

Section K

20:10:13:90. Schedule K-2 -- Differences in Book and Tax Depreciation. If tax depreciation differs from book depreciation, the utility shall file schedule K-2 showing the computation of the tax depreciation which will indicate the differences between book and tax depreciation on a straightline basis, and differences arising from class life (ADR) depreciation, and the excess of liberalized depreciation and amortization of emergency facilities over straightline depreciation for tax purposes for the taxable year or years.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL [49-34A-4](#).

Law Implemented:SDCL [49-34A-10](#), [49-34A-12](#), [49-34A-41](#).

BLACK HILLS POWER, INC.
DIFFERENCES IN BOOK AND TAX DEPRECIATION
For the Year Ended December 31, 2012

Line No.	Description	Reference	Amount
1	Bonus Depreciation		\$ 12,173,979
2	Current Year MACRS Declining Balance		609,692
3	Current Year MACRS Straight Line		-
4	ACRS and Other		95,770
5	Prior Years MACRS		<u>20,290,754</u>
6	Tax Depreciation	Sum (Ln.1:Ln.5)	33,170,195
7			
8	Book Depreciation		<u>26,101,422</u>
9	Excess Tax Over Book Depreciation	Ln. 6 - Ln. 8	<u><u>\$ 7,068,773</u></u>
10			
11	Note: Above amounts are per the last filed tax return covering the year ended December 31, 2012.		

Section K

20:10:13:91. Schedule K-3 -- Working Papers for Consolidated Federal Income Tax. If the utility joins in the filing of a consolidated federal income tax return, schedule K-3 shall be submitted showing the net taxable income or loss for each company in the consolidation, including an adjustment to effect the exclusion of excess of liberalized depreciation and amortization of emergency facilities over straightline depreciation for each company involved. There shall also be submitted with the statement of taxable net income or tax loss of each individual company participating in the consolidated returns, the details of consolidating adjustments and a computation of the system tax liability based on the consolidated net income for the last tax year ending within or immediately prior to the test period for which a tax return was filed. In addition, there shall be included a computation showing the percentage of tax savings arising from consolidation for the taxable year or years covered by the test period. Only one copy of schedule K-3 need be supplied by the utility.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 86, effective November 24, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL [49-34A-4](#).

Law Implemented:SDCL [49-34A-10](#), [49-34A-12](#), [49-34A-41](#).

BLACK HILLS POWER, INC.
TAX ALLOCATION
For the Year Ended December 31, 2012

Schedule K-3
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