

## Section F

**20:10:13:68. Statement F -- Working capital.** Statement F shall show the computation of the working capital claimed as part of the public utility's rate base using averages where appropriate as of the beginning and the end of each month of the test period. The statement shall show the respective components of the claimed working capital and shall show in detail how the amount of each component was computed. The items required in §§ 20:10:13:69 to 20:10:13:71, inclusive, shall be submitted as part of statement F.

**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](#).

## Section F

**20:10:13:69. Schedule F-1 -- Monthly balances for materials, supplies, fuel stocks, and prepayments.** Schedule F-1 shall set forth monthly balances for materials, supplies, fuel stocks, and prepayments in such detail as to disclose, either by subaccounts regularly maintained on the books or by analysis of the principal items included in the main account, the nature of the charges included.

**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.  
South Dakota  
Cost of Service Model Description

## Section F

**20:10:13:70. Schedule F-2 -- Monthly balances for two years immediately preceding test year.** Schedule F-2 shall set forth monthly balances of materials and supplies for two years immediately preceding the test period.

**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](#).

## Section F

**20:10:13:71. Schedule F-3 -- Data used in computing working capital.** Schedule F-3 shall show the computations, cross references, and sources from which the data used in computing claimed working capital is derived.

**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](#).

**Schedule F-3 page 1:** This schedule shows the cash working capital for the test year ended June 30, 2009.

**Schedule F-3 page 2:** This schedule shows the adjusted cash working capital for the test year ended June 30, 2009.

### Schedule F-3 Lead/Lag Calculations:

The Expense Per Day in column (b), is calculated by dividing the per book recorded amounts in column (a) by 365 days in a year. The Expense Per Day is then multiplied by the Expense Lead Days in column (c) to determine the Expense Dollar Days for column (d).

The Expense Lead Days is a calculation of the time lag between services/goods received and the payment of such costs based on a selection of invoices specific to each expense category. For example, if the invoice for services provided for the month of April was paid on May 20<sup>th</sup>, the Expense Lead Days would be 35. The 35 days is calculated by taking April's mid-service point of 15 days, since the service was for the entire month and adding the 20 days in May before the invoice was paid.

The Revenue Lag Days is a calculation of the time lag between services rendered and the receipt of revenues for such services. The components of this calculation include average: 1) service month midpoint days, 2) meter reading to billing days, and 3) billing to collection days.

The Gross Cash Working Capital Requirement on line 47 is calculated by multiplying the total Expense Per Day in column (b) – Line 40 by the Net Lead/Lag Days on line 45.

The Net Cash Working Capital Requirement on line 49 is determined based on the Gross Cash Working Capital on line 47 net of the calculated cash available from tax collections on behalf of other parties, Tax Collections Available (Line 48).

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

## **Section F**

**Schedule F-4 – Adjusted Materials and Supplies- Wygen III.** This Schedule is a detailed listing of additional materials and supplies that will be needed for the Wygen III power plant. These items were not on the books as of June 30, 2009, since the plant is still under construction, but will be needed when the power plant begins operation. These are all critical spare parts inventory for Wygen III and will be on hand at all times once the plant is operational.

**BLACK HILLS POWER, INC.**  
**WORKING CAPITAL**  
**FOR THE TEST YEAR ENDED JUNE 30, 2009**

**Statement F**  
**Page 1 of 1**

Line No.	Description	Reference	(a) Total Per Books	(b) CUS Adjustment	(c) [[a) + (b)] BHP Per Books	(d) Pro forma Adjustment	(e) [(c) + (d)] Adjusted
1	Cash Working Capital	Sched F-3 pg1 Ln.49	2,324,535	(288,029)	2,036,506	(2,520,920) (2)	(484,414)
2							
3	Fuel Stocks	Sched F-1 Ln.27(a)	6,570,223		6,570,223		6,570,223
4							
5	Materials and Supplies	Sched F-1 Ln.27(b)	12,089,177	(1,521,943)	10,567,234	963,668 (1)	11,530,902
6							
7	Prepaid Expenses	Sched F-1 Ln.27(c)	2,267,873	(152,380)	2,115,493		2,115,493
8							
9	Total Working Capital	Sum of Ln.1 - Ln.7	<u>\$ 23,251,808</u>	<u>\$ (1,962,352)</u>	<u>\$ 21,289,456</u>	<u>\$ (1,557,252)</u>	<u>\$ 19,732,204</u>
10							
11	Less: Prepaid Pension for Transmission Working						
12	Capital not included in Black Hills Power Rate Case			-			
13							
14	Total Working Capital Transmission	Ln.9 + Ln.12		<u>\$ (1,962,352)</u>			<u>1,962,352</u>
15							
16	Total Working Capital- BHP and Transmission	Ln.9 + Ln.14					<u>\$ 21,694,556</u>
17							
18							
19							
20	Note (1): Wygen III Material and Supplies. Refer to Sched F-4 for detail.						
21	Note (2): Adjustments to cash working capital. Refer to Sched F-3 pg 2 for details.						

**BLACK HILLS POWER, INC.**  
**COMPONENTS OF CLAIMED WORKING CAPITAL**  
**FOR THE TEST YEAR ENDED JUNE 30, 2009**

**Schedule F-1**  
**Page 1 of 1**

Line No.	Month Ending	(a) Fuel Stocks (a/c 151)	(b) Materials and Supplies (a/c 154, 156, 163)	(c) Prepaid Expenses (a/c 165)
1	2008 June	4,403,253	12,262,115	2,920,337
2				
3	July	4,866,246	12,135,898	2,653,035
4				
5	August	5,732,364	12,004,537	3,502,258
6				
7	September	6,093,004	12,001,198	3,416,486
8				
9	October	6,241,471	11,988,187	4,055,334
10				
11	November	6,738,823	11,884,272	4,025,003
12				
13	December	7,336,132	11,973,105	1,308,218
14				
15	2009 January	7,299,425	12,081,999	1,243,675
16				
17	February	7,274,911	12,246,084	962,139
18				
19	March	7,269,678	12,301,323	981,364
20				
21	April	7,462,762	12,297,723	2,239,162
22				
23	May	7,430,946	12,097,571	916,042
24				
25	June	7,263,890	11,885,283	1,259,302
26				
27	12 Month Average	(Sum of Ln.1 - Ln.25) ÷ 13 <u>\$ 6,570,223</u>	<u>\$ 12,089,177</u>	<u>\$ 2,267,873</u>

**BLACK HILLS POWER, INC.**  
**MONTHLY BALANCES OF MATERIALS AND SUPPLIES**  
**FOR THE 24 MONTHS ENDED**  
**JUNE 30, 2008**

**Schedule F-2**  
**Page 1 of 1**

Line No.	Month Ending	Materials and Supplies (a/c 154, 156, 163)
1	2006 July	10,825,608
2	August	10,730,314
3	September	10,946,888
4	October	10,970,780
5	November	10,756,733
6	December	11,098,762
7	2007 January	11,155,019
8	February	11,493,112
9	March	11,347,820
10	April	11,487,183
11	May	11,632,410
12	June	11,666,270
13	July	11,740,941
14	August	11,728,064
15	September	11,753,141
16	October	11,746,010
17	November	11,507,416
18	December	11,602,639
19	2008 January	11,706,937
20	February	11,981,686
21	March	11,973,156
22	April	11,708,111
23	May	12,028,733
24	June	\$ 12,262,115

**BLACK HILLS POWER, INC.**  
**PER BOOKS CASH WORKING CAPITAL CALCULATION**  
**FOR THE TEST YEAR ENDED JUNE 30, 2009**

**Schedule F-3**  
**Page 1 of 2**

Line No.	Description	Reference	(a) Per Books	(b) Expense Per Day [(a) ÷ 365]	(c) Expense Lead Days	(d) Expense Dollar Days [(b) * (c)]
1	<b>OPERATIONS &amp; MAINTENANCE</b>					
2	Coal/Fuel Oil/Natural Gas	Sum of Stmt H Ln.4(a) - Ln.6(a)	\$ 17,095,001	46,836	22.8	\$ 1,067,861
3	Coal Transportation	Stmt H Ln.7(a)	2,799,985	7,671	15.6	119,668
4	Natural Gas- Other Production	Stmt H Ln.26(a)	2,778,194	7,611	36.3	276,279
5	Purchased Power And Capacity	Stmt H Ln.45(a)	64,759,012	177,422	29.8	5,287,176
6	Transmission	Stmt H Ln.54(a)	13,029,554	35,697	35.3	1,260,104
7	Labor	Sched H-1 Ln.29(a)	17,327,510	47,473	15.5	735,832
8	Employee Benefits		6,253,985	17,134	116.6	1,997,824
9	Service Company Charges	Sched H-4 Ln.25	19,583,792	53,654	32.1	1,722,293
10	Other O&M		<u>9,185,233</u>	<u>25,165</u>	<u>25.0</u>	<u>629,125</u>
11						
12	Subtotal	Sum of Ln.2 - Ln.10	152,812,266	418,663		13,096,162
13						
14	Wyodak Power Plant O&M		<u>3,469,868</u>	<u>9,506</u>	<u>(8.0)</u>	<u>(76,048)</u>
15						
16	Total O&M	Stmt H Ln.129(a); Ln.12 + Ln.14	156,282,134	428,169		13,020,114
17						
18	<b>TAXES OTHER THAN INCOME TAX</b>					
19	Property Tax	Stmt L Ln.15(a)	4,520,434	12,385	326.4	4,042,464
20	Unemployment - FUTA and SUTA	Stmt L Ln.3(a) + Ln.7(a)	42,924	118	74.8	8,826
21	Montana Electric Energy	Stmt L Ln.8(a)	8,074	22	69.1	1,520
22	Wyoming Franchise Tax	Stmt L Ln.10(a)	46,044	126	53.6	6,754
23	South Dakota PUC	Stmt L Ln.11(a)	175,000	479	374.0	179,146
24	Wyoming PSC	Stmt L Ln.12(a)	52,049	143	542.0	77,506
25	MT Regulatory Taxes	Stmt L Ln.9(a)	12,287	34	69.0	2,346
26	FICA	Stmt L Ln.2(a)	<u>1,926,704</u>	<u>5,279</u>	<u>16.5</u>	<u>87,104</u>
27	Total Taxes Other Than Income Tax	Sum of Ln.19 - Ln.26	6,783,516	18,586		4,405,666
28						
29	Depreciation	Stmt J Ln.14(f)	20,300,775	55,619		
30	Amortization	Stmt J Ln.16(f)	<u>151,404</u>	<u>415</u>		
31	Subtotal	Ln.29 + Ln.30	20,452,179	56,033		
32						
33	<b>INCOME TAXES</b>					
34	Federal	Stmt K pg.1 Ln.60(a)	<u>8,130,008</u>	<u>22,274</u>	<u>37.4</u>	<u>833,048</u>
35	Subtotal	Ln.34	8,130,008	22,274		833,048
36						
37	<b>INTEREST EXPENSE</b>					
38	Long-Term Debt	Stmt G pg2 Ln.16 (k)	<u>11,434,983</u>	<u>31,329</u>	<u>89.7</u>	<u>2,810,211</u>
39	Subtotal	Ln.38	11,434,983	31,329		2,810,211
40						
41	Grand Totals			556,391		21,069,039
42						
43	Revenue Lag Days		43.64			
44	Expense Lead Days	Ln. 41(d) / Ln.41(b)	<u>37.87</u>			
45	Net Days	Ln.43 - Ln.44	5.77			
46						
47	Gross Cash Working Capital Requirement	Ln.41(b) * Ln.45(a)		3,210,376		
48	Less: Tax Collections Available	Ln.56(d)		<u>(885,841)</u>		
49	Net Cash Working Capital Requirement	Ln.47 + Ln.48		<u>\$ 2,324,535</u>		
50						
51	<b>TAX COLLECTIONS AVAILABLE</b>					
52	FICA Taxes (Employee Contrib.)		1,926,704	5,279	16.5	87,104
53	Federal Withholding Tax		2,853,491	7,818	16.5	128,997
54	South Dakota Sales and Use Tax		5,502,276	15,075	43.3	652,748
55	Wyoming Sales and Use Tax		<u>167,032</u>	<u>458</u>	<u>37.1</u>	<u>16,992</u>
56	Total	Sum of Ln.52 - Ln.55	<u>10,449,503</u>	<u>28,630</u>		<u>885,841</u>

**BLACK HILLS POWER, INC.**  
**ADJUSTED CASH WORKING CAPITAL CALCULATION**  
**FOR THE TEST YEAR ENDED JUNE 30, 2009**

**Schedule F-3**  
**Page 2 of 2**

Line No.	Description	Reference	(a) Adjusted Total	(b) Expense Per Day	(c) Expense Lead Days	(d) Expense Dollar Days
1	<b>OPERATIONS &amp; MAINTENANCE</b>					
2	Coal/Fuel Oil/Natural Gas	Sum of Stmt H Ln.4(n) - Ln.6(n)	\$ 16,561,453	45,374	22.8	\$ 1,034,527
3	Coal Transportation	Stmt H Ln.7(n)	2,799,985	7,671	15.6	119,668
4	Natural Gas- Other Production	Stmt H Ln.26(n)	366,912	1,005	36.3	36,482
5	Purchased Power And Capacity	Stmt H Ln.45(n)	15,402,056	42,197	29.8	1,257,471
6	Transmission	Stmt H Ln.54(n)	13,523,101	37,050	35.3	1,307,865
7	Labor	Sched H-1 [Ln.29(a) + Ln.29 (d)]	18,551,074	50,825	15.5	787,788
8	Employee Benefits	Sched F-3 pg.1 Ln.8	6,253,985	17,134	116.6	1,997,824
9	Service Company Charges	Sched H-5 Ln.22(b)	20,918,966	57,312	32.1	1,839,715
10	Other O&M		<u>11,458,710</u>	<u>31,394</u>	<u>25.0</u>	<u>784,850</u>
11						
12	Subtotal		105,836,242	289,962		9,166,190
13						
14	Wyodak Power Plant O&M	Sched F-3 pg.1 Ln.14	<u>3,469,868</u>	<u>9,506</u>	<u>(8.0)</u>	<u>(76,048)</u>
15						
16	Total O&M	Stmt H Ln.129(o); Ln.12 + Ln.14	109,306,110	299,468		9,090,142
17						
18	<b>TAXES OTHER THAN INCOME TAX</b>					
19	Property Tax	Stmt L Ln.15(c)	5,520,477	15,125	326.4	4,936,800
20	Unemployment - FUTA and SUTA	Stmt L Ln.3(c) + Ln.7(c)	47,206	129	74.8	9,649
21	Montana Electric Energy	Stmt L Ln.8(c)	8,074	22	69.1	1,520
22	Wyoming Franchise Tax	Stmt L Ln.10(c)	46,044	126	53.6	6,754
23	South Dakota PUC	Stmt L Ln.11(c)	233,139	639	374.0	238,986
24	Wyoming PSC	Stmt L Ln.12(c)	60,870	167	542.0	90,514
25	MT Regulatory Taxes	Stmt L Ln.9(c)	12,287	34	69.0	2,346
26	FICA	Stmt L Ln.2(c)	<u>2,020,307</u>	<u>5,535</u>	<u>16.5</u>	<u>91,328</u>
27	Total Taxes Other Than Income Tax		7,948,404	21,777		5,377,897
28						
29	Depreciation	Stmt J Ln.14(e)	24,743,606	67,791		
30	Amortization	Stmt J Ln.16(e)	<u>151,404</u>	<u>415</u>		
31	Subtotal		24,895,010	68,206		
32						
33	<b>INCOME TAXES</b>					
34	Federal	Stmt K pg 1 Ln.60(e)	<u>15,443,441</u>	<u>42,311</u>	<u>37.4</u>	<u>1,582,424</u>
35	Subtotal		15,443,441	42,311		1,582,424
36						
37	<b>INTEREST EXPENSE</b>					
38	Long-Term Debt	Stmt G pg.3 Ln.17 (k)	<u>18,938,100</u>	<u>51,885</u>	<u>89.7</u>	<u>4,654,103</u>
39	Subtotal		18,938,100	51,885		4,654,103
40						
41	Grand Totals			483,647		20,704,566
42						
43	Revenue Lag Days	Schedule F-3 pg.1 Ln.43(a)	43.64			
44	Expense Lead Days	Ln. 41(d) / Ln.41(b)	<u>42.81</u>			
45	Net Days	Ln.43 - Ln.44	0.83			
46						
47	Gross Cash Working Capital Requirement	Ln.41(b) * Ln.45(a)		401,427		
48	Less: Tax Collections Available	Ln.56(d)		<u>(885,841)</u>		
49	Net Cash Working Capital Requirement	Ln.47 + Ln.48		<u>\$ (484,414)</u>		
50						
51	<b>TAX COLLECTIONS AVAILABLE</b>					
52	FICA Taxes (Employee Contrib)	Schedule F-3 pg.1 Ln.52(a)	1,926,704	5,279	16.5	87,104
53	Federal Withholding Tax	Schedule F-3 pg.1 Ln.53(a)	2,853,491	7,818	16.5	128,997
54	South Dakota Sales and Use Tax	Schedule F-3 pg.1 Ln.54(a)	5,502,276	15,075	43.3	652,748
55	Wyoming Sales and Use Tax	Schedule F-3 pg.1 Ln.55(a)	<u>167,032</u>	<u>458</u>	<u>37.1</u>	<u>16,992</u>
56	Total	Sum of Ln.52 - Ln.55	<u>10,449,503</u>	<u>28,630</u>		<u>885,841</u>

BLACK HILLS POWER  
 ADJUSTED MATERIALS AND SUPPLIES - WYGEN III  
 PRO FORMA  
 FOR THE TEST YEAR ENDED JUNE 30, 2009

Line No.	Equipment Name	Amount
1	Siemens Turbine (First Order)	\$ 411,023
2	Siemens Turbine (Second Order)	114,958
3	SPX ACC	
4	Complete Fan	49,725
5	Complete Gear Box	42,910
6	Gearbox Coupling	7,104
7	Rupture Disc	3,310
8	Manway Gasket	175
9	Motor Bearings	2,018
10	Fan Drive Motor	23,223
11	Wolf Conveyors	
12	Falk Reducer	9,163
13	Falk Backstop	7,096
14	GEA - EGI Aux Cooler	
15	Sealing set for headers	472
16	Sulzer Boiler Feed Pump	
17	Gasket	638
18	Journal bearing	2,898
19	Journal bearing	2,898
20	Thrust bearing	5,622
21	Bearing Spacer	259
22	O-Ring	76
23	Oil Ring	1,012
24	Isolator, seal	2,409
25	Flowsolve Condensate Pumps	
26	Mechanical Seal	4,594
27	Bearing Sleeve	817
28	O ring	22
29	O ring	43
30	Bearing sleeve	1,634
31	O ring	252
32	Bearing sleeve	3,094
33	Bearing sleeve	354
34	Siemens Power Transformers	
35	MAT HV Bushings	37,890
36	MAT LV Bushings	6,480
37	B&W	
38	Atomizer Control Valve Sleeve Kits	3,500
39	Atomizer Coupling	3,000
40	Pulverizer Ceramic Lines Panel	5,000
41	ABB	
42	Spare Instruments	50,000
43	Spare SUS parts	50,000
44	Spare MCC parts	50,000
45	Spare VFD parts	50,000
46	Chem Clean Valves	
47	Misc Valve Kits	10,000
48		
49	Total Adjusted Materials Supplies- Wygen III	<u>\$ 963,668</u>