

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

Section H

Schedule H-11 – Expense Elimination Adjustment. This Schedule summarizes the advertising costs and preliminary charges by FERC account that has been removed from the test year. The total decrease is shown as an adjustment on Line 18, and is adjusted in Statement H, column (j).

BLACK HILLS POWER, INC.
EXPENSE ELIMINATION ADJUSTMENT
For the Test Year Ended June 30, 2012

Schedule H-11
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Line No.	FERC Acct. #	Description	Reference	Amount
1		Elimination of Advertising Expense (Note 1)		
2	593	Overhead Lines		267
3	901	Supervision		33
4	903	Customer Records and Collection Expenses		300
5	909	Advertisement		5,384
6	912	Demonstrating and Selling Expenses		447
7	916	Miscellaneous Sales Expense		1,777
8	921	Office Supplies & Expense		218
9	930.1	General Advertising		197,188
10	930.2	Miscellaneous General		365
11		Total Advertising Expense to be Eliminated	Sum (Ln.2:Ln.10)	<u>\$ 205,979</u>
12				
13		Elimination of Preliminary Charges (Note 2)		
14	512	Boilers		49,388
15	930.2	Miscellaneous General		474,045
16		Total Preliminary Charges to be Eliminated	Ln. 14 + Ln. 15	<u>\$ 523,433</u>
17				
18		Total Expense Elimination Adjustment	Ln. 11 + Ln. 16	<u>\$ 729,412</u>

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Note 1: Elimination of disallowed advertising expense.

Note 2: Elimination of disallowed preliminary charges for abandoned projects.