



Black Hills Power, Inc. d/b/a Black Hills Energy
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

FUEL AND PURCHASED POWER ADJUSTMENT

Page 1 of 4

Section No. 3C

Seventeenth Revised Sheet No. 12

Cancels Sixteenth Revised Sheet No. 12

FUEL AND PURCHASED POWER ADJUSTMENT

APPLICABLE

This Fuel and Purchased Power Adjustment (FPPA) applies to all rate schedules for all classes of service authorized by the South Dakota Public Utilities Commission (Commission).

The FPPA shall be calculated annually based on actual system costs for Fuel and Purchased Power (FPP) for the twelve months of April through March as compared to the base year FPP 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 FPPA filing with the Commission on an annual basis no later than May 10th.

		For the Twelve months Ended March 31, 2024	(T)
<u>FUEL AND PURCHASED POWER ADJUSTMENT CALCULATION</u>			
1.	Annual System FPP Costs	\$ 37,917,670	(D)
2.	Annual Retail Energy Sales	1,839,274,059 kWh	(D)
3.	FPP Cost /kWh (Line 1 ÷ Line 2)	\$ 0.02062 /kWh	(D)
4.	Approved Base FPP Costs	\$ 0.01460 /kWh	
5.	FPP Cost /kWh Difference (Line 3 – Line 4)	\$ 0.00602 /kWh	(D)
6.	Total FPP Change from Base (Line 2 x Line 5)	\$ 11,072,430	(D)
7.	South Dakota Annual Retail Energy Sales	1,523,147,587 kWh	(I)
8.	Total SD (Refund) / Charge (Line 5 x Line 7)	\$ 9,169,348	(D)
9.	SD Balancing Account (+/-)	\$ 1,252,223	(I)
10.	Incremental SD Jurisdictional Costs	\$ 11,191,451	(I)
11.	Rate Case True-up Items	\$ 0	
12.	Net SD Amount to (Refund)/Charge (Line 8 through Line 11)	\$ 21,613,022	(D)
13.	Projected South Dakota Retail Energy Sales	1,556,532,221 kWh	(D)
14.	SD FPPA (Line 12 ÷ Line 13)	\$ 0.01389 /kWh	(D)



Black Hills Power, Inc. d/b/a Black Hills Energy
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

FUEL AND PURCHASED POWER ADJUSTMENT

Section No. 3C

Page 2 of 4

~~Third~~~~Fourth~~ Revised Sheet No. 13

Cancels ~~Second~~~~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.

g.h. Less the removal of 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.

Date Filed: April 8, 2024
April 28, 2025

By: Jerrad Hammer

Effective Date: May 1, 2024
June 1, 2025

Director-Regulatory

(Effective on less than 30 days' notice by the authority of the Public Utilities Commission
of South Dakota dated April, 23, 2024)



Black Hills Power, Inc. d/b/a Black Hills Energy
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

FUEL AND PURCHASED POWER ADJUSTMENT

Section No. 3C

Page 3 of 4

~~Second~~~~Third~~ Revised Sheet No. 14

Cancels ~~First~~~~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 Tariff customers.

(N)

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 Tariff customers.

(N)

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)

These costs represent the difference of the actual ad valorem and wholesale contract revenue as compared to the amount in base rates as approved in Docket No. EL14-026, Statement P, page 1, lines 19 and 27.

Date Filed: December 8, 2014
April 28, 2025

Docket: EL14-026

By: Marne Jones
Jerrad Hammer
Director of Regulatory Services

Effective Date : October 1, 2014
June 1, 2025



Black Hills Power, Inc. d/b/a Black Hills Energy
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

FUEL AND PURCHASED POWER ADJUSTMENT

Page 4 of 4

Section No. 3C

Second Revised Sheet No. 15
Cancels First Revised Sheet No. 15

FUEL AND PURCHASED POWER ADJUSTMENT

RATE CASE TRUE-UP ITEMS (Line 11)

The Rate Case True-up Items adjustment includes items that need to be charged or (refunded) to customers as a result of rate case items to be handled outside of the general rate case. These items are handled in the time period required per the outcome of each case. The total dollar amount may reflect items from various cases.

NET SD AMOUNT TO (REFUND)/CHARGE (Line 12)

The net amount to refund or charge customers is South Dakota's share of the total Net FPP costs adjusted by the Balancing Account (Line 8 through Line 11).

PROJECTED SOUTH DAKOTA RETAIL ENERGY SALES (Line 13)

These are the kilowatt hours of retail sales projected for the State of South Dakota for the period that the FPPA (Line 14) will be in effect.

SD FUEL AND PURCHASED POWER ADJUSTMENT (Line 14)

The FPPA on Line 14 shall be included in the Company's annual Energy Cost Adjustment and shall be applied to all rate schedules in all classes of service authorized by the Commission.

EFFECTIVE DATE

The FPPA will be updated and filed annually with the effective date of June 1st.



Black Hills Power, Inc. d/b/a Black Hills Energy
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

TRANSMISSION COST ADJUSTMENT

Section No. 3C

Page 1 of 4

~~Thirteenth~~~~Fourteenth~~ Revised Sheet No. 16

Cancels ~~Twelfth~~~~Thirteenth~~ 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.

TRANSMISSION COST ADJUSTMENT CALCULATION

For the Twelve months
ended March 31, 2024

1.	Annual System Transmission Costs <u>less BCIS Tariff load ratio share costs</u>	\$	26,232,879	(N)
2.	Power Marketing Transmission Costs	\$	830,012	
3.	Transmission Costs Reimbursed by Others	\$	1,366,280	
4.	Net Transmission Costs (Line 1 – Line 2 – Line 3 <u>– Customer Share of Margin Sharing</u>)	\$	24,036,587	(N)
5.	Annual Retail Energy Sales <u>less annual energy sales to BCIS Tariff customers</u>		1,839,274,059	kWh (N)
6.	Adjusted Transmission Costs (Line 4 ÷ Line 5)	\$	0.01307	/kWh
7.	Base Transmission Costs	\$	0.00810	/kWh
8.	Difference (Line 6 – Line 7)	\$	0.00497	/kWh
9.	South Dakota Annual Year Retail Energy Sales <u>less annual energy sales to BCIS Tariff customers</u>		1,523,147,587	kWh (N)
10.	Transmission Costs to South Dakota (Line 8 x Line 9)	\$	7,570,044	
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%	\$2,573,815
Small General Service	34.33%	\$2,598,796
Large General Service	20.73%	\$1,569,720
Industrial Contract Service	9.97%	\$754,733

Date Filed: May 10, 2024
April 28, 2025

By: Jerrad Hammer
Director of- Regulatory

Effective Date: June 1, 2025



Black Hills Power, Inc. d/b/a Black Hills Energy
Rapid City, South Dakota

Lighting Service	0.97%	\$73,429
------------------	-------	----------

Date Filed: May 10, 2024
April 28, 2025

By: Jerrad Hammer
Director of- Regulatory

Effective Date: June 1, 2025



Black Hills Power, Inc. d/b/a Black Hills Energy
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

TRANSMISSION COST ADJUSTMENT

Section No. 3C

Page 2 of 4

Thirteenth Revised Sheet No. 17

Cancels Twelfth Revised Sheet No. 17

TRANSMISSION COST ADJUSTMENT

12. Balancing Account (+/-) for each South Dakota Customer Class \$ 370,071 (I)

Residential Service	\$	125,824	(I)
Small General Service	\$	127,045	(I)
Large General Service	\$	76,716	(I)
Industrial Contract Service	\$	36,896	(I)
Lighting Service	\$	3,590	(I)

13. Total Transmission Cost for each South Dakota Customer Class
(Refund)/Charge (Line 11 + Line 12)

Residential Service	\$	2,699,639	(D)
Small General Service	\$	2,725,841	(D)
Large General Service	\$	1,645,986	(D)
Industrial Contract Service	\$	791,629	(D)
Lighting Service	\$	77,019	(D)

14. Forecast South Dakota Customer Class Annual Retail Energy Sales (kWh/Class)

Residential Service		571,924,718	(I)
Small General Service		424,202,918	(I)
Large General Service		346,464,472	(D)
Industrial Contract Service		195,848,854	(D)
Lighting Service		18,091,259	(I)

15. South Dakota Customer Class Transmission Cost Adjustment
(Line 13/Line 14)

Residential Service	\$	<u>0.0047/kWh</u>	(D)
Small General Service	\$	<u>0.0064/kWh</u>	(D)
Large General Service	\$	<u>0.0048/kWh</u>	(I)
Industrial Contract Service	\$	<u>0.0040/kWh</u>	(D)
Lighting Service	\$	<u>0.0043/kWh</u>	(D)



Black Hills Power, Inc.
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

TRANSMISSION COST ADJUSTMENT

Page 3 of 4

Section No. 3C
Original First Revised Sheet No. 18
Cancels Original Sheet No. 18

TRANSMISSION COST ADJUSTMENT

Table 1 – South Dakota Customer Class Capacity Allocation Factors

South Dakota Customer Class	Customer Class Capacity Allocation Factor
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.

TRANSMISSION COSTS REIMBURSED BY OTHERS (Line 3)

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

NET TRANSMISSION COSTS (Line 4)

Annual System Transmission Costs minus Power Marketing Transmission Cost minus Transmission Cost Reimbursed by Other minus Customer Share of Margin Sharing. (N)

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)

Date Filed: September 30, 2009
April 28, 2025
Docket EL25-XXX09-018

By: Chris KilpatrickJerrad Hammer
Director of RatesRegulatory

Effective Date: April 1, 2010June 1, 2025



Black Hills Power, Inc.
Rapid City, South Dakota

The South Dakota Annual Year Retail Energy Sales are the total South Dakota retail energy sales for all classes of service authorized by the Commission less energy sales to BCIS Tariff customers.

Date Filed: September 30, 2009
April 28, 2025
Docket EL25-XXX09-018

By: Chris KilpatrickJerrad Hammer
Director of RatesRegulatory

Effective Date: April 1, 2010June 1, 2025



Black Hills Power, Inc.
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

TRANSMISSION COST ADJUSTMENT

Page 4 of 4

Section No. 3C
First Revised Sheet No. 19
Cancels Original Sheet No. 19

(N)

TRANSMISSION COST ADJUSTMENT

TRANSMISSION COSTS TO SOUTH DAKOTA (Line 10)

This is the total dollar amount of Transmission Costs allocated to all South Dakota retail customers.

CUSTOMER CLASS CAPACITY ALLOCATION OF TRANSMISSION EXPENSE (Line 11)

This is the total South Dakota transmission expense multiplied by each of the customer class capacity allocators to determine the allocated share of the transmission costs (Line 10) for each customer class.

BALANCING ACCOUNT FOR EACH CUSTOMER CLASS (Line 12)

This Balancing Account Amount on Line 12 (positive or negative) is the Line 13 amount for each South Dakota customer class from the previous filing (Total Transmission Costs for each South Dakota Customer Class) less the actual TCA (Refund)/Charge from each customer class for the annual year as adjusted for applicable interest. The Balancing Account shall have interest applied or credited monthly at the annual rate of seven percent (7%). The TCA (Refund)/Charge will be applied monthly to the Balancing Account for each customer class, first to the interest balance, and thereafter to the principal amount.

TOTAL TRANSMISSION COSTS FOR EACH SOUTH DAKOTA CUSTOMER CLASS (Line 13)

This is the total dollar amount to be collected from or reimbursed to each South Dakota Customer Class.

FORECAST SOUTH DAKOTA ANNUAL RETAIL ENERGY SALES BY CUSTOMER CLASS (Line 14)

These are the kilowatt hours of South Dakota retail sales projected by customer class for the period that the TCA (Line 15) will be in effect.

TRANSMISSION COST ADJUSTMENT (Line 15)

The TCA on Line 15 shall be included in the Company's annual Energy Cost Adjustment and shall be applied to all rate schedules in all classes of service authorized by the Commission. Each customer class TCA is calculated by dividing class allocated expense (Line 13) by the forecast kilowatt hours of retail sales for each customer class (Line 14).

SOUTH DAKOTA CUSTOMER CLASS CAPACITY ALLOCATION FACTORS (Table 1)

The South Dakota Customer Class Capacity Allocation Factors in Table 1 are as approved by the Commission in Docket Number EL06-019.

EFFECTIVE DATE

The TCA will be updated and filed each year thereafter with the effective date of June 1st.



Black Hills Power, Inc. d/b/a Black Hills Energy
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

ENVIRONMENTAL IMPROVEMENT ADJUSTMENT

Page 1 of 1

Section No. 3C
Seventh Revised Sheet No. 20
Cancels Sixth Revised Sheet No. 20

ENVIRONMENTAL IMPROVEMENT ADJUSTMENT

APPLICABLE

This Environmental Improvement Adjustment (EIA) applies to all rate schedules for all classes of service authorized by the Commission.

To the extent the Company requests cost recovery under the EIA, the EIA shall be calculated annually based on actual kWh retail sales for the twelve months of June through May as compared to the actual costs, and shall include an over or under recovery from prior years' adjustments through the Balancing Account, to the extent the Company requests cost recovery under the EIA. The Company will update and make an EIA filing with the Commission on an annual basis no later than February 15th.

ENVIRONMENTAL IMPROVEMENT ADJUSTMENT RATE

An EIA rate shall be determined by dividing the environmental improvement revenue requirement for the period April 1st through March 31st of each year and the forecasted balance of the EIA Balancing Account divided by the forecasted retail sales volumes for the period June 1st through May 31st for each upcoming year. The EIA rate shall be rounded to the nearest \$0.0001 per kWh.

The EIA rate may be adjusted annually with approval of the Commission. Pursuant to the stipulation in Docket EL17-008, the over-collection balance will be returned to customers through the following EIA refund rates:

Residential	\$0.00000 per kWh
Small General Service	\$0.00000 per kWh
Large General Service and Industrial	\$0.00000 per kWh
Lighting	\$0.00000 per kWh

Environmental Improvement Revenue Requirement shall be the annual revenue requirements associated with environmental improvements eligible for recovery under SDCL 49-34A-97 and approved by the Commission.

EIA Balancing Account shall be the annual environmental improvement amount approved by the Commission from the previous filing less the actual environmental improvement adjustment amount recovered during the year. The Balancing Account amount shall have interest applied or credited monthly at the annual rate of seven percent (7%).

Forecasted Retail Sales Volumes shall be the estimated total retail electric sales kWh for the designated recovery period.

EFFECTIVE DATE

The EIA will be updated consistent with the Commission's orders related to the EIA.