
**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE APPLICATION OF BLACK HILLS POWER, INC. FOR AUTHORITY TO INCREASE ITS
ELECTRIC RATES**

**STAFF MEMORANDUM SUPPORTING
AMENDED SETTLEMENT STIPULATION**

DOCKET EL14-026

Commission Staff (Staff) submits this Memorandum in support of the Amended Settlement Stipulation (Amended Settlement) of February 10, 2015, between Staff and Black Hills Power Company (BHP or Company) in the above-captioned matter.

BACKGROUND

On March 31, 2014, the Company filed an application with the South Dakota Public Utilities Commission (Commission) requesting approval to increase rates for electric service to customers in its South Dakota retail service territory by approximately \$14.6 million annually or approximately 9.27%. A typical residential electric customer using 650 kWh per month would see an increase of \$10.91 per month.

BHP's proposed increase was based on a historical test year ended September 30, 2013, adjusted for what BHP believed to be known and measurable changes, a 10.25% return on common equity, and a 8.48% overall rate of return on rate base.

The Commission officially noticed BHP's filing on April 3, 2014, and set an intervention deadline of June 6, 2014. On April 11, 2014, BHP filed revisions to certain pages originally filed in the application. On April 16, 2014, the Commission issued an Order Assessing Filing Fee. On June 6, 2014, a Petition to Intervene of GCC Dacotah, Inc., Pete Lien & Sons, Inc., Rushmore Forest Products, Inc., Spearfish Forest Products, Inc., Rapid City Regional Hospital, Inc., and Wharf Resources (U.S.A.), Inc. (collectively, Black Hills Industrial Intervenors or BHII) was filed. On June 6, 2014, Dakota Rural Action (DRA) also filed a Petition to Intervene. On June 26, 2014, the Commission issued an Order Granting Intervention to Black Hills Industrial Intervenors. On June 26, 2014, the Commission granted intervention to Dakota Rural Action subject to its filing an affidavit, which was filed on June 27, 2014. On September 3, 2014, BHP filed a Notice of Intent to Implement Interim Rates effective on and after October 1, 2014.

On September 4, 2014, BHP filed a Motion for Approval of Settlement Agreement, Confidential Settlement Agreement between Black Hills Power, Inc. and South Dakota Science and Technology Authority (SDSTA), including the associated Third Amendment to Electric Power Service Agreement between Black Hills Power, Inc. and SDSTA, and relevant exhibits. On September 10, 2014, Staff filed its memorandum regarding the Contracts with Deviations. On September 18, 2014, the Commission issued

an Order Conditionally Authorizing and Approving Implementation of Contract with Deviations Rates on an Interim Basis.

Settlement discussions between Staff, BHP, BHII, and DRA commenced on October 28, 2014. Thereafter, Staff and BHP (jointly, the Parties) held several settlement discussions in an effort to arrive at a mutually acceptable resolution of the issues presented in BHP's filing. Ultimately, the Parties reached a comprehensive agreement on BHP's overall revenue deficiency and other issues presented in this case including, but not limited to, class revenue responsibilities, rate design, and tariff concerns. BHII and DRA are not parties to the settlement. On December 9, 2014, BHP and Staff jointly filed a Joint Motion for Approval of Settlement Stipulation, Settlement Stipulation, and Exhibits. On December 12, 2014, the Commission issued a Scheduling Order setting this matter for hearing on January 27-29, 2015. On December 30, 2014, the Commission issued an Order for and Notice of Hearing.

BHII filed Direct Testimony and Exhibits of Lane Kollen and Direct Testimony and Exhibits of Stephen J. Baron on December 30, 2014. No testimony was filed by DRA. On January 15, 2015, Staff filed David E. Peterson's direct testimony that addressed specific items discussed in Mr. Kollen's testimony and Mr. Baron's testimony. On January 15, 2015, BHP submitted rebuttal testimony.

The hearing was held as scheduled on January 27-28, 2015, with Staff, BHP, BHII, and DRA appearing and presenting evidence and argument. At the conclusion of the hearing, the Commission decided to defer taking action on the outstanding issues until its regular meeting on March 2, 2015. On January 29, 2015, the Commission issued a Post-Hearing Procedural Order.

OVERVIEW OF AMENDED SETTLEMENT

Upon hearing arguments from the Parties and the Intervenors and weighing Commission concerns at the hearing, Staff and BHP found it in the best interest of all the Parties to work toward an amended settlement, which would correct the utility holdings allocation oversight presented by BHII. Staff and BHP held a settlement meeting on February 6, 2015, to address this concern. As a result, some party positions were modified and others were accepted where consensus was found. Ultimately, the Parties agreed on a resolution of the issue. The following describes the changes from the originally filed Settlement.

Utility Holdings Allocation Oversight Correction

As shown on Staff Exhibit ___ (DEP-2), Schedule 1, the amended cost of service corrects the South Dakota allocation of transmission load dispatch expense, FERC Account 561, for the Black Hills Corporation/Black Hills Utility Holdings intercompany charges adjustment, reducing the revenue requirement by \$286,041. Thus, the Amended Settlement corrects the initial oversight.

Wyodak Operations and Maintenance Adjustment

The Amended Settlement accepts the \$412,988 Wyodak O&M adjustment as provided by BHP in Exhibit JTR-1. This adjustment updates production O&M costs at the Wyodak power plant from \$3,045,652 incurred during the test year to \$3,458,640 incurred from October 2013 through September 2014. This represents a known and measurable increase to test year expense.

Cash Working Capital, NOL Adjustment, Interest Synchronization, Bad Debt Adjustment

The Amended Settlement uses the same calculation for these adjustments as the Settlement filed on December 9, 2014. However, the revenue requirement value of each adjustment changes based on the resolution of various issues in the case. These adjustments are dependent on the pro forma rate base, expenses and revenues, and were recalculated as a result of the Utility Holdings allocation correction and the Wyodak O&M adjustment.

No Change to Revenue Deficiency

Although Exhibit___(BAM-4), Schedule 1 of the amended cost of service shows a \$7,010,894 revenue deficiency, the revenue deficiency in the Amended Settlement will remain at the \$6,890,746 level provided in the original Settlement. Thus, the amended cost of service more than supports the revenue requirement agreed upon in the Amended Settlement, and ratepayers will not incur the added rate case expense required to prepare revised rates and tariff sheets.

Additional Moratorium

The Amended Settlement extends the stay-out provision an additional three months from what was agreed to in the original Settlement. Thus, BHP shall not file any rate application for an increase in base rates which would go into effect prior to January 1, 2017. This addition would provide a calendar year test year, should BHP file for an increase at the expiration of the moratorium.

RECOMMENDATION

Staff recommends the Commission approve the Amended Settlement for the reasons stated above.

<u>Line</u>	<u>Description</u>	<u>Settlement South Dakota Electric Adjusted Test Year</u>	<u>BHP Proposed South Dakota Electric Adjusted Test Year</u>	<u>Difference</u>
	(a)	(b)	(c)	(d)
1	Average Rate Base	\$ 543,855,176	\$ 542,701,964	\$ 1,153,212
2	Adjusted Test Year Operating Income	<u>37,652,907</u>	<u>36,508,872</u>	1,144,035
3	Earned Rate of Return	6.92%	6.73%	
4	Recommended Rate of Return	7.76%	8.48%	
5	Required Operating Income	42,203,162	46,021,171	(3,818,009)
6	Income Deficiency (Excess)	4,550,255		
7	Gross Revenue Conversion Factor	<u>1.53846</u>		
8	Revenue Deficiency (Excess)	7,000,393	14,634,238	(7,633,845)
9	Gross Receipts Tax (at 0.0015)	<u>10,501</u>		
10	Total Revenue Deficiency (Excess)	<u>7,010,894</u>	<u>14,634,238</u>	(7,623,344)
11	Adjusted Test Year Revenue	149,574,187	149,258,977	315,210
12	Revenue Requirement	\$ 156,585,081	\$ 163,893,215	\$ (7,308,134)

SOURCES:

Column b, line 1: BAM-5, 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-4, 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-4, 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	\$ 7,010,894	\$ 131,560,549
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	7,010,894	156,585,081
6	OPERATING EXPENSES:					
7	Operation and Maintenance:					
8	Production Expense	78,242,849	(52,299,350)	25,943,499		25,943,499
9	Transmission Expense	17,208,970	(16,939,749)	269,221		269,221
10	Distribution Expense	7,872,884	512,185	8,385,069		8,385,069
11	Customer Accounting Expense	2,606,300	483,229	3,089,529		3,089,529
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	(66,380,705)	67,282,051	-	67,282,051
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	10,501	222,096
24	Federal Income Taxes	6,748,135	2,463,627	9,211,762	2,450,138	11,661,900
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	2,577,123	16,890,760	2,460,639	19,351,399
29	TOTAL OPERATING EXPENSES	170,914,360	(58,993,079)	111,921,281	2,460,639	114,381,920
30	OPERATING INCOME	\$ 33,656,262	\$ 3,996,645	\$ 37,652,907	\$ 4,550,255	\$ 42,203,162
31	Rate Base	419,344,687		\$ 543,855,176		\$ 543,855,176
32	Earned Rate of Return	8.03%		6.92%		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-5 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-4, Schedule 3, column b

Column c: BAM-4, Schedule 3, column aq
Column d: Column b plus column c
Column e, line 2: BAM-4, Schedule 1, page 1, column b, line 10
Column e, line 23: BAM-4, Schedule 1, page 1, column b, line 9
Column e, line 24: BAM-4, Sch 1, p 1, col b, line 8 less
BAM-4, 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	74,242				(16,131,515)	
10	Distribution Expense	7,872,884	332,664	279,274					
11	Customer Accounting Expense	2,606,300	75,994	649,723		(13,791)			
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	2,086,909	17,483	(13,791)	(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)	(730,418)	(6,119)	4,827	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)	(730,418)	(6,119)	4,827	3,064	15,935,293	91,185
29	TOTAL OPERATING EXPENSES	170,914,360	995,933	1,356,491	11,364	(8,964)	(5,691)	(29,594,115)	606,023
30	OPERATING INCOME	\$ 33,656,262	\$ (995,933)	\$ (1,356,491)	\$ (11,364)	\$ 8,964	\$ 5,691	\$ 29,594,115	\$ 169,345
	Source	Statement N	BAM-3 Sch 1	DEP-2 Sch 1	Supplement to Staff DR 4-50 N-1 SD Allocator SALWAGES	PJS-3 Sch 2	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) (a)	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	709,887	(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	709,887	(1,060,094)	(513,977)	(110,510)
29	TOTAL OPERATING EXPENSES	(13,703,929)	1,663,178	(92,541)	6,999	2,450,072	709,887	1,968,745	954,530	205,233
30	OPERATING INCOME	\$ (25,450,155)	\$ 3,088,760	\$ (171,862)	\$ 12,999	\$ 4,550,133	\$ (709,887)	\$ (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-6 Sch 1	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 (a)	Storm Damage (ag)	Incentive Compensation (ah)	Economic Development (ai)	Association Dues (aj)	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)	Wyodak O&M Adjustment (ap)	Subtotal Staff Adjustments (aq)	Adjusted Test Year (ar)
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	412,988	(52,299,350)	25,943,499
9	Transmission Expense		(16,939,749)	269,221
10	Distribution Expense		512,185	8,385,069
11	Customer Accounting Expense		483,229	3,089,529
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	412,988	(66,380,705)	67,282,051
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	(144,546)	2,463,627	9,211,762
25	Deferred Income Taxes		-	3,431,123
26	Investment Tax Credit		-	-
27	Other Taxes		-	(2,807,524)
28	Total Taxes	(144,546)	2,577,123	16,890,760
29	TOTAL OPERATING EXPENSES	268,442	(58,993,079)	111,921,281
30	OPERATING INCOME	\$ (268,442)	\$ 3,996,645	\$ 37,652,907

Source

JTR-1

Staff Witness Testimony

Peterson

Staff position on BHP's Adjustment

Company Proposed

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)	738,227	(366,279)
23	Working Capital	(4,039,837)	4,212,173	172,336
24	Other	-	15,768,035	15,768,035
25	TOTAL ADDITIONS TO RATE BASE	<u>13,019,868</u>	<u>22,647,774</u>	<u>35,667,642</u>
26	Deductions to Rate Base:			
27	Accumulated Deferred Income Taxes	107,533,008	15,953,787	123,486,795
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>23,326,356</u>	<u>136,081,837</u>
37	TOTAL SOUTH DAKOTA RATE BASE	<u>\$ 419,344,687</u>	<u>\$ 124,510,489</u>	<u>\$ 543,855,176</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-5 Schedule 2, page 1, column b
Column c: BAM-5 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)					738,227		
23	Working Capital	(4,039,837)					4,212,173		
24	Other							369,191	
25	TOTAL ADDITIONS TO RATE BASE	13,019,868	-	-	-	-	4,950,400	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)	4,950,400	
	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-3 Sch 1	EJP-1 Sch 2
	Staff Witness Testimony		Mehlhoff	Mehlhoff	Mehlhoff	Mehlhoff	Mehlhoff/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) (j)	Storm Atlas Regulatory Asset (J-3, M-2) (k)	Tax Return True-up (M-1) (l)	NOL Adjustment (M-2) (m)	Other Working Capital (F-1, F-4) (n)	69 kV LIDAR Surveying Project (H-20) (o)	Customer Service Model (H-21) (p)	Sturgis Office & Operations Center (q)
1	Electric Plant in Service								
2	Production (including unclassified)								
3	Transmission (including unclassified)								
4	Distribution (including unclassified)								
5	General (including unclassified)							(55,989)	(574,085)
6	Other Utility								
7	Plant Acquisition Adjustment								
8	Total Plant in Service	-	-	-	-	-	-	(55,989)	(574,085)
9	Accumulated Depreciation & Amortization								
10	Production								
11	Transmission								
12	Distribution								
13	General							(47,056)	(265,657)
14	Other Utility								
15	Plant Acquisition Adjustment								
16	Total Accumulated Depreciation and Amortization	-	-	-	-	-	-	(47,056)	(265,657)
17	TOTAL NET ELECTRIC PLANT IN SERVICE	-	-	-	-	-	-	(8,933)	(308,428)
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)	(187,522)		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)	(187,522)	(78,161)	53,932	-	-
37	TOTAL SOUTH DAKOTA RATE BASE	11,217,958	1,744,478	135,507	187,522	2,007,501	100,160	(8,933)	(308,428)
	Source	BAM-3 Sch 9	BAM-3 Sch 10	M-1, pg. 2, line 59, col. (o) N-1 Allocator TOTPLT	Schedule M-2 N-1 Allocator TOTPLT	PJS-1 Sch 10	PJS-1 Sch 5	PJS-1 Sch 3	Email from Jon Thurber on 10/01/14
	Staff Witness Testimony	Mehlhoff	Mehlhoff	Peterson	Peterson	Steffensen	Steffensen	Steffensen	Mehlhoff
	Staff position on BHP's Adjustment	Adjusted	Adjusted	Accepted	Accepted	Adjusted	Adjusted	Staff Proposed	Staff Proposed

Line	Description	Wages & Salaries (r)	Other Rate Base Reductions (M-1) (s)	Total Staff Adjustments (t)	Total Staff South Dakota Rate Base (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)			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	-	-	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			(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	-	-	(42,530,854)	253,944,737
17	TOTAL NET ELECTRIC PLANT IN SERVICE	-	-	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			738,227	(366,279)
23	Working Capital			4,212,173	172,336
24	Other	78,630	-	15,768,035	15,768,035
25	TOTAL ADDITIONS TO RATE BASE	78,630	-	22,647,774	35,667,642
26	Deductions to Rate Base:				
27	Accumulated Deferred Income Taxes		(222,326)	15,953,787	123,486,795
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	23,326,356	136,081,837
37	TOTAL SOUTH DAKOTA RATE BASE	78,630	(7,228,404)	124,510,489	\$ 543,855,176

Source	BAM-3 Sch 1	M-1, pg. 2, line 59, col. (q) N-1 Allocators
Staff Witness Testimony	Mehlhoff	TOTPLT & SALWAGES Mehlhoff
Staff position on BHP's Adjustment	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

<u>Line</u>	<u>Description</u>	<u>Amount</u>
	(a)	(b)
1	Investment To Be Financed (Average Rate Base)	\$ 543,855,176
2	Weighted Cost of Long Term Debt	2.860%
3	Synchronized Interest Expense	15,554,258
4	Less South Dakota Interest Expense on LT Debt as filed	17,582,508
5	Difference in Interest Expense	(2,028,250)
6	Federal Income Tax Adjustment (35%)	\$ 709,887

SOURCES:

Column b, line 1: BAM-5 Sch 1, column d, line 37
Column b, line 2: BLC-1 Sch 1 column d, line 1
Column b, line 3: Line 1 * line 2
Column b, line 4: - Statement N, page 18, column d, line 14
Column b, line 5: Line 3 less line 4
Column b, line 6: - line 5 times consolidated effective tax rate (35%)

Line	Description (a)	Total Company Per Books (b)	Total Company Pro Forma (c)	Total Company Adjustment (d)	Allocation Factor (e)	South Dakota Percent (f)	South Dakota Amount (g)
Production							
1	System Control and Load Dispatch (Account 556)	\$ 65,558	\$ 57,649	\$ (7,909)	DPROD	89.83%	\$ (7,105)
2	Total Production	\$ 65,558	\$ 57,649	\$ (7,909)			\$ (7,105)
Transmission							
3	Transmission Supervision & Operations (Account 560)	\$ 519,947	\$ 601,557	81,610	SALWAGTO	90.97%	74,242
4	Load Dispatch (Accounts 561-571)	2,239,777	2,554,208	314,431	DIRECT	0.00%	-
5	Total Transmission	\$ 2,759,724	\$ 3,155,765	\$ 396,041			\$ 74,242
Distribution							
6	Load Dispatch (Accounts 580-588)	784,063	1,001,937	217,874	DISTPLT	93.47%	203,657
7	Distribution Maintenance of Overhead Lines (Accounts 590-598)	52,976	132,695	79,719	OHDIST	94.85%	75,617
8	Total Distribution	\$ 837,039	\$ 1,134,632	\$ 297,593			\$ 279,274
Customer Accounts							
9	Customer Records and Collection Expenses (Accounts 901-913 excluding 904)	1,308,084	1,984,064	675,980	CUSTREC	96.12%	649,723
10	Total Customer Accounts	\$ 1,308,084	\$ 1,984,064	\$ 675,980			\$ 649,723
Administrative and General							
11	Administrative & General Salaries (Account 920)	\$ 5,208,683	\$ 5,627,485	\$ 418,802	SALWAGES	91.67%	\$ 383,930
12	Office Supplies and Expenses (Account 921)	932,149	1,005,061	72,912	SALWAGES	91.67%	66,841
13	Outside Services (Account 923)	270,757	426,566	155,809	SALWAGES	91.67%	142,835
14	Property Insurance (Account 924)	1,632	1,281	(351)	TOTPLT	91.20%	(320)
15	Injuries and Damages (Account 925)	151,833	337,078	185,245	SALWAGES	91.67%	169,820
16	Employee Pensions and Benefits (Account 926)	(122,603)	151,850	274,453	SALWAGES	91.67%	251,600
17	Miscellaneous General Expense (Account 930.2)	136,599	125,140	(11,459)	SALWAGES	91.67%	(10,505)
18	Rents (Account 931)	97,250	98,980	1,730	GENLPLT	91.81%	1,588
19	Maintenance of General Plant (Account 935)	509,647	602,217	92,570	GENLPLT	91.81%	84,986
20	Total Administrative & General	\$ 7,185,947	\$ 8,375,658	\$ 1,189,711			\$ 1,090,775
21	Total	\$ 12,156,352	\$ 14,707,768	\$ 2,551,416			\$ 2,086,909

Sources:

Line 2: Line 1
Line 5: line 3 + line 4
Line 8: line 6 + line 7
Line 10: line 9
Line 20: sum of lines 10 through 19
Line 21: sum of lines 2, 5, 8, 10, and 20
Column b: Email from Jon Thurber on 10/26/14
Column c, lines 13-16, & 18: Email from Jon Thurber on 10/26/14
Column c, lines 1, 3-4, 6-7, 9, 11-12, 17, & 19: Emails from Jon Thurber on 10/26/14 & 11/04/14
Column d: column c less column b
Columns e & f: Schedule N-1
Column g, lines 1, 3, 4, 6, 7, 9, 10-19: column d * column f

Note: Column c is actual costs for the 12 months ended 8/31/14, excluding amounts associated with vegetation management and reflecting annualization for Customer Records and Collection Expenses associated with a change in allocation factors. Also includes 2014 & 2015 wage annualization.

Line	Description	South Dakota Per Books Expense Per Day	Expense Adjustments	Adjustments Expense Per Day	Total Expense Per Day	Expense Lead Days	Expense Dollar Days
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	<u>Operation & Maintenance</u>						
2	Coal	\$ 45,469	\$ (16,596,244)	(45,469)	\$ -	35.20	\$ -
3	Coal Transportation	-	-	-	-	33.60	-
4	Natural Gas - Other Production	6,299	(2,299,180)	(6,299)	-	41.50	-
5	Purchased Power and Capacity	110,134	(33,737,640)	(92,432)	17,702	33.80	598,328
6	Transmission	46,712	(17,049,706)	(46,712)	-	24.30	-
7	Net Payroll	23,102	1,418,708	3,887	26,989	15.50	418,322
8	Vacation	7,026	-	-	7,026	110.30	774,913
9	Incentive Compensation	1,756	(128,260)	(351)	1,405	242.00	340,010
10	Workers Comp	45	171,566	470	515	986.60	508,099
11	Service/Holding Company Charges	81,425	2,676,606	7,333	88,758	40.00	3,550,320
12	Other O&M	48,183	(1,235,753)	(3,386)	44,797	28.00	1,254,302
13	Uncollectible Accounts	1,170	(13,791)	(38)	1,132	117.30	132,725
14	Wyodak Power Plant O&M	9,006	412,988	1,131	10,137	69.30	702,494
15	Total O & M	380,325	(66,380,705)	(181,866)	198,459		8,279,513
16	Depreciation & Amortization	131,511	4,810,503	13,179	144,690	-	-
17	Property Taxes	12,580	-	-	12,580	305.80	3,846,964
18	Payroll - FICA	7,517	108,531	297	7,814	15.50	121,117
19	Payroll - FUTA & SUTA	253	4,965	14	267	75.90	20,265
20	SD Gross Receipts Tax	580	10,501	29	609	378.50	230,507
21	Federal Income Tax	336	4,913,765	13,462	13,798	37.00	510,530
22	Deferred Income Taxes	36,606	-	-	36,606	-	-
23	Investment Tax Credit	-	-	-	-	-	-
24	Interest on Long Term Debt	44,249	(2,028,250)	(5,557)	38,692	91.40	3,536,449
25	Total	\$ 613,957	\$ (58,560,690)	\$ (160,442)	\$ 453,515	36.48	\$ 16,545,345
26	Revenue Lag Days	36.86					
27	Expense Lead Days	36.48					
28	Net Days	0.38					
29	Expense per Day	453,515					
30	Cash Working Capital	172,336					

SOURCES:

Line 15: Sum of lines 2 through 14
Line 25 (except column f): Sum of lines 15 through 24

Column (b)

Lines 2-6, 10, 11, 14, 16-20, 24: Statement N, page 9, column d
Line 7: \$30,127 (Statement N, page 9, column d) minus column b, line 8
Line 8: \$2,810,477 (Staff DR 3-57b) * \$30,127 (Stmt N, page 9) / \$33,019 (Stmt N, page 9) / 365
Line 9: \$641,056 (Staff DR 2-11) / 365
Line 12: \$51,108 (Statement N, page 9, column d) minus column b, lines 9 & 13
Line 13: \$426,884 (Stmt N, page 15) / 365
Line 21: \$36,942 (Statement N, page 9, column d) minus column b, line 22
Line 22: (\$36,942 (Stmt N, page 9)/\$41,134 (Stmt N, page 9))*
\$14,877,311 (Stmt K, page 2, line 59, column a)/365
Line 26: midpoint of month (15.21) + processing lag (1.65) + ARSD 20:10:15:02(8) (20.00)
Line 27: Column f, line 25
Line 28: Column b, line 26 less line 27
Line 29: Column e, line 25
Line 30: Column b, line 28 * line 29

Column (c)

Line 2: (Statement H, page 1, column g, line 6 * Statement N-1 ENEFUEL SD allocator)
+ BAM-3 Sch 3, column e, line 1 + (Statement H, page 4, column p, line 6
* Statement N-1 ENEFUEL SD allocator)
Line 4: (Statement H, page 1, column g, line 27 * Statement N-1 ENEFUEL SD allocator)
+ BAM-3 Sch 3, column e, line 2
Line 5: (Statement H, page 1, column g, line 45 * Statement N-1 ENERGY1 SD allocator)
+ BAM-3 Sch 3, column e, line 3
Line 6: (Statement H, page 2, column g, line 56 * Statement N-1 TRANPLT SD allocator)
+ BAM-3 Sch 3, column e, line 6
Line 7: BAM-4 Sch 3, column c, line 15
Line 9: DEP-1 Sch 1, column d, line 3
Line 10: BAM-4 Sch 3, column an, line 15
Line 11: BAM-4 Sch 3, column d, line 15 + BAM-4 Sch 3, column an, line 15
+ DEP-1 Sch 1, column D, lines 4 and 5 + EJP-1 Sch 1, column f, lines 12 and 16
Line 12: BAM-4 Sch 3, column aq, line 15 - sum of PJS-3 Sch 1, column c, lines 2-11, 13, 14
Line 13: BAM-4 Sch 3, column f, line 15
Line 16: BAM-4 Sch 3, column aq, line 16
Line 17: BAM-4 Sch 3, column aq, line 18
Line 18: BAM-4 Sch 3, column aq, line 20
Line 19: BAM-4 Sch 3, column aq, line 21 + BAM-4 Sch 3, column ao, line 22
Line 20: BAM-4 Sch 2, column e, line 23
Line 21: BAM-4 Sch 2, column c, line 24 + BAM-4 Sch 2, column e, line 24
Line 24: BAM-3 Sch 2, column b, line 5

Column (d)

Column c / 365

Column (e)

Column b + column d

Column (f)

Lines 2-6, 10, 14, 16-17, 19, 24: Schedule F-3, column c
Line 7: Email from Jon Thurber on 9/20/14
Line 8: \$849,069 (Staff DRs 3-57c & 6-46) /
(\$2,810,477 (Staff DR 3-57b) / 365)
Line 9: Email from Jon Thurber on 11/03/2014
Line 11: Staff DR 3-55, Attachment 3-55 Revised BHP
BHSC and BHUH
Line 12: Staff DR 3-51
Line 13: \$141,656 (Staff DR 3-58b) /
(\$440,879 (Stmt N, page 15) / 365)
Line 18: Email from Jon Thurber on 9/20/14
Line 20: Staff DR 3-52
Line 21: Staff workpaper
Line 25: Line 25, column g / column e

Column (g)

Column e * column f

<u>Line</u>	<u>Calendar Year</u> (a)	<u>Billed Revenue</u> (b)	<u>Net Write Offs</u> (c)	<u>Uncollectible Rate</u> (d)
1	2009	\$ 124,824,046	\$ 421,495	0.34%
2	2010	\$ 144,128,821	\$ 369,200	0.26%
3	2011	\$ 154,953,628	\$ 439,580	0.28%
4	2012	\$ 156,992,516	\$ 310,597	0.20%
5	2013	\$ 168,699,699	\$ 333,183	0.20%
6	5-Year Average	\$ 149,919,742	\$ 374,811	0.25%
	Staff's Adjusted Test Year Revenue	Five Year Average Write Off %	Staff's Adjusted Uncollectible Accounts	
7	\$ 158,231,868	0.25%	\$ 395,592	
8		SD Per Books	\$ 426,884	
9		Staff Adjustment	(31,292)	
	Staff's Revenue Deficiency	Five Year Average Write Off %	Bad Debt Adjustment On Staff's Revenue Deficiency	
10	\$ 7,000,393	0.25%	\$ 17,502	

SOURCES:

Columns a, b, and c, line 1 - 4: EL12-061 Exhibit____(PJS-1) Schedule 1, lines 2 - 5
Columns a and c, line 5: Schedule H-7, line 3
Column b, line 5: BHP Response to Staff DR 1-1, Attachment "H- Bad Debt Analysis Updated Sep 2013.xlsx", Summary
Column a, line 7: BAM-4 Sch 2, column d, line 2 - BAM-4 Sch 3, column x, line 2
Column b, line 7: line 6, column c / column b
Column c, line 7: line 7, column a * column b
Column c, line 8: Statement N, p. 15, line 146
Column c, line 9: column c, line 7 - line 8
Column a, line 10: BAM-4 Sch 1, column b, line 8
Column b, line 10: line 6, column c / column b
Column c, line 10: line 10, column a * column b