

Section I

20:10:13:85. Statement I -- Operating Revenues. Statement I shall show the operating revenues from sales of electricity, gas and other sources classified in accordance with the commission's orders and with the operating revenue accounts prescribed by the FERC's uniform systems of accounts for public utilities and licensees or for gas companies, and the related kilowatt hours or MCF or BTU. Sales and services shall be distinguished between classes of service and other business of the utility. Items which are reflected as credits to cost of service in preparing statement M -- Overall cost of service, shall disclose the following, using supporting schedules as necessary:

(1) Actual and proposed revenues by months for the 12-month test period and as adjusted for changes which are known and measurable and which are expected to be realized within 12 months from the end of the test period from jurisdictional sales as computed under the present effective and proposed rates;

(2) Each class of consumer shall be shown separately. The related kilowatt hours or MCF or BTU shall be shown for each revenue item as appropriate;

(3) Adjustments to actual period sales volumes shall be fully and clearly explained;

(4) Credits to cost of service shall set forth the principal components comprising each of the various items which are reflected as credits to cost of service in preparing statement M -- Overall cost of service. The amounts per books, claimed adjustments, and as adjusted figures shall be clearly set forth.

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](#).

Stmt I page 2 - Operating Revenue Adjustment. This Statement provides additional detail of the adjustments made to the MEAN contract, pole attachment revenue and South Dakota reconnect revenues.

Stmt I page 3 – South Dakota Revenue by Customer Classification. This schedule compares the revenue per books against the pro forma revenue for South Dakota and calculates the net adjustment.

Stmt I page 4 - South Dakota Revenue by Customer Classification. This schedule compares the revenue per books against the bill frequency revenue for South Dakota customers and calculates the variance.

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

Stmnt I page 5 – Removal of Energy Cost Revenue. This schedule calculates the removal of energy cost revenue for retail customers and contract sales for MEAN and MDU.

Schedule I-1 page 1 through page 12—These schedules list the present and proposed revenues and rates by rate class.

BLACK HILLS POWER, INC.
OPERATING REVENUE
For the Test Year Ended June 30, 2012

Line No.	Operating Revenue	Reference	(a) Per Books	(b) Pro Forma Adjustments	(c) (a) + (b) Adjusted Total
1	Sales of Electricity				
2	Retail				
3	South Dakota		\$ 138,472,112	\$ (33,103,853) (6)	\$ 105,368,259
4	Wyoming		13,641,054	(5,329,633) (7)	8,311,421
5	Montana		2,452,150	(635,180) (7)	1,816,970
6	Total Retail		<u>154,565,316</u>	<u>(39,068,665)</u>	<u>115,496,651</u>
7					
8	Resale				
9	Other Non-Firm		38,227,087	(38,227,087) (1)	-
10	Contract Sales		17,968,381	(4,375,797) (2)	13,592,584
11	City of Gillette		422,189	(422,189) (3)	-
12	Total Sales for Resale		<u>56,617,657</u>	<u>(43,025,073)</u>	<u>13,592,584</u>
13					
14	Total Sales of Electricity	Ln.6 + Ln.12	211,182,973	(82,093,738)	129,089,235
15					
16	Other Operating Income				
17	Unbilled and Cost Adjustment Revenue		7,457,312	(7,457,312) (4)	-
18	Demand Side Management Revenue		(784,521)	-	(784,521)
19	Forfeited Discounts		259,857	-	259,857
20	Miscellaneous Service Revenues		440,263	30,880 (2)	471,143
21	Rent from Electric Property & Other		8,546,371	(2,926,782) (5)	5,619,589
22	Transmission Revenue		<u>23,045,960</u>	<u>-</u>	<u>23,045,960</u>
23	Total Other Operating Income		<u>38,965,242</u>	<u>(10,353,214)</u>	<u>28,612,028</u>
24					
25	Total Operating Revenue	Ln.14 + Ln.23	<u>\$ 250,148,215</u>	<u>\$ (92,446,953)</u>	<u>\$ 157,701,262</u>

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- Note 1: Remove revenue received from Power Marketing.
- Note 2: See Stmt. I pg.2 Ln. 11 for adjustment of \$1,571,695 and adjustment for removal of energy cost revenue on Stmt. I pg. 5 Lines 7 and 9.
- Note 3: Remove City of Gillette as the energy is related to replacement energy; associated costs are included in Power Marketing adjustment at Schedule H-12.
- Note 4: Removal of revenue associated with energy costs.
- Note 5: Elimination of Reserve Capacity Agreement that expired in 2012 of \$2,728,900. Additional reduction of pole attachment revenue - refer to Stmt. I pg. 2.
- Note 6: See Stmt. I pg.3 for adjustment of (\$33,103,853) on Ln. 35 for removal of base energy revenues (\$32,944,213 - Stmt I pg 5 Ln 1) and for removal of leap year day revenues (\$310,758), and difference in billing determinants (\$39,510 - Stmt I pg 4), off-set by the special contract rate increase annualization of \$190,182.
- Note 7: Adjusted revenue reduction due to Leap Year and removal of energy cost revenue on Stmt. I pg 5.

BLACK HILLS POWER, INC.
OPERATING REVENUE ADJUSTMENT
For the Test Year Ended June 30, 2012

Line No.	Description	Reference	Amount
1	Operating Revenue - MEAN		
2			
3	MWh sold to MEAN (Per Books)		242,088
4			
5	Fixed Price per MWh		\$ 15.00
6	Variable Sales Price per MWh		\$ 43.81
7	Total Price per MWh	Ln.5 + Ln.6	\$ 58.81
8			
9	Adjusted Contract Revenue	Ln.3 * Ln.7	\$ 14,237,195
10	MEAN Revenue (Per Books)		12,665,500
11	Contract Sales Adjustment	Ln. 9 - Ln. 10	\$ 1,571,695
12			
13	Operating Revenue - Pole Attachment Revenues		
14			
15	2013 Billable Attachments		43,658
16	2013 Average Pole Attachment Rate		\$ 11.50
17	Pole Attachments- Adjusted Amount	Ln. 15 * Ln. 16	\$ 502,067
18			
19	Pole Attachment Revenues (Per Books)		\$ 699,949
20	Pole Attachment Adjustment	Ln. 17 - Ln. 18	\$ (197,882)
21			
22	Operating Revenue - Reconnect Revenues - SD Only		
23			
24	Reconnects- During Business Hours (Per Books)		1,620
25	Proposed Rate Increase		\$ 15.00
26	Revenue Adjustment	Ln.24 * Ln.25	\$ 24,300
27			
28	Reconnects- Weekday Evenings (Per Books)		78
29	Proposed Rate Increase		\$ 70.00
30	Revenue Adjustment	Ln.28 * Ln.29	\$ 5,460
31			
32	Reconnects- Overnights, Weekends, Holidays (Per Books)		28
33	Proposed Rate Increase		\$ 40.00
34	Revenue Adjustment	Ln.32 * Ln.33	\$ 1,120
35			
36	Reconnect Revenue Adjustment	Ln.26 + Ln.30 + Ln.34	\$ 30,880

BLACK HILLS POWER, INC.
SOUTH DAKOTA REVENUE BY CUSTOMER CLASSIFICATION
For the Test Year Ended June 30, 2012

Line No.	Customer Classification	REVENUE PER BOOKS		PRO FORMA REVENUE			
		Energy Sales - kWh	Billing Revenue - \$	Energy Sales - kWh	Billing Revenue - \$	Difference Between Per Books and Pro Forma	
						Energy Sales - kWh	Billing Revenue - \$
1	Residential						
2	Regular	329,114,893	\$ 38,615,013	328,128,962	\$ 31,063,446	(985,931)	\$ (7,551,566)
3	Total Electric	81,894,353	\$ 7,838,265	81,522,672	\$ 5,955,950	(371,681)	\$ (1,882,315)
4	Demand	85,437,474	\$ 7,009,788	85,061,227	\$ 5,062,877	(376,247)	\$ (1,946,911)
5	Total Residential	496,446,720	53,463,066	494,712,860	42,082,273	(1,733,860)	(11,380,792)
6							
7	General Service						
8	Regular	337,975,652	\$ 38,063,784	337,035,730	\$ 30,333,842	(939,922)	\$ (7,729,943)
9	Total Electric	40,012,976	\$ 3,818,597	39,864,377	\$ 2,903,762	(148,599)	\$ (914,835)
10	Other	17,334,385	\$ 2,243,040	17,271,319	\$ 1,844,895	(63,066)	\$ (398,145)
11	Water Pumping/Irrigation	23,802,975	\$ 1,855,833	23,748,849	\$ 1,313,289	(54,126)	\$ (542,544)
12	Total Small General Service	419,125,988	45,981,255	417,920,275	36,395,788	(1,205,713)	(9,585,467)
13							
14	General Service - Large						
15	Secondary	251,972,059	\$ 20,384,869	251,269,540	\$ 14,660,828	(702,519)	\$ (5,724,041)
16	Primary	71,339,585	\$ 5,294,759	71,206,334	\$ 3,671,060	(133,251)	\$ (1,623,699)
17	69 kV	25,664,970	\$ 1,509,732	25,578,933	\$ 945,679	(86,037)	\$ (564,053)
18	Total General Service - Large Service	348,976,614	27,189,360	348,054,806	19,277,567	(921,808)	(7,911,793)
19							
20	Forest Products/Industrial						
21	Secondary	11,189,099	\$ 822,732	11,155,360	\$ 579,647	(33,739)	\$ (243,085)
22	Forest Products - Primary	65,589,589	\$ 4,154,222	65,388,671	\$ 2,720,863	(200,918)	\$ (1,433,359)
23	69 kV	100,227,948	\$ 4,965,428	100,071,523	\$ 2,762,751	(156,425)	\$ (2,202,678)
24	Total Forest Products/Industrial	177,006,636	9,942,383	176,615,554	6,063,261	(391,082)	(3,879,122)
25							
26	Lighting Service						
27	Private Area Lighting	3,984,433	\$ 572,230	3,971,890	\$ 480,413	(12,543)	\$ (91,817)
28	Street Lighting - Leased	3,586,830	\$ 757,866	3,575,369	\$ 674,512	(11,461)	\$ (83,354)
29	Street Lighting - Customer Owned	5,795,065	\$ 415,313	5,776,868	\$ 282,977	(18,197)	\$ (132,336)
30	Traffic Signals	661,314	\$ 69,524	659,303	\$ 54,390	(2,011)	\$ (15,133)
31	Total Lighting Service	14,027,642	1,814,933	13,983,431	1,492,292	(44,211)	(322,641)
32							
33	Rentals/Other	-	\$ 81,116	-	\$ 57,079	-	\$ (24,037)
34							
35	Total South Dakota Retail	1,455,583,600	\$ 138,472,112	1,451,286,926	\$ 105,368,260	(4,296,674)	\$ (33,103,853)

BLACK HILLS POWER, INC.
SOUTH DAKOTA REVENUE BY CUSTOMER CLASSIFICATION
For the Test Year Ended June 30, 2012

Line No.	Customer Classification	REVENUE PER BOOKS		BILL FREQUENCY REVENUE		Difference Between Per Books and Bill Frequency	
		Energy Sales - kWh	Billing Revenue - \$	Energy Sales - kWh	Billing Revenue - \$	Energy Sales - kWh	Billing Revenue - \$
1	Residential						
2	Regular	329,114,893	\$ 38,615,013	329,114,893	\$ 38,615,299	-	\$ 287
3	Total Electric	81,894,353	\$ 7,838,265	81,894,353	\$ 7,838,207	-	\$ (58)
4	Demand	85,437,474	\$ 7,009,788	85,437,474	\$ 7,009,795	-	\$ 7
5	Total Residential	496,446,720	53,463,066	496,446,720	53,463,301	-	235
6							
7	General Service						
8	Regular	337,975,652	\$ 38,063,784	337,975,652	\$ 38,052,799	-	\$ (10,986)
9	Total Electric	40,012,976	\$ 3,818,597	40,012,976	\$ 3,819,316	-	\$ 719
10	Other	17,334,385	\$ 2,243,040	17,326,025	\$ 2,241,779	(8,360)	\$ (1,261)
11	Water Pumping/Irrigation	23,802,975	\$ 1,855,833	23,802,975	\$ 1,855,834	-	\$ 0
12	Total Small General Service	419,125,988	45,981,255	419,117,628	45,969,728	(8,360)	(11,527)
13							
14	General Service - Large						
15	Secondary	251,972,059	\$ 20,384,869	251,972,052	\$ 20,381,184	(7)	\$ (3,685)
16	Primary	71,339,585	\$ 5,294,759	71,339,585	\$ 5,294,759	-	\$ -
17	69 kV	25,664,970	\$ 1,509,732	25,664,970	\$ 1,509,682	-	\$ (50)
18	Total General Service - Large Service	348,976,614	27,189,360	348,976,607	27,185,626	(7)	(3,735)
19							
20	Forest Products/Industrial						
21	Secondary	11,189,099	\$ 822,732	11,189,099	\$ 822,732	-	\$ 0
22	Forest Products - Primary	65,589,589	\$ 4,154,222	65,589,589	\$ 4,154,222	-	\$ (0)
23	69 kV	100,227,948	\$ 4,965,428	100,227,948	\$ 4,965,428	-	\$ (0)
24	Total Forest Products/Industrial	177,006,636	9,942,383	177,006,636	9,942,383	-	(0)
25							
26	Lighting Service						
27	Private Area Lighting	3,984,433	\$ 572,230	3,984,433	\$ 572,230	-	\$ 0
28	Street Lighting - Leased	3,586,830	\$ 757,866	3,586,830	\$ 757,866	-	\$ -
29	Street Lighting - Customer Owned	5,795,065	\$ 415,313	5,795,065	\$ 415,313	-	\$ (0)
30	Traffic Signals	661,314	\$ 69,524	661,314	\$ 69,524	-	\$ -
31	Total Lighting Service	14,027,642	1,814,933	14,027,642	1,814,933	-	(0)
32							
33	Rentals/Other	-	\$ 81,116	-	\$ 56,633	-	\$ (24,484)
34							
35	Total South Dakota Retail	1,455,583,600	\$ 138,472,112	1,455,575,233	\$ 138,432,602	(8,367)	\$ (39,510)

BLACK HILLS POWER, INC.
REMOVAL OF ENERGY COST REVENUE
For the Test Year Ended June 30, 2012

Line No.	Description	Reference	(a) Rate	(b) kWh	(c) (a) * (b) Energy Cost Revenue Adjustment
1	South Dakota Retail	Wkp. 1 Ln. 36(a) * 1000	(1) 0.02270	1,451,286,926	\$ 32,944,213
2					
3	Wyoming Retail	Wkp. 1 Ln. 41(a) * 1000	0.02990	177,194,149	5,298,105
4					
5	Montana Retail	Wkp. 1 Ln. 45(a) * 1000	0.01240	50,770,787	629,558
6					
7	Contract Sales - MEAN	Wkp. 1 Ln. 50(a) * 1000	(2) 0.01848	242,088,000	4,473,786
8					
9	Contract Sales - MDU	Wkp. 1 Ln. 51(a) * 1000	(2) 0.01848	79,746,000	1,473,706
10					
11	Total Removal of Energy Cost Revenue			<u>2,001,085,862</u>	<u>\$ 44,819,368</u>
12					
13					
14	Note 1: The rate of \$0.0227 is the sum of the Fuel and Purchased Power Adjustment base rate of \$0.0146 and the Transmission Cost				
15	Adjustment base rate of \$0.0081 approved in South Dakota Docket EL09-018.				
16					
17	Note 2: The rate is derived from Stmt. P pg 1 Ln. 15.				