

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

Section H

Schedule H-9 – Purchase Power Expense Adjustment. This Schedule provides for the adjustment of purchase power costs. Certain contractual rates are increasing in 2013, which is reflective in the schedule. Further, as Ben French power plant suspended operations, this Schedule reflects the adjustment of additional purchased power needed to meet customer needs. The total increase is shown as an adjustment on Line 11, and is adjusted in Statement H, column (h).

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

Schedule H-9
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Line No.	Description	Reference	Amount
1	Account 555- Purchase Power- Energy		
2			
3	Per Books June 30, 2012	Stmnt. H pg.1 Ln. 45(a)	\$ 41,442,094
4			
5	Power Marketing Purchase Power Expense	Sched. H-12 Ln. 6	<u>(29,344,783)</u>
6			
7	Purchase Power Expense	Ln. 3 + Ln. 5	12,097,311
8			
9	Purchase Power Expense- Adjusted Total	Ln. 29	<u>14,132,051</u>
10			
11	Purchase Power- Adjustment	Ln. 9 - Ln. 7	<u>\$ 2,034,740</u>
12			
13			
14			
15		(a)	(b)
16			(c)
17	Purchase Power Expense-Adjusted Total	<u>MWh</u>	<u>Rate</u>
18			<u>(a) * (b)</u>
19	Happy Jack Wind PPA	46,143	\$ 44.57
20			2,056,594
21	Silver Sage Wind PPA	64,944	\$ 51.79
22			3,363,450
23	Colstrip Contract (Energy Only)	176,158	\$ 19.18
24			3,378,710
25	Cheyenne Light Purchase Power (Put)	26,546	\$ 19.79
26			525,345
27	Economy Purchase Power (Note 1)	207,150	\$ 23.21
28			<u>4,807,952</u>
29	Total Other Fuel and Purchase Power- Adjusted		<u>\$ 14,132,051</u>
30			
31			
32	Note 1: Replacement Power includes the power that will be needed to replace Ben French power plant. The removal of		
33	Ben French Coal is adjusted under Schedule H-15.		