

Section P

20:10:13:100. Statement P -- Fuel cost adjustment factor. Statement P shall show the derivation of the cost adjustment factor as stated therein if the rate schedule or sales contract embodies a fuel clause or gas adjustment clause. If the fuel clause differs from the one prescribed by the commission, the statement shall show the derivation as proposed by the company and as prescribed by the commission.

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.

Statement P page 1 is the Steam Plant Fuel Adjustment. This schedule calculates the base unit cost for Steam Plant Fuel expenses by taking the adjusted Steam Plant Fuel expenses and dividing by the adjusted system energy sales.

Statement P page 2 is the Transmission Adjustment. This schedule calculates a base unit cost for Transmission by taking the adjusted Transmission expenses and dividing by the total adjusted retail energy sales.

Statement P page 3 is the Adjustment for Other Fuel and Purchased Power. This schedule calculates a base unit cost for the Other Fuel and Purchase Power Expense by taking the adjusted Other Fuel and Purchase Power Expenses and dividing them by the adjusted total system energy sales.

BLACK HILLS POWER, INC.
DERIVATION OF BASE UNIT COST FOR STEAM PLANT FUEL COST ADJUSTMENT
FOR THE TEST YEAR ENDED JUNE 30, 2009

Line No.	Steam Plant Fuel Cost Adjustment Calculation	Reference	Amount
1	Steam Plant Fuel Expense - FERC Account 501	Stmt H Sum of Ln.3 - Ln.1.7(a)	\$ 20,927,309
2			
3	Less: Steam Plant Fuel Expense for Power Marketing	Sched H-12 Ln.5 + Sched H-14 Ln.19(k)	(5,670,368)
4			
5	Plus: Increase in Stmt R Pricing	Sched H-15 Ln.7(g)	1,539,886
6			
7	Plus: Increase in Coal Handling for Wygen III	Sched H-6 Ln.6(d)	258,306
8			
9	Plus: Wygen III Coal Usage	Sched H-7 pg.2 Ln.16 (Total)	3,596,934
10			
11	Plus: Wage Increase for Coal Handling	Stmt H Ln. 3(b)	43,170
12			
13	Base Cost for Steam Plant Fuel Expense	Sum of Ln.1 - Ln.11	<u><u>\$ 20,695,237</u></u>
14			
15	<u>kWh SALES</u>		
16			
17	System Energy Sales (Adjusted)	WP-1 Ln.39(e) *1000	1,971,984,000
18			
19	Base Unit Cost for Steam Plant Fuel	Ln.13 ÷ Ln.17	<u><u>\$ 0.01049</u></u> /kWh
20			
21	Base Unit Cost for Steam Plant Fuel	Approved Docket EL06-019	<u><u>\$ 0.00631</u></u> /kWh
22			
23	Increase/(Decrease) in Base Unit Cost for Transmission	Ln.19 - Ln.21	<u><u>\$ 0.00418</u></u> /kWh

BLACK HILLS POWER, INC.
DERIVATION OF BASE UNIT COST OF TRANSMISSION
FOR THE TEST YEAR ENDED JUNE 30, 2009

Line No.	Transmission Cost Adjustment Calculation	Reference	Amount
1	Transmission Expense	Stmt H pg.2 Ln.54(a)	\$ 13,029,554
2			
3	Less: Transmission Expense for Power Marketing	Sched H-12 Ln.11	(1,217,426)
4			
5	Transmission Adjustments	Sched H-11 Ln.20	1,710,973
6			
7	Base Cost for Transmission Expense	Sum of Ln.1 - Ln.5	<u><u>\$ 13,523,101</u></u>
8			
9		<u>kWh SALES</u>	
10			
11	Retail Energy Sales	WP-1 Ln.34(e) * 1000	1,655,919,000
12			
13	Base Unit Cost for Transmission	Ln.7 ÷ Ln.11	<u><u>\$ 0.00817</u></u> /kWh
14			
15	Base Unit Cost for Transmission	Approved Docket EL06-019	<u><u>\$ 0.00599</u></u> /kWh
16			
17	Increase/(Decrease) in Base Unit Cost for Transmission	Ln.13 - Ln.15	<u><u>\$ 0.00218</u></u> /kWh

BLACK HILLS POWER, INC.
DERIVATION OF BASE UNIT COST OF OTHER FUEL AND PURCHASED POWER (CECA)
FOR THE TEST YEAR ENDED JUNE 30, 2009

Line No.	Conditional Energy Cost Adjustment (CECA)	Reference	Amount
1	Other Fuel - Per Books	Stmt H Ln.26(a)	\$ 2,778,194
2			
3	Purchase Power Expenses - Per Books	Stmt H Ln.44(a)	57,649,169
4			
5	Less: Other Fuel used in Power Marketing	Sched H-12 Ln.7	(1,407,885)
6			
7	Less: Purchase Power used in Power Marketing	Sched H-12 Ln.9	(37,407,018)
8			
9	Less: Savings due to Wygen III	Sched H-9 Ln.9 + Sched H-9 Ln.19	(12,953,335)
10			
11	Base Cost for Other Fuel and Purchase Power Expense	Sum of Ln.1 - Ln.11	<u><u>\$ 8,659,125</u></u>
12			
13	<u>kWh SALES</u>		
14			
15	System Energy Sales (Adjusted)	WP-1 Ln.39(e) *1000	1,971,984,000
16			
17	Base Unit Cost for Other Fuel and Purchased Power	Ln.11 ÷ Ln.15	<u><u>\$ 0.00439</u></u> /kWh
18			
19	Base Unit Cost for Other Fuel and Purchased Power	Approved Docket EL06-019	<u>0.00817</u> /kWh
20			
21	Increase/(Decrease) in Base Unit Cost for Transmission	Ln.17 - Ln.19	<u><u>(0.00378)</u></u> /kWh