

Black Hills Power Rate Increase

On March 31, 2014, Black Hills Power filed an application with the South Dakota Public Utilities Commission to increase electric rates. Black Hills Power requested an increase in revenues of \$14,634,238, or a 9.27 percent increase, for all South Dakota customers. The proposed increase was filed in order to recover operating expenses and infrastructure investments, primarily for the Cheyenne Prairie Generating Station.

The Commission, on Jan. ___, 2015, authorized a 4.35 percent rate increase, or an increase in annual revenues of \$6,890,746. The actual impact of the rate increase on individual customer bills will vary depending on the customer's rate class and amount of energy used. As a result of the change in base rates, a typical residential customer using an average of 650 kilowatt-hours (kWh) of power each month will see an increase of \$4.61 per month, or 16 cents per day.

As allowed by South Dakota law, the Commission approved the implementation of Interim Rates effective Oct. 1, 2014, at the rates proposed in the March filing. Since the final rate increase is less than the interim rate increase, Black Hills Power will refund to customers the difference, with 7% interest, for electricity service on and after Oct. 1, 2014, beginning April 2015.

Below are the final rates approved by the Commission, and monthly examples. The first bill you receive may be prorated, depending on your meter reading date. This means that any service provided prior to March 1, 2015 will be billed at the interim rates, and any service provided on and after March 1, 2015 will be billed at the new rates.

Residential Service (SD710)

	Prior Rates	New Rates
Customer Charge	\$8.75	\$9.25
Energy Charge	\$0.08755	\$0.09989
Cost Adjustments	\$0.02955	\$0.02354

Residential Service - Monthly Bill Example

Usage (kWh)	Bill at Prior Rate	Bill at New Rate	Amount of Increase	Increase
300	\$43.88	\$46.28	\$2.40	5.47%
400	\$55.59	\$58.62	\$3.03	5.45%
500	\$67.30	\$70.97	\$3.67	5.45%
600	\$79.01	\$83.31	\$4.30	5.44%
700	\$90.72	\$95.65	\$4.93	5.44%
800	\$102.43	\$107.99	\$5.56	5.43%

Residential Total Electric (SD712)

	Prior Rates	New Rates
Customer Charge	\$11.25	\$12.00
Energy Charge	\$0.0667	\$0.07529
Cost Adjustments	\$0.02934	\$0.02356

Residential Total Electric Service - Monthly Bill Example

Usage (kWh)	Bill at Prior Rates	Bill at New Rates	Amount of Increase	Increase
800	\$88.08	\$91.08	\$3.00	3.40%
900	\$97.69	\$100.97	\$3.28	3.36%
1000	\$107.29	\$110.85	\$3.56	3.32%
2000	\$203.33	\$209.70	\$6.37	3.13%
3000	\$299.37	\$308.55	\$9.18	3.07%
4000	\$395.41	\$407.40	\$11.99	3.03%

Residential Demand Service (SD714/SD716):

	Prior Rates	New Rates
Customer Charge	\$12.25	\$13.00
Energy Charge	\$0.01878	\$0.02639
Capacity Charge	\$7.61074	\$8.10
Cost Adjustments	\$0.02935	\$0.02356

Residential Demand Service - Monthly Bill Example

Usage (kWh)	Demand	Bill at Prior Rate	Bill at New Rate	Amount of Increase	Increase
1000	6	\$106.04	\$111.55	\$5.51	5.19%
1200	7	\$123.28	\$129.64	\$6.36	5.16%
1500	8	\$145.33	\$152.73	\$7.40	5.09%
2000	10	\$184.62	\$193.90	\$9.28	5.03%
2500	12	\$223.90	\$235.08	\$11.18	4.99%
3000	14	\$263.19	\$276.25	\$13.06	4.96%

Black Hills Power offers energy efficiency programs and rebates to help lower your monthly energy costs, make your home more comfortable and reduce your energy use. To learn more, visit www.BHPsavemoney.com.

Do you use 1,200 kWh of electricity or more each month and want to save money on your electric bill? Visit our website to learn more about our demand controller program.

If you have any questions please contact
Black Hills Power toll-free at 1-800-742-8948.

