

NOTICE OF PROPOSED CHANGES OF RATES AND CHARGES

NOTICE IS HEREBY GIVEN that Black Hills Power, Inc. has filed an application with the South Dakota Public Utilities Commission ("Commission") requesting i) a 9.27% increase in its South Dakota electric revenues which would increase revenues from South Dakota customers by \$14,634,238; (ii) for authority and consent to make certain changes in its charges for retail electric service provided to the Company's South Dakota customers; iii) for authority and consent for an accounting order for its FutureTrack Workforce Development Program; iv) for an accounting order regarding its Winter Storm Atlas regulatory asset; v) for revisions to the cost adjustment tariffs; and vi) other changes to the tariffs for service to its South Dakota electric customers. If approved, the increase would be effective no earlier than October 1, 2014.

The actual impact of the requested rate increase on individual customer bills will vary depending on the customer's rate class and amount of energy used. Based on this request, a typical residential customer using an average of 650 kilowatt-hours (kWh) of power each month will see an increase of \$10.91 per month, or about 36 ¢ per day. The increase experienced by commercial and industrial customers will vary depending on rate class, load factor, and amount and nature of use.

This notice was included as part of the Company's Application to the South Dakota Public Utilities Commission.

Under South Dakota law (SDCL 49-34A-12), the customers of an electric utility that is requesting changes in rates have a right to join with 24 other customers and file a written objection to such rate increases and may request the Commission to suspend the rate increase and to hold a public hearing to determine if such rate increase should be allowed.

The application, including the proposed rates and changes and the proposed new tariffs are available in Black Hills Power's office at 409 Deadwood Avenue, Rapid City, South Dakota for inspection during normal business hours. The application is also available in the local district offices of Black Hills Power, Inc. For additional information, you may visit the Company's website www.blackhillspower.com or the Commission website www.puc.sd.gov. If you have any questions regarding the Company's Application, please feel free to contact Black Hills Power at 1-800-742-8948.

BLACK HILLS POWER, INC.

By 
Chris Kilpatrick, Director of Regulatory

Dated: March 31, 2014