

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

Section H

20:10:13:84. Schedule H-4 -- Working Papers for Interdepartmental Transactions.

If the expense accounts contain charges or credits from associated companies or nonutility departments of the utility, schedule H-4 shall be submitted for each such associated company or nonutility department showing the following:

- (1) The amount of the charges or credits during the test period;
- (2) The FERC account classification or classifications charged or credited;
- (3) Descriptions of the specific services performed for or by the associated company or nonutility department;
- (4) Complete particulars as to the bases used in determining the amounts of the charges or credits.

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-10, 49-34A-12, 49-34A-41.

This Schedule shows amounts charges by Black Hills Service Company to Black Hills Power for the twelve months ending June 30, 2012, along with the pro forma adjustment. The total increase is shown as an adjustment in column (c), and is adjusted in Statement H, column (c).

BLACK HILLS POWER, INC.
BLACK HILLS CORPORATION/BLACK HILLS SERVICE COMPANY - INTERCOMPANY CHARGES
For the Test Year Ended June 30, 2012

Schedule H-4
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Line No.	FERC Acct. #	Description	(a) Per Books	(b) Pro Forma Adjusted (Note 1)	(c) (b) - (a) Increase/ (Decrease)
1	561	Load Dispatch	\$ 46,142	\$ 69,616	\$ 23,474
2					
3	920	Administrative and General Salaries	10,073,067	10,061,007	(12,060)
4					
5	921	Office Supplies and Expenses	2,530,359	2,402,037	(128,322)
6					
7	923	Outside Services	1,873,680	2,394,389	520,709
8					
9	924	Property Insurance	969,353	899,378	(69,975)
10					
11	925	Injuries and Damages	1,268,959	1,413,871	144,912
12					
13	926	Employee Pensions and Benefits	241,858	14,137	(227,721)
14					
15	930.2	Miscellaneous General Expense	542,116	925,610	383,494
16					
17	931	Rents	500,470	483,070	(17,400)
18					
19	935	Maintenance of General Plant	612,066	1,114,780	502,714
20					
21		Total	<u>\$ 18,658,070</u>	<u>\$ 19,777,895</u>	<u>\$ 1,119,825</u>

22
23
24 Note 1: These expenses are a combination of direct and indirect charges to Black Hills Power from Black Hills Service
25 Company without any additional fees. All costs are charged to Black Hills Power as the costs are incurred by the Service
26 Company. The allocation methods for indirect charges are described in the Cost Allocation Manual.