

**BLACK HILLS POWER, INC.**  
South Dakota Retail Operations  
Incentive Compensation Adjustment  
Test Year Ended June 30, 2012

	(A)	(B)
1. Incentive compensation allocated to SD in BHP's filing		\$2,632,000
<b>Staff Adjustments</b>		
2. Exclude 27.5% of STIP Non Officer		(30,525)
3. Exclude STIP Officer		(303,630)
4. Exclude Performance Plan		(321,000)
5. Exclude 27.5% of AIP		(444,950)
6. Subtotal Staff adjustments to incentive comp		<u>(1,100,105)</u>
7. Incentive compensation included in SD revenue req.		<u>\$1,531,895</u>

Source:

BHP's response to Staff 1-23 & Email from Todd Brink on 8/6/13