

BLACK HILLS POWER
South Dakota Retail Operations
Service Company Charges - Holding Company Blended Ratio
Test Year Ended June 30, 2012

(A)	(B)
Indirect Charges Allocated to BHP using Holding Company Blended Ratio	
1. SC-Corp development	\$105,274
2. SC-Corp gov & shareholder serv	648,411
3. SC-Executive management	73,293
4. SC-Finance & treasury	338,012
5. SC-Financial reporting	<u>107,064</u>
6. Total indirect charges allocated using HC blended ratio	\$1,272,054
7. Adjustment factor for HC blended ratio	<u>96.43%</u>
8. Adjusted charges	<u>\$1,226,635</u>
9. Adjustment to test year Service Company expenses	<u><u>(\$45,419)</u></u>

BLACK HILLS POWER

South Dakota Retail Operations
Service Company Blended Ratio - Including Holding Company
Test Year Ended June 30, 2012

(A)	Asset Cost		Gross Margin		Payroll		Blended w/ HoldCo (H)
	Amount (B)	Ratio (C)	Amount (D)	Ratio (E)	Amount (F)	Ratio (G)	
1. BH EXPLORATION&PROD - BHEP	135,400,607	3.33%	52,315,875	5.81%	7,095,970	5.59%	4.91%
2. BH GAS RESOURCE - BHGR	257,800,525	6.34%	19,272,676	2.14%	1,158,384	0.91%	3.13%
3. BH PLATEAU PROD - BHPP	151,291,289	3.72%	4,020,963	0.45%	319,525	0.25%	1.47%
4. BH MIDSTREAM - BHMS	16,524,418	0.41%	4,197,981	0.47%		0.00%	0.29%
5. WYODAK RESOURCE DEV - WYODAK	141,918,786	3.49%	66,892,326	7.43%	8,049,109	6.35%	5.76%
6. BH WYOMING - BHW	134,165,994	3.30%	23,989,362	2.66%		0.00%	1.99%
7. ENSERCO ENERGY - ENSCO		0.00%		0.00%		0.00%	0.00%
8. ENSERCO MIDSTREAM - ENSMDSTRM		0.00%		0.00%		0.00%	0.00%
9. EIF INVESTORS - EIF		0.00%		0.00%		0.00%	0.00%
10. BH ELECTRIC GENERATION - BHEG		0.00%		0.00%		0.00%	0.00%
11. BH NON REG HOLDING - BHNH		0.00%		0.00%		0.00%	0.00%
12. BH COLORADO IPP -	260,874,478	6.42%	0	0.00%		0.00%	2.14%
13. GENERATION DEVELOP - BHGEN		0.00%		0.00%		0.00%	0.00%
14. BH POWER - BHP	991,989,090	24.41%	152,409,125	16.93%	24,582,529	19.38%	20.24%
15. CHEYENNE FUEL&POWER - CLFP	423,657,477	10.43%	71,923,359	7.99%	6,993,091	5.51%	7.98%
16. BH UTILITY HOLDING - BHUHC	3,416,653	0.08%	0	0.00%	22,520,975	17.75%	5.95%
17. BH KANSAS - BHKSG	215,744,396	5.31%	49,520,547	5.50%	8,709,133	6.87%	5.89%
18. BH IOWA - BHIAG	251,949,378	6.20%	67,875,807	7.54%	11,657,104	9.19%	7.64%
19. BH NEBRASKA - BHNEG	281,887,419	6.94%	81,255,678	9.03%	12,717,576	10.03%	8.66%
20. BH COLORADO ELEC - BHCOE	669,178,694	16.47%	79,646,748	8.85%	14,969,779	11.80%	12.37%
21. BH COLORADO GAS - BHCOG	121,550,253	2.99%	23,971,338	2.66%	4,316,311	3.40%	3.02%
		0.00%		0.00%		0.00%	0.00%
22. BH CORP - BHC	5,998,246	0.15%	202,947,752	22.54%	3,764,000	2.97%	8.55%
23. Total	<u>4,063,347,703</u>	<u>100.00%</u>	<u>900,239,537</u>	<u>100.00%</u>	<u>126,853,485</u>	<u>100.00%</u>	<u>100.00%</u>
24. BHP factor used in 2012 (including BHC)							20.99%
25. BHP factor as adjusted (including BHC)							<u>20.24%</u>
26. Ratio of adjusted factor to factor used during 2012							<u>96.43%</u>

Sources:

- Lines 1-21: BHP's response to Staff 9-24.3 Confidential 2012 BHSC Allocations
- Line 24, Column B: BHP's response to Staff 9-25.2 Attachment
- Line 24, Column D: BHP's response to Staff 9-25.1 Attachment
- Line 24, Column F: BHP's response to Staff 1-22