

**BLACK HILLS POWER**  
**SD PUBLIC UTILITIES COMMISSION**  
**DOCKET NO. EL14-034**

REQUEST DATE : April 30, 2014  
RESPONSE DATE : May 5, 2014  
REQUESTING PARTY : South Dakota Public Utilities Commission

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**SDPUC Request 1-13:**

Are any other outstanding bonds eligible to call and be refinanced at a lower rate of interest?

**Response to SDPUC Request 1-13:**

The following lists Black Hills Power's outstanding bonds, their call premiums and fair values.

Amount	Description	Maturity Date	Coupon Rate	Call Premium Option	Fair Market Value as of 3/31/14
\$180,000,000	AF Bonds	11/1/39	6.125%	Callable at any time at the greater of i) the price equal to the principal amount plus accrued and unpaid interest and ii) the Treasury Rate plus 25 bps.	\$218,372,400
\$75,000,000	AE Bonds	8/15/32	7.23%	Callable at any time at the greater of i) the price equal to the principal amount plus accrued and unpaid interest and ii) the Treasury Rate plus 30 bps.	\$98,982,750
\$12,200,000	Series 2004 PCB Bonds	10/1/24	5.35%	Callable prior to 10/1/14 at principal plus accrued interest, plus make-whole payment: 10/1/14 to 9/30/15: 102% 10/1/15 to 9/30/16: 101% 10/1/16 and after : 100%	\$12,707,032
\$2,855,000	1994 A Bonds	6/1/24	.75%*	None	\$2,855,000
\$270,055,000					\$332,917,182

\*Variable rate

Black Hills Power periodically computes the redemption value of each bond based on its call premium options compared to refinancing under current market conditions at the time of the evaluation. It has not been economically feasible to refinance any of the bonds listed above with the exception of the Series 2004 Pollution Control Bonds. See DR 1-12 for additional details regarding the economics of redeeming and refinancing the Series 2004 bonds.

**Attachments:** None