondary         Sect 3, 36-38         SD765         11,054,048         \$ 898,866         \$ 967,759         68,894         7.66%         1           36         TOTAL Large General Service & Industrial         528,691,572         \$ 41,824,686         \$ 45,872,794         \$ 4,048,108         9.68%         505           37           38	33	Industrial Contract Service (69 kV)	Sect 3, 14-15	SD761	96,403,799	\$ 5,336,167	\$ 5,782,101	445,934	8.36%	1
36 TOTAL Large General Service & Industrial 528,691,572 \$ 41,824,686 \$ 45,872,794 \$ 4,048,108 9.68% 505 37 38	34	Forest Products Service - Primary	Sect 3, 36-38	SD764,SD774	74,131,937	\$ 4,941,885	\$ 5,398,335	456,450	9.24%	2
37 38	35	Forest Products Service - Secondary	Sect 3, 36-38	SD765	11,054,048	\$ 898,866	\$ 967,759	68,894	7.66%	1
38	36	TOTAL Large General Service & Industrial			528,691,572	\$ 41,824,686	\$ 45,872,794	\$ 4,048,108	9.68%	505
	37	<u>C</u>								
39 TOTAL SOUTH DAKOTA REVENUE FROM SALES 1,477,426,994 \$157,701,886 \$172,342,044 \$14,640,159 9.28% 65,487	38									
	39	TOTAL SOUTH DAKOTA REVENUE FROM SALES			1,477,426,994	\$157,701,886	\$172,342,044	\$14,640,159	9.28%	65,487

## BLACK HILLS POWER, INC.

Section 3 Page 2 of 3

## Comparison of Rates With Other Rates for Similar Service

Black Hills Power, Inc. provides similar retail electric service to customers located in Wyoming and Montana. The rates charged for retail electric service in Wyoming and Montana are not directly comparable with existing South Dakota retail rates because of differing rate Schedules and blocks. In addition, the proposed South Dakota retail rates are not comparable with existing Wyoming and Montana rates because they reflect the cost of providing electric service for different test years. The proposed South Dakota rates reflect the adjusted cost of providing service for the year ended September 30, 2013.

## BLACK HILLS POWER, INC. REPORT OF TARIFF SCHEDULE CHANGE

1.	Item Requested  Name and address of the public	Response Black Hills Power, Inc.
	utility;	PO Box 1400 Rapid City, SD 57709-1400
2.	Section and sheet number of tariff schedule;	Included in Volume 1, Section 3, page 1 of the Application
3.	Description of the change;	Described in Testimony of Vance Crocker
4.	Reasons for the change;	<ul><li>a.) Increase in Cost of Service for Cheyenne Prairie Generating Station</li><li>b.) Costs associated with Winter Storm Atlas</li></ul>
5.	Present rates;	Included in Volume 1, Section 2 of the Application
6.	Proposed rates;	Included in Section 4, Schedule I-1, page 1, of the Application
7.	Proposed effective date of modified rates;	October 1, 2014
8.	Approximation of annual amount of increase in revenue;	Included in Section 4, Schedule I-1, page 1 of the Application
9.	Points affected;	All points of service located in South Dakota
10	Estimate of the number of customers whose cost of service will be affected and annual amounts of increase in cost of service to those customers;	65,500 customers; see Section 4, Schedule I-1, page 1 of the Application and see testimony of Vance Crocker
11.	Statement of facts, expert opinions, documents, and exhibits to support the proposed changes.	Included in Volumes 1 and 2 of the Application