

Line	Description	Settlement South Dakota Electric Adjusted Test Year	BHP Proposed South Dakota Electric Adjusted Test Year	Difference
	(a)	(b)	(c)	(d)
1	Average Rate Base	\$ 543,925,179	\$ 542,701,964	\$ 1,223,215
2	Adjusted Test Year Operating Income	37,736,318	36,508,872	1,227,446
3	Earned Rate of Return	6.94%	6.73%	
4	Recommended Rate of Return	7.76%	8.48%	
5	Required Operating Income	42,208,594	46,021,171	(3,812,577)
6	Income Deficiency (Excess)	4,472,276		
7	Gross Revenue Conversion Factor	1.53846		
8	Revenue Deficiency (Excess)	6,880,425	14,634,238	(7,753,813)
9	Gross Receipts Tax (at 0.0015)	10,321		
10	Total Revenue Deficiency (Excess)	6,890,746	14,634,238	(7,743,492)
11	Adjusted Test Year Revenue	149,574,187	149,258,977	315,210
12	Revenue Requirement	\$ 156,464,933	\$ 163,893,215	\$ (7,428,282)

SOURCES:

Column b, line 1: BAM-2, schedule 1, page 1, column d, line 37	Column c, line 1: Sch N-1, page 3 of 34, line 115
Column b, line 2: BAM-1, schedule 2, page 1, column d, line 30	Column c, line 2: Sch N-1, page 1 of 34, line 20
Column b, line 3: Line 2 divided by line 1	Column c, line 3: Sch N-1, page 1 of 34, line 33
Column b, line 4: BLC-1, Schedule 1, column d, line 3	Column c, line 4: Statement G page 1 of 5
Column b, line 5: Line 1 * line 4	Column c, line 5: Sch N-1, page 3 of 34, line 112
Column b, line 6: Line 5 less line 2	Column c, line 8: Sch N-1, page 3 of 34, line 123
Column b, line 7: Effective FIT rate / inverse + 1	Column c, line 10: Sch N-1, page 3 of 34, line 123
Column b, line 8: Line 6 * line 7	Column c, line 11: Sch N-1, page 1 of 34, line 9
Column b, line 9: Column b, line 8 * 0.0015	Column c, line 12: line 10 + line 11
Column b, line 10: Column b, line 8 plus line 9	
Column b, line 11: BAM-1, schedule 2, page 1, column d, line 5	Column d: Column b less column c
Column b, line 12: Line 10 plus line 11	

Line	Description (a)	South Dakota Per Books (b)	Total Staff Adjustments (c)	Adjusted Test Year (d)	Revenue Adjustment (e)	Adjusted Test Year with Revenue Adjustment (f)
1	OPERATING REVENUES:					
2	Sales of Electricity Revenues	\$ 146,724,130	\$ (22,174,475)	\$ 124,549,655	\$ 6,890,746	\$ 131,440,401
3	Contract Revenues	47,361,753	(28,072,908)	19,288,845		19,288,845
4	Other Operating Revenues	10,484,739	(4,749,052)	5,735,687		5,735,687
5	TOTAL OPERATING REVENUES	204,570,622	(54,996,435)	149,574,187	6,890,746	156,464,933
6	OPERATING EXPENSES:					
7	Operation and Maintenance:					
8	Production Expense	78,242,849	(52,712,338)	25,530,511		25,530,511
9	Transmission Expense	17,208,970	(16,653,708)	555,262		555,262
10	Distribution Expense	7,872,884	512,185	8,385,069		8,385,069
11	Customer Accounting Expense	2,606,300	482,929	3,089,229		3,089,229
12	Customer Service Expense	1,399,732	143,460	1,543,192		1,543,192
13	Sales Expense	27,285	(331)	26,954		26,954
14	Administrative and General Expense	26,304,736	1,719,852	28,024,588		28,024,588
15	Total Operation and Maintenance	133,662,756	(66,507,952)	67,154,804	-	67,154,804
16	Depreciation and Amortization	22,937,967	4,810,503	27,748,470		27,748,470
17	Taxes:					
18	Property Taxes	4,043,632	-	4,043,632		4,043,632
19	Payroll Taxes					
20	FICA	2,594,431	108,531	2,702,962		2,702,962
21	Federal Unemployment	19,149	2,483	21,632		21,632
22	State Unemployment	73,096	2,483	75,579		75,579
23	Gross Receipts Tax	211,595	-	211,595	10,321	221,916
24	Federal Income Taxes	6,748,135	2,507,463	9,255,598	2,408,149	11,663,747
25	Deferred Income Taxes	3,431,123	-	3,431,123		3,431,123
26	Investment Tax Credit	-	-	-		-
27	Other Taxes	(2,807,524)	-	(2,807,524)		(2,807,524)
28	Total Taxes	14,313,637	2,620,959	16,934,596	2,418,470	19,353,066
29	TOTAL OPERATING EXPENSES	170,914,360	(59,076,490)	111,837,870	2,418,470	114,256,340
30	OPERATING INCOME	\$ 33,656,262	\$ 4,080,056	\$ 37,736,318	\$ 4,472,276	\$ 42,208,594
31	Rate Base	419,344,687		\$ 543,925,179		\$ 543,925,179
32	Earned Rate of Return	8.03%		6.94%		7.76%
33	Staff Proposed Rate of Return			7.76%		7.76%

SOURCES:

Line 5: Sum of lines 2 through 4
Line 15: Sum of lines 8 through 14
Line 28: Sum of lines 18 through 27
Line 29: Sum of lines 15, 16 and 28
Line 30: Line 15 less line 29
Line 31: BAM-2 Schedule 1, column d, line 37
Line 32: Line 30 / line 31
Line 33: BLC-1, Schedule 1, column d, line 3
Column b: BAM-1, Schedule 3, column b

Column c: BAM-1, Schedule 3, column ap
Column d: Column b plus column c

Column e, line 2: BAM-1, Schedule 1, page 1, column b, line 10
Column e, line 23: BAM-1, Schedule 1, page 1, column b, line 9
Column e, line 24: BAM-1, Sch 1, p 1, col b, line 8 less
BAM-1, sch 1, p 1, col b, line 6
Column f: Column d plus column e

Line	Description	South Dakota Per Books	Wages & Salaries (H-1, L-1)	Black Hills Corp./ Black Hills Utility Holdings Intercompany Charges (H-5)	Employee Pension & Benefits (H-6)	Bad Debt (H-7)	Generation Dispatch & Scheduling (H-8)	Energy Cost Adjustment Expense Elimination (H-9)	Neil Simpson Complex Shared Facilities (H-10, I - note 5)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	OPERATING REVENUES:								
2	Sales of Electricity Revenues	\$ 146,724,130							
3	Contract Revenues	47,361,753							
4	Other Operating Revenues	10,484,739							775,367
5	TOTAL OPERATING REVENUES	204,570,622	-	-	-	-	-	-	775,367
6	OPERATING EXPENSES:								
7	Operation and Maintenance:								
8	Production Expense	78,242,849	690,177	(7,105)			(8,755)	(29,397,893)	514,838
9	Transmission Expense	17,208,970	35,715	360,283				(16,131,515)	
10	Distribution Expense	7,872,884	332,664	279,274					
11	Customer Accounting Expense	2,606,300	75,994	649,723		(14,090)			
12	Customer Service Expense	1,399,732	46,712						
13	Sales Expense	27,285							
14	Administrative and General Expense	26,304,736	237,446	1,090,775	17,483				
15	Total Operation and Maintenance	133,662,756	1,418,708	2,372,950	17,483	(14,090)	(8,755)	(45,529,408)	514,838
16	Depreciation and Amortization	22,937,967							
17	Taxes:								
18	Property Taxes	4,043,632							
19	Payroll Taxes								
20	FICA	2,594,431	108,531						
21	Federal Unemployment	19,149	2,483						
22	State Unemployment	73,096	2,483						
23	Gross Receipts Tax	211,595							
24	Federal Income Taxes	6,748,135	(536,271)	(830,533)	(6,119)	4,932	3,064	15,935,293	91,185
25	Deferred Income Taxes	3,431,123							
26	Investment Tax Credit	-							
27	Other Taxes	(2,807,524)							
28	Total Taxes	14,313,637	(422,775)	(830,533)	(6,119)	4,932	3,064	15,935,293	91,185
29	TOTAL OPERATING EXPENSES	170,914,360	995,933	1,542,417	11,364	(9,158)	(5,691)	(29,594,115)	606,023
30	OPERATING INCOME	\$ 33,656,262	\$ (995,933)	\$ (1,542,417)	\$ (11,364)	\$ 9,158	\$ 5,691	\$ 29,594,115	\$ 169,345
	Source	Statement N	BAM-3 Sch 1	DEP-1 Sch 2	Supplement to Staff DR 4-50 N-1 SD Allocator SALWAGES	PJS-1 Sch 7	PJS-1 Sch 1	Schedule H-9 N-1 SD Allocators ENERGY1, ENEFUEL, & TRANPLT	PJS-1 Sch 11
	Staff Witness Testimony		Mehlhoff	Peterson	Peterson	Steffensen	Steffensen	Mehlhoff	Steffensen
	Staff position on BHP's Adjustment		Adjusted	Adjusted	Adjusted	Adjusted	Adjusted	Accepted	Adjusted

Line	Description (a)	Removal of Unallowed Advertising (H-11) (j)	Power Marketing Adjustment (H-12, I - note 1) (k)	Rate Case Expense (H-13) (l)	Vegetation Management (H-14) (m)	CPGS O&M (H-15) (n)	Ben French Severance Expense (H-16) (o)	Neil Simpson Complex Common Steam Allocation (H-17) (p)
1	OPERATING REVENUES:							
2	Sales of Electricity Revenues							
3	Contract Revenues		(27,663,899)					
4	Other Operating Revenues							
5	TOTAL OPERATING REVENUES	-	(27,663,899)	-	-	-	-	-
6	OPERATING EXPENSES:							
7	Operation and Maintenance:							
8	Production Expense		(23,698,877)			2,470,782		48,593
9	Transmission Expense		(918,191)					
10	Distribution Expense				(379,978)			
11	Customer Accounting Expense	(1,190)						
12	Customer Service Expense	(22,287)						
13	Sales Expense	(331)						
14	Administrative and General Expense	(222,019)		129,772			(165,801)	
15	Total Operation and Maintenance	(245,828)	(24,617,068)	129,772	(379,978)	2,470,782	(165,801)	48,593
16	Depreciation and Amortization							
17	Taxes:							
18	Property Taxes							
19	Payroll Taxes							
20	FICA							
21	Federal Unemployment							
22	State Unemployment							
23	Gross Receipts Tax							
24	Federal Income Taxes	86,040	(1,066,391)	(45,420)	132,992	(864,774)	58,030	(17,008)
25	Deferred Income Taxes							
26	Investment Tax Credit							
27	Other Taxes		-					
28	Total Taxes	86,040	(1,066,391)	(45,420)	132,992	(864,774)	58,030	(17,008)
29	TOTAL OPERATING EXPENSES	(159,788)	(25,683,459)	84,352	(246,986)	1,606,008	(107,771)	31,585
30	OPERATING INCOME	\$ 159,788	\$ (1,980,440)	\$ (84,352)	\$ 246,986	\$ (1,606,008)	\$ 107,771	\$ (31,585)
	Source	EJP-1 Sch 3	Statement I, pg. 1 N-1 SD Allocator DPROD & BAM-3 Sch 3	EJP-1 Sch 2	PJS-1 Sch 9	BAM-3 Sch 8	Schedule H-16 N-1 SD Allocator SALWAGES	PJS-1 Sch 2
	Staff Witness Testimony	Paulson	Mehlhoff	Paulson	Steffensen	Mehlhoff	Paulson	Steffensen
	Staff position on BHP's Adjustment	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted	Accepted	Adjusted

Line	Description	Ben French, Osage, & Neil Simpson I O&M Elimination (H-18) (a)	FutureTrack Workforce Development Program (H-19) (q)	69 kV LIDAR Surveying Project (H-20) (r)	Customer Service Model Adjustment (H-21) (s)	Remove City of Gillette (I - note 2) (t)	Unbilled Revenue (I - note 3) (u)	Provision for Rate Refunds (I - note 3) (v)
1	OPERATING REVENUES:							
2	Sales of Electricity Revenues							
3	Contract Revenues					(409,009)		
4	Other Operating Revenues						(1,882,932)	1,740,730
5	TOTAL OPERATING REVENUES	-	-	-	-	(409,009)	(1,882,932)	1,740,730
6	OPERATING EXPENSES:							
7	Operation and Maintenance:							
8	Production Expense	(3,324,098)						
9	Transmission Expense							
10	Distribution Expense		185,329	64,107				
11	Customer Accounting Expense				(211,948)			
12	Customer Service Expense		146,276					
13	Sales Expense							
14	Administrative and General Expense							
15	Total Operation and Maintenance	(3,324,098)	331,605	64,107	(211,948)	-	-	-
16	Depreciation and Amortization				(2,586)			
17	Taxes:							
18	Property Taxes							
19	Payroll Taxes							
20	FICA							
21	Federal Unemployment							
22	State Unemployment							
23	Gross Receipts Tax							
24	Federal Income Taxes	1,163,434	(116,062)	(22,437)	75,087	(143,153)	(659,026)	609,256
25	Deferred Income Taxes							
26	Investment Tax Credit							
27	Other Taxes							
28	Total Taxes	1,163,434	(116,062)	(22,437)	75,087	(143,153)	(659,026)	609,256
29	TOTAL OPERATING EXPENSES	(2,160,664)	215,543	41,670	(139,447)	(143,153)	(659,026)	609,256
30	OPERATING INCOME	\$ 2,160,664	\$ (215,543)	\$ (41,670)	\$ 139,447	\$ (265,856)	\$ (1,223,906)	\$ 1,131,474
	Source	Schedule H-18 N-1 SD Allocators SALWAGPO, SALWAGPM, DPROD, ENFUEL	DEP-1 Sch 4	PJS-1 Sch 5	PJS-1 Sch 3	Statement I, pg. 1 N-1 SD Allocator DPROD	Statement I, pg. 1	Statement I, pg. 1
	Staff Witness Testimony	Mehlhoff	Peterson	Steffensen	Steffensen	Mehlhoff	Steffensen	Steffensen
	Staff position on BHP's Adjustment	Accepted	Adjusted	Adjusted	Adjusted	Accepted	Accepted	Accepted

Line	Description	Removal of Energy Cost Revenue (I - note 4 & I p. 4) (x)	PIPR Rate Annualization (I-2) (y)	Weather Normalization (I - note 6) (z)	Industrial Contract Service Accrual (I - note 6) (aa)	EL12-061 Rate Increase Annualization (I - note 6) (ab)	Interest Sync (K) (ac)	Depreciation Expense (J) (ad)	Decommissioning Regulatory Asset (J-2) (ae)	Storm Atlas Regulatory Asset (J-3) (af)
1	OPERATING REVENUES:									
2	Sales of Electricity Revenues	\$ (33,682,213)	\$ 4,751,938	\$ (264,403)	\$ 19,998	\$ 7,000,205				
3	Contract Revenues									
4	Other Operating Revenues	(5,471,871)								
5	TOTAL OPERATING REVENUES	(39,154,084)	4,751,938	(264,403)	19,998	7,000,205	-	-	-	-
6	OPERATING EXPENSES:									
7	Operation and Maintenance:									
8	Production Expense									
9	Transmission Expense									
10	Distribution Expense									
11	Customer Accounting Expense									
12	Customer Service Expense									
13	Sales Expense									
14	Administrative and General Expense									
15	Total Operation and Maintenance	-	-	-	-	-	-	-	-	-
16	Depreciation and Amortization						3,028,839	1,468,507	\$ 315,743	
17	Taxes:									
18	Property Taxes									
19	Payroll Taxes									
20	FICA									
21	Federal Unemployment									
22	State Unemployment									
23	Gross Receipts Tax									
24	Federal Income Taxes	(13,703,929)	1,663,178	(92,541)	6,999	2,450,072	709,187	(1,060,094)	(513,977)	(110,510)
25	Deferred Income Taxes									
26	Investment Tax Credit									
27	Other Taxes									
28	Total Taxes	(13,703,929)	1,663,178	(92,541)	6,999	2,450,072	709,187	(1,060,094)	(513,977)	(110,510)
29	TOTAL OPERATING EXPENSES	(13,703,929)	1,663,178	(92,541)	6,999	2,450,072	709,187	1,968,745	954,530	205,233
30	OPERATING INCOME	\$ (25,450,155)	\$ 3,088,760	\$ (171,862)	\$ 12,999	\$ 4,550,133	\$ (709,187)	\$ (1,968,745)	\$ (954,530)	\$ (205,233)
	Source	Statement I, pg. 1 & 4 100% Direct Allocation	Schedule I-2	BLC-1 Sch 8	CRG-3	CRG-4	BAM-3 Sch 2	BAM-3 Sch 4	BAM-3 Sch 9	BAM-3 Sch 10
	Staff Witness Testimony	Mehlhoff	Steffensen	Copeland	Steffensen	Steffensen	Mehlhoff	Mehlhoff/Peterson	Mehlhoff	Mehlhoff
	Staff position on BHP's Adjustment	Accepted	Accepted	Adjusted	Accepted	Accepted	Adjusted	Adjusted	Adjusted	Adjusted

Line	Description	Charitable Contributions (ag)	Storm Damage (ah)	Incentive Compensation (ai)	Economic Development (aj)	Association Dues (ak)	Custer to Hot Springs Cooperatives Revenues (al)	Workers Compensation (am)	Black Hills Corp./ Black Hills Service Co. Intercompany Charges (H-4) (an)	Income Tax Adjustment (K) (ao)
1	OPERATING REVENUES:									
2	Sales of Electricity Revenues									
3	Contract Revenues									
4	Other Operating Revenues						89,654			
5	TOTAL OPERATING REVENUES	-	-	-	-	-	89,654	-	-	-
6	OPERATING EXPENSES:									
7	Operation and Maintenance:									
8	Production Expense									
9	Transmission Expense									
10	Distribution Expense		30,874			(85)				
11	Customer Accounting Expense	(15,559)								
12	Customer Service Expense				(26,664)	(577)				
13	Sales Expense									
14	Administrative and General Expense			(666,068)		(5,184)		171,566	1,131,881	
15	Total Operation and Maintenance	(15,559)	30,874	(666,068)	(26,664)	(5,846)	-	171,566	1,131,881	-
16	Depreciation and Amortization									
17	Taxes:									
18	Property Taxes									
19	Payroll Taxes									
20	FICA									
21	Federal Unemployment									
22	State Unemployment									
23	Gross Receipts Tax									
24	Federal Income Taxes	5,446	(10,806)	233,124	9,332	2,046	31,379	(60,048)	(396,158)	(507,356)
25	Deferred Income Taxes									
26	Investment Tax Credit									
27	Other Taxes									
28	Total Taxes	5,446	(10,806)	233,124	9,332	2,046	31,379	(60,048)	(396,158)	(507,356)
29	TOTAL OPERATING EXPENSES	(10,113)	20,068	(432,944)	(17,332)	(3,800)	31,379	111,518	735,723	(507,356)
30	OPERATING INCOME	\$ 10,113	\$ (20,068)	\$ 432,944	\$ 17,332	\$ 3,800	\$ 58,275	\$ (111,518)	\$ (735,723)	\$ 507,356
	Source	Staff DR 2-27	PJS-1 Sch 8	DEP-1 Sch 1	EJP-1 Sch 4	EJP-1 Sch 1	Supplement to Staff DR 6-40 N-1 SD Allocator TDPLT	Staff DR 2-26	DEP-1 Sch 3	BAM-3 Sch 11
	Staff Witness Testimony	Paulson	Steffensen	Peterson	Paulson	Paulson	Mehlhoff	Paulson	Peterson	Mehlhoff
	Staff position on BHP's Adjustment	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed	Company Proposed	Company Proposed	Accepted

Line	Description (a)	Subtotal Staff Adjustments (ap)	Adjusted Test Year (aq)
1	OPERATING REVENUES:		
2	Sales of Electricity Revenues	\$ (22,174,475)	\$ 124,549,655
3	Contract Revenues	(28,072,908)	19,288,845
4	Other Operating Revenues	(4,749,052)	5,735,687
5	TOTAL OPERATING REVENUES	(54,996,435)	149,574,187
6	OPERATING EXPENSES:		
7	Operation and Maintenance:		
8	Production Expense	(52,712,338)	25,530,511
9	Transmission Expense	(16,653,708)	555,262
10	Distribution Expense	512,185	8,385,069
11	Customer Accounting Expense	482,929	3,089,229
12	Customer Service Expense	143,460	1,543,192
13	Sales Expense	(331)	26,954
14	Administrative and General Expense	1,719,852	28,024,588
15	Total Operation and Maintenance	(66,507,952)	67,154,804
16	Depreciation and Amortization	4,810,503	27,748,470
17	Taxes:		
18	Property Taxes	-	4,043,632
19	Payroll Taxes		-
20	FICA	108,531	2,702,962
21	Federal Unemployment	2,483	21,632
22	State Unemployment	2,483	75,579
23	Gross Receipts Tax	-	211,595
24	Federal Income Taxes	2,507,463	9,255,598
25	Deferred Income Taxes	-	3,431,123
26	Investment Tax Credit	-	-
27	Other Taxes	-	(2,807,524)
28	Total Taxes	2,620,959	16,934,596
29	TOTAL OPERATING EXPENSES	(59,076,490)	111,837,870
30	OPERATING INCOME	\$ 4,080,056	\$ 37,736,318

Source

Staff Witness Testimony

Staff position on BHP's Adjustment

SOURCES:

Line 5:	Sum of lines 2 through 4
Line 15:	Sum of lines 8 through 14
Line 28:	Sum of lines 18 through 27
Line 29:	Sum of lines 15, 16, and 28
Line 30:	Line 5 less line 29
Column b, line 2:	Statement N, page 11 of 34, column (d), line 4
Column b, line 3:	Statement N, page 11 of 34, column (d), line 5
Column b, line 4:	Statement N, page 11 of 34, column (d), line 15
Column b, line 8:	Statement N, page 13 of 34, column (d), line 57
Column b, line 9:	Statement N, page 13 of 34, column (d), line 81
Column b, line 10:	Statement N, page 14 of 34, column (d), line 122
Column b, line 11:	Statement N, page 15 of 34, column (d), line 148
Column b, line 12:	Statement N, page 15 of 34, column (d), line 156
Column b, line 13:	Statement N, page 15 of 34, column (d), line 158
Column b, line 14:	Statement N, page 15 of 34, column (d), line 176
Column b, line 16:	Statement N, page 16 of 34, column (d), line 32
Column b, line 18:	Statement N, page 17 of 34, column (d), line 16
Column b, line 20:	Statement N, page 17 of 34, column (d), line 5
Column b, line 21:	Statement N, page 17 of 34, column (d), line 6
Column b, line 22:	Statement N, page 17 of 34, column (d), line 9
Column b, line 23:	Statement N, page 17 of 34, column (d), line 12
Column b, line 24:	Statement N, page 18 of 34, column (d), line 28
Column b, line 25:	Statement N, page 18 of 34, line 30 less BAM-1 Sch 3 column b, line 26
Column b, line 26:	Statement K, page 2 of 3, column (c),line 66
Column b, line 27:	Statement N, page 17 of 34, column (d), line 18

Line	Description	South Dakota Test Year Average Per Books	Total Pro Forma Adjustments	South Dakota Pro Forma Rate Base
	(a)	(b)	(c)	(d)
1	Electric Plant in Service			
2	Production (including unclassified)	\$ 465,623,884	\$ 48,495,418	\$ 514,119,302
3	Transmission (including unclassified)	3,791,973	-	3,791,973
4	Distribution (including unclassified)	284,252,490	24,042,948	308,295,438
5	General (including unclassified)	35,656,198	8,174,519	43,830,717
6	Other Utility Plant in Service	21,856,324	1,945,332	23,801,656
7	Plant Acquisition Adjustment	4,375,022	-	4,375,022
8	Total Plant in Service	<u>815,555,891</u>	<u>82,658,217</u>	<u>898,214,108</u>
9	Accumulated Depreciation & Amortization			
10	Production	168,821,505	(42,527,903)	126,293,602
11	Transmission	715,447	33,513	748,960
12	Distribution	93,640,468	237,083	93,877,551
13	General	15,918,118	(354,740)	15,563,378
14	Other Utility	14,544,750	81,193	14,625,943
15	Plant Acquisition Adjustment	2,835,303	-	2,835,303
16	Total Accumulated Depreciation and Amortization	<u>296,475,591</u>	<u>(42,530,854)</u>	<u>253,944,737</u>
17	TOTAL NET ELECTRIC PLANT IN SERVICE	<u>519,080,300</u>	<u>125,189,071</u>	<u>644,269,371</u>
18	Additions to Rate Base:			
19	Materials and Supplies	12,417,940	852,997	13,270,937
20	Fuel Stocks	5,247,278	1,076,343	6,323,621
21	Prepayments	498,993	-	498,993
22	Advanced Tax Collections	(1,104,506)	738,343	(366,163)
23	Working Capital	(4,039,837)	4,243,767	203,930
24	Other	-	15,768,035	15,768,035
25	TOTAL ADDITIONS TO RATE BASE	<u>13,019,868</u>	<u>22,679,484</u>	<u>35,699,352</u>
26	Deductions to Rate Base:			
27	Accumulated Deferred Income Taxes	107,533,008	15,915,494	123,448,502
28	Accumulated Investment Tax Credit	-	-	-
29	Customer Advances for Construction	1,165,985	(78,161)	1,087,824
30	Customer Deposits	-	-	-
31	Accumulated Provision for Uncollectibles	-	-	-
32	Accumulated Provision for Injuries and Damages	-	-	-
33	Miscellaneous Operating Provisions	-	-	-
34	FAS 109	-	-	-
35	Other	4,056,488	7,450,730	11,507,218
36	TOTAL DEDUCTIONS TO RATE BASE	<u>112,755,481</u>	<u>23,288,063</u>	<u>136,043,544</u>
37	TOTAL SOUTH DAKOTA RATE BASE	<u>\$ 419,344,687</u>	<u>\$ 124,580,492</u>	<u>\$ 543,925,179</u>

Sources:

Line 8: Sum of lines 2 through 7
Line 16: Sum of lines 10 through 15
Line 17: Line 8 less line 16
Line 25: Sum of lines 19 through 24
Line 36: Sum of lines 27 through 35

Line 37: Line 17 plus 25 less line 36
Column b: BAM-2 Schedule 2, page 1, column b
Column c: BAM-2 Schedule 2, page 1, column t
Column d: column b plus column c

Line	Description	South Dakota Test Year Average Per Books (a)	CPGS Plant Addition (D-11, M-2) (c)	Test Year Plant In-Service Annualization (W-4, M-2) (d)	Post Test Year Plant Additions (D-10, M-2) (e)	Ben French, Neil Simpson I, & Osage Retirements (D, E, WP-5, M-2) (f)	Accumulated Depreciation (E) (g)	Cash Working Capital (F-3) (h)	Rate Case Expense (H-13) (i)
1	Electric Plant in Service								
2	Production (including unclassified)	\$ 465,623,884	\$ 80,944,734	3,046,616	13,691,564	(49,187,496)			
3	Transmission (including unclassified)	3,791,973							
4	Distribution (including unclassified)	284,252,490		4,738,994	19,303,954				
5	General (including unclassified)	35,656,198		2,313,414	6,658,457	(167,278)			
6	Other Utility	21,856,324			1,945,332				
7	Plant Acquisition Adjustment	4,375,022							
8	Total Plant in Service	815,555,891	80,944,734	10,099,024	41,599,307	(49,354,774)	-	-	-
9	Accumulated Depreciation & Amortization								
10	Production	168,821,505				(43,673,321)	1,145,418		
11	Transmission	715,447					33,513		
12	Distribution	93,640,468					237,083		
13	General	15,918,118				(59,236)	17,209		
14	Other Utility	14,544,750					81,193		
15	Plant Acquisition Adjustment	2,835,303					-		
16	Total Accumulated Depreciation and Amortization	296,475,591	-	-	-	(43,732,557)	1,514,416	-	-
17	TOTAL NET ELECTRIC PLANT IN SERVICE	519,080,300	80,944,734	10,099,024	41,599,307	(5,622,217)	(1,514,416)	-	-
18	Additions to Rate Base:								
19	Materials and Supplies	12,417,940							
20	Fuel Stocks	5,247,278							
21	Prepayments	498,993							
22	Advanced Tax Collections	(1,104,506)						738,343	
23	Working Capital	(4,039,837)						4,243,767	
24	Other								369,191
25	TOTAL ADDITIONS TO RATE BASE	13,019,868	-	-	-	-	-	4,982,110	369,191
26	Deductions to Rate Base:								
27	Accumulated Deferred Income Taxes	107,533,008	12,048,960	1,710,931	103,518	378,116			
28	Accumulated Investment Tax Credit								
29	Customer Advances for Construction	1,165,985							
30	Customer Deposits								
31	Accumulated Provision for Uncollectibles								
32	Accumulated Provision for Injuries and Damages								
33	Miscellaneous Operating Provisions								
34	FAS 109								
35	Other	4,056,488							
36	TOTAL DEDUCTIONS TO RATE BASE	112,755,481	12,048,960	1,710,931	103,518	378,116	-	-	-
37	TOTAL SOUTH DAKOTA RATE BASE	\$ 419,344,687	68,895,774	8,388,093	41,495,789	(6,000,333)	(1,514,416)	4,982,110	369,191
	Source	Statement N	BAM-3 Sch 7	BAM-3 Sch 6	BAM-3 Sch 5	D, E, WP-5, M-2 N-1 SD Allocators DPROD, PRODPLT, GENLPLT, TOTPLT	BAM-3 Sch 4	PJS-1 Sch 4	EJP-1 Sch 2
	Staff Witness Testimony		Mehlhaff	Mehlhaff	Mehlhaff	Mehlhaff	Mehlhaff/Peterson	Steffensen	Paulson
	Staff position on BHP's Adjustment		Adjusted	Adjusted	Adjusted	Accepted	Adjusted	Adjusted	Adjusted

Line	Description	Decommissioning Regulatory Asset (J-2, M-2)	Storm Atlas Regulatory Asset (J-3, M-2)	Tax Return True-up (M-1)	NOL Adjustment (M-2)	Other Working Capital (F-1, F-4)	69 kV LIDAR Surveying Project (H-20)	Customer Service Model (H-21)
	(a)	(j)	(k)	(l)	(m)	(n)	(o)	(p)
1	Electric Plant in Service							
2	Production (including unclassified)							
3	Transmission (including unclassified)							
4	Distribution (including unclassified)							
5	General (including unclassified)							(55,989)
6	Other Utility							
7	Plant Acquisition Adjustment							
8	Total Plant in Service	-	-	-	-	-	-	(55,989)
9	Accumulated Depreciation & Amortization							
10	Production							
11	Transmission							
12	Distribution							
13	General							(47,056)
14	Other Utility							
15	Plant Acquisition Adjustment							
16	Total Accumulated Depreciation and Amortization	-	-	-	-	-	-	(47,056)
17	TOTAL NET ELECTRIC PLANT IN SERVICE	-	-	-	-	-	-	(8,933)
18	Additions to Rate Base:							
19	Materials and Supplies					852,997		
20	Fuel Stocks					1,076,343		
21	Prepayments							
22	Advanced Tax Collections							
23	Working Capital							
24	Other	12,482,309	2,683,812				154,093	
25	TOTAL ADDITIONS TO RATE BASE	12,482,309	2,683,812	-	-	1,929,339	154,093	-
26	Deductions to Rate Base:							
27	Accumulated Deferred Income Taxes	1,264,351	939,334	(135,507)	(225,815)		53,932	
28	Accumulated Investment Tax Credit							
29	Customer Advances for Construction					(78,161)		
30	Customer Deposits							
31	Accumulated Provision for Uncollectibles							
32	Accumulated Provision for Injuries and Damages							
33	Miscellaneous Operating Provisions							
34	FAS 109							
35	Other							
36	TOTAL DEDUCTIONS TO RATE BASE	1,264,351	939,334	(135,507)	(225,815)	(78,161)	53,932	-
37	TOTAL SOUTH DAKOTA RATE BASE	11,217,958	1,744,478	135,507	225,815	2,007,501	100,160	(8,933)
	Source	BAM-3 Sch 9	BAM-3 Sch 10	M-1, pg. 2, line 59, col. (o) N-1 Allocator TOTPLT	Email from Jon Thurber on 11/14/14 N-1 Allocator TOTPLT	PJS-1 Sch 10	PJS-1 Sch 5	PJS-1 Sch 3
	Staff Witness Testimony	Mehlhoff	Mehlhoff	Peterson	Peterson	Steffensen	Steffensen	Steffensen
	Staff position on BHP's Adjustment	Adjusted	Adjusted	Accepted	Accepted	Adjusted	Adjusted	Staff Proposed

Line	Description	Sturgis Office & Operations Center	Wages & Salaries	Other Rate Base Reductions (M-1)	Total Staff Adjustments	Total Staff South Dakota Rate Base
	(a)	(q)	(r)	(s)	(t)	(u)
1	Electric Plant in Service					
2	Production (including unclassified)				\$ 48,495,418	\$ 514,119,302
3	Transmission (including unclassified)				-	3,791,973
4	Distribution (including unclassified)				24,042,948	308,295,438
5	General (including unclassified)	(574,085)			8,174,519	43,830,717
6	Other Utility				1,945,332	23,801,656
7	Plant Acquisition Adjustment				-	4,375,022
8	Total Plant in Service	(574,085)	-	-	82,658,217	898,214,108
9	Accumulated Depreciation & Amortization					
10	Production				(42,527,903)	126,293,602
11	Transmission				33,513	748,960
12	Distribution				237,083	93,877,551
13	General	(265,657)			(354,740)	15,563,378
14	Other Utility				81,193	14,625,943
15	Plant Acquisition Adjustment				-	2,835,303
16	Total Accumulated Depreciation and Amortization	(265,657)	-	-	(42,530,854)	253,944,737
17	TOTAL NET ELECTRIC PLANT IN SERVICE	(308,428)	-	-	125,189,071	644,269,371
18	Additions to Rate Base:					
19	Materials and Supplies				852,997	13,270,937
20	Fuel Stocks				1,076,343	6,323,621
21	Prepayments				-	498,993
22	Advanced Tax Collections				738,343	(366,163)
23	Working Capital				4,243,767	203,930
24	Other		78,630	-	15,768,035	15,768,035
25	TOTAL ADDITIONS TO RATE BASE	-	78,630	-	22,679,484	35,699,352
26	Deductions to Rate Base:					
27	Accumulated Deferred Income Taxes			(222,326)	15,915,494	123,448,502
28	Accumulated Investment Tax Credit				-	-
29	Customer Advances for Construction				(78,161)	1,087,824
30	Customer Deposits				-	-
31	Accumulated Provision for Uncollectibles				-	-
32	Accumulated Provision for Injuries and Damages				-	-
33	Miscellaneous Operating Provisions				-	-
34	FAS 109				-	-
35	Other			7,450,730	7,450,730	11,507,218
36	TOTAL DEDUCTIONS TO RATE BASE	-	-	7,228,404	23,288,063	136,043,544
37	TOTAL SOUTH DAKOTA RATE BASE	(308,428)	78,630	(7,228,404)	124,580,492	\$ 543,925,179
	Source	Email from Jon Thurber on 10/01/14	BAM-3 Sch 1	M-1, pg. 2, line 59, col. (q) N-1 Allocators TOTPLT & SALWAGES		
	Staff Witness Testimony	Mehlhoff	Mehlhoff	Mehlhoff		
	Staff position on BHP's Adjustment	Staff Proposed	Staff Proposed	Accepted		

Sources

Line 8: Sum of lines 2 through 7
Line 16: Sum of lines 10 through 15
Line 17: Line 8 less line 16
Line 25: Sum of lines 19 through 24
Line 36: Sum of lines 27 through 35
Line 37: Line 17 plus 25 less line 36

Column b, line 2: Statement N, page 4 of 34, column d, line 30
Column b, line 3: Statement N, page 4 of 34, column d, line 43
Column b, line 4: Statement N, page 5 of 34, column d, line 78
Column b, line 5: Statement N, page 6 of 34, column d, line 109
Column b, line 6: Statement N, page 6 of 34, column d, line 111
Column b, line 7: Statement N, page 6 of 34, column d, line 113

Column b, line 10: Statement N, page 7 of 34, column d, line 3
Column b, line 11: Statement N, page 7 of 34, column d, line 5
Column b, line 12: Statement N, page 7 of 34, column d, line 22
Column b, line 13: Statement N, page 7 of 34, column d, line 24
Column b, line 14: Statement N, page 7 of 34, column d, line 26
Column b, line 15: Statement N, page 7 of 34, column d, line 30

Column b, line 19: Statement N, page 8 of 34, column d, line 7
Column b, line 20: Statement N, page 8 of 34, column d, line 6
Column b, line 21: Statement N, page 8 of 34, column d, line 8
Column b, line 22: Statement N, page 9 of 34, column d, line 38
Column b, line 23: Statement N, page 9 of 34, column d, line 36

Column b, line 27: Statement N, page 8 of 34, column d, line 25
Column b, line 29: Statement N, page 8 of 34, column d, line 12
Column b, line 35: Statement N, page 8 of 34, column d, sum of lines 13 - 18

Line	Description	01/28/2014 Payroll	Percent of Total	Total Company Wages & Salaries Adjustment	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Operation and Maintenance:							
<u>Production Expense</u>							
1	Account 500	\$ 19,360	4.00%	\$ 62,340	SALWAGPO	89.83%	\$ 56,000
2	Account 501	14,956	3.09%	48,158	ENEFUEL	87.64%	42,204
3	Account 502	49,582	10.25%	159,656	DPROD	89.83%	143,420
4	Account 505	17,289	3.58%	55,673	DPROD	89.83%	50,011
5	Account 506	26,127	5.40%	84,132	DPROD	89.83%	75,576
6	Account 510	42,403	8.77%	136,541	SALWAGPM	89.83%	122,655
7	Account 511	8,671	1.79%	27,922	DPROD	89.83%	25,082
8	Account 512	26,786	5.54%	86,254	DPROD	89.83%	77,482
9	Account 513	5,350	1.11%	17,226	DPROD	89.83%	15,474
10	Account 514	1,450	0.30%	4,670	DPROD	89.83%	4,195
11	Account 546	2,900	0.60%	9,339	SALWAGPO	89.83%	8,389
12	Account 548	12,144	2.51%	39,105	DPROD	89.83%	35,128
13	Account 551	1,832	0.38%	5,898	SALWAGPM	89.83%	5,298
14	Account 553	8,441	1.75%	27,182	DPROD	89.83%	24,418
15	Account 554	1,675	0.35%	5,394	DPROD	89.83%	4,845
16	Total Production Expense	\$ 238,968	49.42%	\$ 769,490			\$ 690,177
<u>Transmission Expense</u>							
17	Account 560	\$ 1,080	0.22%	\$ 3,479	SALWAGTO	90.97%	\$ 3,165
18	Account 561	1,663	0.34%	5,354	TRANPLT	90.97%	4,871
19	Account 562	4,659	0.96%	15,001	TRANPLT	90.97%	13,647
20	Account 563	759	0.16%	2,443	TRANPLT	90.97%	2,222
21	Account 566	1,893	0.39%	6,095	TRANPLT	90.97%	5,545
22	Account 570	1,836	0.38%	5,911	TRANPLT	90.97%	5,377
23	Account 571	303	0.06%	976	TRANPLT	90.97%	888
24	Total Transmission Expense	\$ 12,192	2.52%	\$ 39,259			\$ 35,715
<u>Distribution Expense</u>							
25	Account 580	\$ 19,310	3.99%	\$ 62,179	SALWAGDO	93.40%	\$ 58,072
26	Account 581	556	0.11%	1,790	DISTPLT	93.47%	1,673
27	Account 582	16,191	3.35%	52,136	PLT_362	83.50%	43,533
28	Account 583	10,336	2.14%	33,284	OHDIST	94.85%	31,571
29	Account 584	1,913	0.40%	6,161	UGDIST	97.86%	6,029
30	Account 586	12,002	2.48%	38,648	CMETERS	96.23%	37,190
31	Account 588	10,060	2.08%	32,394	DISTPLT	93.47%	30,280
32	Account 592	11,323	2.34%	36,461	PLT_362	83.50%	30,445
33	Account 593	20,929	4.33%	67,392	OHDIST	94.85%	63,925
34	Account 594	2,708	0.56%	8,721	UGDIST	97.86%	8,534
35	Account 595	1,117	0.23%	3,596	PLT_368	96.19%	3,459
36	Account 596	414	0.09%	1,333	PLT_3713	95.88%	1,278
37	Account 597	2,622	0.54%	8,443	CMETERS	96.23%	8,124
38	Account 598	2,841	0.59%	9,148	DISTPLT	93.47%	8,551
39	Total Distribution Expense	\$ 112,322	23.23%	\$ 361,686			\$ 332,664
<u>Customer Accounting Expense</u>							
40	Account 902	\$ 287	0.06%	\$ 924	CMETERDG	96.12%	\$ 888
41	Account 903	17,751	3.67%	57,159	CUSTREC	96.12%	54,939
42	Account 905	6,516	1.35%	20,982	CUSTCAM	96.12%	20,167
43	Total Customer Accounting Expense	\$ 24,554	5.08%	\$ 79,065			\$ 75,994
<u>Customer Service Expense</u>							
44	Account 907	\$ 502	0.10%	\$ 1,618	SALWAGCS	96.12%	\$ 1,555
45	Account 908	14,456	2.99%	46,550	CUSTASST	96.12%	44,742
46	Account 910	134	0.03%	432	CUSTCSM	96.12%	415
47	Total Customer Service Expense	\$ 15,093	3.12%	\$ 48,600			\$ 46,712
<u>Administrative and General Expense</u>							
48	Account 920	\$ 80,134	16.57%	\$ 258,036	SALWAGES	91.67%	\$ 236,550
49	Account 930	304	0.06%	977	SALWAGES	91.67%	896
50	Total Administrative and General Expense	\$ 80,437	16.63%	\$ 259,013			\$ 237,446
51	Total Operation and Maintenance	\$ 483,567	100.00%	\$ 1,557,116			\$ 1,418,708
52	FICA Tax Rate						7.65%
53	Adjustment to FICA Tax						\$ 108,531
54	Estimated Blended Tax Rate						0.35%
55	Adjustment to Unemployment Tax						\$ 4,965
56	Adjustment to Federal Unemployment Tax						\$ 2,483
57	Adjustment to State Unemployment Tax						\$ 2,483
58	Rate Base Adjustment			\$ 85,772	SALWAGES	0.916733528	\$ 78,630

Sources:

Column b, lines 1-15, 17-23, 25-28, 40-42, 44-46, 48-49: BHP Response to Staff DR 1-1, BHP SD Payroll Adjustment workpaper.xls
Columns b, d, & g, line 16: sum of lines 1 through 15
Columns b, d, & g, line 24: sum of lines 17 through 23
Columns b, d, & g, line 39: sum of lines 25 through 38
Columns b, d, & g, line 43: sum of lines 40 through 42
Columns b, d, & g, line 47: sum of lines 44 through 46
Columns b, d, & g, line 50: sum of lines 48 & 49
Column b, c, & g, line 51: sum of lines 16, 24, 39, 43, 47, & 50
Column c, lines 1-50: column b divided by column b, line 51
Column d, lines 1-15, 17-23, 25-28, 40-42, 44-46, 48-49: column c * column d, line 51
Column d, line 51: BAM-3 Sch 1, page 2, column b, line 23
Column d, line 58: BAM-3 Sch 1, page 2, column b, line 25
Columns e & f: Schedule N-1
Column g, lines 1-15, 17-23, 25-28, 40-42, 44-46, 48-49, 58: column d & column f
Column g, line 52: Schedule L-1, line 3
Column g, line 53: line 51 * line 52
Column g, line 54: Schedule L-1, line 10
Column g, line 55: line 51 * line 54
Column g, lines 56 & 57: line 55 divided by 2

Line	Description	Amount
	(a)	(b)
Operations & Maintenance Adjustment		
1	Union Annualized Payroll January 28, 2014 less NSC Alloc H-17	\$ 6,655,506
2	Adjust for Neil Simpson I Labor Costs	(746,475)
3	Union Annualized Payroll less Neil Simpson I Labor Costs	<u>\$ 5,909,031</u>
4	2014 Union Wage Increase Percent	3.25%
5	2014 Union Wage Increase	192,044
6	Union Payroll including 2014 Wage Increase	<u>6,101,075</u>
7	2015 Union Wage Increase Percent	3.25%
8	2015 Union Wage Increase	198,285
9	Adjusted Union Payroll	<u>\$ 6,299,360</u>
10	Non-Union Annualized Payroll January 28, 2014	5,723,730
11	2014 Non-Union Wage Increase Percent	3.25%
12	2014 Non-Union Wage Increase	186,021
13	2015 Non-Union Wage Increase Percent	3.00%
14	2015 Non-Union Wage Increase	177,293
15	Add-in 2 Customer Service Reps from test year	77,316
16	Adjusted Non-Union Payroll	<u>\$ 6,164,360</u>
17	Total Adjusted Payroll	<u>\$ 12,463,720</u>
18	Total Employee Additions (O&M)	\$ 797,555
19	Total Employee Eliminations	103,397
20	Net Employee Additions and Eliminations	<u>\$ 694,158</u>
21	Benefits @ 65%	451,203
22	Total Employee Additions and Eliminations including Benefits	<u>\$ 1,145,361</u>
23	Total Pro Forma Payroll Expense	\$ 13,609,081
24	Test Year Payroll Expense less NSC Alloc H-17	12,051,965
25	Wages & Salary O&M Adjustment (Total Company)	<u>\$ 1,557,116</u>
Rate Base Adjustment		
26	Total Employee Additions (Capital)	\$ 171,543
27	Wages & Salary Rate Base Adjustment (Total Company)	<u>\$ 85,772</u>

Sources:

Column b, line 1: BHP Response to Staff DR 1-1, BHP SD Payroll Adjustment workpaper.xls
Column b, line 2: Schedule H-1, line 3
Column b, line 3: line 1 + line 2
Column b, line 4: BHP Response to Staff DR 2-5
Column b, line 5: line 3 * line 4
Column b, line 6: line 3 + line 5
Column b, line 7: Email from Jon Thurber on 10/02/14
Column b, line 8: line 6 * line 7
Column b, line 9: line 6 + line 8
Column b, line 10: BHP Response to Staff DR 1-1, BHP SD Payroll Adjustment workpaper.xls
Column b, line 11: BHP Response to Staff DR 4-7
Column b, line 12: line 10 * line 11
Column b, line 13: BHP Supplemental Response to Staff DR 2-8, Attachment 2-8F
Column b, line 14: (line 10 + line 12) * line 13
Column b, line 15: BHP Response to Staff DR 1-1, BHP SD Payroll Adjustment workpaper.xls
Column b, line 16: sum of lines 10, 12, 14, & 15
Column b, line 17: line 9 + line 16
Column b, line 18: BAM-3 Sch 1, page 3, column f, line 20
Column b, line 19: BAM-3 Sch 1, page 3, column b, line 23
Column b, line 20: line 18 less line 19
Column b, line 21: line 20 * 65%
Column b, line 22: line 20 + line 21
Column b, line 23: line 17 + line 22
Column b, line 24: BHP Response to Staff DR 1-1, BHP SD Payroll Adjustment workpaper.xls
Column b, line 25: line 23 less line 24
Column b, line 26: BAM-3 Sch 1, page 3, column g, line 20
Column b, line 27: line 26 divided by 2

