

Black Hills Power, Inc.  
South Dakota  
Cost of Service Model Description

### Section C

**20:10:13:53. Statement C -- Earned surplus statements.** Statement C shall include earned surplus statements for the test period showing debits and credits according to descriptive captions, the balance as of the beginning and the end of the test period and the most recently available earned surplus statement, including any applicable footnotes.

**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.**  
**RETAINED EARNINGS STATEMENT**

**Statement C**  
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| Line<br>No. | Description  | Reference    | 12 Month Ended        |                       |
|-------------|--|--------------|-----------------------|-----------------------|
|             |  |              | JUNE 30, 2008         | JUNE 30, 2009         |
| 1           | Balance at Beginning of Period                                       |              | \$ 157,389,968        | \$ 181,532,184        |
| 2           | Net Income   | Stmt B Ln.31 | 24,142,216            | 22,001,511            |
| 3           | Dividends from Subsidiary  |              | -                     | -                     |
| 4           | Cumulative Effect of Accounting Adjustment                           |              | -                     | (183,609)             |
| 5           | Total Before Deductions  |              | <u>181,532,184</u>    | <u>203,350,086</u>    |
| 6           |  |              |                       |                       |
| 7           | Dividends Paid/Declared and Other                                    |              |                       |                       |
| 8           | Preferred Dividends  |              | -                     | -                     |
| 9           | Acquired Related Company Equity                                      |              | -                     | -                     |
| 10          | Common Stock Dividends   |              | -                     | -                     |
| 11          | Total Dividends  |              | <u>-</u>              | <u>-</u>              |
| 12          |  |              |                       |                       |
| 13          | Balance at End of Period   | Ln.5 + Ln.11 | <u>\$ 181,532,184</u> | <u>\$ 203,350,086</u> |
| 14          |  |              |                       |                       |
| 15          |  |              |                       |                       |
| 16          | NOTE: June 30, 2009 is the most recent public information available. |              |                       |                       |