

March 1, 2016

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: *Black Hills Power, Inc.*
Docket No. ER14-2869-000
Supplement to 2016 Annual Formula Rate Update Informational Filing

Dear Secretary Bose:

On February 29, 2016, Black Hills Power, Inc. (“Black Hills Power”) filed a transmittal letter and supporting materials in the above referenced proceeding that reflected Black Hills Power’s Annual Transmission Revenue Requirement (“ATRR”) pursuant to Attachment H of the Joint Open Access Transmission Tariff of Black Hills Power, Basin Electric Power Cooperative, and Powder River Energy Corporation (“Informational Filing”). Black Hills Power hereby supplements the Informational Filing to correct a typographical error contained in the transmittal letter of the Informational Filing. Specifically, by applying the proration formula pursuant to recent Internal Revenue Service (“IRS”) private letter rulings, Black Hills Power’s projected net revenue requirement was reduced by \$227,532 rather than the \$227,520 stated in the Informational Filing’s transmittal letter. This typographical error was limited to the transmittal letter of the Informational Filing and did not appear in any of the supporting materials or have any effect on any calculation contained therein. Additionally, Black Hills Power wanted to point out in this supplement that the 2014 Annual True-Up calculations were not affected by the recent IRS private letter rulings because Annual True-Up calculations utilize the actual amounts as reported in Form No. 1, which did not change (as compared to projections that apply the proration formula pursuant to the IRS normalization rules to calculate accumulated deferred income taxes).

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Thank you for your attention to this matter. Please feel free to contact us if you have any questions concerning the Informational Filing or this supplement.

Respectfully submitted,

/s/ Blake R. Urban

Catherine P. McCarthy

Blake R. Urban

Counsel to Black Hills Power, Inc.

CERTIFICATE OF SERVICE

Pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010, I hereby certify that I have this day served a copy of the foregoing on all persons designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 1st day of March, 2016.

/s/ *Blake R. Urban*
Blake R. Urban