

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

Section H

Schedule H-5 – Intercompany Transactions Adjustment. This Schedule shows amounts charges by Black Hills Utility Holdings 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 (d).

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

Schedule H-5
Page 1 of 1

Line No.	FERC Acct. #	Description	(a) Per Books	(b) Pro Forma Adjusted (Note 1)	(c) (b) - (a) Increase/ (Decrease)
1	556	System Control and Load Dispatch	\$ 100,423	\$ 28,243	\$ (72,180)
2					
3	560	Transmission Supervision & Operations	230,213	296,806	66,593
4					
5	561	Load Dispatch	2,543,611	3,085,583	541,972
6					
7	562	Station Equipment	10,100	4,543	(5,557)
8					
9	571	Overhead Lines	6,415	132	(6,283)
10					
11	580	Distribution Supervision	145,437	127,104	(18,333)
12					
13	581	Load Dispatch	297,893	247,503	(50,390)
14					
15	588	Distribution Operations - Miscellaneous	33,993	18,023	(15,970)
16					
17	592	Station Equipment	10,056	18,147	8,091
18					
19	901	Customer Accounting Supervision	29,466	45,167	15,701
20					
21	903	Customer Records and Collection Expenses	915,474	875,372	(40,102)
22					
23	905	Customer Accounting Miscellaneous	85,438	103,998	18,560
24					
25	907	Customer Service Supervision	100,828	121,500	20,672
26					
27	908	Customer Assistance	35,961	34,219	(1,742)
28					
29	920	Administrative Salaries	3,284,053	4,277,356	993,303
30					
31	921	Office Supplies & Expense	858,652	1,670,002	811,350
32					
33	922	A&G Expense Transferred	(41,436)	(33,951)	7,485
34					
35	923	Outside Services	415,501	617,889	202,388
36					
37	924	Property Insurance	1,584	47,901	46,317
38					
39	925	Injuries and Damages	94,833	126,367	31,534
40					
41	926	Pensions & Benefits	(153,726)	26,365	180,091
42					
43	930.2	Miscellaneous General	108,200	126,847	18,647
44					
45	931	Rents	31,813	16,743	(15,070)
46					
47	935	Maintenance of General Plant	430,914	202,455	(228,459)
48					
49		Total	<u>\$ 9,575,696</u>	<u>\$ 12,084,314</u>	<u>\$ 2,508,618</u>

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