

Black Hills Power, Inc.
South Dakota
Revenue Requirement Model Description

Section B

20:10:13:52. Statement B -- Income Statement. Statement B shall include income statements in the form prescribed by the FERC's uniform systems of accounts for public utilities and licensees or for gas companies, 18 C.F.R. 101 (April 1, 1985), and in any other form if ordered by the commission for the test period, and the most recently available income statement, including any applicable footnotes.

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-7](#), [49-34A-10](#), [49-34A-12](#), [49-34A-41](#).

BLACK HILLS POWER, INC.
STATEMENT OF INCOME
For the Test Year Ended June 30, 2012

Statement B
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Line No.	Description	Reference	June 30, 2012 (Test Year)	June 30, 2011	For the twelve months ended September 30, 2012
1	Electric Sales		\$ 211,182,973	\$ 202,516,704	\$ 211,635,864
2	Other Revenue		38,965,242	31,309,231	34,831,722
3	Sub-Total		<u>250,148,215</u>	<u>233,825,935</u>	<u>246,467,586</u>
4					
5	Fuel		26,623,542	23,330,493	26,982,168
6	Purchased Power		67,292,983	63,975,052	65,485,213
7	Production Expense (Excludes Fuel)		22,982,686	26,231,334	22,264,636
8	Transmission Expense		3,939,231	3,446,551	3,626,139
9	Distribution Expense		7,118,893	6,723,581	7,445,126
10	Customer Accounting Expense		2,945,723	3,811,486	2,926,318
11	Customer Service Expense		1,524,623	1,567,955	1,574,356
12	Sales Expense		2,224	1,244	1,805
13	Administrative and General Expense		25,767,126	23,915,451	27,142,991
14	Total O&M		<u>158,197,031</u>	<u>153,003,147</u>	<u>157,448,752</u>
15					
16	Depreciation & Amortization		27,667,343	24,934,036	27,645,020
17	Taxes Other than Income		4,891,225	5,410,993	4,772,949
18	Sub-Total		<u>32,558,568</u>	<u>30,345,029</u>	<u>32,417,969</u>
19					
20	Net Operating Income	Ln.3 - Ln.14 - Ln.18	59,392,616	50,477,759	56,600,865
21					
22	Non-Operating Income (& Expense)		11,694,961	16,371,942	9,245,769
23	Interest (Expense)		(28,236,443)	(27,452,427)	(26,044,684)
24	AFUDC - Debt & Equity		753,966	1,644,523	691,429
25	Non-Operating (Expense)		<u>(15,787,516)</u>	<u>(9,435,962)</u>	<u>(16,107,486)</u>
26					
27	Income Before Tax	Ln.20 + Ln.25	43,605,100	41,041,797	40,493,379
28					
29	Federal Income Taxes		13,350,021	10,186,201	12,600,568
30					
31	Net Utility Income	Ln.27 - Ln.29	<u>\$ 30,255,079</u>	<u>\$ 30,855,595</u>	<u>\$ 27,892,811</u>

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33 Note: The September 2012 FERC Form 3Q, Quarterly Financial Report including footnotes, was filed with the Federal Energy
34 Regulatory Commission and is the most recently filed financial statement prescribed in the FERC's uniform system of accounts. Black
35 Hills Power 10Q as of September 30, 2012, prepared on a Generally Accepted Accounting Principle basis, was filed with the Securities
36 and Exchange Commission in November 2012. Both filings are publicly available.