

BLACK HILLS POWER, INC.
South Dakota Retail Operations
Distribution of Wages and Salaries
Test Year Ended June 30, 2012

(A)	Per Books (B)	Percent of Total (C)	BHP's Personnel Adjustment (D)	Staff Adjustments (E)	Personnel As Adjusted (F)	BHP's Wage Increase As Filed (G)	Staff Adjustments (H)	Wages Adjustment (I)	Total Adjustment Per Staff (J)	Allocation Factor (K)	SD Percent (L)	SD Amount (M)
Operation												
1. Production	3,704,819	32.66%	42,350	(21,454)	20,896	104,808	(4,908)	99,900	120,796	SALWAGPO	89.37%	\$ 107,950
2. Transmission	236,196	2.08%	2,700	(1,368)	1,332	6,682	(313)	6,369	7,701	SALWAGTO	91.20%	7,024
3. Distribution	1,803,754	15.90%	(65,576)	(10,445)	(76,021)	51,028	(2,389)	48,639	(27,383)	SALWAGDO	93.52%	(25,608)
4. Customer accounts	1,009,419	8.90%	(96,246)	(5,845)	(102,091)	28,556	(1,337)	27,219	(74,873)	SALWAGCA	96.05%	(71,915)
5. Customer service and Info	757,920	6.68%	(174,257)	(4,389)	(178,646)	21,441	(1,004)	20,437	(158,209)	SALWAGCS	96.05%	(151,960)
6. Admin and general	102,750	0.91%	(192,196)	(595)	(192,791)	2,907	(136)	2,771	(190,020)	SALWAGES	91.31%	(173,514)
7. Total operation	7,614,858		(483,225)	(44,097)	(527,322)	215,422	(10,088)	205,334	(321,987)			(308,023)
Maintenance												
8. Production	2,881,357	25.40%	32,935	(16,686)	16,249	81,513	(3,817)	77,696	93,945	SALWAGPM	89.37%	83,954
9. Transmission	61,019	0.54%	698	(353)	345	1,726	(81)	1,645	1,990	SALWAGTM	91.20%	1,815
10. Distribution	772,397	6.81%	8,829	(4,473)	4,356	21,851	(1,023)	20,828	25,184	SALWAGDM	93.81%	23,625
11. Admin and general	13,241	0.12%	150	(77)	73	375	(18)	357	431	SALWAGES	91.31%	393
12. Total maintenance	3,728,014		42,612	(21,588)	21,024	105,465	(4,939)	100,526	121,550			109,787
13. Total	11,342,872		(440,613)	(65,685)	(506,298)	320,887	(15,026)	305,861	(200,437)			(198,236)
Total Operation and Maintenance												
14. Production	6,586,176		75,285	(38,140)	37,145	186,321	(8,725)	177,596	214,741			191,904
15. Transmission	297,215		3,398	(1,721)	1,677	8,408	(394)	8,014	9,691			8,839
16. Distribution	2,576,151		(56,747)	(14,918)	(71,665)	72,879	(3,413)	69,466	(2,199)			(1,983)
17. Customer accounts	1,009,419		(96,246)	(5,845)	(102,091)	28,556	(1,337)	27,219	(74,873)			(71,915)
18. Customer service and info	757,920		(174,257)	(4,389)	(178,646)	21,441	(1,004)	20,437	(158,209)			(151,960)
19. Admin and general	115,991		(192,046)	(672)	(192,718)	3,282	(154)	3,128	(189,589)			(173,121)
20. Total	11,342,872		(440,613)	(65,685)	(506,298)	320,887	(15,026)	305,861	(200,437)			(198,236)

Peterson Workpaper

Staff Personnel Adjustments

Eliminated position (45,300) (Staff 1-12 position terminated post-test year)

Subtotal wages and salaries (45,300)

Benefits @ 45% (20,385)

Expense adjustment - total utility (65,685)

Staff Wage Adjustment

Non-union wages total 5,008,775

Merit increase percentage 3.20% (Staff 4.10)

Merit increase amount 160,281

Increase per BHP filing 175,307

Staff adjustment (15,026)