



## SOUTH DAKOTA ELECTRIC RATE BOOK

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**BLOCKCHAIN INTERRUPTIBLE SERVICE TARIFF (BCIS)**

Section No. 3B

**PAGE 1 OF 3**

Ninth Revised Sheet No. 1

Replaces Eighth Revised Sheet No. 1

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(N)

### **BLOCKCHAIN INTERRUPTIBLE SERVICE TARIFF (BCIS)**

#### **AVAILABLE**

This Blockchain Interruptible Service Tariff (the "BCIS Tariff") is available to new customers that desire interruptible load, interconnected with Black Hills Power, Inc. d/b/a Black Hills Energy's ("Black Hills Power" or the "Company") system, of 10,000 kW (10 MW) or greater. Interruptions will be at the Company's discretion, but no later than 15 minutes prior to the interruption time. Each new customer that takes service under the BCIS Tariff will enter into a Blockchain Interruptible Service Tariff Service Agreement (the "BCIS Agreement") with the Company.

#### **APPLICABILITY**

Customers that request Blockchain Interruptible Service ("BCIS") will be considered upon written application to the Company. Upon receipt of the customer's written application and any additional information the Company may require, the Company and the customer may, at the sole discretion of the Company, commence negotiation of rates and terms and conditions of service under the BCIS Tariff. The electric service under this tariff is not applicable to temporary, standby, supplementary, emergency, resale, shared or incidental purposes.

#### **CHARACTER OF SERVICE**

Alternating current, 60 hertz, three phase, at a single standard utilization voltage most available to the location of the customer.

#### **BCIS AGREEMENT**

As a condition to be eligible for service under the BCIS Tariff, each customer is required to enter into an BCIS Agreement. Once the BCIS Agreement is executed by both Black Hills Power and the new customer, Black Hills Power will file the BCIS Agreement with the South Dakota Public Utilities Commission for their approval.

The BCIS Agreement shall be in accordance with the provisions of this BCIS Tariff and at a minimum shall include:



## SOUTH DAKOTA ELECTRIC RATE BOOK

**BLOCKCHAIN INTERRUPTIBLE SERVICE TARIFF (BCIS)**

Section No. 3B

Eighth Revised Sheet No. 2

**PAGE 2 OF 3**

Replaces Seventh Revised Sheet No. 2

### **BLOCKCHAIN INTERRUPTIBLE SERVICE TARIFF (BCIS)**

(N)

1. Electric service is for new interruptible load of 10,000 kW (10MW) or greater;
2. A term of at least two (2) years not to exceed (5) years;
3. Pricing terms, subject to renegotiation at least every three (3) years;
4. Identification of specific customer costs for any required infrastructure necessary to serve the customers load and how those costs will be paid for by the customer;
5. Negotiated service interruption provisions (size of interruptible load, notice of planned interruption, duration of interruption, and maximum hours of interruptions per year, including procedures for service interruptions);
6. BCIS customers that fail to interrupt service as required by the BCIS Agreement shall be responsible for all costs incurred by the Company due to such failure;
7. A release of liability of the Company for any losses or damages, including consequential damages, caused by or resulting from any interruption of service;
8. Terms and conditions of service shall be those contained in the BCIS Agreement; and
9. Customer shall not be eligible for any discounts or service conditions except as provided for in the BCIS Agreement.

Customers that are served under this BCIS Tariff that do not maintain the criteria listed above will have their electric service either terminated or moved to an otherwise applicable rate schedule.

### **MONTHLY RATE**

**All charges for service under this tariff shall be in accordance with the BCIS Agreement.**

### **COST ADJUSTMENT CHARGES**

Customers receiving service under the BCIS Tariff shall not be charged the Company's Energy Cost Adjustment ("ECA") Rate, which is comprised of an ECA Base Cost Rate, which includes a Base Fuel and Purchase Power Cost ("FPP") and a Base Transmission Cost ("TC"), the Company's Fuel and Purchased Power Adjustment ("FPPA") and the Company's Transmission Cost Adjustment ("TCA").



**SOUTH DAKOTA ELECTRIC RATE BOOK**

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**BLOCKCHAIN INTERRUPTIBLE SERVICE TARIFF (BCIS)**

Section No. 3B

Eighth Revised Sheet No. 3

**PAGE 3 OF 3**

Replaces Seventh Revised Sheet No. 3

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**BLOCKCHAIN INTERRUPTIBLE SERVICE TARIFF (BCIS)**

(N)

Customers receiving service under the BCIS Tariff shall not be charged the Company's Environmental Improvement Adjustment ("EIA") Rate.

Customers receiving service under the BCIS Tariff will be charged the Company's Transmission Facility Adjustment ("TFA") Rate and once the TFA is rate based, BCIS customer will be allocated their share of the base rate portion of the TFA revenue requirement.

**CREDIT SUPPORT**

The Company may require from the BCIS customer a deposit or other Company approved credit support as outlined in the BCIS Agreement. The credit support shall not be considered as an advance payment of any bills for service to be rendered but shall be held as security for payment of obligations incurred on behalf of the customer.

**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. 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.

**TAX ADJUSTMENT**

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



## SOUTH DAKOTA ELECTRIC RATE BOOK

FUEL AND PURCHASED POWER ADJUSTMENT

Section No. 3C

Fourth Revised Sheet No. 13

Page 2 of 4

Cancels Third Revised Sheet No. 13

### FUEL AND PURCHASED POWER ADJUSTMENT

#### ANNUAL SYSTEM FUEL AND PURCHASED POWER (FPP) COSTS (Line 1)

FPP Costs include all purchased power; fuel consumed for plant generation, including but not limited to coal, fuel oil and natural gas; plus costs for certain re-agents used in conjunction with fuel consumed for plant generation; less costs associated with Power Marketing; and a sharing of Power Marketing Operating Income. The Annual System FPP Costs shall be calculated on an annual basis using the total of:

- a. Total fuel costs of the Company's generation for items listed in the Federal Energy Regulatory Commission's (FERC) Accounts: 501 for Fuel and 547 for Other Power Production, as well as any other costs of fuel consumed to generate electricity not listed in these two accounts. The base price for coal, included in this cost, is determined in accordance with the methodology set forth in the Statement R of the Company's 2006 rate application Docket No. EL06-019;
- b. The costs of re-agents necessary to use in conjunction with fuel consumed for plant generation. This includes lime and the associated freight, ammonia and other chemicals;
- c. The costs of all energy or short term capacity purchases listed under FERC account 555; including any Renewable Ready Credit in a subaccount of FERC account 555; plus the costs/benefits of WEIS market participation, including energy purchase costs in FERC account 555 and energy sales revenue in FERC account 447;
- d. The energy imbalance administrative fees in FERC account 575;
- e. Less, ninety percent (90%) of the share of margin generated by the sale of Renewable Energy Credits;
- f. Less, FPP used for Power Marketing Sales; and
- g. Less a share of Power Marketing Operating Income as described below.
- h. Less the BCIS Tariff energy purchases. (N)

#### POWER MARKETING OPERATING INCOME (PMOI)

As an incentive to provide the lowest cost FPP to customers, Power Marketing revenues and expenses will be included in the Fuel and Purchase Power Adjustment clause as follows:

- a. Power Marketing Sales revenues are defined as short-term (generally less than one year) energy or capacity sales to wholesale customers and sales of emission allowances.
- b. The Company's long-term (generally one year or longer) customer obligations will be served with the lowest cost resources during each hour that the Company engages in Power Marketing Sales except for the following: 1) Any renewable resource energy; and 2) Specific energy or capacity blocks, up to 75MW, purchased to cover capacity needs for 3 weeks or more [but not to exceed 6 months] in length. For these two situations, the cost of capacity or energy shall be directly assigned to the Company's long-term customers. Any remaining resources may be scheduled for, and if scheduled will be charged to, Power Marketing Sales as the costs of goods sold.
- c. Fifty percent (50%) of the base salary and benefit costs of the Company's generation dispatch and power marketing personnel shall be included as a power marketing expense.



## SOUTH DAKOTA ELECTRIC RATE BOOK

**FUEL AND PURCHASED POWER ADJUSTMENT**

Section No. 3C

Third Revised Sheet No. 14

Page 3 of 4

Cancels Second Revised Sheet No. 14

### FUEL AND PURCHASED POWER ADJUSTMENT

#### POWER MARKETING OPERATING INCOME (Continued)

- d. Any transmission expense incurred to facilitate Power Marketing Sales shall be included as an expense.
- e. Bonuses payable to the Company's generation dispatch and power marketing personnel as a result of Power Marketing Sales shall be included as an expense.
- f. Any specifically identified expenses associated with Power Marketing Sales, such as legal expense or bad debt expense, shall be included as an expense.

#### SHARING OF POWER MARKETING OPERATING INCOME

The calculated Pre-Tax PMOI will be multiplied by 70% to determine the amount of the credit to be applied as a reduction to the FPP costs.

The Power Marketing Operating Income Credit shall not be less than \$1,000,000 over the 12 month period.

#### ANNUAL RETAIL ENERGY SALES (Line 2)

Annual Retail Energy Sales are the total sales of Electricity, for retail customers less energy sales to BCIS (N)  
Tariff customers.

#### APPROVED BASE FPP COSTS (Line 4)

The Base FPP Costs are as approved by the Commission in Docket No. EL09-018.

#### SOUTH DAKOTA ANNUAL RETAIL ENERGY SALES (Line 7)

The South Dakota Annual Retail Energy Sales are the total South Dakota retail energy kilowatt hour sales for the previous period for all classes of service authorized by the Commission less energy sales to BCIS (N)  
Tariff customers..

#### SD BALANCING ACCOUNT (Line 9)

This Balancing Account amount on Line 9 (positive or negative) is the amount from the previous filing (SD Net Amount to (Refund)/Charge) less the actual FPPA amount (Refunded) or Charged for the period, adjusted for applicable interest. The Balancing Account shall have interest applied or credited monthly at the annual rate of seven percent (7%). The FPPA (Refund)/Charge will be applied monthly to the Balancing Account, first to the interest balance, and thereafter to the principal amount.

#### INCREMENTAL SD JURISDICTIONAL COSTS (Line 10)



**SOUTH DAKOTA ELECTRIC RATE BOOK**

**TRANSMISSION COST ADJUSTMENT**

Section No. 3C

Fifteenth Revised Sheet No. 16

Page 1 of 4

Cancels Fourteenth Revised Sheet No. 16

**TRANSMISSION COST ADJUSTMENT**

**APPLICABLE**

This Transmission Cost Adjustment (TCA) applies to all rate schedules for all classes of service authorized by the South Dakota Public Utilities Commission (Commission). The TCA shall be calculated annually based on actual system transmission costs for the twelve months April through March as compared to the base year transmission costs, and shall include an over-or-under recovery from prior years' adjustments through the Balancing Account. Black Hills Power, Inc. (the Company) will update and make a TCA filing with the Commission on an annual basis no later than May 10th.

<b><u>TRANSMISSION COST ADJUSTMENT CALCULATION</u></b>		For the Twelve months ended March 31, 2024		(T)
1.	Annual System Transmission Costs less BCIS Tariff load ratio share costs	\$ 27,915,023		(I)(N)
2.	Power Marketing Transmission Costs	\$ 1,240,527		(I)
3.	Transmission Costs Reimbursed by Others	\$ 556,608		(D)
4.	Net Transmission Costs (Line 1 – Line 2 – Line 3) – Customer Share of Margin Sharing	\$ 26,117,889		(I)(N)
5.	Annual Retail Energy Sales less annual energy sales to BCIS Tariff Customers	1,889,211,737	kWh	(I)(N)
6.	Adjusted Transmission Costs (Line 4 ÷ Line 5)	\$ 0.01382	/kWh	(I)
7.	Base Transmission Costs	\$ 0.00810	/kWh	
8.	Difference (Line 6 – Line 7)	\$ 0.00572	/kWh	(I)
9.	South Dakota Annual Year Retail Energy Sales less annual energy sales to BCIS Tariff customers	1,553,105,651	kWh	(I)(N)
10.	Transmission Costs to South Dakota (Line 8 x Line 9)	\$ 8,883,764		(I)
11.	For Each Customer Class Calculate the Customer Class Allocation of Total South Dakota Transmission Expense Based Upon Class Allocators in Table 1 – Multiply Each Class Allocator by Line 10			

	Customer Class Allocation Factor	Allocated Amount	
Residential Service	34.00%	\$3,020,480	(I)
Small General Service	34.33%	\$3,049,796	(I)
Large General Service	20.73%	\$1,841,604	(I)
Industrial Contract Service	9.97%	\$885,711	(I)
Lighting Service	0.97%	\$86,173	(I)



**SOUTH DAKOTA ELECTRIC RATE BOOK**

**TRANSMISSION COST ADJUSTMENT**

Section No. 3C  
Original Sheet No. 18

**TRANSMISSION COST ADJUSTMENT**

**Table 1 – South Dakota Customer Class Capacity Allocation Factors**

<b>South Dakota Customer Class</b>	<b>Customer Class Capacity Allocation Factor</b>
Residential Service	34.00%
Small General Service	34.33%
Large General Service	20.73%
Industrial Contract Service	9.97%
Lighting Service	0.97%

**TRANSMISSION SERVICES**

The TCA shall recover the charges under the Company’s Joint Open Access Transmission Tariff approved by the Federal Energy Regulatory Commission (FERC). The TCA may also include allowed charges billed to the Company by any other transmission provider.

Transmissions Services shall include all Network Integrated Transmission Service, all Point-to-Point Transmission Service, including all associated ancillary service charges, and regulation expenses, required to support the Company’s system energy sales.

**ANNUAL SYSTEM TRANSMISSION COSTS (Line 1)**

The Annual System Transmission Costs are the total Company annual year costs for Transmission Services minus BCIS Tariff customers allocated load ratio share.

(N)

**POWER MARKETING TRANSMISSION COSTS (Line 2)**

Power Marketing Sales are defined as short-term sales to wholesale customers. The Power Marketing Transmission Costs are those transmission costs incurred in facilitating Power Marketing Sales.

**NET TRANSMISSION COSTS (Line 4)**

Annual System Transmission Costs minus Power Marketing Transmission Costs minus Transmission Cost Reimbursed by Others minus Customer Share of Margin Sharing.

(N)

**TRANSMISSION COSTS REIMBURSED BY OTHERS (Line 3)**

These are the transmission costs of the Company that are reimbursed by others.

**ANNUAL RETAIL ENERGY SALES (Line 5)**

Annual Retail Energy Sales are the total of FERC accounts for Sales of Electricity by Rate Schedules less energy sales to BCIS Tariff customers.

(N)

**BASE TRANSMISSION COSTS (Line 7)**

The Base Transmission Costs are as approved by the Commission in Docket EL09-018.

**SOUTH DAKOTA ANNUAL RETAIL ENERGY SALES (Line 9)**