

Budget Billing Plan

BUDGET BILLING PLAN FAQ

Q&A

Is there a fee for using the budget billing plan?

No. The budget plan is a free service to our customers.

How is the budget amount calculated?

Your initial monthly budget payment will be:
(The previous 12 months' actual bills at your current residence + your current account balance) divided by 12.
Each month thereafter, your budget bill amount will be reviewed using the average of your previous 12 months' actual bills. (July 2009 bill uses August 2008 to July 2009, August 2009 bill uses September 2008 - August 2009, and so on.)

How often will my monthly budget bill amount be adjusted?

Adjustments will depend on fuel costs, weather and usage. Your budget amount will be changed only if the recalculated budget amount differs 10 percent or more from your current budget amount. Factoring in a threshold allows you to maintain greater stability in your monthly amount due. Once a year, on your budget billing anniversary date, your payment will be totally recalculated: (The previous 12 months' actual bills at your current residence + your current account balance) divided by 12.

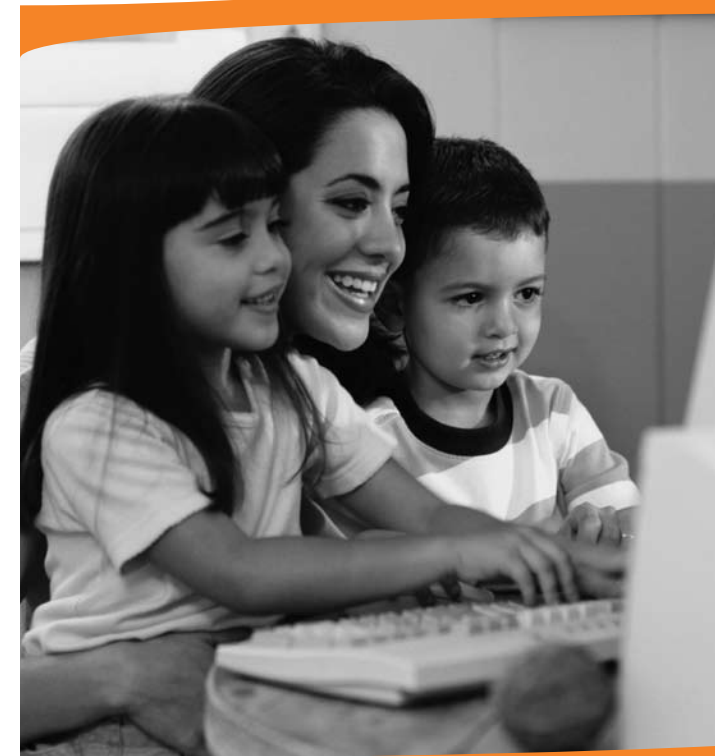
I'm on the Paid By Bank automatic payment plan. How will I know when my budget amount changes so that I can plan my banking accordingly?

You will continue to receive a monthly statement advising how much your next payment will be, and when the amount will be deducted from our bank account.

Can I be removed from the budget billing plan?

The budget plan is the most beneficial payment option for you, as it reduces fluctuations in your bills while offering payment stability. However, we can return your account to traditional billing if you would rather pay for your actual energy used each month, which could potentially result in high seasonal bills.

Please note: If your energy consumption has been more than your budget payments, your account balance will be due in full on your due date.



Stabilize your Energy Bill



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Improving life with energy



Reasons to Consider the Budget Billing Plan

The Budget Billing Plan can help you budget your energy bill by spreading out seasonal price spikes over the whole year. Energy prices are impacted in large part by changing and unpredictable economic and weather patterns world-wide. Your local weather isn't the only factor. Your energy usage changes as your life evolves -- a new addition to the house; a college student headed off to school or a more efficient water heater or furnace can make your energy bill unpredictable.

How the Budget Billing Plan works

Black Hills Power's Budget Billing Plan helps level out your monthly energy payments. To figure your plan amount, we consider your previous usage and energy costs to arrive at your initial budget amount. After that, your monthly balances will be calculated based on the average of your previous 12 months' actual bills. However, the monthly amount due is only adjusted if the monthly calculation is at least 10 percent greater than or less than your current budget amount.

The Budget Billing Plan can be cancelled at any time by contacting Black Hills Power.

With the Budget Billing Plan...

You will be protected from significant swings in your bill, while the 10 percent threshold ensures that you maintain relative stability in your monthly payment.

Once you're enrolled in the Budget Billing Plan, you can cancel yourself at any time by contacting Black Hills Power. If you are removed from the Budget Billing Plan any carryover credit or balance due is applied to the next month's bill and becomes due in full at that time.

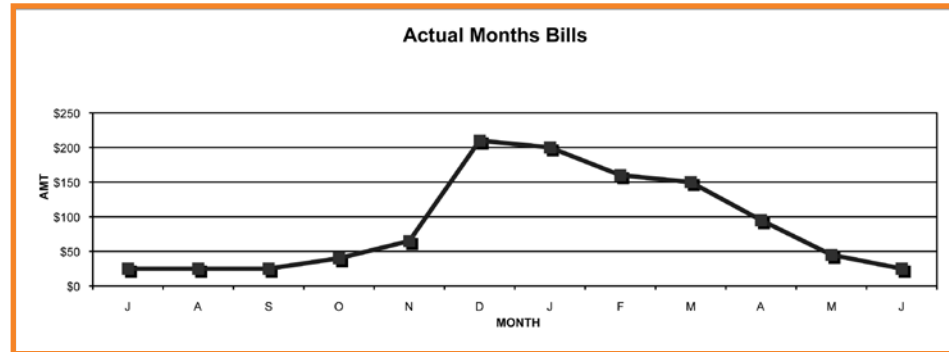
Budget Billing Plan: Black Hills Power's no-hassle, stable payment plan and budgeting tool.

-- Enroll Now --

To enroll in

**The Budget Billing Plan,
call Black Hills Power's 24-hour
Customer Service Center at
800-742-8948.**

This chart demonstrates how an average customer's bill can fluctuate significantly from season to season.



BUDGET BILLING PROGRAM: This chart demonstrates how Budget Billing can help stabilize your monthly payments over a 12 month period.

