



Black Hills Power, Inc.
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

**RENEWABLE READY SERVICE
RATE DEIGNATION-RRS
PAGE 1 OF 5**

Section No. 3
Ninth Revised Sheet No. 5
Replaces Eighth Revised Sheet No. 5

RENEWABLE READY SERVICE

AVAILABLE

This rate schedule is available to qualifying customer(s) wishing to participate in a renewable energy option on a voluntary basis. Subscribing customers shall commit to renewable energy for no less than five (5) years at any point on the Company's transmission and distribution facilities ("Renewable Ready Service"). Customers taking service under this rate schedule will enter into an agreement related to service under the rate schedule (the "Renewable Ready Subscriber Agreement").

APPLICABLE

Renewable Ready Service is available for Black Hills Power, Inc. d/b/a Black Hills Energy (the "Company") customers with an aggregate usage of 300,000 kWh or more per year and governmental accounts.

CHARACTER OF SERVICE

Customers taking service under this tariff will subscribe to a portion of the energy generated by the Company's Renewable Ready Generating Capacity by agreeing to the terms and conditions of the Renewable Ready Subscriber Agreement, which will include, among other things, the obligation to pay the Renewable Ready Charge -and to receive a Renewable Ready Credit.

The Company will work with each subscriber to determine an appropriate portion of the energy generated by the Company's Renewable Ready Generating Capacity to place under the Renewable Ready Subscriber Agreement.

RENEWABLE READY GENERATING CAPACITY

The Company shall acquire up to 20 MWs of renewable generation ("Renewable Ready Generating Capacity") for the provision of renewable energy to Renewable Ready Service Tariff subscribers.

RENEWABLE READY APPLICATION FEE

A customer seeking Renewable Ready Service shall pay a \$500 non-refundable application fee.

DETERMINATION OF MONTHLY RENEWABLE READY GENERATION

Subscriber's bill will reflect its subscribed share of the actual kilowatt hours generated by the Renewable Ready Generating Capacity ("Renewable Ready Energy") from the most recent calendar month.



SOUTH DAKOTA ELECTRIC RATE BOOK

RENEWABLE READY SERVICE
RATE DEIGNATION-RRS
PAGE 2 OF 5

Section No. 3
Original Sheet No. 5A

RENEWABLE READY SERVICE

DETERMINATION OF THE RENEWABLE READY CHARGE RATE

The Renewable Ready Charge Rate is based upon the duration of the initial subscription term and will be billed during the initial term and all renewal terms of the Renewable Ready Subscriber Agreement:

Five-year to nine-year subscriptions: \$0.028 per kWh

Ten-year to fourteen -year subscriptions: \$0.026 per kWh

Fifteen-year to twenty-five-year subscriptions: \$0.024 per kWh

DETERMINATION OF SUBSCRIBER'S RENEWABLE READY CHARGE

The subscriber's Renewable Ready Charge will be calculated by applying the Renewable Ready Charge Rate as defined in the Renewable Ready Subscriber Agreement to the kWh of monthly Renewable Ready Energy delivered to the subscriber. The subscriber's monthly Renewable Ready Charge amount will be calculated as follows:

Renewable Ready Charge = Renewable Ready Charge Rate x Subscriber's Monthly Renewable Ready Energy

DETERMINATION OF THE RENEWABLE READY CREDIT RATE

The Company will calculate the Renewable Ready Credit Rate annually concurrent with the filing of the ECA. The Renewable Ready Credit Rate will be the same for all subscribers, and will be calculated as follows:

Renewable Ready Credit Rate= A + B; where:

A = Base FPP Cost as defined in Section No. 3C, Tariff Sheet No. 11

B = SD FPPA as defined in Section No. 3C, Tariff Sheet No. 12

DETERMINATION OF SUBSCRIBER'S RENEWABLE READY CREDIT

The subscriber's Renewable Ready Credit will be calculated by applying the Renewable Ready Credit Rate to the kWh of monthly Renewable Ready Energy delivered to the subscriber. The subscriber's monthly Renewable Ready Credit amount will be calculated as follows:

Renewable Ready Credit = Renewable Ready Credit Rate x Subscriber's Monthly Renewable Ready Energy



SOUTH DAKOTA ELECTRIC RATE BOOK

RENEWABLE READY SERVICE
RATE DEIGNATION-RRS
PAGE 3 OF 5

Section No. 3
Original Sheet No. 5B

RENEWABLE READY SERVICE

RENEWABLE READY CHARGE AND CREDIT BILLING

The Company will calculate and apply the Renewable Ready Charge and Credit as part of the monthly bill for electric service to each Renewable Ready Service Tariff subscriber. The Renewable Ready Charge and Credit will be applied in the first full billing month for each Renewable Ready subscriber following the date that the Company records the Renewable Ready Service Tariff subscription.

COST ADJUSTMENTS

Renewable Ready Charges and Credits are in addition to all other charges under the subscriber's applicable Rate Schedule(s).

PAYMENT

Net monthly bills are due and payable twenty days from the date of the bill, and after that date the account becomes delinquent. A late payment charge of 1.5% on the current unpaid balance shall be calculated and included as part of each monthly billing. Non-sufficient funds charge of \$15.00 shall apply to process a payment from a customer that is returned to the Company by the bank as not payable. If a bill is not paid, the Company shall have the right to suspend service, providing ten (10) days written notice of such suspension has been given. When service is suspended for nonpayment of a bill, a Customer Service Charge will apply.

TERMS AND CONDITIONS

1. Service hereunder is subject to: i) the Company's General Rules and Regulations as approved by the South Dakota Public Utilities Commission and any modifications subsequently approved; and ii) the terms and conditions of a Renewable Ready Subscriber Agreement between the subscriber and the Company.
2. Unsubscribed Renewable Ready Energy will be dispatched into the larger system.

SOUTH DAKOTA ELECTRIC RATE BOOK



RENEWABLE READY SERVICE

3. The term of the Renewable Ready Subscriber Agreement will be a minimum of five years and a maximum of twenty-five years plus any one-year renewal terms.

4. The Company will retire the renewable energy credits associated with the Renewable Ready subscriber's share of the Renewable Ready Energy on behalf of the subscriber.,

5. The Renewable Ready Charge, as defined above, is fixed for the term of the contract and any renewal terms.

6. The Renewable Ready Credit Rate, as defined above, will change as approved by the Commission.

7. Renewable Ready subscriptions shall be offered for a four week period ("Initial Subscription Period") following approval of this tariff. If customers subscribe to more renewable energy than is available, subscriptions will be limited to a pro-rata share of the forecasted annual Renewable Ready Energy with preference given to the longest term contracts. If customers subscribe to less renewable energy than is available, subscriptions will continue to be offered on a first-come, first-served basis until the available Renewable Ready Energy is fully subscribed.

8. At the time of initial subscription, renewal or transfer, the maximum participation level will be set at one hundred percent (100%) of the subscriber's previous year's usage by service location ("Maximum Participation Level"). If the subscriber does not have a full year of billing history, annual usage may be estimated based on partial year billing or an alternate method.

9. If a subscriber transfers regular service to an alternate service location within the Company's certificated territory, the Company will transfer the Renewable Ready Service to the alternate service location subject to a \$250 charge. Early Termination Fees, as defined in the Renewable Ready Subscriber Agreement, will apply if the subscriber leaves the Company's certificated territory. Subscribers with multiple service locations within the Company's certificated territory shall have the option to transfer the Renewable Ready Service from one service location to another service location within the Company's certificated territory subject to a \$250 charge.



SOUTH DAKOTA ELECTRIC RATE BOOK

RENEWABLE READY SERVICE

10. The Company shall conduct an annual review of each subscription by examining the subscriber's usage over the prior twelve month period. If the subscriber's usage falls below 90% of the subscription, the Company will reduce the subscription by an equal percentage. Any reduction will result in an early termination fee. Notice of any reduction and associated Early Termination Fee will be provided in writing to the subscriber.

11. All terms and conditions of the Renewable Ready Subscriber Agreement shall apply to any renewal term. Renewable Ready Subscriber Agreements will automatically renew for successive one-year terms at the expiration of the subscriber's current term, unless the agreement is terminated pursuant to the terms and conditions of the Renewable Ready Subscriber Agreement. The Company and/or the subscriber may cancel any automatic renewal of the Renewable Ready Subscriber Agreement and terminate the agreement upon expiration of the current term by providing written notice at least ninety (90) days prior to the end of the current term. If no termination notice is received by either party, it will be deemed a voluntary renewal by the subscriber and Company.

12. As long as Renewable Ready Energy is available, a subscriber may increase its subscription up to its Maximum Participation Level during the term of the Renewable Ready Subscriber Agreement.

13. Early Termination Fees shall be as agreed to in the Renewable Ready Subscriber Agreement.

TAX ADJUSTMENT

Bills computed under the above rate shall be adjusted by the applicable proportionate part of any assessment or charge imposed or levied by any governmental authority as a result of laws or ordinances enacted, which is assessed or levied on the basis of revenue for electric energy or service sold, and/or the volume of energy generated and sold.