BLACK HILLS POWER, INC.

SD PUBLIC UTILITIES COMMISSION DOCKET NO. EL15-049 – Line Extension Policy

REQUEST DATE : January 14, 2016

RESPONSE DATE : February 2, 2016

REQUESTING PARTY : South Dakota Public Utilities Commission

SDPUC Request 1-12:

Refer to proposed Sheet No. 24, paragraph B7 where it states: "Design estimates shall be void after 180 days. Updates to the design following the date that it becomes void may incur a Supplemental Design Fee at the discretion of the Company." Provide examples of what updates would constitute a Supplemental Design Fee and which would not. Explain how the Company will be consistent when determining whether or not a Supplemental Design Fee will be charged.

Response to SDPUC Request 1-12:

If the route changes BHP would charge a supplemental design fee. If it is just a cost update, BHP would not charge the supplemental design fee unless a year has passed and the estimate is no longer available in the Storms estimation system. The estimator will have to create a new construction plan and charge the design fee.