SUMMARY EXPLANATION OF STATEMENTS AND SCHEDULES

The following summary explanations of Statements and Schedules are intended as a general guide.

Section A

20:10:13:51. Statement A -- Balance Sheet. Statement A shall include balance sheets in the form prescribed in the FERC's uniform systems of accounts for public utilities and licensees or for gas companies, 18 C.F.R. 101 (April 1, 1985), and in any other form if ordered by the commission. They shall be as of the beginning and end of the test period and the most recently available balance sheet containing any applicable footnotes.

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 <u>49-34A-4</u>.

Law Implemented: SDCL <u>49-34A-7</u>, <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

BLACK HILLS POWER, INC. ASSETS AND OTHER DEBITS For the Test Year Ended June 30, 2012

Statement A

Page 1 of 28

			(a)		(b)		(c)
_	Description	FERC Acct. #	June 30, 2012 (Test Year)		June 30, 2011	As	of September 30, 2012
	Utility Plant						
	Electric Plant in Service	101	\$ 949,952,247	\$	874,329,907	\$	961,000,020
	Completed Construction Not Classified	106	23,016,949		93,132,832		14,722,625
	Construction Work in Progress	107	9,677,539		9,560,061		8,488,508
	Other-Utility Property	118	25,084,011		25,895,891		25,113,061
	Gross Utility Plant		1,007,730,746		1,002,918,691		1,009,324,214
	Accum. Prov. for Depreciation	108	(328,278,585		(330,059,307)		(332,092,226)
	Elec. Plant Acquisition Adjustment	114	4,870,308	-	4,870,308		4,870,308
	Accum. Prov. for Amort. of Acq. Adj.	115	(3,083,226		(2,985,820)		(3,107,577)
	Res. for Depr. Other Utility Property	119	(16,966,910		(18,850,560)		(17,470,510)
	Total Utility Plant	115	664,272,333		655,893,312		661,524,209
	-						
	Non-Utility Property	121	5,618		5,618		5,618
	Res. for Depr Non-Utility Property	122	(3,956)	(3,956)		(3, 9 56)
	Net Non-Utility Property		1,662		1,662		1,662
	L/T Notes Receivable	124	54,706		92,358		51,607
	Other Investments	128	4,314,805	_	4,534,427		4,331,235
	Total Other Property & Investments		4,371,173		4,628,447		4,384,504
	Current and Accrued Assets						
	Cash	131	2,929,244		4,307,519		2,694,924
	Working Funds	135	4,175		4,175		4,175
	Notes and Accts. Receivables - Net	141-145; 173	24,776,062		72,049,727		41,765,245
	Accts. Rec. Assoc. Company	146	7,014,971		3,266,552		5,196,864
	Fuel Stocks	151	6,300,408		6,993,638		6,400,519
	Materials and Supplies	154-163	14,285,982		14,352,932		14,729,394
	Prepayments	165	3,347,115		2,922,217		2,812,158
	Other Current Assets	176			(2)		
	Short Term Def. Tax	190	1,489,951		1,597,279		1,612,963
	Total Current & Accrued Assets	150	60,147,908		105,494,037		75,216,242
	Total current & Accided Assets		00,147,500		100,-10-1,007		70,210,212
	Deferred Debits						
	Unamortized Debt Expense	181	3,000,103		3,169,051		2,969,056
	Preliminary Survey	183	687,589		540,657		653,168
	Miscellaneous Debits	184, 186	1,848,090		810,338		2,028,656
	Other Regulatory Assets	182	50,235,380		38,500,990		51,540,185
	Unamortized Loss on Required Debt	189	2,622,359		2,890,503		2,561,452
	Deferred Income Tax	190	44,772,033		30,400,972		44,104,165
	Total Deferred Debits	150	103,165,554		76,312,511		103,856,682
			103,103,334		10,312,311		100,000,002
	Total Assets and Other Debits		\$ 831,956,968	\$	842,328,307	\$	844,981,637

44 Note: The September 2012 FERC Form 3Q, Quarterly Financial Report including tootnotes, was tiled with the Federal Energy

45 Regulatory Commission and is the most recently filed financial statement prescribed in the FERC's uniform system of accounts.

46 Black Hills Power 10Q as of September 30, 2012, prepared on a Generally Accepted Accounting Principle basis, was filed with the

47 Securities and Exchange Commission in November 2012. Both filings are publicly available.

BLACK HILLS POWER, INC. LIABILITIES AND OTHER CREDITS For the Test Year Ended June 30, 2012

Statement A

Page 2 of 28

			(a)	(b)	(c)
Line		FERC Acct.	June 30, 2012		As of September
No.	Description	#	(Test Year)	June 30, 2011	30, 2012
1	Proprietary Capital				
2	Common Stock Issued	201	\$ 23,416,396	5 \$ 23,416,396	\$ 23,416,396
3	Premium on Capital stock	207	42,076,811	,	42,076,811
4	Capital Stock Expense	214	(2,501,882	(2,501,882)	(2,501,882)
5	Unapprop. Retained Earnings	216	243,581,447		251,729,059
6	Other Comprehensive Income	219	(1,269,213) (1,240,838)	(1,258,759)
7	Total Proprietary Capital		305,303,559		313,461,625
8			· ·		. ,
9	Long Term Debt				
10	Bonds	221	255,000,000	255,000,000	255,000,000
11	Other Long Term Debt	224	15,055,000	21,583,246	15,055,000
12	Unamort. Discount on Long Term Debt	226	(113,160) (117,300)	12,075
13	Total Long Term Debt		269,941,840	276,465,946	270,067,075
14	-				<i>,</i> ,
15	Current & Accrued Liability				
16	Accounts Payable	228, 229, 232	12,157,702	14,389,008	9,359,189
17	Accts. Payable Associated Company	234	13,744,749	15,296,079	15,438,012
18	Customer Deposits	235	1,091,341	993,227	948,940
19	Taxes Accrued	236	4,291,858	4,576,587	3,954,713
20	Interest Accrued	237	4,110,908	4,146,145	5,671,665
21	Tax Collections Payable	241	594,617	550,228	707,266
22	Misc. Current & Accrued Liab.	242	4,925,537	4,214,778	5,213,849
23	Total Current & Accrued Liability		40,916,712	44,166,052	41,293,634
24					
25	Deferred Credits				
26	Customer Advance for Construction	252	1,519,066	3,145,883	1,482,978
27	Other Deferred Credits	253	26,348,232	24,881,576	27,191,137
28	Acc. Deferred Inv. Tax Credits	254-255	16,867,206	12,978,306	16,614,595
29	Acc. Deferred Income Taxes - Property	282	154,582,763	145,015,227	155,77 6 ,454
30	Acc. Deferred Income Taxes - Other	283	16,477,590	16,614,508	19,094,139
31	Total Deferred Credits		215,794,857	202,635,500	220,159,303
32					
33	Total Liabilities & Other Credits		\$ 831,956,968	\$ 842,328,307	\$ 844,981,637
34					
35					
	Note: The Sentember 2012 EEPC Form 20, 0	ortarly Einanaial Ba	mort including foots	actor was filed with the	Endorol Enorgy

36 Note: The September 2012 FERC Form 3Q, Quarterly Financial Report including footnotes, was filed with the Federal Energy

Regulatory Commission and is the most recently filed financial statement prescribed in the FERC's uniform system of accounts.

38 Black Hills Power 10Q as of September 30, 2012, prepared on a Generally Accepted Accounting Principle basis, was filed with the

39 Securities and Exchange Commission in November 2012. Both filings are publicly available.

	Page 5 of 358		Page 3 of 28
Name of Respondent	This Report is:	Date of Report	Year/Period of Report
	(1) X An Original	(Mo, Da, Yr)	
Black Hills Power, Inc.	(2) A Resubmission	11	2012/Q3
	NOTES TO FINANCIAL STATEMENTS (Continued	1)	

Exhibit CJK - 105

Statement A

. . .

There have been no significant changes to the footnotes included in the Form-1 dated 12-31-2011, except for the following:

RELATED PARTY TRANSACTIONS

Non-Cash Dividend to Parent

We have recorded a non-cash dividend to BHC of \$44.0 million and decreased the utility money pool note receivable, net for the amount of \$44.0 million.

LONG TERM DEBT

Pollution Control Refund Revenue Bonds

On May 15, 2012, we repaid in full \$6.5 million principal and interest on the 4.8% Pollution Control Refund Revenue Bonds which were originally due to mature on October 1, 2014.

Power Plant Suspension/Retirements

On August 6, 2012, we announced that in order to comply with environmental regulations, including the new EPA Industrial & Commercial Boiler Regulations for Area Sources of Hazardous Air Pollutants regulations, operations at our 25 MW coal-fired Ben French power plant were suspended as of August 31, 2012. Operations at our 35 MW coal-fired Osage power plant were suspended as of October 1, 2010. These plants as well as our 22 MW coal-fired plant Neil Simpson I will be retired as of March 21, 2014. We intend to operate Neil Simpson 1 until the planned retirement date.

Statement A Page 4 of 28

Name of Respondent Black Hills Power, Inc.	This Reporting:CJK - 105 (1) X Angengmaß ⁸ (2) A Resubmission	Date of Report 04/18/2012	Year/Period of Report End of 2011/Q4
	NOTES TO FINANCIAL STATEMENTS		

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
 Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.

7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.

8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.

9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK SEE PAGE 123 FOR REQUIRED INFORMATION. Exhibit CJK - 105 Page 7 of 358

Name of Respondent	This Report is:	Date of Report	Year/Period of Report		
	(1) <u>X</u> An Original	(Mo, Da, Yr)			
Black Hills Power, Inc.	(2) A Resubmission	04/18/2012	2011/Q4		
NOTES TO FINANCIAL STATEMENTS (Continued)					

NOTES TO FINANCIAL STATEMENTS December 31, 2011, 2010 and 2009

(1) BUSINESS DESCRIPTION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Description

Black Hills Power, Inc. (the Company, "we," "us" or "our") is an electric utility serving customers in South Dakota, Wyoming and Montana. We are a wholly-owned subsidiary of BHC or the Parent, a public registrant listed on the New York Stock Exchange.

Basis of Presentation

The financial statements include the accounts of Black Hills Power, Inc. and also our ownership interests in the assets, liabilities and expenses of our jointly owned facilities (Note 4).

The financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Additionally, these requirements differ from GAAP related to the presentation of certain items including deferred income taxes, and cost of removal liabilities. The Company's notes to the financial statements are prepared in conformity with GAAP. Accordingly, certain footnotes are not reflective of the Company's FERC basis financial statements contained herein.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Regulatory Accounting

Our regulated electric operations are subject to regulation by various state and federal agencies. The accounting policies followed are generally subject to the Uniform System of Accounts of FERC.

Our regulated utility operations follow accounting standards for regulated operations and our financial statements reflect the effects of the different rate making principles followed by the various jurisdictions regulating our electric operations. If rate recovery becomes unlikely or uncertain due to competition or regulatory action, these accounting standards may no longer apply to our regulated operations. In the event we determine that we no longer meet the criteria for following accounting standards for regulated operations, the accounting impact to us could be an extraordinary non-cash charge to operations in an amount that could be material.

Regulatory assets are included in Regulatory assets, current and Regulatory assets, non-current on the accompanying Balance Sheets. Regulatory liabilities are included in Regulatory liabilities, current and Regulatory liabilities, non-current on the accompanying Balance Sheets.

	Exhibit CJK - 105 Page 8 of 358		Statement A Page 6 of 28
Name of Respondent	This Report is: (1) <u>X</u> An Original	Date of Report (Mo, Da, Yr)	Year/Period of Report
Black Hills Power, Inc.	(2) A Resubmission	04/18/2012	2011/Q4
	NOTES TO FINANCIAL STATEMENTS (Continued	ł)	

Our regulatory assets and liabilities for which we recover the costs, but we do not earn a return were as follows as of December 31 (in thousands):

	Maximum Recove	ry		
	Period		2011	2010
Regulatory assets:				
Unamortized loss on reacquired debt	14 years	\$	2,765 \$	3,016
AFUDC	45 years		8,552	9,489
Employee benefit plans	13 years		27,602	18,049
Deferred energy costs	1 year		6,605	3,584
Flow through accounting	35 years		5,789	4,772
Other			452	2,414
Total regulatory assets		\$	51,765 \$	41,324
Regulatory liabilities:				
Cost of removal for utility plant	53 years	\$	23,347 \$	15,429
Employee benefit plans	13 years		15,282	10,204
Other			1,845	4,575
Total regulatory liabilities		\$	40,474 \$	30,208

Regulatory assets represent items we expect to recover from customers through probable future rates.

Unamortized Loss on Reacquired Debt - The early redemption premium on reacquired bonds is being amortized over the remaining term of the original bonds.

AFUDC - The equity component of AFUDC is considered a permanent difference for tax purposes with the tax benefit being flowed through to customers as prescribed or allowed by regulators. If, based on a regulator's action, it is probable the utility will recover the future increase in taxes payable represented by this flow-through treatment through a rate revenue increase, a regulatory asset is recognized. This regulatory asset itself is a temporary difference for which a deferred tax liability must be recognized. Accounting standards for income taxes specifically address AFUDC-equity, and require a gross-up of such amounts to reflect the revenue requirement associated with a rate-regulated environment.

Employee Benefit Plans - Employee benefit plans include the unrecognized prior service costs and net actuarial loss associated with our defined benefit pension plans and post-retirement benefit plans in regulatory assets rather than in accumulated other comprehensive income.

Deferred Energy Costs - Deferred energy and fuel cost adjustments represent the cost of electricity delivered to our electric utility customers in excess of current rates and which will be recovered in future rates. Deferred energy and fuel cost adjustments are recorded and recovered or amortized as approved by the appropriate state commission.

Flow-Through Accounting - Under flow-through accounting, the income tax effects of certain tax items are reflected in our cost of service for the customer in the year in which the tax benefits are realized and result in lower utility rates. This regulatory treatment was applied to the tax benefit generated by repair costs that were previously capitalized for tax purposes in a rate case settlement that was reached with respect to Black Hills Power in 2010. In this instance, the agreed upon rate increase was less than it would have been absent the flow-through treatment. A regulatory asset established to reflect the future increases in income taxes payable will be recovered from customers as the temporary differences reverse.

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Name of Respondent	This Report is:	Date of Report	Year/Period of Report
	(1) X An Original	(Mo, Da, Yr)	· ·
Black Hills Power, Inc.	(2) A Resubmission	04/18/2012	2011/Q4
	NOTES TO FINANCIAL STATEMENTS (Continued	t)	· · · · · · · · · · · · · · · · · · ·

Exhibit CJK - 105

Statement A

Regulatory liabilities represent items we expect to refund to customers through probable future decreases in rates.

<u>Cost of Removal</u> - Cost of removal for utility plant represents the estimated cumulative net provisions for future removal costs included in depreciation expense for which there is no legal obligation for removal. Liabilities will be settled and trued up following completion of the related activities.

<u>Employee Benefit Plans</u> - Employee benefit plans represent the cumulative excess of pension costs recovered in rates over pension expense recorded in accordance with accounting standards for compensation - retirements. In addition, this regulatory liability includes the income tax effect of the adjustment required under accounting for compensation - defined benefit plans, to record the full pension and post-retirement benefit obligations. Such income tax effect has been grossed-up to account for the revenue requirement aspect of a rate regulated environment.

Allowance for Funds Used During Construction

AFUDC represents the approximate composite cost of borrowed funds and a return on capital used to finance a project.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable consist of sales to residential, commercial, industrial, municipal and other customers all of which do not bear interest. These accounts receivables are stated at billed and unbilled amounts net of write-offs or payment received.

We maintain an allowance for doubtful accounts which reflects our best estimate of potentially uncollectible trade receivables. We regularly review our trade receivable allowances by considering such factors as historical experience, credit worthiness, the age of the receivable balances and current economic conditions that may affect the ability to pay.

The allowance for doubtful accounts represents our best estimate of existing accounts receivable that will ultimately be uncollected. The allowance is calculated by applying estimated write-off factors to various classes of outstanding receivables, including unbilled revenue. The write-off factors used to estimate uncollectible accounts are based upon consideration of both historical collections experience and management's best estimate of future collection success given the existing collections environment.

Following is a summary of accounts receivable at December 31 (in thousands):

	 201 1	2010
Accounts receivable trade	\$ 16,447 \$	21,365
Unbilled revenues	 8,364	7,581
Total accounts receivable - customers	24,811	28,946
Allowance for doubtful accounts	 (143)	(230)
Net accounts receivable	\$ 24,668 \$	28,716

Revenue Recognition

Revenue is recognized when there is persuasive evidence of an arrangement with a fixed or determinable price, delivery has occurred or services have been rendered, and collectibility is reasonably assured.

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Name of Respondent	This Report is:	Date of Report	Year/Period of Report		
	(1) <u>X</u> An Original	(Mo, Da, Yr)			
Black Hills Power, Inc.	(2) A Resubmission	04/18/2012	2011/Q4		
NOTES TO FINANCIAL STATEMENTS (Continued)					

Evhibit C IK - 105

Statement A

Materials, Supplies and Fuel

Materials, supplies and fuel used for construction, operation and maintenance purposes are generally stated on a weighted-average cost basis.

Deferred Financing Costs

Deferred financing costs are amortized using the effective interest method over the term of the related debt.

Property, Plant and Equipment

Additions to property, plant and equipment are recorded at cost when placed in service. The cost of regulated electric property, plant and equipment retired, or otherwise disposed of in the ordinary course of business, less salvage, is charged to accumulated depreciation. Removal costs associated with non-legal obligations are reclassified from accumulated depreciation and reflected as regulatory liabilities. Ordinary repairs and maintenance of property are charged to operations as incurred.

Depreciation provisions for regulated electric property, plant and equipment are computed on a straight-line basis using an annual composite rate of 2.2% in 2011, 2.2% in 2010 and 2.8% in 2009.

Derivatives and Hedging Activities

From time to time we utilize risk management contracts including forward purchases and sales to hedge the price of fuel for our combustion turbines and fixed-for-float swaps to fix the interest on any variable rate debt. Contracts that qualify as derivatives under accounting standards for derivatives, and that are not exempted such as normal purchase/normal sale, are required to be recorded in the balance sheet as either an asset or liability, measured at its fair value. Accounting standards for derivatives require that changes in the derivative instrument's fair value be recognized currently in earnings unless specific hedge accounting criteria are met.

Accounting standards for derivatives allow hedge accounting for qualifying fair value and cash flow hedges. Gain or loss on a derivative instrument designated and qualifying as a fair value hedging instrument as well as the offsetting loss or gain on the hedged item attributable to the hedged risk should be recognized currently in earnings in the same accounting period. Conversely, the effective portion of the gain or loss on a derivative instrument designated and qualifying as a cash flow hedging instrument should be reported as a component of other comprehensive income and be reclassified into earnings or as a regulatory asset or regulatory liability, net of tax, in the same period or periods during which the hedged forecasted transaction affects earnings. The remaining gain or loss on the derivative instrument, if any, is recognized currently in earnings.

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Name of Respondent	This Report is:	Date of Report	Year/Period of Report		
· ·	(1) X An Original	(Mo, Da, Yr)			
Black Hills Power, Inc.	(2) A Resubmission	04/18/2012	2011/Q4		
NOTES TO FINANCIAL STATEMENTS (Continued)					

Statement A

Fair Value Measurements

Accounting standards for fair value measurements provide a single definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and also requires disclosures and establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1 - Unadjusted quoted prices available in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

Level 2 - Pricing inputs include quoted prices for identical or similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Pricing inputs include significant inputs that are generally less observable from objective sources.

Impairment of Long-Lived Assets

We periodically evaluate whether events and circumstances have occurred which may affect the estimated useful life or the recoverability of the remaining balance of our long-lived assets. If such events or circumstances were to indicate that the carrying amount of these assets was not recoverable, we would estimate the future cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected future cash flows (undiscounted and without interest charges) was less than the carrying amount of the long-lived assets, we would recognize an impairment loss.

Income Taxes

We use the liability method in accounting for income taxes. Under the liability method, deferred income taxes are recognized at currently enacted income tax rates, to reflect the tax effect of temporary differences between the financial and tax basis of assets and liabilities, as well as operating loss and tax credit carryforwards. Such temporary differences are the result of provisions in the income tax law that either require or permit certain items to be reported on the income tax return in a different period than they are reported in the financial statements. We classify deferred tax assets and liabilities into current and non-current amounts based on the classification of the related assets and liabilities.

We file a federal income tax return with other affiliates. For financial statement purposes, federal income taxes are allocated to the individual companies based on amounts calculated on a separate return basis.

It is our policy to apply the flow-through method of accounting for investment tax credits. Under the flow-through method, investment tax credits are reflected in net income as a reduction to income tax expense in the year they qualify. Another acceptable accounting method and an exception to this general policy currently in our regulated businesses is to apply the deferral method whereby the credit is amortized as a reduction of income tax expense over the useful lives of the related property which gave rise to the credits.

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Name of Respondent	This Report is:		Year/Period of Report
	(1) <u>X</u> An Original	(Mo, Da, Yr)	
Black Hills Power, Inc.	(2) A Resubmission	04/18/2012	2011/Q4
	NOTES TO FINANCIAL STATEMENTS (Continued	d)	

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Statement A

(2) RECENTLY ADOPTED AND RECENTLY ISSUED ACCOUNTING STANDARDS

Recently Adopted Accounting Standards

Other Comprehensive Income, ASU 2011-05 and ASU 2011-12

FASB issued an accounting standards update amending ASC 220 to improve the comparability, consistency and transparency of reporting of comprehensive income. It amends existing guidance by allowing only two options for presenting the components of net income and other comprehensive income: (1) in a single continuous financial statement, statement of comprehensive income or (2) in two separate but consecutive financial statements, consisting of an income statement followed by a separate statement of other comprehensive income. Also, items that are reclassified from other comprehensive income to net income must be presented on the face of the financial statements. ASU No. 2011-05 requires retrospective application, and it is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011, with early adoption permitted. In December 2011, FASB issued ASU 2011-12. ASU 2011-12 indefinitely deferred the provisions of ASU 2011-05 requiring the presentation of reclassification adjustments for items reclassified from other comprehensive in other comprehensive income to net income to net income to net income statements.

We have elected to early adopt the provisions of ASU 2011-05 as amended by ASU 2011-12. The adoption changed the presentation of certain financial statements and provided additional details in notes to the financial statements, but did not have any other impact on our financial statements. See the accompanying Comprehensive Income Statement and additional disclosures in Note 8.

Fair Value Measurements and Disclosures, ASC 820

The ASC for Fair Value Measurements and Disclosures defines fair value, establishes a framework for measuring fair value in GAAP and expands disclosure requirements related to fair value measurements. This does not expand the application of fair value accounting to any new circumstances, but applies the framework to other applicable GAAP that requires or permits fair value measurement. We apply fair value measurements to certain assets and liabilities, primarily employee benefit plan assets and other miscellaneous financial instruments.

In January 2010, the FASB issued guidance related to improving disclosures about fair value measurements. The guidance requires separate disclosures of the amounts of transfers in and out of Level 1 and Level 2 fair value measurements, disclosure of inputs and techniques used in valuation and a description of the reason for such transfers. In the reconciliation for Level 3 fair value measurements using significant unobservable inputs, information about purchases, sales, issuances and settlements are required to be presented separately. These disclosures are required for interim and annual reporting periods and were effective for us January 1, 2010, except the disclosures related to purchases, sales, issuances and settlements in the roll forward activity of Level 3 fair value measurements, which were effective January 1, 2011. The guidance requires additional disclosures, but did not impact our financial position, results of operations or cash flows. The additional disclosures are included in Note 9.

Recently Issued Accounting Standards and Legislation

Fair Value Measurement, ASU 2011-04

FASB issued an accounting standards update amending ASC 820 to achieve common fair value measurement and disclosure requirements between GAAP and IFRS. This amendment changes the wording used to describe fair value and requires additional disclosures. We do not expect this amendment, which is effective for interim and annual periods beginning after December 31, 2011, to have an impact on our financial position, results of operations, or cash flows.

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(3) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following (in thousands):

	De	cember 31,	December 31, 2011 Weighted Average Useful Life		ecember 31.	December 31, 2010 Weighted Average Useful Life	Lives (i	n years)
	24	2011	(in years)	_	2010	(in years)	Minimum	Maximum
Electric plant:								
Production	\$	504,088	51	\$	475,762	50	45	65
Transmission		115,063	47		116,056	43	40	60
Distribution		289,833	39		271,470	37	16	45
Plant acquisition adjustment		4,870	32		4,870	32	32	32
General		72,045	21		58,777	22	8	45
Construction work in progress		9,873			35,705			
Total electric plant		995,772			962,640			
Less accumulated depreciation and amortization		(313,581)			(304,800)			
Electric plant net of accumulated depreciation and amortization	<u>\$</u>	682,191		<u>\$</u>	657,840			

(4) JOINTLY OWNED FACILITIES

We use the proportionate consolidation method to account for our percentage interest in the assets, liabilities and expenses of the following facilities:

- We own a 20% interest in the Wyodak Plant (the "Plant"), a coal-fired electric generating station located in Campbell County, Wyoming. PacifiCorp is the operator of the Plant. We receive our proportionate share of the Plant's capacity and are committed to pay our share of its additions, replacements and operating and maintenance expenses.
- We own a 35% interest in the Converter Station Site and South Rapid City Interconnection (the transmission tie), an AC-DC-AC transmission tie. Basin Electric owns the remaining ownership percentage. The transmission tie provides an interconnection between the Western and Eastern transmission grids, which provides us with access to both the WECC region and the MAPP region. The total transfer capacity of the transmission tie is 400 MW 200 MW West to East and 200 MW from East to West. We are committed to pay our proportionate share of the additions, replacements and operating and maintenance expenses.
- We own a 52% interest in the Wygen III power plant. MDU and the City of Gillette each owns an undivided ownership interest in the Wygen III generation facility and are obligated to make payments for costs associated with administrative services and proportionate share of the costs of operating the plant for the life of the facility. We retain responsibility for plant operations.

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The investments in our jointly owned plants and accumulated depreciation are included in the corresponding captions in the accompanying Balance Sheets. Our share of direct expenses of the Plant is included in the corresponding categories of operating expenses in the accompanying Statements of Income.

As of December 31, 2011, our interests in jointly-owned generating facilities and transmission systems included on our Balance Sheets were as follows (dollars in thousands):

			Con	struction Work in	Accumulated
Interest in jointly-owned facilities]	Plant in Service		Progress	Depreciation
Wyodak Plant	\$	109,007	\$	718 \$	46,104
Transmission Tie	\$	19,648	\$	— \$	4,061
Wygen III	\$	1 29,791	\$	249 \$	5,328

LONG-TERM DEBT (5)

Long-term debt outstanding was as follows (in thousands):

	Maturity Date	Fixed Interest Rate	December 31, 2011	December 31, 2010
First Mortgage Bonds due 2032	August 15, 2032	7.23%	75,000	75,000
First Mortgage Bonds due 2039	November 1, 2039	6.125%	180,000	180,000
Unamortized discount, First Mortgage Bonds due 2039			(115)	(119)
Pollution control revenue bonds due 2014	October 1, 2014	4.80%	6,450	6,450
Pollution control revenue bonds due 2024	October 1, 2024	5.35%	12,200	12,200
Series 94A Debt	June 1, 2024	3.00%	2,855	2,855
Other	May 12, 2012	13.66%	37	117
Total long-term debt			276,427	276,503
Less current maturities		_	(37)	(81)
Net long-term debt		S	276,390 \$	\$ 276,422

Deferred finance costs of approximately \$3.1 million were capitalized and are being amortized over the term of the debt. Amortization of deferred financing costs is included in Interest expense.

Substantially all of our property is subject to the lien of the indenture securing our first mortgage bonds. First mortgage bonds may be issued in amounts limited by property, earnings and other provisions of the mortgage indentures. We were in compliance with our debt covenants at December 31, 2011.

Series AC Bonds

In February 2010, the Series 8.06% AC bonds matured. These were paid in full for \$30.0 million of principal plus accrued interest of \$1.2 million.

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Series Y Bonds

In March 2010, we completed redemption of our Series Y 9.49% bonds in full. The bonds were originally due in 2018. A total of \$2.7 million was paid on March 31, 2010, which includes the principal balance of \$2.5 million plus accrued interest and an early redemption premium of 2.618%. The early redemption premium was recorded in unamortized loss on reacquired debt which is included in Regulatory assets on the accompanying Balance Sheet and is being amortized over the remaining term of the original bonds.

Series Z Bonds

In June 2010, we completed redemption of our Series Z 9.35% bonds in full. The bonds were originally due in 2021. A total of \$21.8 million was paid on June 1, 2010, which included the principal balance of \$20.0 million plus accrued interest and an early redemption premium of 4.675%. The early redemption premium was recorded in unamortized loss on reacquired debt which is included in Regulatory assets on the accompanying Balance Sheet and is being amortized over the remaining term of the original bonds.

Long-term Debt Maturities

Scheduled maturities of our outstanding long-term debt (excluding unamortized discounts) are as follows (in thousands):

2012	\$ 37
2013	\$
2014	\$ 6,450
2015	\$ ••••••
2016	\$
Thereafter	\$ 270,055

(6) FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of our financial instruments were as follows (in thousands):

	December	31, 2011	December	r 31, 2010
	Carrying		Carrying	
	 Value	Fair Value	Value	Fair Value
Cash and cash equivalents	\$ 2,812	\$ 2,812 \$	2,045	\$ 2,045
Long-term debt, including current maturities	\$ 276,427	\$ 362,055 \$	6 276,503	\$ 301,964

The following methods and assumptions were used to estimate the fair value of each class of our financial instruments.

Cash and Cash Equivalents

The carrying amount approximates fair value due to the short maturity of these instruments.

Long-Term Debt

The fair value of our long-term debt is estimated based on quoted market rates for debt instruments having similar maturities and similar debt ratings. Our outstanding first mortgage bonds are either currently not callable or are subject to make-whole provisions which would eliminate any economic benefits for us to call and refinance the first mortgage bonds.

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(7) INCOME TAXES

Income tax expense (benefit) from continuing operations for the years ended was (in thousands):

	Decem	ber 31, 2011	December 31, 2010	December 31, 2009
Current	\$	14,921 \$	6 (14,885)\$	(3,296)
Deferred		(2,931)	25,626	11,600
Total income tax expense	\$	11,990 \$	<u> </u>	8,304

The temporary differences which gave rise to the net deferred tax liability were as follows (in thousands):

	Dece	mber 31, 2011 De	cember 31, 2010
Deferred tax assets, current:		- 	
Asset valuation reserve	\$	491 \$	217
Employee benefits		1,086	803
Rate refund		360	428
Total deferred tax assets, current		1,937	1,448
Deferred tax liabilities, current:			
Prepaid expenses		(256)	(251)
Deferred costs		(2,529)	(2,056)
Total deferred tax liabilities, current		(2,785)	(2,307)
Net deferred tax assets (liabilities), current	\$	(848)\$	(859)
Deferred tax assets, non-current:			
Plant related differences	\$	— \$	90 9
Regulatory liabilities		14,644	10,074
Employee benefits		3,922	3,547
Net operating loss		28,072	9,147
Items of other comprehensive income		263	225
Research and development credit		780	1,613
Other		1,155	
Total deferred tax assets, non-current		48,836	25,515
Deferred tax liabilities, non-current:			
Accelerated depreciation and other plant related differences		(148,254)	(132,338)
AFUDC		(5,559)	(6,168)
Regulatory assets		(5,019)	(5,557)
Employee benefits		(2,356)	(2,983)
Other	<u></u>	(968)	(788)
Total deferred tax liabilities, non-current		(162,156)	(147,834)
Net deferred tax assets (liabilities), non-current	\$	(113,320)\$	(122,319)
Net deferred tax assets (liabilities)	\$	(114,168)\$	(123,178)

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The following table reconciles the change in the net deferred income tax assets (liabilities) from December 31, 2010 to December 31, 2011 and from December 31, 2009 to December 31, 2010 to deferred income tax expense (benefit) (in thousands):

	. <u>.</u>	2011	2010
Change in deferred income tax assets (liabilities)	\$	(9,010)\$	25,118
Deferred taxes related to regulatory assets and liabilities		4,968	9,272
Deferred taxes associated with other comprehensive income		15	(2,141)
Deferred taxes related to property basis differences		156	(4,713)
Deferred taxes related to AFUDC		937	(1,910)
Other		3	
Deferred income tax expense (benefit) for the period	\$	(2,931)\$	25,626

The effective tax rate differs from the federal statutory rate for the years ended, as follows:

·	December 31, 2011	December 31, 2010	December 31, 2009
Federal statutory rate	35.0%	35.0%	35.0%
Amortization of excess deferred and investment tax credits	(0.4)	(0.6)	(0.9)
Equity AFUDC	(0.6)	(2.0)	(6.2)
Flow through adjustments *	(3.4)	(7.4)	
Other	0.1	0.6	(1.5)
	30.7%	25.6%	26.4%

* The flow-through adjustments relate primarily to an accounting method change for tax purposes that was filed with the 2008 tax return and for which consent was received from the IRS in September 2009. The effect of the change allows us to take a current tax deduction for repair costs that were previously capitalized for tax purposes. These costs will continue to be capitalized for book purposes. We recorded a deferred income tax liability in recognition of the temporary difference created between book and tax treatment and we flowed the tax benefit through to our customers in the form of lower rates as a result of a rate case settlement that occurred during 2010. A regulatory asset was established to reflect the recovery of future increases in taxes payable from customers as the temporary differences reverse. Due to this regulatory treatment, we recorded an income tax benefit that was attributable to the 2008 through 2010 tax years. For years prior to 2008, we did not record a regulatory asset for the repairs deduction as the tax benefit was not flowed through to customers.

The accounting standards for uncertain tax positions clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with accounting standards for income taxes. The accounting standards prescribe a recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken. The impact of this implementation had no effect on our financial statements.

The following table reconciles the total amounts of unrecognized tax benefits at the beginning and end of the period (in thousands):

		2011	2010
Unrecognized tax benefits at January 1	\$	3,094 \$	3,877
Additions for prior year tax positions		795	130
Reductions for prior year tax positions		(294)	(913)
Unrecognized tax benefits at December 31	<u>\$</u>	3,595 \$	3,094

The reduction for prior year tax positions relate to the reversal through otherwise allowed tax depreciation. The total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate is approximately \$0.4 million.

It is our continuing practice to recognize interest and/or penalties related to income tax matters in income tax expense. During the year ended December 31, 2011 and 2010, the interest expense recognized related to income tax matters was not material to our financial results.

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The Company files income tax returns in the United States federal jurisdiction as a member of the BHC consolidated group. The Company does not anticipate that total unrecognized tax benefits will significantly change due to the settlement of any audits or the expiration of statutes of limitations prior to December 31, 2012.

At December 31, 2011, we have federal NOL carry forward of \$80.2 million, of which \$54.6 million will expire in 2030 and \$25.6 million will expire in 2031. Ultimate usage of this NOL depends upon our future taxable income.

(8) **COMPREHENSIVE INCOME**

The following tables display each component of Other Comprehensive Income (Loss), after-tax, and the related tax effects for the years ended (in thousands):

		D	ecember 31, 2011	
	Pre-tax		Tax (Expense)	Net-of-tax
	Α	mount	Benefit	Amount
Minimum pension liability adjustment - net gain (loss)	\$	(108)\$	38 5	6 (70)
Reclassification adjustments of cash flow hedges settled and included in net				
income		65	(23)	42
Net change in fair value of derivatives designated as cash flow hedges		<u> </u>		
Other comprehensive income (loss)	\$	(43)\$	15 \$	6 (28)

Other comprehensive income (loss)

		December 31, 2010 Pre-tax Tax (Expense) Amount Benefit		
Minimum pension liability adjustment - net gain (loss)	\$	(145)\$	51	\$ (94
Reclassification adjustments of cash flow hedges settled and included in net income		64	(23)	41
Net change in fair value of derivatives designated as cash flow hedges		6	(2)	4
Other comprehensive income (loss)	\$	(75)\$	26	\$ (49

	 D re-tax mount	ecember 31, 2009 Tax (Expense) Benefit	Net-of-tax Amount
Minimum pension liability adjustment - net gain (loss)	\$ 150 \$	(52)\$	s <u>98</u>
Reclassification adjustments of cash flow hedges settled and included in net			
income	64	(24)	40
Net change in fair value of derivatives designated as cash flow hedges	 (5)	3	(2)
Other comprehensive income (loss)	\$ 209 \$	(73)\$	S 136

During 2002, we entered into a treasury lock to hedge a portion of a first mortgage bond. The treasury lock cash settled on the bond pricing date, and resulted in a \$1.8 million loss. This treasury lock was treated as a cash flow hedge and accordingly the resulting loss is carried in Accumulated other comprehensive loss on the accompanying Balance Sheet and amortized over the life of the related bonds as additional interest expense.

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Balances by classification included within Accumulated other comprehensive loss on the accompanying Balance Sheets were as follows (in thousands):

	Decem	iber 31, 2011 De	cember 31, 2010
Derivatives designated as cash flow hedges	\$	(801)\$	(843)
Employee benefit plans		(489)	(419)
Total accumulated other comprehensive loss	<u>\$</u>	(1,290)\$	(1,262)

(9) EMPLOYEE BENEFIT PLANS

Funded Status of Benefit Plans

The funded status of postretirement benefit plan is required to be recognized in the statement of financial position. The funded status for pension plan is measured as the difference between the projected benefit obligation and the fair value of plan assets. The funded status for all other benefit plans is measured as the difference between the accumulated benefit obligation and the fair value of plan assets. A liability is recorded for an amount by which the benefit obligation exceeds the fair value of plan assets or an asset is recorded for any amount by which the fair value of plan assets exceeds the benefit obligation. The measurement date of the plans is December 31, our year-end balance sheet date.

We apply accounting standards for regulated operations, and accordingly, the unrecognized net periodic benefit cost that would have been reclassified to Accumulated other comprehensive income (loss) was alternatively recorded as a regulatory asset or regulatory liability, net of tax.

Defined Benefit Pension Plan

We have a noncontributory defined benefit pension plan ("Pension Plan") covering employees who meet certain eligibility requirements. The benefits are based on years of service and compensation levels during the highest five consecutive years of the last ten years of service. Our funding policy is in accordance with the federal government's funding requirements. The Pension Plan's assets are held in trust and consist primarily of equity and fixed income investments. We use a December 31 measurement date for the Pension Plan.

As of January 1, 2012, the Pension Plan has been frozen to new employees and certain employees who did not meet age and service based criteria at the time the Plans were frozen. The benefits for the plans are based on years of service and calculations of average earnings during a specific time period prior to retirement. In July 2009, the Board of Directors approved a partial freeze to the Pension Plan for all participants with the exception of bargaining unit participants. The freeze eliminated new non-bargaining unit employees from participation in the Pension Plan and froze the benefits of current non-bargaining unit participants except certain eligible employees who met age and service based criteria. In September of 2010, our bargaining unit employees voted to freeze participation in the Pension Plan and to freeze the benefits of current bargaining unit participants except for certain eligible employees who met age and service based criteria. An additional age and points-based employer contribution under the Company's 401(k) retirement savings plan was established.

The Pension Plan's expected long-term rate of return on assets assumption is based upon the weighted average expected long-term rate of returns for each individual asset class. The asset class weighting is determined using the target allocation for each asset class in the Pension Plan portfolio. The expected long-term rate of return for each asset class is determined primarily from adjusted long-term historical returns for the asset class. It is anticipated that long-term future returns will not achieve historical results. The expected long-term rate of return for each 3.75% and 9.25% for the 2011 and 2010 plan years, respectively.

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Pension Plan Assets

Percentage of fair value of Pension Plan assets at December 31:

	2011	2010
Equity	69%	68%
Fixed income	28%	29 %
Cash	3%	3%
Total	100%	100%

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The Investment Policy for the Pension Plans is to seek to achieve the following long-term objectives: 1) a rate of return in excess of the annualized inflation rate based on a five-year moving average; 2) a rate of return that meets or exceeds the assumed actuarial rate of return as stated in the Plan's actuarial report; 3) a rate of return on investments, net of expenses, that is equal to or exceeds various benchmark rates on a moving three-year average, and 4) maintenance of sufficient income and liquidity to pay monthly retirement benefits. The policy strategy seeks to prudently invest in a diversified portfolio of predominately equity and fixed income assets.

The policy contains certain prohibitions on transactions in separately managed portfolios in which the Pension Plan may invest, including prohibitions on short sales.

Supplemental Non-qualified Defined Benefit Retirement Plans

We have various supplemental retirement plans ("Supplemental Plans") for key executives. The Supplemental Plans are non-qualified defined benefit plans. We use a December 31 measurement date for the Supplemental Plans. Effective January 1, 2010, we eliminated a non-qualified pension plan in which some of our officers participated due to the partial freeze of our qualified pension plan. We also amended the NQDC, which was adopted in 1999. The NQDC is a non-qualified deferred compensation plan that provides executives with an opportunity to elect to defer compensation and receive benefits without reference to the limitations on contributions in the Plan or those imposed by the IRS. The amended NQDC provides for non-elective non-qualified restoration benefits to certain officers who are not eligible to continue accruing benefits under the Defined Benefit Pension Plans and associated non-qualified pension restoration plans. All contributions to the non-qualified plans are subject to a graded vesting schedule of 20% per year over five years with vesting credit beginning with service in the Plan on and after January 1, 2010.

Supplemental Plan Assets

The Supplemental Plans have no assets. We fund on a cash basis as benefits are paid.

Non-pension Defined Benefit Postretirement Plan

Employees who are participants in our Non-Pension Postretirement Healthcare Plan ("Healthcare Plan") and who retire on or after attaining age 55 after completing at least five years of service are entitled to postretirement healthcare benefits. These benefits are subject to premiums, deductibles, co-payment provisions and other limitations. We may amend or change the Healthcare Plan periodically. We are not pre-funding our retiree medical plan. We use a December 31 measurement date for the Healthcare Plan. The Board of Directors approved an amendment to the Healthcare Plan which changed the structure of the Healthcare Plan for non-union employees to a RMSA structure which was effective January 1, 2010. In September 2010, the bargaining unit employees voted to change the structure of their benefits to an RMSA. This change was effective January 1, 2011. It has been determined that the Healthcare Plan's post-65 retiree prescription drug plans are actuarially equivalent and qualify for the Medicare Part D subsidy.

Plan Assets

The Healthcare Plan has no assets. We fund on a cash basis as benefits are paid.

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Plan Contributions and Estimated Cash Flows

Contributions made to the Supplemental Non-qualified Defined Benefit Retirement Plans and the Non-pension Defined Benefit Postretirement Plan are expected to be made in the form of benefit payments. Contributions to each of the plans were as follows (in thousands):

	 2011	2010
Defined Benefit Plans		
Defined Benefit Pension Plan	\$ \$	8,798
Non-pension Defined Benefit Postretirement Healthcare Plan	\$ 428 \$	657
Supplemental Non-qualified Defined Benefit Plan	\$ 130 \$	108
Defined Contribution Plans		
Company Retirement Contribution	\$ 371 \$	171
Matching Contributions	\$ 1,296 \$	1,029

Contributions to our employee benefit plans to be made in 2012 are as follows (in thousands):

	2	012
Defined Benefit Plans		
Defined Benefit Pension Plan	\$.
Non-pension Defined Benefit Postretirement Healthcare Plan	\$	658
Supplemental Non-qualified Defined Benefit Plan	\$	154

Fair Value Measurements

As required by accounting standards for fair value measurements, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect their placement within the fair value hierarchy levels. The following tables set forth, by level within the fair value hierarchy, the assets that were accounted for at fair value on a recurring basis as of December 31 (in thousands):

Defined Benefit Pension Plan	December 31, 2011								
		Level 1	Level 2	Level 3	Total Fair Value				
Money market fund	\$	40 \$	— \$	5	\$ 40				
Registered investment companies - equity		12,743			12,743				
Registered investment companies - fixed income		12,603			12,603				
Common collective trust		<u> </u>	16,143		16,143				
Insurance contracts			1,288		1,288				
Structured products			2,200	·	2,200				
Total investments measured at fair value	\$	25,386 \$	19,631 \$	- \$	45,017				

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Defined Benefit Pension Plan	December 31, 2010									
		Level 1	Level 2	Level 3	Total Fair Value					
Registered investment companies - equity	\$	15,090 \$	- \$	[\$ 15,090					
Registered investment companies - fixed income		1 2,952	<u> </u>		1 2,95 2					
Common collective trust			19,104		19,104					
Insurance contracts		<u> </u>	1,082	<u> </u>	1,082					
Total investments measured at fair value	\$	28,042 \$	20,186 \$		\$ 48,228					

Registered Investment Companies: Investments are valued at the closing price reported on the active market on which the individual securities are traded.

Common Collective Trust: The Pension Plan owns units of the Common Collective Trust funds that they are utilizing in their portfolio. The value of each unit of any fund as of any valuation date shall be determined by calculating the total value of such fund's assets as of the close of business on such valuation date, deducting its total liabilities as of such time and date, and then dividing the so-determined net asset value of such fund by the total number of units of such fund outstanding the date of valuation.

Insurance Contract: These investments are valued on a cash basis on any given valuation date.

Structured Products: Investments are linked by derivatives to observable financial indexes and valued through present value models.

Plan Reconciliations

The following tables provide a reconciliation of the Employee Benefit Plan's obligations and fair value of assets, components of the net periodic expense and elements of regulatory assets and liabilities and AOCI (in thousands):

Benefit Obligations

	Defined Benefit Pension		Supplemental Non-qualified Defined Benefit Retirement Plans				-		
		2011	2010	201	1	2010		2011	2010
Change in benefit obligation: Projected benefit obligation at beginning of year	\$	57,753 \$	55,615	\$ 0	2,152 \$	1	690 :	\$ 7,517 5	9,432
Service cost	Ψ.	<u>798</u>	1,215	φ <u>×</u>	.,			210	340
Interest cost		3,092	3,280		114		100	365	547
Actuarial loss (gain)		852	4,129		(30)		54	(308)	(88)
Amendments			260					()	(2,270)
Change in participant assumptions			—					171	
Discount rate change		6,668			186			433	
Benefits paid		(2,899)	(2,472)		(130)	(109)	(707)	(658)
Asset transfer (to) from affiliate		(707)	(3,300)				417	(40)	(328)
Plan curtailment reduction			(974)						
Medicare Part D adjustment		—			·		—	67	88
Plan participants' contributions								499	454
Net increase (decrease)	_	7,804	2,138		140	4	462	690	(1,915)
Projected benefit obligation at end of year	\$	65,557 \$	57,753	\$2	.,292 \$	2,	152 \$	\$ 8,207 \$	5 7,517

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A reconciliation of the fair value of Plan assets (as of the December 31 measurement date) is as follows (in thousands):

			Supplemental N Defined Benefi Plan	t Retirement	Non-pension Defined Benefit Postretirement Plans		
	 2011		2010	2011	2010	2011	2010
Beginning market value of plan assets	\$ 48,228 \$	ı	39,040 \$	— \$	— \$	— \$	<u> </u>
Investment income	66		5,361	<u> </u>			<u></u>
Benefits paid	(2,899)		(2,472)			<u> </u>	·
Employer contributions	 .		8,798	—		,	<u></u>
Asset transfer to affiliate	 (378)		(2,499)	_			
Ending market value of plan assets	\$ 45,017 \$		48,228 \$	\$	\$	\$	

Amounts recognized in the Balance Sheets consist of (in thousands):

		Defined Benefit Pension Plans		Supplemental No Defined Benefit I Plans	-	Non-pension Defined Benefit Postretirement Plans			
	· ·	2011	2010	2011	2010	2011	2010		
Regulatory asset (liability)	\$	27,284 \$	18,049 \$	— \$	— \$	(590)\$	(1,050)		
Current (liability)	\$	- \$	- \$	(154)\$	(141)\$	(658)\$	(428)		
Non-current (liability)	\$	(20,540)\$	(9,525)\$	(3,060)\$	(2,011)\$	(7,497)\$	(7,096)		
Accumulated Benefit Obligation									

	Defined Benefit			Supplem Non-qualified Benefit Retirer	Defined	Non-pension Defined Benefit Postretirement Plans		
		2011	2010	2011	2010	2011	2010	
Accumulated benefit obligation	\$	59,823 \$	52,250	\$ 2,292 \$	2,058	\$ 8,207 \$	7,517	

		Page 22 of 28		
Name of Respondent	This Report is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year/Period of Report	
Black Hills Power, Inc.	(1) An Original (2) A Resubmission	(1010, Da, 11) 04/18/2012	2011/Q4	
	NOTES TO FINANCIAL STATEMENTS (Continue	d)		

ì

Components of Net Periodic Expense

<u> </u>	Defined Benefit Pension				Supplemental Non-qualified Defined Benefit Retirement Plans					
	201	1 201	0 2009	2011	2010	2009	2011	2010	2009	
Service cost	\$ 7	98 \$ 1,2	14 \$ 1,155	i\$ —	- \$	\$ —	\$ 210 \$	5 340 \$	216	
Interest cost	3,0	93 3,28	30 3,143	114	100	100	365	547	444	
Expected return on assets	(3,6	19) (3,00	08) (2,780)						
Amortization of prior service cost		62 (52 87	' <u> </u>			(314)	(141)		
Amortization of transition obligation		<u> </u>					_	171	51	
Amortization of loss (gain)		+					_	·		
Recognized net actuarial loss (gain)	1,4	86 1,32	78 1,586	5 48	30	43	163	- ,	_	
Curtailment expense			57 189				—	**** **		
Net periodic expense	\$ 1,8	20 \$ 2,98	3 \$ 3,380	\$ 162	\$ 130	\$ 143	\$ 424 \$	917 \$	711	

Accumulated Other Comprehensive Income (Loss)

Amounts included in AOCI, after-tax, that have not yet been recognized as components of net periodic benefit cost at December 31 were as follows (in thousands):

	Defined Benefit		Suppleme Non-qualified Benefit Retirem	Defined	Non-pension Defined Benefit Postretirement Plans		
	2011	2010	2011	2010	2011	2010	
Net loss	\$ — \$	\$	(489)\$	(418)	\$ \$		
Prior service cost	<u> </u>			—		B	
Transition obligation	 			—	*****		
	\$ — \$	\$	(489)\$	(418)	\$ \$		

The amounts in AOCI, regulatory assets or regulatory liabilities, after-tax, expected to be recognized as a component of net periodic benefit cost during calendar year 2012 were as follows (in thousands):

	Defin	ed Benefits	Supplemental Non-qualified Defined Benefit Retirement Plans	Nor	n-pension Defined
Net loss	\$	1,689	\$ 36	\$	90
Prior service cost		37	_		(181)
Transition obligation					
Total net periodic benefit cost expected to be recognized during calendar year 2011	\$	1,726	\$ 36	\$	(90)

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Name of Respondent	This Report is:	Date of Report	Year/Period of Report		
	(1) <u>X</u> An Original	(Mo, Da, Yr)			
Black Hills Power, Inc.	(2) A Resubmission	04/18/2012	2011/Q4		
NOTES TO FINANCIAL STATEMENTS (Continued)					

Exhibit CJK - 105

Statement A

Assumptions

	Defined	Supplemental Non-qualified Defined Benefit Pension Defined Benefit Retirement Plans			ned Benefit Pension Defined Benefit Retirement Non-pension Defined B							
	2011	2010	2009	2011	2010	2009	2011	2010	2009			
Weighted-average assumptions used to determine benefit obligations:				-								
Discount rate	4.65%	5.50%	6.05%	4.70%	5.50%	6.10%	4.35%	5.00%	5.9 0%			
Rate of increase in compensation												
levels	3.67%	3.70%	4.25%	N/A	5.00%	5.00%	N/A	N/A	N/A			
Weighted-average assumptions used to determine net periodic benefit cost for plan year:												
Discount rate Expected long-term rate of	5.50%	6.05%	6.25%	5.00%	6.10%	6.20%	5.00%	5.90%	6.10%			
return on assets* Rate of increase in compensation	7.75%	8.00%	8.50%	N/A	N/A	N/A	N/A	N/A	N/A			
levels	3.70%	4.25%	4.25%	N/A	5.00%	5.00%	N/A	N/A	N/A			

* The expected rate of return on plan assets changed to 7.25% for the calculation of the 2012 net periodic pension cost.

The healthcare benefit obligation was determined at December 31, 2011, using an initial healthcare trend rate of 9.01% grading down to an ultimate rate of 4.5% in 2028, and at December 31, 2010, using an initial healthcare trend rate of 9.51% trending down to an ultimate rate of 4.5% in 2027.

The healthcare cost trend rate assumption has a significant effect on the amounts reported. A 1% increase or 1% decrease in the healthcare cost trend assumptions would affect the service and interest costs and the accumulated periodic postretirement benefit obligation as follows (dollars in thousands):

			Accumulated Periodic Postretirement Benefit
Change in Assumed Trend Rate	Ser	vice and Interest Costs	Obligation
1% increase	\$	22 \$	422
1% decrease	\$	(19)\$	(372)

	Exhibit CJK - 105 Page 26 of 358		Page 24 of 28
Name of Respondent	This Report is: (1) <u>X</u> An Original	Date of Report (Mo, Da, Yr)	Year/Period of Report
Black Hills Power, Inc.	(2) A Resubmission	04/18/2012	2011/Q4
	NOTES TO FINANCIAL STATEMENTS (Continued	d)	

The following benefit payments, which reflect future service, are expected to be paid (in thousands):

	Defined H	Senefit Pension		Non-pension Defined	
			 Plans	_	
2012	\$	3,159	\$ 154	\$	658
2013	\$	3,223	\$ 113	\$	702
2014	\$	3,258	\$ 113	\$	652
2015	\$	3,323	\$ 113	\$	635
2016	\$	3,338	\$ 84	\$	639
2017-2021	\$	19,035	\$ 684	\$	3,886

Defined Contribution Plan

The Parent sponsors a 401(k) retirement savings plan in which employees may participate. Participants may elect to invest up to 50% of their eligible compensation on a pre-tax or after-tax basis, up to a maximum amount established by the Internal Revenue Service. The plan provides for company matching contributions and company retirement contributions. Employer contributions vest at 20% per year and are fully vested when the participant has 5 years of service.

(10) RELATED-PARTY TRANSACTIONS

Receivables and Payables

We have accounts receivable and accounts payable balances related to transactions with other BHC subsidiaries. These balances as of December 31, were as follows (in thousands):

	 2011	2010
Related party accounts receivable	\$ 6,998 \$	6,891
Related party accounts payable	\$ 18,598 \$	12,562

Money Pool Notes Receivable and Notes Payable

We have a Utility Money Pool Agreement with the Parent, Cheyenne Light and Black Hills Utility Holdings. Under the agreement, we may borrow from the Parent. The Agreement restricts us from loaning funds to the Parent or to any of the Parent's non-utility subsidiaries; the Agreement does not restrict us from making dividends to the Parent. Borrowings under the agreement bear interest at the daily cost of external funds as defined under the Agreement, or if there are no external funds outstanding on that date, then the rate will be the daily one month LIBOR rate plus 1%.

Advances under this note bear interest at 2.75% above the daily LIBOR rate (3.05% at December 31, 2011). We had the following balances with the Utility Money Pool as of and for the years ended December 31 (in thousands):

	 2011	2010	2009
Notes receivable (payable) with Utility Money Pool, net	\$ 50,477 \$	39,862 \$	57,737
Net interest income (expense)	\$ 1,414 \$	467 \$	(1,123)

		_
FERC FORM NO. 1 (ED. 12-88)	Page 123.20	

	Exhibit CJK - 105 Page 27 of 358		Page 25 of 28
Name of Respondent	This Report is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year/Period of Report
Black Hills Power, Inc.	(2) A Resubmission	04/18/2012	2011/Q4
	NOTES TO FINANCIAL STATEMENTS (Continued	!)	

Other Balances and Transactions

We had the following related party transactions for the years ended December 31, 2011 and 2010 included in the corresponding captions in the accompanying Statements of Income:

- We received revenues from Black Hills Wyoming, Inc. for electricity.
- We received revenues from Cheyenne Light for the sale of electricity and dispatch services.
- We recorded revenues relating to payments received pursuant to a natural gas swap entered into with Enserco.
- We purchase coal from WRDC. These amounts are included in Fuel and purchased power on the accompanying Statements of Income.
- We purchase excess power generated by Cheyenne Light.
- In order to fuel our combustion turbine, we purchase natural gas from Enserco. These amounts are included in Fuel and purchased power on the accompanying Statements of Income.
- In addition, we also pay the Parent and Black Hills Utility Holdings for allocated corporate support service costs incurred on our behalf.
- We have two contracts with Cheyenne Light under which Cheyenne Light sells up to 40 MW of wind-generated, renewable energy to us. These amounts are included in Fuel and purchased power on the accompanying Statements of Income.

	2011		2010	2009
		(in	thousands)	
Revenues:				
Black Hills Wyoming for electricity	\$ 9	\$	574	\$ 873
Cheyenne Light for electricity and dispatch services	\$ 957	\$	1,200	\$ 1,823
Purchases:				
Coal purchases from WRDC	\$ 21,319	\$	13,569	\$ 16,284
Excess power purchased from Cheyenne Light	\$ 9,363	\$	8,664	\$ 8,580
Natural gas from Enserco*	\$ 647	\$	1,652	\$ 2,250
Corporate support services from Parent and Black Hills Utility Holdings	\$ 18,567	\$	17,145	\$ 15,014
Renewable wind energy from Cheyenne Light	\$ 5,236	\$	4,538	\$ 2,791

* BHC sold Enserco on February 29, 2012.

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Name of Respondent	This Report is: (1) X An Original	Date of Report (Mo, Da, Yr)	Year/Period of Report
Black Hills Power, Inc.	(2) A Resubmission	04/18/2012	2011/Q4
	NOTES TO FINANCIAL STATEMENTS (Continue	d)	

We have funds on deposit from Black Hills Wyoming for transmission system reserve which are included in Other, non-current liabilities on the accompanying Balance Sheets. We have transmission system reserve balances as follows as of December 31 (in thousands):

	2011		2010
Transmission Deposit	\$	2,110 \$	2,044

Interest on the transmission system reserve deposit accrues quarterly at an average prime rate (3.25% at December 31, 2011). We paid interest for the years ended December 31 as follows (in thousands):

	2	2011	2010	2009
Interest expense on transmission deposit	\$	67 \$	65 \$	70
(11) SUPPLEMENTAL CASH FLOW INFORMATION				
Years ended December 31,		2011	2010	2009
		(in	thousands)	
Non-cash investing activities -				
Property, plant and equipment financed with accrued liabilities	\$	1,882 \$	7,188 \$	10,191
Money pool activity - net repayment of funds loaned	\$	\$	\$	25,000
Non-cash financing activities -				
Money pool activity - net repayment of funds borrowed	\$	\$	— \$	(25,000)
Supplemental disclosure of cash flow information:				
Cash (paid) refunded during the period for -				
Interest (net of amounts capitalized)	\$	(16,294)\$	(19,554)\$	(14,252)
Income taxes	\$	(15,347)\$	15,805 \$	3,700

(12) COMMITMENTS AND CONTINGENCIES

Partial Sale of Wygen III

On April 9, 2009, we sold to MDU a 25% ownership interest in our Wygen III generation facility. At closing, MDU made a payment to us for its 25% share of the costs to date on the ongoing construction of the facility. Proceeds of \$32.8 million were received of which \$30.2 million was used to pay down a portion of Parent debt. MDU continued to reimburse us for its 25% of the total costs paid to complete the project. The Wygen III generation facility began commercial operations on April 1, 2010. In conjunction with the sales transaction, we also modified a 2004 PPA between us and MDU.

On July 14, 2010, we sold a 23% ownership interest in Wygen III to the City of Gillette for \$62.0 million. The purchase terminates the current PPA with the City of Gillette, and the Wygen III Participation Agreement has been amended to include the City of Gillette. The Participation Agreement provides that the City of Gillette will pay us for administrative services and share in the costs of operating the plant for the life of the facility. The estimated amount of net fixed assets sold totaled \$55.8 million. We recognized a gain on the sale of \$6.2 million.

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Name of Respondent	This Report is:	Date of Report	Year/Period of Report
	(1) <u>X</u> An Original	(Mo, Da, Yr)	
Black Hills Power, Inc.	(2) A Resubmission	04/18/2012	2011/Q4
	NOTES TO FINANCIAL STATEMENTS (Continued	I)	

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Statement A

Power Purchase and Transmission Services Agreements

We have the following power purchase and transmission agreements as of December 31, 2011:

- A PPA with PacifiCorp expiring on December 31, 2023, which provides for the purchase by us of 50 MW of electric capacity and energy. The price paid for the capacity and energy is based on the operating costs of one of PacifiCorp's coal fired electric generating plants;
- A firm point-to-point transmission access agreement to deliver up to 50 MW of power on PacifiCorp's transmission system to wholesale customers in the western region through December 31, 2023;
- Cheyenne Light entered into a PPA with Happy Jack. Under a separate inter-company agreement expiring on September 3, 2028, Cheyenne Light has agreed to sell up to 15 MW of the facility output from Happy Jack to us;
- Cheyenne Light entered into a PPA with Silver Sage. Under a separate inter-company agreement expiring on September 30, 2029, Cheyenne Light has agreed to sell 20 MW of energy from Silver Sage to us; and
- A Generation Dispatch Agreement with Cheyenne Light that requires us to purchase all of Cheyenne Light's excess energy.

Costs incurred under these agreements were as follows for the years ended December 31 (in thousands):

Contract	Contract Type	2011	2010	2009
PacifiCorp	Electric capacity and energy	\$ 12,515 \$	12,936 \$	11,862
PacifiCorp	Transmission access	\$ 1,215 \$	1,215 \$	1,215
Cheyenne Light	Happy Jack Wind Farm	\$ 1,955 \$	2,815 \$	2,078
Cheyenne Light	Silver Sage Wind Farm	\$ 3,281 \$	1,723 \$	713

The following is a schedule of future minimum payments required under the power purchase, transmission services, coal and gas supply agreements (in thousands):

2012	\$ 11,895
2013	\$ 11,895
2014	\$ 11,895
2015	\$ 11,895
2016	\$ 11,895
Thereafter	\$ 49,09 1

	Exhibit CJK - 105 Page 30 of 358		Statement A Page 28 of 28
Name of Respondent	This Report is: (1) <u>X</u> An Original	Date of Report (Mo, Da, Yr)	Year/Period of Report
Black Hills Power, Inc.	(2) A Resubmission	04/18/2012	2011/Q4
	NOTES TO FINANCIAL STATEMENTS (Continue	d)	

Long-Term Power Sales Agreements

We have the following power sales agreements as of December 31, 2011:

- During periods of reduced production at Wygen III in which MDU owns a portion of the capacity, or during periods when Wygen III is off-line, MDU will be provided with 25 MW from our other generation facilities or from system purchases with reimbursement of costs by MDU;
- During periods of reduced production at Wygen III in which the City of Gillette owns a portion of the capacity, or during periods when Wygen III is off-line, we will provide the City of Gillette with its first 23 MW from our other generating facilities or from system purchases with reimbursement of costs by the City of Gillette. Under this agreement, Black Hills Power will also provide the City of Gillette their operating component of spinning reserves;
- An agreement under which we supply energy and capacity to MEAN expiring on May 31, 2023. This contract is unit-contingent based on up to 10 MW from our Neil Simpson II and up to 10 MW from our Wygen III plants. The capacity purchase requirements decrease over the term of the agreement.
- A PPA with MEAN, expiring on April 1, 2015. Under this contract, MEAN purchases 5 MW of unit-contingent capacity from Neil Simpson II and 5 MW of unit-contingent capacity from Wygen III.

Legal Proceedings

We are subject to various legal proceedings, claims and litigation which arise in the ordinary course of operations. In the opinion of management, the amount of liability, if any, with respect to these actions would not materially affect our financial position, results of operations or cash flows.

(13) QUARTERLY HISTORICAL DATA (Unaudited)

We operate on a calendar year basis. The following table sets forth selected unaudited historical operating results data for each quarter (in thousands):

2011	First <u>Quarter</u>	Second Quarter	Third <u>Quarter</u>	Fourth <u>Quarter</u>
Operating revenues	\$ 59,194 \$	56,098	\$ 64,940	\$ 65,399
Operating income	\$ 11,917 \$	9,181	\$ 19,175	\$ 14,447
Net income	\$ 5,881 \$	3,741	\$ 10,510	\$ 6,965
2010				
Operating revenues	\$ 54,489 \$	56,438	\$ 59,051	\$ 59,785
Operating income	\$ 9,361 \$	10,510	\$ 21,092	\$ 14,305
Net income	\$ 5,934 \$	4,102	\$ 14,078	\$ 7,154

Section B

20:10:13:52. Statement B -- Income Statement. Statement B shall include income statements in the form prescribed by the FERC's uniform systems of accounts for public utilities and licensees or for gas companies, 18 C.F.R. 101 (April 1, 1985), and in any other form if ordered by the commission for the test period, and the most recently available income statement, including any applicable footnotes.

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.

BLACK HILLS POWER, INC. STATEMENT OF INCOME For the Test Year Ended June 30, 2012

Line			lune	30, 2012 (Test			m	or the twelve oonths ended eptember 30,
No.	Description	Reference	June	Year)	L.	une 30, 2011		2012
110.		The fellenet		<u>- rear</u> ,	-	une 56, 2011	_	
1	Electric Sales		\$	211,182,973	\$	202,516,704	\$	211,635,864
2	Other Revenue			38,965,242		31,309,231		34,831,722
3	Sub-Total			250,148,215		233,825,935		246,467,586
4								
5	Fuel			26,623,54 2		23,330,493		26,982,168
6	Purchased Power			67,292,983		63,975,052		65,485,213
7	Production Expense (Excludes Fuel)			22,982,686		26,231,334		22,264,636
8	Transmission Expense			3,939,231		3,446,551		3,626,139
9	Distribution Expense			7,118,893		6,723,581		7,445,126
10	Customer Accounting Expense			2,945,723		3,811,486		2,926,318
11	Customer Service Expense			1,524,623		1,567,955		1,574,356
12	Sales Expense			2,224		1,244		1,805
13	Administrative and General Expense			25,767,126		23,915,451		27,142,991
14	Total O&M			158,197,031		153,003,147		157,448,752
15								
16	Depreciation & Amortization			27,667,343		24,934,036		27,645,020
17	Taxes Other than Income			4, <u>891,225</u>		5,410,993		4,772,949
18	Sub-Total			32,558,568		30,345,029		32,417,969
19								
20	Net Operating Income	Ln.3 - Ln.14 - Ln.18		59,392,616		50,477,759		56,600,865
21								
22	Non-Operating Income (& Expense)			11,694,961		16,371,942		9,245,769
23	Interest (Expense)			(28,236,443)		(27,452,427)		(26,044,684)
24	AFUDC - Debt & Equity			753,966		1,644,523		691,429
25	Non-Operating (Expense)			(15,787,516)		(9,435,962)		(16,107,486)
26								
27	Income Before Tax	Ln.20 + Ln.25		43,605,100		41,041,797		40,493,379
28								
29	Federal Income Taxes			13,350,021		10,186,201		12,600,568
30								
31	Net Utility Income	Ln.27 - Ln.29	\$	30,255,079	\$	30,855,595	\$	27,892,811
32								

Note: The September 2012 FERC Form 3Q, Quarterly Financial Report including footnotes, was filed with the Federal Energy

Regulatory Commission and is the most recently filed financial statement prescribed in the FERC's uniform system of accounts. Black Hills Power 10Q as of September 30, 2012, prepared on a Generally Accepted Accounting Principle basis, was filed with the Securities Ì

36 and Exchange Commission in November 2012. Both filings are publicly available.

Section C

20:10:13:53. Statement C – Statement of Retained Earnings. Statement C shall include earned surplus statements for the test period showing debits and credits according to descriptive captions, the balance as of the beginning and the end of the test period and the most recently available earned surplus statement, including any applicable footnotes.

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 <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

BLACK HILLS POWER, INC. STATEMENT OF RETAINED EARNINGS For the Test Year Ended June 30, 2012

Line No.	Description	June 30, 2012 Reference (Test Year) June 30, 2011					As of September 30, 2012	
NO.	Description	helefelice		(Test fear)	1	une 50, 2011	50, 2012	—
1	Balance at Beginning of Period		\$	257,310,322	Ş	226,454,727	\$ 267,820,204	ł
2	Net Income	Stmt B Ln. 31		30,255,079		30,855,595	27,892,811	Ļ
3	Non-Cash Dividend to Parent Company			(43,983,955)		-	(43,983,955	5)
4	Total Before Deductions		_	243,581,446		257,310,322	251,729,060	Ĵ
5								
6	Dividends Paid/Declared and Other							
7	Preferred Dividends			-		-	-	
8	Acquired Related Company Equity			-		-	-	
9	Common Stock Dividends			-		-	-	
10						-	-	-
11								
12	Balance at End of Period	Ln.4 + L n.10	\$	243,581,446	\$	257,310,322	\$ 251,729,060)
13								=
14								

15 Note: The September 2012 FERC Form 3Q, Quarterly Financial Report including footnotes, was filed with the Federal Energy

16 Regulatory Commission and is the most recently filed financial statement prescribed in the FERC's uniform system of accounts.

17 Black Hills Power 10Q as of September 30, 2012, prepared on a Generally Accepted Accounting Principle basis, was filed with

18 the Securities and Exchange Commission in November 2012. Both filings are publicly available.

Section D

20:10:13:54. Statement D -- Cost of Plant. Statement D shall include a statement showing in summary form the accounts of electric or gas utility plant classified by accounts 101, 102, 103, 104, 105, 106, 107, 118 as of the beginning of the 12 months of the test period, and the book additions and reductions in separate columns during the 12 months together with the book balances at the end of the 12-month period. Claimed adjustments, if any, to the book balances and the total cost of plant shall be shown in adjoining columns. All adjustments shall be fairly and clearly explained in the supporting material submitted. The material listed in §§ 20:10:13:55 to 20:10:13:63, inclusive, for electric or gas plant shall be submitted as part of statement D.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL <u>49-34A-4.</u>

Law Implemented:SDCL 49-34A-7, 49-34A-10, 49-34A-12, 49-34A-41.

Statement D page 1: This Statement shows a roll forward of property records from June 30, 2011, to June 30, 2012. The roll forward includes additions, retirements, transfers, and adjustments. Additional details of this roll forward by plant account can be found on Schedule D-1 which shows the same additions, retirements, transfers, and adjustments by electric FERC account.

Statement D page 2: This Schedule shows a summary of average plant in service for rate base calculations. The amounts in column (a) represent average plant in service, and reconciles to the 12 month average calculated in Schedule D-3, part 1. Column (b) amounts are additions and expected additions to rate base that will be placed in service from July 1, 2012 to April 1, 2013. These amounts come from Schedules D-10 and H-13. Column (c) is an adjustment for the annualized electric FERC 106 account, see WP-4. Column (d) amounts are the adjusted average plant in service and include Black Hills Power (BHP) Common Use System (CUS) assets. Column (e) amounts are the transfers from BHP state jurisdiction to BHP FERC jurisdiction (BHP CUS assets). Column (f) amounts are the total average adjusted plant in service, excluding BHP CUS assets, for rate base calculations that flow into Statement N-1.

Section D

20:10:13:55. Schedule D-1 -- Detailed Plant Accounts. Schedule D-1 shall include the amounts by detail plant accounts in columnar form similar to statement D for each of the above accounts prescribed by the FERC's uniform systems of accounts for public utilities and licensees or for gas companies, 18 C.F.R. 101 (April 1, 1985), with subtotals by functional classification. To the extent plant costs are not available by detailed plant accounts they may be shown by functional classifications.

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 <u>49-34A-7</u>, <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

20:10:13:56. Schedule D-2 -- Plant Addition and Retirement for Test Period. Schedule D-2 shall show major plant addition and retirement projects for the test period, brief descriptions thereof, approximate dates of commercial operation or retirement from service, and cost.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

20:10:13:57. Schedule D-3 -- Working Papers Showing Plant Accounts on Average Basis for Test Period. Schedule D-3 shall show the 12 average monthly book balances during the 12 months in the test period for each detailed plant account, each subtotal of the functional classifications and total plant. The sum of such 12 average balances shall be divided by 12. The effect of proposed adjustments, if any, on the average balances shall also be shown. To the extent plant costs are not readily available by detailed plant accounts, they may be shown by functional classifications.

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 <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

Schedule D-3, part 1: This Schedule shows the 12 month average book balances during the test period, June 30, 2012, for each detailed plant account. The Schedule reconciles to the amounts reported on Statement D, page 2.

Schedule D-3, part 2: This schedule provides further detail of the 12 month average book balances for the test period, June 30, 2012, for Steam Production Plant. The detail is broken out by plant.

20:10:13:58. Schedule D-4 -- Plant Account Working Papers for Previous Years. Schedule D-4 shall include a summary of the following by years with respect to the book changes in plant in service, account 101, for the last five calendar years of the operations of the company or its predecessors:

(1) Starting balance;

(2) Major additions and retirements, including the following:

(a) Month placed in service or retired from service;

(b) Period of construction;

(3) Other major transactions recorded, such as corrections or transfers in sufficient detail to disclose the nature of the major changes;

(4) Closing balance.

Any data required by this section which has been previously submitted to the commission by the utility may be incorporated by specific reference.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

Schedule D-4 2007, Schedule D-4 2008, Schedule D-4 2009, Schedule D-4 2010, and Schedule D-4 2011 are attached.

20:10:13:59. Schedule D-5 -- Working Papers on Capitalizing Interest and Other Overheads During Construction. Schedule D-5 shall include a complete statement of the methods and procedures followed in capitalizing interest during construction and other construction overheads, including any policy changes, the effective dates, and the reasons for the changes, for the last five calendar years, ending during the test year.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL <u>49-34A-4.</u>

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

20:10:13:60. Schedule D-6 -- Changes in Intangible Plant Working Papers. Schedule D-6 shall show any significant changes in intangible plant for the last five calendar years, ending during the test year. If any materials required in schedule D-6 have already been submitted to the commission, they may be incorporated by specific reference.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL 49-34A-4.

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

20:10:13:61. Schedule D-7 -- Working Papers on Plant in Service Not Used and Useful. Schedule D-7 shall set forth the cost and description of any plant in service carried on the company's books as utility plant which was not being used in rendering service.

Source: 2 SDR 90, effective July 7, 1976; 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.

20:10:13:62. Schedule D-8 -- Property Records Working Papers. Schedule D-8 shall set forth a description of the continuing property records maintained by the utility, including methods and procedures used to price retirements, and a list of retirement units used by the company in pricing retirements for the past five years. Any data required by this section which has been previously submitted to the commission by the utility may be incorporated by specific reference.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

20:10:13:63. Schedule D-9 -- Working Papers for Plant Acquired for Which Regulatory Approval Has Not Been Obtained. Schedule D-9 shall set forth any operating units or systems acquired for which regulatory approval of the final accounting has not been obtained. For such acquisitions, a summary analysis of the property acquired, proposed journal entries to record the acquisition and the proposed disposition of any difference between cost of acquisition and net original cost shall be submitted.

Source: 2 SDR 90, effective July 7, 1976; 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.

Schedule D-10 – Subsequent Property Additions. This Schedule shows, by project description, the expected capital additions for the pro forma test year. These amounts are included as rate base on Statement D, page 2.

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BLACK HILLS POWER, INC. ELECTRIC PLANT IN SERVICE For the Test Year Ended June 30, 2012

I	ERC Acc	t.		Bala	ince at June 30,			Tra	ansfers &	Bala	ance at June 30,
Line No.	#	Description	Reference		2011	 Additions	Retirements	Adj	justments		2012
1	101	Steam Production Plant	Sched. D-1 Ln. 10	\$	398,868,576	\$ 43,734,677	\$ (12,253,515)	\$	69	\$	430,349,807
2	114	Plant Acquisition Adjustment	Sched. D-1 Ln. 12		4,870,308	-	-		-		4,870,308
3	101	Other Production Plant	Sched. D-1 Ln. 22		78,935,083	1,240,897	(395,600)		-		79,780,380
4		Total Production Plant			482,673,967	 44,975,574	(12,649,115)		69		515,000,495
5											
6	101	Transmission Plant	Sched. D-1 Ln. 35		88,774,046	26,187,944	(1,888,667)		(613,775)		112,459,547
7	101	Distribution Plant	Sched. D-1 Ln. 51		265,134,618	26,890,612	(2,535,936)		(1,436,693)		288,052,602
8	101	General Plant	Sched. D-1 Ln. 65		42,617,584	5,334,130	(8,572,974)		(68,828)		39,309,911
9	106	Compl. Construction - Not Classified	Sched. D-1 Ln. 72		93,132,832	-	-	(70,115,883)		23,016,949
10	118	Other Utility Plant	Sched. D-1 Ln. 74		25,895,891	 -	-		(811,880)		25,084,011
11											
12		Total Electric Plant in Service			998,228,937	103,388,260	(25,646,692)	(73,046,991)		1,002,923,514
13											
14	107	Construction Work in Progress	Stmt. A pg. 1 Ln. 4		9,560,061	117,478	-		-		9,677,539
15						 					
16		Total Electric Plant	Ln.12 + Ln.14	\$	1,007,788,998	\$ 103,505,738	\$ (25,646,692)	\$ (73,046,991)	\$	1,012,601,053

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BLACK HILLS POWER, INC. ADJUSTED AVERAGE ELECTRIC PLANT IN SERVICE For the Test Year Ended June 30, 2012

					(a)		(b)		(c)		(d) [(a)+(b)+(c)]	(e) Transfer	ſ	(f) [(d)+(e)]
							sequent &		Annualized			Transmission		
	FERC Acct.				rage Plant in		ted Additions		Account 101 &	A	djusted Plant in	Plant in Service		sted Plant in
No.	#	Description	Reference		Service	<u>& R</u>	etirements		106		Service	(Note 3)		Service
1	101	Steam Production Plant	Sched. D-3 Ln. 10(n)	\$	419,447,213	Ś	-		s -	Ś	419,447,213	\$-	s	419,447,213
2	114	Plant Acquisition Adjustment	Sched. D-3 Ln. 12(n)	¥	4,870,308	4	-		÷ -	Ŷ	4,870,308	· .	¥	4,870,308
3	101	Other Production Plant	Sched. D-3 Ln. 22(n)		79,355,703		-		-		79,355,703			79,355,703
4	1	Total Production Plant	500001 5 5 200		503,673,224		-		-		503,673,224	-		503,673,224
5														505,01 5,224
6	101	Transmission Plant	Sched. D-3 Ln. 35(n)		106,311,904		-		-		106,311,904	(102,030,480)		4,281,424
7												(,,,		·,,·-
8	101	Distribution Plant	Sched. D-3 Ln. 51(n)		274,454,360		-		-		274,454,360	(9,446,970)		265,007,390
9											, , ,	() / /		
10	101	General Plant	Sched, D-3 Ln. 65(n)		42,374,033		446,667	(2)	-		42,820,700	(5,251,888)		37,568,812
11														• •
12	118,121	Other Utility Plant	Sched. D-3 Ln. 78(n)		25,941,976		-		-		25,941,976	(2,107,452)		23,834,524
13							_	•				<u> </u>		
14		Total Electric Plant in Service			952,755,497		446,667		-		953,202,164	(118,836,790)		834,365,374
15														
16	106	Steam Production Plant	Sched. D-3 Ln. 69(n)		16,724,779		3,367,591	(1)	5,945,884	(4)	26,038,254	-		26,038,254
17	106	Other Production Plant	Sched. D-3 Ln. 70(n)		498,582		1,077,906	(1)	45,306	(4)	1,621,794	-		1,621,794
18	106	Transmission Plant	Sched. D-3 i.n. 71(n)		8,635,892		-	(1)	2,708,988	(4)	11,344,880	(11,344,880)		-
19	106	Distribution Plant	Sched. D-3 Ln. 72(n)		13,651,463		4,810,927	(1)	7,921,829	(4)	26,384,219	-		26,384,219
20	106	General Plant	Sched. D-3 Ln. 73(n)		3,153,804		3,552,990	(1)	2,336,225	(4)	9,043,019	-		9,043,019
21		Total Electric Plant Not Classified			42,664,520		12,809,414		18,958,232		74,432,166	(11,344,880)		63,087,286
22														
23														
24		Total Average Plant in Service	Ln.14 + Ln.21	\$	995,420,017	\$	13,256,080	-	<u>\$ 18,958,232</u>	_\$	1,027,634,329	\$ (130,181,670)	\$	897,452,659
25								-						

26 Note 1: See Schedule D-10 for additional details.

Note 2: See Schedule H-13 for additional details.

27 28 Note 3: Transfers from BHP state jurisdiction to BHP FERC jurisdiction.

29 Note 4: See WP-4 for additional details.

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BLACK HILLS POWER, INC. ELECTRIC PLANT IN SERVICE For the Test Year Ended June 30, 2012

Line No.	FERC Acct #	Description	Reference	Balance Jur 2011	e 30,	Additions	Retirements		ansfers & ustments	Bali	ance June 30, 2012
1		STEAM PRODUCTION PLANT									
2											
3	310	Land and Land Rights	Sched. D-3 Ln. 3(a)	•	3,941	\$ -	\$ (302		-	\$	333,639
4	311	Structures and Improvements	Sched. D-3 Ln. 4(a)		5,561	1,701,716	(183,360	-	-		40,303,917
5	312	Boiler Plant Equipment	Sched, D-3 Ln. 5(a)	•	3,843	34,147,654	(9,875,349)}	-		238,346,147
6	313	Engines and Engine Driven Generator	Sched. D-3 Ln. 6(a)		8,804	34,634	-		-		343,438
7	314	Turbogenerator Units	Sched. D-3 l.n. 7(a)	119,9		6,186,860	(1,730,607		-		124,394,944
8	315	Accessory Electric Equipment	Sched. D-3 Ln. 8(a)		53,112	1,377,945	(392,168		69		22,938,959
9	316	Miscellaneous Power Plant Equipment	Sched. D-3 Ln. 9(a)		4,625	285,868	(71,730		<u> </u>		3,688,763
10 11		Total Steam Plant Production Plant		398,8	8,576	43,734,677	(12,253,515	<u>) </u>	69		430,349,807
12	314	Plant Acquisition Adjustment	Sched. D-3 Ln. 12(a)	4,8	70,308	-	-		-		4,870,308
13 14 15		OTHER PRODUCTION PLANT									
16	340	Land and Land Rights	Sched, D-3 Ln. 16(a)		2,705	-	-		· _		2,705
17	341	Structures and Improvements	Sched. D-3 Ln. 17(a)	5'	15,535	-	-		-		515,535
18	342	Boiler Plant Equipment	Sched, D-3 Ln. 18(a)		3,126	184,223	(11,074	1}	-		5,266,27
19	344	Turbogenerator Units	Sched, D-3 Ln. 19(a)	,)2,239	1,028,024	(384,52)	•	_		69,045,73
20	345	Accessory Electric Equipment	Sched. D-3 Ln. 20(a)		38,610	28,650	(001)02	•,	_		4,867,260
21	346	Miscellaneous Power Plant Equipment	Sched. D-3 Ln. 20(0) Sched. D-3 Ln. 21(a)		32,868	20,000	-		_		82,868
22	540	Total Other Production Plant	Janea, D J Lii, 21(d)		35,083	1,240,897	(395,600	<u>n</u>	<u> </u>		79,780,380
23					15,005	1,240,037		<u>.</u>			, 3, 7 60, 500
24		Total Production Plant	Ln.10 + Ln.12 + Ln.22	482.6	73,967	44,975,574	(12,649,11	5) —	69		515,000,495
25								<u> </u>			
26		TRANSMISSION PLANT									
27 28	350	Land and Land Rights	Sched. D-3 Ln. 28(a)	3.4	43,905	254,255	(156,44)))	2,204,210		5,745,930
29	352	Structures and Improvements	Sched. D-3 Ln. 29(a)	1.5	58,466	-	• •	•	-		1,568,460
30	353	Station Equipment	Sched, D-3 Ln, 30(a)	,	59,824	8,391,863	(1,720,81)	2)	(629,163)		47,111,71
31	354	Tower and Fixtures	Sched. D-3 Ln. 31(a)	,	47,677	417,149		-,	•		864,820
32	355	Poles and Fixtures	Sched. D-3 Ln. 32(a)		80,651	8,468,446	(11,41	5)	(459,991)		27,777,69
33	356	Overhead Conductors and Devices	Sched. D-3 Ln. 33(a)	,	56,601	8,656,230	(,		(1,728,831)		29,384,00
34	359	Roads and Trails	Sched. D-3 Ln. 34(a)	,	6,920	-,,	-		(-/·//		6,920
35 36		Total Transmission Plant		88,7	74,046	26,187,944	(1,888,66	7)	(613,775)		112,459,54
37 38		DISTRIBUTION PLANT									
39	360	Land and Land Rights	Sched. D-3 Ln. 39(a)	16	31,095	38,137	_		_		1,669,23
40	361	Structure and Improvements	Sched. D-3 Ln. 40(a)		54,825		-				254,82
40 41	362	Station Equipment	Sched. D-3 Ln. 40(a)		79,647	2,558,547	(211,45	41	-		64,126,739
	362 364	Poles, Towers, and Fixtures	Sched, D-3 Ln, 41(a) Sched, D-3 Ln, 42(a)	•	02,061	6,876,137	(792,95	-	(139,369)		65,945,873
42	304	Poles, Towers, and Fixtures	Scrieg. U-3 Ln. 42(a)	60,0	02,001	6,870,137	(792,95	0	(122,202)		00,945,8

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BLACK HILLS POWER, INC. ELECTRIC PLANT IN SERVICE For the Test Year Ended June 30, 2012

Line	FERC Acct.			Balance June 30,			Transfers &	Balance June 30,
No.	#	Description	Reference	2011	Additions	Retirements	Adjustments	2012
43	365	Overhead Conductors and Devices	Sched, D-3 Ln. 43(a)	36,424,385	5,236,602	(774,445)	(239,811)	40,646,730
44	366	Underground Conduit	Sched. D-3 Ln. 44(a)	3,318,821	686,303	(47,424)	(33,897)	3,923,804
45	367	Underground Conductors and Devices	Sched. D-3 Ln. 45(a)	38,328,283	1,924,376	(216,183)	(904,837)	39,131,638
46	368	Line Transformers	Sched. D-3 Ln. 46(a)	31,747,686	2,191,777	(453,677)	115,913	33,601,698
40	369	Services	Sched, D-3 Ln. 47(a)	26,782,173	1,708,796	(17,269)	(263,004)	28,210,697
48	370	Meters	Sched. D-3 Ln. 48(a)	1,193,709	5,510,952	(3,990)	28,600	6,729,270
40	370	Installation on Customers' Premises	Sched, D-3 Ln. 49(a)	2,011,493	95,598	(10,858)	(288)	2,095,945
49 50	373	Street Lighting and Signal Systems	Sched. D-3 Ln. 49(a) Sched. D-3 Ln. 50(a)	1,660,441	63,387	(7,678)	(200)	1,716,150
50	575	Total Distribution Plant	Sched. D-3 ch. 30(a)	265,134,618	26,890,612	(2,535,936)	(1,436,693)	288,052,602
51 52		Total Distribution Plant		205,154,018	20,090,012	(2,335,330)	[1,430,093]	200,032,002
		GENERAL PLANT						
53 54		GENERAL PLANT						
55	389	Land and Land Rights	Sched, D-3 Ln. 55(a)	602,008	205,748	-	-	807,757
56	390	Structures and Improvements	Sched. D-3 Ln. 56(a)	10,604,295	583,996	(31,177)	-	11,157,115
57	391	Office Furniture and Equipment	Sched. D-3 Ln. 57(a)	10,557,887	2,309,304	(6,266,765)	(28,600)	6,571,827
58	392	Transportation Equipment	Sched, D-3 Ln. 58(a)	5,952,367	1,480,880	(354,696)	(40,229)	7,038,322
59	393	Stores Equipment	Sched. D-3 Ln. 59(a)	326,516	-	(15,047)	-	311,468
60	394	Tools, Shop and Garage Equipment	Sched, D-3 Ln. 60(a)	4,979,650	317,548	(1,115,547)	-	4,181,652
61	395	Laboratory Equipment	Sched. D-3 Ln. 61(a)	607,146	36,271	(328,670)	-	314,748
62	396	Power Operated Equipment	Sched. D-3 Ln. 62(a)	541,889	132,018	-	-	673,907
63	397	Communication Equipment	Sched. D-3 Ln. 63(a)	8,069,769	262,698	(273,368)	-	8,059,098
64	398	Miscellaneous Equipment	Sched, D-3 Ln. 64(a)	376,056	5,667	(187,704)	-	194,019
65		Total General Plant		42,617,584	5,334,130	(8,572,974)	(68,828)	39,309,911
66								· · · · · · · · · · · · · · · · · · ·
67	106	Completed/Not Classified - Production	Sched. D-3 Ln. 69(a)	42,722,082	-	-	(34,811,902)	7,910,180
68	106	Completed/Not Classified - Other Production	Sched. D-3 Ln. 70(a)	638,544	-	-	(568,738)	69,805
69	106	Completed/Not Classified - Transmission	Sched. D-3 Ln. 71(a)	26,943,748	-	-	(24,053,095)	2,890,653
70	106	Completed/Not Classified - Distribution	Sched. D-3 Ln. 72(a)	15,908,235	-	-	(6,777,347)	9,130,888
71	106	Completed/Not Classified - General	Sched. D-3 Ln. 73(a)	6,920,223	-	-	(3,904,802)	3,015,422
72		Total Completed/Not Classified		93,132,832	·	-	(70,115,883)	23,016,949
73					·····, ·····,··			
74	118	Other Utility Plant	Sched. D-3 Ln. 76(a)	25,895,891	-	-	(811,880)	25,084,011
75	121	Non Utility Plant	Sched. D-3 Ln. 77(a)	5,618	-			5,618
76		Total Other Utility Plant		25,901,509			(811,880)	25,089,629
77		·						
78		TOTAL ELECTRIC PLANT IN SERVICE	Ln.24 + Ln.35 + Ln.51 +	\$ 998,234,555	\$ 103,388,260	\$ (25,646,692)	\$ (73,046,991)	\$ 1,002,929,133
79			Ln.65 + Ln.72 + Ln.76					

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BLACK HILLS POWER, INC. SUMMARY OF MAJOR ADDITIONS AND RETIREMENTS BY FUNCTION For the Period January 2012 Through June 2012

Schedule D-2 2012 Page 1 of 2

Line No.	Work Order	Description	Amount	Start Date	Period Closed
1		PRODUCTION			
2	VARIOUS	VARIOUS UNDER \$100,000	\$ 136,486	VARIOUS	VARIOUS
3	10042616	NSCT1-HYD CONTROL UNIT REPL	103,042	8/8/2011	6
4	10040181	NSC COMMON-ARC FLASH-PHASE 2	107,734	6/3/2011	6
5	10043825	BEN F CT NAT GAS PIPELINE	155,467	12/16/2011	6
6		TOTAL MAJOR ADDITIONS	\$ 502,729		
7					
8	VARIOUS	FERC ACCT 311	(16,864)	VARIOUS	VARIOUS
9	VARIOUS	FERC ACCT 312	(21,492)	VARIOUS	VARIOUS
10	VARIOUS	FERC ACCT 314	(4,470)	VARIOUS	VARIOUS
11	VARIOUS	FERC ACCT 316	(27,494)	VARIOUS	VARIOUS
12	VARIOUS	FERC ACCT 342	(1,074)	VARIOUS	VARIOUS
13	VARIOUS	FERC ACCT 344	(74,350)	VARIOUS	VARIOUS
14		TOTAL MAJOR RETIREMENTS	\$ (145,744)		
15					
16		TRANSMISSION			
17	VARIOUS	VARIOUS UNDER \$100,000	168,797	VARIOUS	VARIOUS
18	99156249	NEW NORTHERN HILLS 230KV SUBSTATION	254,255	4/30/2009	4
19		TOTAL MAJOR ADDITIONS	\$ 423,052		
20					
21		DISTRIBUTION			
22	VARIOUS	VARIOUS UNDER \$100,000	494,376	VARIOUS	VARIOUS
23	10042629	Distribution Rebuilds	133,136	8/30/2010	7
24	99157701	REPLACE 69KV BREAKERS	141,076	2/19/2010	5
25	99157006	REPLACE AND STUB DISTRIBUTION POLES	166,589	3/18/1994	6
26	10040054	Repl Elec ext or Gas Mains Blanket	195,089	8/15/2010	VARIOUS
27	99157007	REPLACE UNDERGROUND	243,651	11/4/2008	7
28	10040064	Inv New Cust Undg svc/Meter Enclos	274,304	8/15/2010	VARIOUS
29	99157210	RECONDUCTOR 2S67	404,493	5/4/2007	1
30	99157242	RECONDUCTOR CUS1203, DIST 12.4KV	407,243	12/14/2009	2
31	99157009	BETTERMENT PROJECT < \$25000	493,641	7/22/2009	7
32	99157002	BLANKET PROJECT - TRANSFORMERS	600,544	2/1/2008	6
33	99157076	SPEARFISH VOLTAGE CONVERSION	810,452	2/9/2009	3
34	10040058	Inv New Cust Elec Serv OH Blanket	867,452	8/15/2010	VARIOUS
35	99157001	CUSTOMER PROJECTS OVER \$5000	882,225	10/6/2008	7
36	99157012	ROAD IMPROVEMENTS PROJECTS	884,872	9/8/2010	6
37	99157703	EDGEMONT RIVER TO HS 69KV REBUILD	2,257,870	10/11/2007	9
38	99157724	LANGE TO STURGIS 69KV	3,913,756	2/23/2010	3
39	99157255	AMI AUTOMATED METER READING PROJECT	5,235,303	3/30/2010	9
40		TOTAL MAJOR ADDITIONS	\$ 18,406,070		

BLACK HILLS POWER, INC. SUMMARY OF MAJOR ADDITIONS AND RETIREMENTS BY FUNCTION For the Period January 2012 Through June 2012

Schedule D-2 2012 Page 2 of 2

Line	Work			Start	Period
No.	Order	Description	Amount	Date	Closed
41	VARIOUS	FERC ACCT 362	\$ (111,129)	VARIOUS	VARIOUS
42	VARIOUS	FERC ACCT 364	(657,649)	VARIOUS	VARIOUS
43	VARIOUS	FERC ACCT 365	(611,374)	VARIOUS	VARIOUS
44	VARIOUS	FERC ACCT 366	(26,712)	VARIOUS	VARIOUS
45	VARIOUS	FERC ACCT 367	(96,515)	VARIOUS	VARIOUS
46	VARIOUS	FERC ACCT 368	(235,685)	VARIOUS	VARIOUS
47	VARIOUS	FERC ACCT 369	(7,793)	VARIOUS	VARIOUS
48	VARIOUS	FERC ACCT 370	(3,990)	VARIOUS	VARIOUS
49	VARIOUS	FERC ACCT 371	(5,835)	VARIOUS	VARIOUS
50	VARIOUS	FERC ACCT 373	(2,426)	VARIOUS	VARIOUS
51		TOTAL MAJOR RETIREMENTS	\$ (1,759,108)		
52					
53		GENERAL			
54	VARIOUS	VARIOUS UNDER \$100,000	435,462	VARIOUS	VARIOUS
55	99158022	CAPITAL FACILITIES BLANKET-2010	140,669	7/19/2010	2
56	10041482	UNIFIED PRINT PRJECT BHP	141,288	3/2/2011	3
57	10041350	CAPITAL PROJECTS-UNBUDGETED	173,095	3/16/2011	5
58	99158002	TRANSPORTATION BLANKET	215,372	1/29/2010	3
59	10040395	FLEET PURCHASED BHP	373,719	6/16/2011	8
60		TOTAL MAJOR ADDITIONS	\$ 1,479,605		
61					
62	VARIOUS	FERC ACCT 390	(16,716)	VARIOUS	VARIOUS
63	VARIOUS	FERC ACCT 391	(4,863,775)	VARIOUS	VARIOUS
64	VARIOUS	FERC ACCT 392	(234,274)	VARIOUS	VARIOUS
65	VARIOUS	FERC ACCT 395	(1,279)	VARIOUS	VARIOUS
66	VARIOUS	FERC ACCT 397	(5,537)	VARIOUS	VARIOUS
67		TOTAL MAJOR RETIREMENTS	\$ (5,121,581)		
68					
69					
70		Grand Total	\$ 13,785,023		

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BLACK HILLS POWER, INC. PLANT ACCOUNT BALANCES For the Test Year Ended June 30, 2012

			(a)	(b)	(c)	(d)	(e)	(f)	(g)
Line	FERC								
No.	Acct, #	Description	June 2011	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011
1		STEAM PRODUCTION PLANT							
2		STEAM I NODUCTION PLANT							
3	310	Land and Land Rights	\$ 333,941	\$ 333,941	\$ 333.941	\$ 333,639	\$ 333.639	\$ 333,639	\$ 333,639
4	311	Structures and Improvements	38,785,561	40,256,478	40,271,763	40,283,471	40,290,544	40,292,597	40,292,597
5	312	Boiler Plant Equipment	214,073,843	215,628,370	215,679,049	215,662,484	215,666,776	238,169,301	238,327,529
6	313	Engines and Engine Driven Generator	308,804	340,322	340,322	340,322	340,322	343,438	343,438
7	314	Turbogenerator Units	119,938,691	120,071,057	120,211,575	120,458,652	120,497,861	123,825,447	124,412,413
8	315	Accessory Electric Equipment	21,953,112	22,189,341	22,779,443	22,779,443	22,779,443	22,818,251	22,818,251
9	316	Miscellaneous Power Plant Equipment	3,474,625	3,595,180	3,672,905	3,698,331	3,698,331	3,699,156	3,699,156
10		Total Steam Plant Production Plant	398,868,576	402,414,689	403,288,998	403,556,342	403,606,917	429,481,829	430,227,024
11									
12	314	Plant Acquisition Adjustment	4,870,308	4,870,308	4,870,308	4,870,308	4,870,308	4,870,308	4,870,308
13							, .		
14		OTHER PRODUCTION PLANT							
15									
16	340	Land and Land Rights	2,705	2,705	2,705	2,705	2,705	2,705	2,705
17	341	Structures and Improvements	515,535	515,535	515,535	515,535	515,535	515,535	515,535
18	342	Boiler Plant Equipment	5,093,126	5,093,126	5,093,126	5,111,177	5,111,177	5,111,177	5,111,177
19	344	Turbogenerator Units	68,402,239	68,402,239	68,402,239	68,402,239	68,402,239	68,975,794	68,966,564
20	345	Accessory Electric Equipment	4,838,610	4,838,610	4,852,046	4,858,452	4,858,452	4,858,452	4,867,260
21	346	Miscellaneous Power Plant Equipment	82,868	82,868	82,868	82,868	82,868	82,868	82,868_
22		Total Other Production Plant	78,935,083	78,935,083	78,948,520	78,972,976	78,972,976	79,546,531	79,546,109
23									
24		Total Production Plant	482,673,967	486,220,080	487,107,826	487,399,627	487,450,201	513,898,668	514,643,441
25									
26		TRANSMISSION PLANT							
27									
28	350	Land and Land Rights	3,443,905	3,287,465	3,287,465	3,287,465	3,287,465	3,287,465	3,287,465
29	352	Structures and Improvements	1,568,466	1,568,466	1,568,466	1,568,466	1,568,466	1,568,466	1,568,466
30	353	Station Equipment	41,069,824	41,139,283	41,139,330	42,899,068	47,685,068	47,082,746	47,105,727
31	354	Tower and Fixtures	447,677	447,677	447,677	447,677	865,852	865,852	865,852
32	355	Poles and Fixtures	19,780,651	19,780,651	19,780,651	28,059,157	28,429,712	28,429,712	28,466,484
33	356	Overhead Conductors and Devices	22,456,601	22,456,601	22,456,856	30,387,028	30,286,718	30,286,748	30,735,649
34	359	Roads and Trails	6,920	6,920	6,920	6,920	6,920	6,920	6,920
35		Total Transmission Plant	88,774,046	88,687,063	88,687,365	106,655,781	112,130,202	111,527,910	112,036,564
36									
37		DISTRIBUTION PLANT							
38							4 504 005	4 504 440	
39	360	Land and Land Rights	1,631,095	1,631,095	1,631,095	1,631,095	1,631,095	1,631,119	1,631,119
40	361	Structure and Improvements	254,825	254,825	254,825	254,825	254,825	254,825	254,825
41	362	Station Equipment	61,779,647	61,779,647	61,791,142	51,822,421	62,056,607	63,965,946	64,046,924
42	364	Poles, Towers, and Fixtures	60,002,06 <u>1</u>	60,314,496	60,544,057	60,671,034	60,872,999 36 709 336	61,106,201	61,816,209
43	365	Overhead Conductors and Devices	36,424,385	36,575,239	36,734,815 3,478,082	36,765,591 3,476,736	36,799,326 3,476,649	37,247,018 3,499,420	37,631,864 3,466,094
44	366	Underground Conduit	3,318,821	3,323,823		3,476,736 38,755,443	3,476,649 38,789,612	38,825,456	3,466,094 37,948,751
45 46	367 368	Underground Conductors and Devices Line Transformers	38,328,283 31,747,686	38,370,813 31,790,469	38,786,123 31,798,953	38,755,443 31,896,142	38,789,612 31,966,830	38,825,456	37,948,751 32,354,658
46 47	368 369			31,790,469 26,821,452	31,798,953 26,923,399	31,896,142 26,941,282	27,050,348	27,254,100	32,334,658 27,059,221
47 48	369	Services Motors	26,782,173 1,193,709	26,821,452	26,923,399 1,193,709	26,941,282 1,193,709	1,425,174	1,425,174	1,425,174
46	570	Meters	1,125,709	1,155,709	1,193,709	1,133,105	1,723,174	1,74,27,174	1,720,174

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BLACK HILLS POWER, INC. PLANT ACCOUNT BALANCES For the Test Year Ended June 30, 2012

			(a)	(b)	(c)	(d)	(e)	(f)	(g)
Line	FERC								
No.	Acct. #	Description	June 2011	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011
110.	ALCL	Beschpuoli			AUEUSIZOII	September 2011	OCIODEI 2011	November 2011	December 2011
49	371	Installation on Customers' Premises	2,011,493	2,015,051	2,016,619	2,018,101	2,020,201	2,019,472	2,045,064
50	373	Street Lighting and Signal Systems	1,660,441	1,660,254	1,664,306	1,664,340	1,665,229	1,700,369	1,697,136
51		Total Distribution Plant	265,134,618	265,730,882	266,817,127	267,090,719	268,018,895	271,152,120	271,377,040
52									
53		GENERAL PLANT							
54									
55	389	Land and Land Rights	602,008	805,861	805,861	805,861	805,861	807,757	807,757
56	390	Structures and Improvements	10,604,295	10,604,295	10,670,517	10,670,517	10,691,766	10,700,123	10,878,717
57	391	Office Furniture and Equipment	10,557,887	10,617,077	11,263,653	12,221,472	12,221,472	10,923,263	11,079,156
58	392	Transportation Equipment	5,952,367	5,952,367	5,952,367	5,876,242	5,898,848	6,038,732	6,784,589
59	393	Stores Equipment	326,516	326,516	326,516	326,516	326,516	311,522	311,468
60	394	Tools, Shop and Garage Equipment	4,979,650	4,984,246	4,984,245	5,014,971	5,015,305	3,909,719	3,985,211
61	395	Laboratory Equipment	607,145	635,892	635,892	635,892	635,892	318,161	316,027
62	396	Power Operated Equipment	541,889	541,889	541,889	593,309	614,559	646,699	673,907
63	397	Communication Equipment	8,069,769	8,129,233	8,129,233	8,129,233	8,129,233	8,141,083	7,954,305
64	398	Miscellaneous Equipment	376,056	376,056	376,056	376,056	376,056	188,366	188,352
65		Total General Plant	42,617,584	42,973,433	43,686,231	44,650,070	44,715,509	41,985,425	42,980,488
66									
67		Total Electric Plant in Service	879,200,215	883,611,459	886,298,548	905,796,197	912,314,807	938,574,124	941,037,533
68									
69	106	Completed/Not Classified - Production	42,722,082	40,573,113	38,181,984	37,238,847	38,056,616	2,423,540	1,215,877
70	106	Completed/Not Classified - Other Production	638,544	561,275	1,056,829	1,125,537	1,125,537	151,396	244,881
71	105	Completed/Not Classified - Transmission	26,943,748	26,939,595	26,941,243	8,478,006	1,959,437	338,096	3,025,498
72	105	Completed/Not Classified - Distribution	15,908,235	15,848,948	14,878,821	15,184,765	14,535,735	13,572,676	18,455,786
73	105	Completed/Not Classified - General	6,920,223	4,503,248	4,308,711	3,533,976	3,317,595	3,282,490	2,184,861
74		Total Completed/Not Classified	93,132,832	88,426,180	85,367,587	65,561,130	59,004,920	19,768,299	25,126,903
75									
76	118	Other Utility Plant	25,895,891	25,833,083	25,964,455	26,161,962	25,553,649	25,821,913	26,874,991
77	121	Non Utility Plant	5,618	5,618	5,618	5,618	5,618	5,618	5,618
78		Total Other Utility Plant	25,901,509	25,838,701	25,970,073	26,167,580	25,559,267	25,827,531	26,880,609
79									
80		TOTAL PLANT	\$ 998,234,555	\$ 997,876,340	\$ 997,636,209	\$ 997,524,907	\$ 996,878,995	\$ 984,169,954	<u>\$ 993,045,045</u>

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BLACK HILLS POWER, INC. PLANT ACCOUNT BALANCES For the Test Year Ended June 30, 2012

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|          |            |                                                  | (h)          | (i)          | ()              | (k)           | (1)               | (m)         | (n)<br>[(Sum of (a):(m))/13] |
|----------|------------|--------------------------------------------------|--------------|--------------|-----------------|---------------|-------------------|-------------|------------------------------|
| Line     | FERC       |                                                  |              |              |                 |               |                   |             |                              |
| No.      | Acct. #    | Description                                      | January 2012 | February 20: | 12 March 2012   | April 2012    | May 2012          | June 2012   | 12 Month Average             |
| 1<br>2   |            | STEAM PRODUCTION PLANT                           |              |              |                 |               |                   |             |                              |
| 3        | 310        | Land and Land Rights                             | \$ 333,639   | \$ 333.      | 639 \$ 333,635  | ÷ \$ 333,639  | \$ 333,639        | \$ 333.639  | \$ 333,709                   |
| 4        | 311        | Structures and Improvements                      | 40,293,282   | 40,293,      | 282 40,293,282  | 40,293,282    | 40,293,282        | 40,303,917  | 40,172,565                   |
| 5        | 312        | Boiler Plant Equipment                           | 238,327,387  | 238,327,     | 387 238,306,58  | 1 238,306,581 | 238,306,581       | 238,346,147 | 229,471,386                  |
| 6        | 313        | Engines and Engine Driven Generator              | 343,438      | 343,         | 438 343,438     | 8 343,438     | 343,438           | 343,438     | 339,815                      |
| 7        | 314        | Turbogenerator Units                             | 124,412,413  | 124,412,     | 413 124,393,90  | 7 124,393,907 | 124,393,907       | 124,394,944 | 122,755,168                  |
| 8        | 315        | Accessory Electric Equipment                     | 22,818,251   | 22,818,      | 320 22,818,320  | 0 22,831,225  | 22,831,225        | 22,938,959  | 22,705,660                   |
| 9        | 316        | Miscellaneous Power Plant Equipment              | 3,701,545    | 3,701,       | 545 3,688,763   | 3 3,688,763   | 3,688,763         | 3,688,763   | 3,668,910                    |
| 10<br>11 |            | Total Steam Plant Production Plant               | 430,229,956  | 430,230,     | 430,177,93      | 1 430,190,836 | 430,190,836       | 430,349,806 | 419,447,213                  |
| 12<br>13 | 314        | Plant Acquisition Adjustment                     | 4,870,308    | 4,870,       | 308 4,870,30    | B 4,870,308   | 4,870,308         | 4,870,308   | 4,870,308                    |
| 14<br>15 |            | OTHER PRODUCTION PLANT                           |              |              |                 |               |                   |             |                              |
| 16       | 340        | Land and Land Rights                             | 2,705        | 2,           | 705 2,70        | 5 2,705       | 2,705             | 2,705       | 2,705                        |
| 17       | 341        | Structures and Improvements                      | 515,535      |              | 535 515,53      | 5 515,535     | 515,535           | 515,535     | 515,535                      |
| 18       | 342        | Boiler Plant Equipment                           | 5,111,882    | 5,111,       | 882 5,111,88    | 2 5,111,882   | <b>5,111,88</b> 2 | 5,266,275   | 5,119,213                    |
| 19       | 344        | Turbogenerator Units                             | 69,017,045   | 69,017,      | 045 69,017,04   | 5 69,017,045  | 69,017,045        | 69,045,737  | 58,775,732                   |
| 20       | 345        | Accessory Electric Equipment                     | 4,867,260    | 4,867,       | 260 4,867,26    | 0 4,867,260   | 4,867,260         | 4,867,260   | 4,859,650                    |
| 21       | 346        | Miscellaneous Power Plant Equipment              | 82,868       | 82,          | 858 82,86       |               | 82,868            | 82,868      | 82,868                       |
| 22       |            | Total Other Production Plant                     | 79,597,295   | 79,597       | 295 79,597,29   | 5 79,597,295  | 79,597,295        | 79,780,380  | 79,355,703                   |
| 23<br>24 |            | Total Production Plant                           | 514,697,558  | 514,697      | .627 514,645,53 | 4514,658,438  | 514,658,438       | 515,000,494 | 503,673,224                  |
| 25<br>26 |            | TRANSMISSION PLANT                               |              |              |                 |               |                   |             |                              |
| 27<br>28 | 250        | Land and Land Rights                             | 3,287,465    | 3,287        | 465 5,491,67    | 4 5,745,930   | 5,745,930         | 5,745,930   | 4,036,391                    |
| 28       | 350<br>352 |                                                  | 1,568,466    |              |                 |               | 1,568,466         | 1,568,466   | 1,568,466                    |
| 29<br>30 | 352        | Structures and Improvements<br>Station Equipment | 47,105,723   |              |                 |               | 47,111,713        | 47,111,713  | 45,442,021                   |
| 31       | 354        | Tower and Fixtures                               | 47,103,723   |              | ,852 864,82     |               | 864,826           | 864,826     | 736,867                      |
| 32       | 355        | Poles and Fixtures                               | 28,466,484   |              |                 |               | 27,776,819        | 27,777,691  | 26,210,756                   |
| 33       | 356        | Overhead Conductors and Devices                  | 30,735,649   |              |                 |               | 29,384,000        | 29,384,000  | 28,310,483                   |
| 34       | 359        | Roads and Trails                                 | 6,920        |              | 920 6,92        |               | 6,920             | 6,920       | 6,920                        |
| 35<br>36 |            | Total Transmission Plant                         | 112,036,564  |              |                 |               | 112,458,674       | 112,459,547 | 106,311,904                  |
| 37<br>38 |            | DISTRIBUTION PLANT                               |              |              |                 |               |                   |             |                              |
| 39       | 360        | Land and Land Rights                             | 1,631,119    | 1,631        |                 |               | 1,664,110         | 1,669,232   | 1,636,579                    |
| 40       | 361        | Structure and Improvements                       | 254,825      | 5 254        | ,825 254,82     | 5 254,825     | 254,825           | 254,825     | 254,825                      |
| 41       | 362        | Station Equipment                                | 64,046,924   | 64,066       | ,942 64,066,94  | 0 64,079,315  | 64,126,739        | 64,126,739  | 63,211,995                   |
| 42       | 364        | Poles, Towers, and Fixtures                      | 62,038,876   | 64,127       | ,348 64,353,87  | 4 64,670,435  | 65,842,138        | 65,945,873  | 62,485,046                   |
| 43       | 365        | Overhead Conductors and Devices                  | 37,805,152   |              |                 |               | 40,655,499        | 40,646,730  | 38,192,744                   |
| 44       | 366        | Underground Conduit                              | 3,499,006    |              |                 |               | 3,883,290         | 3,923,804   | 3,587,563                    |
| 45       | 367        | Underground Conductors and Devices               | 37,951,589   |              |                 |               | 39,039,476        | 39,131,638  | 38,602,767                   |
| 46       | 368        | Line Transformers                                | 32,465,898   |              |                 |               | 33,236,801        | 33,601,698  | 32,438,334                   |
| 47       | 369        | Services                                         | 27,331,765   |              |                 |               | 28,108,761        | 28,210,697  | 27,327,010                   |
| 48       | 370        | Meters                                           | 1,425,174    | 1,425        | ,174 5,683,26   | 52 5,704,361  | 6,704,361         | 6,729,270   | 2,978,612                    |

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#### BLACK HILLS POWER, INC. PLANT ACCOUNT BALANCES For the Test Year Ended June 30, 2012

|          |         |                                             | (h)            | (i)            | (1)            | (K)            | (1)            | (m)              | (n)<br>[(Sum of (a):(m))/13] |
|----------|---------|---------------------------------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------------------|
| Line     | FERC    | _                                           |                |                |                |                |                |                  |                              |
| No.      | Acct. # | Description                                 | January 2012   | February 2012  | March 2012     | April 2012     | May 2012       | June 2012        | 12 Month Average             |
| 49       | 371     | Installation on Customers' Premises         | 2,050,387      | 2,074,994      | 2,075,512      | 2,089,964      | 2,093,677      | 2,095,945        | 2,048,191                    |
| 50       | 373     | Street Lighting and Signal Systems          | 1,701,206      | 1,709,921      | 1,710,937      | 1,714,308      | 1,714,408      | 1,716,150        | 1,690,694                    |
| 51<br>52 |         | Total Distribution Plant                    | 272,201,924    | 277,594,160    | 283,275,840    | 284,126,672    | 287,324,084    | 288,052,602      | 274,454,360                  |
| 53<br>54 |         | GENERAL PLANT                               |                |                |                |                |                |                  |                              |
| 55       | 389     | Land and Land Rights                        | 807,757        | 807,757        | 807,757        | 807,757        | 807,757        | 807,757          | 791,347                      |
| 56       | 390     | Structures and Improvements                 | 10,977,537     | 11,067,600     | 11,073,755     | 11,153,803     | 11,157,115     | 11,157,115       | 10,877,474                   |
| 57       | 391     | Office Furniture and Equipment              | 11,122,581     | 11,136,462     | 11,308,823     | 6,418,744      | 6,431,579      | 6,571,827        | 10,144,154                   |
| 58       | 392     | Transportation Equipment                    | 6,802,421      | 6,802,421      | 6,886,884      | 6,915,159      | 6,915,159      | 7,038,322        | 6,447,375                    |
| 59       | 393     | Stores Equipment                            | 311,468        | 311,468        | 311,468        | 311,468        | 311,468        | 311,468          | 317,260                      |
| 60       | 394     | Tools, Shop and Garage Equipment            | 3,996,792      | 3,996,792      | 4,070,166      | 4,080,568      | 4,080,568      | 4,181,652        | 4,406,222                    |
| 61       | 395     | Laboratory Equipment                        | 316,027        | 316,027        | 316,027        | 314,748        | 314,748        | 314,748          | 436,710                      |
| 62       | 396     | Power Operated Equipment                    | 673,907        | 673,907        | 673,907        | 673,907        | 673,907        | 673,907          | 630,583                      |
| 63       | 397     | Communication Equipment                     | 7,954,305      | 7,954,305      | 8,020,031      | 8,059,098      | 8,059,098      | 8,059,098        | 8,060,617                    |
| 64       | 398     | Miscellaneous Equipment                     | 188,352        | 188,352        | 194,019        | 194,019        | 194,019        | 194,019          | 262,291                      |
| 65<br>65 |         | Total General Plant                         | 43,151,146     | 43,255,090     | 43,662,835     | 38,929,270     | 38,945,417     | 39,309,911       | 42,374,033                   |
| 67<br>68 |         | Total Electric Plant in Service             | 942,087,192    | 947,624,455    | 953,649,020    | 950,173,054    | 953,386,614    | 954,822,554      | 926,813,521                  |
| 69       | 105     | Completed/Not Classified - Production       | 1,301,617      | 1,290,639      | 1,349,592      | 1,348,906      | 3,799,040      | 7,910,180        | 16,724,779                   |
| 70       | 106     | Completed/Not Classified - Other Production | 244,890        | 315,314        | 315,853        | 315,853        | 315,853        | 69,805           | 498,582                      |
| 71       | 106     | Completed/Not Classified - Transmission     | 3,081,973      | 3,085,359      | 3,095,135      | 2,657,020      | 2,830,827      | 2,890,653        | 8,635,892                    |
| 72       | 106     | Completed/Not Classified - Distribution     | 18,446,050     | 13,839,023     | 9,330,191      | 9,498,508      | 8,839,397      | 9,130,888        | 13,651,463                   |
| 73       | 106     | Completed/Not Classified - General          | 2,154,288      | 2,121,703      | 2,324,113      | 1,525,943      | 1,806,878      | 3,015,422        | 3,153,804                    |
| 74<br>75 |         | Total Completed/Not Classified              | 25,228,817     | 20,652,038     | 16,414,883     | 15,346,230     | 17,591,996     | 23,016,949       | 42,664,520                   |
| 76       | 118     | Other Utility Plant                         | 25,984,668     | 26,431,151     | 26,478,742     | 26,314,514     | 24,773,618     | 25,084,011       | 25,936,358                   |
| 77       | 121     | Non Utility Plant                           | 5,618          | 5,618          | 5,618          | 5,618          | 5,618          | 5,618            | 5,618                        |
| 78<br>79 |         | Total Other Utility Plant                   | 25,990,286     | 26,436,769     | 26,484,360     | 26,320,132     | 24,779,236     | 25,089,629       | 25,941,976                   |
| 80       |         | TOTAL PLANT                                 | \$ 993,306,296 | \$ 994,713,261 | \$ 996,548,263 | \$ 991,839,416 | \$ 995,757,846 | \$ 1,002,929,132 | \$ 995,420,017               |

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#### BLACK HILLS POWER, INC. STEAM PRODUCTION BY PLANT For the Test Year Ended June 30, 2012

|            |                 |                                     | (a)                    | (b)             | (c)         | (d)            | (e)             | (f)           | (g)             |
|------------|-----------------|-------------------------------------|------------------------|-----------------|-------------|----------------|-----------------|---------------|-----------------|
| ùne<br>No. | FERC<br>Acct. # | Description                         | June 2011              | July 2011       | August 2011 | Santowhan 2014 | 0-t-h 2014      |               | <b>D</b> 1 2011 |
| 10.        | <u> </u>        | Description                         |                        | July 2011       | August 2011 | September 2011 | October 2011    | November 2011 | December 2011   |
| 1<br>2     |                 | STEAM PRODUCTION PLANT              |                        |                 |             |                |                 |               |                 |
| 3          |                 | Ben French                          |                        |                 |             |                |                 |               |                 |
| 4          | 310             | Land                                | \$ 59,695              | \$ 59,695       | \$ 59,695   | \$ 59,695      | \$ 59,695       | Ś 59.695      | \$ 59,695       |
| 5          | 311             | Structures and Improvements         | 2,262,065              | 2,262,065       | 2,244,500   | 2,240,556      | 2,276,973       | 2,274,915     | 2,274,915       |
| 6          | 312             | Boiler Plant Equipment              | 6,848,310              | 6,848,310       | 6,842,840   | 6,837,640      | 6,863,983       | 6,864,028     | 5,864,028       |
| 7          | 313             | Engines and Engine Driven Generator |                        | -,,             |             | -              | -,,             |               | .,              |
| 8          | 314             | Turbogenerator Units                | 3,948,450              | 3,948,450       | 3,903,953   | 3,903,953      | 3.903.953       | 3,903,953     | 3.903.953       |
| 9          | 315             | Accessory Electric Equipment        | 756,487                | 756,487         | 756,487     | 756,487        | 756,487         | 756,487       | 756,487         |
| LO .       | 316             | Miscellaneous Power Plant Equipment | 461,438                | 461,438         | 461,438     | 461,438        | 461,438         | 461,438       | 461,438         |
| 1          |                 | Total Ben French                    | 14,336,445             | 14,336,445      | 14,268,912  | 14,259,759     | 14,322,528      | 14,320,515    | 14,320,515      |
| 2          |                 |                                     |                        |                 |             |                |                 | 1,020,020     | 14,010,010      |
| 13         |                 | Neil Simpson I                      |                        |                 |             |                |                 |               |                 |
| ι4         | 310             | Land                                | 1.000                  | 1.000           | 1,000       | 1.000          | 1.000           | 1,000         | 1.000           |
| 15         | 311             | Structures and Improvements         | 2,292,160              | 2.292.160       | 2,292,160   | 2,292,160      | 2,292,160       | 2,292,160     | 2,292,160       |
| 16         | 312             | Boiler Plant Equipment              | 15,329,878             | 15,028,711      | 14,352,218  | 14,325,670     | 14,325,670      | 14,325,686    | 14,325,686      |
| 7          | 313             | Engines and Engine Driven Generator |                        |                 | ,,          | ,010,0.0       |                 | ,,            | 1,000,000       |
| 18         | 314             | Turbogenerator Units                | 3,812,669              | 3,931,654       | 3,929,353   | 3,916,967      | 3,916,967       | 3,916,967     | 3,916,957       |
| 19         | 315             | Accessory Electric Equipment        | 744,331                | 744,331         | 1,334,432   | 1,334,432      | 1,334,432       | 1,334,432     | 1,334,432       |
| 0          | 316             | Miscellaneous Power Plant Equipment | 473,255                | 473,255         | 429,468     | 426,786        | 426,786         | 426,785       | 425,786         |
| 21         | 510             | Total Neil Simpson I                | 22,653,293             | 22,471,110      | 22,338,631  | 22,297,015     | 22,297,015      | 22,297,032    | 22,297,032      |
| 22         |                 | Total Nell Shipson I                | 22,035,295             | 22,471,110      | 22,556,051  | 22,237,015     | 22,237,013      | 22,231,032    | 22,297,092      |
| 23         |                 | Neil Simpson II                     |                        |                 |             |                |                 |               |                 |
|            | 310             | Land                                | 950                    | 950             | 950         | 950            | 950             | 950           | 054             |
| 24         |                 |                                     |                        |                 |             |                |                 |               | 950             |
| 25         | 311             | Structures and Improvements         | 14,182,278             | 15,504,127      | 15,504,127  | 15,520,812     | 15,519,960      | 15,520,284    | 15,484,300      |
| 26<br>27   | 312             | Boiler Plant Equipment              | 78,419,7 <del>99</del> | 78,142,679      | 76,915,337  | 76,101,579     | 76,015,853      | 76,102,210    | 76,101,700      |
|            | 313             | Engines and Engine Driven Generator |                        | -               |             | -              |                 |               |                 |
| 28         | 314             | Turbogenerator Units                | 38,457,607             | 38,474,319      | 38,474,319  | 38,531,305     | 39,158,738      | 39,162,186    | 39,157,186      |
| 29         | 315             | Accessory Electric Equipment        | 6,387,349              | 6,397,617       | 6,397,617   | 6,397,617      | 6,397,617       | 6,397,617     | 6,282,648       |
| 30         | 316             | Miscellaneous Power Plant Equipment | 708,652                | 871,147         | 873,059     | 824,614        | 825,086         | 930,571       | 930,917         |
| 31<br>32   |                 | Total Neil Simpson II               | 138,156,635            | 139,390,839     | 138,165,408 | 137,376,876    | 137,918,204     | 138,113,818   | 137,957,701     |
| 33         |                 | Osage Plant                         |                        |                 |             |                |                 |               |                 |
| 34         | 310             | Land                                | 163,105                | 163,105         | 163,105     | 162,804        | 162,804         | 162,804       | 152,804         |
| 35         | 311             | Structures and Improvements         | 4,264,153              | 4,264,153       | 4,264,153   | 4,233,378      | 4,233,378       | 4,233,378     | 4,233,378       |
| 36         | 312             | Boiler Plant Equipment              | 7,491,884              | 7,456,746       | 7,456,746   | 7,456,746      | 7,456,746       | 7,456,746     | 7,454,702       |
| 37         | 313             | Engines and Engine Driven Generator | · · ·                  | · · ·           | -           | -              | · · ·           | · · ·         | · · · ·         |
| 38         | 314             | Turbogenerator Units                | 4,780,168              | 4,780,168       | 4,780,158   | 4,780,168      | 4,780,168       | 4,780,158     | 4,780,168       |
| 39         | 315             | Accessory Electric Equipment        | 1,054,888              | 1,054,888       | 1,054,888   | 1,054,888      | 1,054,888       | 1,054,888     | 1,054,888       |
| 40         | 316             | Miscellaneous Power Plant Equipment | 455,951                | 455,951         | 455,951     | 455,951        | 455,951         | 455,951       | 455,951         |
| 41         |                 | Total Osage Plant                   | 18,210,149             | 18,175,011      | 18,175,011  | 18,143,934     | 18,143,934      | 18,143,934    | 18,141,890      |
| 42         |                 |                                     |                        |                 |             |                |                 |               |                 |
| 43         |                 | Wygen 3                             |                        |                 |             |                |                 |               |                 |
| 44         | 310             | Land                                | -                      |                 | -           | -              | -               | -             | -               |
| 45         | 311             | Structures and Improvements         | 5,799,494              | 6,799,494       | 6,799,494   | 6,799,494      | 6,799,494       | 6,799,494     | 6,799,494       |
| 46         | 312             | Boiler Plant Equipment              | 57,579,863             | 57,622,925      | 57,623,052  | 57,628,233     | 57,628,233      | 57,628,980    | 57,535,484      |
| 47         | 313             | Engines and Engine Driven Generator |                        | -               | -           | -              |                 | -             |                 |
| 48         | 313             | Turbogenerator Units                | -<br>58,011,797        | -<br>58,011,797 | 58,011,797  | 58,016,325     | -<br>58,023,708 | 58,023,742    | 58,023,765      |
| 49<br>19   | 314             | Accessory Electric Equipment        | 6,736,267              | 6,736,267       | 6,736,267   | 6,736,267      | 6,736,267       | 6,736,267     | 6,736,267       |
| 49<br>50   | 316             | Miscellaneous Power Plant Equipment | 692,346                | 692,346         | 692,346     | 692,346        | 692,346         | 692,346       | 692,346         |
| 51         | 310             | Total Wygen 3                       | 129,819,767            | 129,862,829     | 129,862,956 | 129,872,665    | 129,880,048     | 129,880,828   | 129,787,360     |
|            |                 | inter an ARen D                     | 129,619,767            | 123,002,629     | 123,002,955 | 123,072,005    | 123,000,048     | 129,000,828   | 129,101,360     |

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#### BLACK HILLS POWER, INC. STEAM PRODUCTION BY PLANT For the Test Year Ended June 30, 2012

|      |         |                                     | (a)            | (b)            | (c)            | (d)            | (e)            | (f)            | (g)            |
|------|---------|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Line | FERC    |                                     |                |                |                |                |                |                |                |
| _No. | Acct. # | Description                         | June 2011      | July 2011      | August 2011    | September 2011 | October 2011   | November 2011  | December 2011  |
| 53   |         | Wyodak Plant                        |                |                |                |                |                |                |                |
| 54   | 310     | Land                                | 109,191        | 109,191        | 109,191        | 109,191        | 109,191        | 109,191        | 109,191        |
| 55   | 311     | Structures and Improvements         | 9,505,593      | 9,178,891      | 9,178,891      | 9,178,891      | 9,210,207      | 9,180,943      | 9,180,943      |
| 56   | 312     | Boiler Plant Equipment              | 88,257,680     | 89,639,229     | 89,456,581     | 89,541,447     | 89,783,064     | 76,573,676     | 76,607,041     |
| 57   | 313     | Engines and Engine Driven Generator | 308,804        | 340,322        | 340,322        | 340,322        | 340,322        | 343,438        | 343,438        |
| 58   | 314     | Turbogenerator Units                | 12,376,179     | 12,059,321     | 12,150,464     | 12,150,464     | 12,181,772     | 15,478,319     | 15,234,015     |
| 59   | 315     | Accessory Electric Equipment        | 6,705,372      | 6,514,722      | 6,614,722      | 6,614,722      | 6,646,038      | 6,653,530      | 6,653,530      |
| 60   | 316     | Miscellaneous Power Plant Equipment | 1,151,550      | 809,894        | 809,894        | 809,894        | 841,210        | 810,247        | 810,247        |
| 61   |         | Total Wyodak Plant                  | 118,414,370    | 118,751,569    | 118,660,065    | 118,844,930    | 119,111,804    | 109,149,343    | 108,938,404    |
| 62   |         |                                     |                |                |                |                |                |                | <u>_</u>       |
| 63   |         | Totals                              |                |                |                |                |                |                |                |
| 64   | 310     | Land                                | 333,941        | 333,941        | 333,941        | 333,640        | 333,640        | 333,640        | 333,640        |
| 65   | 311     | Structures and Improvements         | 39,305,744     | 40,300,889     | 40,283,324     | 40,265,290     | 40,332,171     | 40,301,173     | 40,265,190     |
| 66   | 312     | Boiler Plant Equipment              | 253,927,414    | 254,738,599    | 252,646,774    | 251,991,315    | 252,073,548    | 238,951,325    | 238,888,641    |
| 67   | 313     | Engines and Engine Driven Generator | 308,804        | 340,322        | 340,322        | 340,322        | 340,322        | 343,438        | 343,438        |
| 68   | 314     | Turbogenerator Units                | 121,386,870    | 121,205,708    | 121,250,054    | 121,299,181    | 121,965,306    | 125,265,333    | 125,016,057    |
| 69   | 315     | Accessory Electric Equipment        | 22,384,693     | 22,304,311     | 22,894,412     | 22,894,412     | 22,925,728     | 22,933,221     | 22,818,251     |
| 70   | 316     | Miscellaneous Power Plant Equipment | 3,943,192      | 3,764,031      | 3,722,155      | 3,671,029      | 3,702,817      | 3,777,339      | 3,777,685      |
| 71   |         | Total All Plants                    | \$ 441,590,658 | \$ 442,987,802 | \$ 441,470,983 | 5 440,795,189  | \$ 441,673,533 | \$ 431,905,469 | \$ 431,442,901 |

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#### BLACK HILLS POWER, INC. STEAM PRODUCTION BY PLANT For the Test Year Ended June 30, 2012

|             |                 |                                                               | (h)                                     | (i)            | (i)                                     | (k)                                     | (1)            | (m)            | (n)<br>[(Sum of (a):(m))/13] |
|-------------|-----------------|---------------------------------------------------------------|-----------------------------------------|----------------|-----------------------------------------|-----------------------------------------|----------------|----------------|------------------------------|
| Line<br>No. | FERC<br>Acct. # | Description                                                   | January 2012                            | February 2012  | March 2012                              | April 2012                              | May 2012       | June 2012      | 12 Month Average             |
| 1           |                 | STEAM PRODUCTION PLANT                                        |                                         |                |                                         |                                         |                |                |                              |
| 2           |                 | Bar Frank                                                     |                                         |                |                                         |                                         |                |                |                              |
| 3<br>4      | 310             | Ben French<br>Land                                            | Ś 59.695                                | \$ 59,695      | \$ 59,695                               | \$ 59,695                               | ¢              | Ś 59.695       | A 50 405                     |
| 4<br>5      | 310             |                                                               |                                         |                |                                         |                                         | \$ 59,695      |                | \$ 59,695                    |
| 5<br>6      | 311             | Structures and Improvements                                   | 2,274,915                               | 2,274,915      | 2,274,915                               | 2,274,915                               | 2,274,915      | 2,251,190      | 2,266,288                    |
| 7           | 313             | Boiler Plant Equipment<br>Engines and Engine Driven Generator | 6,864,028                               | 6,864,028      | 6,864,028                               | 6,864,028                               | 6,864,028      | 6,842,536      | 6,856,293                    |
| 8           | 313             | Turbogenerator Units                                          | -<br>3,903,953                          | -<br>3,903,953 | -<br>3,903,953                          | -<br>3,903,953                          | -<br>3,903,953 | -<br>3,981,798 | -<br>3,916,786               |
| 9           | 315             | Accessory Electric Equipment                                  | 756,487                                 | 756,487        | 756,487                                 | 756,487                                 | 756,487        | 756,487        | 756.487                      |
| 10          | 315             | Miscellaneous Power Plant Equipment                           | 461,438                                 | 461,438        | 461,438                                 | 461,438                                 | 461,438        | 461.438        | 461,438                      |
| 10          | 210             | Total Ben French                                              | 14,320,515                              | 14,320,515     | 14,320,515                              | 14,320,515                              | 14,320,515     | 14,353,144     | 14,316,988                   |
| 12          |                 | Total ben French                                              | 14,520,515                              | 14,520,515     | 14,520,515                              | 14,520,515                              | 14,520,515     | 14,535,144     | 14,510,568                   |
| 13          |                 | Neil Simpson I                                                |                                         |                |                                         |                                         |                |                |                              |
| 14          | 310             | Land                                                          | 1.000                                   | 1,000          | 1.000                                   | 1,000                                   | 1,000          | 1,000          | 1.000                        |
| 15          | 310             | Structures and Improvements                                   | 2,292,160                               | 2,292,160      | 2,292,160                               | 2,292,160                               | 2,292,160      | 2,292,160      | 2,292,160                    |
| 16          | 312             | Boiler Plant Equipment                                        | 14,327,825                              | 14,327,825     | 14,327,825                              | 14,327,825                              | 14,327,825     | 14,327,825     | 14,460,036                   |
| 17          | 313             | Engines and Engine Driven Generator                           | 14,527,025                              | 14,527,023     | 14,521,625                              | 14,327,023                              | 14,327,023     | 14,327,623     | 14,400,050                   |
| 18          | 313             | Turbogenerator Units                                          | 3,916,967                               | 3,916,967      | 3,916,967                               | 3,916,967                               | 3,916,967      | 3,916,967      | 3,911,027                    |
| 19          | 314             | Accessory Electric Equipment                                  | 1,334,432                               | 1,334,432      | 1,334,432                               | 1,334,432                               | 1,334,432      | 1,334,432      | 1,243,647                    |
| 20          | 315             | Miscellaneous Power Plant Equipment                           | 426,786                                 | 426,786        | 424,995                                 | 424,995                                 | 424,995        | 424,995        | 433,590                      |
| 21          | 310             | Total Neil Simpson I                                          | 22,299,170                              | 22,299,170     | 22,297,379                              | 22,297,379                              | 22,297,379     | 22,297,379     | 22,341,461                   |
| 22          |                 | forat wen shirpson i                                          | 22,255,170                              | 22,255,170     |                                         | 22,237,375                              |                | 22,237,373     | 22,341,401                   |
| 23          |                 | Neil Simpson fi                                               |                                         |                |                                         |                                         |                |                |                              |
| 25<br>24    | 310             | Land                                                          | 950                                     | 950            | 950                                     | 950                                     | 950            | 950            | 950                          |
| 24<br>25    | 311             | Structures and Improvements                                   | 15,486,302                              | 15,486,302     | 15,486,302                              | 15,486,302                              | 15,486,302     | 15,694,058     | 15,412,420                   |
| 25<br>26    | 312             | Boiler Plant Equipment                                        | 76,171,906                              | 76,177,228     | 76,235,286                              | 76,234,784                              | 76,596,132     | 77,548,525     | 76,674,078                   |
| 20          | 313             | Engines and Engine Driven Generator                           | /0,1/1,900                              | /0,1//,220     | ,0,200,200                              | /0,204,/04                              | , 0,000,102    |                |                              |
| 28          | 313             | Turbogenerator Units                                          | 39,162,648                              | 39,146,348     | 39,146,348                              | 39,146,348                              | 41,235,135     | 41,898,246     | 39,319,287                   |
| 29          | 314             | Accessory Electric Equipment                                  | 6,282,648                               | 6,282,648      | 6,282,648                               | 6,282,648                               | 6,282,648      | 8,412,696      | 6,498,771                    |
| 30          | 316             | Miscellaneous Power Plant Equipment                           | 939,001                                 | 939,001        | 918,267                                 | 918,285                                 | 918,285        | 818,104        | 878,076                      |
| 31          | 310             | Total Neil Simpson II                                         | 138,043,454                             | 138,032,477    | 138,069,801                             | 138,069,317                             | 140,519,452    | 144,372,578    | 138,783,582                  |
| 32          |                 | total Nell Shirpson II                                        |                                         | 130,032,477    | 100,000,001                             | 100,000,011                             | 110,515,452    | 111/07 0,070   | 100,700,002                  |
| 33          |                 | Osage Plant                                                   |                                         |                |                                         |                                         |                |                |                              |
| 34          | 310             | Land                                                          | 162,804                                 | 152,804        | 162,804                                 | 162,804                                 | 162,804        | 162,804        | 162,873                      |
| 35          | 311             | Structures and Improvements                                   | 4,233,378                               | 4,233,378      | 4,233,378                               | 4,233,378                               | 4,233,378      | 4,233,378      | 4,240,480                    |
| 36          | 312             | Boiler Plant Equipment                                        | 7,454,702                               | 7,454,702      | 7,454,702                               | 7,454,702                               | 7,454,702      | 7,454,702      | 7,458,348                    |
| 37          | 313             | Engines and Engine Driven Generator                           | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | 7,404,702      | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |                | .,,            |                              |
| 38          | 314             | Turbogenerator Units                                          | 4,780,168                               | 4,780,168      | 4,780,168                               | 4,780,168                               | 4,780,168      | 4,780,168      | 4,780,168                    |
| 39          | .315            | Accessory Electric Equipment                                  | 1,054,888                               | 1,054,888      | 1,054,888                               | 1,054,888                               | 1,054,888      | 1,054,888      | 1,054,888                    |
| 40          | 316             | Miscellaneous Power Plant Equipment                           | 455,951                                 | 455,951        | 455,951                                 | 455,951                                 | 455,951        | 455,951        | 455,951                      |
| 41          | 510             | Total Osage Plant                                             | 18,141,890                              | 18,141,890     | 18,141,890                              | 18,141,890                              | 18,141,890     | 18,141,890     | 18,152,708                   |
| 42          |                 | Total Stage Flott                                             | 10,111,000                              |                |                                         |                                         |                |                |                              |
| 43          |                 | Wygen 3                                                       |                                         |                |                                         |                                         |                |                |                              |
| 44          | 310             | Land                                                          | -                                       | -              | -                                       | -                                       | -              | -              | -                            |
| 45          | 311             | Structures and Improvements                                   | 6,799,494                               | 6,799,494      | 6,799,494                               | 6,799,494                               | 6,799,494      | 6,799,494      | 6,799,494                    |
| 46          | 312             | Boiler Plant Equipment                                        | 57,535,618                              | 57,535,618     | 57,547,912                              | 57,547,711                              | 57,547,711     | 57,585,621     | 57,580,535                   |
| 47          | 313             | Engines and Engine Driven Generator                           |                                         |                | -                                       |                                         |                |                |                              |
| 48          | 314             | Turbogenerator Units                                          | 58,024,415                              | 58,024,415     | 58.024.535                              | 58,024,535                              | 58,024,535     | 58,357,627     | 58,046,385                   |
| 49          | 315             | Accessory Electric Equipment                                  | 6,736,267                               | 6,736,267      | 6,736,267                               | 6,749,171                               | 6,749,171      | 6,749,171      | 6,739,245                    |
| 50          | 316             | Miscellaneous Power Plant Equipment                           | 692,346                                 | 692,346        | 692,346                                 | 592,346                                 | 692,346        | 705,699        | 693,373                      |
| 51          |                 | Total Wygen 3                                                 | 129,788,139                             | 129,788,139    | 129,800,554                             | 129,813,257                             | 129,813,257    | 130,197,612    | 129,859,032                  |

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BLACK HILLS POWER, INC. STEAM PRODUCTION BY PLANT For the Test Year Ended June 30, 2012

			(h)	(1)	(i)	(k)	(1)	(m)	(n) [(Cumf(a))(12]
Line	FERC								[(Sum of (a):(m))/13]
No.	Acct. #	Description	January 2012	February 2012	March 2012	April 2012	May 2012	June 2012	12 Month Average
53		Wyodak Plant							
54	310	Land	109,191	109,191	109,191	109,191	109,191	109,191	109,191
55	311	Structures and Improvements	9,180,943	9,180,943	9,180,943	9,180,943	9,180,943	9,180,943	9,207,694
56	312	Boiler Plant Equipment	76,607,041	76,607,041	76,584,458	76,584,458	76,584,458	76,584,458	81,500,818
57	313	Engines and Engine Driven Generator	343,438	343,438	343,438	343,438	343,438	343,438	339,815
58	314	Turbogenerator Units	15,234,015	15,234,015	15,215,508	15,215,508	15,215,508	15,215,508	14,073,892
59	315	Accessory Electric Equipment	6,653,530	6,653,599	6,653,599	6,653,599	6,653,599	6,653,599	6,648,012
60	316	Miscellaneous Power Plant Equipment	810,247	810,247	810,247	810,247	810,247	810,247	838,801
61		Total Wyodak Plant	108,938,404	108,938,473	108,897,384	108,897,384	108,897,384	108,897,384	112,718,223
62									
63		Totals							
64	310	Land	333,640	333,640	333,640	333,640	333,640	333,640	333,709
65	311	Structures and Improvements	40,267,192	40,267,192	40,267,192	40,267,192	40,267,192	40,451,223	40,218,535
66	312	Boiler Plant Equipment	238,961,119	238,966,441	239,014,211	239,013,508	239,374,855	240,343,666	244,530,109
67	313	Engines and Engine Driven Generator	343,438	343,438	343,438	343,438	343,438	343,438	339,815
68	314	Turbogenerator Units	125,022,165	125,005,865	124,987,479	124,987,479	127,076,266	128,150,315	124,047,544
6 9	315	Accessory Electric Equipment	22,818,251	22,818,320	22,818,320	22,831,225	22,831,225	24,951,273	22,941,049
70	316	Miscellaneous Power Plant Equipment	3,785,769	3,785,769	3,763,244	3,763,262	3,763,262	3,676,433	3,761,230
71		Total All Plants	\$ 431,531,573	\$ 431,520,664	5 431,527,523	5 431,539,742	5 433,989,875	\$ 438,259,987	\$ 436,171,992

Exhibit CJK - 105 Page 60 of 358

BLACK HILLS POWER, INC. SUMMARY OF MAJOR ADDITIONS AND RETIREMENTS BY FUNCTION For the Year Ended December 31, 2007

Schedule D-4 2007 Page 1 of 2

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Image: state in the s	Line	Work			Start	Period
2 VARIOUS VARI	<u>No.</u>	Order	Description	Amount	Date	Closed
2 VARIOUS VARI			PRODUCTION .			
3 16698 BHP'S SHART OF WYODAK 1 (COMPLETED PROJECTS) 1267.755 9/37.003 12 4 16695 BESK PRICH-ALTERNATIVE REP PROJECT 120.648 12/1/2005 2 5 16877 NSI-DCU URGRADE 1343.702 2/37/2006 4 6 16877 NSI-DCU URGRADE 1343.82 2/27/2006 9 7 16933 BEX PRENCH-ATTERNATIVE REPROJECT 131.312 6/27/2006 9 9 R6916 REBUID SERVICE WATER COLLE SECTION 110.251 11/24/2003 4 12 TOTAL MAJOR ADDITIONS 3,722.389 14/24/2003 4 14 VARIOUS FERC ACCT 312 (8/25/2) VARIOUS VARIOUS 16 VARIOUS FERC ACCT 314 (2/26/3) VARIOUS VARIOUS VARIOUS 17 VARIOUS FERC ACCT 345 (32.25) VARIOUS VARIOUS VARIOUS VARIOUS 16 VARIOUS FERC ACCT 345 (2/27.05) 7 2 2 VARIOUS VARIOUS <		VARIOUS		1 600 909	VARIOUS	VARIOUS
4 16855 BEN FRENCH-ALTERNATIVE FRP PROJECT 120.648 121.72005 2 5 16877 PETTSENMOV EXCITE UPGRADE 138,632 2/7/2006 11 7 16931 BEN FRENCH-ATTEMPERATOR REPL (INST WO 16957-2007) 113.312 6/7/2006 9 8 16931 BEN FRENCH-ATTEMPERATOR REPL (INST WO 16957-2007) 113.112 6/7/2006 9 9 86916 REBULK DERIVER ATTEMPERATOR REPL (INST WO 16957-2007) 113.311 1/7/21/2003 5 10 85210 BOULER CONTROLS CAPITAL PROJECT 116.193 111/24/2003 4 11 VORIDUS FERC ACCT 310 (1/8/33) VARIOUS VARIOUS 12 VARIOUS FERC ACCT 313 (1/8/33) VARIOUS VARIOUS 14 VARIOUS FERC ACCT 314 (1/8/33) VARIOUS VARIOUS 113 VARIOUS FERC ACCT 344 (2/7/6.18) VARIOUS VARIOUS 14 VARIOUS FERC ACCT 345 (3/8/21) VARIOUS VARIOUS 14 V						
5 16877 NF.1CG.U.BGRADE 248.702 2/27/2006 11 7 16913 DEN FERUCH-ATTEMPERATOR REPLINST WO 16957-2007) 113.312 6/27/2006 9 8 16931 MS2.100 MOX BURNER URGADE 110.251 1/27/2006 9 9 R5916 REBUILD SERVICE WATER COLUE SECTION 110.251 1/27/2003 5 10 B210 SOLEC CONTROL SCANTLA PROJECT 116.133 11/24/2003 4 12 TOTAL MAJOR ADDITIONS 3,722.388 11/24/2003 4 14 VARIOUS FERC ACCT 310 (8/25) VARIOUS VARIOUS 15 VARIOUS FERC ACCT 312 (4/25)/52/1 VARIOUS VARIOUS 16 VARIOUS FERC ACCT 346 (7/26)/53/1 VARIOUS VARIOUS 19 VARIOUS FERC ACCT 345 (7/26)/53/1 VARIOUS VARIOUS 10 VARIOUS FERC ACCT 345 (7/26)/53/1 VARIOUS VARIOUS 24 VARIOUS FERC ACCT 345 (7/26)/53/1 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td></t<>						
6 16879 NSL-DCIS UPGRADE 188.632 2/27/2006 12 7 1593 BEN FRENCH-ATTEMPERATOR REPL (INST WO 16957-2007) 13.312 6/2/2006 19 9 96516 RESULDS ENVICE VARIA RE QOLEA SECTION 11.0251 11/28/2003 51 10 88210 BOILER CONTROLS CAPTAL PROJECT 116.193 11/24/2003 4 11 TOTAL MAJOR ADDITIONS 3,722,388 11/24/2003 4 12 VARIOUS FERC ACCT 310 (64.276.) VARIOUS VARIOUS 14 VARIOUS FERC ACCT 314 (474.339) VARIOUS VARIOUS 15 VARIOUS FERC ACCT 315 (13.2,233) VARIOUS VARIOUS 18 VARIOUS FERC ACCT 316 (13.6,272) VARIOUS VARIOUS 14 VARIOUS FERC ACCT 346 (13.6,722) VARIOUS VARIOUS 10 VARIOUS FERC ACCT 350 (13.6,348) VARIOUS VARIOUS 24 VARIOUS VARIOUS REACT 346 (13						
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8 16931 NS2-LOW NOR BUMPER UPERADE 998.898 11/20/2006 11 9 98516 REGUND SERVICE WARE COOLER SECTION 11.0251 11/23/2003 5 10 88210 BOILER CONTROLS CAPTAL PROJECT 11.61.93 11/23/2003 4 11 TOTAL MAJOR ADDITIONS 3,722,388 11/23/2003 4 12 TOTAL MAJOR ADDITIONS 3,722,388 11/23/2003 VARIOUS 14 VARIOUS FERC ACCT 311 (84,276) VARIOUS VARI 15 VARIOUS FERC ACCT 314 (74,74,333) VARIOUS VARI 17 VARIOUS FERC ACCT 315 (98,519) VARIOUS VARI 18 VARIOUS FERC ACCT 346 (35,672) VARIOUS VARI 20 VARIOUS FERC ACCT 340 (11,267,2005 7 21 TOTAL MAJOR RETIREMENTS (12,270,018) VARIOUS VARIOUS 22 TAMSMISSION 102,2907 126/2005 7 23 TOTAL MAJOR RETIREMENTS (12,67,010 7						
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39 15272 LAWRENCE CO BLANKET 129,099 5/23/1994 7 40 15272 LAWRENCE CO BLANKET 116,623 5/23/1994 10 41 15273 PENNINGTON COUNTY BLANKET 256,987 12/10/1994 4 42 15273 PENNINGTON COUNTY BLANKET 212,214 12/10/1994 7 43 15273 PENNINGTON COUNTY BLANKET 193,362 12/10/1994 10 44 15273 PENNINGTON COUNTY BLANKET 193,362 12/10/1994 12 45 16631 TRANSFORMER BWO 2003,04,05,06,07,08 182,599 1/2/2003 1 46 16631 TRANSFORMER BWO 2003,04,05,06,07,08 362,103 1/2/2003 2 47 16631 TRANSFORMER BWO 2003,04,05,06,07,08 350,438 1/2/2003 4 48 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 9 50 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 121,102 1/2/2003 10	37	VARIOUS	VARIOUS UNDER \$100,000	6,013,514	VARIOUS	VARIOUS
40 15272 LAWRENCE CO BLANKET 116,623 5/23/1994 10 41 15273 PENNINGTON COUNTY BLANKET 256,987 12/10/1994 4 42 15273 PENNINGTON COUNTY BLANKET 212,214 12/10/1994 7 43 15273 PENNINGTON COUNTY BLANKET 193,362 12/10/1994 10 44 15273 PENNINGTON COUNTY BLANKET 193,362 12/10/1994 12 45 16631 TRANSFORMER BWO 2003,04,05,06,07,08 182,599 1/2/2003 1 46 16631 TRANSFORMER BWO 2003,04,05,06,07,08 362,103 1/2/2003 2 47 16631 TRANSFORMER BWO 2003,04,05,06,07,08 350,438 1/2/2003 4 48 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 8 50 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 10 51 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 232,196 1/2/2003 10	38	15272	LAWRENCE CO BLANKET	115,407	5/23/1994	4
41 15273 PENNINGTON COUNTY BLANKET 256,987 12/10/1994 4 42 15273 PENNINGTON COUNTY BLANKET 212,214 12/10/1994 7 43 15273 PENNINGTON COUNTY BLANKET 193,362 12/10/1994 10 44 15273 PENNINGTON COUNTY BLANKET 141,034 12/10/1994 12 45 16631 TRANSFORMER BWO 2003,04,05,06,07,08 182,599 1/2/2003 1 46 16631 TRANSFORMER BWO 2003,04,05,06,07,08 362,103 1/2/2003 2 47 16631 TRANSFORMER BWO 2003,04,05,06,07,08 366,670 1/2/2003 4 48 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 8 50 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 10 51 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 212,102 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 232,196 1/2/2003 12	39	15272	LAWRENCE CO BLANKET	129,099	5/23/1994	7
42 15273 PENNINGTON COUNTY BLANKET 212,214 12/10/1994 7 43 15273 PENNINGTON COUNTY BLANKET 193,362 12/10/1994 10 44 15273 PENNINGTON COUNTY BLANKET 141,034 12/10/1994 12 45 16631 TRANSFORMER BWO 2003,04,05,06,07,08 182,599 1/2/2003 1 46 16631 TRANSFORMER BWO 2003,04,05,06,07,08 362,103 1/2/2003 2 47 16631 TRANSFORMER BWO 2003,04,05,06,07,08 360,403 1/2/2003 4 48 16631 TRANSFORMER BWO 2003,04,05,06,07,08 350,438 1/2/2003 6 50 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 8 50 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 10 51 16631 TRANSFORMER BWO 2003,04,05,06,07,08 121,102 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 232,196 1/2/2003 10 53 16868 2006 BHP METER BLANKET 311,557 1/23/2006 1	40	15272	LAWRENCE CO BLANKET	116,623	5/23/1994	10
43 15273 PENNINGTON COUNTY BLANKET 193,362 12/10/1994 10 44 15273 PENNINGTON COUNTY BLANKET 141,034 12/10/1994 12 45 16631 TRANSFORMER BWO 2003,04,05,06,07,08 182,599 1/2/2003 1 46 16631 TRANSFORMER BWO 2003,04,05,06,07,08 362,103 1/2/2003 2 47 16631 TRANSFORMER BWO 2003,04,05,06,07,08 366,670 1/2/2003 4 48 16631 TRANSFORMER BWO 2003,04,05,06,07,08 350,438 1/2/2003 6 49 16631 TRANSFORMER BWO 2003,04,05,06,07,08 212,102 1/2/2003 8 50 16631 TRANSFORMER BWO 2003,04,05,06,07,08 212,102 1/2/2003 10 51 16631 TRANSFORMER BWO 2003,04,05,06,07,08 212,102 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 232,196 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 232,196 1/2/2003 12 53 16688 2006 BHP METER BLANKET 311,557 1/23/2006 <	41	15273	PENNINGTON COUNTY BLANKET	256,987	12/10/1994	4
44 15273 PENNINGTON COUNTY BLANKET 141,034 12/10/1994 12 45 16631 TRANSFORMER BWO 2003,04,05,06,07,08 182,599 1/2/2003 1 46 16631 TRANSFORMER BWO 2003,04,05,06,07,08 362,103 1/2/2003 2 47 16631 TRANSFORMER BWO 2003,04,05,06,07,08 566,670 1/2/2003 4 48 16631 TRANSFORMER BWO 2003,04,05,06,07,08 550,438 1/2/2003 6 49 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 8 50 16631 TRANSFORMER BWO 2003,04,05,06,07,08 212,102 1/2/2003 9 51 16631 TRANSFORMER BWO 2003,04,05,06,07,08 212,102 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 232,196 1/2/2003 12 53 16868 2006 BHP METER BLANKET 311,557 1/23/2006 1 54 90640 SOUTH POINTE DEVELOPMENT 123,875 5/10/2005 1 55 91314 STURGIS VOLTAGE CONVERSION 166,930 10/25/2005 5	42	15273	PENNINGTON COUNTY BLANKET	212,214	12/10/1994	7
45 16631 TRANSFORMER BWO 2003,04,05,06,07,08 182,599 1/2/2003 1 46 16631 TRANSFORMER BWO 2003,04,05,06,07,08 362,103 1/2/2003 2 47 16631 TRANSFORMER BWO 2003,04,05,06,07,08 362,103 1/2/2003 4 48 16631 TRANSFORMER BWO 2003,04,05,06,07,08 350,438 1/2/2003 6 49 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 8 50 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 9 51 16631 TRANSFORMER BWO 2003,04,05,06,07,08 1182,102 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 232,196 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 232,196 1/2/2003 12 53 16868 2006 BHP METER BLANKET 311,557 1/23/2006 1 54 90640 SOUTH POINTE DEVELOPMENT 123,875 5/10/2005 1 55 91314 STURGIS VOLTAGE CONVERSION 12.47 66,0767 12/12/2005	43	15273	PENNINGTON COUNTY BLANKET	193,362	12/10/1994	10
46 16631 TRANSFORMER BWO 2003,04,05,06,07,08 362,103 1/2/2003 2 47 16631 TRANSFORMER BWO 2003,04,05,06,07,08 566,670 1/2/2003 4 48 16631 TRANSFORMER BWO 2003,04,05,06,07,08 350,438 1/2/2003 6 49 16631 TRANSFORMER BWO 2003,04,05,06,07,08 350,438 1/2/2003 8 50 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 9 51 16631 TRANSFORMER BWO 2003,04,05,06,07,08 212,102 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 169,731 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 232,196 1/2/2003 12 53 16868 2006 BHP METER BLANKET 311,557 1/23/2006 1 54 90640 SOUTH POINTE DEVELOPMENT 123,875 5/10/2005 1 55 91314 STURGIS VOLTAGE CONVERSION 166,930 10/25/2005 5 56 91469 RECONDUCTOR 2567 #1 137,412 12/1/2005 6	44	15273	PENNINGTON COUNTY BLANKET	141,034	12/10/1994	12
47 16631 TRANSFORMER BWO 2003,04,05,06,07,08 566,670 1/2/2003 4 48 16631 TRANSFORMER BWO 2003,04,05,06,07,08 350,438 1/2/2003 6 49 16631 TRANSFORMER BWO 2003,04,05,06,07,08 350,438 1/2/2003 8 50 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 9 51 16631 TRANSFORMER BWO 2003,04,05,06,07,08 212,102 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 165,731 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 232,196 1/2/2003 12 53 16868 2006 BHP METER BLANKET 311,557 1/23/2006 1 54 90640 SOUTH POINTE DEVELOPMENT 123,875 5/10/2005 5 54 90640 SOUTH POINTE DEVELOPMENT 137,412 12/1/2005 5 55 91314 STURGIS VOLTAGE CONVERSION 166,930 10/25/2005 5 55 91469 RECONDUCTOR 2567 #1 137,412 12/1/2005 5	45	16631	TRANSFORMER BWO 2003,04,05,06,07,08	182,59 9	1/2/2003	1
48 16631 TRANSFORMER BWO 2003,04,05,06,07,08 350,438 1/2/2003 6 49 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 8 50 16631 TRANSFORMER BWO 2003,04,05,06,07,08 212,102 1/2/2003 9 51 16631 TRANSFORMER BWO 2003,04,05,06,07,08 169,731 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 232,196 1/2/2003 12 53 16668 2006 BHP METER BLANKET 311,557 1/23/2006 1 54 90640 SOUTH POINTE DEVELOPMENT 123,875 5/10/2005 1 54 90640 SOUTH POINTE DEVELOPMENT 132,875 5/10/2005 5 55 91314 STURGIS VOLTAGE CONVERSION 166,930 10/25/2005 5 56 91469 RECONDUCTOR 2567 #1 137,412 12/1/2005 6 57 91503 STURGIS SUB CONVERSION 12.47 660,767 12/1/2/2005 5 58 91708 WHITEWOOD: SPRUCE GULCH LINE 69KV BAY PT# 40 103,761 1/27/2006 10	46	16631	TRANSFORMER BWO 2003,04,05,06,07,08	362,103	1/2/2003	2
49 16631 TRANSFORMER BWO 2003,04,05,06,07,08 101,847 1/2/2003 8 50 16631 TRANSFORMER BWO 2003,04,05,06,07,08 212,102 1/2/2003 9 51 16631 TRANSFORMER BWO 2003,04,05,06,07,08 212,102 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 169,731 1/2/2003 12 53 16688 2006 BHP METER BLANKET 311,557 1/23/2006 1 54 90640 SOUTH POINTE DEVELOPMENT 123,875 5/10/2005 1 55 91314 STURGIS VOLTAGE CONVERSION 166,930 10/25/2005 5 56 91469 RECONDUCTOR 2567 #1 137,412 12/1/2005 6 57 91503 STURGIS SUB CONVERSION 12.47 660,767 12/12/2005 5 58 91708 WHITEWOOD: SPRUCE GULCH LINE 69KV BAY PT# 40 103,761 1/27/2006 10 59 92582 SOUTH RAPID FEEDER 202,200 9/29/2006 5	47	16631	TRANSFORMER BWO 2003,04,05,06,07,08	566,670	1/2/2003	4
50 16631 TRANSFORMER BWO 2003,04,05,06,07,08 212,102 1/2/2003 9 51 16631 TRANSFORMER BWO 2003,04,05,06,07,08 169,731 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 232,196 1/2/2003 12 53 16868 2006 BHP METER BLANKET 311,557 1/23/2006 1 54 90640 SOUTH POINTE DEVELOPMENT 123,875 5/10/2005 1 55 91314 STURGIS VOLTAGE CONVERSION 166,930 10/25/2005 5 56 91469 RECONDUCTOR 2567 #1 137,412 12/1/2005 6 57 91503 STURGIS SUB CONVERSION 12.47 660,767 12/12/2005 5 58 91708 WHITEWOOD: SPRUCE GULCH LINE 69KV BAY PT# 40 103,761 1/27/2006 10 59 92582 SOUTH RAPID FEEDER 202,200 9/29/2006 5	48	16631	TRANSFORMER BWO 2003,04,05,06,07,08	350,438	1/2/2003	6
51 16631 TRANSFORMER BWO 2003,04,05,06,07,08 169,731 1/2/2003 10 52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 232,196 1/2/2003 12 53 16868 2006 BHP METER BLANKET 311,557 1/23/2006 1 54 90640 SOUTH POINTE DEVELOPMENT 123,875 5/10/2005 1 55 91314 STURGIS VOLTAGE CONVERSION 166,930 10/25/2005 5 56 91469 RECONDUCTOR 2567 #1 137,412 12/1/2005 6 57 91503 STURGIS SUB CONVERSION 12.47 660,767 12/12/2005 5 58 91708 WHITEWOOD: SPRUCE GULCH LINE 69KV BAY PT# 40 103,761 1/27/2006 10 59 92582 SOUTH RAPID FEEDER 202,200 9/29/2006 5	49	16631	TRANSFORMER BWO 2003,04,05,06,07,08	101,847	1/2/2003	8
52 16631 TRANSFORMER BWO 2003,04,05,06,07,08 232,196 1/2/2003 12 53 16868 2006 BHP METER BLANKET 311,557 1/23/2006 1 54 90640 SOUTH POINTE DEVELOPMENT 123,875 5/10/2005 1 55 91314 STURGIS VOLTAGE CONVERSION 166,930 10/25/2005 5 56 91469 RECONDUCTOR 2567 #1 137,412 12/1/2005 6 57 91503 STURGIS SUB CONVERSION 12.47 660,767 12/12/2005 5 58 91708 WHITEWOOD: SPRUCE GULCH LINE 69KV BAY PT# 40 103,761 1/27/2006 10 59 92582 SOUTH RAPID FEEDER 202,200 9/29/2006 5	50	16 6 31	TRANSFORMER BWO 2003,04,05,06,07,08	212,102	1/2/2003	9
53 16868 2006 BHP METER BLANKET 311,557 1/23/2006 1 54 90640 SOUTH POINTE DEVELOPMENT 123,875 5/10/2005 1 55 91314 STURGIS VOLTAGE CONVERSION 166,930 10/25/2005 5 56 91469 RECONDUCTOR 2S67 #1 137,412 12/1/2005 6 57 91503 STURGIS SUB CONVERSION 12.47 660,767 12/12/2005 5 58 91708 WHITEWOOD: SPRUCE GULCH LINE 69KV BAY PT# 40 103,761 1/27/2006 10 59 92582 SOUTH RAPID FEEDER 202,200 9/29/2006 5	51	16631	TRANSFORMER BWO 2003,04,05,06,07,08	169,731	1/2/2003	10
54 90640 SOUTH POINTE DEVELOPMENT 123,875 5/10/2005 1 55 91314 STURGIS VOLTAGE CONVERSION 166,930 10/25/2005 5 56 91469 RECONDUCTOR 2S67 #1 137,412 12/1/2005 6 57 91503 STURGIS SUB CONVERSION 12.47 660,767 12/12/2005 5 58 91708 WHITEWOOD: SPRUCE GULCH LINE 69KV BAY PT# 40 103,761 1/27/2006 10 59 92582 SOUTH RAPID FEEDER 202,200 9/29/2006 5	52	16631	TRANSFORMER BWO 2003,04,05,06,07,08	232,196	1/2/2003	12
55 91314 STURGIS VOLTAGE CONVERSION 166,930 10/25/2005 5 56 91469 RECONDUCTOR 2S67 #1 137,412 12/1/2005 6 57 91503 STURGIS SUB CONVERSION 12.47 660,767 12/12/2005 5 58 91708 WHITEWOOD: SPRUCE GULCH LINE 69KV BAY PT# 40 103,761 1/27/2006 10 59 92582 SOUTH RAPID FEEDER 202,200 9/29/2006 5	53	16868	2006 BHP METER BLANKET	311,557	1/23/2006	1
55 91469 RECONDUCTOR 2S67 #1 137,412 12/1/2005 6 57 91503 STURGIS SUB CONVERSION 12.47 660,767 12/12/2005 5 58 91708 WHITEWOOD: SPRUCE GULCH LINE 69KV BAY PT# 40 103,761 1/27/2006 10 59 92582 SOUTH RAPID FEEDER 202,200 9/29/2006 5	54	90640	SOUTH POINTE DEVELOPMENT	123,875	5/10/2005	1
57 91503 STURGIS SUB CONVERSION 12.47 660,767 12/12/2005 5 58 91708 WHITEWOOD: SPRUCE GULCH LINE 69KV BAY PT# 40 103,761 1/27/2006 10 59 92582 SOUTH RAPID FEEDER 202,200 9/29/2006 5	55	91314	STURGIS VOLTAGE CONVERSION	166,930	10/25/2005	5
58 91708 WHITEWOOD: SPRUCE GULCH LINE 69KV BAY PT# 40 103,761 1/27/2006 10 59 92582 SOUTH RAPID FEEDER 202,200 9/29/2006 5	56	91469	RECONDUCTOR 2S67 #1	137,412	12/1/2005	6
59 92582 SOUTH RAPID FEEDER202,200 9/29/2006 5	57	91503	STURGIS SUB CONVERSION 12.47	660,767	12/12/2005	5
	58	91708	WHITEWOOD: SPRUCE GULCH LINE 69KV BAY PT# 40	103,761	1/27/2006	10
		92582	SOUTH RAPID FEEDER		9/29/2006	5
60 TOTAL MAJOR ADDITIONS 11,062,426	60		TOTAL MAJOR ADDITIONS	11,062,426		

Schedule D-4 2007 Page 2 of 2

Line	Work			Start	Period
No.	Order	Description	Amount	Date	Closed
~					
61 62	VARIOUS	DISTRIBUTION FERC ACCT 360	(0.01.0)	VADIOUS	
62	VARIOUS		(9,816)	VARIOUS	VARIOUS
63 64	VARIOUS	FERC ACCT 362	(509,598)	VARIOUS VARIOUS	VARIOUS
65		FERC ACCT 364	(650,135)		VARIOUS
65 66	VARIOUS	FERC ACCT 365	(533,555)	VARIOUS	VARIOUS
67	VARIOUS	FERC ACCT 367	(27,123)	VARIOUS	VARIOUS
67 68	VARIOUS	FERC ACCT 368	(364,469)	VARIOUS	VARIOUS
69	VARIOUS	FERC ACCT 369	(8,923)	VARIOUS	VARIOUS
69 70	VARIOUS VARIOUS	FERC ACCT 371	(17,112)	VARIOUS	VARIOUS
70	VARIOUS	FERC ACCT 373	(12,079)	VARIOUS	VARIOUS
71		TOTAL MAJOR RETIREMENTS	(2,132,809)		
72		GENERAL			
74	VARIOUS	VARIOUS UNDER \$100.000	1.856,846	VARIOUS	VARIOUS
74	16828	VEH #128-2006 IHC 2-WH DR TRUCK-RC WHSE		5/27/2005	
75	16906	PURCH & INSTALL 2 SERVERS & VIRTUAL RAID 50/ACES	121,339 156,732	5/2/2005	2 7
76	16908			10/3/2006	
78	16928	RCSC-VOIP PHONE SYSTEM GO 8TH FLOOR REMODEL	151,354		8
78 79	16939 90674	GU STH FLOOR REMODEL MAYER RADIO SITE AT BEAR MOUNTAIN	503,744	1/10/2007	11
79 80	90674 90675	MAYER RADIO SITE AT BEAR MOON TAIN MAYER RADIO SITE AT MOUNT COOLIDGE	158,202 116,974	5/19/2005	5 9
80 81	90675			5/19/2005	
81	90676 90910	MAYER RADIO SITE AT TANK HILL NEWCASTLE MAYER RADIO SITE AT BATTLE MOUNTAIN	156,951	5/19/2005	5
82	90910 91011		189,987	7/21/2005	5
84	91011	MAYER RADIO SITE AT VETERANS PEAK GENMAP TO SMALLWORLD DATA CONVERSION	196,373	8/12/2005	9
84 85	91017	TOTAL MAJOR ADDITIONS	<u>119,464</u> 3.727,963	8/15/2005	6
86		TOTAL MAJOR ADDITIONS	3,727,905		
87	VARIOUS	FERC ACCT 390	(353,673)	VARIOUS	VARIOUS
88	VARIOUS	FERC ACCT 391	(69,251)	VARIOUS	VARIOUS
89	VARIOUS	FERC ACCT 392	(149,564)	VARIOUS	VARIOUS
90	VARIOUS	FERC ACCT 394	(50,522)	VARIOUS	VARIOUS
91	VARIOUS	FERC ACCT 395	(30,322)	VARIOUS	VARIOUS
92	VARIOUS	FERC ACCT 396	(18,118)	VARIOUS	VARIOUS
93	VARIOUS	FERC ACCT 397	(255,659)	VARIOUS	VARIOUS
94	VARIOUS	FERC ACCT 398	(255,655)	VARIOUS	VARIOUS
94 95	VARIOUS	TOTAL MAJOR RETIREMENTS	(896,786)	VARIOUS	VARIOUS
96			(000,700)		
97					
98		Grand Total	10,600,449		
50			10,000,440		

Exhibit CJK - 105 Page 62 of 358

BLACK HILLS POWER, INC. SUMMARY OF MAJOR ADDITIONS AND RETIREMENTS BY FUNCTION For the Year Ended December 31, 2008

Schedule D-4 2008 Page 1 of 2

Line No.	Work Order	Description	Amount	Start Date	Period Closed
1 2	VARIOUS	PRODUCTION VARIOUS UNDER \$100,000	492,001	VARIOUS	VARIOUS
3	1.6698	BHP'S SHARE OF WYODAK 1 (COMPLETED PROJECTS)	182,740	9/3/2003	1
4	16698	BHP'S SHARE OF WYODAK 1 (COMPLETED PROJECTS)	267,864	9/3/2003	4
5	16698	BHP'S SHARE OF WYODAK 1 (COMPLETED PROJECTS)	192,073	9/3/2003	8
6	16948	BEN FRENCH-OVERHEAD CRANE UPGRADE	134,077	1/24/2007	10
7	16980	BEN F STATIC EXCITER UPGRADE (also see 2008-50088)	110,420	8/3/2007	8
8	17013	NSCT#1-INLINE GAS HEATER	136,241	1/23/2008	10
9	17013	OSAGE-REWIND OF #2 GENERATOR FIELD	313,906	4/4/2008	9
10	17074	BEN FRENCH-REPL TUBES ON MAIN CONDENSER	452,857	4/25/2008	11
10	17112	NSCT#1-GEAR BOX/CLUTCH REPLACEMENT	452,837	7/1/2008	10
12	1/112	TOTAL MAJOR ADDITIONS	2,436,589	//1/2000	10
12		TOTAL WADOR ADDITIONS	2,430,305		
14	VARIOUS	FERC ACCT 311	(31,964)	VARIOUS	VARIOUS
14 15	VARIOUS	FERC ACCT 312			
15 16	VARIOUS	FERC ACCT 312	(213,821) (152,219)	VARIOUS	VARIOUS
10	VARIOUS	FERC ACCT 314		VARIOUS	VARIOUS
17			(27,661)	VARIOUS	VARIOUS
18	VARIOUS	FERC ACCT 316	(6,826)	VARIOUS	VARIOUS
20	VARIOUS	FERC ACCT 344	(130,003)	VARIOUS	VARIOUS
20 21		TOTAL MAJOR RETIREMENTS	(562,495)		
21 22		TRANSMISSION			
22	VARIOUS	TRANSMISSION	222.045	MADIOUC	MADIONIC
23 24			232,845	VARIOUS	VARIOUS
24 25	87543	PREL.,CUSTER-HILL CITY 69KV REBUILD TOTAL MAJOR ADDITIONS	<u>1,078,205</u> 1,311,050	6/13/2003	12
25 26		TOTAL MAJOR ADDITIONS	1,311,050		
	VARIOUS		(40,000)		MADIOUS
27	VARIOUS	FERC ACCT 353	(40,909)	VARIOUS	VARIOUS
28	VARIOUS	FERC ACCT 355	(32,869)	VARIOUS	VARIOUS
29	VARIOUS	FERC ACCT 356	(61,670)	VARIOUS	VARIOUS
30		TOTAL MAJOR RETIREMENTS	(135,448)		
31		DICTORUTION			
32	VADIOUS	DISTRIBUTION	4 474 524	MARIONE	MADIOUS
33	VARIOUS	VARIOUS UNDER \$100,000	4,471,534	VARIOUS	VARIOUS
34	15272	LAWRENCE CO BLANKET	101,429	5/23/1994	4
35	15272	LAWRENCE CO BLANKET	135,783	5/23/1994	10
36	15273	PENNINGTON COUNTY BLANKET	273,681	12/10/1994	4
37	15273	PENNINGTON COUNTY BLANKET	195,488	12/10/1994	7
38	15273	PENNINGTON COUNTY BLANKET	233,470	12/10/1994	10
39	15273	PENNINGTON COUNTY BLANKET	135,902	12/10/1994	12
40	16631	TRANSFORMER BWO 2003,04,05,06,07,08	443,463	1/2/2003	2
41	16631	TRANSFORMER BWO 2003,04,05,06,07,08	197,692	1/2/2003	3
42	16631	TRANSFORMER BWO 2003,04,05,06,07,08	185,956	1/2/2003	4
43	16631	TRANSFORMER BWO 2003,04,05,06,07,08	240,050	1/2/2003	5
44	16631	TRANSFORMER BWO 2003,04,05,06,07,08	167,332	1/2/2003	6
45	16631	TRANSFORMER BWO 2003,04,05,06,07,08	117,571	1/2/2003	7
46	16631	TRANSFORMER BWO 2003,04,05,06,07,08	162,319	1/2/2003	8
47	16631	TRANSFORMER BWO 2003,04,05,06,07,08	172,039	1/2/2003	9
48	16631	TRANSFORMER BWO 2003,04,05,06,07,08	227,244	1/2/2003	11
49	16938	BHP METER BLANKET 2009,2008,2007	347,779	1/9/2007	5
50	87856	SPRUCE GULCH TO WHITEWOOD 69KV	3,645,217	9/5/2003	12
51	89961	IRON CREEK-SPEARFISH ROAD 69/24.9KV,PREL	760,835	12/3/2004	9
52	90664	RAMKOTA CONVENTION CENTER	346,659	5/13/2005	9
53	91993	DESIGN FOR SPEARFISH HYDRO 12.47KV SUB	1,111,393	4/21/2006	3
54	92433	THE TIMBERS SUBDIVISION	158,770	8/22/2006	4
55	92993	SPEARFISH PARK GETAWAY CIRCUITS	453,445	1/11/2007	3
56	93013	HWY 79 ROAD MOVE PHS I (BLKHWK-PDMNT)	128,836	1/18/2007	9
57	94098	69KV BREAKER REPLACEMENT AT LOOKOUT SUB	277,854	12/11/2007	11
58		TOTAL MAJOR ADDITIONS	14,691,744		

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Line	Work			Start	Period
No.	Order	Description	Amount	Date	Closed
59		DISTRIBUTION			
60	VARIOUS	FERC ACCT 360	(2,482)	VARIOUS	VARIOUS
61	VARIOUS	FERC ACCT 362	(264,709)	VARIOUS	VARIOUS
62	VARIOUS	FERC ACCT 364	(532,203)	VARIOUS	VARIOUS
63	VARIOUS	FERC ACCT 365	(326,440)	VARIOUS	VARIOUS
64	VARIOUS	FERC ACCT 367	(72,373)	VARIOUS	VARIOUS
65	VARIOUS	FERC ACCT 368	(209,124)	VARIOUS	VARIOUS
66	VARIOUS	FERC ACCT 369	(9,107)	VARIOUS	VARIOUS
67	VARIOUS	FERC ACCT 370	(2,699,117)	VARIOUS	VARIOUS
68	VARIOUS	FERC ACCT 371	(9,598)	VARIOUS	VARIOUS
69	VARIOUS	FERC ACCT 373	(9,536)	VARIOUS	VARIOUS
70		TOTAL MAJOR RETIREMENTS	(4,134,689)		
71					
72		GENERAL			
73	VARIOUS	VARIOUS UNDER \$100,000	931,531	VARIOUS	VARIOUS
74	91002	MAYER RADIO MICROWAVE SYSTEM	711,793	8/11/2005	9
75	91003	MAYER RADIO TRUNK RADIO SYSTEM	2,657,267	8/11/2005	9
76	93140	SANDERS RANCH - DEVELOP TOWER SITE	283,472	2/26/2007	4
77		TOTAL MAJOR ADDITIONS	4,584,064	· · · · · · · · · · · · · · · · · · ·	
78					
79	VARIOUS	FERC ACCT 390	(13,548)	VARIOUS	VARIOUS
80	VARIOUS	FERC ACCT 391	12,095	VARIOUS	VARIOUS
81	VARIOUS	FERC ACCT 392	(126,895)	VARIOUS	VARIOUS
82	VARIOUS	FERC ACCT 394	(52,821)	VARIOUS	VARIOUS
83	VARIOUS	FERC ACCT 395	(53,950)	VARIOUS	VARIOUS
84	VARIOUS	FERC ACCT 397	(576,526)	VARIOUS	VARIOUS
85		TOTAL MAJOR RETIREMENTS	(811,645)		
86			_		
87					
88		Grand Total	17,379,170		

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Line No.	Wark Order	Description	Amount	Start	Period
		Description	Amount	Date	Closed
1		PRODUCTION			
2	VARIOUS	VARIOUS UNDER \$100,000	732,499	VARIOUS	VARIOUS
3	99153075	NS1-ASH BARGE RETAINING WALL	105,667	2/17/2009	12
4	99151231	NSCT1-S-5 BLOCK UPGRADE	114,130	2/17/2009	10
5	99150073	BEN FRENCH-ASH POND LINING	225,943	2/17/2009	9
6	99150087	BEN FRENCH-TURBINE UPGRADE	336,510	2/17/2009	10
7	99150008	ASHPOND, GENERATOR	386,172	2/17/2009	9
8	99151234	NSCT#1-PRE-MIXER/FUEL SYSTEM CLEANI	542,173	2/17/2009	12
9	99155012	BHPS SHARE OF WYODAK I CAPITAL	1,155,752	2/17/2009	2
10	99150008	HIGH PRESSURE TURBINE	3,220,506	2/17/2009	8
11	99154144	NS2-ACC EXPANSION-NSC	8,259,558	2/17/2009	5
12		TOTAL MAJOR ADDITIONS	15,078,910		
13					
14	VARIOUS	FERC ACCT 311	(277,476)	VARIOUS	VARIOUS
15	VARIOUS	FERC ACCT 312	(333,334)	VARIOUS	VARIOUS
16	VARIOUS	FERC ACCT 314	(64,646)	VARIOUS	VARIOUS
17	VARIOUS	FERC ACCT 316	(1,749)	VARIOUS	VARIOUS
18	VARIOUS	FERC ACCT 342	(131,849)	VARIOUS	VARIOUS
19	VARIOUS	FERC ACCT 344	(2,643,127)	VARIOUS	VARIOUS
20	VARIOUS	FERC ACCT 345	(3,000)	VARIOUS	VARIOUS
21		TOTAL MAJOR RETIREMENTS	(3,455,181)		
22					
23		TRANSMISSION			
24	VARIOUS	VARIOUS UNDER \$100,000	90,836	VARIOUS	VARIOUS
25	99157710	LKO SUB 230KV TRANSFORMER ADDN	109,182	8/29/2007	5
26	99156250	230KV BREAKER REPLACEMENT	117,208	2/17/2009	4
. 27	99156226	HTM 230KV	120,7 2 0	2/17/2009	6
28	99156225	ROW FIRST CLEARING 230KV	130,705	2/17/2009	6
29	99156257	NERC CIP COMPLIANCE	183,317	2/17/2009	5
30	99156251	WYGEN III-230KV SUB ADDITION (DONKE	4,531,907	1/24/2007	10
31	99156252	DONKEY CREEK TO PUMPKIN BUTTES 230K	11,244,045	2/17/2009	11
32		TOTAL MAJOR ADDITIONS	16,527,918		
33			(· = · · · ·		
34	VARIOUS	FERC ACCT 353	(153,722)	VARIOUS	VARIOUS
35		TOTAL MAJOR RETIREMENTS	(153,722)		
36		DISTRIBUTION			
37	MADIOUS	DISTRIBUTION	804 270	MADIOUS	VARIOUS
38	VARIOUS	VARIOUS UNDER \$100,000	891,378	VARIOUS	VARIOUS
39	99157019	CUSTER COUNTY BLANKET	116,293	2/17/2009	12
40	99157231	CUSTER CONV., NEW CKT & BKR REPL	125,958	2/17/2009	6
41 42	99157006 99156259	REPLACE AND STUB DISTRIBUTION POLES REPLACE WEST HILL SUB REACTOR BANK	135,221	2/17/2009	7 4
42	99157017	BUTTE COUNTY BLANKET	154,269 160,938	1/8/2009 3/3/2008	4 6
44	99157722	PACTOLA SUB CAPACITOR BANK	172,057	9/24/2008	11
45	99157701	REPLACE 69KV BREAKERS	191,651	1/19/2009	
46	99157715	EDGEMONT 69KV CAPACITOR ADDITION	204,431	2/17/2009	1 6
47	99157222	BENCHMARK TO NEMO REBUILD	205,357	2/17/2009	7
48	99157210	RECONDUCTOR 2567	220,481	2/17/2009	4
49	99157140	HAZARD TREE MITIGATION/DIST.	262,403	8/16/2008	1
50	99157016	MEADE COUNTY BLANKET	271,237	2/17/2009	9
51	99157000	LAWRENCE COUNTY BLANKET PROJECT	383,216	2/17/2009	7
52	99157012	ROAD IMPROVEMENTS PROJECTS	447,456	1/1/2009	9
53	99157076	SPEARFISH VOLTAGE CONVERSION	458,563	8/6/2006	6
54	99157007	REPLACE UNDERGROUND	468,877	12/11/1998	1
55	99157003	METER BLANKET	608,165	2/17/2009	3
56	99157015	PENNINGTON COUNTY BLANKET	801,924	10/30/2008	1
57	99157009	BETTERMENT PROJECT < \$25000	906,827	3/11/1994	6
58	99157230	NE RC SUB ADDITION	1,039,803	2/17/2009	6
59	99157002	BLANKET PROJECT - TRANSFORMERS	1,154,030	2/17/2009	5
60	99157001	CUSTOMER PROJECTS OVER \$5000	2,588,332	3/11/1994	7
61	99157710	LKO SUB 230KV TRANSFORMER ADDN	3,052,703	8/29/2007	5
62		TOTAL MAJOR ADDITIONS	15,021,571		
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Line	Work			Start	Period
No.	Order	Description	Amount	Date	Closed
63		DISTRIBUTION			
64	VARIOUS	FERC ACCT 362	(229,670)	VARIOUS	VARIOUS
65	VARIOUS	FERC ACCT 364	(91,560)	VARIOUS	VARIOUS
66	VARIOUS	FERC ACCT 365	(137,018)	VARIOUS	
67	VARIOUS				VARIOUS
		FERC ACCT 366	(29,330)	VARIOUS	VARIOUS
68 68	VARIOUS	FERC ACCT 367	(137,299)	VARIOUS	VARIOUS
69	VARIOUS	FERC ACCT 368	(189,988)	VARIOUS	VARIOUS
70	VARIOUS	FERC ACCT 369	(6,550)	VARIOUS	VARIOUS
71	VARIOUS	FERC ACCT 370	(141,888)	VARIOUS	VARIOUS
72	VARIOUS	FERC ACCT 371	(5,599)	VARIOUS	VARIOUS
73	VARIOUS	FERC ACCT 373	(13,672)	VARIOUS	VARIOUS
74		TOTAL MAJOR RETIREMENTS	(982,574)		
75					
76		GENERAL			
77	VARIOUS	VARIOUS UNDER \$100,000	596,174	VARIOUS	VARIOUS
78	99159958	DEADWOOD-PURCHASE NEW SNOW MACHINE	122,355	10/30/2008	7
79	99159795	MOBILE RADIO ADDITIONS	165,286	10/24/2008	6
80	99159088	PC PURCHASES	168,779	2/17/2009	9
81	99155012	BHPS SHARE OF WYODAK I CAPITAL	232,709	2/17/2009	2
82	99158019	GENERAL FACILITIES CONSTRUCTION BLA	247,217	2/17/2009	12
83	99154129	NS2-CMMS SYSTEM	531,024	2/17/2009	6
84	99158002	TRANSPORTATION BLANKET	1,101,655	11/4/2008	7
85		TOTAL MAJOR ADDITIONS	3,165,198		
86					
87	VARIOUS	FERC ACCT 390	(289,344)	VARIOUS	VARIOUS
88	VARIOUS	FERC ACCT 391	(55,539)	VARIOUS	VARIOUS
89	VARIOUS	FERC ACCT 392	(456,297)	VARIOUS	VARIOUS
90	VARIOUS	FERC ACCT 397	(1,782)	VARIOUS	VARIOUS
91		TOTAL MAJOR RETIREMENTS	(802,962)		
92					
93					
94		Grand Total	44,399,158		
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Line	Work		. .	Start	Period
No.	Order	Description	Amount	Date	Closed
1		PRODUCTION			
2	VARIOUS	VARIOUS UNDER \$100,000	(40,960)	VARIOUS	VARIOUS
3	99152067	OSAGE OUTFALL UPGRADE	121,590	10/20/2008	9
4	99154155	NS2-CDS DOSING VALVE PROJECT	127,197	11/3/2008	9
5	99150008	PRODUCTION CONTINGENCY	185,243	1/29/2009	2
6	99154139	NS2-MERCURY CEMS	263,430	12/8/2008	2
7	99153080	NS1-REPLACE PRECIPITATOR ROOF	630,309	12/1/2008	9
8	99154153	NS2-BOILER WATERWALL REPLACEMENT	722,915	11/12/2008	9
9	99154145	BHSC-NSC-WELL #15	799,364	6/27/2008	6
10	99153083	NS1-TURBINE MAJOR OVERHAUL-CAPITAL	822,175	2/24/2009	9
11	99155012	BHPS SHARE OF WYODAK I CAPITAL	1,036,073	3/30/2004	2
12	99154148	NS2-STEAM TURBINE DIAPHRAGM UPGRADE	1,248,042	2/10/2009	6
13	99153081	NS1-BOILER MAJOR MTC-CAPITAL	1,857,786	9/19/2008	9
14		TOTAL MAJOR ADDITIONS	7,773,165	-,,	-
15					
16	VARIOUS	FERC ACCT 311	(14,793)	VARIOUS	VARIOUS
17	VARIOUS	FERC ACCT 312	(1,926,356)	VARIOUS	VARIOUS
18	VARIOUS	FERC ACCT 314	(706,747)	VARIOUS	VARIOUS
19	VARIOUS	FERC ACCT 315	(7,797)	VARIOUS	VARIOUS
20	VARIOUS	FERC ACCT 316	(14,022)	VARIOUS	VARIOUS
20	VARIOUS	FERC ACCT 345	(22,322)	VARIOUS	VARIOUS
21	VANIOUS	TOTAL MAJOR RETIREMENTS	(2,692,037)	VARIOUS	VARIOUS
23			(2,032,037)		
23		TRANSMISSION			
24	VARIOUS	VARIOUS UNDER \$100,000	137,722	VARIOUS	VARIOUS
23	99156258	SO RC 230KV CAPACITOR BANKS	2,294,908	1/19/2009	12
20	33130230	TOTAL MAJOR ADDITIONS		1/19/2009	12
		TOTAL MAJOR ADDITIONS	2,432,630		
28	VARIOUS		10 1931	MARIOUS	VADIOUS
29	VARIOUS	FERC ACCT 355	(6,182)	VARIOUS	VARIOUS
30		TOTAL MAJOR RETIREMENTS	(6,182)		
31		DICTORIUTION			
32	MARIOUS		FFC 773	MADIOUS	VADIOUS
33	VARIOUS	VARIOUS UNDER \$100,000	556,773	VARIOUS	VARIOUS
34	99157197	ROW CLEARING 69KV	106,471	7/3/2008	4
35	99157140	HAZARD TREE MITIGATION/DIST.	107,295	4/28/2008	9
36	99157249	RECONDUCTOR LACROSSE STREET	119,738	12/10/1994	10
37	99157000	LAWRENCE COUNTY BLANKET PROJECT	158,706	5/23/1994	7
38	99157248	RECONDUCTOR SOUTH CANYON RD	178,377	12/10/1994	9
39	99157210	RECONDUCTOR 2567	198,667	12/8/2008	9
40	99157231	FALL RIVER HOSPITAL DIST RECONDUCTO	239,682	4/30/1994	7
41	99157002	BLANKET PROJECT - TRANSFORMERS	275,593	8/8/1995	5
42	99157012	ROAD IMPROVEMENTS PROJECTS	279,313	3/11/1994	9
43	99157007	REPLACE UNDERGROUND	290,809	12/10/1994	1
44	99157015	PENNINGTON COUNTY BLANKET	300,528	12/10/1994	1
45	99157223	NEWELL TO VALE REBUILD	342,997	8/27/2004	7
46	99157234	FALL RIVER HOSPITAL DIST RECONDUCTO	358,669	4/30/1994	5
47	99157006	REPLACE AND STUB DISTRIBUTION POLES	361,670	3/11/1994	6
48	99157003	METER BLANKET	563,563	2/1/2008	3
49	99157009	BETTERMENT PROJECT < \$25000	687,405	3/11/1994	12
50	99157714	WHITEWOOD SUB 69KV BREAKER ADDITION	687,620	8/30/2007	9
51	99157076	SPEARFISH VOLTAGE CONVERSION	841,695	5/23/1994	4
52	99157001	CUSTOMER PROJECTS OVER \$5000	1,123,457	3/11/1994	1
53	99156006	TRANSMISSION CONTINGENCY	1,562,695	3/18/2009	4
54	99157718	REPL 230KV/69KV XFMR #2 AT LANGE SU	2,836,740	8/19/2008	9
55	99157700	WINDY FLATS-PACTOLA 69KV LINE REBUI	3,407,685	1/8/2009	10
			0,407,000	1,0,2005	10

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Line	Work			Start	Period
No.	Order	Description	Amount	Date	Closed
57		DISTRIBUTION			
58	VARIOUS	FERC ACCT 362	(88,991)	VARIOUS	VARIOUS
59	VARIOUS	FERC ACCT 364	(503,997)	VARIOUS	VARIOUS
60	VARIOUS	FERC ACCT 365	(171,422)	VARIOUS	VARIOUS
61	VARIOUS	FERC ACCT 366	(36,717)	VARIOUS	VARIOUS
62	VARIOUS	FERC ACCT 367	(83,193)	VARIOUS	VARIOUS
63	VARIOUS	FERC ACCT 368	(271,741)	VARIOUS	VARIOUS
64	VARIOUS	FERC ACCT 369	(5,457)	VARIOUS	VARIOUS
65	VARIOUS	FERC ACCT 370	(7,734,738)	VARIOUS	VARIOUS
66	VARIOUS	FERC ACCT 371	(2,221)	VARIOUS	VARIOUS
67	VARIOUS	FERC ACCT 373	(5,324)	VARIOUS	VARIOUS
68		TOTAL MAJOR RETIREMENTS	(8,903,801)		
69					
70		GENERAL			
71	VARIOUS	VARIOUS UNDER \$100,000	412,193	VARIOUS	VARIOUS
72	99158002	TRANSPORTATION BLANKET	266,059	9/5/2008	6
73	99158010	FURNITURE BLANKET	297,157	1/6/2009	4
74		TOTAL MAJOR ADDITIONS	975,409		
75					
76	VARIOUS	FERC ACCT 391	(19,740)	VARIOUS	VARIOUS
77	VARIOUS	FERC ACCT 392	(245,105)	VARIOUS	VARIOUS
78	VARIOUS	FERC ACCT 394	(197,808)	VARIOUS	VARIOUS
79	VARIOUS	FERC ACCT 397	(3,792)	VARIOUS	VARIOUS
80		TOTAL MAJOR RETIREMENTS	(466,445)		
81					
82					
83		Grand Total	14,698,887		

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Line No.	Work Order	Description	Amount	Start Date	Period Closed
	Cider	Description	Amount	Date	Closed
1		PRODUCTION			
2	VARIOUS	VARIOUS UNDER \$100,000	1,285,732	VARIOUS	VARIOUS
3	99154215	NS2-"B" PULVERIZER ROLL WHEEL REPLA	121,497	8/11/2009	10
4	99153084	NS1-CONDENSER FAN DRIVE UPGRADE	132.054	1/1/2011	7
5	99154182	NS2-REPL FAILING BATTERY STRING	137,180	9/1/2009	7
6	10040169	NS1-STACK UPGRADES	236,052	2/17/2009	2
7	99154204	NS2-PULV 1B WEAR COMPONENTS-MAJOR	324,385	2/17/2009	9
8	99153082	NS1-POWER CENTER UPGRADE	656,400	2/17/2009	8
9	10041974	NSCT1-REPL GEARBOX/REPAIR ENGINE	874,501	9/1/2009	2
10	99154146	BHSC-NSC-WATER TREAT SYSTEM EQUIP	1,130,140	2/17/2009	8
11	99154147	BHSC-NSC-NEW ADMIN BUILDING	1,620,885	2/17/2009	7
12	99155012	BHPS SHARE OF WYODAK I CAPITAL	10,397,483	2/17/2009	1
13	99155012	SO2 and PM Emission Control Upgrade	25,007,134	2/17/2009	1
14	99155012	NOX Clean Air Initiative	2,552,915	2/17/2009	1
15		TOTAL MAJOR ADDITIONS	44,476,358		
16					
17	VARIOUS	FERC ACCT 310	(302)	VARIOUS	VARIOUS
18	VARIOUS	FERC ACCT 311	(166,496)	VARIOUS	VARIOUS
19	VARIOUS	FERC ACCT 312	(9,853,857)	VARIOUS	VARIOUS
20	VARIOUS	FERC ACCT 314	(1,726,137)	VARIOUS	VARIOUS
21	VARIOUS	FERC ACCT 315	(392,168)	VARIOUS	VARIOUS
22	VARIOUS	FERC ACCT 316	(44,236)	VARIOUS	VARIOUS
23	VARIOUS	FERC ACCT 342	(10,000)	VARIOUS	VARIOUS
24	VARIOUS	FERC ACCT 344	(310,176)	VARIOUS	VARIOUS
25		TOTAL MAJOR RETIREMENTS	(12,503,372)		
26					
27		TRANSMISSION			
28	VARIOUS	VARIOUS UNDER \$100,000	157,576	VARIOUS	VARIOUS
29	99156006	TRANSMISSION CONTINGENCY	105,033	2/17/2009	6
30	99156276	DEVELOP/IMPLEMENT OATI (FERC & NERC	108,277	6/23/2009	10
31	99156250	230KV BREAKER REPLACEMENT	115,483	2/22/2010	11
32	99155503	WYGEN 3-EQUIPMENT PROCUREMENT	298,888	2/17/2009	6
33	99159092	7 CORE SYSTEMS UNIFICATION PROJECT-	613,707	2/17/2009	7
34	99156272	WYGEN 1/WYODAK 230KV TO DONKEY CREE	988,382	9/16/2009	1
35	99156271	DONKEY CREEK SUB BAY ADDITION	1,512,718	1/19/2009	10
36	99156254	PUMPKIN BUTTE TO CASPER/DJ 230KV LI	22,255,857	10/26/2006	7
37		TOTAL MAJOR ADDITIONS	26,155,921		
38					
39	VARIOUS	FERC ACCT 350	(156,441)	VARIOUS	VARIOUS
40	VARIOUS	FERC ACCT 353	(1,720,812)	VARIOUS	VARIOUS
41	VARIOUS	FERC ACCT 355	(38,415)	VARIOUS	VARIOUS
42		TOTAL MAJOR RETIREMENTS	(1,915,668)		

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BLACK HILLS POWER, INC. SUMMARY OF MAJOR ADDITIONS AND RETIREMENTS BY FUNCTION For the Year Ended December 31, 2011

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Line	Work			Start	Period
<u>No.</u>	Order	Description	Amount	Date	Closed
43		DISTRIBUTION			
44	VARIOUS	VARIOUS UNDER \$100,000	484,622	VARIOUS	VARIOUS
45	99157724	LANGE TO STURGIS 69KV	104,031	2/5/2010	12
46	10040064	Inv New Cust Undg svc/Meter Enclos	109,446	2/17/2009	7
47	99157018	FALL RIVER COUNTY BLANKET	110,264	9/10/2009	6
48	99157133	OH DISTRIBUTION RELIABILITY	110,373	2/5/2010	11
49	10040059	Inv New Cust Elec Strt Lt Blanket	114,127	3/3/2008	6
50	99157017	BUTTE COUNTY BLANKET	120,155	2/17/2009	6
51	99157007	REPLACE UNDERGROUND	122,583	7/16/2010	4
52	99157174	HTM 69KV	133,426	7/16/2010	12
53	99157197	ROW CLEARING 69KV	139,727	7/11/2009	12
54	99157140	HAZARD TREE MITIGATION/DIST.	142,209	2/17/2009	6
55	99157012	ROAD IMPROVEMENTS PROJECTS	147,637	2/17/2009	10
56	99157019	CUSTER COUNTY BLANKET	155,051	2/17/2009	12
57	99157016	MEADE COUNTY BLANKET	190,733	9/11/2009	9
58	99157243	RECONDUCTOR NEW 404, DIST 4.16KV	200,955	2/17/2009	8
59	99157003	METER BLANKET	231,344	10/4/2010	8
60	10040420	OSAGE 69KV VOLTAGE SUPPORT	233,031	2/5/2010	11
61	10040054	Repl Elec ext or Gas Mains Blanket	246,714	1/27/2010	6
62	99157245	REPL RECT. WOUND DIST SUB XEMRS	279,000	7/11/2009	12
63	99157240	WEST CHICAGO REBUILD	323,957	2/17/2009	6
64	99157000	LAWRENCE COUNTY BLANKET PROJECT	336,531	9/11/2009	2
65 ⁺	99157006	REPLACE AND STUB DISTRIBUTION POLES	418,399	2/17/2009	5
66	99157225	MINNESOTA STREET FEEDER	606,597	12/1/2009	5
67	99157223	NEWELL TO VALE REBUILD	607,795	2/11/2009	6
68	99157002	BLANKET PROJECT - TRANSFORMERS	669,509	8/6/2006	5
69	99157015	PENNINGTON COUNTY BLANKET	846,707	2/17/2009	1
70	99157001	CUSTOMER PROJECTS OVER \$5000	849,891	9/8/2008	6
71	99157009	BETTERMENT PROJECT < \$25000	1,016,205	2/5/2010	6
72	99157716	WHITEWOOD TO PIEDMONT 69KV LINE REB	1,123,373	1/29/2010	. 12
73	10040058	Inv New Cust Elec Serv OH Blanket	1,220,097	2/5/2010	7
74	99156277	REPLACE 70MVA XFMR AT WYODAK SUB	1,562,774	2/17/2009	12
75		TOTAL MAJOR ADDITIONS	12,957,263		

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Schedule D-4 2011 Page 3 of 3

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Line	Work			Start	Period
No.	Order	Description	Amount	Date	Closed
76		DISTRIBUTION			
77	VARIOUS	FERC ACCT 362	(107,979)	VARIOUS	VARIOUS
78	VARIOUS	FERC ACCT 364	(205,581)	VARIOUS	VARIOUS
79	VARIOUS	FERC ACCT 365	(223,457)	VARIOUS	VARIOUS
80	VARIOUS	FERC ACCT 366	(23,722)	VARIOUS	VARIOUS
81	VARIOUS	FERC ACCT 367	(159,532)	VARIOUS	VARIOUS
82	VARIOUS	FERC ACCT 368	(418,408)	VARIOUS	VARIOUS
83	VARIOUS	FERC ACCT 369	(18,998)	VARIOUS	VARIOUS
84	VARIOUS	FERC ACCT 371	(12,814)	VARIOUS	VARIOUS
85	VARIOUS	FERC ACCT 373	(14,099)	VARIOUS	VARIOUS
86		TOTAL MAJOR RETIREMENTS	(1,184,590)		
87					
88		GENERAL			
89	VARIOUS	VARIOUS UNDER \$100,000	783,664	VARIOUS	VARIOUS
90	99154147	BHSC-NSC-NEW ADMIN BUILDING	104,099	4/8/2009	7
91	99155016	NSC - POWER DELIVERY CONTROL NETWOR	114,508	8/25/2009	12
92	99159865	BHP GIS MAPPING SYSTEM	189,434	5/10/2011	10
93	99158022	CAPITAL FACILITIES BLANKET-2010	395,639	5/6/2009	12
94	10040395	FLEET PURCHASED BHP	409,657	2/17/2009	1
95	99159093	POWERPLANT CAPITAL	512,882	2/17/2009	8
96	99159092	7 CORE SYSTEMS UNIFICATION PROJECT-	824,346	4/7/2010	10
97	99158002	TRANSPORTATION BLANKET	1,033,885	5/18/2011	6
98		TOTAL MAJOR ADDITIONS	4,368,113		
99					
100	VARIOUS	FERC ACCT 390	(14,461)	VARIOUS	VARIOUS
101	VARIOUS	FERC ACCT 391	(1,402,990)	VARIOUS	VARIOUS
102	VARIOUS	FERC ACCT 392	(257,722)	VARIOUS	VARIOUS
103	VARIOUS	FERC ACCT 393	(15,047)	VARIOUS	VARIOUS
104	VARIOUS	FERC ACCT 394	(1,133,272)	VARIOUS	VARIOUS
105	VARIOUS	FERC ACCT 395	(327,391)	VARIOUS	VARIOUS
106	VARIOUS	FERC ACCT 397	(267,831)	VARIOUS	VARIOUS
107	VARIOUS	FERC ACCT 398	(187,704)	VARIOUS	VARIOUS
108		TOTAL MAJOR RETIREMENTS	(3,606,418)		
109					
110					
111		Grand Total	68,747,607		

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BLACK HILLS POWER, INC. POLICY OF CAPITALIZING INTEREST AND OTHER OVERHEADS DURING CONSTRUCTION For the Test Year Ended June 30, 2012

Line No.	Policy Description				
1					
2	Interest is charged monthly on construction projects on all electric property classified as work in progress not				
3	completed or in service, provided that construction has not been halted for an extended period of time.				
4					
5	Overhead costs related to construction projects are capitalized in accordance with Electric Plant instructions of the				
6	FERC Uniform System of Accounts.				

BLACK HILLS POWER, INC. CHANGES IN INTANGIBLE PLANT FOR THE PERIOD JANUARY 1, 2007 THROUGH JUNE 30, 2012

Line		Beginning of Period				Ending Period	
No.	Year	Balance	Additions	Retirements		Balance	
1	2007	4,870,308	-	-	\$	4,870,308	
2	2008	4,870,308	-	-	\$	4,870,308	
3	2009	4,870,308	-	-	\$	4,870,308	
4	2010	4,870,308	-	-	\$	4,870,308	
5	2011	4,870,308	-	-	\$	4,870,308	
6	June 2012	4,870,308	-	-	\$	4,870,308	

BLACK HILLS POWER, INC. PLANT IN SERVICE - NOT USED AND USEFUL For the Test Year Ended June 30, 2012

Line No.	Beginning of Period Balance	Additions	Retirements	Ending Period Balance
1	None	_	-	None

BLACK HILLS POWER, INC. POLICY OF CONTINUING PROPERTY RECORDS For the Test Year Ended June 30, 2012

Policy Description
Power Plants:
Each power plant is unitized in accordance with FERC rules and regulations. A record of original cost,
age and description is maintained for each unit by plant location. When a unit is retired, the original
installed cost of that unit is removed from the records of the Company. If the unit is reusable, the
salvage value is booked at average unit prices for that item.
Transmission Plants:
A record exactly like the power plant record is maintained for each transmission substation. This
record includes land, buildings and equipment.
A record for each transmission line is maintained. The original installed cost of units are an average of
like units within the line (e.g. all 65 foot poles of the same age would have the same original installed
cost of this line). When a unit is retired, it is handled in the same manner as described above for
power plants.
Distribution Plants:
The records for distribution land, buildings, substations, transformer, and meters are maintained
exactly like the power plant records outlined above.
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The units in the mass distribution accounts are maintained by county by year installed. The original
installed cost of these units is the average installed cost in the county for that year. When a unit is
retired, the county is determined from property maps and the installed cost based on the oldest uni
in service is removed from the records of the Company. If the unit is reusable, a credit is posted to
the applicable work order based on the average unit prices for that item.
Conversi Blootes
General Plants: Each unit of general plant is separately identified and the records are maintained exactly like the
power plant records explained earlier.
Retirement Units:
The Company uses retirement units that conform to FERC guidelines.
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BLACK HILLS POWER, INC. PLANT AQUIRED FOR WHICH REGULATORY APPROVAL HAS NOT BEEN OBTAINED For the Test Year Ended June 30, 2012

Line No.	Policy Description
1 2	Black Hills Power did not acquire any operating units or systems for which regulatory approval has not been obtained in the 12 months ending June 30, 2012.

BLACK HILLS POWER, INC. SUBSEQUENT PROPERTY ADDITIONS For the Pro Forma Test Year Ended June 30, 2012

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Line No.	Description	Total
1	Steam Production	
2	Neil Simpson - Various Under 100,000	\$ 131,385
3	Wyodak Plant - BHP Share	1,761,206
4	Wygen III - SO2 Compliance on Startup	1,475,000
5	Total Steam Production Plant	3,367,591
6		
7	Other Production	
8	Various Under 100,000	2,906
9	Ben French Diesels - RICE Compliance	1,075,000
10	Total Other Production Plant	1,077,906
11		
12	Distribution	
13	Various Under 100,000	137,194
13	Betterment Project <25,000	272,931
14	Rebuild Spearfish City Sub	1,240,000
16	Fifth Street Sub	1,520,000
17	Windy Flats Breaker Additions	170,000
18	Distribution Rebuilds	350,000
19	Jackson Blvd Distribution Relocate	281,000
20	Reclosers	129,802
21	Jackson Blvd 69KV Relocation	600,000
22	Aurora Mitigation	110,000
23	Total Distribution Plant	4,810,927
24		
25	General Plant	
26	Various Under 100,000	393,375
27	Reliability Center	215,201
28	Meter Lab	100,000
29	Total General Plant	708,576
30		
31	Other Utility Plant	
32	Black Hills Service Company	
33	Various Under 100,000	445,694
34	Budget Software	327,932
35	Web Redesign	119,073
36	Enterprise Storage	137,308
37	Microsoft Licensing	552,256
38	Black Hills Utility Holdings	
39	Various Under 100,000	199,601
40	Outage Management	891,148
41	Fiber Optic Communications	171,402
42	Total Other Utility Plant	2,844,414
43		
44	Total Electric Plant Additions	\$ 12,809,414

20:10:13:64. Statement E -- Accumulated Depreciation. Statement E shall include a statement of the accumulated provision for depreciation by functional classification as of the beginning of each month of the test period and as of the end of the test period. Any claimed adjustments to the book amounts shall be shown in adjoining columns. All adjustments shall be clearly and fully explained in the supporting material submitted. The schedules required by §§ 20:10:13:65 to 20:10:13:67, inclusive, shall be submitted as part of statement E.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL <u>49-34A-4.</u>

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

Statement E, Page 1: This Statement shows a 12 month average book balance for accumulated depreciation for Production Plant, Transmission Plant, Distribution Plant, General Plant, and Other Utility Plant.

Statement E, Page 2: This statement shows a 12 month average book balance for accumulated amortization.

Statement E, Pages 3 & 4: This schedule provides further detail of the 12 month average accumulated depreciation book balances for the test period, June 30, 2012, for Steam Production Plant.

20:10:13:65. Schedule E-1 -- Working Papers on Recorded Changes to Accumulated **Depreciation.** Schedule E-1 shall include a yearly summary of the book changes in each functional classification set forth in statement E since the date of the last prior review in a rate proceeding or by private audit. The summary shall include:

(1) Starting balance;

(2) Annual provision;

(3) Retirements, with cross reference to plant schedule;

(4) Salvage;

(5) Removal costs;

(6) Adjustments, including particulars of any significant items;

(7) Ending balance.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

20:10:13:66. Schedule E-2 -- Working Papers on Depreciation and Amortization Method. Schedule E-2 shall include a description of the methods and procedures followed in depreciating or amortizing plant and recording abandonments by the utility if any policy change has been made effective since the period covered by the last annual report on FERC form no. 1 or FERC form no. 2 as filed with the FERC.

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 <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

20:10:13:67. Schedule E-3 -- Working Papers on Allocation of Overall Accounts. For each allocation of an overall account to obtain the amounts applicable to various functional groups of plant, schedule E-3 shall provide a complete explanation of the method, procedures and significant data used in making the allocation.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

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BLACK HILLS POWER, INC. ACCUMULATED PROVISION FOR DEPRECIATION TOTAL COMPANY BY FUNCTION For the Test Year Ended June 30, 2012

Statement E Page 1 of 4

Line												
No.	Month	Prod	luction Plant	Tran	smission Plant	Dist	ibution Plant	Ge	eneral Plant	Othe	r Utility Plant	Total
1	June 2011	\$	186,406,013	\$	29,600,365	\$	89,690,258	\$	24,362,672	\$	18,850,560	\$ 348,909,868
2	July 2011		186,230,829		29,803,152		90,216,577		24,538,530		18,991,427	349,780,515
3	August 2011		185,978,990		29,997,737		90,728,385		24,764,341		19,139,719	350,609,172
4	September 2011		186,284,265		30,178,516		91,213,437		24,961,522		19,302,358	351,940,098
5	October 2011		187,297,947		28,658,836		9 1,777,717		25,197,727		18,281,241	351,213,468
6	November 2011		177,861,319		28,832,554		92,356,529		22,438,531		18,341,924	339,830,857
7	December 2011		178,639,465		28,996,838		92,635,586		22,249,113		18,514,321	341,035,323
8	January 2012		179,751,951		29,204,529		93,135,539		22,451,373		18,091,533	342,634,925
9	February 2012		180,984,047		29,430,563		92,879,492		22,678,429		18,503,956	344,476,487
10	March 2012		180,268,850		29,341,936		95,691,849		22,581,622		18,671,605	346,555,862
11	April 2012		1 81,18 1,252		29,510,848		96,269,136		17,896,039		18,125,364	342,982,639
12	May 2012		182,500,902		29,746,083		96,092,444		18,090,606		16,792,361	343,222,396
13	June 2012		183,443,126		29,942,336		96,676,149		18,216,974		16,966,910	345,245,495
14												
15	Twelve Month Average		182,832,997		29,480,330		93,027,931		22,340,575		18,351,791	346,033,623
16	-											• •
17	Transmission Amounts (Note 1)		-		27,996,929		2,888,160		2,155,115		1,491,171	34,531,375
18										-		
19	Net BHP Amount	\$	182,832,997	\$	1,483,401	\$	90,139,771	\$	20,185,460	\$	16,860,620	\$ 311,502,248
20										<u> </u>		

21. Note 1: The amount directly assigned to the Transmission jurisdictional assets related to the CUS system and AC-DC-AC Tie assets.

BLACK HILLS POWER, INC. ACCUMULATED PROVISION FOR AMORTIZATION For the Test Year Ended June 30, 2012

Statement E Page 2 of 4

Line No.	Month	 Amount
1	June 2011	\$ 2,985,820
2	July 2011	2,993,937
3	August 2011	3,002,054
4	September 2011	3,010,171
5	October 2011	3,018,288
6	November 2011	3,026,406
7	December 2011	3,034,523
8	January 2012	3,042,640
9	February 2012	3,050,757
10	March 2012	3,058,874
11	April 2012	3,066,992
12	May 2012	3,075,109
13	June 2012	 3,083,226
14		
15	Twelve Month Average	\$ 3,034,523

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	BLACK HILLS POWER, INC. ACCUMULATED PROVISION FOR DEPRECIATION- PRODUCTION PLANT For the Test Year Ended June 30, 2012														Statement E Page 3 of 4
			(a)		(b)		(c)		(d)	(e)			(f)		(g)
Line No.	Description		June 2011	July 2011		A	August 2011		otember 2011	October 2011		November 2011		December 2011	
1	Steam Production- by Plant														
2	Ben French	\$	13,573,611	\$	13,616,848	\$	13,587,992	\$	13,616,405	\$	13,657 <i>,</i> 850	\$	13,700,764	\$	13,733,906
3	Neil Simpson I		15,648,399		15,532,976		15,519,742		15,499,412		15,565,347		15,632,853		15,689,204
5	Neil Simpson II		45,390,152		45,476,516		44,534,299		44,091,302		44,246,434		44,534,690		44,791,162
6	Osage		17,472,770		17,485,540		17,522,582		17,586,964		17,626,665		17,668,140		17,728,033
7	Wygen III		3,840,491		4,097,950		4,354,323		4,610,153		4,867,154		5,124,693		5,378,376
8	Wyodak		56,133,773		55,522,437		55,818,854		56,109,381		56,415,123		46,533,957		46,536,739
9															
10	Other Production		34,346,818		34,498,563		34,641,198		34,770,648	-	34,919,374		34,666,222		34,782,045
11	Total Production Plant	\$	186,406,013	\$	186,230,829	\$	185,978,991	\$	186,284,265	\$	187,297,947	\$	177,861,319	\$	178,639,465

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				ACCUN	ULATED PROVIS	ION FC	ILLS POWER, INC IR DEPRECIATION or Ended June 3	I- PROI	DUCTION PLANT				Statement E Page 4 of 4			
			(h)	(1)		())		(k)		(1)		(m)		[(Sum	(n) of (a):(m))/13]	
Line No.	Description	<u>la</u>	nuary 2012	Fe	February 2012		March 2012		April 2012		May 2012		June 2012		onth Average	
1	Steam Production- by Plant															
2	Ben French	\$	13,775,771	\$	13,826,208	\$	13,730,386	\$	13,756,889	\$	13,814,113	\$	13,807,919	\$	13,707,589	
3	Neil Simpson I		15,754,861		15,830,992		15,737,691		15,786,205		15,869,975		15,932,813		15,692,344	
5	Neil Simpson II		45,075,658		45,388,663		45,194,487		45,427,351		45,764,229		46,047,384		45,074,025	
6	Osage		17,768,161		17,819,337		17,682,138		17,702,620		17,762,634		17,799,182		17,663,444	
7	Wygen III		5,635,256		5,895,819		6,091,822		6,339,524		6,601,431		6,850,780		5,360,598	
8	Wyodak		46,817,570		47,127,648		46,937,851		47,164,675		47,496,845		47,766,456		50,490,870	
9																
10	Other Production		34,924,674		35,095,380		34,894,476		35,00 <u>3,988</u>		35,191,675		35,238,591		34,844,127	
11	Total Production Plant	\$	179,751,951	\$	180,984,047	\$	180,268,850	\$	181,181,252	\$	182,500,902	\$	183,443,126	\$	182,832,997	

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BLACK HILLS POWER, INC. ACCUMULATED PROVISION FOR DEPRECIATION For the Test Year Ended June 30, 2012

Line				ransmission		Other Utility							
<u>No.</u>	Description	Reference	Production Plant	Plant		Distribution Plant		G	eneral Plant		Plant	Total	
1	Balance June 30, 2011	Stmt. E pg 1 Ln.1	\$ 186,406,013	\$	29,600,365	\$	89,690,258	\$	24,362,672	\$	18,850,560	\$	348,909,868
2	Add: Depreciation Expense		13,325,407		2,408,774		7,872,598		2,632,491		1,957,372		28,196,642
3	Less: Retirements Closed		(12,649,115)		(1,732,227)		(2,535,936)		(8,572,974)		(3,691,183)		(29,181,435)
4	Less: Cost of Removal Closed		(1,917,640)		(19,304)		(855,334)		(21,779)		-		(2,814,057)
5													
6	Add: Salvage Closed		97,470		-		3,376,698		82,526		-		3,556,694
7													
8	RWIP		(1,818,423)		(288,537)		(872,671)		(239,218)		-		(3,218,849)
10	Miscellaneous Adjustments		(587)		(26,734)		536		(26,744)		(149,840)		(203,368)
11													
12	Balance June 30, 2012	Stmt. E pg 1 Ln.13	\$ 183,443,125	\$	29,942,337	\$	96,676,149	\$	18,216,974	\$	16,966,909	\$	345,245,495

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BLACK HILLS POWER, INC. DEPRECIATION AND AMORTIZATION METHOD For the Test Year Ended June 30, 2012

Line No.	Policy Description										
110.	Toncy Description										
1	The Company's depreciation expense rates are based on a depreciation study completed										
2	by Black & Veatch Consulting Engineers of Kansas City, Missouri, in September 2009.										
3	The study was performed in accordance with standard industry practice. The study was										
4	complete using Company data through December 31, 2008. Specific depreciation expense										
5	rates are calculated for each FERC property account and are applied to a twelve-month										
6	average of the property account investments to calculate annual depreciation expense.										
7	See Statement J for calculation of depreciation expense for the test year based on the										
8	rates developed by Black & Veatch. A more recent depreciation study was not completed										
9	as there was no new generation added.										
10											
11	There have been no changes in depreciation and amortization procedures for the test year										
12	ended June 30, 2012.										

Exhibit CJK - 105 Page 87 of 358

BLACK HILLS POWER, INC. ALLOCATION OF OVERALL ACCOUNTS For the Test Year Ended June 30, 2012

Line								
No.	Policy Description							
1	Accumulated depreciation balances shown on Statement E for each functional classification							
2	are the result of journal entries recorded monthly to reflect depreciation expense, retirements,							
3	cost of removal, and salvage.							

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20:10:13:68. Statement F -- Working Capital. Statement F shall show the computation of the working capital claimed as part of the public utility's rate base using averages where appropriate as of the beginning and the end of each month of the test period. The statement shall show the respective components of the claimed working capital and shall show in detail how the amount of each component was computed. The items required in \S 20:10:13:69 to 20:10:13:71, inclusive, shall be submitted as part of statement F.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

20:10:13:69. Schedule F-1 -- Monthly Balances for Materials, Supplies, Fuel Stocks, and Prepayments. Schedule F-1 shall set forth monthly balances for materials, supplies, fuel stocks, and prepayments in such detail as to disclose, either by subaccounts regularly maintained on the books or by analysis of the principal items included in the main account, the nature of the charges included.

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 <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

20:10:13:70. Schedule F-2 -- Monthly Balances for Two Years Immediately **Preceding Test Year.** Schedule F-2 shall set forth monthly balances of materials and supplies for two years immediately preceding the test period.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

20:10:13:71. Schedule F-3 -- DataUused in Computing Working Capital. Schedule F-3 shall show the computations, cross references, and sources from which the data used in computing claimed working capital is derived.

Source: 2 SDR 90, effective July 7, 1976; 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.

Schedule F-3 page 1: This schedule shows the cash working capital for the test year ended June 30, 2012.

Schedule F-3 page 2: This schedule shows the adjusted cash working capital for the test year ended June 30, 2012. The calculation of the adjusted cash working capital is based on adjusted expenses and adjusted revenues.

<u>Schedule F-3 Lead/Lag Calculations:</u> The <u>Expense per Day</u> in column (b), is calculated by dividing the per book recorded amounts in column (a) by 365 days in a year. The <u>Expense per Day</u> is then multiplied by the <u>Expense Lead Days</u> in column (c) to determine the <u>Expense Dollar Days</u> for column (d).

The <u>Expense Lead Days</u> is a calculation of the time lag between services/goods received and the payment of such costs based on a selection of invoices specific to each expense category. For example, if the invoice for services provided for the month of April was paid on May 20th, the Expense Lead Days would be 35. The 35 days is calculated by taking April's mid-service point of 15 days, since the service was for the entire month and adding the 20 days in May before the invoice was paid.

The <u>Revenue Lag Days</u> is a calculation of the time lag between services rendered and the receipt of revenues for such services. The components of this calculation include average: 1) service month midpoint days, 2) meter reading to billing days, and 3) billing to collection days.

<u>The Gross Cash Working Capital Requirement on line 47 is calculated by multiplying the total Expense per Day in column (b) – Line 41 by the Net Lead/Lag Days on line 45.</u>

The <u>Net Cash Working Capital Requirement</u> on line 49 is determined based on the <u>Gross</u> <u>Cash Working Capital</u> on line 47 net of the calculated cash available from tax collections on behalf of other parties, <u>Tax Collections Available</u> (Line 48).

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BLACK HILLS POWER, INC. WORKING CAPITAL For the Test Year Ended June 30, 2012

Line										Р	ro Forma		
No.	Description	Reference	_Tot	Total Per Books		CUS Adjustment			Per Books	A	djustment	Ad	usted Total
1 2	Cash Working Capital	Sched. F-3 pg1 Ln.49	\$	(3,631,348)	\$	(320,834)	(3)	\$	(3,952,182)	\$	(1,675,550) (1)	\$	(5,627,732)
2 3 4	Fuel Stocks	Sched. F-1 Ln.27		6,740,850					6,740,850		-		6,740,850
5	Materials and Supplies	Sched. F-1 Ln.27		14,800,547		(1,544,789)	(3)	1	13,255,758		750,000 (2)		14,005,758
7 8	Prepaid Expenses	Sched. F-1 Ln.27		1,060,904		(379,090)	(3)		681,814		-		681,814
9 10	Total Working Capital		\$	18,970,953	\$	(2,244,713)	-	\$ 1	16,726,240	\$	(925,550)	\$	15,800,690
11	Less: Prepaid Pension for Transmission Working												
12 13	Capital not included in Black Hills Power Rate Case					-							
14 15	Total Working Capital Transmission				\$	(2,244,713)						\$	2,244,713
16	Total Working Capital - BHP and Transmission											\$	18,045,403
17 18													
19	Note 1: Adjustments to cash working capital - refer to So	chedule F-3 page 2 for deta	ils.										
20	Note 2: Adjustment to materials and supplies - refer to S	Schedule F-1.											

21 Note 3: Transfers from BHP state jurisdiction to BHP FERC jurisdiction.

BLACK HILLS POWER, INC. COMPONENTS OF CLAIMED WORKING CAPITAL For the Test Year Ended June 30, 2012

Line No. Month Ending			Fue	el Stocks (a/c 151)	1aterials and plies (a/c 154, 156, 163)	Prepaid Expenses (a/c 165)		
1	2011	June	\$	6,993,638	\$ 14,352,932	\$	1,007,555	
2								
3		July		7,109,117	14,554,733		984,895	
4								
5		August		7,133,992	14,539,846		743,656	
6								
7		September		7,098,657	14,555,486		539,295	
8 9		October		7,027,496	14,941,052		1,383,981	
10		October		7,027,430	14,541,052		1,505,501	
11		November		6,901,819	14,877,127		1,335,446	
12							,,	
13		December		6,864,962	15,209,269		1,267,782	
14								
15	2012	January		6,566,048	15,225,529		1,245,931	
16								
17		February		6,505,746	15,286,665		1,194,019	
18 19		March		6,426,740	15,549,359		1,064,529	
20				0,420,740	13,343,333		1,004,525	
21		April		6,412,854	14,791,732		990,334	
22		- F			, - ,			
23		May		6,289,576	14,237,401		1,111,638	
24								
25		June		6,300,408	14,285,982		922,692	
26				6.540.050	 			
27	12 Month	Average		6,740,850	 14,800,547		1,060,904	
28 29	2013	Spare Transformer (Note 1)		_	750,000			
29 30	2013	spare fransionner (Note 1)		-	100,000		-	
31		Adjusted Balance	\$	6,740,850	\$ 15,550,547	\$	1,060,904	
32		· · · · · · · · · · · · · · · · · · ·		, <u>.</u>	 	T		
					• · · ·			

33 Note 1: A critical spare transformer rebuild for Neil Simpson II will be received in 2013.

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BLACK HILLS POWER, INC. MONTHLY BALANCES OF MATERIALS AND SUPPLIES For the Period July 2009 through June 2011

Line			Materia	Materials and Supplies			
No.		Month Ending	(a/c:	154,156,163)			
1	2009	July	\$	11,911,962			
2		August		11,931,120			
3		September		11,699,048			
4		October		11,647,309			
5		November		11,765,513			
6		December		11,697,159			
7	2010	January		12,074,006			
8		February		12,347,578			
9		March		12,312,475			
10		April		12,550,805			
11		Мау		12,475,688			
12		June		12,422,724			
13		July		12,894,739			
14		August		13,001,228			
15		September		13,498,192			
16		October		13,784,736			
17		November		13,925,140			
18		December		14,123,503			
19	2011	January		14,075,224			
20		February		14,178,779			
21		March		14,536,123			
22		April		14,797,010			
23	·	May		14,449,755			
24		June	\$	14,352,932			

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BLACK HILLS POWER, INC. PER BOOKS CASH WORKING CAPITAL CALCULATION For the Test Year Ended June 30, 2012

Line Description Reference Per Bools Expense Per Day Days Days 0 OPERATIONS AND MAINTENANCE Coal Strut. H (n. 6(a) \$ 21,163,029 \$ 5,79,81 35.2 \$ 2,000,91 1 Coal Transportation Strut. H (n. 7(a) 1,324,658 3,623 30.42 110,322 2 Furchhead Power and Capacity Strut. H (n. 7(a) 1,324,658 3,623 30.42 110,322 3 Coal Transportation Strut. H (n. 7(a) 1,324,658 3,623 44,83,114 4 Matural Gas - Other Production Strut. H (n. 7(a) 1,352,928 50,339 24.0 1,232,44 4 Morphysich Strut. H (n. 16(a) 1,252,327 3,137 1,327,058 1,323,44 3,457, FP 10 Other O&M Strut. H (n. 13(a): 1,12 + 1,134 1,252,569 423,341 5,235,660 3,93,923 13 Vayodak Power Plant O&M Strut. H (n. 13(a): 1,12 + 1,134 1,27,681 3,455 3,395,933 14 Wyording Farachysis Strut. L In. 14(a)				(a)	(b) [(a)/365]	(c)	(d) [(b)*(c)]	
$ \begin{array}{c} \mbox{Coal} & \mbox{Stmt. H} Ln. 6(a) & \mbox{Stmt. H} Ln. 7(a) & \mbox{List} 3, 24, 65, 36, 29 & 30, 4 & \mbox{List} 3, 24, 65, 82 & 38, 2 & \mbox{List} 3, 24, 65, 82 & 38, 2 & \mbox{List} 3, 24, 65, 82 & \mbox{Stmt. H} Ln. 27(a) & \mbox{List} 3, 24, 25, 33, 6 & \mbox{List} 4, 48, 104, 41, 33, 42, 65, 48, 23, 11, 324, 265 & \mbox{List} 4, 11, 47(a) & \mbox{List} 4, 11, 324, 257 & \mbox{List} 3, 34, 25, 25, 33, 6 & \mbox{List} 4, 44, 11, 24(a) & \mbox{Stmt. H} Ln. 56(a) & \mbox{List} 3, 25, 25, 33, 25, 60, & \mbox{List} 4, 44, 35, 064 & \mbox{H} 4, 11, 24(a) & \mbox{Stmt. H} Ln. 28(a) & \mbox{Stmt. L} Ln. 28(a) & Stmt. L$		Description	Reference	Per Books	Expense Per Day	•		
$ \begin{array}{c} \mbox{Coal} & \mbox{Stmt. H} Ln. 6(a) & \mbox{Stmt. H} Ln. 7(a) & \mbox{List} 3, 24, 65, 36, 29 & 30, 4 & \mbox{List} 3, 24, 65, 82 & 38, 2 & \mbox{List} 3, 24, 65, 82 & 38, 2 & \mbox{List} 3, 24, 65, 82 & \mbox{Stmt. H} Ln. 27(a) & \mbox{List} 3, 24, 25, 33, 6 & \mbox{List} 4, 48, 104, 41, 33, 42, 65, 48, 23, 11, 324, 265 & \mbox{List} 4, 11, 47(a) & \mbox{List} 4, 11, 324, 257 & \mbox{List} 3, 34, 25, 25, 33, 6 & \mbox{List} 4, 44, 11, 24(a) & \mbox{Stmt. H} Ln. 56(a) & \mbox{List} 3, 25, 25, 33, 25, 60, & \mbox{List} 4, 44, 35, 064 & \mbox{H} 4, 11, 24(a) & \mbox{Stmt. H} Ln. 28(a) & \mbox{Stmt. L} Ln. 28(a) & Stmt. L$	1	OPERATIONS AND MAINTENANCE						
3 Coal Transportation Stmt. H Ln. 7(a) 1.224.658 5.629 30.4 110.322 4 Natural Gas - Other Production Stmt. H Ln. 72(a) 2.074.106 5.682 38.2 217.052 5 Purchased Power and Capacity Stmt. H Ln. 72(a) 2.874.106 1.34.26 33.6 4.483.114 7 Transmission Stmt. H Ln. 72(a) 1.342.872 33.1076 1.40.4 435.004 6 Workers Comp Stmt. H Ln. 12(a) Sched. H-4 Ln. 22(a) 11.342.872 33.3765 77.333 44.7 3.457.679 9 Service/Holfing Company Charges Sched. H-4 Ln. 22(a) Sched.H-4 Ln. 22(a) 54.337.909 423.391 15.255.690 11 Subtratal Sum(Ln. 2Ln.10) 1.54.337.909 423.341 1.52.255.690 12 Subtratal Stmt. H Ln. 136(a) Ln.12 + Ln.14 158.197.031 433.416 15.931.425 13 Total O&M Stmt. H Ln. 136(a) Ln.12 + Ln.14 158.127 34.076 3.952.973 14 Total O&M Stmt. H Ln. 136(a) Ln.12 + Ln.14			Stmt H In, 6(a)	\$ 21,163,029	\$ 57,981	35.2	\$ 2,040,931	
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$,,				
5 Purchssed Power and Capacity Stmt. H. In. 47(a) 48,700,401 13,426 33.6 4,483,114 7 Net Payroll Sched. H-1 In. 29(a) 11,342,872 50,039 26.0 43.0 43.004 7 Net Payroll Sched. H-1 In. 29(a) 11,342,872 31.076 34.0 435.064 9 Service/Holding Company Charges Sched. H-4 In. 21(a) Sched. H-5 In.49(a) 22,31.4739 61.684 32.1 1.5225.600 11 Subtotal Sum(In.2:In.10) 134.537,909 423.391 15,235.600 12 Subtotal Sum(In.12:In.12) 135.817,031 433.416 15,235.600 13 TAXES OTHER THAN INCOME TAX 3.659,122 10,025 69.4 695.735 14 Wyodak Power Plant O&M 3.659,122 10,025 69.4 695.735 15 TAXES OTHER THAN INCOME TAX Stmt. H. In. 136(a): In.12 + In.34 158.197.03 14.03 4.360,470 19 Property Tax Stmt. H. In. 136(a): In.12 + In.30 12,768 39.6 5.5,931,122		•						
6 Transmission Stmt. H. Ln. 56(a) 18,592,582 30,339 26.0 1,324,444 Workers Comp 5thed. H. J. D. 29(a) 11,324,272 31,076 14.0 435,064 9 Service/Holding Company Charges Sched. H. J. D. 29(a) 28,233,757 1,621 732.3 1,187,058 10 Other O&M 28,233,756 7,7333 44.7 3,457,579 11 Subtotal Sum (In.21ch.10) 154,537,909 423,391 15,235,690 13 Wyodak Power Plant O&M 3,655,122 10,025 69.4 695,735 15 Total O&M Stmt. H. In. 136(a); In.12 + In.14 158,197,091 433,416 15,931,425 17 TAXES OTHER THAN INCOME TAX Stmt. L. In. 14(a) 4,660,470 12,768 309,6 3,952,973 10 Impenployment - FUTA and SUTA Stmt. L. In. 14(a) 4,560,470 12,768 309,6 3,952,973 10 Impenployment - FUTA and SUTA Stmt. L. In. 12(a) 11,779 49 63,5 3,127 11 Mort				•			•	
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	_			• •		26.0		
8 Workers Comp 591,757 1,62.1 723.3 1,187,058 9 Serie/Fidding Company Charges Sched. H-4 Ln.21(a) + 5ched. H-5 Ln.49(a) 28,337,66 77,353 44.7 3,457,679 10 Other O&M 3,659,112 10,025 69.4 695,735 14 Wyodak Power Plant O&M 3,659,112 10,025 69.4 695,735 16 Total O&M Stmt. H In. 136(a); Ln.12 + Ln.14 158,197,031 433,416 15,931,425 17 Total O&M Stmt. H In. 136(a); Ln.12 + Ln.14 158,197,031 433,416 15,931,425 17 Total O&M Stmt. H In. 136(a); Ln.12 + Ln.14 158,197,031 433,416 15,931,425 17 Total O&M Stmt. Lin. 14(a) 4,660,470 11,2,768 309,6 3,952,973 10 Unemployment - FUTA and SUTA Stmt. Lin. 14(a) 14,517 314 76 3,352,975 13 Subtobal Stmt. Lin. 14(a) 11,47,789 49 63.5 3,112 14 Morning Franchise Tax Stmt. Lin.		Net Payroll				14.0		
10 Other O&M 22,514,739 61,684 32.1 1,980,056 11 Subrotal Sum(Ln,2Ln,10) 154,537,909 423,391 15,235,690 13 Wyodak Power Plant O&M 3,659,122 10,025 69.4 695,735 15 Total O&M Stmt. H In. 136(a); Ln.12 + Ln.14 158,197,031 433,416 15,931,425 17 TAXES OTHER THAN INCOME TAX Property Tax Stmt. L In. 14(a) 4,660,470 12,768 309.6 3,952,973 10 Umemployment - FUTA and SUTA Stmt. L In. 14(a) 114,517 31.4 76 23,864 21 Wyoning Franchise Tax Stmt. L In. 14(a) 114,517 31.4 76 23,864 22 Wyoning Franchise Tax Stmt. L In. 14(a) 12,768 309.6 3,952,973 23 South Dakota PUC Stmt. L In. 14(a) 24,7700 79.523 3,452 204,240 24 Wyoning FSC Stmt. L In. 14(a) 2,71,700 7.994 15 119.910 25 Stmt. L In. 21(f) 27,769.938 75,534 37.5 1,371,563 36	8	Workers Comp	• •			732.3		
11 Subtotal Sum(In.2:In.10) 154,537,509 423,391 15,235,690 13 Wyodak Power Plant O&M 3,659,122 10,025 69.4 695,735 14 Wyodak Power Plant O&M 3,659,122 10,025 69.4 695,735 15 Total O&M Stmt. H In. 136(a); In.12 + In.14 158,197,031 433,416 15,931,425 15 TAXES OTHER THAN INCOME TAX Stmt. L In. 14(a) 4,660,470 12,768 309.6 3,952,973 10 Unemployment - FUTA and SUTA Stmt. L In. 3(a) 117,789 449 65.5 3,112 11 Morinan Electric Energy Stmt. L In. 10(a) 124,613 592 345 204,240 12 Wyoming Franchise Tax Stmt. L In. 2(a) 2,217,200 7,994 15 119,910 12 Total Taxes Other Than Income Tax Stmt. L In. 2(a) 2,217,200 7,994 15 13,930 13 NUCOME TAXES Stmt. L In. 2(a) 2,217,200 7,994 15 13,930 14 Amorization Stmt. J In. 21(h) 27,667,345 75,54 37.5 1,371,563	9	Service/Holding Company Charges	Sched. H-4 Ln.21(a) + Sched. H-5 Ln.49(a)	28,233,766	77,353	44.7	3,457,679	
12 Subtotal Sum(in.2:in.10) 154,537,909 423,391 15,235,690 13 Wyodak Power Plant O&M 3,659,122 10,025 69.4 695,735 13 TAXES OTHER THAN INCOME TAX 155,197,031 433,416 15,931,425 14 Property Tax Stmt. H In. 136(a); In.12 + In.14 155,197,031 433,416 15,931,425 15 TAXES OTHER THAN INCOME TAX 9 Property Tax Stmt. L In. 14(a) 14,517 314 76 23,864 10 Unemployment - FUTA and SUTA Stmt. L In. 16(a) 114,517 314 76 23,864 21 Wyoming Franchise Tax Stmt. L In. 16(a) 12,6433 592 345 204,240 21 Wyoming PSC Stmt. L In. 12(a) 2,247,00 7,994 15 113,910 23 South Dakta PUC Stmt. L In. 12(a) 2,247,507 7,994 15 113,910 24 Total Taxes Other Than Income Tax Sum(L In.21(b) 27,569,938 75,534 4,308,770 29 Depere	10	Other O&M		22,514,739	61,684	32.1	1,980,056	
13 Wyodak Power Plant O&M 3,659,122 10,025 69.4 695,735 16 Total O&M Stmt. H In. 136(a); In.12 + In.14 156,197,031 433,416 15,931,425 17 TAKES OTHER THAN INCOME TAX Property Tax Stmt. L In. 14(a) 4,660,470 12,768 309.6 3,952,973 20 Unemployment - FUTA and SUTA Stmt. L In. 8(a) 17,789 49 63.5 3,112 21 Myoning Franchise Tax Stmt. L In. 9(a) 60,432 166 50.3 8,350 23 South Dakota PUC Stmt. L In. 14(a) (2,479) (7) 525.5 (3,677) 24 Wyoning Franchise Tax Sum(In.19:In.26) 7,984,567 21,876 13,9910 25 Total Taxes Other Than Income Tax Sum(In.19:In.21(f) 27,569,938 75,534 13,371,563 36 NCCME TAXES Federal Stmt. J In. 21(f) 27,567,345 75,51 1,371,563 37 Subtotal In.29 + In.30 27,567,345 75,51 1,371,563 38	11							
14 $3,659,122$ $10,025$ 69.4 $695,735$ 15 Total Q&M Stmt. H In. 136(a); Ln.12 + Ln.14 $158,197,031$ $433,416$ $15,931,425$ 17 TAKES OTHER THAN INCOME TAX Property Tax Stmt. L In. 14(a) $4,660,470$ $12,768$ 309.6 $3,952,973$ 19 Property Tax Stmt. L In. 14(a) $4,660,470$ $12,768$ 309.6 $3,952,973$ 10 Unemployment - FUTA and SUTA Stmt. L In. 7(a) $114,517$ 314 76 $23,864$ 20 Wyoming Franchise Tax Stmt. L In. 10(a) $216,138$ 592 345 $204,240$ 20 Wyoming PSC Stmt. L In. 12(a) $2,917,700$ $7,994$ 15 $113,910$ 21 Total Taxes Other Than Income Tax Sum(In.19.1.26) $7,984,557$ $21,876$ $4,308,770$ 23 MCCOME TAXES Stmt. L In. 21(f) $27,667,345$ $75,801$ $4,308,770$ 24 Federal Stmt. K pg. 2 Ln. 59(a) $13,350,019$ $36,575$ 37.5 $1.371,563$ 25 Subtotal In. 41(b) + In. 45(a)	12	Subtotal	Sum(Ln.2:Ln.10)	154,537,909	423,391		15,235,690	
13 71 71 71 71 15 Total 0&M Stmt. H Ln. 136(a); Ln.12 + Ln.14 158,197,031 433,416 15,931,425 74XES OTHER THAN INCOME TAX 9 Property Tax Stmt. L Ln. 14(a) 4,660,470 12,768 309,6 3,952,973 20 Unemployment - FUTA and SUTA Stmt. L Ln. 8(a) 17,789 49 63,5 3,112 21 Worning Franchise Tax Stmt. L Ln. 9(a) 20,6132 166 50.3 8,350 22 South Dakota PUC Stmt. L Ln. 10(a) 2,16,138 592 243,5 204,240 23 South Dakota PUC Stmt. L Ln. 10(a) 2,16,738 592 345 204,240 24 Wyoning FSC Stmt. L Ln. 10(a) 2,16,738 7,994 15 119,300 27 Total Taxes Other Than Income Tax Sum(L 19:1,02) 7,984,567 7,184 4,308,770 23 Depreciation Stmt. K pg. 2 Ln. 59(a) 13,350,019 36,575 37,5 1,371,563 31 NCOME TAXES Federal Stmt. K pg. 2 Ln. 59(a) 13,360,707 49,501 4,36	13							
16 Total O&M Stmt. H Ln. 136(a); Ln.12 + Ln.14 158,197,031 433,416 15,931,425 17 TAXES OTHER THAN INCOME TAX Property Tax Stmt. L Ln. 14(a) 4,660,470 12,768 309,6 3,952,973 19 Property Tax Stmt. L Ln. 14(a) 4,660,470 12,768 309,6 3,952,973 10 Unemployment - FUTA and SUTA Stmt. L In. 8(a) 17,783 49 63.5 3,112 20 Worning Franchise Tax Stmt. L In. 10(a) 216,138 592 345 204,240 20 Wyoning PSC Stmt. L In. 1(a) (2,479) (7) 525 (3,679) 21 Total Taxes Other Than Income Tax Stmt. L In. 21(f) 27,667,345 75,801 119,910 27 Total Taxes Other Than Income Tax Stmt. L In. 21(f) 27,667,345 75,801 13,350,019 36,575 37.5 1,371,563 38 NCOME TAXES In. 21, 21, 22, 21, 23(a) 18,067,707 49,501 4,361,038 4,361,038 39 Subtotal In. 22, 11, 59(a) 13,350,019 36,575 37.5 1,371,563 1,371,563	14	Wyodak Power Plant O&M		3,659,122	10,025	69.4	695,735	
13 TAKE OTHER THAN INCOME TAX 13 TAKES OTHER THAN INCOME TAX 14 Property Tax Stmt. L (Ln. 3(a) + Ln. 7(a)) 114,517 314 76 23,664 20 Unemployment - FUTA and SUTA Stmt. L (Ln. 8(a) 17,789 49 63.5 3,112 21 Wyoming Franchise Tax Stmt. L (Ln. 9(a) 60,432 166 50.3 8,350 23 South Dakta FUC Stmt. L Ln. 10(a) (2,479) (7) 525.5 (3,679) 26 Property Tax Stmt. L Ln. 2(a) 2,917,700 7,994 119,910 27 Total Taxes Other Than Income Tax Stmt. L Ln. 2(a) 2,917,700 7,994 12,306,770 29 Depreciation Stmt. J Ln. 21(f) 27,569,938 75,534 4,306,770 31 Subtotal Ln. 23(f) 97,406 267 1,371,563 35 Subtotal Ln. 24 13,350,019 36,575 37.5 1,371,563 36 INCOME TAXES Stmt. K pg. 2 Ln. 59(a) 13,350,019 36,575 37.5 1,371,563 37 Subtotal <t< td=""><td>15</td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	15							
	16	Total O&M	Stmt. H Ln. 136(a); Ln.12 + Ln.14	158,197,031	433,416		15,931,425	
19 Property Tax Stmt. L Ln. 14(a) 4,660,470 12,768 309.6 3,952,973 20 Unemployment - FUTA and SUTA Stmt. L (ln. 3(a) + Ln. 7(a)) 114,517 314 76 23,864 21 Mortinana Electric Energy Stmt. L In. 8(a) 17,789 49 63.5 3,112 22 Wyoming Franchise Tax Stmt. L In. 16(a) 12,613 592 345 204,240 23 South Dakota PUC Stmt. L In. 10(a) (2,479) (7) 525.5 (3,679) 24 Wyoming FSC Stmt. L In. 12(a) (2,479) (7) 525.5 (3,677) 25 Total Taxes Other Than Income Tax Sum(In.19:In. 26) 7,984,567 21,876 4,308,770 29 Depreciation Stmt. J. In. 21(f) 27,667,345 75,801 4,308,770 21 Subtotal Ln.29 + In.30 27,667,345 75,801 4,308,775 1,371,563 31 Subtotal Stmt. K pg. 2 Ln. 59(a) 13,350,019 36,575 37.5 1,371,563 35 Subtotal Stmt. G pg. 2 Ln. 21(k) 18,067,707 49,501	17							
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	18	TAXES OTHER THAN INCOME TAX						
21 Montaina Electric Energy Stmt. L In. 8(a) 17,789 49 63.5 3,112 22 Wyoming Franchise Tax Stmt. L In. 9(a) 60,432 166 50.3 8,350 23 South Dakota PUC Stmt. L In. 10(a) 216,138 592 345 204,240 24 Wyoming Franchise Tax Stmt. L In. 11(a) (2,479) (7) 525.5 (3,679) 25 FICA Stmt. L In. 2(a) 2,917,700 7,994 15 119,910 27 Total Taxes Other Than Income Tax Sum(Ln.19:Ln.23(f) 97,406 267 4308,770 28 Depreciation Stmt. J. In. 23(f) 97,406 267 4,308,770 29 Depreciation Stmt. K pg. 2 Ln. 59(a) 13,350,019 36,575 37.5 1,371,563 31 Subtotal In.29 + Ln.30 27,667,345 75,801 4,361,038 36 Jung-Term Debt Stmt. K pg. 2 Ln. 59(a) 13,350,019 36,575 37.5 1,371,563 36 Inng-Term Debt Stmt. G pg. 2 Ln. 21(k) 18,067,707 49,501 4,361,038	19	Property Tax			12,768		3,952,973	
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	20			•				
23 South Dakota PUC Stmt. L Ln. 10(a) 216,138 592 345 204,240 24 Wyoming PSC Stmt. L Ln. 11(a) (2,479) (7) 525.5 (3,679) 27 Total Taxes Other Than Income Tax Sum (Ln. 19:1n. 26) 7,984,567 21,876 4,308,770 28	21	Montana Electric Energy	Stmt. L Ln. 8(a)	•			3,112	
24 Wyoming PSC Stmt. L Ln. 11(a) $(2,479)$ (7) 525.5 $(3,679)$ 26 FICA Stmt. L Ln. 2(a) $2,917,700$ $7,994$ 15 $119,910$ 29 Depreciation Stmt. J Ln. 21(f) $27,569,938$ $75,534$ $4,308,770$ 29 Depreciation Stmt. J Ln. 21(f) $27,667,345$ $75,801$ $4,308,770$ 30 Amortization Stmt. J Ln. 21(f) $27,667,345$ $75,801$ $36,575$ 37.5 $1,371,563$ 31 NCOME TAXES Federal Stmt. K pg. 2 Ln. 59(a) $13,350,019$ $36,575$ 37.5 $1,371,563$ 35 Subtotal In.,29 + Ln.30 $27,667,707$ $49,501$ $4,361,038$ 36 INTEREST EXPENSE In. 92 - Ln. 21(k) $18,067,707$ $49,501$ $4,361,038$ 39 Subtotal Stmt. G pg. 2 Ln. 21(k) $18,067,707$ $49,501$ $4,361,038$ 41 Grand Totals \$ 617,169 \$ 25,972,796 $4,361,038$ $4,361,038$ 42 In.43 - In.44 In.41(d) / Ln.41(b) $4.2.08$ $(1,028,612)$ <	22	Wyoming Franchise Tax	Stmt. L Ln. 9(a)				8,350	
26 FiCA Stmt. L. Ln. 2(a) 2,917,700 7,994 15 119,910 27 Total Taxes Other Than Income Tax Sum(Ln.19:Ln.26) 7,984,567 21.876 4,308,770 28	23	South Dakota PUC	Stmt. L Ln. 10(a)	216,138	592		204,240	
27 Total Taxes Other Than Income Tax Sum(Ln.19:Ln.26) 7,984,567 21,876 4,308,770 28 Depreciation Stmt. J Ln. 21(f) 27,569,938 75,534 30 Amortization Stmt. J Ln. 23(f) 97,406 267 31 Subtotal Ln.29 + Ln.30 27,667,345 75,801 33 INCOME TAXES 13,350,019 36,575 37.5 1,371,563 34 Federal Stmt. K pg, 2 Ln. 59(a) 13,350,019 36,575 1,371,563 35 Subtotal 13,350,019 36,575 1,371,563 36 Incg - Ferm Debt Stmt. G pg. 2 Ln. 21(k) 18,067,707 49,501 43,61,038 39 Subtotal \$ 617,169 \$ 25,972,796 41 Grand Totals \$ 617,169 \$ 25,972,796 42 Subtotal 1.n.41(b) / Ln.41(b) (4.12) 4.366,21 43 Revenue Lag Days Ln. 41(b) / Ln.45(a) (1,088,612) (1,088,612) 44 Less: Tax Collections Available Ln. 56(d) (1,088,612) (1,088,612) 45 TAX COLLECT	24	Wyoming PSC	Stmt. Ł Ln. 11(a)	(2,479)	(7)	525.5	(3,679)	
28 29 Depreciation Stmt. J Ln. 21(f) 27,569,938 75,534 29 Amortization Stmt. J Ln. 23(f) 97,406 267 31 Subtotal Ln.29 + Ln.30 27,667,345 75,801 32 INCOME TAXES 10.29 + Ln.30 27,667,345 75,801 33 INCOME TAXES 13,350,019 36,575 37.5 1,371,563 34 Federal Stmt. K pg. 2 Ln. 59(a) 13,350,019 36,575 37.5 1,371,563 35 Subtotal 13,350,019 36,575 37.5 1,371,563 36 INTEREST EXPENSE 18,067,707 49,501 88.1 4,361,038 40 18,067,707 49,501 43,61,038 4,361,038 41 Grand Totals \$ 617,169 \$ 25,972,796 42 Subtotal 10.41(d) / Ln.41(b) 42.08 4,361,038 44 Expense Lead Days Ln.41(d) / Ln.45(a) (2,542,736) 4 361,038 45 Net Days Ln.41(b) * Ln.45(a) (1,088,612) 5 47 Gross Cash Working Capital Requirement L						15		
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30 Amortization Stmt. J Ln. 23(f) 97,406 267 31 Subtotal Ln.29 + Ln.30 27,667,345 75,801 32 INCOME TAXES 3 Pederal Stmt. K pg. 2 Ln. 59(a) 13,350,019 36,575 37.5 1,371,563 35 Subtotal 13,350,019 36,575 37.5 1,371,563 36 13,350,019 36,575 1,371,563 1,371,563 36 13,350,019 36,575 1,371,563 37 INTEREST EXPENSE 18,067,707 49,501 88.1 4,361,038 38 Long-Term Debt Stmt. G pg. 2 Ln. 21(k) 18,067,707 49,501 4,361,038 40 18,067,707 49,501 88.1 4,361,038 41 Grand Totals \$ 617,169 \$ 25,972,796 42 18,067,707 49,501 4,361,038 43 Revenue Lag Days Ln.41(b) + Ln.45(a) (2,542,736) (4,12) 44 Expense Lead Days Ln.41(b) + Ln.45(a) (1,088,612) (4,12) 45 Net Days Ln.47 + Ln.48 \$ (3,631,3								
31 Subtotal Ln.29 + Ln.30 27,667,345 75,801 33 INCOME TAXES Federal Stmt. K pg. 2 Ln. 59(a) 13,350,019 36,575 37.5 1,371,563 35 Subtotal 13,350,019 36,575 37.5 1,371,563 36 INTEREST EXPENSE 13,350,019 36,577 49,501 88.1 4,361,038 39 Subtotal Subtotal 18,067,707 49,501 88.1 4,361,038 40 Grand Totals \$ 617,169 \$ 25,972,796 41 Grand Totals \$ 617,169 \$ 25,972,796 42 Expense Lead Days Ln. 41(d) / Ln.41(b) 42.08 4.361,038 44 Expense Lead Days Ln.41(d) / Ln.41(b) 42.08 4.361,038 45 Net Days Ln.41(d) / Ln.41(b) 42.08 4.361,038 45 Net Cash Working Capital Requirement Ln. 56(d) (1,088,612) 1.088,612) 49 Net Cash Working Capital Requirement Ln.47 + Ln.48 \$ (3,633,348) 5 50 TAX COLLECTIONS AVAILABLE \$ 1,315,971 \$ 3,605	29	Depreciation	Stmt. J Ln. 21(f)	27,569,938				
32 INCOME TAXES 33 Federal Stmt. K pg. 2 Ln. 59(a) 13,350,019 36,575 37.5 1,371,563 34 Federal Stmt. K pg. 2 Ln. 59(a) 13,350,019 36,575 37.5 1,371,563 35 Subtotal 13,350,019 36,575 37.5 1,371,563 36 INTEREST EXPENSE 18,067,707 49,501 88.1 4,361,038 39 Subtotal 18,067,707 49,501 88.1 4,361,038 40 18,067,707 49,501 88.1 4,361,038 41 Grand Totals \$ 617,169 \$ 25,972,796 42 37.96 37.96 \$ 25,972,796 \$ 43 Revenue Lag Days Ln. 41(b) / Ln. 41(b) 42.08 \$ \$ 44 Expense Lead Days Ln. 41(b) + Ln. 45(a) \$ \$ \$ 45 Net Days Ln. 41(b) + Ln. 45(a) \$ \$ \$ \$ 46 Federal Days Ln. 47 + Ln.48 \$ \$ \$ \$ \$ 5 Net Cash Working Capital Re	30	Amortization		97,406				
33 INCOME TAXES 34 Federal Stmt. K pg. 2 Ln. 59(a) 13,350,019 36,575 37.5 1,371,563 35 Subtotal 13,350,019 36,575 37.5 1,371,563 36 INTEREST EXPENSE 13,350,019 36,575 1,371,563 39 Subtotal 18,067,707 49,501 88.1 4,361,038 40 18,067,707 49,501 88.1 4,361,038 41 Grand Totals \$ 617,169 \$ 25,972,796 42	31	Subtotal	Ln.29 + Ln.30	27,667,345	75,801			
34 Federal Stmt. K pg. 2 Ln. 59(a) 13,350,019 36,575 37.5 1,371,563 35 Subtotal 13,350,019 36,575 37.5 1,371,563 36 INTEREST EXPENSE 13,350,019 36,575 1,371,563 37 INTEREST EXPENSE 18,067,707 49,501 88.1 4,361,038 39 Subtotal 18,067,707 49,501 4,361,038 40 18,067,707 49,501 4,361,038 40 18,067,707 49,501 4,361,038 40 Stmt. 6 pg. 2 Ln. 21(k) 18,067,707 49,501 4,361,038 40 Image: Stmt. 6 pg. 2 Ln. 21(k) 18,067,707 49,501 4,361,038 40 Image: Stmt. 1,110 18,067,707 49,501 4,361,038 41 Grand Totals \$ 617,169 \$ 25,972,796 42,361,338 42 Image: Stmt. 41(d) / Ln.41(b) 42.08 (1,128,12) 42,361,348 43 Net Days Ln.41(b) * Ln.45(a) (1,088,612) (1,088,612) 44 Expense Lead Days Ln.41(b) * Ln.45(a) (1,088,612)								
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36 37 INTEREST EXPENSE Stmt. G pg. 2 Ln. 21(k) 18,067,707 49,501 88.1 4,361,038 39 Subtotal 18,067,707 49,501 4,361,038 40 18,067,707 49,501 4,361,038 41 Grand Totals \$ 617,169 \$ 25,972,796 42 37.96 37.96 44 Expense Lead Days Ln. 41(d) / Ln.41(b) 42.08 45 Net Days Ln.41(d) / Ln.41(b) 42.08 (1,088,612) 5 5 46			Stmt. K pg. 2 Ln. 59(a)			37.5		
37 INTEREST EXPENSE 38 Long-Term Debt Stmt. G pg. 2 Ln. 21(k) 18,067,707 49,501 88.1 4,361,038 39 Subtotal 18,067,707 49,501 4,361,038 4,361,038 40 18,067,707 49,501 49,501 4,361,038 40 5 617,169 \$ 25,972,796 41 Grand Totals \$ 617,169 \$ 25,972,796 42		Subtotal		13,350,019	36,575		1,371,563	
38 Long-Term Debt Stmt. G pg. 2 Ln. 21(k) 18,067,707 49,501 88.1 4,361,038 39 Subtotal 18,067,707 49,501 43,361,038 4,361,038 40								
39 Subtotal 18,067,707 49,501 4,361,038 40 41 Grand Totals \$ 617,169 \$ 25,972,796 42 37.96 44 41,00 41,00 41,00 41,00 43 Revenue Lag Days Ln. 41(d) / Ln.41(b) 42.08 41,00 41,00 41,00 45 Net Days Ln.41(d) / Ln.41(b) 42.08 41,00								
40 41 Grand Totals \$ 617,169 \$ 25,972,796 42 37.96 37.96 43 Revenue Lag Days 1n. 41(d) / ln.41(b) 42.08 44 Expense Lead Days ln.41(d) / ln.41(b) 42.08 45 Net Days ln.43 - ln.44 (4.12) 46			Stmt. G pg. 2 Ln. 21(k)			88.1		
41 Grand Totals \$ 617,169 \$ 25,972,796 42 3 Revenue Lag Days 37.96 43 Revenue Lag Days Ln. 41(d) / Ln.41(b) 42.08 44 Expense Lead Days Ln. 41(d) / Ln.41(b) 42.08 45 Net Days Ln.43 - Ln.44 (4.12) 46		Subtotal		18,067,707	49,501		4,361,038	
42 37.96 43 Revenue Lag Days 37.96 44 Expense Lead Days Ln. 41(d) / tn.41(b) 42.08 45 Net Days Ln.43 - Ln.44 (4.12) 46 (4.12) (4.12) 47 Gross Cash Working Capital Requirement Ln. 41(b) * Ln. 45(a) (2,542,736) 48 Less: Tax Collections Available Ln. 56(d) (1,088,612) 49 Net Cash Working Capital Requirement Ln. 47 + Ln.48 5 50 TAX COLLECTIONS AVAILABLE 5 (3,631,348) 50 5 FICA Taxes (Employee Contribution) \$ 1,315,971 \$ 3,605 15 \$ 54,075 53 Federal Withholding Tax 3,177,430 8,705 15 130,575 53 Federal Withholding Tax 6,804,854 18,643 45.3 844,528 55 Wyoming Sales and Use Tax 478,700 1,312 45.3 59,434		· · · · · ·					* ********	
43 Revenue Lag Days 37.96 44 Expense Lead Days Ln. 41(d) / Ln.41(b) 42.08 45 Net Days Ln.43 - Ln.44 (4.12) 46 (2,542,736) 47 Gross Cash Working Capital Requirement Ln. 41(b) * Ln. 45(a) (2,542,736) 48 Less: Tax Collections Available Ln. 56(d) (1,088,612) 49 Net Cash Working Capital Requirement Ln. 47 + Ln.48 \$(3,631,348) 50 5 (3,631,348) 5 51 TAX COLLECTIONS AVAILABLE \$(1,315,971) \$(3,605) 15 \$54,075 53 Federal Withholding Tax 3,177,430 8,705 15 \$130,575 53 Federal Withholding Tax 6,804,854 18,643 45.3 844,528 55 Wyoming Sales and Use Tax 478,700 1,312 45.3 59,434		Grand Lotais			\$ 617,169		\$ 25,972,796	
44 Expense Lead Days Ln. 41(d) / Ln.41(b) 42.08 45 Net Days Ln.43 - Ln.44 (4.12) 46 (4.12) (4.12) 47 Gross Cash Working Capital Requirement Ln. 41(b) * Ln. 45(a) (2,542,736) 48 Less: Tax Collections Available Ln. 56(d) (1,088,612) 49 Net Cash Working Capital Requirement Ln. 47 + Ln.48 \$ (3,631,348) 50 51 TAX COLLECTIONS AVAILABLE \$ (3,631,348) 52 FICA Taxes (Employee Contribution) \$ 1,315,971 \$ 3,605 15 \$ 54,075 53 Federal Withholding Tax 3,177,430 8,705 15 \$ 130,575 54 South Dakota Sales and Use Tax 6,804,854 18,643 45.3 844,528 55 Wyoming Sales and Use Tax 478,700 1,312 45.3 59,434				27.00				
45 Net Days Ln.43 - Ln.44 (4.12) 46 47 Gross Cash Working Capital Requirement Ln. 41(b) * Ln. 45(a) (2,542,736) 48 Less: Tax Collections Available Ln. 56(d) (1,088,612) 49 Net Cash Working Capital Requirement Ln. 47 + Ln.48 \$ (3,631,348) 50 51 TAX COLLECTIONS AVAILABLE 5 52 FICA Taxes (Employee Contribution) \$ 1,315,971 \$ 3,605 15 \$ 54,075 53 Federal Withholding Tax 3,177,430 8,705 15 130,575 54 South Dakota Sales and Use Tax 6,804,854 18,643 45.3 844,528 55 Wyoming Sales and Use Tax 478,700 1,312 45.3 59,434			1					
46 47 Gross Cash Working Capital Requirement Ln. 41(b) * Ln. 45(a) (2,542,736) 48 Less: Tax Collections Available Ln. 56(d) (1,088,612) 49 Net Cash Working Capital Requirement Ln. 47 + Ln.48 \$ (3,631,348) 50 51 TAX COLLECTIONS AVAILABLE 5 52 FICA Taxes (Employee Contribution) \$ 1,315,971 \$ 3,605 15 \$ 54,075 53 Federal Withholding Tax 3,177,430 8,705 15 130,575 54 South Dakota Sales and Use Tax 6,804,854 18,643 45.3 844,528 55 Wyoming Sales and Use Tax 478,700 1,312 45.3 59,434								
47 Gross Cash Working Capital Requirement Ln. 41(b) * ln. 45(a) (2,542,736) 48 Less: Tax Collections Available Ln. 56(d) (1,088,612) 49 Net Cash Working Capital Requirement Ln. 47 + Ln.48 S (3,631,348) 50 51 TAX COLLECTIONS AVAILABLE 5 (3,631,348) 52 FICA Taxes (Employee Contribution) \$ 1,315,971 \$ 3,605 15 \$ 54,075 53 Federal Withholding Tax 3,177,430 8,705 15 \$ 130,575 54 South Dakota Sales and Use Tax 6,804,854 18,643 45.3 844,528 55 Wyoming Sales and Use Tax 478,700 1,312 45.3 59,434		Net Days	Ln.43 - Ln.44	(4.12)				
48 Less: Tax Collections Available Ln. 56(d) (1,088,612) 49 Net Cash Working Capital Requirement Ln. 47 + Ln.48 5 50 5 (3,631,348) 50 5 1,315,971 \$ 51 TAX COLLECTIONS AVAILABLE 5 5 52 FICA Taxes (Employee Contribution) \$ 1,315,971 \$ 3,605 15 \$ 54,075 53 Federal Withholding Tax 3,177,430 8,705 15 130,575 54 South Dakota Sales and Use Tax 6,804,854 18,643 45.3 844,528 55 Wyoming Sales and Use Tax 478,700 1,312 45.3 59,434		Constant Constant and the Constant Downstreement			(2 5 63 726)			
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50 51 TAX COLLECTIONS AVAILABLE 52 FICA Taxes (Employee Contribution) \$ 1,315,971 \$ 3,605 15 \$ 54,075 53 Federal Withholding Tax 3,177,430 8,705 15 130,575 54 South Dakota Sales and Use Tax 6,804,854 18,643 45.3 844,528 55 Wyoming Sales and Use Tax 478,700 1,312 45.3 59,434								
51 TAX COLLECTIONS AVAILABLE 52 FICA Taxes (Employee Contribution) \$ 1,315,971 \$ 3,605 15 \$ 54,075 53 Federal Withholding Tax 3,177,430 8,705 15 \$ 130,575 54 South Dakota Sales and Use Tax 6,804,854 18,643 45.3 844,528 55 Wyoming Sales and Use Tax 478,700 1,312 45.3 59,434		Net cash working capital Requirement	LN.47 + LN.48		<u> \$ (5,051,548)</u>			
52 FICA Taxes (Employee Contribution) \$ 1,315,971 \$ 3,605 15 \$ 54,075 53 Federal Withholding Tax 3,177,430 8,705 15 130,575 54 South Dakota Sales and Use Tax 6,804,854 18,643 45.3 844,528 55 Wyoming Sales and Use Tax 478,700 1,312 45.3 59,434							•	
53 Federal Withholding Tax 3,177,430 8,705 15 130,575 54 South Dakota Sales and Use Tax 6,804,854 18,643 45.3 844,528 55 Wyoming Sales and Use Tax 478,700 1,312 45.3 59,434				A	<u>د م</u>	4.5	÷	
54 South Dakota Sales and Use Tax 6,804,854 18,643 45.3 844,528 55 Wyoming Sales and Use Tax 478,700 1,312 45.3 59,434							• •	
55 Wyoming Sales and Use Tax478,7001,31245.359,434		*						
	-						,	
56 Total Sum(Ln.52:Ln.55) <u>\$ 11,776,955</u> <u>\$ 32,265</u> <u>\$ 1,088,612</u>			a			45.3		
	56	IOTAI	Sum(Ln.52:Ln.55)	\$ 11,776,955	ə <u>32,265</u>		<u>\$ 1,088,612</u>	

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BLACK HILLS POWER, INC. ADJUSTED CASH WORKING CAPITAL CALCULATION For the Test Year Ended June 30, 2012

Line No.	Description	Reference	(a) Adjusted Total	(b) (a)/365 Expense Per Day	(c) Expense Lead Days	(d) (b)*(c) Expense Dollar	
NO.	Description	Kelerence	Aujusted Total	Expense r er bay	Days	Days	
1	OPERATIONS AND MAINTENANCE						
2	Coal	Stmt. H Ln. 6(r)	\$-	-	35.2	\$-	
3	Coal Transportation	Stmt. H Ln. 7(r)	-	-	30.4	-	
4	Natural Gas - Other Production	Stmt. H Ln. 27(r)	-	-	38.2	-	
5	Purchased Power and Capacity	Stmt. H Ln. 47(r)	7,432,664	20,363	33.6	684,197	
6	Transmission	Stmt. H Ln. 56(r)	-	•	26	-	
7	Net Payroll	Sched. H-1 (Ln. 29(a) + Ln. 29(d))	11,223,146	30,748	14	430,472	
8	Workers Comp		591,757	1,621	732.3	1,187,058	
9	Service/Holding Company Charges	Sched. H-4 Ln. 21(b) + Sched. H-5 Ln. 49(b)	31,862,209	87,294	44.7	3,902,042	
10	Other O&M		16,718,308	45,804	32.1	1,470,308	
11							
12	Subtotal	Sum (Ln.2:Ln.10)	67,828,084	185,830		7,674,077	
13							
14	Wyodak Power Plant O&M		3,659,122	10,025	69.4	695,735	
15				100.004			
16	Total O&M	Stmt. H Ln. 136{r); Ln.12 + Ln.14	71,487,206	195,855		8,369,812	
17							
18	TAXES OTHER THAN INCOME TAX	5	- 400 044	44.055			
19 20	Property Tax	Stmt. L Ln. 14(c)	5,130,011	14,055	309.6 76	4,351,428	
20	Unemployment - FUTA and SUTA Montana Electric Energy	Stmt. I. (Ln. 3(c) + Ln. 7(c)) Stmt. L Ln. 8(c)	114,098 17,789	313 49	63.5	23,788 3,112	
22	Wyoming Franchise Tax	Stmt. L Ln. 9(c)	60,432	166	50.3		
22	South Dakota PUC	Stmt. L Ln. 10(c)	236,757	649	345	8,350 223,905	
23	Wyoming PSC	Stmt. L Ln. 11(c)	1,935	5	525.5	2,628	
26	FICA	Stmt. L Ln. 2(c)	2,908,541	7,969	525.5 15	119,535	
27	Total Taxes Other Than Income Tax	Sum(Ln.19:Ln.26)	8,469,563	23,206		4,732,746	
28	Total Taxes Other That Income Tax	out (Ento Entzoy	0,409,900	20,200		-,/ 52,/ 40	
29	Depreciation	Stmt. J Ln. 21(e)	28,684,257	78,587			
30	Amortization	Stmt. J Ln. 23(e)	97,406	267			
31	Subtotal	Ln.29 + Ln. 30	28,781,663	78,854			
32				· - , ·			
33	INCOME TAXES						
34	Federal	Stmt. K pg. 2 Ln. 59(g)	14,599,505	39,999	37.5	1,499,963	
35	Subtotal		14,599,505	39,999		1,499,963	
36							
37	INTEREST EXPENSE						
38	Long-Term Debt	Stmt. G pg. 3 Ln. 15(k)	17,786,283	48,730	88.1	4,293,113	
39	Subtotal		17,786,283	48,730		4,293,113	
40							
41	Grand Totals			386,644		18,895,634	
42							
43	Revenue Lag Days		37,96				
44	Expense Lead Days	Ln. 41(d) / Ln.41(b)	48.87				
45	Net Days	Ln.43 ~ Ln.44	(10.91)				
46							
	Gross Cash Working Capital Requirement	Ln. 41(b) * Ln. 45(a)		(4,218,286)			
	Less: Tax Collections Available	Ln. 56(d)		(1,088,612)			
	Total	Ln.47 + Ln.48		_\$ (5,306,898)			
50				A (
	CUS Adjustment	Stmt F Ln. 1		<u>\$ (320,834)</u>			
	Net Cash Working Capital Requirement			\$ (5,627,732)			
53							
	TAX COLLECTIONS AVAILABLE						
55	FICA Taxes (Employee Contribution)		\$ 1,315,971	\$ 3,605	15	\$ 54,075	
56	Federal Withholding Tax		3,177,430	8,705	15	130,575	
57	South Dakota Sales and Use Tax		6,804,854	18,643	45.3	844,528	
58 59	Wyoming Sales and Use Tax		478,700	1,312	45.3	59,434	
פנ	Total	Sum(Ln.55:Ln.58)	\$ 11,776,955	\$ 32,265		\$ 1,088,612	

.

20:10:13:72. Statement G – Rate of Return. Statement G shall show the percentage rate of return claimed, with a brief statement of its basis. The statement shall show the cost of debt capital, preferred stock capital, and the return on the stockholder's equity resulting from the overall rate of return claimed, based upon the utility's capitalization. In addition, items required in §§ 20:10:13:73 to 20:10:13:79, inclusive, shall be submitted as part of statement G. If 50 percent or more of the common stock of the public utility is not held by the public but is owned by another corporation, the information required by §§ 20:10:13:73 to 20:10:13:75, inclusive, shall also be submitted to the extent applicable for the debt, preferred stock, and common stock of the parent company.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL <u>49-34A-4.</u>

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

20:10:13:73. Statement G -- Debt Capital. Statement G shall also show the weighted average cost of debt capital based upon the following data for each class and series of long term debt outstanding according to the most recently available balance sheet:

(1) Title;

(2) Date of issuance and date of maturity;

(3) Interest rate;

(4) Principal amount of the issue;

(5) Net proceeds;

(6) Net proceeds per unit;

(7) Amount currently outstanding;

(8) Cost of money and yield to maturity based on the interest rate and net proceeds per unit outstanding determined by reference to any generally accepted table of bond yields;

(9) If the issue is owned by an affiliate, the name and relationship of owner and a copy of the latest prospectus issued by the public utility, any superimposed holding company, or subsidiary companies;

(10) A copy of the bond indenture provisions related to minimum interest coverage requirements for existing and new issues.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

Statement G page 2-- Debt Capital as of June 30, 2012. Weighted cost of debt based on test year.

Statement G page 3-- Debt Capital Pro Forma. Weighted cost of debt pro forma.

20:10:13:74. Statement G -- Preferred Stock Capital. Statement G shall also show the weighted average cost of preferred stock capital based upon the following data for each class and series of preferred stock outstanding according to the most recently available balance sheet:

(1) Title;

(2) Date of issuance;

(3) If callable, call price;

(4) If convertible, terms of conversion;

(5) Dividend rate;

(6) Par value or stated amount of issue;

(7) Price to public per share;

(8) Underwriters' discount or commission:

(a) Amount;

(b) Percent of gross proceeds;

(9) Issuance expenses:

(a) Amount;

(b) Percent of gross proceeds;

(10) Net proceeds;

(11) Net proceeds per unit;

(12) Cost of money, that is, the dividend rate divided by net proceeds per unit or share;

(13) Amount outstanding;

(14) Whether issue was offered to stockholders through subscription rights or to the public;

(15) If issue is owned by an affiliate, then provide the name and relationship of owner.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

20:10:13:75. Statement G -- Common Stock Capital. Statement G shall also show for each sale of common stock during the five-year period preceding the most recently available balance sheet:

- (1) Number of shares sold;
- (2) Gross proceeds at offering price;
- (3) Underwriters' discount or commission;
- (4) Proceeds to the filing utility;
- (5) Amount of issuance expenses;
- (6) Net proceeds;
- (7) Offering price per share;
- (8) Net proceeds per share;
- (9) Book value per share at date immediately prior to date of issuance;
- (10) Closing market price at latest trading date prior to date of issuance;
- (11) Latest published earnings per share available at date of issuance;
- (12) Dividend rate at date of issuance;

(13) Whether the issue was offered to stockholders through subscription rights or to the public and whether common stock was issued for property or for capital stock of others.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

20:10:13:76. Schedule G-1 -- Stock Dividends, Stock Splits or Changes in Par or Stated Value. Schedule G-1 shall show any stock dividends, stock splits or changes in par or stated value during the five-year period preceding the date of the most recently available balance sheet and by months for the 12-month test period plus subsequent months as available.

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.

20:10:13:77. Schedule G-2 -- Common Stock Information. Schedule G-2 shall show the following information on outstanding common stock for the 5 calendar years preceding the end of the test period and by months for the 12-month test period:

(1) Average number of shares outstanding;

(2) Earnings per average share for only the 5 years preceding the test year;

(3) Annual earnings per share for only the latest reported 12-month average;

(4) Annual dividend rate per share;

(5) Dividends listed as percent of earnings;

(6) Average market price based on the monthly high and low;

(7) Earnings price ratio, the relationship of annual earnings per share to average of the 12 monthly high and low market values of stock. In the case of monthly data, use the latest reported earnings in computing ratio of earnings to average high and low market value for the month;

(8) Dividend price ratio, the relationship of dividend per share to average high and low market value of stock.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

20:10:13:78. Schedule G-3 -- Reacquisition of Bonds or Preferred Stock. If any bonds or preferred stock have been reacquired by the utility during the 18 months prior to filing, show full details in schedule G-3, including:

(1) Title or series;

(2) Principal amounts or par value reacquired;

(3) Reacquisition cost;

2

(4) Gain or loss on reacquisition;

(5) Income taxes, if any, allocable to the gain or loss, and basis of allocation.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

20:10:13:79. Schedule G-4 -- Earnings Per Share for Claimed Rate of Return. Schedule G-4 shall show the earnings per share of common stock which the claimed rate of return would yield and the basis upon which it is determined.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

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BLACK HILLS POWER, INC. COST OF CAPITAL - PRO FORMA For the Pro Forma Test Year Ended June 30, 2012

			(a)	(b)	(c)	(d) (b)*(c)
Line						
<u>Na.</u>	Description	Reference	Amount	Percent of Total	Cost	Weighted Cost
1	Pro Forma:					
2	Long-Term Debt	Stmt. G pg. 3 Ln. 15(j)	270,055,000	46.83%	6.59%	3.09%
3	Common Equity (1)	Ln. 13	306,572,772	53.17%	10.25%	5.45%
4			\$ 576,627,772	100%		8.54%
5						
6	(1) Common Equity:					
7	Common Stock Issued	Stmt. A pg. 2 Ln. 2(a)	\$ 23,416,396			
8	Premium on Capital Stock	Stmt. A pg. 2 Ln. 3(a)	42,076,811			
9	Other Paid-In Capital		4			
10	Capital Stock Expense	Stmt. A pg. 2 Ln. 4(a)	(2,501,882)			
11	Retained Earnings	Stmt. A pg. 2 Ln. 5(a)	243,581,447			
12	-					
13	Common Equity		\$ 306,572,772			

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BLACK HILLS POWER, INC. DEBT CAPITAL For the Test Year Ended June 30, 2012

Line	(2)	(b)	(c)	(d)	(e)	(f) Net Proceeds	(g) (f) / (d)	(h) (e) Yield to	(i) (h) / (g) Cost of	(j) Principal	(k)
No.	Description	Issue	Maturity	Amount Issued	Interest Rate	Amount	Per Unit	Maturity	Money	Outstanding	Annual Cost
	Description	Issue		Amount issued	Intelest Adle	Alloun	Feronic	-Maturity	woney	Outstanding	Annuar Cost
1	BLACK HILLS POWER										
2	FIRST MORTGAGE BONDS:										
3	Series AE	8/13/2002	8/15/2032	75,000,000	7.36%	74,343,750	0.9913	7.36%	7.42%	75,000,000	5,565,000
4	Series AF	10/27/2009	11/1/2039	180,000,000	6.17%	178,300,800	0.9906	6.17%	6.23%	180,000,000	11,214,000
5	Series Y (Note 1)	6/15/1998	6/15/2018	6,000,000	9.49%	5,906,578	0.9844	9.49%	9.64%	-	11,109
6	Series Z (Note 1)	5/29/1991	5/29/2021	35,000,000	9.35%	34,790,305	0.9940	9.35%	9.41%	-	84,828
7	Series AB (Note 1)	9/1/1999	9/1/2024	45,000,000	8.30%	44,507,250	0.9891	8.30%	8.39%	-	116,828
8											
9											
10	OTHER BONDS:										
11	Series 94A Gillette	6/15/1994	6/1/2024	3,000,000	3.08%	2,930,057	0.9767	3.08%	3.16%	2,855,000	90,218
12	Series 84 Bonds, City of Gillette (Notes 1 and 2)	8/1/1984	8/1/2014	16,000,000	10.50%	15,592,000	0.9745	10.50%	10.77%	-	8,133
13	94 NSS Pollution Control, 1994A Gillette Refunding (Note 1)	6/8/1992	7/1/2024	12,200,000	7.50%	12,004,800	0.9840	7.50%	7.62%	-	22,727
14	Series 2004 Campbell County due 2024	10/1/2004	10/1/2024	12,200,000	5.46%	12,062,750	0.9888	5.46%	5.52%	12,200,000	673,440
15	Bear Paw Energy Note (Note 3)	6/15/2000	5/25/2012	539,000	13.66%	539,000	1.0000	13.66%	13.66%	-	5,816
16	Series 2004 Pennington County PCB due 2014 (Note 3)	10/1/2004	10/1/2014	2,050,000	4.80%	2,026,938	0.9888	4.80%	4.85%	-	87,724
17	Series 2004 Campbell County PCB due 2014 (Note 3)	10/1/2004	10/1/2014		4.80%	1,532,563	0.9888	4.80%	4.85%	-	66,746
18	Series 2004 Weston County PCB due 2014 (Note 3)	10/1/2004	10/1/2014	2,850,000	4.80%	2,817,938	0.9888	4.80%	4.85%	-	121,138
19											
20										270.055.000	18,067,707
21	Total Outstanding								-	270,055,000	18,067,707
22											6 600
23	Weighted Average Cost of Debt									e	6.69%
24											
25											
26	BLACK HILLS CORPORATION DEBT										
27	\$250MM Notes Due 2013 (Note 4)	5/21/2003	5/15/2013	250,000,000	6.79%	248,052,500	0.9922	6.79%	6.84%	225,000,000	15,271,044
28	\$250MM Notes Due 2014 (Note 5)	5/14/2009	5/15/2014	250,000,000	9.18%	248,500,000	0.9940	9.18%	9.24%	250,000,000	22,961,956
29	\$200MM Notes Dues 2020 (Note 6)	7/16/2010	7/15/2020		5.96%	198,700,000	0.9935	5.96%	6.00%	200,000,000	11,917,126
30	\$100MM Term Loan	9/30/2011	9/30/2013	100,000,000	(Note 7)	100,000,000	(Note 7)	(Note 7)	(Note 7)	100,000,000	1,681,139
31		1						6b -			

32 Note 1: The bonds have been retired early. FERC allows for deferred financing costs or loss on required debt costs to be amortized over the remaining life of the bonds. Costs

33 reflected are annual costs incurred.

34 Note 2: The bond was refinanced, rolling the balanced into a new bond. FERC allows for deferred financing costs or loss on required debt costs to be amortized over the term of

35 the new bond which expires in 2024.

36 Note 3: Notes or bonds were paid off in May 2012.

37 Note 4: Note was issued by Black Hills Corporation, but was allocated through Black Hills Utility Holding Company to the Black Hills Energy entities.

38 Note 5: Note was issued by Black Hills Corporation in May 2009, but is allocated through Black Hills Utility Holding Company to the Black Hills Energy entities.

39 Note 6: Note was issued by Black Hills Corporation, but was allocated to Colorado Electric.

40 Note 7: Cost of borrowing has a fixed and variable rate component, with the variable rate based on Libor.

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BLACK HILLS POWER, INC. PRO FORMA DEBT CAPITAL For the Pro Forma Test Year Ended June 30, 2012

	(#)	(b)	(c)	(d)	(e)	(f)	(g) (f) / (d)	(h) (e)	(i) (h) / (g)	6)	(k)
Line						Net Proceeds		Yield to	Cost of	Principal	
No.	Description	lssue	Maturity	Amount Issued	Interest Rate	Amount	Per Unit	Maturity	Money	Outstanding	Annual Cost
1	BLACK HILLS POWER										
2	FIRST MORTGAGE BONDS:										
3	Series AE	8/13/2002	8/15/2032	75,000,000	7.36%	74,343,750	0.9913	7.36%	7.42%	75,000,000	5,565,000
4	Series AF	10/27/2009	11/1/2039	180,000,000	6.17%	178,300,800	0.9906	6.17%	6.23%	180,000,000	11,214,000
5	Series Y (Note 1)	6/15/1998	6/15/2018	6,000,000	9.49%	5,906,578	0.9844	9.49%	9,64%	-	11,109
6	Series Z (Note 1)	5/29/1991	5/29/2021	35,000,000	9.35%	34,790,305	0.9940	9.35%	9.41%	-	84,828
7	Series AB (Note 1)	9/1/1999	9/1/2024	45,000,000	8.30%	44,507,250	0.9891	8.30%	8,39%	-	116,828
8											
9	OTHER BONDS:										
10	Series 94A Gillette	6/15/1994	6/1/2024	3,000,000	3.08%	2,930,057	0.9767	3.08%	3.16%	2,855,000	90,218
11	Series 84 Bonds, City of Gillette (Notes 1 and 2)	8/1/1984	8/1/2014	16,000,000	10.50%	15,592,000	0.9745	10.50%	10.77%	-	8,133
12	94 NSS Pollution Control, 1994A Gillette Refunding (Note 1)	6/8/1992	7/1/2024	12,200,000	7.50%	12,004,800	0.9840	7.50%	7,62%	-	22,727
13	Series 2004 Campbell County due 2024	10/1/2004	10/1/2024	12,200,000	5.46%	12,062,750	0.9888	5.46%	5.52%	12,200,000	673,440
14									_		
15	Total Outstanding								_	270,055,000	17,786,283
16											
17	Weighted Average Cost of Debt									-	6.59%
18										_	
19											
20	BLACK HILLS CORPORATION DEBT										
21	\$250MM Notes Due 2013 (Note 3)	5/21/2003	5/15/2013	250,000,000	6,79%	248,052,500	0.9922	6.79%	6,84%	-	-
22	\$250MM Notes Due 2014 (Note 4)	5/14/2009	5/15/2014	250,000,000	9.18%	248,500,000	0.9940	9.18%	9.24%	250,000,000	22,961,956
23	\$200MM Notes Dues 2020 (Note 5)	7/16/2010	7/15/2020	200,000,000	5.96%	198,700,000	0.9935	5.96%	6.00%	200,000,000	11,917,126
24	\$100MM Term Loan (Note 6)	9/30/2011	9/30/2013	100,000,000	(Note 6)	100,000,000	(Note 6)	(Note 6)	(Note 6)	100,000,000	1,681,139
25											

26 Note 1: The bonds have been retired early. FERC allows for deferred financing costs or lass on required debt costs to be amortized over the remaining life of the bonds. Costs reflected

27 are annual costs incurred.

28 Note 2: The bond was refinanced, rolling the balanced into a new bond. FERC allows for deferred financing costs or loss on required debt costs to be amortized over the term of the new

29 bond which expires in 2024.

30 Note 3: The note was allocated through Black Hills Utility Holding Company to the Black Hills Energy entities. It was paid off on October 31, 2012. Costs incurred from July 1 through

31 October 31, 2012 included \$19,646,209.

Note 5: The note was issued by Black Hills Corporation in May 2009, but is allocated through Black Hills Utility Holding Company to the BHE entities.
 Note 5: The note was issued by BHC in July 2010, but is allocated to Colorado Electric.

34 Note 6: The cost of borrowing has a fixed and variable rate component, with the variable rate based on Libor.

BLACK HILLS POWER, INC. COST OF PREFERRED STOCK For the Test Year Ended June 30, 2012

Line
No. Policy Description

1 No preferred stock as of June 30, 2012.

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1.

BLACK HILLS CORPORATION SALE OF COMMON STOCK For the Period January 1, 2007 Through June 30, 2012

			Gross Proceeds	Under-	Proceeds to						Closing Mkt Price Per Latest Trading Date	Earnings/Share	Dividend Rate	
Line		Number of	at Offering	writer's	Black Hills	ssuance		Offering Price	Net Proceeds	Book value Per	Prior to Date of	at Date of	at Date of	
No.	Description	Shares Issued	Price	Discount	Corporation	Expense	Net Proceeds	Per Share	Per Share	Share	Issuance	Issuance	Issuance	Public or Subscribed Issue
1	BLACK HILLS CORPORATION													
2														
3	Year 2007													
4	Stock Options	181,384	5,408,871	-	5,408,871	-	5,408,871	29.82	29.82	25.66	44.10	2.64	1.37	Private
5	Private Equity Offering	4,170,891	150,152,076	-	145,645,014	-	145,645,014	36.00	34.92	25.19	39.04	2.64	1.37	Private
6														
7	Year 2008													
8	Stock Options	90,214	2,266,176	-	2,266,176	-	2,266,176	25.12	25.1 <u>2</u>	27.19	26.96	2.75	1.40	Private
9														
10	Year 2009													
11	Stock Options	78,917	1,740,013	-	1,740,013	-	1,740,013	22.05	22.05		26.63	2.11		Private
12	DRIP (Note 1)	143,332	3,100,929	-	3,100,929	-	3,100,929	Z1.63	21.63	27.84	26.63	2.11	1.42	Subscribed by Shareholders
13														
14	Year 2010													
15	Stock Options	43,000	1,034,330	-	1,034,330	-	1,034,330	24.05	24,05		30.00	1.76		Private
16	DRIP (Note 1)	106,289	3,142,531	-	3,142,531	-	3,142,531	29.57	29.57	28.02	30.00	1.76	1.44	Subscribed by Shareholders
17														
18	Year 2011													
19	Stock Options	33,285	1,009,313	-	1,009,313	-	1,009,313	30.32			33.58	1.24		Private
20	DRIP	102,512	3,201,268	-	3,201,268	-	3,201,268	31.23	31.23		33.58	1.24		Subscribed by Shareholders
21	Equity Issuance	4,413,519	131,302,190	-	119,600,000	-	119,500,000	29.75	27.10	27.51	33.71	1.24	1.46	Private
22														
23	As of June 30, 2012													
24	Stock Options	41,206	1,165,395	-	1,165,395	-	1,165,395	28.28			32,17	0.37		Private
25	DRIP (Note 1)	52,247	1,708,269	-	1,708,269	-	1,708,269	32.70	32.70	27.08	32.17	0.37	0,74	Subscribed by Shareholders
25														

27
 28 Note 1: DRIP is the Company's Dividend Reinvestment Plan.

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BLACK HILLS POWER, INC. STOCK DIVIDENDS, STOCK SPLITS, OR CHANGES IN PAR VALUE OF COMMON STOCK For the Period January 1, 2007 Through June 30, 2012

Line				
<u>No.</u>	Year	Stock Dividends	Stock Splits	Changes in Par Value
1	2007	N/A	N/A	N/A
2	2008	N/A	N/A	N/A
3	2009	N/A	N/A	N/A
4	2010	N/A	N/A	N/A
5	2011	N/A	N/A	N/A
6	6/30/2012	N/A	N/A	N/A

BLACK HILLS POWER, INC. COMMON STOCK INFORMATION For the Period January 1, 2007 Through June 30, 2012

			Eə	rnings Per	Divi	dends Per		BHP Market	внр	внр
Line		Average Shares	Ave	rage Share	Sha	are (Note	Dividends as a %	Price at End of	Price/Earnings	Dividenc
No.	Period	Outstanding	(Note 1)		2)	of Earnings	Year	Ratio	Yield
1	2007	23,416,396	Ś	1.06	\$	_	0%	N/A	N/A	N/A
2	2007	23,416,396	ŝ	0.97	\$	-	0%	N/A	N/A	N/A
3	2009	23,416,396	ś	0.99	Ś	-	0%	N/A	N/A	N/A
4	2010	23,416,396	š	1.34	Ś	-	0%	N/A	N/A	N/A
5	2011	23,416,396	Ś	1.16	\$	-	0%	N/A	N/A	N/A
6		,,	•							.,
7	Jul-11	23,416,396	Ş	0.45	\$	-	0%	N/A	N/A	N/A
8	Aug-11	23,416,396	\$	0.45	\$	-	0%	N/A	N/A	N/A
9	Sep-11	23,416,396	\$	0.45	\$	-	0%	N/A	N/A	N/A
10	Oct-11	23,416,396	\$	0.30	\$	-	0%	N/A	N/A	N/A
11	Nov-11	23,416,396	\$	0.30	\$	-	0%	N/A	N/A	N/A
12	Dec-11	23,416,396	\$	0.30	\$	-	0%	N/A	N/A	N/A
13	Jan-12	23,416,396	\$	0.26	\$	-	0%	N/A	N/A	N/A
14	Feb-12	23,416,396	\$	0.26	\$	-	0%	N/A	N/A	N/A
15	Mar-12	23,416,396	\$	0.26	\$	-	0%	N/A	N/A	N/A
16	Apr-12	23,416,396	\$	0.29	\$	-	0%	N/A	N/A	N/A
17	May-12	23,416,396	\$	0.29	\$	-	0%	N/A	N/A	N/A
18	Jun-12	23,416,396	\$	0.29	\$	-	0%	N/A	N/A	N/A
19										

19 20

Note 1: Earnings Per Average Share excludes net income of discontinued operations.
 Note 2: Monthly Dividends Per Share are computed on the current quarter and preceding three quarters.

BLACK HILLS POWER, INC. REAQUISTION OF BONDS OR PREFERRED STOCK For the 18 Month Period Prior to Filing

Line No.

Policy Description

1 Black Hills Power did not reacquire any bonds or preferred stock in the 18 months prior

2 to filing.

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BLACK HILLS POWER, INC. EARNINGS PER SHARE FOR CLAIMED RATE OF RETURN For the Test Year Ended June 30, 2012

Line			
No.	Description	Reference	 Amount
1	Common Equity	Stmt. G pg. 1 Ln. 13(a)	\$ 306,572,772
2	Return - Percentage	Stmt. G pg. 1 Ln. 3(c)	10.25%
3	Return - Amount	Ln. 1 * Ln. 2	\$ 31,423,709
4			
5	Common Shares Outstanding June 30, 2012	Sched. G-2 Ln.18	23,416,396
6			
7	Earnings Per Common Share - Black Hills Power	Ln. 3 / Ln. 5	\$ 1.34

20:10:13:80. Statement H -- Operation and Maintenance Expense. Statement H shall show the electric or gas operation and maintenance expenses according to each account of the FERC's uniform systems of accounts for public utilities and licensees or for gas companies. The expenses shall be shown under appropriate columnar headings as follows, with subtotals for each functional classification:

(1) Operation and maintenance expense as booked, for the test period and the total for the test period;

(2) Claimed adjustments, if any, to expenses as booked;

(3) Total adjusted operation and maintenance expenses claimed.

Detailed explanations of the adjustments, if any, and the manner of their determination shall be supplied, specifying the month or months during which the adjustments would be applicable. Information required in §§ 20:10:13:81 to 20:10:13:84, inclusive, shall be submitted as part of statement H.

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.

A summary of the Schedule H schedules/adjustments descriptions are listed below:

- 1. Distribution of Wages and Salaries
- 2. Purchase Power Detail Listing
- 3. Listed Expense Accounts
- 4. Intercompany Black Hills Service Company Charges
- 5. Intercompany Black Hills Utility Holdings Charges
- 6. Employee Pension and Benefits Adjustment
- 7. Bad Debt Analysis
- 8. Generation Dispatch and Scheduling Cost Detail
- 9. Purchase Power Expense Adjustment
- 10. Generation Plant Overhaul Expense
- 11. Expense Elimination Adjustment
- 12. Power Marketing Expense Adjustment
- 13. Outside Consulting Related to Rate Case
- 14. Ben French Operation & Maintenance Adjustment
- 15. Coal Price Adjustment

16. Severance Expense Adjustment17. Capacity Reserve Adjustment

An adjustment was also made on Statement H column (q) to remove energy delivered costs as the Company is not proposing a change to the previously approved base rates (Docket EL09-018).

20:10:13:81. Schedule H-1 -- Adjustments to Operating and Maintenance Expenses. Schedule H-1 shall show the 12 months of actual test period experience and the claimed adjustments thereto, if any, by functional classifications. It shall also show the separate amounts for labor and other charges included in the operation and maintenance expenses for each functional classification per books and as adjusted. If operation and maintenance expenses as presented per the books reflect any special accrual or equalization accounting entries for internal purposes, the effect thereof shall be fully disclosed and explained. Any amounts not currently payable, except depreciation charged through clearing accounts included in operation and maintenance expenses, shall be fully explained.

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.

This Schedule shows the amount of wages and salaries attributable to operation and maintenance on a functional level. Column (b) represents employee positions who are being transferred to Black Hills Utility Holdings, as well as additional employees needed for Company operations. Column (c) represents the overall wage increase for union and non-union employees. The wage and salary adjustment is in column (d), and is adjusted in Statement H, column (b).

20:10:13:82. Schedule H-2 -- Cost of Power and Gas. Schedule H-2 shall show the total annual cost of power or gas purchased for the 12 months test period of actual experience, the claimed adjustments, if any, and the total adjusted cost for the test period detailed by contract or rate schedule designation. If any of the prices are effective subject to refund, there shall be shown by contract and by commission docket number for the test period, the rate and the amount paid subject to refund.

If the utility purchases and sells power under exchange or pooling agreements, the method of recording on books, total gross receipts and deliveries exchanged, total gross dollar amounts involved for such receipts and deliveries and details of such exchanges shall be submitted.

If the utility records any amount on its own books in a given month during the 12month test period which applies to power or gas purchases or sales for a previous month or other period, a schedule indicating the months involved, the payment and volumes and the months to which such transactions are applicable, shall be submitted.

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 <u>49-34A-4.</u>

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

20:10:13:83. Schedule H-3 -- Working Papers for Listed Expense Accounts. With respect to the following listed expense accounts, schedule H-3 shall be furnished as designated for the 12 months of the test period and for claimed adjustments. This schedule shall include analytical details which will clearly disclose for each account a classification of principal charges and credits with all minor items grouped; particulars of supporting computations and accounting bases; a description of the services and related dollar amounts for which liability is incurred or accrued; and the name of the firm or individual rendering such services for these accounts where applicable:

(1) Accounts 909, 913, and 930, advertising expenses. For each category of advertising expense required to be filed pursuant to § 20:10:23:02 the utility shall submit a list of all advertisements claimed and filed pursuant to § 20:10:23:03, indicating the categorization of each advertisement. Representative samples of each category shall also be included.

- (2) Account 922, administration expenses transferred -- credit;
- (3) Account 926, employee pensions and benefits;
- (4) Account 928, regulatory commission expenses;
- (5) Account 929, duplicate charges -- credit;
- (6) Account 930, miscellaneous general expenses.

Source: 2 SDR 90, effective July 7, 1976; 5 SDR 1, effective July 25, 1978; 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.

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).

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).

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Schedule H-6 – Employee Pension and Benefits Adjustment. This Schedule adjusts the per books benefit costs in column (a) to a pro forma benefit cost in column (b). The total increase is shown as an adjustment in column (c), and is adjusted in Statement H, column (e).

Schedule H-7 – Bad Debt Analysis. This Schedule represents the calculation to normalize bad debt expense using a three year historical period. Once calculated, the average rate is applied to the projected new revenue amount on Statement M, Line 2(e) to determine the expected bad debt expense. The increase to bad debt expense is adjusted in Statement H, column (f).

Schedule H-8 – Generation Dispatch and Scheduling Cost Detail. This Schedule shows the calculation of generation dispatch and scheduling costs. Lines 2 - 12 show the total amount related to generation dispatch and scheduling for the pro forma test year. Total generation dispatch costs are then allocated based on a power plant capacity. The percent of capacity that is related to Black Hills Power is on line 56 and is multiplied by line 12 to determine the amount of expense for Black Hills Power. This amount is compared to the amount recorded during the test year, and the difference is shown on line 62, and is adjusted in Statement H, column (g).

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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).

Schedule H-10 – Generation Plant Overhaul Expenses. This Schedule provides for an adjustment for removal of generation plant overhaul expenses related to Ben French power plant and Neil Simpson I power plant. Both of these plants will be permanently retired to comply with environmental standards in March 2014. This adjustment also calculates the accrual reversal amortization calculation. The total decrease is shown as an adjustment on Line 7, and is adjusted in Statement H, column (i).

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).

Schedule H-12 – Power Marketing Expense Adjustment. This schedule adjusts expenses related to Power Marketing. The total decrease is shown as an adjustment on Line 12, and is adjusted in Statement H, column (k).

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Section H

Schedule H-13 – Outside Consulting Related to Rate Case. This Schedule is a listing of expected rate case expenditures. One-third of the total amount is going to expense, as an adjustment on Statement H, column (l) and the remaining amount is taken to line 10 on Statement D page 2, column (b) and included as rate base.

Schedule H-14 – Ben French Operation and Maintenance Adjustment. This Schedule provides for the removal of operating and maintenance expenses related to Ben French power plant operations. The adjustment is on Statement H, column (m).

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Section H

Schedule H-15 – Coal Price Adjustment. This Schedule provides for the pro forma adjustment price of coal as well as the adjustment to normalize coal by plant. Further, this schedule removes the coal costs related to Ben French power plant due to the suspension of operations, as well as, the removal of transport related costs. The adjustment is on Statement H, column (n).

Schedule H-16 – Severance Expense Adjustment. This Schedule provides for the removal of severance payments in the test year. The adjustment is on Statement H, column (o).

Schedule H-17 – Capacity Reserve Adjustment. This Schedule provides for the adjustment of spinning reserve due to Ben French suspending operations on September 1, 2012. The adjustment is on Statement H, column (p).

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BLACK HILLS POWER, INC. DPERATING AND MAINTENANCE EXPENSES For the Test Year Ended June 30, 2012

			ſ			· · · · ·		Adjustments				
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(1)	0
Line	FERC											
No,	Acct.#	Description	Per Books	Sched H-1	Sched H-4	Sched H-5	Sched H-6	Sched H-7	Sched H-8	Sched H-9	Sched H-10	Sched H-11
1		Steam Production Operation:										
2	500	Supervision & Engineering	\$ 1,846,170	\$ 22,051	\$ -	ş -	\$ -	\$-	\$ - 5	- 3	\$ - \$	-
3	501	Fuel	1,357,246	16,211	-	· ·	-			-	-	-
4	501.1	Steam Power Fuel - Gas	91,298	-	-	-	-	-	-	-	-	-
5	501.2	Steam Power Fuel - Oil	513,206	-	-	-	-	-	-	-	-	-
6	501.3	Steam Power Fuel - Coal	21,163,029	-	-	-	-	-	-	-		-
7	501.4	Steam Power Fuel - Transportation	1,324,658	-	-	-	-	-	-	-	-	-
8	502	Steam Expense	3,665,046	43,776	-	-	-	-	-	-		-
9	505	Electric Expense	1,248,355	14,911	-	-	-	-	-	-	-	-
10	506	Miscellaneous	789,883	9,435	-	-	-	-	-	-	-	-
11	507	Rent	2,541,056	30,351	-	-	-		-	-	-	-
12	509	Allowances	-,- · -, 3D		-	-	-	-	-	-	-	-
13		Total Steam Production Operation	34,639,976	136,735					·····		-	-
14			0-1000,010	200,00		-		-				-
15		Steam Production Maintenance:										
16	510	Supervision & Engineering	1,721,490	16,392	-	-	-	-	•	-	-	-
17	511	Structures	820,959	7,817	-	-	-	-	-	-	-	-
18	512	Boilers	4,757,649	45,302	-	-	-	-	•	-	-	(49,388
19	513	Electric Plant	875,047	8,332	-	-	-	-	-	-	(428,000)	-
20	514	Miscellaneous Plant	205,774	1,959		-						-
21 22		Total Steam Production Maintenance	8,380,929	79,802	-	-	-	-	-	-	(428,000)	(49,388
23 24		Total Steam Production Expense	43,020,905	216,537	-	-	-	-	-	-	(428,000)	(49,388
25		Other Production Operation:										
26	546	Supervision & Engineering	215,352	2,572	-	-	-	-	-	-	-	
27	547	Fuel	2,074,106	-	-	-	-	-		-	-	~
28	548	Generation Expense	442,112	5,281	-	-	-	-	-	-	-	-
29	54 9	Miscellaneous	97,138	1,160	-	-	-	-	-	-	-	-
30	550	Rents	118,053	1,410	-	-	-	-	•	-	-	-
31		Total Other Production Operation	2,946,761	10,423	-	-	-	-	-	-	-	-
32												
33		Other Production Maintenance:										
34	551	Supervision & Engineering	163,609	1,558	-	-	-	-	-	•		-
35	552	Structures	98,340	936	-	-	-	-	-	-	-	-
36	553	Electric Plant	1,967,157	18,731	•	-	-	-	-	-	-	-
37	554	Miscellaneous Plant	197,740	1,883	-	-	-	•		-	-	-
38	556	System Control and Load Dispatch	1,211,692	11,538	•	(72,180)		-	(52,601)	-	-	-
39	557	Other Expenses	24			-		<u> </u>				-
40 41		Total Other Production Maintenance	3,638,562	34,646	-	(72,180)	-	-	(52,601)	-	-	-
42		Total Other Production Expense	6,585,323	45,069	-	(72,180)	} -	-	(52,601)	-	-	-
43												
44		Other Power Supply:										
45	555	Purchased Power - Energy	41,442,094	-	-	-	-	-	-	2,034,740	-	•
46	555	Purchased Power - Capacity	7,258,307	. <u> </u>		<u>-</u>						
47 48		Total Other Power Supply	48,700,401	-	•	-	-	-	-	2,034,740	-	•
48 49 50		Total Production Expenses	98,306,629	261,606	-	(72,180)) -	-	(52,601)	2,034,740	(428,000)	(49,38
51		Transmission Operations:									•	
52	560	Supervision & Engineering	517,220	1,335	-	66,593	-	-		-	-	-
53	561	Load Dispatch	2,622,111	6,768	23,474	541,972	-	-	-	-	-	-
54	562	Station Equipment	301,339	778	· · ·	(5,557						

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BLACK HILLS POWER, INC. OPERATING AND MAINTENANCE EXPENSES For the Test Year Ended June 30, 2012

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|             |                 | Adjustments                              |                     |                 |           |           |           |           |            |           |            |            |
|-------------|-----------------|------------------------------------------|---------------------|-----------------|-----------|-----------|-----------|-----------|------------|-----------|------------|------------|
|             |                 |                                          | (a)                 | (b)             | (c)       | (d)       | (e)       | ſŊ        | (g)        | (h}       | (i)        | (j)        |
| Lîne<br>No. | FERC<br>Acct. # | Description                              | Per Books           | Sched H-1       | Sched H-4 | Sched H-S | Sched H-6 | Sched H-7 | Sched H-8  | Sched H-9 | Sched H-10 | Sched H-1: |
|             | 5.00            |                                          |                     |                 |           |           |           |           |            |           |            |            |
| 55          | 563             | Overhead Lines                           | 94,210              | 243             | -         | -         | -         | •         | -          | -         | -          | -          |
| 56          | 565             | Transmission of Electricity by Others    | 18,592,582          | -               | -         | -         | -         | -         | -          | -         | -          | -          |
| 57          | 566             | Miscellaneous                            | 100,190             | 259             | -         | -         | -         | -         | -          | -         | •          |            |
| 58          | 567             | Rents                                    |                     | <u> </u>        |           |           |           |           |            | <u>-</u>  |            |            |
| 59<br>60    |                 | Total Transmission Operations            | 22,227,652          | 9,383           | 23,474    | 603,008   | -         | -         | -          | -         | -          |            |
| 61          |                 | Transmission Maintenance:                |                     |                 |           |           |           |           |            |           |            |            |
| 62          | 568             | Supervision & Engineering                | -                   | -               | -         | -         | -         | -         | -          | -         | -          |            |
| 63          | 569             | Structures                               | -                   | -               | -         | -         | -         |           | -          | -         | -          |            |
| 64          | 570             | Station Equipment                        | 143,335             | 1,142           | _         |           | _         | _         |            |           | _          |            |
| 65          | 571             | Overhead Lines                           | 160,826             | 1,282           | _         | (6,283)   | _         | _         |            | _         | _          |            |
| 66          | 572             | Underground Lines                        | 100,010             | -               | -         | (0,205)   | _         | _         | _          |           |            |            |
| 67          | 573             | Miscellaneous                            | -                   | -               | -         | -         | •         |           |            |           | -          |            |
|             | 3/3             |                                          | 304,161             | 2,424           |           | (6,283)   |           |           |            |           | ·          |            |
| 68          |                 | Total Transmission Maintenance           | 304,101             | 2,424           | -         | (0,263)   | -         | -         | -          | -         | -          |            |
| 69<br>70    |                 | Total Transmission Expenses              | 22,531,813          | 11,807          | 23,474    | 596,725   | -         | -         | -          | -         | -          |            |
| 71          |                 |                                          |                     |                 |           |           |           |           |            |           |            |            |
| 72          |                 | Distribution Operations:                 |                     |                 |           |           |           |           |            |           |            |            |
| 73          | 580             | Supervision                              | 836,43 <del>9</del> | (3,239)         | -         | (18,333)  | -         | -         | -          | -         | -          |            |
| 74          | 581             | Load Dispatch                            | 292,624             | (1,133)         | -         | (50,390)  | -         | -         | -          | -         | -          |            |
| 75          | 582             | Station Equipment                        | 443,357             | (1,717)         | -         | -         | -         |           | -          | -         | -          |            |
| 76          | 583             | Overhead Lines                           | 456,237             | (1,767)         | -         | -         | -         |           | -          | -         | -          |            |
| 77          | 584             | Underground Lines                        | 311,105             | (1,205)         | -         | -         | -         | -         | -          |           |            |            |
| 78          | 585             | Street Lighting                          | 89                  | (_,,            |           | -         | -         | -         | -          |           | -          |            |
| 79          | 586             | Metering                                 | 866,163             | (3,354)         |           |           |           |           | -          | -         |            |            |
| 80          | 587             | Customer Installations                   | 28,737              | (111)           |           | _         |           |           |            |           |            |            |
| 81          | 588             | Miscellaneous                            | 502,229             | (1,945)         | -         | (15,970)  | _         |           | -          | -         | _          |            |
| 82          | 589             | Rents                                    | 19,457              | (1,943)<br>(75) | -         | (13,376)  |           |           | -          | -         |            |            |
| 83          | 202             | Total Distribution Operations            | 3,756,437           | (14,546)        |           | (84,693)  |           |           |            |           | ·,         |            |
| 84          |                 |                                          | 5,750,457           | (14,546)        | -         | (04,055)  | -         | -         |            |           | -          |            |
| 85          |                 | Distribution Maintenance:                |                     |                 |           |           |           |           |            |           |            |            |
| 86          | 590             | Supervision                              | 1,565               | 14              | -         | -         | -         | -         | -          | -         | -          |            |
| 87          | 591             | Structures                               |                     | -               | -         | -         | -         | -         | •          | -         | -          |            |
| 88          | 592             | Station Equipment                        | 346,575             | 3,162           | •         | 8,091     | -         | -         | -          | -         | -          |            |
| 89          | 593             | Overhead Lines                           | 2,550,816           | 23,274          | -         | -         | -         | -         |            | -         | -          |            |
| 90          | 594             | Underground Lines                        | 191,328             | 1,746           | -         | -         | -         | -         |            | -         | -          |            |
| 91          | 595             | Transformers                             | 38,005              | 347             | -         |           | -         | -         |            | -         | -          |            |
| 92          | 596             | Street Lighting                          | 138,724             | 1,266           | -         | -         | -         | -         | -          | -         | -          |            |
| 93          | 597             | Metering                                 | 73,889              | 674             | -         | -         | -         | -         | -          | -         | -          |            |
| 94          | 598             | Miscellaneous                            | 21,554              | 197             | -         | -         | -         | -         | -          | -         | -          |            |
| 95          | 550             | Total Distribution Maintenance           | 3,362,456           | 30,680          | -         | 8,091     | -         | -         | -          |           | -          |            |
| 96<br>97    |                 | Total Distribution Expenses              | 7,118,893           | 16,134          | -         | (76,602)  | -         | -         | •          | -         | -          |            |
| 98          |                 | <b>6</b>                                 |                     |                 |           |           |           |           |            |           |            |            |
| 99          | 004             | Customer Accounting Expense:             | 77.774              | (705)           | -         | 15,701    |           |           |            | _         |            |            |
| 100         | 901             | Supervision                              | 33,274              | (765)           |           | 15,701    | -         |           | -          | -         | -          |            |
| 101         | 902             | Meter Reading                            | 62,213              | (1,430)         | -         | /40.100   | -         | -         | -          | •         | •          |            |
| 102         | 903             | Customer Records and Collection Expenses | 1,733,439           | (39,833)        | -         | (40,102)  | -         |           | -          | -         | -          |            |
| 103         | 904             | Uncollectible Accounts                   | 290,583             | (6,677)         | -         |           | -         | 114,741   | -          | •         | -          |            |
| 104         | 905             | Miscellaneous                            | 826,214             | (18,986)        | -         | 18,560    |           |           | . <u> </u> |           | -          |            |
| 105<br>106  |                 | Total Customer Accounting Expense        | 2,945,723           | (67,691)        | -         | (5,841)   | -         | 114,741   | -          | -         | -          |            |
| 107         |                 | Customer Service Expense:                |                     |                 |           |           |           |           |            |           |            |            |
| 108         | 907             | Supervision                              | 281,490             | (28,214)        |           | 20,672    | -         | -         | -          | -         |            |            |

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#### BLACK HILLS POWER, INC. OPERATING AND MAINTENANCE EXPENSES For the Test Year Ended June 30, 2012

|             |                 |                                        |                          |                                         |                        |                |                  | Adjustments       |                     |                |             |              |
|-------------|-----------------|----------------------------------------|--------------------------|-----------------------------------------|------------------------|----------------|------------------|-------------------|---------------------|----------------|-------------|--------------|
|             |                 |                                        | (a)                      | (b)                                     | (c)                    | (d)            | (e)              | (f)               | (g)                 | (h)            | (i)         | ())          |
| Line<br>No. | FERC<br>Acct. # | Description                            | Per Books                | Sched H-1                               | Sched H-4              | Sched H-5      | Sched H-6        | Sched H-7         | Sched H-8           | Sched H-9      | Sched H-10  | Sched H-11   |
| 140.        |                 | Decipiton                              |                          | Sched H-1                               | Selled II 4            | Jenea 11-J     | Janea III 0      | Jened II-/        | Schediyo            | JUNED IN-5     | Juneo II-10 | JCHEG II-11  |
| 109         | 908             | Customer Assistance                    | 1,166,416                | (116,912)                               | -                      | (1,742)        | -                | -                 | -                   | -              | -           | -            |
| 110         | 909             | Advertisement                          | 11,854                   | (1,188)                                 | -                      | -              | -                | -                 | •                   | -              | -           | (5,384)      |
| 111         | 910             | Miscellaneous                          | 64,863                   | (6,501)                                 | •                      |                |                  |                   | <u> </u>            |                | -           |              |
| 112<br>113  |                 | Total Customer Service Expense         | 1,524,623                | (152,815)                               | · -                    | 18,930         | -                | -                 | •                   | -              | -           | (5,384)      |
| 114<br>115  |                 | Total Customer Expenses                | 4,470,346                | (220,506)                               | -                      | 13,089         | -                | 114,741           | -                   | -              | -           | (5,717)      |
| 116         |                 | Sales Expense:                         |                          |                                         |                        |                |                  |                   |                     |                |             |              |
| 117         | 912             | Demonstrating and Selling Expenses     | 447                      | -                                       | -                      | -              | -                | -                 | -                   | -              | -           | (447)        |
| 118         | 916             | Miscellaneous Sales Expenses           | 1,777                    | · •                                     | -                      |                | -                | -                 |                     | -              |             | (1,777)      |
| 119<br>120  |                 | Total Sales Expense                    | 2,224                    |                                         | -                      | -              | -                | -                 |                     | -              | -           | (2,224)      |
| 121         |                 | Administrative & General Expense:      |                          |                                         |                        |                |                  |                   |                     |                |             |              |
| 122         | 920             | Administrative Salaries                | 13,802,193               | (188,764)                               | (12,060)               | 993,303        | -                | -                 | -                   | -              | -           | -            |
| 123         | 921             | Office Supplies & Expense              | 3,655,264                | -                                       | (128,322)              | 811,350        | -                | -                 | -                   |                | -           | (218)        |
| 124         | 922             | A&G Expense Transferred                | (41,436)                 | -                                       | -                      | 7,485          | -                | -                 | -                   | -              | -           | -            |
| 125         | 923             | Outside Services                       | 2,283,012                | -                                       | 520,709                | 202,388        | -                | -                 | -                   | -              | -           | -            |
| 126         | 924             | Property Insurance                     | 854,167                  | -                                       | (69,975)               | 46,317         | -                | -                 | -                   | -              | -           | -            |
| 127         | 925             | Injuries and Damages                   | 1,388,862                | -                                       | 144,912                | 31,534         | -                | -                 | -                   | -              | -           | -            |
| 128         | 926             | Pensions & Benefits                    | 99,228                   | -                                       | (227,721)              | 180,091        | 510,780          | -                 | -                   | -              | -           | -            |
| 129         | 928             | Regulatory Commission                  | 713,800                  | -                                       | -                      | -              | -                | -                 | -                   | -              | -           | -            |
| 130         | 930.1           | General Advertising                    | 224,449                  | -                                       | -                      | -              | -                | -                 | -                   | -              | •           | (197,188)    |
| 131         | 930.2           | Miscellaneous General                  | 1,161,427                | •                                       | 383,494                | 18,647         | -                | -                 | -                   | -              | -           | (474,410)    |
| 132         | 931             | Rents                                  | 545,526                  | •                                       | (17,400)               | (15,070)       | -                | -                 | -                   | -              | -           | -            |
| 133         | 935             | Maintenance of General Plant           | 1,080,634                |                                         | 502,714                | (228,459)      |                  | -                 |                     | -              | <u> </u>    | -            |
| 134<br>135  |                 | Total Administrative & General Expense | 25,767,126               | (188,764)                               | 1,096,351              | 2,047,586      | 510,780          | -                 | -                   | -              | -           | (671,816)    |
| 136<br>137  |                 | Total Operating & Maintenance Expense  | \$ 158,197,031           | \$ (119,723) \$                         | 1,119,825 \$           | 2,508,618      | \$ 510,780       | \$ 114,741        | \$ (52,601) \$      | 2,034,740      | (428,000)   | \$ (729,412) |
| 138         |                 |                                        |                          |                                         |                        |                |                  |                   |                     |                |             |              |
| 139         |                 |                                        |                          | nent is to remove er                    |                        |                |                  |                   |                     |                |             |              |
| 140         |                 |                                        | •                        | 018) for the Fuel Pu                    |                        |                |                  |                   |                     |                |             |              |
| 141         |                 |                                        |                          | nated so the ending                     |                        |                | zero. Further, f | he re-agent costs | , proposed to be in | ncluded in the |             |              |
| 142         |                 |                                        | Fuel Purchase Pow        | er adjustment going                     | forward, were al       | so eliminated. |                  |                   |                     |                |             |              |
| 143         |                 |                                        |                          |                                         | 15.1.1                 |                |                  |                   |                     |                |             |              |
| 144<br>145  |                 |                                        |                          | Distribution Wages<br>Purchased Power I |                        |                |                  |                   |                     |                |             |              |
| 145         |                 |                                        | Sched H-3                | Listed Expense Acc                      |                        |                |                  |                   |                     |                |             |              |
| 146         |                 |                                        | Sched H-4                |                                         |                        | ndes Company   | Intercompany     | Charges           |                     |                |             |              |
| 147         |                 |                                        | Sched H-S                |                                         |                        |                | - mercompany     | charges           |                     |                |             |              |
| 148         |                 |                                        |                          | Employee Pension                        |                        |                |                  |                   |                     |                |             |              |
| 140         |                 |                                        |                          | Bad Debt Analysis                       | and benefits Auj       | astrient       |                  |                   |                     |                |             |              |
| 151         |                 |                                        |                          | Generation Dispate                      | th and Scheduline      | r Cost Detail  |                  |                   |                     |                |             |              |
| 152         |                 |                                        |                          | Purchase Power Ex                       |                        |                |                  |                   |                     |                |             |              |
| 153         |                 |                                        |                          | Generation Plant C                      |                        |                |                  |                   |                     |                |             |              |
| 154         |                 |                                        |                          | Expense Eliminatio                      |                        |                |                  |                   |                     |                |             |              |
| 155         |                 |                                        |                          | Power Marketing                         |                        | ent            |                  |                   |                     |                |             |              |
|             |                 |                                        |                          | Outside Consulting                      |                        |                |                  |                   |                     |                |             |              |
| 156         |                 |                                        |                          |                                         |                        |                |                  |                   |                     |                |             |              |
| 156<br>157  |                 |                                        |                          | Ben French Operat                       |                        |                |                  |                   |                     |                |             |              |
|             |                 |                                        | Sched H-14               |                                         | ion & Maintenan        |                |                  |                   |                     |                |             |              |
| 157         |                 |                                        | Sched H-14<br>Sched H-15 | Ben French Operat                       | ion & Maintenan<br>ent |                |                  |                   |                     |                |             |              |

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#### BLACK HILLS POWER, INC. OPERATING AND MAINTENANCE EXPENSES For the Test Year Ended June 30, 2012

|          |            |                                     | ,            |            |                    |             |            |            |                |                                 |  |
|----------|------------|-------------------------------------|--------------|------------|--------------------|-------------|------------|------------|----------------|---------------------------------|--|
|          |            |                                     | L            |            |                    | Adjustments |            |            |                | ]                               |  |
| ine      | FERC       |                                     | (k)          | (1)        | (m)                | (n}         | (0)        | {p}        | (q)            | (r)<br>Sum((a):(q))<br>Adjusted |  |
| No.      | Acct.#     | Description                         | Sched H-12   | Sched H-13 | Sched H-14         | Sched H-15  | Sched H-16 | Sched H-17 | Not <u>e 1</u> | Total                           |  |
| 1        |            | Steam Production Operation:         |              |            |                    |             |            |            |                |                                 |  |
| 2        | 500        | Supervision & Engineering           | ş -          | s -        | \$ (117,818)       | e           | <b>š</b> - | s -        | \$ (56,648)    | ć + coo 75                      |  |
| 3        | 501        | Fuel                                | 2 ·          | ş -        |                    | ş -         | ş .        | s -        |                | \$ 1,693,75                     |  |
| 4        | 501.1      | Steam Power Fuel - Gas              | -            | -          | (56,002)           | -           | -          | -          | (1,317,455)    | -                               |  |
|          | 501.2      |                                     | •            | -          | -                  | -           | -          | -          | (91,298)       | -                               |  |
| s        |            | Steam Power Fuel - Oil              |              | -          |                    | -           | -          | •          | (613,205)      | -                               |  |
| 6        | 501.3      | Steam Power Fuel - Coal             | (1,343,520)  | •          | •                  | (1,724,664) | -          | -          | (18,094,844)   | -                               |  |
| 7        | 501.4      | Steam Power Fuel - Transportation   | -            | -          | -                  | (1,324,658) | -          | -          | · · · ·        | -                               |  |
| 8        | 502        | Steam Expense                       | -            | -          | (440,874)          | -           | -          | -          | (1,191,593)    | 2,076,35                        |  |
| 9        | 505        | Electric Expense                    | -            | -          | (376,355)          | -           | -          | -          | (62,750)       | 824,16                          |  |
| ιο       | 506        | Miscellaneous                       | -            | -          | (42,315)           | -           | •          | -          | -              | 757,00                          |  |
| 1        | 507        | Rent                                | -            | -          | -                  | -           | -          | -          | -              | 2,571,40                        |  |
| 2        | 509        | Allowances                          |              | -          | -                  | <u> </u>    | -          | -          | -              |                                 |  |
| 13       |            | Total Steam Production Operation    | (1,343,520)  |            | (1,033,364)        | (3,049,322) |            |            | (21,427,794)   | 7,922,71                        |  |
| 14       |            |                                     |              |            |                    |             |            |            |                |                                 |  |
| 15       |            | Steam Production Maintenance:       |              |            |                    |             |            |            |                |                                 |  |
| 16       | 510        | Supervision & Engineering           | -            | -          | (103,160)          | -           | (90,355)   | -          | -              | 1,544,38                        |  |
| 17       | 511        | Structures                          | -            | -          | (16,799)           | -           | -          | -          | (1,730)        | 810,25                          |  |
| 18       | 512        | Boilers                             | -            | -          | (700,435)          | -           | -          | -          |                | 4,053,12                        |  |
| 19       | 513        | Electric Plant                      | -            | -          | (101,202)          | -           | -          | -          | -              | 354,17                          |  |
| 20       | 514        | Miscellaneous Plant                 | -            | -          | (82,604)           | -           | -          | -          | (427)          | 124,7                           |  |
| 21       |            | Total Steam Production Maintenance  |              |            | (1,004,200)        |             | (90,355)   |            | (2,157)        | 6,886,6                         |  |
| 22       |            |                                     |              |            | (2,00 ,200)        |             | ()/        |            | (-,,           | 0,000,0                         |  |
| 23       |            | Total Steam Production Expense      | (1,343,520)  | -          | (2,037,564)        | (3,049,322) | (90,355)   |            | (21,429,951)   | 14,809,34                       |  |
| 24       |            | Totol Steam Traduction expense      | (1,343,320)  | -          | (2,007,004)        | (3,343,322) | [50,533]   |            | (21,420,001)   | 14,000,0                        |  |
| 24<br>25 |            | Other Production Operation:         |              |            |                    |             |            |            |                |                                 |  |
| 23<br>26 | 546        | Supervision & Engineering           | _            |            |                    |             | _          |            |                | 217,92                          |  |
| 27       | 547        |                                     | (670.349)    | -          | -                  | -           | -          | -          | (1,403,757)    | 217,122                         |  |
|          | 547<br>548 | Fuel                                | (670,549)    | -          | •                  | -           | -          | -          | (1,405,757)    | 447,3                           |  |
| 28       |            | Generation Expense                  | -            | -          | -                  | -           | -          | -          | (10 537)       |                                 |  |
| 29       | 549        | Miscellaneous                       | -            | -          | •                  | -           | -          | -          | (10,577)       | 87,7                            |  |
| 30       | 550        | Rents                               |              | -          |                    | <u> </u>    |            |            |                | 119,4                           |  |
| 31       |            | Total Other Production Operation    | (670,349)    |            | -                  | -           | -          | -          | (1,414,334)    | 872,5                           |  |
| 32       |            |                                     |              |            |                    |             |            |            |                |                                 |  |
| 33       |            | Other Production Maintenance:       |              |            |                    |             |            |            |                |                                 |  |
| 34       | 551        | Supervision & Engineering           | •            | -          | 706,571            | -           | -          | -          | -              | 871,7                           |  |
| 35       | 552        | Structures                          | -            | -          | -                  | -           | -          | -          | -              | 99,2                            |  |
| 36       | 553        | Electric Plant                      | -            | -          | -                  | -           | -          | -          |                | 1,985,8                         |  |
| 37       | 554        | Miscellaneous Plant                 | -            | -          | •                  | -           | -          | -          | (1,219)        | 198,4                           |  |
| 38       | 556        | System Control and Load Dispatch    | (311,866)    | - 1        | -                  | -           | -          | -          | -              | 786,5                           |  |
| 39       | 557        | Other Expenses                      | - <u>-</u>   |            | -                  | -           |            |            |                |                                 |  |
| 40       |            | Total Other Production Maintenance  | (311,866)    | ) -        | 706,571            | -           | •          | -          | (1,219)        | 3,941,9                         |  |
| 41       |            |                                     |              |            |                    |             |            |            |                |                                 |  |
| 42       |            | Total Other Production Expense      | (982,215)    | ) -        | 706,571            | -           | -          | -          | (1,415,553)    | 4,814,4                         |  |
| 13       |            |                                     |              |            |                    |             |            |            |                |                                 |  |
| 44       |            | Other Power Supply:                 |              |            |                    |             |            |            |                |                                 |  |
| 45       | 555        | Purchased Power - Energy            | (29,344,783) | ) -        |                    | •           | -          | -          | (14,132,051)   | -                               |  |
| 46       | 555        | Purchased Power - Capacity          | -            |            |                    | -           | -          | 174,357    | -              | 7,432,6                         |  |
| 47       |            | Total Other Power Supply            | (29,344,783  | ) -        | •                  |             | -          | 174,357    | (14,132,051)   | 7,432,6                         |  |
| 48       |            |                                     |              |            |                    |             |            |            |                |                                 |  |
| 49       |            | Total Production Expenses           | (31,670,518  | ) -        | (1,330,993)        | (3,049,322) | (90,355)   | 174,357    | (36,977,555)   | 27,056,4                        |  |
| 50       |            | · · · · · · · · · · · · · · · · · · |              |            | ,_,,,_ <b>_</b> _, |             |            |            | ,,,            |                                 |  |
| 51       |            | Transmission Operations:            |              |            |                    |             |            |            |                |                                 |  |
| 52       | 560        | Supervision & Engineering           | -            |            | _                  | _           | -          | -          | -              | 585,1                           |  |
| 53       | 561        | Load Dispatch                       | -            | -          | -                  | -           | -          | -          |                | 3,194,3                         |  |
| 55<br>54 | 562        | Station Equipment                   | -            | -          | -                  | -           | -          | -          | _              | 296,5                           |  |
| 94       | 202        | station equipment                   | -            | -          | · -                | -           | -          | -          | •              | 230,30                          |  |
|          |            |                                     |              |            |                    |             |            |            |                |                                 |  |

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#### BLACK HILLS POWER, INC. OPERATING AND MAINTENANCE EXPENSES For the Test Year Ended June 30, 2012

|            |         |                                          | Adjustments |            |            |            |            |            |              |                                 |  |
|------------|---------|------------------------------------------|-------------|------------|------------|------------|------------|------------|--------------|---------------------------------|--|
| Line       | FERC    |                                          | (k)         | (1)        | (m)        | (n)        | (a)        | {p}        | (q)          | (r)<br>Sum((a):(q))<br>Adjusted |  |
| Na.        | Acct. # | Description                              | 5ched H-12  | Sched H-13 | Sched H-14 | Sched H-15 | Sched H-16 | Sched H-17 | Note 1       | Total                           |  |
| 55         | 563     | Overhead Lines                           | -           | -          | -          | -          | -          |            | -            | 94,453                          |  |
| 56         | 565     | Transmission of Electricity by Others    | (1,535,166) | -          | -          | -          | -          | -          | (17,057,416) | -                               |  |
| 57         | 566     | Miscellaneous                            | •           | -          | -          | -          | -          | -          | -            | 100,449                         |  |
| 58         | 567     | Rents                                    | in for and  |            | -          | -          |            | <u> </u>   | (47.057.446) |                                 |  |
| 59<br>60   |         | Total Transmission Operations            | (1,535,166) | -          | -          | •          | -          | -          | (17,057,416) | 4,270, <del>9</del> 35          |  |
| 61         |         | Transmission Maintenance:                |             |            |            |            |            |            |              |                                 |  |
| 62         | 568     | Supervision & Engineering                | -           | -          | -          | -          | -          | -          | -            | -                               |  |
| 63         | 569     | Structures                               | -           | -          | -          | -          | -          | -          | -            | -                               |  |
| 64         | 570     | Station Equipment                        | -           | -          | -          | -          | -          | -          | -            | 144,477                         |  |
| 6S         | 571     | Overhead Lines                           | -           | -          | -          |            | •          | -          | -            | 155,825                         |  |
| 66         | 572     | Underground Lines                        | -           | -          | -          | -          | -          | -          | -            | -                               |  |
| 67         | 573     | Miscellaneous                            | -           |            | -          |            |            | -          |              | -                               |  |
| 68<br>69   |         | Total Transmission Maintenance           | -           | -          | -          | -          |            |            | -            | 300,302                         |  |
| 70<br>71   |         | Total Transmission Expenses              | (1,535,166) | -          | -          | -          | -          | -          | (17,057,416) | 4,571,237                       |  |
| 72         |         | Distribution Operations:                 |             |            |            |            |            |            |              |                                 |  |
| 73         | 580     | Supervision                              |             | -          | -          | -          | -          | -          | -            | 814,867                         |  |
| 74         | 581     | Load Dispatch                            | -           |            | =          | -          | -          | -          | -            | 241,10                          |  |
| 75         | 582     | Station Equipment                        | -           | -          | -          | -          | -          | -          | -            | 441,640                         |  |
| 76         | 583     | Overhead Lines                           | -           | -          | -          |            | -          | -          | -            | 454,470                         |  |
| 77         | 584     | Underground Lines                        |             | -          | -          | -          | -          |            | -            | 309,900                         |  |
| 78         | 585     | Street Lighting                          | -           | -          | -          | -          | -          | -          | -            | 89                              |  |
| 79         | 586     | Metering                                 | -           | -          | -          | -          | -          | -          | -            | 862,809                         |  |
| 80         | 587     | Customer Installations                   | -           | -          | -          | -          | -          |            | -            | 28,626                          |  |
| 81         | 588     | Miscellaneous                            | -           | -          | -          | -          | -          | -          | -            | 484,314                         |  |
| 82         | 589     | Rents                                    | -           | -          | -          | -          | -          | -          | -            | 19,38                           |  |
| 83<br>84   |         | Total Distribution Operations            | -           | -          | •          | -          | -          | -          | -            | 3,657,19                        |  |
| 85         |         | Distribution Maintenance:                |             |            |            |            |            |            |              |                                 |  |
| 86         | 590     | Supervision                              | _           | _          | _          | -          | -          | _          | -            | 1,579                           |  |
| 87         | 591     | Structures                               | _           |            | _          |            | _          | -          | -            | 1,57.                           |  |
| 88         | 592     | Station Equipment                        |             |            |            | _          | -          | -          | -            | 357,82                          |  |
| 89         | 593     | Overhead Lines                           |             |            | -          |            |            | _          | -            | 2,573,82                        |  |
| 90         | 594     | Underground Lines                        | -           | -          | -          | _          | -          | -          | -            | 193,07                          |  |
| 91         | 595     | Transformers                             | -           | -          | _          |            | -          | -          | -            | 38,35                           |  |
| 92         | 596     | Street Lighting                          | -           | -          |            | -          | -          | -          | -            | 139,99                          |  |
| 93         | 597     | Metering                                 | -           | -          | -          | -          | -          | -          | -            | 74,563                          |  |
| 94         | 598     | Miscellaneous                            | -           | -          | -          | -          | -          | -          | -            | 21,751                          |  |
| 95<br>96   | 550     | Total Distribution Maintenance           |             | -          | -          | -          | -          | - ''       | -            | 3,400,960                       |  |
| 97<br>98   |         | Total Distribution Expenses              | -           | -          | -          | •          | -          | -          | -            | 7,058,158                       |  |
| 99         |         | Customer Accounting Expense:             |             |            |            |            |            |            |              |                                 |  |
| 100        | 901     | Supervision                              | -           | -          | -          | -          | -          |            | -            | 48,177                          |  |
| 101        | 902     | Meter Reading                            | -           | -          | -          | -          | -          | -          | -            | 50,78                           |  |
| 102        | 903     | Customer Records and Collection Expenses | -           | -          | -          | -          | -          | -          | -            | 1,653,20                        |  |
| 103        | 904     | Uncollectible Accounts                   | -           | -          | -          | -          | -          | -          | -            | 398,64                          |  |
| 104        | 905     | Miscellaneous                            | -           | -          | -          | -          | -          | -          | -            | 825,78                          |  |
| 105<br>106 |         | Total Customer Accounting Expense        |             |            |            | -          |            | -          | •            | 2,986,59                        |  |
| 107<br>108 | 907     | Customer Service Expense:<br>Supervision | -           | -          | -          | -          |            | -          |              | 273,94                          |  |

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#### BLACK HILLS POWER, INC. OPERATING AND MAINTENANCE EXPENSES For the Test Year Ended June 30, 2012

|            |         |                                        | Adjustments        |                       |                    |                    |                   |                  |                    |                                 |  |
|------------|---------|----------------------------------------|--------------------|-----------------------|--------------------|--------------------|-------------------|------------------|--------------------|---------------------------------|--|
| Line       | FERC    |                                        | (k)                | 0)                    | (m)                | (n)                | (0)               | {p}              | (q)                | (r)<br>Sum((a):(q))<br>Adjusted |  |
| No.        | Acct. # | Description                            | Sched H-12         | Sched H-13            | Sched H-14         | Sched H-15         | Sched H-16        | Sched H-17       | Note 1             | Total                           |  |
| 109        | 908     | Customer Assistance                    | -                  |                       | -                  | -                  | -                 | -                | -                  | 1,047,762                       |  |
| 110        | 909     | Advertisement                          | -                  | -                     | -                  | -                  | -                 | -                | -                  | 5,282                           |  |
| 111        | 910     | Miscellaneous                          | -                  | -                     | -                  |                    | -                 | -                | -                  | 58,352                          |  |
| 112<br>113 |         | Total Customer Service Expense         |                    |                       | -                  |                    | -                 |                  |                    | 1,385,354                       |  |
| 114<br>115 |         | Total Customer Expenses                | -                  | -                     | -                  | -                  | -                 | -                | -                  | 4,371,953                       |  |
| 116        |         | Sales Expense:                         |                    |                       |                    |                    |                   |                  |                    |                                 |  |
| 117        | 912     | Demonstrating and Selling Expenses     |                    |                       | -                  | -                  |                   |                  | -                  | -                               |  |
| 118        | 916     | Miscellaneous Sales Expenses           |                    | -                     |                    | -                  | -                 | -                | -                  |                                 |  |
| 119        |         | Total Sales Expense                    |                    |                       |                    |                    |                   | -                |                    |                                 |  |
| 120<br>121 |         | Administrative & General Expense:      |                    |                       |                    |                    |                   |                  |                    |                                 |  |
| 122        | 920     | Administrative Salaries                |                    |                       |                    |                    | (197,598)         |                  |                    | 14,397,074                      |  |
| 123        | 921     | Office Supplies & Expense              | -                  |                       | _                  |                    | (15, 550)         |                  |                    | 4,338,074                       |  |
| 124        | 922     | A&G Expense Transferred                | _                  | _                     | _                  | _                  | _                 | _                | _                  | (33,951)                        |  |
| 124        | 923     | Outside Services                       |                    | 65,773                | -                  |                    |                   |                  |                    | 3,071,882                       |  |
| 125        | 923     | Property Insurance                     | -                  | 05,775                | -                  | -                  |                   | -                | -                  | 830,509                         |  |
|            | 924     |                                        | •                  |                       | -                  | •                  | -                 | -                | •                  | 1,565,308                       |  |
| 127        |         | Injuries and Damages                   | -                  | -                     | -                  | -                  | •                 | -                | -                  | 1,565,306                       |  |
| 128        | 926     | Pensions & Benefits                    | -                  | -                     | -                  | -                  | -                 | -                | -                  |                                 |  |
| 129        | 928     | Regulatory Commission                  | -                  | -                     | -                  | -                  | -                 | -                | -                  | 713,800                         |  |
| 130        | 930.1   | General Advertising                    | •                  | -                     | -                  | -                  | -                 | -                | •                  | 27,261                          |  |
| 131        | 930.2   | Miscellaneous General                  | -                  | -                     | -                  | -                  | -                 | -                | -                  | 1,089,158                       |  |
| 132        | 931     | Rents                                  | -                  | -                     | -                  | -                  | -                 | -                | •                  | 513,055                         |  |
| 133        | 935     | Maintenance of General Plant           |                    |                       |                    | <u> </u>           | -                 |                  | <u> </u>           | 1,354,889                       |  |
| 134        |         | Total Administrative & General Expense | -                  | 65,773                | -                  | -                  | (197,598)         | -                | -                  | 28,429,438                      |  |
| 135<br>136 |         | Total Operating & Maintenance Expense  | \$ (33,205,684     | )\$ 65,773            | \$ (1,330,993)     | \$ (3,049,322)     | \$ (287,953)      | \$ 174,357       | \$ (54,034,971) \$ | \$ 71,487,206                   |  |
| 137        |         |                                        |                    |                       |                    |                    |                   |                  |                    |                                 |  |
| 138        |         |                                        | Note 1: The adjust | ment is to remove     |                    | l carte ar the Con | eeenvic not propo | cing a change te | the previourly     |                                 |  |
| 139        |         |                                        | approved base rat  |                       |                    |                    |                   |                  |                    |                                 |  |
| 140        |         |                                        |                    |                       |                    |                    |                   |                  |                    |                                 |  |
| 141        |         |                                        | FERC Accounts S0:  |                       |                    |                    |                   |                  |                    |                                 |  |
| 142        |         |                                        | reagent costs, pro | posed to be includ    | led in the Fuel Pu | rchase Power adj   | ustment going for | ward, were also  | eliminated.        |                                 |  |
| 143        |         |                                        |                    |                       |                    |                    |                   |                  |                    |                                 |  |
| 144        |         |                                        |                    | 1 Distribution Wag    |                    |                    |                   |                  |                    |                                 |  |
| 145        |         |                                        |                    | 2 Purchased Powe      |                    |                    |                   |                  |                    |                                 |  |
| 146        |         |                                        |                    | B Listed Expense A    |                    |                    |                   |                  |                    |                                 |  |
| 147        |         |                                        |                    | 4 Black Hills Corpo   |                    |                    |                   | harges           |                    |                                 |  |
| 148        |         |                                        |                    | 5 Black Hills Utility |                    |                    |                   |                  |                    |                                 |  |
| 149        |         |                                        |                    | 6 Employee Pensi      |                    | djustment          |                   |                  |                    |                                 |  |
| 150        |         |                                        |                    | 7 Bad Debt Analys     |                    |                    |                   |                  |                    |                                 |  |
| 151        |         |                                        | Sched H-1          | 8 Generation Disp     | atch and Schedul   | ing Cost Detail    |                   |                  |                    |                                 |  |
| 152        |         |                                        |                    | 9 Purchase Power      |                    |                    |                   |                  |                    |                                 |  |
| 153        |         |                                        |                    | 0 Generation Plan     |                    | se                 |                   |                  |                    |                                 |  |
| 154        |         |                                        | Sched H-1:         | 1 Expense Elimina     | tion Adjustment    |                    |                   |                  |                    |                                 |  |
| 155        |         |                                        | Sched H-1          | 2 Power Marketin      | g Expense Adjust   | ment               |                   |                  |                    |                                 |  |
| 156        |         |                                        | Sched H-1          | 3 Outside Consult     | ing Related to Rai | te Case            |                   |                  |                    |                                 |  |
| 157        |         |                                        | Sched H-14         | 4 Ben French Ope      | ration & Mainten   | ance Adjustment    |                   |                  |                    |                                 |  |
| 158        |         |                                        | Sched H-1.         | 5 Coal Price Adjus    | tment              |                    |                   |                  |                    |                                 |  |
| 159        |         |                                        | Sched H-1          | 6 Severance Expe      | nse Adjustment     |                    |                   |                  |                    |                                 |  |
| 160        |         |                                        | Sched H-1          | 7 Capacity Reserv     | e Adjustment       |                    |                   |                  |                    |                                 |  |
|            |         |                                        |                    |                       | ,                  |                    |                   |                  |                    |                                 |  |

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# BLACK HILLS POWER, INC. DISTRIBUTION OF WAGES AND SALARIES For the Test Year Ended June 30, 2012

|          |                                  |                   | (a)                         | (b)                        | (c)        | (d)<br>(b) + (c) |
|----------|----------------------------------|-------------------|-----------------------------|----------------------------|------------|------------------|
| Line     |                                  |                   | Per Books<br>Direct Payroll | Additional/<br>Transferred | Wage       | Total            |
| No.      | Description                      | Reference         | Distribution                | Personnel (Note 1)         |            | Adjustment       |
| 1        | OPERATION                        |                   |                             |                            |            |                  |
| 2        | Production                       |                   | \$ 3,704,819                | \$ 42,350                  | \$ 104,808 | \$ 147,158       |
| 3        | Transmission                     |                   | 236,196                     | 2,700                      | 6,682      | 9,382            |
| 4        | Distribution                     |                   | 1,803,754                   | (65,576)                   | 51,028     | (14,548)         |
| 5        | Customer Accounts                |                   | 1,009,419                   | (96,246)                   | 28,556     | (67,690)         |
| 6        | Customer Service And Information |                   | 757,920                     | (174,257)                  | 21,441     | (152,816)        |
| 7<br>8   | Administrative And General       |                   | 102,750                     | (192,196)                  | 2,907      | (189,289)        |
| 9        | TOTAL OPERATION                  | Sum (Ln.2:Ln.7)   | 7,614,858                   | (483,225)                  | 215,422    | (267,803)        |
| 10       |                                  |                   |                             |                            |            |                  |
| 11       | MAINTENANCE                      |                   |                             |                            |            |                  |
| 12       | Production                       |                   | 2,881,357                   | 32,935                     | 81,513     | 114,448          |
| 13       | Transmission                     |                   | 61,019                      | 698                        | 1,726      | 2,424            |
| 14       | Distribution                     |                   | 772,397                     | 8,829                      | 21,851     | 30,680           |
| 15<br>16 | Administrative And General       |                   | 13,241                      | 150                        | 375        | 525              |
| 17       | TOTAL MAINTENANCE                | Sum (Ln.12:Ln.15) | 3,728,014                   | 42,612                     | 105,465    | 148,077          |
| 18       |                                  | • •               |                             |                            |            |                  |
| 19       | TOTAL                            | Ln.9 + Ln.17      | \$ 11,342,872               | \$ (440,613)               | \$ 320,887 | \$ (119,726)     |
| 20       |                                  |                   |                             |                            |            | <del> </del>     |
| 21       | TOTAL OPERATION AND MAINTENANCE  |                   |                             |                            |            |                  |
| 22       | Production                       |                   | 6,586,176                   | 75,285                     | 186,321    | 261,606          |
| 23       | Transmission                     |                   | 297,215                     | 3,398                      | 8,408      | 11,806           |
| 24       | Distribution                     |                   | 2,576,151                   | (56,747)                   | 72,879     | 16,132           |
| 25       | Customer Accounts                |                   | 1,009,419                   | (96,246)                   | 28,556     | (67,690)         |
| 26       | Customer Service And Information |                   | 757,920                     | (174,257)                  | 21,441     | (152,816)        |
| 27<br>28 | Administrative And General       |                   | 115,991                     | (192,046)                  | 3,282      | (188,764)        |
| 29       | TOTAL                            | Sum (Ln.22:Ln.27) | \$ 11,342,872               | <u>\$ (440,613)</u>        | \$ 320,887 | \$ (119,726)     |
| 30       |                                  |                   |                             |                            | _          |                  |

Note 1: Includes positions that are being transferred from Black Hills Power to Black Hills Utility Holdings Company, as well as, additional employees needed for Company operations. Note 2: Wage increases are allocated to function on the basis of payroll per books. Functionalized wage increases are allocated to individual accounts on Statement H on the basis of applicable book expenses.

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# BLACK HILLS POWER, INC. PURCHASED POWER DETAIL LISTING For the Test Year Ended June 30, 2012

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| Line     |                                                          | (a)<br>Demai     |    |           |    |                      | (c)<br>Other<br>Charges | (d)<br>(a) + (b) + (c)<br>Total |   |
|----------|----------------------------------------------------------|------------------|----|-----------|----|----------------------|-------------------------|---------------------------------|---|
| No.      | Purchased From                                           | MWh              |    | Charges   |    | Charges              | <br>(Note 1)            | Costs                           | - |
| 1        | PacifiCorp - Colstrip Variable and Fixed Costs           | 317,351          | \$ | 7,374,303 | \$ | 4,770,250            |                         | \$ 12,144,553                   |   |
| 2        | PacifiCorp                                               | 249,084          |    |           |    | 5,735,274            |                         | 5,735,274                       |   |
| 3        | Avista Water Power                                       | 6,094            |    |           |    | 62,660               |                         | 62,660                          |   |
| 4        | Basin Electric                                           | 17,464           |    |           |    | 439,290              |                         | 439,290                         |   |
| 5        | Bonneville Power Administration                          | 165              |    |           |    | 6,110                |                         | 6,110                           |   |
| 6        | BP Energy Company                                        | 584              |    |           |    | 17,400               |                         | 17,400                          |   |
| 7        | Cargill                                                  | 44,883           |    |           |    | 985,076              |                         | 985,076                         |   |
| 8        | Chevenne Light Fuel & Power                              | 124,253          |    |           |    | 3,083,883            |                         | 3,083,883                       |   |
| 9        | Cheyenne Light Fuel & Power Wind Energy                  | 110,992          |    |           |    | 5,289,402            |                         | 5,289,402                       |   |
| 10<br>11 | Citigroup<br>Colorado Secience Utilities                 | 38,859           |    |           |    | 950,270              |                         | 950,270                         |   |
| 11       | Colorado Springs Utilities<br>ConocoPhillips             | 7,929            |    |           |    | 220,446              |                         | 220,446                         |   |
| 12       | Constellation Power                                      | -<br>38,187      |    |           |    | 1,455<br>1,030,110   |                         | 1,455<br>1,030,110              |   |
| 14       | Coral Power                                              | 7,025            |    |           |    | 174,775              |                         | 174,775                         |   |
| 15       | Deseret Power                                            | 10,000           |    |           |    | 270,000              |                         | 270,000                         |   |
| 16       | Eagle Energy                                             | 16,200           |    |           |    | 439,750              |                         | 439,750                         |   |
| 17       | El Paso Electric                                         | 96               |    |           |    | 3,445                |                         | 3,445                           |   |
| 18       | Endure Energy                                            | -                |    |           |    | (2,334)              |                         | (2,334)                         | i |
| 19       | Idaho Power                                              | 3,982            |    |           |    | 70,519               |                         | 70,519                          |   |
| 20       | Kansas City Power & Light                                | 1,113            |    |           |    | 29,178               |                         | 29,178                          |   |
| 21       | Midwest ISO                                              | 94               |    |           |    | 9,951                |                         | 9,951                           |   |
| 22       | Missouri River Energy Service                            | 9,643            |    |           |    | 190,001              |                         | 190,001                         |   |
| 23       | Morgan Stanley Capital Group                             | 19,950           |    |           |    | 574,372              |                         | 574,372                         |   |
| 24       | Municipal Energy Agency of Nebraska                      | 5,282            |    |           |    | 145,750              |                         | 145,750                         |   |
| 25       | Nevada Power                                             | 170              |    |           |    | 7,260                |                         | 7,260                           |   |
| 26       | Northwestern Energy                                      | 3,250            |    |           |    | 111,805              |                         | 111,805                         |   |
| 27       | Platte River Power Authority                             | 99,540           |    |           |    | 2,292,858            |                         | 2,292,858                       |   |
| 28       | Portland General Elec Company                            | 309              |    |           |    | 16,485               |                         | 16,485                          |   |
| 29       | PowerEx                                                  | 648              |    |           |    | 35,315               |                         | 35,315                          |   |
| 30<br>31 | PPL EnergyPlus<br>PPM/'Iberdrola Renewable               | 131,269<br>5,039 |    |           |    | 2,719,600<br>108,460 |                         | 2,719,600                       |   |
| 32       | Public Service of New Mexico                             | 2,295            |    |           |    | 57,386               |                         | 108,460<br>57,386               |   |
| 33       | Puget Sound Energy                                       | 18,479           |    |           |    | 183,977              |                         | 183,977                         |   |
| 34       | Rainbow Energy Marketing                                 | 3,230            |    |           |    | 77,350               |                         | 77,350                          |   |
| 35       | Rocky Mountain Generation Cooperative                    | 385,023          |    |           |    | 6,923,138            |                         | 6,923,138                       |   |
| 36       | Rocky Mountain Reserve Group                             | 3,292            |    |           |    | 146,462              |                         | 146,462                         |   |
| 37       | Salt River Project                                       | 991              |    |           |    | 27,589               |                         | 27,589                          |   |
| 38       | Seattle City Light                                       | -                |    |           |    | 4,770                |                         | 4,770                           |   |
| 39       | Sierra Pacific Power                                     | 25               |    |           |    | 950                  |                         | 950                             |   |
| 40       | Southern California Edison                               | 7,867            |    |           |    | 148,450              |                         | 148,450                         |   |
| 41       | Split Rock                                               | 30               |    |           |    | 1,400                |                         | 1,400                           |   |
| 42       | Spearfish, (City of)                                     | 30,320           |    |           |    | 454,798              |                         | 454,798                         |   |
| 43       | Tacoma Power                                             | 2,080            |    |           |    | 55,480               |                         | 55,480                          |   |
| 44       | The Energy Authority                                     | 40,796           |    |           |    | 994,297              |                         | 994,297                         |   |
| 45       | Tenaska Power                                            | 652              |    |           |    | 21,000               |                         | 21,000                          |   |
| 46       | TranAlta Energy                                          | 401              |    |           |    | 8,629                |                         | 8,629                           |   |
| 47<br>48 | Tri State Generation and Transmission<br>Tucson Electric | 5,968            |    |           |    | 192,081<br>54,338    |                         | 192,081                         |   |
| 40       | Utah Area Municipal Power Agency                         | 2,170<br>88      |    |           |    | 1,672                |                         | 54,338                          |   |
| 50       | Utah Municipal Power Agency                              | 746              |    |           |    | 1,072                |                         | 1,672                           |   |
| 51       | WAPA - Colorado River Storage Project                    | 665              |    | (12,441)  |    | 243,017              |                         | 230,576                         |   |
| 52       | WAPA - Loveland Area Project                             | 10,352           |    | (==)++=)  |    | 178,808              |                         | 178,808                         |   |
| 53       | WAPA - Upper Great Plains Region                         | 69,032           |    |           |    | 1,570,002            |                         | 1,570,002                       |   |
| 54       | WAPA - WACM Loveland WACMM1                              | 15,212           |    |           |    | 232,525              |                         | 232,525                         |   |
| 55       | Xcel Energy - Public Service Co. of Colorado             | 21,897           |    |           |    | 608,638              |                         | 608,638                         |   |
| 56       | Customer Generation                                      | -                |    |           |    | 1,544                |                         | 1,544                           |   |
| 57       | Interchange                                              |                  |    |           |    | (535,023)            |                         | (535,023)                       |   |
| 58       | Capacity Reimbursement                                   |                  |    |           |    |                      | <br>(103,555)           | (103,555)                       |   |
| 59       | Total Purchased Power Dollars                            | 1,891,066        | \$ | 7,361,862 | \$ | 41,442,094           | \$<br>(103,555)         | \$ 48,700,401                   |   |
| 60       |                                                          |                  |    |           |    |                      | <br>                    |                                 |   |

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Note 1: Black Hills Power provides spinning reserve to a third party under a Generation Dispatch and Energy Management Agreement. This capacity reimbursement offsets the demand charges for total capacity cost.

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#### BLACK HILLS POWER, INC. LISTED EXPENSE ACCOUNTS For the Test Year Ended June 30, 2012

| <u>.</u> | Description of Accounts                                              | Reference         | Per Books<br>Amount |             |  |
|----------|----------------------------------------------------------------------|-------------------|---------------------|-------------|--|
|          | Federal Energy Regulatory Commission Account No. 909 (Note 1)        |                   |                     |             |  |
|          | Informational Advertising                                            |                   | \$                  | 11,087      |  |
|          | Handouts/Brochures                                                   |                   | Ŧ                   | 485         |  |
|          | Miscellaneous Advertisement                                          |                   |                     | 282         |  |
|          | TOTAL                                                                | Sum (Ln.3:Ln.5)   | \$                  | 11,854      |  |
|          |                                                                      | ,                 | _                   |             |  |
|          | Federal Energy Regulatory Commission Account No. 913                 |                   |                     |             |  |
|          | reversi Energy Regulatory Commission Account No. 313                 |                   |                     |             |  |
|          | None                                                                 |                   |                     |             |  |
|          | Hone                                                                 |                   |                     |             |  |
|          | Federal Energy Regulatory Commission Account No. 922                 |                   |                     |             |  |
|          |                                                                      |                   |                     |             |  |
|          | Administrative Costs- Allocated (Note 2)                             |                   | Ś                   | (41,436)    |  |
|          | TOTAL                                                                |                   | Ś                   | (41,436)    |  |
|          |                                                                      |                   | <u> </u>            |             |  |
|          | Federal Energy Regulatory Commission Account No. 926                 |                   |                     |             |  |
|          |                                                                      |                   |                     |             |  |
|          | 401K                                                                 |                   | \$                  | 2,745,608   |  |
|          | Pension                                                              |                   | •                   | 3,392,626   |  |
|          | Health Care                                                          |                   |                     | 2,623       |  |
|          | Educational Reimbursement                                            |                   |                     | 44,590      |  |
|          | Relocation                                                           |                   |                     | 37,059      |  |
|          | Retirement Benefits                                                  |                   |                     | 454,548     |  |
|          | Benefits- Allocated (Note 3)                                         |                   |                     | (6,581,581) |  |
|          | Audit Services                                                       |                   |                     | 3,755       |  |
|          | TOTAL                                                                | Sum (Ln.19:Ln.26) | \$                  | 99,228      |  |
|          |                                                                      |                   |                     |             |  |
|          | Note 1: Disallowed advertising expenses are eliminated at Schedule H | -11.              |                     |             |  |

30 Note 2: BHP portion of BHUH employees' administrative time related to capital work orders.

31 Note 3: Includes benefits allocated from Black Hills Service Company as well as Black Hills Utility Holdings.

32 Also includes benefits reclassified to capital work orders as well as operating and maintenance accounts.

#### BLACK HILLS POWER, INC. LISTED EXPENSE ACCOUNTS For the Test Year Ended June 30, 2012

| Line<br>No. | Description of Accounts                                             | Reference              | Per Books<br>Amount |           |  |
|-------------|---------------------------------------------------------------------|------------------------|---------------------|-----------|--|
| 1           | Federal Energy Regulatory Commission Account No. 928                |                        |                     |           |  |
| 2<br>3      | South Dakota                                                        |                        | \$                  | 202,267   |  |
| 4           | Wyoming                                                             |                        | Ş                   | 50,202    |  |
| 5           | FERC Fees                                                           |                        |                     | 461,331   |  |
| 7           | TOTAL                                                               | Sum (Ln.3:Ln.5)        | \$                  | 713,800   |  |
| 8           |                                                                     | 50m (En.5.cm,5)        | <u> </u>            | /13,000   |  |
| °<br>9      | Federal Energy Regulatory Commission Account No. 929                |                        |                     |           |  |
| 10          | reactal chergy regulatory commission Account No. 525                |                        |                     |           |  |
| 11          | None                                                                |                        |                     |           |  |
| 12          | itone                                                               |                        |                     |           |  |
| 13          | Federal Energy Regulatory Commission Account No. 930 (Note 1)       |                        |                     |           |  |
| 14          |                                                                     |                        |                     |           |  |
| 15          | General Advertising                                                 |                        | \$                  | 224,449   |  |
| 16          | Benefits and Labor                                                  |                        | •                   | 5,313     |  |
| 17          | Software Costs                                                      |                        |                     | 772       |  |
| 18          | Safety and Medical Supplies                                         |                        |                     | 663       |  |
| 19          | Office Supplies and Expenses                                        |                        |                     | 5,285     |  |
| 20          | Dues and Membership Fees                                            |                        |                     | 224,082   |  |
| 21          | Travel                                                              |                        |                     | 30,216    |  |
| 22          | Training                                                            |                        |                     | 2,014     |  |
| 23          | Outside Services                                                    |                        |                     | 390,847   |  |
| 24          | Financing Charges                                                   |                        |                     | 28,190    |  |
| 25          | Preliminary Charges                                                 |                        |                     | 474,045   |  |
| 26          | TOTAL                                                               | Sum (Ln.15:Ln.25)      | \$                  | 1,385,876 |  |
| 27          |                                                                     |                        |                     |           |  |
| 28          | Note 1: Disallowed advertising expenses and preliminary charges are | eliminated at Schedule | H-11.               |           |  |

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

| Line<br>No. | FERC<br>Acct. # | Description                         |    | (a)<br>Per Books | (b)<br>Pro Forma<br>usted (Note 1) | (c)<br>(b) - (a)<br>Increase/<br>(Decrease) |
|-------------|-----------------|-------------------------------------|----|------------------|------------------------------------|---------------------------------------------|
|             |                 |                                     |    |                  | <br>· · · ·                        | <br>                                        |
| 1           | 561             | Load Dispatch                       | \$ | 46,142           | \$<br>69,616                       | \$<br>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                               | \$ | 18,658,070       | \$<br>19,777,895                   | \$<br>1,119,825                             |
| 22          |                 |                                     | _  |                  |                                    |                                             |

22 23

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.

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

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

52 Note 1: These expenses are a combination of direct and indirect charges to Black Hills Power from Black Hills Utility Holding

53 Company without any additional fees. All costs are charged to Black Hills Power as the costs are incurred by the Holding

54 Company. The allocation methods for indirect charges are described in the Cost Allocation Manual.

# BLACK HILLS POWER, INC. EMPLOYEE PENSION AND BENEFITS ADJUSTMENT For the Test Year Ended June 30, 2012

|         |                              |                                                                                                                                                         | (a)                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                       | (b)                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                               | (c)<br>(b) - (a)                                                                                                                                                                                                                                                                                        |
|---------|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FERC    |                              | Pe                                                                                                                                                      | er Books for                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                       | Pro Forma                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                               | Company                                                                                                                                                                                                                                                                                                 |
| Acct. # | Description                  | T                                                                                                                                                       | est Period                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                       | Adjusted                                                                                                                                                                                                                              | Ac                                                                                                                                                                                                                                                                                            | ljustment                                                                                                                                                                                                                                                                                               |
|         | Pension and Benefits Plan:   |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                       |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                         |
| 926     | FAS 106 Retiree Healthcare   | \$                                                                                                                                                      | 420,952                                                                                                                                                                                                                                                                                                                  | \$                                                                                                                                                                                                                    | 430,000                                                                                                                                                                                                                               | \$                                                                                                                                                                                                                                                                                            | 9,048                                                                                                                                                                                                                                                                                                   |
|         |                              |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                       |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                         |
| 926     | FAS 87 Pension Plan          |                                                                                                                                                         | 2,535,114                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                       | 2,591,000                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                               | 55,886                                                                                                                                                                                                                                                                                                  |
|         |                              |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                       |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                         |
| 926     | Pooled Medical               |                                                                                                                                                         | 2,968,403                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                       | 3,381,748                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                               | 413,345                                                                                                                                                                                                                                                                                                 |
|         |                              |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                       |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                         |
|         | 401K Plan:                   |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                       |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                         |
| 926     | Employer Contribution        |                                                                                                                                                         | 1,673,877                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                       | 1,706,378                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                               | 32,501                                                                                                                                                                                                                                                                                                  |
|         |                              |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                       |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                         |
|         | Total                        | \$                                                                                                                                                      | 7,598,346                                                                                                                                                                                                                                                                                                                | \$                                                                                                                                                                                                                    | 8,109,126                                                                                                                                                                                                                             | \$                                                                                                                                                                                                                                                                                            | 510,780                                                                                                                                                                                                                                                                                                 |
|         | Acct. #<br>926<br>926<br>926 | Acct. #Description926Pension and Benefits Plan:<br>FAS 106 Retiree Healthcare926FAS 87 Pension Plan926Pooled Medical401K Plan:<br>Employer Contribution | Acct. #       Description       T         Pension and Benefits Plan:       Pension and Benefits Plan:       Pension Plan         926       FAS 106 Retiree Healthcare       \$         926       FAS 87 Pension Plan       \$         926       Pooled Medical       \$         926       Employer Contribution       \$ | FERC<br>Acct. #DescriptionPer Books for<br>Test Period926Pension and Benefits Plan:<br>FAS 106 Retiree Healthcare\$ 420,952926FAS 87 Pension Plan2,535,114926Pooled Medical2,968,403926Employer Contribution1,673,877 | FERC<br>Acct. #DescriptionPer Books for<br>Test Period926Pension and Benefits Plan:<br>FAS 106 Retiree Healthcare\$ 420,952\$926FAS 87 Pension Plan2,535,114926Pooled Medical2,968,403926401K Plan:<br>Employer Contribution1,673,877 | FERC<br>Acct. #DescriptionPer Books for<br>Test PeriodPro Forma<br>Adjusted926Pension and Benefits Plan:<br>FAS 106 Retiree Healthcare\$ 420,952\$ 430,000926FAS 87 Pension Plan2,535,1142,591,000926Pooled Medical2,968,4033,381,748926401K Plan:<br>Employer Contribution1,673,8771,706,378 | FERC<br>Acct. #DescriptionPer Books for<br>Test PeriodPro Forma<br>AdjustedTota<br>Adjusted926Pension and Benefits Plan:<br>FAS 106 Retiree Healthcare\$ 420,952\$ 430,000\$926FAS 87 Pension Plan2,535,1142,591,000\$926Pooled Medical2,968,4033,381,748\$926Employer Contribution1,673,8771,706,378\$ |

# BLACK HILLS POWER, INC. BAD DEBT ANALYSIS For the Test Year Ended June 30, 2012

| Line<br>No. | Description                                           | Reference          | Amount   |             |  |
|-------------|-------------------------------------------------------|--------------------|----------|-------------|--|
| 1           | 2009 Net Write Offs                                   |                    | \$       | 421,495     |  |
| 2           | 2010 Net Write Offs                                   |                    | •        | 369,200     |  |
| 3           | 2011 Net Write Offs                                   |                    |          | 439,580     |  |
| 4           | Total 2009-2011 Net Write Offs                        |                    |          | 1,230,275   |  |
| 5           |                                                       |                    |          |             |  |
| 6           | Average Net Write Offs                                | Ln. 4 / 3 years    |          | 410,092     |  |
| 7           |                                                       |                    |          |             |  |
| 8           | Average Billed Revenue (2009-2011)                    |                    |          | 141,302,165 |  |
| 9           |                                                       |                    |          |             |  |
| 10          | Average Effective Uncollectible Rate (3 year average) | Ln. 6 / Ln. 8      |          | 0.2902%     |  |
| 11          |                                                       |                    |          |             |  |
| 12          | Adjusted Revenue                                      | Stmt. M Ln. 2(e)   |          | 139,659,308 |  |
| 13          |                                                       |                    |          |             |  |
| 14          | Net Write Off Calculated                              | Ln. 10 * Ln. 12    |          | 405,324     |  |
| 15          |                                                       |                    |          |             |  |
| 16          | BHP per books                                         | Stmt. H Ln. 103(a) |          | 290,583     |  |
| 17          |                                                       |                    |          |             |  |
| 18          | FERC Acct 904 Adjustment                              | Ln. 14 - Ln. 16    | <u> </u> | 114,741     |  |

# BLACK HILLS POWER, INC. GENERATION DISPATCH AND SCHEDULING COST DETAIL For the Pro Forma Test Year Ended June 30, 2012

Schedule H-8 Page 1 of 2

| Line     | <b>B</b>                                                  | - (                  |    |                |
|----------|-----------------------------------------------------------|----------------------|----|----------------|
| No.      | Description                                               | Reference            |    | Amount         |
| 1        | Costs Related to Generation Dispatch and Scheduling       | Note 1               |    |                |
| 2        | Labor                                                     | Note 1               | \$ | 1,342,931      |
| 3        | Labor Overhead                                            |                      | Ŷ  | 1,183,160      |
| 4        | Office Expense                                            |                      |    | 5,955          |
| 5        | Air Transport                                             |                      |    | 43,150         |
| 6        | Lodging                                                   |                      |    | 34,650         |
| 7        | Software and Dues                                         |                      |    | 399,020        |
| 8        | Meals & Entertainment                                     |                      |    | 22,270         |
| 9        | Dues & Subscriptions                                      |                      |    | 5,025          |
| 10       | Miscellaneous Exp                                         |                      |    | 5,025          |
| 11       | Other Travel Expenses                                     |                      |    | 11,350         |
| 12       | Total Costs Related to Generation Dispatch and Scheduling | Sum (Ln.2:Ln.11)     | \$ | 3,052,511      |
| 13       | Total costs Related to deneration Dispatch and Scheddling | 3011 (L11.2.1.11.11) | Ş  | 3,032,311      |
| 14       | Power Plant Capacity - Black Hills Power (MW)             | Note 2               |    |                |
| 14       | Ben French                                                | Note 2               |    | 25.00          |
| 15<br>16 | Ben French Diesels                                        |                      |    | 10.00          |
| 10       | Ben French CT's                                           |                      |    | 10.00          |
| 18       |                                                           |                      |    | 40.00          |
| 18<br>19 | Lange CT                                                  |                      |    | 40.00<br>21.80 |
|          | Neil Simpson I                                            |                      |    | 21.80<br>91.00 |
| 20       | Neil Simpson II                                           |                      |    |                |
| 21       | Neil Simpson CT                                           |                      |    | 40.00          |
| 22       | Osage                                                     |                      |    | 34.50          |
| 23       | Colstrip Long-Term Purchase                               |                      |    | 50.00          |
| 24       | Happy Jack Long-Term Purchase                             |                      |    | 15.00          |
| 25       | Silver Sage Long-Term Purchase                            |                      |    | 20.00          |
| 26       | Wygen III 52%                                             |                      |    | 57.20          |
| 27       | Wyodak 20%                                                | Come (1 - 45-1 - 27) |    | 72.40          |
| 28       | Total Power Plant Capacity - Black Hills Power (MW)       | Sum (Ln.15:Ln.27)    |    | 576.90         |
| 29       |                                                           |                      |    |                |
| 30       | Power Plant Capacity - Cheyenne Light (MW)                | Note 2               |    | <b>AF AA</b>   |
| 31       | Wygen II                                                  |                      |    | 95.00          |
| 32       | Wygen I (Purchase Power Agreement)                        |                      |    | 60.00          |
| 33       | CT II (Purchase Power Agreement)                          |                      |    | 40.00          |
| 34       | Happy Jack Long- Term Purchase                            |                      |    | 15.00          |
| 35       | Silver Sage Long-Term Purchase                            |                      |    | 10.00          |
| 36       | Total Power Plant Capacity - Cheyenne Light (MW)          | Sum (Ln.31:Ln.35)    |    | 220.00         |

# BLACK HILLS POWER, INC. GENERATION DISPATCH AND SCHEDULING COST DETAIL For the Pro Forma Test Year Ended June 30, 2012

Schedule H-8 Page 2 of 2

| <u>).</u> | Description                                                          | Reference                            | Amount       |
|-----------|----------------------------------------------------------------------|--------------------------------------|--------------|
| ,         | Power Plant Capacity - Black Hills/Colorado Electric                 | Note 2                               |              |
|           | WN Clark #1 & #2                                                     |                                      | 41.10        |
|           | Pueblo Diesels                                                       |                                      | 10.00        |
|           | Pueblo NG #5                                                         |                                      | 9.30         |
|           | Pueblo NG #6                                                         |                                      | 18.80        |
|           | Rocky Ford Diesels                                                   |                                      | 10.00        |
|           | Airport Diesels                                                      |                                      | 10.00        |
|           | Pueblo Airport Generation Station                                    |                                      | 380.00       |
|           | Other Long- Term Purchase                                            |                                      | 5.00         |
|           | Total Power Plant Capacity - Black Hills/Colorado Electric (MW)      | Sum (Ln.38:Ln.45)                    | 484.20       |
|           |                                                                      |                                      |              |
|           | Power Plant Capacity - MDU, City of Gillette & Other                 | Note 2                               |              |
|           | Wygen III 48%                                                        |                                      | 52.80        |
|           | Wygen I                                                              |                                      | 5.00         |
|           | Long-Term Supply                                                     |                                      | 28.70        |
|           | Total Power Plant Capacity - MDU, City of Gillette & Other (MW)      | Sum (Ln.49:Ln.51)                    | 86.50        |
|           |                                                                      |                                      |              |
|           | Total Capacity to be Managed                                         | Ln.28 + Ln.36 +Ln.46 + L <b>n.52</b> | 1,367.60     |
|           |                                                                      |                                      |              |
|           | Black Hills Power Percent of Capacity                                | <b>L</b> n.28 / Ln.54                | 42.18%       |
|           |                                                                      |                                      |              |
|           | Amount to be Charged to Black Hills Power                            | Ln.12 * Ln.56                        | \$ 1,287,653 |
|           |                                                                      |                                      |              |
|           | Black Hills Power - Per Books                                        |                                      | \$ 1,340,254 |
|           |                                                                      |                                      |              |
|           | Black Hills Power - Adjustment                                       | Ln.58 - Ln.60                        | \$ (52,601)  |
|           |                                                                      |                                      |              |
|           |                                                                      |                                      |              |
|           | Note 1: Total generation dispatch and scheduling costs are the pro f | orma costs                           |              |

63 Note 1: Total generation dispatch and scheduling costs are the pro forma costs

62 for the Black Hills Power Generation Dispatch and Scheduling department.

63 Note 2: Costs from Black Hills Power Generation Dispatch and Scheduling are allocated

62 based on the generation asset's load ratio.

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

| _ | Description                                           | Reference          |           | Amount        |            |                    |
|---|-------------------------------------------------------|--------------------|-----------|---------------|------------|--------------------|
|   | Account 555- Purchase Power- Energy                   |                    |           |               |            |                    |
|   | Per Books June 30, 2012                               | Stmt. H p          | g.1 Ln. ( | 45(a)         | \$         | <b>41</b> ,442,094 |
|   | Power Marketing Purchase Power Expense                | Sched. F           | 1-12 Ln   | . 6           |            | (29,344,783)       |
|   | Purchase Power Expense                                | Ln. 3              | + Ln. 5   | + Ln. 5       |            | 12,097,311         |
|   | Purchase Power Expense- Adjusted Total                | Ln                 | Ln. 29    |               |            | 14,132,051         |
|   | Purchase Power- Adjustment                            | Ln. 9              | - Ln. 7   |               | \$         | 2,034,740          |
|   |                                                       |                    |           | ·             |            |                    |
|   |                                                       | (a)                |           | (b)           |            | (c)                |
|   |                                                       |                    |           | . ,           |            | (a) * (b)          |
|   | Purchase Power Expense-Adjusted Total                 | MWh                |           | Rate          |            | Total              |
|   | Happy Jack Wind PPA                                   | 46,143             | \$        | 44.57         |            | 2,056,594          |
|   | Silver Sage Wind PPA                                  | 64,944             | \$        | 51. <b>79</b> |            | 3,363,450          |
|   | Colstrip Contract (Energy Only)                       | 176,158            | \$        | 19.18         |            | 3,378,710          |
|   | Cheyenne Light Purchase Power (Put)                   | 26,546             | \$        | 19.79         |            | 525,345            |
|   | Economy Purchase Power (Note 1)                       | 207,150            | \$        | 23.21         |            | 4,807,952          |
|   | Total Other Fuel and Purchase Power- Adjusted         |                    |           |               | \$         | 14,132,051         |
|   |                                                       |                    |           |               |            | *** **** * ***** * |
|   | Note 1: Replacement Power includes the power that wil | be needed to repla | ce Ben    | French pov    | ver plant. | . The removal of   |
|   |                                                       |                    |           |               |            |                    |

Note 1: Replacement Power includes the power that will be needed to replace Ben French power plant. The removal of Ben French Coal is adjusted under Schedule H-15. 33

# BLACK HILLS POWER, INC. GENERATION PLANT OVERHAUL EXPENSES For the Test Year Ended June 30, 2012

| Line<br>No. | Description                                        | Reference     |    | Amount  |
|-------------|----------------------------------------------------|---------------|----|---------|
| 1           | Ben French Overhaul Expense (Per Books)            | Note 1        | \$ | 224,412 |
| 2           |                                                    |               | ,  |         |
| 3           | Neil Simpson I Overhaul Expense (Per Books)        | Note 2        |    | 99,480  |
| 4           |                                                    |               |    |         |
| 5           | Prior Accrued Overhaul Amount Reversal             | Ln. 15        |    | 104,108 |
| 6           |                                                    |               |    |         |
| 7           | Removal of Overhaul Expense                        | Ln. 1 + Ln. 3 | \$ | 428,000 |
| 8           |                                                    |               |    |         |
| 9           | Accrual Reversal Amortization Calculation:         |               |    |         |
| 10          |                                                    |               |    |         |
| 11          | Ben French Overhaul Accrual Amount (Per Books)     |               | \$ | 504,927 |
| 12          | Neil Simpson I Overhaul Accrual Amount (Per Books) |               |    | 223,830 |
| 13          |                                                    |               |    | 728,757 |
| 14          | Normalization Period - 7 Years                     |               |    | 7       |
| 15          | Annual Reversal Amount                             |               | \$ | 104,108 |
| 16          |                                                    |               |    |         |
| 17          |                                                    |               |    |         |

18 Note 1: Ben French power plant suspended operations on September 1, 2012. In March 2014, the plant

19 will be permanently retired to comply with environmental standards.

Note 2: Neil Simpson I power plant will permanently be retired to comply with environmental standards
 in March 2014.

22 Note: Osage power plant suspended operations in 2010. There are no generation plant expenses to

23 remove, thus the reason the plant is not included above.

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

| Line | FERC Acct. |                                             |                  |     |         |  |
|------|------------|---------------------------------------------|------------------|-----|---------|--|
| No.  | #          | 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                               | Advertisement    |     |         |  |
| 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) | \$  | 205,979 |  |
| 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  | \$  | 523,433 |  |
| 17   |            |                                             |                  |     |         |  |
| 18   |            | Total Expense Elimination Adjustment        | Ln. 11 + Ln. 16  | \$  | 729,412 |  |
| 19   |            |                                             |                  |     |         |  |
| 20   |            |                                             |                  |     |         |  |
|      |            |                                             |                  |     |         |  |

Note 1: Elimination of disallowed advertising expense.

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

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

| Line |                                          |                  |                  |
|------|------------------------------------------|------------------|------------------|
| No.  | Description                              | Reference        | <br>Amount       |
| 1    | Power Marketing Operating Expense        |                  |                  |
| 2    | Coal Expense                             |                  | \$<br>1,343,520  |
| 3    |                                          |                  |                  |
| 4    | Other Fuel Expense                       |                  | 670,349          |
| 5    |                                          |                  |                  |
| 6    | Purchased Power Expense                  |                  | 29,344,783       |
| 7    |                                          |                  |                  |
| 8    | Transmission Expense                     |                  | 1,535,166        |
| 9    |                                          |                  |                  |
| 10   | Labor - Bonus                            |                  | <br>311,866      |
| 11   |                                          |                  |                  |
| 12   | Total Power Marketing Operating Expenses | Sum (Ln.2:Ln.10) | \$<br>33,205,684 |

# BLACK HILLS POWER, INC. OUTSIDE CONSULTING RELATED TO RATE CASE For the Test Year Ended June 30, 2012

| 2Capital Structure50,03Legal250,04Supplies and Other15,05SD Filing Fee250,06Total Rate Case ExpenseSum (Ln.1:Ln.5)77670,08Costs Spread over 3 years:99Total Rate Case ExpensesLn. 6 / 3 years2223,3 | Amount     | Reference       | Description                              |    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------------|------------------------------------------|----|
| 2Capital Structure50,03Legal250,04Supplies and Other15,05SD Filing Fee250,06Total Rate Case ExpenseSum (Ln.1:Ln.5)778Costs Spread over 3 years:99Total Rate Case ExpensesLn. 6 / 3 years23,3        | \$ 105,000 |                 | CCOS and Other Consulting                | 1  |
| 3Legal250,04Supplies and Other15,05SD Filing Fee250,06Total Rate Case ExpenseSum (Ln.1:Ln.5)77670,08Costs Spread over 3 years:99Total Rate Case ExpensesLn. 6 / 3 years223,3                        | 50,000     |                 | ÷                                        | 2  |
| 5SD Filing Fee250,06Total Rate Case ExpenseSum (Ln.1:Ln.5)670,07778Costs Spread over 3 years:79Total Rate Case ExpensesLn. 6 / 3 years223,3                                                         | 250,000    |                 |                                          | 3  |
| 6Total Rate Case ExpenseSum (Ln.1:Ln.5)670,07778Costs Spread over 3 years:9Total Rate Case ExpensesLn. 6 / 3 years223,3                                                                             | 15,000     |                 | Supplies and Other                       | 4  |
| 78Costs Spread over 3 years:9Total Rate Case ExpensesLn. 6 / 3 years223,3                                                                                                                           | 250,000    |                 | SD Filing Fee                            | 5  |
| 8Costs Spread over 3 years:9Total Rate Case ExpensesLn. 6 / 3 years223,3                                                                                                                            | 670,000    | Sum (Ln.1:Ln.5) | Total Rate Case Expense                  | 6  |
| 9 Total Rate Case Expenses Ln. 6 / 3 years 223,3                                                                                                                                                    |            |                 |                                          | 7  |
|                                                                                                                                                                                                     |            |                 | Costs Spread over 3 years:               | 8  |
| 10                                                                                                                                                                                                  | 223,333    | Ln. 6 / 3 years | Total Rate Case Expenses                 | 9  |
| 10                                                                                                                                                                                                  |            |                 |                                          | 10 |
| 11 Un-Expensed Asset Included in Rate Base Ln.6 - Ln. 9 \$ 446,6                                                                                                                                    | \$ 446,667 | Ln.6 - Ln. 9    | Un-Expensed Asset Included in Rate Base  | 11 |
| 12                                                                                                                                                                                                  |            |                 |                                          | 12 |
| 13 Pro Forma Adjustment - Rate Case Expense                                                                                                                                                         |            |                 | Pro Forma Adjustment - Rate Case Expense | 13 |
| 14 Total Rate Case Expense Ln. 9 223,3                                                                                                                                                              | 223,333    | Ln. 9           | Total Rate Case Expense                  | 14 |
| 15                                                                                                                                                                                                  |            |                 |                                          | 15 |
| 16 Rate Case Expense (Per Books)157,5                                                                                                                                                               | 157,560    |                 | Rate Case Expense (Per Books)            | 16 |
| 17                                                                                                                                                                                                  |            |                 |                                          | 17 |
| 18 Pro Forma Expense Ln.14 - Ln. 16 <b>\$ 65,7</b>                                                                                                                                                  | \$ 65,773  | Ln.14 - Ln. 16  | Pro Forma Expense                        | 18 |

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#### BLACK HILLS POWER, INC. BEN FRENCH OPERATION & MAINTENANCE ADJUSTMENT For the Test Year Ended June 30, 2012

| Line | FERC    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              |                 |
|------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------|
| No.  | Acct. # | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Reference                    | <br>Amount      |
| 1    |         | Steam Production Operation:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                              |                 |
| 2    | 500     | Supervision & Engineering                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                              | \$<br>117,818   |
| 3    | 501.01  | Fuel Handling / Other                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                              | 56,002          |
| 4    | 502     | Steam Expense                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                              | 440,874         |
| 5    | 505     | Electric Expense                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                              | 376,355         |
| 6    | 506     | Miscellaneous                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                              | 42,315          |
| 7    |         | Total Steam Production Operation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Sum (Ln.2:Ln.6)              | 1,033,364       |
| 8    |         | ·                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | · ,                          |                 |
| 9    |         | Steam Production Maintenance:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                              |                 |
| 10   | 510     | Supervision & Engineering                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                              | 103,160         |
| 11   | 511     | Structures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                              | 16,799          |
| 12   | 512     | Boilers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                              | 700,435         |
| 13   | 513     | Electric Plant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                              | 101,202         |
| 14   | 514     | Miscellaneous Plant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                              | 82,604          |
| 15   |         | Total Steam Production Maintenance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Sum (Ln.10:Ln.14)            | <br>1,004,200   |
| 16   |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              |                 |
| 17   |         | Total Ben French Operation & Maintenance Adjustment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Ln. 7 + Ln. 15               | 2,037,564       |
| 18   |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              |                 |
| 19   | 551     | Other Production Maintenance: Supervision and Engineering (Note 1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                              | 706,571         |
| 20   |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              |                 |
| 21   |         | Total Operation & Maintenance to be Eliminated                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Ln.17 - Ln.19                | \$<br>1,330,993 |
| 22   |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              | <br>            |
|      |         | and the second state of th | the second Barrier should be |                 |

23 Note 1: There were employees that were relocated from Ben French Power Plant to Neil Simpson Power plant.

#### BLACK HILLS POWER, INC. COAL PRICE ADJUSTMENT For the Pro Forma Test Year Ended June 30, 2012

| Line<br>No.           | FERC<br>Acct. # | Plant                                                                                 | Reference              | Per F/S<br>Total<br>Cost                                            |
|-----------------------|-----------------|---------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------|
| 1<br>2<br>3<br>4<br>5 |                 | Neil Simpson (<br>Neil Simpson II<br>Wygen III<br>Wyodak Plant-BHP Only<br>Ben French |                        | \$<br>2,131,674<br>6,850,568<br>4,778,403<br>5,346,944<br>2,055,440 |
| 6<br>7<br>8           | 501.3           | Total Steam Power Fuel - Coal (Per Books)                                             | Sum (Ln.1:Ln.5)        | \$<br>21,163,029                                                    |
| 9<br>10<br>11         | 501.3           | Remove Ben French - Coal (Note 1)<br>Adjusted Total Costs Per Books                   | Ln. 5<br>Ln. 7 - Ln. 9 | \$<br>2,055,440<br>19,107,589                                       |
| 12                    |                 |                                                                                       |                        |                                                                     |

#### Normalize Coal Tonnage:

|       | -                                      | (a)       |    | (b)                  |           | (c)<br>(a) * (b) |
|-------|----------------------------------------|-----------|----|----------------------|-----------|------------------|
|       |                                        |           | No | rmalize Coal Tonnage |           |                  |
|       |                                        | Tons      |    | Price Per            |           |                  |
|       |                                        | Consumed  |    | Ton - 2012           |           | Total            |
|       |                                        | (Note 2)  |    | (Per Books)          |           | Cost             |
|       | Neil Simpson I                         | 134,846   | \$ | 15.61                | \$        | 2,105,216        |
|       | Neil Simpson II                        | 528,275   | \$ | 15.61                | \$        | 8,247,429        |
|       | Wygen III                              | 310,586   | \$ | 15.61                | \$        | 4,848,869        |
|       | Wyodak Plant-BHP Only                  | 395,192   | \$ | 15.61                | <u>\$</u> | 6,169,738        |
|       | Total Steam Power Fuel - Coal Adjusted | 1,368,899 |    |                      | \$        | 21,371,251       |
|       | Adjusted Total Costs per Books         |           |    | Ln. 11               | \$        | 19,107,589       |
| 501.3 | Normalized Adjustment                  |           |    | Ln. 27 - Ln. 29      | \$        | 2,263,662        |

| 2013 ( | Statement | R Change: |
|--------|-----------|-----------|
|--------|-----------|-----------|

|       |                                       | (a)       |             | (b)                 |    | (c)<br>(a) * (b) |
|-------|---------------------------------------|-----------|-------------|---------------------|----|------------------|
|       |                                       |           | Stateme     | ent R Adjustment    |    |                  |
|       |                                       | Tons      |             | Price Per           |    |                  |
|       |                                       | Consumed  | т           | on - 2013           |    | Total            |
|       |                                       | (Note 2)  |             | (Note 3)            |    | Cost             |
|       | Neil Simpson I                        | 134,846   | \$          | 14.20               | \$ | 1,914,813        |
|       | Neil Simpson II                       | 528,275   | \$          | 14.20               | •  | 7,501,505        |
|       | Wygen III                             | 310,586   | Ś           | 14.20               |    | 4,410,321        |
|       | Wyodak Plant-BHP Only                 | 395,192   | \$<br>\$    | 14.20               |    | 5,611,726        |
|       |                                       | 1,368,899 |             |                     | \$ | 19,438,365       |
|       | Statement R Adjusted Total Per Books  |           |             | Ln. 27              | \$ | 21,371,251       |
| 501.3 | Statement R Adjustment                |           | Ln.         | 47 - Ln. 49         | \$ | (1,932,886       |
|       | Removal of Ben French Transport Costs |           |             |                     |    |                  |
| 501.4 | Steam Plant Fuel - Transport (Note 1) |           |             |                     | \$ | (1,324,658       |
|       | Grand Total Adjustment                |           | -Ln.9 + Ln. | 31 + Ln.51 + Ln. 57 | \$ | (3,049,322       |

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Note 1: Ben French power plant suspended operations on September 1, 2012. Note 2: The pro forma tons consumed is based on an average 6 month increment of coal tons consumed for the past 4 years, excluding those months with plant outages. Wygen III is based on an average 6 month increment of coal tons for the past 2 years, as operations began April 1, 2010. Note 3: The price per ton is developed from the projected capital and expenses from the Wyodak Resource Development Company 

calculated consistently with Statement R methodology. See Stmt. R pg. 6. 

# Exhibit CJK - 105 Page 156 of 358

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

| Line<br>No. | FERC<br>Acct. # | Description                                              | Reference     | <br>Amount    |
|-------------|-----------------|----------------------------------------------------------|---------------|---------------|
| 1           |                 | Severance Expense                                        |               |               |
| 2           | 510             | Steam Production Maintenance - Supervision & Engineering |               | \$<br>90,355  |
| 3           | 920             | Administrative & General - Administrative Salaries       |               | 197,598       |
| 4           |                 |                                                          |               | <br>          |
| 5           |                 | Total Severance Expense to be Eliminated                 | Ln. 2 + Ln. 3 | \$<br>287,953 |

# Exhibit CJK - 105 Page 157 of 358

# BLACK HILLS POWER, INC. CAPACITY RESERVE ADJUSTMENT For the Test Year Ended June 30, 2012

| Line<br>No. | FERC<br>Acct. # | Description                           | Reference     | <br>Amount      |
|-------------|-----------------|---------------------------------------|---------------|-----------------|
| 1           | 555             | Purchase Power - Capacity - Per Books |               | \$<br>7,258,307 |
| 2<br>3      |                 | Removal of Spinning Reserve Sales     |               | <br>174,357     |
| 4           |                 | Adjusted Purchase Power - Capacity    | Ln. 1 + Ln. 2 | \$<br>7,432,664 |

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# 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 <u>49-34A-7</u>, <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

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.

Stmt 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

|      |                                     |               | (a)               | (b)                |     |    | (c)                   |
|------|-------------------------------------|---------------|-------------------|--------------------|-----|----|-----------------------|
| Line |                                     |               |                   | Pro Forma          |     |    | (a) + (b)<br>Adjusted |
| No.  | Operating Revenue                   | Reference     | <br>Per Books     | <br>Adjustments    | _   |    | Total                 |
|      |                                     |               |                   |                    | -   |    |                       |
| 1    | Sales of Electricity                |               |                   |                    |     |    |                       |
| 2    | Retail                              |               |                   |                    |     |    |                       |
| 3    | South Dakota                        |               | \$<br>138,472,112 | \$<br>(33,103,853) |     | \$ | 105,368,259           |
| 4    | Wyoming                             |               | 13,641,054        | (5,329,633)        |     |    | 8,311,421             |
| 5    | Montana                             |               | <br>2,452,150     | (635,180)          | (7) | _  | 1,816,970             |
| 6    | Total Retail                        |               | 154,565,316       | (39,068,665)       |     |    | 115,496,651           |
| 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              |               | 56,617,657        | <br>(43,025,073)   | •   |    | 13,592,584            |
| 13   |                                     |               |                   |                    |     |    |                       |
| 14   | Total Sales of Electricity          | Լո.6 + Լո.12  | 211,182,973       | (82,093,738)       |     |    | 129,089,235           |
| 15   |                                     |               |                   |                    |     |    |                       |
| 16   | Other Operating Income              |               |                   |                    |     |    |                       |
| 17   | Unbilled and Cost Adjustment Reve   | nue           | 7,457,312         | (7,457,312)        | (4) |    | -                     |
| 18   | Demand Side Management Revenue      | e             | (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                |               | 23,045,960        | -                  | 1-7 |    | 23,045,960            |
| 23   | Total Other Operating Income        |               | <br>38,965,242    | (10,353,214)       |     |    | 28,612,028            |
| 24   |                                     |               |                   |                    |     |    | ,,                    |
| 25   | Total Operating Revenue             | Ln.14 + Ln.23 | \$<br>250,148,215 | \$<br>(92,446,953) |     | \$ | 157,701,262           |
| 26   |                                     |               |                   |                    | -   |    |                       |
| 27   |                                     |               |                   |                    |     |    |                       |
| 20   | Mate 4. Beauting and a second       |               | <br>19 m m        |                    |     |    |                       |

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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. | pg. 2. Note 6: See Stmt. | 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

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| Description                                            | Reference             |          | Amount    |
|--------------------------------------------------------|-----------------------|----------|-----------|
| Operating Revenue - MEAN                               |                       |          |           |
| MWh sold to MEAN (Per Books)                           |                       |          | 242,08    |
| Fine d Deine was M400                                  |                       | ÷        | 15.0      |
| Fixed Price per MWh<br>Variable Sales Price per MWh    |                       | \$<br>\$ | 43.8      |
| Total Price per MWh                                    | Ln.5 + Ln.6           | \$       | 43.0      |
| i otal Price per Niwn                                  | LU12 + LU10           | Ş        | 20.0      |
| Adjusted Contract Revenue                              | Ln.3 * Ln.7           | 5        | 14,237,19 |
| MEAN Revenue (Per Books)                               |                       | •        | 12,665,50 |
| Contract Sales Adjustment                              | Ln. 9 - Ln. 10        | Ś        | 1,571,69  |
|                                                        |                       | •        |           |
| Operating Revenue - Pole Attachment Revenues           |                       |          |           |
|                                                        |                       |          |           |
| 2013 Billable Attachments                              |                       |          | 43,65     |
| 2013 Average Pole Attachment Rate                      |                       | \$       | 11.       |
| Pole Attachments- Adjusted Amount                      | Ln. 15 * Ln. 16       | \$       | 502,06    |
|                                                        |                       |          |           |
| Pole Attachment Revenues (Per Books)                   |                       | \$       | 699,94    |
| Pole Attachment Adjustment                             | Ln. 17 - Ln. 18       | \$       | (197,88   |
|                                                        |                       |          |           |
| Operating Revenue - Reconnect Revenues - SD Only       |                       |          |           |
|                                                        |                       |          |           |
| Reconnects- During Business Hours (Per Books)          |                       | <u>_</u> | 1,62      |
| Proposed Rate Increase                                 | l n.24 * l.n.25       | - 2      | 24.30     |
| Revenue Adjustment                                     | L11.24 · L11.25       | Ş        | 24,30     |
| Reconnects- Weekday Evenings (Per Books)               |                       |          | 7         |
| Proposed Rate Increase                                 |                       | Ś        | 70.0      |
| Revenue Adjustment                                     | Ln.28 * Ln.29         | Ś        | 5,46      |
|                                                        |                       | ,        | -,        |
| Reconnects- Overnights, Weekends, Holidays (Per Books) |                       |          | 2         |
| Proposed Rate Increase                                 |                       | \$       | 40.0      |
| Revenue Adjustment                                     | Ln.32 * Ln.33         | \$       | 1,12      |
|                                                        |                       |          |           |
| Reconnect Revenue Adjustment                           | Ln.26 + Ln.30 + Ln.34 | \$       | 30,88     |

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

|      |                                       | REVENUE       | PER | BOOKS        |               |    | PRO FORMA R  | EVENUE                               |                |
|------|---------------------------------------|---------------|-----|--------------|---------------|----|--------------|--------------------------------------|----------------|
| Line |                                       | Energy        |     | Billing      | Energy        |    | Billing      | Difference Bety<br>and Pro<br>Energy |                |
| No.  | Customer Classification               | Sales - kWh   |     | Revenue - \$ | Sales - kWh   | _  | Revenue - \$ | Sales - kWh                          | Revenue - \$   |
| 1    | Residential                           |               |     |              |               |    |              |                                      |                |
| 2    | Regular                               | 329,114,893   | ¢   | 38,615,013   | 328,128,962   | s  | 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)                            |                |
| 4    | Demand                                | 85,437,474    |     | 7,009,788    |               | ŝ  | 5,062,877    | (376,247)                            |                |
| 5    | Total Residential                     | 496,446,720   | ~   | 53,463,066   | 494,712,860   | ¥. | 42,082,273   | (1,733,860)                          | (11,380,792)   |
| 6    | i otas nestacituar                    | 430,440,720   |     | 33,403,000   | 404,712,000   |    | 42,002,275   | (1,) 33,0007                         | (11,300,732)   |
| 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)                            |                |
| 10   | Other                                 | 17,334,385    | \$  | 2,243,040    | 17,271,319    | \$ | 1,844,895    | (63,066)                             |                |
| 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      | (33,73 <del>9</del> )                | \$ (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      | 177,006,635   |     | 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)                             |                |
| 28   | Street Lighting - Leased              | 3,586,830     | •   | 757,866      |               | \$ | 674,512      | (11,461)                             |                |
| 29   | Street Lighting - Customer Owned      | 5,795,065     |     | 415,313      |               | \$ | 282,977      | (18,197)                             |                |
| 30   | Traffic Signals                       | 661,314       | \$  | 69,524       | 659,303       | \$ | 54,390       | (2,011)                              |                |
| 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       | - 1                                  | \$ (24,037)    |
| 34   | Tetel Courte Data and A               |               |     |              | 4 454 000 000 |    |              | (                                    |                |
| 35   | Total South Dakota Retail             | 1,455,583,600 | \$  | 138,472,112  | 1,451,286,926 | Ş  | 105,368,260  | (4,296,674)                          | (33,103,853)   |

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

|             | _                                     | REVENUE PE            | R BOOKS                 | BILL FREQUENCY REVENUE    |                        |                                                        |      |         |  |  |  |
|-------------|---------------------------------------|-----------------------|-------------------------|---------------------------|------------------------|--------------------------------------------------------|------|---------|--|--|--|
| Line<br>No. | -<br>Customer Classification          | Energy<br>Sales - kWh | Billing<br>Revenue - \$ | Energy<br>Sales - kWh     | Billing<br>Revenue - S | Difference Bety<br>and Bill F<br>Energy<br>Sales - kWh | requ |         |  |  |  |
| 140.        | customer cussimentation               | Juics Reen            | nevenue - p             | 30103 1011                | nevenae y              | Juies Rivin                                            |      | venue y |  |  |  |
| 1           | Residential                           |                       |                         |                           |                        |                                                        |      |         |  |  |  |
| 2           | Regular                               | 329,114,893           | \$ 38,615,013           | 329,114,893 \$            | 38,615,299             | -                                                      | \$   | 287     |  |  |  |
| 3           | Total Electric                        | 81,894,353            | 5 7,838,265             | 81,894,353 \$             | 7,838,207              | -                                                      | \$   | (58     |  |  |  |
| 4           | Demand                                | 85,437,474            | 5 7,009,788             | 85,437,474 \$             | 7,009,795              |                                                        | \$   |         |  |  |  |
| 5           | Total Residential                     | 496,446,720           | 53,463,066              | 496,446,720               | 53,463,301             | -                                                      |      | 23.     |  |  |  |
| 6           |                                       |                       |                         |                           |                        |                                                        |      |         |  |  |  |
| 7           | General Service                       |                       |                         |                           |                        |                                                        |      |         |  |  |  |
| 8           | Regular                               | 337,975,652           | 38,063,784              | 337,975,652 \$            | 38,052,799             | -                                                      | \$   | (10,98  |  |  |  |
| 9           | Total Electric                        | 40,012,976            | 3,818,597               | 40,012,976 \$             | 3,819,316              | -                                                      | \$   | 71      |  |  |  |
| 10          | Other                                 | 17,334,385            | 2,243,040               | 17,326,025 \$             | 2,241,779              | (8,360)                                                | \$   | (1,26   |  |  |  |
| 11          | Water Pumping/Irrigation              | 23,802,975            | 1,855,833               | 23,802,975_\$             | 1,855,834              |                                                        | \$   |         |  |  |  |
| 12          | Total Small General Service           | 419,125,988           | 45,981,255              | 419,117,628               | 45,969,728             | (8,360)                                                |      | (11,52  |  |  |  |
| 13          |                                       |                       |                         |                           |                        |                                                        |      |         |  |  |  |
| 14          | General Service - Large               |                       |                         |                           |                        |                                                        |      |         |  |  |  |
| 15          | Secondary                             | 251,972,059           | 20,384,869              | 251,972,052 \$            |                        | (7)                                                    |      | (3,68   |  |  |  |
| 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              | -                                                      | \$   | (5      |  |  |  |
| 18          | Total General Service - Large Service | 348,976,614           | 27,189,360              | 348,976,607               | 27,185,626             | (7)                                                    |      | (3,73   |  |  |  |
| 19          |                                       |                       |                         |                           |                        |                                                        |      |         |  |  |  |
| 20          | Forest Products/Industrial            |                       |                         |                           |                        |                                                        |      |         |  |  |  |
| 21          | Secondary                             | 11,189,099            | 822,732                 | 11,189,099 \$             |                        | -                                                      | \$   |         |  |  |  |
| 22          | Forest Products - Primary             | 65,589,589            |                         | 65,589,589 \$             |                        | -                                                      | \$   | (       |  |  |  |
| 23          | 69 kV                                 | 100,227,948           |                         | 100,227,948 \$            |                        | -                                                      | \$   | (       |  |  |  |
| 24          | Total Forest Products/Industrial      | 177,006,636           | 9,942,383               | 177,006,636               | 9,942,383              | -                                                      |      | (       |  |  |  |
| 25          |                                       |                       |                         |                           |                        |                                                        |      |         |  |  |  |
| 26          | Lighting Service                      |                       |                         |                           |                        |                                                        |      |         |  |  |  |
| 27          | Private Area Lighting                 | 3,984,433             |                         | 3,984,433 \$              |                        | -                                                      | \$   |         |  |  |  |
| 28          | Street Lighting - Leased              | 3,586,830             |                         | 3,586,830 \$              |                        | -                                                      | \$   | -       |  |  |  |
| 29          | Street Lighting - Customer Owned      | 5,795,065             |                         | 5,7 <del>9</del> 5,065 \$ |                        | -                                                      | \$   | (       |  |  |  |
| 30          | Traffic Signals                       | 661,314 ;             |                         | 661,314 \$                |                        | -                                                      | \$   | -       |  |  |  |
| 31          | Total Lighting Service                | 14,027,642            | 1,814,933               | 14,027,642                | 1,814,933              |                                                        |      | (       |  |  |  |
| 32          |                                       |                       |                         |                           |                        |                                                        |      |         |  |  |  |
| 33          | Rentals/Other                         | - \$                  | 81,116                  | - \$                      | 56,633                 | -                                                      | \$   | (24,48  |  |  |  |
| 34          |                                       |                       |                         |                           |                        |                                                        |      |         |  |  |  |
| 35          | Total South Dakota Retail             | 1,455,583,600         | 138,472,112             | 1,455,575,233 \$          | 138,432,602            | (8,367)                                                | \$   | (39,510 |  |  |  |

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

|                |                                                |                                |          | (a)              | (b)                |      | (c)<br>(a) * (b)                     |
|----------------|------------------------------------------------|--------------------------------|----------|------------------|--------------------|------|--------------------------------------|
| Line<br>No.    | Description                                    | Reference                      |          | Rate             | kw_h               |      | Energy Cost<br>Revenue<br>Adjustment |
| 1<br>2         | South Dakota Retail                            | Wkp. 1 Ln. 36(a) * 1000        | (1)      | 0.02270          | 1,451,286,926      | \$   | 32,944,213                           |
| 3<br>4         | Wyoming Retail                                 | Wkp. 1 Ln. 41(a) * 1000        |          | 0.02990          | 177,194,149        |      | 5,298,105                            |
| 5<br>6         | Montana Retail                                 | Wkp. 1 Ln. 45(a) * 1000        |          | 0.01240          | 50,770,787         |      | 629,558                              |
| 7<br>8         | Contract Sales - MEAN                          | Wkp. 1 Ln. 50(a) * 1000        | (2)      | 0.01848          | 242,088,000        |      | 4,473,786                            |
| 9<br>10        | Contract Sales - MDU                           | Wkp. 1 Ln. 51(a) * 1000        | (2)      | 0.01848          | 79,746,000         |      | 1,473,706                            |
| 11<br>12<br>13 | Total Removal of Energy Cost Revenue           |                                |          | -                | 2,001,085,862      | \$   | 44,819,368                           |
| 14             | Note 1: The rate of \$0.0227 is the sum of the | Fuel and Purchased Power Adjus | tment ba | se rate of \$0.0 | )146 and the Trans | miss | ion Cost                             |
| 15<br>16       | Adjustment base rate of \$0.0081 approved in   | South Dakota Docket EL09-018.  |          | ·                |                    |      |                                      |
| 17             | Note 2: The rate is derived from Stmt. P pg 1  | Ln. 15.                        |          |                  |                    |      |                                      |

| Line<br>No. | Description          | kWh           | Present<br>Revenue       | Average<br>Cost<br>\$/kWh | Proposed<br>Revenue | Average<br>Cost<br>\$/kWh | Increased/<br>Decreased)<br>Revenue | %<br>Increase                          |
|-------------|----------------------|---------------|--------------------------|---------------------------|---------------------|---------------------------|-------------------------------------|----------------------------------------|
| 1           | RESIDENTIAL SERVICE  | 494,712,860   | \$<br>53,312,255         | \$<br>0.11                | \$<br>58,076,996    | \$<br>0.12                | \$<br>4,764,741                     | 8.94%                                  |
| 2           | ·                    |               |                          |                           |                     |                           |                                     |                                        |
| 3           | GENERAL SERVICE (GS) | 417,920,275   | \$<br>45,882,578         | \$<br>0.11                | \$<br>51,285,078    | \$<br>0.12                | \$<br>5,402,500                     | 11.77%                                 |
| 4           |                      |               |                          |                           |                     |                           |                                     |                                        |
| 5           | GS LARGE/INDUSTRIAL  | 524,670,360   | \$<br>37,250,844         | \$<br>0.07                | \$<br>40,815,592    | \$<br>0.08                | \$<br>3,564,748                     | 9.57%                                  |
| 6           |                      |               |                          |                           |                     |                           |                                     |                                        |
| 7           | LIGHTING SERVICE     | 13,983,431    | \$<br>1,809,716          | \$<br>0.13                | \$<br>1,823,558.00  | \$<br>0.13                | \$<br>13,842                        | 0.76%                                  |
| 8           |                      |               |                          |                           |                     |                           |                                     |                                        |
| 9           | RENTAL/OTHER         | -             | \$<br>57,07 <del>9</del> | -                         | \$<br>57,079        | -                         | \$<br>-                             | 0.00%                                  |
| 10          |                      |               |                          |                           | <br>                |                           | <br>                                |                                        |
| 11          | TOTALS               | 1,451,286,926 | \$<br>138,312,473        | \$<br>0.10                | \$<br>152,058,303   | \$<br>0.10                | \$<br>13,745,830                    | 9.94%                                  |
| 12          |                      |               |                          |                           |                     |                           |                                     |                                        |
| 13          | ENERGY REVENUE       | -             | \$<br>(32,944,213)       | \$<br>(0.02)              | \$<br>(32,944,213)  | \$<br>(0.02)              | -                                   |                                        |
| 14          |                      |               |                          | <br>                      |                     |                           |                                     | ······································ |
| 15          | BASE REVENUES        | 1,451,286,926 | \$<br>105,368,260        | \$<br>0.07                | \$<br>119,114,090   | \$<br>0.08                | \$<br>13,745,830                    |                                        |

#### Exhibit CJK - 105 Page 166 of 358

#### BLACK HILLS POWER, INC. SOUTH DAKOTA BILL FREQUENCY REVENUE UNDER PRESENT & PROPOSED RATES For the Test Year Ended June 30, 2012

| Line<br>No. |                                     | BILLING<br>DETERMINANTS | <u> </u> | PRESENT<br>RATES | <br>PRESENT<br>REVENUE |    | PROPOSED<br>RATES |    | PROPOSED<br>REVENUE | %<br>INCREASE |
|-------------|-------------------------------------|-------------------------|----------|------------------|------------------------|----|-------------------|----|---------------------|---------------|
| 1           | Residential Regular - R (SD710, SI  | 0875)                   |          |                  |                        |    |                   |    |                     |               |
| 2           | Regular Residential Service         |                         |          |                  |                        |    |                   |    |                     |               |
| 3           | Customer Charge                     | 501,357                 | Bills    | \$<br>8.25       | \$<br>4,136,195        | \$ | 9.25              | \$ | 4,637,552           |               |
| 4           | Energy Charge                       | 328,128,962             | kWh      | \$<br>0.07930    | \$<br>26,020,627       | \$ | 0.09060           | \$ | 29,728,484          |               |
| 5           | Base Energy Charge                  |                         |          | \$<br>0.02270    | \$<br>7,448,527        | \$ | 0.02270           | \$ | 7,448,527           |               |
| 6           | Environmental Adj                   |                         |          |                  | \$<br>687,430          |    |                   | \$ | -                   |               |
| 7           | Energy Efficiency Adj               |                         | _        |                  | \$<br>_ 219,195        | _  |                   | \$ | 219,195             |               |
| 8           | TOTA                                | AL: 328,128,962         | =<br>kWh |                  | <br>38,511,974         | •  |                   |    | 42,033,758          | 9.1%          |
| 9           |                                     | , ,                     |          |                  |                        |    |                   |    | , .                 |               |
| 10          | Residential Total Electric - RTE (S | D712, SD876)            |          |                  |                        |    |                   |    |                     |               |
| 11          | Customer Charge                     | 79,175                  | Bills    | \$<br>10.75      | \$<br>851,130          | \$ | 12.50             | \$ | 989,686             |               |
| 12          | Energy Charge                       | 81,395,908              | kWh      | \$<br>0.05980    | \$<br>4,867,475        | \$ | 0.06842           | \$ | 5,569,108           |               |
| 13          | Base Energy Charge                  |                         |          | \$<br>0.02270    | \$<br>1,847,687        | \$ | 0.02270           | \$ | 1,847,687           |               |
| 14          | Environmental Adj                   |                         |          |                  | \$<br>170,489          |    |                   | \$ | -                   |               |
| 15          | Energy Efficiency Adj               |                         | _        |                  | \$<br>62,332           | _  |                   | \$ | 62,332              |               |
| 16          | TOT                                 | AL: 81,395,908          | =<br>kWh |                  | <br>7,799,113          | -  |                   | \$ | 8,468,813           | 8.6%          |
| 17          |                                     |                         |          |                  |                        |    |                   |    |                     |               |
| 18          | Residential Demand Metered - R      | D (SD714, SD716, SD887) |          |                  |                        |    |                   |    |                     |               |
| 19          | Customer Charge                     | 47,861                  | Bills    | \$<br>11.75      | \$<br>562,366          | \$ | 13.75             | \$ | 658,088             |               |
| 20          | Energy Charge                       | 85,061,227              | kWh      | \$<br>0.01710    | \$<br>1,454,547        | \$ | 0.01990           | \$ | 1,692,718           |               |
| 21          | Base Energy Charge                  |                         |          | \$<br>0.02270    | \$<br>1,930,890        | \$ | 0.02270           | \$ | 1,930,890           |               |
| 22          | Demand Charge                       | 417,090                 | kW       | \$<br>6.72       | \$<br>2,802,848        | \$ | 7.72              | \$ | 3,219,938           |               |
| 23          | Environmental Adj                   |                         |          |                  | \$<br>178,276          |    |                   | \$ | -                   |               |
| 24          | Energy Efficiency Adj               |                         | _        |                  | \$<br>64,839           | _  |                   | \$ | 64,839              |               |
| 25          | тоти                                | AL: 85,061,227          | -<br>kWh |                  | <br>6,993,767          | -  |                   | -  | 7,566,473           | 8.2%          |
| 26          |                                     |                         |          |                  |                        |    |                   |    |                     |               |
| 27          | Utility Controlled Residential - U  | CR (CLOSED) (SD717)     |          |                  |                        |    |                   |    |                     |               |
| 28          | Customer Charge                     | 36                      | Bills    | \$<br>6.00       | \$<br>216              | \$ | 7.00              | \$ | 252                 |               |
| 29          | Energy Charge                       | 126,764                 | kWh      | \$<br>0.03120    | \$<br>3,955            |    |                   | \$ | 4,735               |               |
| 30          | Base Energy Charge                  |                         |          | \$<br>0.02270    | \$<br>2,878            | \$ | 0.02270           | \$ | 2,878               |               |
| 31          | Environmental Adj                   |                         |          |                  | \$<br>266              |    |                   | \$ | -                   |               |
| 32          | Energy Efficiency Adj               |                         | _        |                  | \$<br>87               | _  |                   | \$ | 87                  |               |
| 33          | ΤΟΤΛ                                | AL: 126,764             | kWh      |                  | <br>7,402              | -  |                   |    | 7,952               | 7.4%          |
| 34          |                                     |                         |          |                  |                        |    |                   |    |                     |               |
| 35          | Total Residential Service           | 494,712,860             | kWh      |                  | 53,312,255             |    |                   |    | 58,076,996          | 8.9%          |

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#### BLACK HILLS POWER, INC. SOUTH DAKOTA BILL FREQUENCY REVENUE UNDER PRESENT & PROPOSED RATES For the Test Year Ended June 30, 2012

| Line<br>No. | GENERAL SERVICE                    | BILLING<br>DETERMINANTS | RESENT<br>RATES | PRESENT<br>REVENUE |     | ROPOSED<br>RATES | <br>PROPOSED<br>REVENUE | %<br>INCREASE |
|-------------|------------------------------------|-------------------------|-----------------|--------------------|-----|------------------|-------------------------|---------------|
| 1           | General Service Regular - GS (SD   | 720, SD770, SD878)      |                 |                    |     |                  |                         |               |
| 2           | Customer Charge                    | 86,128 Bills            | \$<br>11.00     | \$<br>947,413      | \$  | 13.00            | \$<br>1,119,670         |               |
| З           | Minimum Bill                       |                         |                 | \$<br>1,418        |     |                  | \$<br>1,418             |               |
| 4           | Energy Charge                      |                         |                 |                    |     |                  |                         |               |
| 5           | 1st 1,000                          | 61,069,934 kWh          | \$<br>0.08790   | \$<br>5,368,047    | \$  | 0.10294          | \$<br>6,286,539         |               |
| 6           | Next 2,000                         | 69,421,912 kWh          | \$<br>0.07310   | \$<br>5,074,742    | \$  | 0.08558          | \$<br>5,941,127         |               |
| 7           | Next 12,000                        | 130,950,099 kWh         | \$<br>0.06220   | \$<br>8,145,096    | \$  | 0.07286          | \$<br>9,541,024         |               |
| 8           | Additional                         | 75,333,706 kWh          | \$<br>0.04680   | \$<br>3,525,617    | \$  | 0.05479          | \$<br>4,127,534         |               |
| 9           | Sub-Total:                         | 336,775,651 kWh         |                 | \$<br>22,113,503   |     |                  | \$<br>25,896,224        |               |
| 10          | Base Energy Charge                 |                         | \$<br>0.02270   | \$<br>7,644,807    | \$  | 0.02270          | \$<br>7,644,807         |               |
| 11          | Environmental Adj                  |                         |                 | \$<br>872,418      |     |                  | \$<br>-                 |               |
| 12          | Energy Efficiency Adj              |                         |                 | \$<br>199,460      |     |                  | \$<br>199,460           |               |
| 13          | Demand Charge                      |                         |                 |                    |     |                  |                         |               |
| 14          | 5 kW:                              | 334,253 kW              | \$<br>-         | \$<br>-            | \$. | -                | \$<br>-                 |               |
| 15          | Next 45 kW:                        | 751,037 kW              | \$<br>6.40      | \$<br>4,806,635    | \$  | 7.85             | \$<br>5,895,638         |               |
| 16          | Additional kW:                     | 229,144 kW              | \$<br>6.03      | \$<br>1,381,740    | \$  | 7.47             | \$<br>1,711,707         |               |
| 17          | Sub-Total:                         | 1,314,434 kW            |                 | \$<br>6,188,374    |     |                  | \$<br>7,607,345         |               |
| 18          | _                                  |                         |                 | <br>               |     |                  | <br>                    |               |
| 19          | TOTAL:                             | 336,775,651 kWh         |                 | \$<br>37,967,393   |     |                  | \$<br>42,468,924        | 11.9%         |
| 20          |                                    |                         |                 |                    |     |                  |                         |               |
| 21          | General Service Total Electric - 0 | GTE (SD723)             |                 |                    |     |                  |                         |               |
| 22          | Customer Charge                    | 9,993 Bills             | \$<br>16.50     | \$<br>164,883      | \$  | 19.60            | \$<br>195,861           |               |
| 23          | Energy Charge                      |                         |                 |                    |     |                  |                         |               |
| 24          | 1st 6,000                          | 22,197,138 kWh          | \$<br>0.05160   | \$<br>1,145,372    | \$  | 0.06090          | \$<br>1,351,806         |               |
| 25          | Additional                         | 14,762,721 kWh          | \$<br>0.04680   | \$<br>690,895      | \$  | 0.05529          | \$<br>816,231           |               |
| 26          | Sub-Total:                         | 36,959,859 kWh          |                 | \$<br>1,836,268    |     |                  | \$<br>2,168,037         |               |
| 27          | Base Energy Charge                 |                         | \$<br>0.02270   | \$<br>838,989      | \$  | 0.02270          | \$<br>838,989           |               |
| 28          | Environmental Adj                  |                         |                 | \$<br>95,833       |     |                  | \$<br>-                 |               |
| 29          | Energy Efficiency Adj              |                         |                 | \$<br>22,892       |     |                  | \$<br>22,892            |               |
| 30          | Energy Management Fee              |                         |                 | \$<br>(864)        |     |                  | \$<br>(864)             |               |
| 31          | Demand Charge                      |                         |                 |                    |     |                  |                         |               |
| 32          | 5 kW;                              | 42,360 kW               | \$<br>-         | \$<br>-            | \$  | -                | \$<br>-                 |               |
| 33          | Next 45 kW:                        | 97,999 kW               | \$<br>5.91      | \$<br>579,176      | \$  | 7.20             | \$<br>705,596           |               |
| 34          | Additional kW:                     | 19,086 kW               | \$<br>5.50      | \$<br>104,973      | \$  | 6.70             | \$<br>127,876           |               |
| 35          | Sub-Total:                         | 159,446 kW              |                 | \$<br>684,149      |     |                  | \$<br>833,472           | •             |
| 36          |                                    |                         |                 | <br>               |     |                  | <br>                    |               |
| 37          | TOTAL:                             | 36,959,859 kWh          |                 | \$<br>3,642,151    |     |                  | \$<br>4,058,387         | 11,4%         |

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| Line<br>No. | GENERAL SERVICE (continued)         |                    | BILLING               |         | PRESENT<br>RATES       |          | RESENT<br>EVENUE | Р  | ROPOSED |          | ROPOSED    | %<br>INCREASE |
|-------------|-------------------------------------|--------------------|-----------------------|---------|------------------------|----------|------------------|----|---------|----------|------------|---------------|
| 110.        | denena sentree (continued)          |                    |                       |         | 104123                 |          |                  |    |         |          |            | INCILLAGE     |
| 1           | Total Electric No Demand - GTE      | E (SD703)          |                       |         |                        |          |                  |    |         |          |            |               |
| 2           | Customer Charge                     |                    | 479 B                 | ills \$ | 6.50                   | \$       | 7,904            | \$ | 19.60   | \$       | 9,388      |               |
| 3           | Energy Charge                       |                    |                       |         |                        |          |                  |    |         |          |            |               |
| 4           |                                     | 1st 6,000          | 164,084 k             | Wh \$   |                        | \$       | 8,467            | \$ | 0.06090 | \$       | 9,993      |               |
| 5           |                                     | Additional         |                       | :Wh \$  | 0.04680                | \$       | -                | \$ | 0.05529 | \$       |            |               |
| 6           |                                     | Sub-Total:         | 164,084 k             |         |                        | \$       | 8,467            |    |         | \$       | 9,993      |               |
| 7           | Base Energy Charge                  |                    |                       | Ş       | 0.02270                | \$       | 3,725            | \$ | 0.02270 | \$       | 3,725      |               |
| 8           | Environmental Adj                   |                    |                       |         |                        | \$       | 426              |    |         | \$       | -          |               |
| 9           | Energy Efficiency Adj               |                    |                       |         |                        | \$       | 108              |    |         | \$       | 108        |               |
| 10          |                                     | . —                |                       |         |                        |          |                  |    |         |          |            |               |
| 11          |                                     | Total:             | 164,084 k             | Wh      |                        | \$       | 20,629           |    |         | \$       | 23,214     | 12.5%         |
| 12          |                                     |                    |                       |         |                        |          |                  |    |         |          |            |               |
| 13          | Utility Controlled General Servi    | ice - UCG (Close   |                       |         |                        |          |                  |    |         |          |            |               |
| 14          | Customer Charge                     |                    | 288 B                 |         |                        | \$       | 1,728            | \$ | 7.50    | \$       | 2,160      |               |
| 15          | Energy Charge                       |                    | 2,904,518 k           |         |                        | \$       | 89,459           | \$ | 0.03832 | \$       | 111,301    |               |
| 16          | Base Energy Charge                  |                    |                       | :       | 0.02270                | \$       | 65,933           | \$ | 0.02270 | \$<br>\$ | 65,933     |               |
| 17          | Environmental Adj                   |                    |                       |         |                        | Ş        | 7,531<br>1,882   |    |         | ş<br>Ş   | -<br>1,882 |               |
| 18          | Energy Efficiency Adj               | =                  |                       |         |                        | <u></u>  |                  |    |         | <u></u>  |            | 0.00/         |
| 19          |                                     | Total:             | 2,904,518 k           | wh      |                        | \$       | 166,533          |    |         | \$       | 181,276    | 8.9%          |
| 20          |                                     |                    | 11 (00 700)           |         |                        |          |                  |    |         |          |            |               |
| 21          | Small Interruptible General Ser     | rvice - SIGS (Clos | iea) (SD750)<br>52 B  |         | \$ 10.25               | \$       | 530              | \$ | 12.25   | \$       | 633        |               |
| 22          | Customer Charge                     |                    | 260,07 <del>9</del> k |         | 5 0.02860              | ې<br>\$  | 7,438            | ş  | 0.03488 | ډ<br>\$  | 9,072      |               |
| 23<br>24    | Energy Charge<br>Base Energy Charge |                    | 200,079 K             |         | 5 0,02860<br>5 0,02270 | \$<br>\$ | 7,458<br>5,904   | ş  | 0.03488 | \$       | 5,904      |               |
| 24<br>25    | Environmental Adj                   |                    |                       |         | 5 0.02270              | ŝ        | 5,904<br>674     | ~  | 0.02270 | Ś        | J,504<br>- |               |
| 25          | Energy Efficiency Adj               |                    |                       |         |                        | ŝ        | 104              |    |         | ś        | 104        |               |
| 20          | Demand Charge                       |                    | 3,923 k               | an -    | \$ 0.64                | Ş        | 2,511            | \$ | 0.79    | ś        | 3,099      |               |
| 28          | bemana enarge                       | Total:             | 260,079 k             |         |                        | Ś        | 17,160           | Ŷ  | 0.10    | ÷        | 18,812     | 9.6%          |
| 20<br>29    |                                     | TULAI.             | 200,015 K             |         |                        | Ŷ        | 17,100           |    |         | 4        | 10,012     | 5.676         |
| 30          | Energy Storage - ES (SD755)         |                    |                       |         |                        |          |                  |    |         |          |            |               |
| 31          | Customer Charge                     |                    | 197                   |         | \$ 11.50               | ¢        | 2,265            | \$ | 13.75   | Ś        | 2,708      |               |
| 32          | Energy Charge                       |                    | 137                   |         | , 11.50                | 7        | 2,205            | Ť  | 10.70   | Ŷ        | 2,7 00     |               |
| 33          | Off-Peak                            |                    | 2,201,596 k           | wh !    | 5 0.00930              | \$       | 20,475           | \$ | 0.01120 | Ś        | 24,658     |               |
| 34          | On-Peak                             |                    | 1,602,951 k           |         |                        |          | 46.165           | Ş  | 0.03470 |          | 55,622     |               |
| 35          |                                     | Sub-Total:         | 3,804,547 k           |         |                        | \$       | 66,640           | •  |         | \$       | 80,280     |               |
| 36          | Base Energy Charge                  |                    |                       |         | \$ 0.02270             | \$       | 86,363           | \$ | 0.02270 | \$       | 86,363     |               |
| 37          | Environmental Adj                   |                    |                       |         | -                      | \$       | 9,905            |    |         | \$       | -          |               |
| 38          | Energy Efficiency Adj               |                    |                       |         |                        | \$       | 2,305            |    |         | \$       | 2,305      |               |
| 39          | Demand Charge                       |                    | 11,435 k              | w :     | \$ 7.68                | \$       | 87,821           | \$ | 9.50    | \$       | 108,633    |               |
| 40          |                                     |                    |                       |         |                        |          |                  |    |         |          |            |               |
| 41          |                                     | Total:             | 3,804,547             | kWh     |                        | \$       | 255,299          |    |         | \$       | 280,289    | 9.8%          |
|             |                                     |                    |                       |         |                        |          |                  |    |         |          |            |               |

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| Line<br>No. | GENERAL SERVICE (continued)                    | BILLING            |      |    | RESENT<br>RATES    |    | PRESENT<br>REVENUE |    | ROPOSED<br>RATES |    | PROPOSED<br>REVENUE | %<br>INCREASE |
|-------------|------------------------------------------------|--------------------|------|----|--------------------|----|--------------------|----|------------------|----|---------------------|---------------|
|             |                                                |                    |      |    | <u> </u>           |    |                    |    |                  |    |                     |               |
| 1           | Athletic Fields/Demand Not Billed (Off-Peak) - |                    |      |    |                    |    |                    |    |                  |    |                     |               |
| 2           | Customer Charge                                | 42,964             |      | \$ | 11.00              | \$ | 472,609            | \$ | 13.00            | \$ | 558,538             |               |
| 3           | Minimum Bill                                   |                    |      |    |                    | \$ | 84                 |    |                  | \$ | 84                  |               |
| 4           | Energy Charge                                  |                    |      |    |                    |    |                    |    |                  |    |                     |               |
| 5           | 1st 1,000                                      | 11,847,418 kV      |      | \$ | 0.087 <del>9</del> | \$ | 1,041,388          | \$ | 0.10294          | \$ | 1,219,573           |               |
| 6           | Next 2,000                                     | 1,174,220 kV       |      | \$ | 0.0731             | \$ | 85,836             | \$ | 0.08558          | \$ | 100,490             |               |
| 7           | Next 12,000                                    | 202,848 kV         |      | \$ | 0.0622             | \$ | 12,617             | \$ | 0.07286          | \$ | 14,780              |               |
| 8           | Additional                                     | 78,201 kV          |      | \$ | 0.0468             | \$ | 3,660              | \$ | 0.05479          | \$ | 4,285               |               |
| 9           | Sub-Total:                                     | 13,302,687 kV      | Nh   |    |                    | \$ | 1,143,501          |    |                  | \$ | 1,339,128           |               |
| 10          | Base Energy Charge                             |                    |      | \$ | 0.02270            | \$ | 301,971            | \$ | 0.02270          | \$ | 301,971             |               |
| 11          | Environmental Adj                              |                    |      |    |                    | \$ | 34,561             |    |                  | \$ | -                   |               |
| 12          | Energy Efficiency Adj                          |                    |      |    |                    | \$ | 8,302              |    |                  | \$ | 8,302               |               |
| 13          | _                                              |                    |      |    |                    |    |                    |    |                  |    |                     |               |
| 14          | Total:                                         | 13,302,687 kV      | Nh 👘 |    |                    | \$ | 1,961,027          |    |                  | \$ | 2,208,023           | 12.6%         |
| 15          |                                                |                    |      |    |                    |    |                    |    |                  |    |                     |               |
| 16          | Irrigation Pumping - IP (SD726)                |                    |      |    |                    |    |                    |    |                  |    |                     |               |
| 17          | Energy Charge                                  | 934,116 kV         | Nh   | \$ | 0.05380            | \$ | 50,255             | \$ | 0.06370          | \$ | 59,503              |               |
| 18          | Base Energy Charge                             |                    |      | \$ | 0.02270            | \$ | 21,204             | \$ | 0.02270          | \$ | 21,204              |               |
| 19          | Environmental Adj                              |                    |      |    |                    | \$ | 2,404              |    |                  | \$ | -                   |               |
| 20          | Energy Efficiency Adj                          |                    |      |    |                    | \$ | 484                |    |                  | \$ | 484                 |               |
| 21          | Demand Charge                                  |                    |      |    |                    |    |                    |    |                  |    |                     |               |
| 22          | Connected hp: _                                | 911 hr             | p    | \$ | 22.32              | \$ | 20,334             | \$ | 26.75            | \$ | 24,369              | -             |
| 23          | Total:                                         | 934,116 k\         | ₩h   |    |                    | \$ | 94,682             |    |                  | \$ | 105,560             | 11.5%         |
| 24          |                                                | ,                  |      |    |                    |    |                    |    |                  |    |                     |               |
| 25          | Municipal Pumping Service - MP (SD743)         |                    |      |    |                    |    |                    |    |                  |    |                     |               |
| 26          | Customer Charge                                | 1,204 Bi           | ills | \$ | 16.50              | \$ | 19,859             | \$ | 19.95            | \$ | 24,011              |               |
| 27          | Energy Charge                                  | 22,814,733 kV      | ₩h   | \$ | 0.03780            | \$ | 862,397            | \$ | 0.04528          | \$ | 1,033,051           |               |
| 28          | Base Energy Charge                             |                    |      | \$ | 0.02270            | \$ | 517,894            | \$ | 0.02270          | \$ | 517,894             |               |
| 29          | Environmental Adj                              |                    |      |    |                    | \$ | 59,082             |    |                  | \$ | -                   |               |
| 30          | Energy Efficiency Adj                          |                    |      |    |                    | \$ | 13,436             |    |                  | \$ | 13,436              |               |
| 31          | Demand Charge                                  |                    |      |    |                    |    |                    |    |                  |    |                     |               |
| 32          | Summer                                         | 31,178 k\          | N    | \$ | 4.54               | \$ | 141,549            | \$ | 5.60             | \$ | 174,598             |               |
| 33          | Winter                                         | 35,169 k\          |      | Ś  | 4.08               | \$ | 143,489            | Ś  | 5.05             | \$ | 177,603             |               |
| 34          |                                                | 66,347 k           |      | •  |                    | Ś  | 285,038            | •  |                  | Ś  | 352,201             | •             |
| 35          |                                                | ,                  |      |    |                    | •  |                    |    |                  | -  | ,                   |               |
| 36          | =<br>Total:                                    | 22,814,733 k\      | Wh   |    |                    | Ś  | 1,757,706          |    |                  | Ś  | 1,940,593           | 10.4%         |
| 37          | lotal.                                         | 24,017,700 Ki      |      |    |                    | Ŷ  | 2,7 37 ,7 00       |    |                  | Ŷ  | 1,040,000           | 10.470        |
| 38          |                                                |                    |      |    |                    |    |                    |    |                  |    |                     |               |
| 39          |                                                |                    |      |    |                    |    |                    |    |                  |    |                     |               |
| 40          | Total General Service                          | 417,920,275 k      | Wh   |    |                    | \$ | 45,882,578         |    |                  | \$ | 51,285,078          | 11.8%         |
| 40          | Wencius del Alec                               | , <i>020,210</i> K |      |    |                    | ٣  | .5,552,57.5        |    |                  | *  | 21,202,070          |               |

| N          |                                        | BILLING          | I  | PRESENT<br>RATES | RESENT             | OPOSED        | PROPOSED         | %<br>INCREASE |
|------------|----------------------------------------|------------------|----|------------------|--------------------|---------------|------------------|---------------|
| No.        | LIGHTING SERVICE                       | DETERMINANTS     |    | KATES            | <br>EVENUE         | RATES         | REVENUE          | INCREASE      |
| 1          | Traffic Signals - TS (SD742)           |                  |    |                  |                    |               |                  |               |
| 2          | Customer Charge                        | 1,774 Bills      | \$ | 8.20             | \$<br>14,549       | \$<br>8.75    | \$ 15,524        |               |
| 3          | Energy Charge                          | 659,303 kWh      | \$ | 0.05710          | \$<br>37,646       | \$<br>0.05910 | \$ 38,965        |               |
| 4          | Base Energy Charge                     |                  | \$ | 0.02270          | \$<br>14,966       | \$<br>0.02270 | \$ 14,966        |               |
| 5          | Environmental Adj                      |                  |    |                  | \$<br>1,778        |               | \$ -             |               |
| 6          | Energy Efficiency Adj                  |                  |    |                  | \$<br>418          |               | \$ 418           | -             |
| 7          | Tota                                   | l: 659,303 kWh   |    |                  | \$<br>69,357       |               | \$ 69,873        | 0.7%          |
| 8          |                                        |                  |    |                  |                    |               |                  |               |
| 9          | Private Area Lights - Leased (SDA24, S | 5DB24, SDC24)    |    |                  |                    |               |                  |               |
| 10         | Energy Charge                          | 3,971,890 kWh    |    |                  | \$<br>467,106      |               | \$ 482,187       |               |
| <b>1</b> 1 | Base Energy Charge                     |                  | \$ | 0.02270          | \$<br>90,162       | \$<br>0.02270 | \$ 90,162        |               |
| 12         | Environmental Adj                      |                  | ۲  |                  | \$<br>10,733       |               | \$-              |               |
| 13         | Energy Efficiency Adj                  |                  |    |                  | \$<br>2,574        |               | \$ 2,574         | _             |
| 14         | Tota                                   | I: 3,971,890 kWh |    |                  | \$<br>570,575      |               | \$ 574,923       | 0.8%          |
| 15         |                                        |                  |    |                  | \$0.14             |               |                  |               |
| 16         | Street Light - Leased (SD840)          |                  |    |                  |                    |               |                  |               |
| 17         | Energy Charge                          | 3,575,369 kWh    |    |                  | \$<br>662,597      |               | \$ 678,605       |               |
| 18         | Base Energy Charge                     |                  | \$ | 0.02270          | \$<br>81,161       | \$<br>0.02270 | \$ 81,161        |               |
| 19         | Environmental Adj                      |                  |    |                  | \$<br>9,646        |               | \$-              |               |
| 20         | Energy Efficiency Adj                  | _                |    |                  | \$<br>2,270        |               | \$ 2,270         | _             |
| 21         | Tota                                   | I: 3,575,369 kWh |    |                  | \$<br>755,673      |               | \$ 762,036       | 0.8%          |
| 22         |                                        |                  |    |                  |                    |               |                  |               |
| 23         | Street Lighting - Customer Owned (SI   | 0841, SD741)     |    |                  |                    |               |                  |               |
| 24         | Energy Service Charge                  | 5,776,868 kWh    |    |                  | \$<br>263,710      |               | \$ 281,911       |               |
| 25         | Base Energy Charge                     |                  | \$ | 0.02270          | \$<br>131,135      | \$<br>0.02270 | \$ 131,135       |               |
| 26         | Environmental Adj                      |                  |    |                  | \$<br>15,587       |               | \$-              |               |
| 27         | Energy Efficiency Adj                  |                  |    |                  | \$<br>3,680        |               | \$ <u>3,</u> 680 | _             |
| 28         | Tota                                   | I: 5,776,868 kWh |    |                  | \$<br>414,112      |               | \$ 416,726       | 0.6%          |
| 29         |                                        |                  |    |                  | \$0.07             |               |                  |               |
| 30         |                                        |                  |    |                  |                    |               |                  |               |
| 31         | Non-Metered Services/Rentals           |                  |    |                  | \$57,079           |               | \$57,079         | )             |
| 32         |                                        |                  |    |                  |                    |               |                  |               |
| 33         |                                        |                  |    |                  |                    |               |                  |               |
| 34         | Total Lighting Service                 | 13,983,431 kWh   |    |                  | 1 <b>,866,79</b> 5 |               | 1,880,637        | 0.7%          |

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# BLACK HILLS POWER, INC. SOUTH DAKOTA BILL FREQUENCY REVENUE UNDER PRESENT & PROPOSED RATES For the Test Year Ended June 30, 2012

|          | LARGE GENERAL SERVICE<br>& INDUSTRIAL (Continued) | BILLING<br>DETERMINANTS | PRESENT<br>RATES | PRESENT<br>REVENUE | OPOSED<br>RATES | ROPOSED<br>REVENUE | %<br>INCREASE |
|----------|---------------------------------------------------|-------------------------|------------------|--------------------|-----------------|--------------------|---------------|
| <u> </u> | a Moostala (continued)                            | DETERMINARITS           |                  | LEVEROL            |                 |                    | INCITE AND    |
| 1        | General Service Large - GL - Prir                 | nary (SD721)            |                  |                    |                 |                    |               |
| 2        | Energy Charge                                     |                         |                  |                    |                 |                    |               |
| 3        | 1st 50,000                                        | 3,000,000 kWh           | \$<br>0.03480    | \$<br>104,400      | \$<br>0.04048   | \$<br>121,440      |               |
| 4        | Next 450,000                                      | 9,570,901 kWh           | \$<br>0.03350    | \$<br>320,625      | \$<br>0.03900   | \$<br>373,265      |               |
| 5        | Additional                                        | 15,913,899 kWh          | \$<br>0.02910    | \$<br>463,094      | \$<br>0.03380   | \$<br>537,890      |               |
| 6        | -                                                 | 28,484,800 kWh          | ·                | \$<br>888,120      |                 | \$<br>1,032,595    |               |
| 7        | Base Energy Charge                                |                         | \$<br>0.02270    | \$<br>646,605      | \$<br>0.02270   | \$<br>646,605      |               |
| 8        | Environmental Adj                                 |                         |                  | \$<br>46,024       |                 | \$<br>-            |               |
| 9        | Energy Efficiency Adj                             |                         |                  | \$<br>19,004       |                 | \$<br>19,004       |               |
| 10       | Substation Lease                                  |                         |                  | \$<br>(6,784)      |                 | \$<br>(6,784)      |               |
| 11       | Demand Charge                                     |                         |                  |                    |                 |                    |               |
| 12       | 1st 125                                           | 60.0 kVA                | \$<br>1,184.00   | \$<br>71,040       | \$<br>1,388.00  | \$<br>83,280       |               |
| 13       | Additional                                        | 53,689.0 kVA            | \$<br>7.56       | \$<br>405,889      | \$<br>8.87      | \$<br>476,221      |               |
| 14       | -                                                 | 53,749.0 kVA            |                  | \$<br>476,929      |                 | \$<br>559,501      |               |
| 15       |                                                   |                         |                  | <br>               |                 | <br>               |               |
| 16       | Total                                             | 28,484,800 kWh          |                  | \$<br>2,069,897    |                 | \$<br>2,250,921    | 8.7%          |
| 17       |                                                   |                         |                  |                    |                 |                    |               |
| 18       | General Service Large - GL - Sec                  | condary (SD721)         |                  |                    |                 |                    |               |
| 19       | Energy Charge                                     |                         |                  |                    |                 |                    |               |
| 20       | 1st 50,000                                        | 56,407,062 kWh          | \$<br>0.03480    | \$<br>1,962,966    | \$<br>0.04048   | \$<br>2,283,358    |               |
| 21       | Next 450,000                                      | 42,398,468 kWh          | \$<br>0.03350    | \$<br>1,420,349    | \$<br>0.03900   | \$<br>1,653,540    |               |
| 22       | Additional                                        | 0 kWh                   | \$<br>0.02910    | \$<br>-            | \$<br>0.03380   | \$<br>1            |               |
| 23       | -                                                 | 98,805,530 kWh          |                  | \$<br>3,383,314    |                 | \$<br>3,936,899    |               |
| 24       | Base Energy Charge                                |                         | \$<br>0.02270    | \$<br>2,242,886    | \$<br>0.02270   | \$<br>2,242,886    |               |
| 25       | Environmental Adj                                 |                         |                  | \$<br>182,537      |                 | \$<br>-            |               |
| 26       | Energy Efficiency Adj                             |                         |                  | \$<br>56,617       |                 | \$<br>56,617       |               |
| 27       | Substation Lease                                  |                         |                  | \$<br>-            |                 | \$<br>-            |               |
| 28       | Demand Charge                                     |                         |                  |                    |                 |                    |               |
| 29       | 1st 125                                           | 1,229.4 kVA             | \$<br>1,184.00   | \$<br>1,455,610    | \$<br>1,388.00  | \$<br>1,706,407    |               |
| 30       | Additional                                        | 139,509.0 kVA           | \$<br>7.56       | \$<br>1,054,688    | \$<br>8.87      | \$<br>1,237,445    |               |
| 31       |                                                   | 140,738.4 kVA           |                  | \$<br>2,510,298    |                 | \$<br>2,943,852    |               |
| 32       | _                                                 |                         |                  |                    |                 | <br>               |               |
| 33       | Total:                                            | 98,805,530 kWh          |                  | \$<br>8,375,651    |                 | \$<br>9,180,254    | 9.6%          |

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#### BLACK HILLS POWER, INC. SOUTH DAKOTA BILL FREQUENCY REVENUE UNDER PRESENT & PROPOSED RATES For the Test Year Ended June 30, 2012

|    | ARGE GENERAL SERVICE BILLING<br>& INDUSTRIAL (Continued) DETERMINANTS |                     |          | F  | RESENT<br>RATES |           | PRESENT<br>REVENUE | PF | ROPOSED<br>RATES |    | ROPOSED    | %<br>INCREASE |
|----|-----------------------------------------------------------------------|---------------------|----------|----|-----------------|-----------|--------------------|----|------------------|----|------------|---------------|
| 1  |                                                                       |                     |          |    |                 |           |                    |    |                  |    |            |               |
| 2  | Combined Account Billing - GLC                                        | - Primary (SD752)   |          |    |                 |           |                    |    |                  |    |            |               |
| 3  | Service Charge                                                        |                     | ocation  | Ś  | 87.00           | Ś         | 8,352              | \$ | 102.00           | Ś  | 9,792      |               |
| 4  | Energy Charge                                                         |                     |          | 7  |                 | Ŧ         | 0,0                | Ŧ  |                  | Ŧ  | 0,702      |               |
| 5  | 1st 50,000                                                            | 4,390,720 k         | Wh       | \$ | 0.03480         | Ś         | 152,797            | \$ | 0.04048          | \$ | 177,736    |               |
| 6  | Next 450,000                                                          | 22,211,605          |          | \$ | 0.03350         | Ś         | 744,089            | Ś  | 0.03900          | Ś  | 866,253    |               |
| 7  | Additional                                                            | 16,119,209          |          | \$ | 0.02910         | \$        | 469,069            | \$ | 0.03380          | \$ | 544,829    |               |
| 8  | -                                                                     | 42,721,534          |          | ·  |                 | \$        | 1,365,955          | •  |                  | \$ | 1,588,818  |               |
| 9  | Base Energy Charge                                                    |                     |          | \$ | 0.02270         | \$        | 969,779            | \$ | 0.02270          | \$ | 969,779    |               |
| 10 | Environmental Adj                                                     |                     |          |    |                 | \$        | 68,952             |    |                  | \$ | -          |               |
| 11 | Energy Efficiency Adj                                                 |                     |          |    |                 | \$        | 26,666             |    |                  | \$ | 26,666     |               |
| 12 | Demand Charge                                                         |                     |          |    |                 |           |                    |    |                  |    |            |               |
| 13 | 1st 125                                                               | 90                  | «VA      | \$ | 1,184.00        | \$        | 106,560            | \$ | 1,388.00         | \$ | 124,920    |               |
| 14 | Additional                                                            | 88,794              | κVA      | \$ | 7.56            | \$        | 671,283            | \$ | 8.87             | \$ | 787,603    |               |
| 15 | _                                                                     | 88,884.0            | kVA      |    |                 | \$        | 777,843            |    |                  | \$ | 912,523    |               |
| 16 |                                                                       |                     |          |    |                 | _         |                    |    |                  |    |            |               |
| 17 | Total:                                                                | 42,721,534          | kWh      |    |                 | \$        | 3,217,546          |    |                  | \$ | 3,507,578  | 9.0%          |
| 18 |                                                                       |                     |          |    |                 |           |                    |    |                  |    |            |               |
| 19 | Combined Account Billing - GLC                                        | - Secondary (SD752) |          |    |                 |           |                    |    |                  |    |            |               |
| 20 | Service Charge                                                        | 1,664 l             | location | \$ | 87.00           | \$        | 144,797            | \$ | 102.00           | \$ | 169,762    |               |
| 21 | Energy Charge                                                         |                     |          |    |                 |           |                    |    |                  |    |            |               |
| 22 | 1st 50,000                                                            | 20,054,920          | kWh      | \$ | 0.03480         | \$        | 697,911            | \$ | 0.04048          | \$ | 811,823    |               |
| 23 | Next 450,000                                                          | 69,280,161          | k₩h      | \$ | 0.03350         | \$        | 2,320,885          | \$ | 0.03900          | \$ | 2,701,926  |               |
| 24 | Additional                                                            | 34,229,832          |          | \$ | 0.02910         | <u>\$</u> | 996,088            | \$ | 0.03380          |    | 1,156,968  |               |
| 25 |                                                                       | 123,564,913         |          |    |                 | \$        | 4,014,885          |    |                  | \$ | 4,670,717  |               |
| 26 | Base Energy Charge                                                    |                     |          | \$ | 0.0227          | \$        | 2,804,924          | \$ | 0.0227           | \$ | 2,804,924  |               |
| 27 | Environmental Adj                                                     |                     |          |    |                 | \$        | 229,045            |    |                  | \$ | -          |               |
| 28 | Energy Efficiency Adj                                                 |                     |          |    |                 | \$        | 74,066             |    |                  | \$ | 74,066     |               |
| 29 | Phone Charge/Equipment                                                | t Rental            |          |    |                 | \$        | -                  |    |                  |    |            |               |
| 30 | Demand Charge                                                         |                     |          |    |                 |           |                    |    |                  |    |            |               |
| 31 | 1st 125                                                               | 401                 |          | \$ | 1,184.00        | \$        | 474,784            | \$ | 1,388.00         |    | 556,588    |               |
| 32 | Additional                                                            | 310,265             |          | \$ | 7.56            | <u>\$</u> | 2,345,603          | \$ | 8.87             | \$ | 2,752,051  |               |
| 33 |                                                                       | 310,666             | kVA      |    |                 | \$        | 2,820,387          |    |                  | \$ | 3,308,639  |               |
| 34 | -                                                                     |                     |          |    |                 | -         |                    |    |                  | _  |            |               |
| 35 | Total:                                                                | 123,564,913         | kWh      |    |                 | \$        | 10,088,103         |    |                  | \$ | 11,028,108 | 9.3%          |

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| Line<br>No. | LARGE GENERAL SERVICE<br>& INDUSTRIAL (Continued) | BILLING<br>DETERMINANTS | PRESENT<br>RATES | PRESENT<br>REVENUE   | PROPOSED<br>RATES | PROPOSED<br>REVENUE | %<br>INCREASE |
|-------------|---------------------------------------------------|-------------------------|------------------|----------------------|-------------------|---------------------|---------------|
| 1           | General Service Large 69kV Service - Spec         | tial Contract (SD771)   |                  |                      |                   |                     |               |
| 2           | Energy Charge                                     |                         |                  |                      |                   |                     |               |
| з           | 1st 50,000                                        | 600,000 kWI             | n \$`0.03220     | \$ 19,320            | \$ 0.03710        | \$ 22,260           |               |
| 4           | Next 450,000                                      | 5,400,000 kW            | n \$ 0.03100     | \$ 167,400           | \$ 0.03572        | \$ 192,888          |               |
| 5           | Additional                                        | 19,578,933 kW           | n \$ 0.02690     | \$ 526,673           | \$ 0.03100        | <u>\$</u> 606,947   |               |
| 6           |                                                   | 25,578,933 kW           | ı                | \$ 713,393           |                   | \$ 822,095          |               |
| 7           | Base Energy Charge                                |                         | \$ 0.02270       | \$ 580,642           | \$ 0.0227         | \$ 580,642          |               |
| 8           | Demand Charge                                     |                         |                  |                      |                   |                     |               |
| 9           | 1st 125                                           | ,                       |                  |                      | \$ 1,354.00       |                     |               |
| 10          | Additional                                        |                         |                  |                      | \$ 8.65           | \$ 262,046          |               |
| 11          |                                                   | 31,794.3 kVA            |                  | \$ 232,285           |                   | \$ 278,294          |               |
| 12          |                                                   |                         |                  |                      |                   |                     |               |
| 13          | Total:                                            | 25,578,933 kW           | 3                | \$ 1,526,321         |                   | \$ 1,681,031        | 10.1%         |
| 14          |                                                   |                         |                  |                      |                   |                     |               |
| 15          | Large Demand Curtailable Service - LDC (          | SD722)                  |                  |                      |                   |                     |               |
| 16          | 100% Load with No Notice                          |                         |                  |                      |                   |                     |               |
| 17          | Energy Charge                                     | 926,041 kW              |                  | · ····               | \$ 0.02519        |                     |               |
| 18          | Base Energy Charge                                |                         | \$ 0.02270       | • •                  | \$ 0.02270        |                     |               |
| 19          | Environmental Adj                                 |                         |                  | \$ 1,658             |                   | \$ -                |               |
| 20          | Energy Efficiency Adj                             |                         |                  | \$ 612               |                   | \$ 612              |               |
| 21          | Demand Charge                                     | 2,815 kVA               | -                | , -                  | \$ 14.00          |                     |               |
| 22          | Curtailable Load Credit                           | 2,815 kVA               | \$ (6.80         | ) <u>\$ (19,143)</u> | \$ (7.35          | ) \$ (20,692)       |               |
| 23          | Total                                             | 926,041 kW              | ו                | \$ 58,894.38         | -                 | \$ 63,681.00        | 8.1%          |
| 24          |                                                   |                         |                  |                      |                   |                     |               |
| 25          | Large General Service Combined - Specia           | il Contract (SD772)     |                  |                      |                   |                     |               |
| 26          | Service Charge                                    | 12                      | \$ 7,500.00      | \$ 90,000            | \$ 8,770          | \$ 105,240          |               |
| 27          | Energy Charge                                     |                         |                  |                      |                   |                     |               |
| 28          | First 3,000,000                                   | 27,973,055 kW           | n \$ 0.02490     | \$ 696,529           | \$ 0.02848        | \$ 796,673          |               |
| 29          | Additiona                                         | lkW                     | n \$ 0.02230     | \$ -                 | \$ 0.02550        | \$ -                |               |
| 30          | Sub-Total                                         | 27,973,055 kW           | ר                | \$ 696,529           | -                 | \$ 796,673          |               |
| 31          | Base Energy Charge                                |                         | \$ 0.02270       | \$ 634,988           | \$ 0.02270        | \$ 634,988          |               |
| 32          | Demand Charge                                     | 72,000 kW               | \$ 5.84          | \$ 420,480           | \$ 6.98           | \$ 502,560          |               |
| 33          |                                                   |                         |                  |                      | -                 |                     |               |
| 34          | Total                                             | 27,973,055 kW           | ı                | \$ 1,841,997         | •                 | \$ 2,039,461        | 10.7%         |
| 35          |                                                   |                         |                  |                      |                   |                     |               |
| 36          |                                                   |                         |                  |                      |                   |                     |               |
| 37          | Total Large General Service                       | 348,054,806 kW          | h                | \$ 27,178,411        |                   | \$ 29,751,034       | 9.5%          |

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#### BLACK HILLS POWER, INC. SOUTH DAKOTA BILL FREQUENCY REVENUE UNDER PRESENT & PROPOSED RATES For the Test Year Ended June 30, 2012

| Line     | LARGE GENERAL SERVICE                    | GENERAL SERVICE BILLING PRESENT PRESENT |       | PRESENT | P  | ROPOSED      |    | PROPOSED | %  |              |          |
|----------|------------------------------------------|-----------------------------------------|-------|---------|----|--------------|----|----------|----|--------------|----------|
| No.      | & INDUSTRIAL (Continued)                 | DETERMINANTS                            |       | RATES   |    | REVENUE      |    | RATES    |    | REVENUE      | INCREASE |
| 1        | 69kV Service Industrial Contract (SD761  | .}                                      |       |         |    |              |    |          |    |              |          |
| 2        | Energy Charge                            | 100,071,523 kWh                         | \$    | 0.01550 | \$ | 1,551,108.61 | \$ | 0.01758  | \$ | 1,759,257.00 |          |
| 3        | Base Energy Charge                       |                                         | \$    | 0.02270 | \$ | 2,271,624    | \$ | 0.02270  | \$ | 2,271,624    |          |
| 4        | Demand Charge                            | 184,420 kVA                             | \$    | 6.57    | \$ | 1,211,642.03 | \$ | 7.89     | \$ | 1,455,077.00 |          |
| 5        | Total:                                   | 100,071,523 kWh                         |       |         | \$ | 5,034,374.21 |    |          | \$ | 5,485,958.00 | 9.0%     |
| 6        |                                          |                                         |       |         |    |              |    |          |    |              |          |
| 7        | Forest Products Service - Primary Servic | e FPS Industrial Contract (S            | D76   | 4)      |    |              |    |          |    |              |          |
| 8        | Energy Charge                            |                                         |       |         |    |              |    |          |    |              |          |
| 9        | 800,000 kWh                              | : 19,200,000 kWh                        | \$    | 0.02890 | \$ | 554,880.00   | \$ | 0.03304  | \$ | 634,368.00   |          |
| 10       | 1,200,000 kWh                            | : 28,734,548 kWh                        | \$    | 0.02550 | \$ | 732,730.97   | \$ | 0.02914  | \$ | 837,325.00   |          |
| 11       | Additional kWh                           | : 17,454,123 kWh                        | \$    | 0.02190 | \$ | 382,245.29   | \$ | 0.02503  | \$ | 436,877.00   |          |
| 12       |                                          | 65,388,671 kWh                          |       |         | \$ | 1,669,856.27 |    |          | \$ | 1,908,570.00 |          |
| 13       | Base Energy Charge                       |                                         | \$    | 0.02270 | \$ | 1,484,323    | \$ | 0.02270  | \$ | 1,484,323    |          |
| 14       | Demand Charge                            |                                         |       |         |    |              |    |          |    |              |          |
| 15       | 2,000 kVA                                | : 48,000.0 kVA                          | \$    | 7.42    | \$ | 356,160.00   | \$ | 8.88     | \$ | 426,240.00   |          |
| 16       | 3,000 kVA                                | 72,000.0 kVA                            | \$    | 6.95    | \$ | 500,400.00   | \$ | 8.32     | \$ | 599,040.00   |          |
| 17       | Additional kVA                           | : 31,261.5 kVA                          | \$    | 6.22    | \$ | 194,446.53   | \$ | 7.44     | \$ | 232,586.00   |          |
| 18       |                                          | 151,261.5 kVA                           |       |         | \$ | 1,051,006.53 |    |          | \$ | 1,257,866.00 |          |
| 19       |                                          |                                         |       |         |    |              |    |          |    |              |          |
| 20       | Total                                    | : 65,388,671 kWh                        |       |         | _  | 4,205,186    |    |          |    | 4,650,759    | 10.6%    |
| 21       |                                          |                                         |       |         |    |              |    |          |    |              |          |
| 22       | Forest Products Service - Secondary Se   | rvice FPS Industrial Contrac            | t (SI | 0765)   |    |              |    |          |    |              |          |
| 23       | Energy Charge                            |                                         |       |         |    |              |    |          |    |              |          |
| 24       | 800,000 kWh                              | : 9,600,000 kWh                         | \$    | 0.03040 | \$ | 291,840.00   | \$ | 0.03463  | \$ | 332,448.00   |          |
| 25       | 1,200,000 kWh                            | : 1,555,360 kWh                         | \$    | 0.02710 | \$ | 42,150.25    | \$ | 0.03080  | \$ | 47,905.00    |          |
| 26       | Additional kWh                           | : 0 kWh                                 | \$    | 0.02320 | \$ | -            | \$ | 0.02642  | \$ | -            |          |
| 27       |                                          | 11,155,360 kWh                          |       |         | \$ | 333,990.25   |    |          | \$ | 380,353.00   |          |
| 28       | Base Energy Charge                       |                                         | \$    | 0.02270 | \$ | 253,227      | \$ | 0.02270  | \$ | 253,227      |          |
| 29       | Demand Charge                            |                                         |       |         |    |              |    |          |    |              |          |
| 30       | 2,000 kVA                                | : 24,000.0 kVA                          | \$    | 7.83    | \$ | 187,920.00   | \$ | 9.38     | \$ | 225,120.00   |          |
| 31       | 3,000 kVA                                |                                         | \$    | 7.24    | -  |              | \$ | 8.67     | \$ | 69,141.00    |          |
| 32       | Additional kVA                           | •                                       | \$    |         |    | -            | \$ | 7.80     | \$ | -            |          |
| 33       | ·                                        | 31,974.7 kVA                            | ŕ     |         | ŝ  |              |    |          | Ś  | 294,261.00   |          |
| 34       |                                          | <i>22,27,17</i> ((*))                   |       |         | *  |              |    |          | -  |              |          |
| 34       | Tota                                     | : 11,155,360 kWh                        |       |         |    | 832,874      |    |          |    | 927,841      | 11.49    |
|          | 1012                                     | . 11,100,000 KWM                        |       |         |    | 232,014      |    |          |    |              |          |
| - 36     |                                          |                                         |       |         |    |              |    |          |    |              |          |
| 36<br>37 | Total Industrial Contract Service        | 176.615.554 kWh                         |       |         | Ś  | 10,072,434   |    |          | Ś  | 11.064.558   | 9.8%     |

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Schedule I-1 Page 11 of 12

# BLACK HILLS POWER, INC. SOUTH DAKOTA BILL FREQUENCY REVENUE UNDER PRESENT & PROPOSED RATES For the Test Year Ended June 30, 2012

| Line<br>No. | LARGE GENERAL SERVICE<br>& INDUSTRIAL (Continued) | BILLING<br>DETERMINANTS | -     | RESENT<br>RATES |    | PRESENT<br>REVENUE |     | OPOSED<br>RATES |     | ROPOSED<br>REVENUE | %<br>INCREASE |
|-------------|---------------------------------------------------|-------------------------|-------|-----------------|----|--------------------|-----|-----------------|-----|--------------------|---------------|
| 1           | Tariff P                                          | urposes Only            | - Not | used            | t  | o Dete             | rmi | ne Re           | :Ve | enue               |               |
| 2           | 69kV Service IC                                   |                         |       |                 |    |                    |     |                 |     |                    |               |
| 3           | Energy Charge                                     | 100,071,523 kWh         | \$    | 0.01710         | \$ | 1,711,223          | \$  | 0.01939         | \$  | 1,940,387          |               |
| 4           | Base Energy Charge                                |                         | \$    | 0.02270         | \$ | 2,271,624          | \$  | 0.02270         | \$  | 2,271,624          |               |
| 5           | Demand Charge                                     | 184,420.4 kVA           | \$    | 6.87            | \$ | 1,266,968          | \$  | 8.25            | \$  | 1,521,468          |               |
| 6           | Environmental Adj                                 |                         |       |                 | \$ | 160,114            |     |                 | \$  | -                  |               |
| 7           | Energy Efficiency Adj                             |                         |       |                 | \$ | 80,057             |     |                 | \$  | 80,057             |               |
| 8           | Total:                                            | 100,071,523 kWh         |       |                 | Ś  | 5,489,986          |     |                 | Ś   | 5,813,536          | 5.9%          |
| 9           |                                                   | ,,                      |       |                 | *  | _,,                |     |                 | +   | -,                 | 01070         |
| 10          | Forest Products Service - Primary Ser             | vice FPS                |       |                 |    |                    |     |                 |     |                    |               |
| 11          | Energy Charge                                     |                         |       |                 |    |                    |     |                 |     |                    |               |
| 12          | 800,000 kWh:                                      | 19,200,000 kWh          | \$    | 0.03130         | Ś  | 600,960            | \$  | 0.03578         | Ś   | 686,976            |               |
| 13          | 1,200,000 kWh:                                    | 28,734,548 kWh          | Ś     | 0.02780         | \$ | 798,820            | \$  | 0.03178         | \$  | 913,184            |               |
| 14          | Additional kWh:                                   | 17,454,123 kWh          | \$    | 0.02390         | \$ | 417,154            | \$  | 0.02732         | \$  | 476,847            |               |
| 15          | -                                                 | 65,388,671 kWh          |       |                 | \$ | 1,816,934          |     |                 | \$  | 2,077,007          |               |
| 16          | Base Energy Charge                                |                         | \$    | 0.02270         | \$ | 1,484,323          | \$  | 0.02270         | \$  | 1,484,323          |               |
| 17          | Environmental Adj                                 |                         |       |                 | \$ | 104,622            |     |                 |     |                    |               |
| 18          | Energy Efficiency Adj                             |                         |       |                 | \$ | 52,311             |     |                 | \$  | 52,311             |               |
| 19          | Demand Charge                                     |                         |       |                 |    |                    |     |                 |     |                    |               |
| 20          | 2,000 kVA:                                        | 48,000.0 kVA            | \$    | 7.75            | \$ | 372,000            | \$  | 9.28            | \$  | 445,284            |               |
| 21          | 3,000 kVA:                                        | 72,000.0 kVA            | \$    | 7.26            | \$ | 522,720            | \$  | 8.69            | \$  | 625,696            |               |
| 22          | Additional kVA:                                   | 31,261.5 kVA            | \$    | 6.50            | \$ | 203,200            | \$  | 7.78            | \$  | 243,230            |               |
| 23          |                                                   | 151,261.5 kVA           |       |                 | \$ | 1,097,920          |     |                 | \$  | 1,314,210          |               |
| 24          | =                                                 |                         |       |                 | _  |                    |     |                 |     |                    | -             |
| 25          | Total:                                            | 65,388,671 kWh          |       |                 | \$ | 4,556,109          |     |                 | \$  | 4,927,851          | 8.2%          |

#### Exhibit CJK - 105 Page 176 of 358

# BLACK HILLS POWER, INC. SOUTH DAKOTA BILL FREQUENCY REVENUE UNDER PRESENT & PROPOSED RATES For the Test Year Ended June 30, 2012

| Line<br>No. | LARGE GENERAL SERVICE<br>& INDUSTRIAL (Continued) | BILLING<br>DETERMINANTS |          |       | RESENT<br>RATES |    | PRESENT<br>REVENUE | PI  | ROPOSED<br>RATES | -  | ROPOSED<br>REVENUE | %<br>INCREASE |
|-------------|---------------------------------------------------|-------------------------|----------|-------|-----------------|----|--------------------|-----|------------------|----|--------------------|---------------|
| 1           | Tariff P                                          | urposes C               | nlv      | - Not | used            | t  | o Dete             | rmi | ine Re           | ve | nue                |               |
| 2           | Forest Products Service - Secondary               | -                       | ,        |       |                 |    |                    |     |                  |    |                    |               |
| 3           | Energy Charge                                     | 02,7,66,7,0             |          |       |                 |    |                    |     |                  |    |                    |               |
| 4           | 800,000 kWh:                                      | 9,600,000               | kWh      | \$    | 0.03290         | Ś  | 315,840            | \$  | 0.03747          | Ś  | 359,712            |               |
| 5           | 1,200,000 kWh:                                    | 1,555,360               |          | \$    | 0.02930         | \$ | 45,572             | \$  | 0.03337          | т  | 51,902             |               |
| 6           | Additional kWh:                                   |                         | kWh      | \$    | 0.02530         | \$ | -                  | \$  | 0.02882          | \$ | -                  |               |
| 7           |                                                   | 11,155,360              | kWh      |       |                 | \$ | 361,412            |     |                  | \$ | 411,614            | •             |
| 8           | Base Energy Charge                                |                         |          | \$    | 0.02270         | \$ | 253,227            | \$  | 0.02270          | \$ | 253,227            |               |
| 9           | Environmental Adj                                 |                         |          |       |                 | \$ | 17,849             |     |                  |    |                    |               |
| 10          | Energy Efficiency Adj                             |                         |          |       |                 | \$ | 8,924              |     |                  | \$ | 8,924              |               |
| 11          | Demand Charge                                     |                         |          |       |                 |    |                    |     |                  |    |                    |               |
| 12          | 2,000 kVA:                                        | 24,000.0                | kVA      | \$    | 8.20            | \$ | 196,800            | \$  | 9.82             |    | 235,680            |               |
| 13          | 3,000 kVA:                                        | 7,974.7                 |          | \$    | 7.58            | -  | 60,448             | \$  | 9.08             |    | 72,410             |               |
| 14          | Additional kVA:                                   |                         | kVA      | \$    | 6.81            | \$ |                    | \$  | . 8.16           | \$ |                    | -             |
| 15          |                                                   | 31,974.7                | ' kVA    |       |                 | \$ | 257,248            |     |                  | \$ | 308,090            |               |
| 16          |                                                   |                         | =        |       |                 | _  |                    |     |                  |    |                    | s             |
| 17          | Total:                                            | 11,155,360              | l kWh    |       |                 | Ş  | 898,660            |     |                  | Ş  | 981,855            | 9.3%          |
| 18          |                                                   |                         |          |       |                 |    |                    |     |                  |    |                    |               |
| 19          | Large Power Contract - LPC                        |                         |          |       |                 |    |                    |     |                  |    |                    |               |
| 20          | Service Charge                                    | 12                      |          | \$    | 7,500.00        | \$ | 90,000             | \$  | 8,770            | \$ | 105,240            |               |
| 21          | Energy Charge                                     |                         |          |       |                 |    |                    |     |                  |    |                    |               |
| 22          | First 3,000,000                                   | 27,973,055              | kWh      | \$    | 0.02490         | \$ | 696,529            | \$  | 0.02848          | \$ | 796,673            |               |
| 23          | Additional                                        | -                       | kWh      | Ś     | 0.02230         | Ś  | _                  | \$  | 0.02550          | Ś  | -                  |               |
| 24          | Sub-Total:                                        | 27,973,055              | -<br>kWh | •     |                 | \$ | 696,529            | ,   |                  | \$ | 796,673            | -             |
| 25          | Base Energy Charge                                | 27,373,000              |          | Ś     | 0.02270         |    | 634,988            | \$  | 0.02270          | •  | 634,988            |               |
|             |                                                   | 72.000                  | LAAZ     |       | 7.04            |    | -                  | \$  | 8.41             |    | 605,722            |               |
| 26          | Demand Charge                                     | 72,000                  | KVV      | \$    | 7.04            | Ş  | 506,880            | Ş   | 0.41             | Ş  | 005,722            |               |
| 27          |                                                   |                         | =        |       |                 |    |                    |     |                  |    |                    | =             |
| 28          | Total:                                            | 27,973,055              | kWh      |       |                 | \$ | 1,928,397          |     |                  | \$ | 2,142,623          | 11.1%         |

### Section J

**20:10:13:86.** Statement J -- Depreciation Expense. Statement J shall show for the test period depreciation expense by functional classification. These expenses shall be shown in separate columns as follows:

- (1) Expenses for the test period per books;
- (2) Claimed adjustments, if any, to actual expense;
- (3) Total adjusted expense claimed.

The bases, methods, essential computations and derivation of unit rates for the calculation of depreciation expense for the test period and for the depreciation adjustments shall be fully and clearly explained. The amounts of depreciable plant shall be shown by the functions specified in paragraph C of account 108, accumulated provisions for depreciation of plant in service of the FERC's uniform systems of accounts for public utilities and licensees or for gas companies and, if available, for each detailed plant account in the 300 series, together with the rates used in computing such expenses. Any deviation from the rates used in disposing of the utility's last previous rate filing or determination by this commission shall be explained, showing the rate or rates previously used together with supporting data for the new rate or rates used for this filing. Material required by § 20:10:13:87 shall be submitted as a part of statement J.

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 <u>49-34A-4.</u>

Law Implemented:SDCL <u>49-34A-7</u>, <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

# Section J

20:10:13:87. Schedule J-1 -- Expense Charged Other Than Prescribed Depreciation. Schedule J-1 shall be included in support of statement J as a reconciliation of the aggregate investment in electric or gas plant shown in statement D, and the expense thereon charged in the first instance to other than prescribed depreciation expense accounts.

Source: 2 SDR 90, effective July 7, 1976; 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.

# BLACK HILLS POWER, INC. DEPRECIATION AND AMORTIZATION EXPENSE For the Test Year Ended June 30, 2012

|             |                                           |                            | (a)<br>Stmt. D pg.2          | (b)<br>Sched. D-3                  | (c)<br>(a) - (b)           | (d)<br>Functional             | (e)<br>(c) * (d)                    | (f)<br>Sched. E-1<br>Depreciation/   | (g)<br>(e) - (f)           |
|-------------|-------------------------------------------|----------------------------|------------------------------|------------------------------------|----------------------------|-------------------------------|-------------------------------------|--------------------------------------|----------------------------|
| Line<br>No. | Description                               | Reference                  | Adjusted Plant in<br>Service | Less: Non-<br>Depreciable<br>Items | Depreciation Plant         | Class<br>Depreciation<br>Rate | Adjusted<br>Depreciation<br>Expense | Amortization<br>Expense Per<br>Books | Depreciation<br>Adjustment |
| 1           | Steam Production- by Plant                |                            |                              |                                    |                            |                               |                                     |                                      |                            |
| 2           | Ben French                                |                            | \$ 14,395,293                | \$ 59,695                          | \$ 14,335,598              | 3.62%                         | \$ 518,949                          | \$ 488,645                           | \$ 30,303                  |
| 3           | Kirk Station (Note 1)                     |                            |                              | -                                  | · · · · -                  | 0.00%                         | · -                                 | (79,851)                             | 79,851                     |
| 4           | Neil Simpson I                            |                            | 22,341,461                   | 1,000                              | 22,340,461                 | 3.49%                         | 779,682                             | 779,293                              | 389                        |
| 5           | Neil Simpson II                           |                            | 144,403,801                  | 950                                | 144,402,851                | 2.49%                         | 3,595,631                           | 3,450,539                            | 145,092                    |
| 6           | Osage                                     |                            | 18,152,708                   | 162,873                            | 17,989,834                 | 2.59%                         | 465,937                             | 465,887                              | 50                         |
| 7           | Wygen III                                 |                            | 131,712,777                  | -                                  | 131,712,777                | 2.35%                         | 3,095,250                           | 3,051,394                            | 43,856                     |
| 8           | Wyodak                                    |                            | 114,479,429                  | 109,191                            | 114,370,238                | 3.04%                         | 3,476,855                           | 3,420,939                            | 55,916                     |
| 9           | Subtotal Steam Production                 | Sum (Ln.2:Ln.8)            | 445,485,467                  | 333,709                            | 445,151,758                |                               | 11,932,304                          | 11,576,846                           | 355,457                    |
| 10          | Other Production                          |                            | 80,977,497                   | 2,705                              | 80,974,792                 | 2.19%                         | 1,773,348                           | 1,748,561                            | 24,787                     |
| 11          | Total Production Plant                    | Ln. 9 + Ln. 10             | 526,462,964                  | 336,414                            | 526,126,550                |                               | 13,705,652                          | 13,325,407                           | 380,244                    |
| 12          |                                           |                            |                              |                                    |                            |                               |                                     |                                      |                            |
| 13          | Transmission                              |                            | 117,656,784                  | 4,036,391                          | 113,620,3 <del>9</del> 3   | 2.12%                         | 2,408,752                           | 2,408,774                            | (22)                       |
| 14          |                                           |                            |                              |                                    |                            |                               |                                     |                                      |                            |
| 15          | Distribution                              |                            | 300,838,579                  | 1,636,579                          | <b>299,202,000</b>         | 2.72%                         | 8,138,294                           | 7,872,598                            | 265,696                    |
| 16          |                                           |                            |                              |                                    |                            |                               |                                     |                                      |                            |
| 17          | General                                   |                            | 51,863,718                   | 791,347                            | 51,072,371                 | 4.61%                         | 2,354,436                           | 2,005,78 <del>6</del>                | 348,650                    |
| 18          |                                           |                            |                              |                                    |                            |                               |                                     |                                      |                            |
| 19          | Other Utility Plant                       |                            | 25,941,976                   | -                                  | 25,941,976                 | 8.01%                         | 2,077,122                           | 1,957,373                            | 11 <del>9,74</del> 9       |
| 20          |                                           |                            |                              |                                    |                            |                               |                                     |                                      |                            |
| 21          | Subtotal Plant in Service                 | Sum (Ln.11:Ln.19)          | 1,022,764,022                | 6,800,731                          | 1,015,963,291              |                               | 28,684,257                          | 27,569,938                           | 1,114,318                  |
| 22          |                                           |                            |                              |                                    |                            |                               |                                     |                                      |                            |
| 23          | Plant Acquisition Adjustment              |                            | 4,870,308                    | -                                  | 4,870,308                  | 2.00%                         | 97,406                              | 97,406                               | -                          |
| 24          |                                           |                            |                              |                                    |                            |                               |                                     |                                      |                            |
| 25          | Total Plant in Service                    | Ln.21 + Ln.23              | \$ 1,027,634,330             | \$ 6,800,731                       | \$ 1,020,833,599           |                               | \$ 28,781,663                       | \$ 27,667,345                        | \$ 1,114,318               |
| 26          |                                           |                            |                              |                                    |                            |                               |                                     |                                      |                            |
| 27          |                                           |                            |                              |                                    |                            |                               |                                     |                                      |                            |
| 28          | Note 1: The amortization of Kirk Station  | reserve was to be deprecia | ited over a three year pe    | riod by approximat                 | tely \$75,000, based on th | he 2009 rate case 9           | Settlement                          |                                      |                            |
| 29          | Stipulation. For this reason, the per boo | k amount of \$79,851 was a | djusted to zero as this ar   | nount will not cont                | tinue.                     |                               |                                     |                                      |                            |

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# BLACK HILLS POWER, INC. EXPENSE CHARGED OTHER THAN PRESCRIBED DEPRECIATION For the Test Year Ended June 30, 2012

| Líne<br>No. | Policy Description                                                                     |
|-------------|----------------------------------------------------------------------------------------|
| <u> </u>    |                                                                                        |
| 1           | Black Hills Power did not have any expenses charged other than prescribed depreciation |
| 2           | for the test year.                                                                     |

20:10:13:88. Statement K -- Income Taxes. Statement K shall show for the test period income taxes computed on the basis of the rate of return claimed applied to the overall utility rate base and separated between federal and state taxes. If the rate base claimed includes adjustments other than book figures for the test period 13-month average, the income taxes shall be computed separately for claimed rate base and for the 13-month average rate base per books for the test period. All tax adjustments shall be completely described and the amounts shown separately. Amounts of deferred taxes debited and credited shall be shown separately. The amounts and basis of assignment of income taxes attributed to other utility departments and nonutility operations shall be shown, together with all tax savings affecting the total tax liability. If the filing public utility joins in a consolidated tax return, the total estimated tax savings, expressed as a percentage, resulting from the filing of a consolidated return shall be given, as well as a full explanation of the method of computing the tax savings. Any abnormalities such as nonrecurring income, gains, losses, and deductions affecting the income tax for the test period shall be explained and the tax effect set forth. Items required by §§ 20:10:13:89 to 20:10:13:93, inclusive, shall be submitted as a part of statement K.

Source: 2 SDR 90, effective July 7, 1976; 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.

**Statement K page 1 & 2:** This Statement is used to adjust federal income tax to a normalized amount based on the adjusted debt to equity structure and based on adjusted operating income projections.

**Statement K page 3:** This Schedule shows the calculation of implied debt expense using the adjusted rate base, multiplied by the adjusted cost of debt. Based on this calculation, there would be less interest expense and therefore more taxable income. The decrease of interest expense is reported on Statement K pg. 1 line 4.

20:10:13:89. Schedule K-1 -- Working Papers for Federal Income Taxes. In support of federal income taxes, the utility shall submit a complete reconciliation of the book net income with taxable net income as reported to the federal Internal Revenue Service for the most recent year for which a tax return was filed and for the three previous years. A complete explanation of all items in the reconciliation shall be submitted. If the tax allowances claimed give effect to omission of items appearing or inclusion of items not appearing in the reconciliations for the most recent tax return, the reasons for such omissions or inclusions shall be submitted. All items in the reconciliation shall be referenced specifically to the elements of the cost of service to which they refer.

**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.

**20:10:13:90.** Schedule K-2 -- Differences in Book and Tax Depreciation. If tax depreciation differs from book depreciation, the utility shall file schedule K-2 showing the computation of the tax depreciation which will indicate the differences between book and tax depreciation on a straightline basis, and differences arising from class life (ADR) depreciation, and the excess of liberalized depreciation and amortization of emergency facilities over straightline depreciation for tax purposes for the taxable year or years.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

**20:10:13:91.** Schedule K-3 -- Working Papers for Consolidated Federal Income Tax. If the utility joins in the filing of a consolidated federal income tax return, schedule K-3 shall be submitted showing the net taxable income or loss for each company in the consolidation, including an adjustment to effect the exclusion of excess of liberalized depreciation and amortization of emergency facilities over straightline depreciation for each company involved. There shall also be submitted with the statement of taxable net income or tax loss of each individual company participating in the consolidated returns, the details of consolidating adjustments and a computation of the system tax liability based on the consolidated net income for the last tax year ending within or immediately prior to the test period for which a tax return was filed. In addition, there shall be included a computation showing the percentage of tax savings arising from consolidation for the taxable year or years covered by the test period. Only one copy of schedule K-3 need be supplied by the utility.

**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.

20:10:13:92. Schedule K-4 -- Working Papers for an Allowance for Current Tax Greater Than Tax Calculated at Consolidated Rate. If the utility claims an allowance for current tax in its cost of service which would be greater than the federal income tax calculated at the consolidated tax rate or taxes as a percentage of total taxable income of individual companies with positive taxable income, full disclosure thereof shall be made, including the allocation among utility and nonutility departments of the tax payable and the assignment of deductions or tax benefits relied upon, or both.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

20:10:13:93. Schedule K-5 -- Working Papers for Claimed Allowances for State Income Taxes. In support of the claimed allowances for income taxes paid state governments, the utility shall submit schedule K-5 showing the income tax paid each state in the current or previous year covered by the test period, including the effect of liberalized depreciation on the taxes paid.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

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### BLACK HILLS POWER, INC. COMPUTATION OF FEDERAL INCOME TAX For the Test Year Ended June 30, 2012

#### Statement K Page 1 of 3

| Line<br>No.    | Description                             | Reference          | (ə)<br>Per<br>Books | (b)<br>Pro Forma<br>Tax Rtn True Up | (c)<br>(a) + (b)<br>Per Books as<br>Adjusted Total |          | (d) (e}<br>(c) + (e)<br>Pro Forma Adjusted<br>djustments Total |                        | (f)<br>Additional<br>Revenue<br>Required | (g)<br>(e) + (f)<br>Claimed<br>Rate of<br>Return |
|----------------|-----------------------------------------|--------------------|---------------------|-------------------------------------|----------------------------------------------------|----------|----------------------------------------------------------------|------------------------|------------------------------------------|--------------------------------------------------|
|                | Description                             | Kelefence          | BOOKS               | Tax Rui True op                     | Aujusteu Total                                     | <u> </u> | usuilents                                                      | 10181                  | Kequires                                 | Neturn                                           |
| 1              | Operating Income Before                 |                    |                     |                                     |                                                    |          |                                                                |                        |                                          |                                                  |
| 2              | Federal Income Taxes                    | Stmt. M Ln. 14(a)  | \$ 59,392,614       | \$-                                 | \$ 59,392,614                                      | \$       | (7,336,442)                                                    | \$ 52,056,172          | \$ 10,570,073                            | \$ 62,626,245                                    |
| 3              | AFUDC                                   |                    | (490,930)           | -                                   | (490,930)                                          |          | -                                                              | (490,930)              | -                                        | (490,930)                                        |
| 4              | Less Interest Expense                   |                    | 17,904,870          | _162,837                            | 18,067,707                                         | (1)      | (690,412)                                                      | 17,377,295             |                                          | 17,377,295                                       |
| 5              | Subtotal                                | Ln.2 - Ln.3 - Ln.4 | 41,978,674          | (162,837)                           | 41,815,837                                         |          | (6,646,030)                                                    | 35,169,807             | 10,570,073                               | 45,739,880                                       |
| 6              |                                         |                    |                     |                                     |                                                    |          |                                                                |                        |                                          |                                                  |
| 7              | Tax Adjustments - Permanent Differences |                    |                     |                                     |                                                    |          |                                                                |                        |                                          |                                                  |
| 8              | Fines & Penalties                       |                    | 183,165             | -                                   | 183,165                                            |          | -                                                              | 183,165                | -                                        | 183,165                                          |
| 9              | Meals & Entertainment                   |                    | 129,660             | (4)                                 | 129,656                                            |          | -                                                              | 129,656                | -                                        | 129,656                                          |
| 10             | Lobbying                                |                    | 71,714              | -                                   | 71,714                                             |          | -                                                              | 71,714                 | -                                        | 71,714                                           |
| 11             | Ciub Dues                               |                    | 2,721               | 248                                 | 2,969                                              |          | -                                                              | 2,969                  | -                                        | 2,969                                            |
| 12             | Equity AFUDC (net of depr)              |                    | (509,058)           | 109,567                             | (399,491)                                          |          | -                                                              | (399,491)              | -                                        | (399,491)                                        |
| 13             | PEP Life - Cash Surrender Value         |                    | 80 <i>,</i> 869     | (661,528)                           | (580,659)                                          |          | -                                                              | (580,659)              | -                                        | (580,659)                                        |
| 14             | Officer Life Insurance                  |                    | -                   | 606,603                             | 606,603                                            |          | -                                                              | 606,603                | -                                        | 606,603                                          |
| 15             | Retiree HC Subsidy                      |                    |                     | (67,263)                            | (67,263)                                           |          | -                                                              | (67,263)               | -                                        | (67,263)                                         |
| 16             | Total Permanent Differences             | Sum (Ln.8:Ln.15)   | (40,929)            | (12,377)                            | (53,306)                                           |          | -                                                              | (53,306)               | -                                        | (53,306)                                         |
| 17             |                                         |                    |                     |                                     |                                                    |          |                                                                |                        |                                          |                                                  |
| 18             | Tax Adjustments - Temporary Differences |                    |                     |                                     |                                                    |          |                                                                |                        |                                          |                                                  |
| 19             | Prepaids                                |                    | -                   | (85,100)                            | (85,100)                                           |          | -                                                              | (85,100)               | -                                        | (85,100)                                         |
| 20             | Employee Group Insurance                |                    | (3,665)             | -                                   | (3,665)                                            |          | -                                                              | (3,665)                | -                                        | (3,665)                                          |
| 21             | Pension                                 |                    | 2,496,436           | (6,835,000)                         | (4,338,564)                                        |          | -                                                              | (4,338,564)            | -                                        | (4,338,564)                                      |
| 22             | PEP Plan                                |                    | 33,986              | (63,456)                            | (29,470)                                           |          | ~                                                              | (29,470)               | -                                        | (29,470)                                         |
| 23             | Performance Plan Bonus                  |                    | -                   | 819                                 | 819                                                |          | -                                                              | 819                    | -                                        | 819                                              |
| 24             | Retiree Healthcare                      |                    | 237,031             | -                                   | 237,031                                            |          | -                                                              | 237,031                | -                                        | 237,031                                          |
| 25             | Pension Supplement (SERP)               |                    | (53,345)            | -                                   | (53,345)                                           |          | -                                                              | (53,345)               | -                                        | (53,345)                                         |
| 26             | Deferred Energy                         |                    | (4,559,695)         | -                                   | (4,559,695)                                        |          | -                                                              | (4,559,695)            | -                                        | (4,559,695)                                      |
| 27             | Deferred Costs                          |                    | 85,860              | 151,519                             | 237,379                                            |          | -                                                              | 237,379                | -                                        | 237,379                                          |
| 28             | Vacation                                |                    | 161,872             | 42,597                              | 204,469                                            |          | -                                                              | 204,469                | -                                        | 204,469                                          |
| 2 <del>9</del> | OCI Derivative - Interest Rate SW       |                    | 64,332              | -                                   | 64,332                                             |          | -                                                              | 64,332                 | -                                        | 64,332                                           |
| 30             | Results Compensation                    |                    | (575,392)           | 42,404                              | (532,988)                                          |          | -                                                              | (532, <del>9</del> 88) | -                                        | (532,988)                                        |
| 31             | Insurance Reserve                       |                    | 6,374               | (249)                               | 6,125                                              |          | -                                                              | 6,125                  | -                                        | 6,125                                            |
| 32             | Line Extension Deposits                 |                    | (1,915,571)         | (64,257)                            | (1,979,828)                                        |          | -                                                              | (1,979,828)            | -                                        | (1,979,828)                                      |
| 33             | Reacquired Bond Loss                    |                    | 393,636             | (1)                                 | 393,635                                            |          | -                                                              | 393,635                | -                                        | 393,635                                          |
| 34             | Power Plant Maintenance                 |                    | (154,490)           |                                     | (154,490)                                          |          | -                                                              | (154,490)              | -                                        | (154,490)                                        |

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## BLACK HILLS POWER, INC. COMPUTATION OF FEDERAL INCOME TAX For the Test Year Ended June 30, 2012

Statement K Page 2 of 3

|      |                                        |                      | (a)                    | (b)                 | (c)<br>(a) + (b) | (d)            | (e)<br>(c) + (e) | (f)<br>Additional    | (g)<br>(e) + (f)<br>Claimed |
|------|----------------------------------------|----------------------|------------------------|---------------------|------------------|----------------|------------------|----------------------|-----------------------------|
| Line |                                        |                      | Per                    | Pro Forma           | Per Books as     | Pro Forma      | Adjusted         | Revenue              | Rate of                     |
| No.  | Description                            | Reference            | Books                  | Tax Rtn True Up     | Adjusted Total   | Adjustments    | Total            | Required             | Return                      |
|      |                                        |                      |                        |                     |                  |                |                  |                      |                             |
| 35   | Rate Refund                            |                      | (331,560)              |                     | (331,560)        | -              | (331,560)        | -                    | (331,560)                   |
| 36   | Workman's Compensation                 |                      | (174,501)              | 1                   | (174,500)        | -              | (174,500)        | -                    | (174,500)                   |
| 37   | Gain/Loss on Disposition of Assets     |                      | -                      | 657,621             | 657,621          | -              | 657,621          | -                    | 657,621                     |
| 38   | Contributions in Aid of Construction   |                      | 1,880,627              |                     | 1,880,627        | -              | 1,880,627        | -                    | 1,880,627                   |
| 39   | Cost of Removal                        |                      | (2,854,833)            |                     | (2,854,833)      | · •            | (2,854,833)      | -                    | (2,854,833)                 |
| 40   | Depreciation                           |                      | (33,285,475)           | 874,509             | (32,410,966)     | -              | (32,410,966)     | -                    | (32,410,966)                |
| 41   | Facts & Circumstances - Elect          |                      | (5,286,102)            | 2,455,453           | (2,830,649)      | -              | (2,830,649)      | -                    | (2,830,649)                 |
| 42   | Property Amortization                  |                      | -                      | (6,462)             | (6,462)          | -              | (6,462)          | -                    | (6,462)                     |
| 43   | Simplified Service Cost                |                      | -                      | (17,162)            | (17,162)         | -              | (17,162)         | -                    | (17,162)                    |
| 44   | Unit of Property                       |                      | (2,487,989)            | (4,141,988)         | (6,629,977)      | -              | (6,629,977)      | -                    | (6,629,977)                 |
| 45   | Bad Debt Reserve                       |                      | -                      | 163,188             | 163,188          | ·              | 163,188          |                      | 163,188                     |
| 46   | Total Temporary Differences            | Sum (Ln.19:Ln.45)    | (46,322,464)           | (6,825,564)         | (53,148,028)     | -              | (53,148,028)     | ~                    | (53,148,028)                |
| 47   |                                        |                      |                        |                     |                  |                |                  |                      |                             |
| 48   | Taxable Income (NOL)                   | Ln.5 + Ln.16 + Ln.46 | (4,384,719)            | (7,000,778)         | (11,385,497)     | (6,646,030)    | (18,031,527)     | 10,570,073           | (7,461,454)                 |
| 49   |                                        |                      |                        |                     |                  |                |                  |                      |                             |
| 50   | Current Federal Income Tax @ 35%       | Ln.48 * 35%          | (1,534,652)            | (2,450,272)         | (3,984,924)      | (2,326,111)    | (6,311,035)      | 3,699,526            | (2,611,509)                 |
| 51   | FIN 48                                 |                      | (238,659)              | 191,814             | (46,845)         | -              | (46,845)         | -                    | (46,845)                    |
| 52   | Deferred Income Tax                    | Ln.46 * 35%          | 16,212,862             | 2,388,947           | 18,601,810       | •              | 18,601,810       | -                    | 18,601,810                  |
| 53   | Flow Thru Unit of Property Net of Depr |                      | (591,15 <del>9</del> ) | (591,778)           | (1,182,937)      | -              | (1,182,937)      | -                    | (1,182,937)                 |
| 54   | Tax Return True Up 2010                |                      | (997,050)              | 997,050             | -                | -              | -                | -                    | -                           |
| 55   | R & D credit                           |                      | 761,564                | (767,257)           | (5,693)          | -              | (5,693)          | -                    | (5,693)                     |
| 56   | Miscellaneous Tax Adjustment           |                      | (107,566)              | 107,566             | -                | -              | -                | -                    | -                           |
| 57   | Investment Tax Credit Amortization     |                      | (7,133)                | -                   | (7,133)          | -              | (7,133)          | -                    | (7,133)                     |
| 58   | Excess Deferred Tax Amortization       |                      | (148,188)              | -                   | (148,188)        |                | (148,188)        | <u> </u>             | (148,188)                   |
| 59   | Total Federal Income Tax - Operating   | Sum (Ln.50:Ln.58)    | \$ 13,350,019          | <u>\$ (123,929)</u> | \$ 13,226,090    | \$ (2,326,111) | \$ 10,899,979    | \$ 3,699 <u>,526</u> | \$ 14,599,505               |

.e. 15., 

**Tax Savings Due to Consolidation** 

There will be no tax savings as a result of filing a consolidated tax return for the test year ended June 30, 2012.

Adjustments

Adjustments to per book reflect true-up adjustment to 2011 tax return, the removal of the true up adjustment to the 2010 tax return, and an adjustment related to prior years' R&D credit net of FIN 48 liability.

Abnormalities for Test Period None.

Note 1: See Statement K, page 3 of 3.

### BLACK HILLS POWER, INC. INTEREST EXPENSE - ANNUALIZATION ADJUSTMENT For the Test Year Ended June 30, 2012

| Line<br>No. | Description                                  | Reference               | Amount   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
|-------------|----------------------------------------------|-------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| 1           | Total Rate Base - Adjusted Total Statement M | Stmt. M Ln. 29(e)       | \$       | 562,372,014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |
| 2           |                                              |                         |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
| 3           | Weighted Debt Cost - Stmt G pg1              | Stmt. G pg. 1 Ln. 2(d)  |          | 3.09%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |  |
| 4           |                                              |                         |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
| 5           | Adjusted Interest Expense                    | Ln. 1 * Ln. 3           | \$       | 17,377,295                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |  |
| 6           |                                              |                         |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
| 7           | Interest Expense - Stmt G pg2                | Stmt. G pg. 2 Ln. 21(k) |          | 18,067,707                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |  |
| 8           |                                              |                         |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
| 9           | Variance                                     | Ln. 5 - Ln. 7           |          | (690,412)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
| 10          |                                              |                         | <u> </u> | , <b>-</b> |  |  |
| 11          | Federal Income Tax - 35% (Addition to FIT)   | -Ln. 9 * 35%            | \$       | 241,644                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |  |

### BLACK HILLS POWER, INC. RECONCILIATION OF BOOK NET INCOME WITH TAXABLE INCOME For the Years 2008 Through 2011

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| Line     | <b>-</b>                                     |          |                         |    |                          |    |                      |          |                    |
|----------|----------------------------------------------|----------|-------------------------|----|--------------------------|----|----------------------|----------|--------------------|
| No.      | Description                                  |          | 2008                    |    | 2009                     |    | 2010                 |          | 2011               |
| 1        | Net Income Per Books                         | \$       | 22,759,260              | \$ | 23,138,853               | \$ | 31,267,982           | \$       | 27,097,056         |
| 2        |                                              |          |                         |    |                          |    |                      | •        | ,,                 |
| 3        | Income Taxes                                 |          | 9,550,527               |    | 8,314,209                |    | 10,735,334           |          | 11,994,880         |
| 4        | Fines & Penalties                            |          | 1,428                   |    | -                        |    | 32,831               |          | 328,434            |
| 5        | Meals & Entertainment                        |          | 80,383                  |    | 81,677                   |    | 98,233               |          | 93,796             |
| 6        | Club Dues                                    |          | -                       |    | -                        |    | 7,270                |          | 2,615              |
| 7        | Lobbying                                     |          | 25,303                  |    | 21,791                   |    | 497                  |          | 43,200             |
| 8        | Equity AFUDC                                 |          | (3,331,715)             |    | (5,483 <i>,</i> 957)     |    | (2,575,065)          |          | (421,749)          |
| 9        | PEP Life - Cash Surrender Value              |          | (246,285)               |    | (198,311)                |    | (215,334)            |          | (858,301)          |
| 10       | Officer Life Insurance                       |          | (1,180)                 |    | (196,798)                |    | (434)                |          | 606,603            |
| 11       | RAR 79-84                                    |          | (2,835)                 |    | -                        |    | -                    |          | -                  |
| 12       | Retiree Healthcare Subsidy                   |          | (102,899)               |    | (112,053)                |    | (88,556)             |          | (67,263)           |
| 13       | Employee Group Insurance                     |          | 30,776                  |    | (7,829)                  |    | (6,327)              |          | (3,665)            |
| 14       | Pension                                      |          | 135,366                 |    | 3,387,334                |    | (5,519,290)          |          | (5,054,522)        |
| 15       | PEP Plan                                     |          | 97,758                  |    | (191,048)                |    | 317,264              |          | (31,728)           |
| 16       | Insurance Reserve                            |          | -                       |    | -                        |    | (6,125)              |          | (249)              |
| 17       | Performance Plan Bonus                       |          | (20,205)                |    | (10,975)                 |    | 8,569                |          | 819                |
| 18       | Interest on IRS Settlement                   |          | 196,312                 |    | -                        |    | -                    |          | -                  |
| 19       | Retiree Healthcare                           |          | 421,875                 |    | 233,564                  |    | 582,449              |          | 170,433            |
| 20       | Pension Supplement (SERP)                    |          | (33,836)                |    | 17,816                   |    | 3,192                |          | (26,394)           |
| 21       | Vacation                                     |          | 35,240                  |    | 3,198                    |    | (306,932)            |          | 204,469            |
| 22       | Deferred Energy                              |          | (3,655,202)             |    | (3,136,024)              |    | 4,227,162            |          | (3,364,464)        |
| 23       | Power Plant Maintenance                      |          | -                       |    | -                        |    | 568,755              |          | (533 <i>,</i> 660) |
| 24       | Deferred Costs                               |          | 35,554                  |    | (296,059)                |    | (224,432)            |          | 235,580            |
| 25       | Derivatives - Interest Swap                  |          | 64,331                  |    | 64,331                   |    | 64,331               |          | 64,331             |
| 26       | Air Allowances                               |          | -                       |    | (366,346)                |    | -                    |          | -                  |
| 27       | Results Compensation/Bonus                   |          | 284,895                 |    | (533,456)                |    | 1,558,829            |          | 187,301            |
| 28       | Unit of Property                             |          | (3,482,329)             |    | (2,689,718)              |    | (4,884,413)          |          | (6,831,706)        |
| 29       | Capitalized Interest                         |          | 1,778,130               |    | 3,854,313                |    | 1,372,307            |          | -                  |
| 30       | Line Extension Deposits                      |          | (427,393)               |    | (691,339)                |    | (966,068)            |          | (2,038,336)        |
| 31       | Officer Restricted Stock                     |          | -                       |    | -                        |    | -                    |          | -                  |
| 32       | Reacquired Bond Loss                         |          | 160,478                 |    | 160,477                  |    | (809,641)            |          | 250,982            |
| 33       | Rate Refund                                  |          |                         |    | 1,221,513                |    | (383,799)            |          | 191,089            |
| 34       | Property Amortization                        |          | 12,414                  |    | -                        |    | (32,392)             |          | (6,462)            |
| 35       | Workman's Compensation                       |          | 1,441,495               |    | (240,540)                |    | (472,860)            |          | (141,544)          |
| 36       | Sec 481 (a) Facts and Circumstances          |          | (13,876,649)            |    | -                        |    | -                    |          |                    |
| 37       | Contributions in Aid of Construction         |          | 797,601                 |    | 380,928                  |    | 499,286              |          | 2,523,025          |
| 38       | Cost of Removal                              |          | (856,918)               |    | (573,890)                |    | (1,938,139)          |          | (2,186,968)        |
| 39       | Depreciation & Amortization                  |          | (9,096,332)             |    | (19,473,849)             |    | (84,804,932)         |          | (52,374,871)       |
| 40       | Sec 162, Sec 174 & Warranty Expense          |          | (17,044,059)            |    | (9,453,704)              |    | (1,949,440)          |          | -                  |
| 41       | Simplified Service Cost                      |          | 209,826                 |    | (13,192)                 |    | 494                  |          | (17,162)           |
| 42       | Facts and Circumstances Method               |          | (5,916,025)             |    | (5,286,102)              |    | (5,082,749)          |          | (2,830,649)        |
| 43       | Prepaid Expenses                             |          | (93,639)                |    | (107,890)                |    | (14,412)             |          | (85,100)           |
| 44<br>45 | Repair Allowance                             |          | (1,579,972)             |    | (1,604,144)              |    | (1,360,605)          |          | -                  |
| 45<br>46 | Bad Debt Reserve<br>Book/Tax Gain Difference |          | (18,368)<br>172 120     |    | 251,908                  |    | 351,884<br>5 300 616 |          | 163,188            |
| 46<br>47 | booky rax Gain Difference                    | \$       | 173,130<br>(21,493,759) | \$ | 4,386,992<br>(5,148,320) | \$ | 5,299,616            | <u>.</u> | 657,621            |
| 47       |                                              | <u>ې</u> | (21,493,739)            | ڊ  | 15,140,520               | ڊ  | (54,645,660)         | \$       | (32,059,371)       |

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### BLACK HILLS POWER, INC. DIFFERENCES IN BOOK AND TAX DEPRECIATION For the Year Ended December 31, 2011

| Line<br>No. | Description                          | Reference       | Amount           |
|-------------|--------------------------------------|-----------------|------------------|
|             |                                      |                 |                  |
| 1           | Bonus Depreciation                   |                 | \$<br>53,743,630 |
| 2           | Current Year MACRS Declining Balance |                 | 568,996          |
| 3           | Current Year MACRS Straight Line     |                 | -                |
| 4           | ACRS and Other                       |                 | 43,811           |
| 5           | Prior Years MACRS                    |                 | <br>23,805,469   |
| 6           | Tax Depreciation                     | Sum (Ln.1:Ln.5) | <br>78,161,906   |
| 7           |                                      |                 |                  |
| 8           | Book Depreciation                    |                 | <br>25,787,035   |
| 9           | Excess Tax Over Book Depreciation    | Ln. 6 - Ln. 8   | \$<br>52,374,871 |
| 10          |                                      |                 |                  |

11 Note: Above amounts are per the last filed tax return covering the year ended December 31, 2011.

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### BLACK HILLS POWER, INC. TAX ALLOCATION For the Year Ended December 31, 2011

|      |                                               | (a)                    | (b) | (c)<br>(a) + (b)         | (d) .  | (e)<br>(c) * (d) | (f)<br>Credits- | (g)         | (i)<br>Sum ((e):(g)) |
|------|-----------------------------------------------|------------------------|-----|--------------------------|--------|------------------|-----------------|-------------|----------------------|
|      |                                               |                        |     | Adjusted                 |        | Income           |                 |             |                      |
| Line |                                               | Taxable                |     | Taxable                  | Тах    | Tax Before       | Hire            |             | Income               |
| No.  | Companies Included in Consolidated Tax Return | <br>Income             | NOL | Income                   | Rate   | Credits          | Credit          | R&D         | Tax                  |
| 1    | Black Hills Power, Inc.                       | \$<br>(32,059,371) \$  | -   | \$<br>(32,059,371)       | 35% \$ | (11,220,780) \$  | (4,000) \$      | (15,180) \$ | (11,239,960)         |
| 2    | Black Hills Corporation                       | (262,690,286)          | -   | (262,690,286)            | 35%    | (91,941,600)     | (2,000)         | (275,598)   | (92,219,198)         |
| 3    | Black Hills Exploration and Production, Inc.  | (9,023,099)            | -   | (9,023,099)              | 35%    | (3,158,085)      | -               | (132,898)   | (3,290,983)          |
| 4    | Cheyenne Light, Power and Fuel                | (7,226,899)            | -   | (7,226,8 <del>99</del> ) | 35%    | (2,529,415)      | -               | (35,256)    | (2,564,671)          |
| 5    | Wyodak Resources Development Corp.            | 9,468,478              | -   | 9,468,478                | 35%    | 3,313,967        | -               | (53,788)    | 3,260,179            |
| 6    | Enserco Energy, Inc.                          | 12,227,643             | -   | 12,227,643               | 35%    | 4,279,675        | -               |             | 4,279,675            |
| 7    | Black Hills Gas Resources, Inc.               | (803,329)              | -   | (803,329)                | 35%    | (281,165)        | -               |             | (281,165)            |
| 8    | Black Hills Utility Holdings, Inc.            | (213,643,865)          | +   | (213,643,865)            | 35%    | (74,775,353)     | (1,000)         | (178,898)   | (74,955,251)         |
| 9    | EIF Investors, Inc.                           | 461,385                | -   | 461,385                  | 35%    | 161,485          | -               | -           | 161,485              |
| 10   |                                               | <br>                   |     |                          |        |                  |                 |             |                      |
| 11   | Total                                         | \$<br>(503,289,343) \$ | -   | \$<br>(503,289,343)      | \$     | (176,151,270)    | (7,000) \$      | 691,618) \$ | (176,849,888)        |
|      |                                               | <br>                   |     |                          |        |                  |                 |             |                      |

Tax savings Due to Consolidation

There will be no tax savings as a result of filing a consolidated tax return for the year ended December 31, 2011.

16 17 Footnote

Taxable income per above for Black Hills Power, Inc., includes non-operating taxable income.

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### BLACK HILLS POWER, INC. CURRENT INCOME TAX For the Test Year Ended June 30, 2012

| Line<br>No. | Description                                                                                                                                  |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| 1<br>2      | As shown in Statement K, page 1, current federal income tax per books is calculated on a separate return basis at the statutory rate of 35%. |

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### BLACK HILLS POWER, INC. STATE INCOME TAXES For the Test Year Ended June 30, 2012

| Line<br>No. | State        | A  | Amount |  |  |  |  |
|-------------|--------------|----|--------|--|--|--|--|
| 1           | Montana      | \$ | 10,261 |  |  |  |  |
| . 2         |              |    |        |  |  |  |  |
| 3           | Wyoming      |    | N/A    |  |  |  |  |
| 4           |              |    |        |  |  |  |  |
| 5           | South Dakota |    | N/A    |  |  |  |  |
| 6           |              |    |        |  |  |  |  |
| 7           | Nebraska     |    | N/A    |  |  |  |  |

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### Section L

**20:10:13:94.** Statement L - Taxes Other Than Income. For the test period, other taxes shall be classified under the headings of federal, state, and local, with subclassifications showing kind of taxes. The statement shall show separately, by columns, the following:

(1) Tax expense per books for the test period;

(2) Claimed adjustments, if any, to amounts booked;

(3) Total adjusted taxes claimed.

Items required by § 20:10:13:96 shall be submitted as a part of statement L.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL <u>49-34A-4.</u>

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

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### Section L

**20:10:13:95.** Schedule L-1 -- Working Papers for Adjusted Taxes. Schedule L-1 shall show computations of adjusted taxes claimed in statement L.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

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### BLACK HILLS POWER, INC. TAXES OTHER THAN FEDERAL INCOME TAX For the Test Year Ended June 30, 2012

|        |                             | (a) |             |       | (b)        | (c)<br>(a) + (b) |             |
|--------|-----------------------------|-----|-------------|-------|------------|------------------|-------------|
| Line   |                             |     | Per         | Pr    | o Forma    |                  | Adjusted    |
| No.    | Description                 |     | Books       | _ Adj | ustments   |                  | Total       |
| 1      | Federal Taxes               |     |             |       |            |                  |             |
| 2      | FICA Tax                    | \$  | 2 017 700   | \$    | (0.150)    | Ś                | 2 000 E41   |
|        |                             | Ş   | 2,917,700   | Ş     | (9,159)    | Ş                | 2,908,541   |
| 3<br>4 | Unemployment Tax            |     | 21,763      |       | (210)      |                  | 21,554      |
| 4<br>5 |                             |     |             |       |            |                  |             |
| 6      | State Taxes                 |     |             |       |            |                  |             |
| 7      | Unemployment Tax            |     | 92,754      |       | (210)      |                  | 92,545      |
| 8      | Montana Electric Energy Tax |     | 17,789      |       |            |                  | 17,789      |
| 9      | Wyoming Franchise Taxes     |     | 60,432      |       |            |                  | 60,432      |
| 10     | South Dakota PUC Tax        |     | 216,138     |       | 20,619 (1) | )                | 236,757     |
| 11     | Wyoming Sales Tax           |     | (2,479)     |       | 4,414 (1)  | )                | 1,935       |
| 12     |                             |     |             |       |            |                  |             |
| 13     | Local Taxes                 |     |             |       |            |                  |             |
| 14     | Property                    |     | 4,660,470   |       | 469,541    |                  | 5,130,011   |
| 15     |                             |     |             |       |            |                  |             |
| 16     | TOTIT- Payroll Loading      |     | (3,103,603) |       |            | I                | (3,103,603) |
| 17     |                             |     |             |       |            |                  |             |
| 18     | Total Other Taxes           | \$  | 4,880,964   | \$    | 484,996    | \$               | 5,365,960   |
| 19     |                             |     |             |       |            |                  |             |
| 20     |                             |     |             |       |            |                  |             |

NOTE (1): Additional Revenue required multiplied by applicable Mill Levy Tax.

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### BLACK HILLS POWER, INC. ADJUSTMENTS OTHER THAN FEDERAL INCOME TAX For the Test Year Ended June 30, 2012

| Line |                                               |                       |          |            |
|------|-----------------------------------------------|-----------------------|----------|------------|
| No.  | Description                                   | Reference             |          | Amount     |
| 1    | FICA Tax Adjustment                           |                       |          |            |
| 2    | Net O&M Payroll Changes                       | Sched. H-1 Ln.29(d)   | \$       | (119,726)  |
| 3    | FICA Tax Rate                                 | Scheu, h-i chizs(u)   | ç        | 7.65%      |
| 4    | Additional FICA Tax on O&M Wage Increase      | Ln.2 * Ln.3           | —        | (9,159)    |
| 5    | Additional free tax of Oalm wage increase     |                       |          | (9,109)    |
| 6    | Adjustment to FICA Tax                        | Ln.4                  | \$       | (9,159)    |
| 7    | •                                             |                       | <u> </u> |            |
| 8    | Unemployment Tax Adjustment                   |                       |          |            |
| 9    | O&M Payroll Changes                           | Sched. H-1 Ln.29(d)   |          | (119,726)  |
| 10   | Estimated Blended Tax Rate                    |                       |          | 0.35%      |
| 11   |                                               |                       |          | 0.0070     |
| 12   | Adjustment to Unemployment Tax                | Ln.9 * Ln.10          | Ś        | (419)      |
| 13   | ···· <b>j</b> ······························· |                       | <u> </u> | (120)      |
| 14   | Federal Adjustment                            | Ln.12 / 2             | \$       | (210)      |
| 15   | State Adjustment                              | Ln.12 / 2             | Ś        | (210)      |
| 16   |                                               | , _                   | Ŧ        | (220)      |
| 17   | Property Tax Adjustment                       |                       |          |            |
| 18   | 12 month Average Acct. #106                   | Stmt. D pg.2 Ln.24(c) |          | 18,958,232 |
| 19   | Subsequent/Expected Additions/Retirements     | Stmt. D pg.2 Ln.24(b) |          | 13,256,080 |
| 20   |                                               | Ln.18 + Ln.19         |          | 32,214,312 |
| 21   | Property Tax Rate as a Percentage of Assets   |                       |          | 1.4576%    |
| 22   |                                               |                       |          |            |
| 23   | Total Property Tax Adjustment                 | Ln.20 * Ln.21         | \$       | 469.541    |

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### Section M

**20:10:13:96.** Statement M -- Overall Cost of Service. Statement M shall show for the test period the overall cost of service per books for the filing public utility's utility operations during the test period, including allowances for return and income taxes based upon the rate of return claimed, together with the operating revenues of the filing public utility for the test period. If the filing public utility claims any adjustments to book figures, the cost of service based upon the claimed adjustments shall be shown on a separate schedule. If the amount of the filing public utility's total utility operating revenue differs significantly from its overall cost of service, including allowances for claimed return and income taxes, the filing public utility shall show the amounts available for return and taxes on income and return expressed as a percentage of rate base.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

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### Section M

Schedule M-1 – Other Rate Base Reductions. This schedule shows reductions to rate base, based on a twelve month average balance, by FERC account. The other rate base reduction amounts related specifically to the BHP CUS are on line 60. The total of these rate base reductions are on Statement M, Line 27.

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### Section M

Schedule M-2 – Adjustment to Deferred Taxes. This Schedule reflects an adjustment for deferred income taxes on the pro forma plant additions from Statement D, page 2. This calculation is based on assets that quality for 50% bonus depreciation. This adjustment is summarized on Schedule M-1, line 42 (q).

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# BLACK HILLS POWER, INC. OVERALL COST OF SERVICE For the Test Year Ended June 30, 2012

|                |                                                                       |                                       | (a)            | (b)                  | (c)<br>(a) + (b) | (d)              | (e)<br>(c) + (d) |
|----------------|-----------------------------------------------------------------------|---------------------------------------|----------------|----------------------|------------------|------------------|------------------|
| Line           |                                                                       |                                       |                | Pro Forma            |                  | Additional       | Adjusted Rate of |
| No.            | Description                                                           | Reference                             | Per Books      | Adjustments          | Adjusted Total   | Revenue Required | Return           |
| 1              | Operating Revenue                                                     |                                       |                |                      |                  |                  |                  |
| 2              | Sales of Electricity                                                  | Stmt. I pg. 1 Ln. 14                  | \$ 211,182,973 | \$ (82,093,738)      | \$ 129,089,235   | \$ 10,570,073    | \$ 139,659,308   |
| 3              | Other Operating Revenue                                               | Stmt. I pg. 1 Ln. 24                  | 38,965,242     | (10,353,214)         | 28,612,028       | -                | 28,612,028       |
| 4<br>5         | Total Operating Revenue                                               |                                       | 250,148,215    | (92,446,953)         | 157,701,262      | 10,570,073       | 168,271,335      |
| 6              | Operating Expenses                                                    |                                       |                |                      |                  |                  |                  |
| 7              | Operation and Maintenance                                             | Stmt. H Ln. 136                       | 158,197,031    | (86,709,825)         | 71,487,206       | -                | 71,487,206       |
| 8              | Depreciation                                                          | Stmt. J Ln. 21                        | 27,569,938     | 1,114,318            | 28,684,257       | -                | 28,684,257       |
| 9              | Amortization                                                          | Stmt. J Ln. 23                        | 97,406         | -                    | 97,406           | -                | 97,406           |
| 10             | Taxes Other Than Income Tax                                           | Stmt. L Ln. 18                        | 4,880,964      | 484,996              | 5,365,960        | -                | 5,365,960        |
| 11             | State Income Tax                                                      | Sched. K-5 Ln. 1                      | 10,261         | -                    | 10,261           |                  | 10,261           |
| 12             | Total Operating Expenses                                              |                                       | 190,755,601    | (85,110,511)         | 105,645,090      |                  | 105,645,090      |
| 13<br>14<br>15 | Operating Income Before Tax                                           | Ln. 4 - Ln. 12                        | 59,392,614     | (7,336,442)          | 52,056,172       | 10,570,073       | 62,626,245       |
| 16<br>17       | Federal Income Tax                                                    | Stmt. K. pg. 2 Ln. 59                 | 13,226,090     | (2,326,111)          | 10,899,979       | 3,699,526        | 14,599,505       |
| 18             | Return (Operating Income)                                             | Ln. 14 - Ln. 16                       | 46,166,524     |                      | 41,156,193       |                  | 48,026,740       |
| 19             |                                                                       |                                       |                |                      |                  |                  | a 0/             |
| 20             | Rate of Return                                                        | Ln. 18 / Ln.29                        | 8.55%          |                      | 7.32%            |                  | 8.54%            |
| 21             |                                                                       |                                       |                |                      |                  |                  |                  |
| 22             | Rate Base                                                             | Stmt. D pg. 2 Ln. 24                  | 995,420,017    | 32,214,312           | 1,027,634,329    | _                | 1,027,634,329    |
| 23             | Plant in Service<br>Accumulated Depreciation                          | Stmt. E pg. 1 Ln. 15                  | (346,033,623)  | (557,159) (1         |                  | _                | (346,590,782)    |
| 24             | Accumulated Amort, Acq. Adjustment                                    | Stmt. E pg. 2 Ln. 15                  | (3,034,523)    |                      | (3,034,523)      | _                | (3,034,523)      |
| 25             |                                                                       | Stmt. F pg. 2 Lh. 15<br>Stmt. F Ln. 9 | 18,970,953     | (925,550)            | 18,045,403       | _                | 18,045,403       |
| 26<br>27       | Working Capital<br>Other Rate Base Reductions                         | Sched M-1 Ln. 53                      | (125,500,453)  | (8,181,960) (2       |                  | _                | (133,682,413)    |
| 27             | Other Rate Base Reductions                                            | Sched M-1 Lh. 55                      | (125,500,455)  | (8,101,500) (2       | (133,002,413)    |                  | (133,002,413)    |
| 28             | Total Rate Base                                                       | Sum (Ln.23:Ln.27)                     | \$ 539,822,371 | <u>\$ 22,549,643</u> | \$ 562,372,014   | <u>\$</u>        | \$ 562,372,014   |
| 30             |                                                                       |                                       |                |                      |                  |                  |                  |
| 31             | Note 1: Depreciation on Existing Assets - 9                           | Stmt. J Ln. 21 ÷ 2                    |                |                      |                  |                  |                  |
| 22             | Note $D_1 \subseteq -$ basis A d t = $\subseteq A(a) \setminus \{a\}$ |                                       |                |                      |                  |                  |                  |

32 Note 2: Schedule M-1 Ln.54 (o) + (q)

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## BLACK HILLS POWER, INC. OTHER RATE BASE REDUCTION For the Test Year Ended June 30, 2012

|             |                      |                                                                    | (a)                         | (b)                         | (c)                         | (d)                     | (e)                         | (1)                         | (g)                         | (h)                        | (i)                        |
|-------------|----------------------|--------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|----------------------------|
| Line<br>No. | Account              | Description                                                        | June 2011                   | July 2011                   | August 2011                 | September 2011          | October 2011                | November 2011               | December 2011               | January 2012               | February 2012              |
| 1           | 182316               | Regulatory Asset - Pension                                         | \$ 18,049,336               | 5 18,049,335                | \$ 18,049,336               | \$ 18,049,336           | \$ 18,049,336               | \$ 18,049,335               | \$ 27,283,818               | \$ 27,283,818              | \$ 27,283,818              |
| 2           | 182385               | Regulatory Asset - Retiree H.C.                                    | 565,515                     | 565,515                     | 565,515                     | 565,515                 | 565,515                     | \$65,515                    | 317,893                     | 317,893                    | 317,893                    |
| 3           | 182390               | Regulatory Asset - AFUDC                                           | 9,489,203                   | 9,489,203                   | 9,489,203                   | 9,489,203               | 9,489,203                   | 9,489,203                   | 8,552,058                   | 8,552,058                  | 8,552,058                  |
| 4           | 182395               | Regulatory Asset - Unit of Property                                | 4,284,410                   | 4,284,410                   | 4,284,410                   | 5,509,693               | 5,509,693                   | 5,509,693                   | 5,789,570                   | 5,7 <mark>89,570</mark>    | 5,789,570                  |
| 5           |                      | Total Regulatory Assets                                            | 32,388,464                  | 32,388,464                  | 32,388,464                  | 33,613,747              | 33,613,747                  | 33,613,747                  | 41,943,338                  | 41,943,338                 | 41,943,338                 |
| 6<br>7      | 190175               | DT1000 - Vacation                                                  | 262,794                     | 262,794                     | 262,794                     | 155,368                 | 155,368                     | 155,368                     | 212,023                     | 212.023                    | 212,023                    |
| 8           | 190175               | DT1010 - Bad Debt Reserve                                          | 366,530                     | 366,530                     | 366,530                     | 490,692                 | 490,692                     | 490,692                     | 490,692                     | 490,692                    | 490,692                    |
| 9           | 190175               | DT1020 - EE Group Insurance                                        | 81,502                      | 81,502                      | 81,502                      | 79,288                  | 79,288                      | 79,288                      | 78.005                      | 78,005                     | 78,005                     |
| 10          | 190175               | DT1050 - Workers Comp                                              | 472,161                     | 472,161                     | 472,161                     | 262,187                 | 262,187                     | 262,187                     | 212,646                     | 212,646                    | 212,646                    |
| 11          | 190175               | DT1070 - Results Comp Plan                                         | (13,238)                    | (13,238)                    | (13,238)                    | 532,352                 | 532,352                     | 532,352                     | 583,066                     | 583,066                    | 583,066                    |
| 12          | 190520               | DT2020 - Retiree Healthcare                                        | 2,797,339                   | 2,797,339                   | 2,797,339                   | 3,001,196               | 3,001,195                   | 3,001,196                   | 3,060,848                   | 3,060,848                  | 3,060,848                  |
| 13          | 190520               | DT2025 - PEP Plan                                                  | 420,920                     | 420,920                     | 420,920                     | 527,940                 | 527,940                     | 527,940                     | 539,045                     | 539,045                    | 539,045                    |
| 14<br>15    | 190520<br>190520     | DT2065 - Pension (AOCI)<br>DT2070 - PEP (AOCI)                     | 9,718,872                   | 9,718,872                   | 9,718,872                   | 9,718,872               | 9,718,872                   | 9,718,872                   | 14,691,286                  | 14,691,286                 | 14,691,286                 |
| 16          | 190520               | DT2085 - ITC                                                       | 225,327<br>2,497            | 225,327<br>2,081            | 225,327<br>1,665            | 225,327<br>1,249        | 225,327<br>832              | 225,327<br>416              | 263,123                     | 263,123                    | 263,123                    |
| 17          | 190520               | DT2090 - FAS 109 ITC                                               | 1,344                       | 1,120                       | 1,885                       | 672                     | 448                         | 224                         |                             |                            |                            |
| 18          | 190520               | DT2092 - FAS 109                                                   | 309,607                     | 303,068                     | 296,529                     | 289,990                 | 283,451                     | 276,912                     | 270,373                     | 263,834                    | 257,295                    |
| 19          | 190520               | DT3010 - Performance Plan                                          | 1,168                       | 1,168                       | 1,168                       | 4,167                   | 4,167                       | 4,167                       | 4,167                       | 4,167                      | 4,167                      |
| 20          | 190520               | DT3040 - Retiree Health (AOCI)                                     | (565,515)                   | (565,515)                   | (\$65,515)                  | (565,515)               | (565,515)                   | (565,515)                   | (317,892)                   | (317,892)                  | (317,892)                  |
| 21          | 190520               | DT3070 - Deferred Compensation                                     | 327,599                     | 327,599                     | 327,599                     | 327,599                 | 327,599                     | 327,59 <del>9</del>         | 318,361                     | 318,361                    | 318,361                    |
| 22          | 190520               | DT3075 - Line Extension Deposit                                    | 909,274                     | 909,274                     | 909,274                     | 571,150                 | 571,150                     | 571,150                     | (119,778)                   | (119,778)                  | (119,778)                  |
| 23<br>24    | 190520<br>190520     | DT4135 - Insurance Reserve                                         | -<br>13,703,038             | -<br>13,703,038             | 13 703 038                  | (2,144)                 | (2,144)                     | (2,144)                     | (2,144)                     | (2,144)                    | (2,144)                    |
| 25          | 190520               | DT4165 - NOL Carryforward<br>DT4170 - Power Plant Maintenance      |                             | 15,705,055                  | 13,703,038                  | 24,237,832<br>199,064   | 24,237,832<br>199,064       | 24,237,832<br>199,064       | 28,072,491<br>12,283        | 28,072,491<br>12,283       | 28,072,491<br>12,283       |
| 26          | 190599               | DT3020 - Deferred Tax State Income Tax                             | -                           | -                           | -                           | -                       | 100,004                     | -                           | 12,203                      | -                          | 12,203                     |
| 27          |                      | Total 190 Accounts                                                 | 29,021,220                  | 29,014,041                  | 29,006,861                  | 40,057,287              | 40,050,107                  | 40,042,928                  | 48,368,595                  | 48,362,056                 | 48,355,517                 |
| 28          |                      |                                                                    |                             |                             |                             |                         |                             |                             |                             |                            |                            |
| 29          | 252000               | Customer Advances for Construction                                 | (3,145,883)                 | (3,168,572)                 | (3,115,320)                 | (3,212,926)             | (3,203,264)                 | (2,855,142)                 | (1,460,557)                 | (1,448,003)                | (1,435,953)                |
| 30<br>31    | 253011               |                                                                    |                             | (7.5.4.4.6.6)               |                             | 17 475 5 44             | 17 404 5043                 |                             | (********                   |                            |                            |
| 31          | 253100               | Accrued Group Insurance Retiree LT<br>Accrued PEP                  | (7,297,811)<br>(2,035,226)  | (7,344,190)<br>(2,039,245)  | (7,389,867)<br>(2,039,900)  |                         | (7,481,221)<br>(2,041,211)  | (7,594,239)<br>(2,041,866)  | (7,496,919)<br>(2,137,804)  | (7,542,236)<br>(2,138,181) | (7,587,612)<br>{2,138,557} |
| 33          | 253105               | Accrued Pension                                                    | (10,435,072)                | (10,586,668)                | (10,738,264)                |                         | (11,041,457)                | (11,193,053)                | (2,137,804)<br>(20,540,454) | (20,811,376)               | (21,082,299)               |
| 34          | 253110               | Accrued Pension Supplement - SERP                                  | (927,073)                   | (923,495)                   | (919,917)                   |                         | (912,762)                   | (909,184)                   | (922,145)                   | (918,317)                  | (914,489)                  |
| 35          | 254010               | Regulatory Liability Power Plant Maint.                            | (27,925)                    | 62,880                      | 217,685                     | 154,490                 | 91,295                      | 28,100                      | (35,095)                    | (98,290)                   | (161,485)                  |
| 36          | 254015               | Regulatory Liability ITC                                           | (3,841)                     | (3,201)                     | (2,561)                     |                         | (1,281)                     | (650)                       |                             | -                          | -                          |
| 37          | 254015               | Regulatory Liability Flowback Excess Def. Tax                      | (875,976)                   | (857,088)                   | (838,200)                   |                         | (800,424)                   | (781,536)                   | (762,648)                   | (743,760)                  | (724,872)                  |
| 38<br>39    | 254200<br>254385     | Regulatory Liability LT Pension Inc. Tax                           | (9,718,872)                 | (9,718,872)                 | (9,718,872)                 |                         | (9,718,872)                 | (9,718,872)                 | (14,691,286)                | (14,691,286)               | (14,691,286)               |
| 40          | 234363               | Regulatory Liability LT Retiree HC<br>Total Regulatory Liabilities | (1,050,241)<br>(32,372,037) | (1,050,241)<br>(32,460,120) | (1,050,241)<br>(32,480,138) |                         | (1,050,241)<br>(32,956,173) | (1,050,241)<br>(33,261,542) | (590,371)<br>(47,176,722)   | (590,371)<br>(47,533,817)  | (\$90,371)<br>(47,890,970) |
| 41          |                      | totas negatatos y Elabilities                                      | (32,3) 2,031 [              | (52,400,120)                | (52,450,155)                | (32), 10,1337           | (32,550,175)                | (33,261,342)                | (47,270,722)                | (+1,555,017)               | (47,030,570)               |
| 42          | 282100/282998        | DT4062 - Accelerated Depreciation                                  | (145,015,227)               | (145,015,227)               | (145,015,227)               | (145,066,821)           | (145,066,821)               | (145,066,821)               | (151,444,759)               | (151,444,759)              | (151,444,759)              |
| 43          | 283005               | DT4004 - Prepaid Expenses                                          | (251,081)                   | (251,081)                   | (251,081)                   |                         | (256,125)                   | (256,125)                   | (256,125)                   | (256,125)                  | (256,125)                  |
| 44          | 283440               | DT2015 - Pension Plan                                              | (2,664,989)                 | (2,664,989)                 | (2,664,989)                 |                         | (2,501,428)                 | [2,501,428]                 | (2,355,790)                 | (2,355,790)                | (2,355,790)                |
| 45          | 283440               | DT2093 - FAS 109 AFUDC                                             | (3,321,221)                 | (3,321,221)                 | (3,321,221)                 | (3,321,221)             | (3,321,221)                 | (3,321,221)                 | (2,993,220)                 | (2,993,220)                | (2,993,220)                |
| 46<br>47    | 283440<br>283440     | DT3018 - Tax Effect on State NOL<br>DT4065 - FAS 109 Equity AFUDC  | (6,167,982)                 | (6,167,982)                 | -<br>(6,167, <b>982</b> )   | {6,167,982}             | (6,167,982)                 | -<br>(6,167,982)            | (5,558,838)                 | -<br>(5,558,838)           | (5,558,838)                |
| 48          | 283440               | DT4065 - Required Bond Loss                                        | (790,261)                   | (790,261)                   | (8,167,962)<br>(790,261)    |                         | (1,055,599)                 | (1,055,599)                 | (3,358,838)<br>(967,755)    | (3,536,636)<br>(967,755)   | (5,558,838)<br>(967,755)   |
| 49          | 283440               | DT4275 - Unit of Property                                          | (1,499,543)                 | (1,499,543)                 | (1,499,543)                 |                         | (1,928,393)                 | (1,928,393)                 | (2,026,349)                 | (2,026,349)                | (2,026,349)                |
| 50          | 283440               | Total 282 and 283 Accounts                                         | (159,710,304)               | (159,710,304)               | (159,710,304)               |                         | (160,297,568)               |                             | (165,602,836)               | (165,602,836)              | (165,602,836)              |
| 51          |                      |                                                                    |                             |                             |                             |                         |                             |                             |                             |                            |                            |
| 52          |                      |                                                                    |                             |                             |                             |                         |                             |                             |                             |                            |                            |
| 53          |                      | Total- Black Hills Power                                           | \$ (133,818,541)            | 5 (133,936,492)             | \$ (133,910,437)            | <u>\$ (122,557,615)</u> | 5 (122,793,150)             | \$ (122,757,577)            | 5 (123,928,182)             | \$ (124,279,262)           | \$ (124,630,905)           |
| 54<br>55    |                      | Less: Transmission Other Rate Base Reductions                      |                             |                             |                             |                         |                             |                             |                             |                            |                            |
| 56          | 282100/282998        | Accelerated Depreciation                                           |                             |                             |                             |                         |                             |                             |                             |                            |                            |
| 57          | 283005/283440        | Accumulated Deferred Income Taxes                                  |                             |                             |                             |                         |                             |                             |                             |                            |                            |
| 58          | 190520/190175/190599 |                                                                    |                             |                             |                             |                         |                             |                             |                             |                            |                            |
| 59          | 182390/254015/254012 | FAS 109 Adjustment (Gross Up on Excess DIT)                        |                             |                             |                             |                         |                             |                             |                             |                            |                            |
| 60          |                      | Subtotal                                                           |                             |                             |                             |                         |                             |                             |                             |                            |                            |
| 61          |                      | Total to be included in the Black Hills Power Rate Base            |                             |                             |                             |                         |                             |                             |                             |                            |                            |

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#### BLACK HILLS POWER, INC. OTHER RATE BASE REDUCTION For the Test Year Ended June 30, 2012

|               |                                                                    |                                 |                           |                           |                           |                           | Adi. to Per Books            | (n) + (o)                 |                          | (p) + (q)                  |
|---------------|--------------------------------------------------------------------|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|------------------------------|---------------------------|--------------------------|----------------------------|
| Account       | Description                                                        | March 2012                      | April 2012                | May 2012                  | June 2012                 | 12 Month<br>Average       | Pro Forma<br>Tax Rtn_True Up | Adjusted Total            | Pro Forma<br>Adjustments | Final<br>Adjusted Total    |
|               | Regulatory Asset - Pension<br>Regulatory Asset - Retiree H.C.      | \$    27,283,818  \$<br>317,893 | 27,283,818 \$<br>317,893  | 27,283,818 \$<br>317,893  | 27,283,818<br>317.893     | \$ 23,021,749<br>432,180  | \$.                          | \$ 23,021,749             | <b>\$</b> -              | \$ 23,021,74               |
|               | Regulatory Asset - Retiree n.c.<br>Regulatory Asset - AFUDC        | 8,552,058                       | 8,552,058                 | 8,552,058                 | 8,552,058                 | 432,180<br>8,984,586      | -                            | 432,180<br>8,984,586      | -                        | 432,18<br>8,984,58         |
|               | Regulatory Asset - Unit of Property                                | 5,928,712                       | 5,928,712                 | 5,928,712                 | 6,153,139                 | 5,437,715                 | -                            | 5,437,715                 |                          | 8,984,58<br>5,437,71       |
|               | Total Regulatory Assets                                            | 42,082,480                      | 42,082,480                | 42,082,480                | 42,306,907                | 37,876,230                |                              | 37,876,230                | -                        | 37,876,23                  |
|               | DT1000 - Vacation                                                  | 212,023                         | 212,023                   | 212,023                   | 212,023                   | 210,665                   | 7,455                        | 218,120                   | -                        | 218,12                     |
|               | DT1010 - Bad Debt Reserve                                          | 490,692                         | 490,692                   | 490,692                   | 490,692                   | 462,039                   | 28,558                       | 490,597                   | -                        | 490,59                     |
|               | DT1020 - EE Group Insurance                                        | 78,005                          | 78,005                    | 78,005                    | 78,005                    | 79,108                    | -                            | 79,108                    | -                        | 79,10                      |
|               | DT1050 - Workers Comp                                              | 279,553                         | 279,553                   | 279,553                   | 201,112                   | 298,520                   | •                            | 298,520                   | -                        | 298,53                     |
|               | DT1070 - Results Comp Plan                                         | 163,106                         | 163,106                   | 163,106                   | 330,965                   | 317,448                   | 7,421                        | 324,869                   | -                        | 324,86                     |
|               | DT2020 - Retiree Healthcare                                        | 3,078,924                       | 3,078,924                 | 3,078,924                 | 3,084,157                 | 2,992,237                 | · · .                        | 2,992,237                 | -                        | 2,992,2                    |
|               | DT2025 - PEP Plan                                                  | 539,440                         | 539,440                   | 539,440                   | 539,835                   | 509,374                   | (11,105)                     | 498,269                   | •                        | 498,20                     |
|               | DT2065 - Pension (AOCI)                                            | 14,691,286                      | 14,691,286                | 14,691,286                | 14,691,286                | 12,396,326                | •                            | 12,396,326                | -                        | 12,396,3                   |
|               | DT2070 - PEP (AOCI)                                                | 263,123                         | 263,123                   | 263,123                   | 263,123                   | 245,679                   | -                            | 245,679                   | -                        | 245,6                      |
|               | DT2085 - ITC                                                       | •                               | -                         | -                         | -                         | 672                       | •                            | 672                       | -                        | 6<br>31                    |
|               | DT2090 - FAS 109 ITC                                               | -                               | -                         | -                         | -                         | 362                       | •                            | 362                       | -                        |                            |
|               | DT2092 - FAS 109                                                   | 250,756                         | 244,217                   | 237,678                   | 231,139                   | 270,373                   | - 143                        | 270,373                   | -                        | 270,3                      |
|               | DT3010 - Performance Plan<br>DT3040 - Retiree Health (AOCI)        | 4,167<br>(317,892)              | 4,167<br>(317,892)        | 4,167<br>(317,892)        | 4,167<br>(317,892)        | 3,475<br>(432,180)        | 143                          | 3,618<br>(432,180)        | •                        | 3,6<br>(432,1)             |
|               |                                                                    |                                 | (317,892)<br>313,993      | 313,993                   | (317,892)<br>308,928      | (432,180)<br>320,891      | •                            | (432,180)<br>320,891      | •                        | (432,1                     |
|               | DT3070 - Deferred Compensation                                     | 313,993                         | (117,799)                 | (117,799)                 | (99,300)                  | 279,172                   | (11,245)                     |                           | •                        | 267,9                      |
|               | DT3075 - Line Extension Deposit<br>DT4135 - Insurance Reserve      | (117,799)<br>(2,144)            | (2,144)                   | (2,144)                   | (55,500)<br>87            | (1,477)                   | (44)                         |                           |                          | (1,5                       |
|               | DT4165 - NOL Carryforward                                          | 30,098,756                      | 30,098,756                | 30,098,756                | 23,781,097                | 24,009,034                | 1,196,640                    | 25,205,674                | (4,734,638)              | 20,471,0                   |
|               | 0T4170 - Power Plant Maintenance                                   | 78,638                          | 78,638                    | 78,638                    | 144,993                   | 78,073                    | 2,130,040                    | 78,073                    | (1,754,030)              | 78,0                       |
|               | DT3D20 - Deferred Tax State Income Tax                             | 4,110                           | 4,110                     | 4,110                     | 4,110                     | 1,265                     |                              | 1,265                     | -                        | 1,2                        |
|               | Total 190 Accounts                                                 | 50,108,736                      | 50,102,197                | 50,095,658                | 43,948,525                | 42,041,056                | 1,217,823                    | 43,258,879                | (4,734,638)              | 38,524,2                   |
| 252000        | Customer Advances for Construction                                 | (1,465,211)                     | (1,490,542)               | (1,539,334)               | (1,519,066)               | (2,235,444)               |                              | (2,235,444)               |                          | (2,235,4                   |
|               | Accrued Group Insurance Retiree LT                                 | (7,633,310)                     | (7,670,503)               | (7,716,200)               | (7,761,656)               | (7,534,716)               |                              | (7,534,716)               | -                        | (7,534,7)                  |
|               | Accrued PEP                                                        | (2,138,933)                     | (2,141,270)               | (2,143,607)               | (2,140,062)               | (2,093,571)               | •                            | (2,093,571)               | -                        | (2,093,5                   |
|               | Accrued Pension                                                    | (14,518,222)                    | (14,789,144)              | (15,060,067)              | (15,330,990)              | (14,385,917)              | -                            | (14,385,917)              | -                        | (14,385,9                  |
|               | Accrued Pension Supplement - SERP                                  | (909,665)                       | (904,841)                 | (900,018)                 | (895,194)                 | (913,341)                 | -                            | (913,341)                 | -                        | {913,3                     |
|               | Regulatory Liability Power Plant Maint.                            | (224,680)                       | (287,875)                 | (351,070)                 | (414,265)                 | (80,480)                  | -                            | (80,480)                  | -                        | (80,4                      |
|               | Regulatory Liability ITC                                           | -                               |                           |                           | -                         | (1,035)                   | -                            | (1,035)                   | -                        | (1,0                       |
|               | Regulatory Liability Flowback Excess Def. Tax                      | (705,984)                       | (687,096)                 | (668,208)                 | (649,320)                 | (762,648)                 | -                            | (762,648)                 | •                        | (762,6                     |
|               | Regulatory Liability LT Pension Inc. Tax                           | (14,591,286)                    | (14,691,286)              | (14,691,286)              | (14,691,286)              | (12,395,326)              | -                            | (12,396,326)<br>(802,619) | -                        | (12,396,3                  |
|               | Regulatory Liability LT Retiree HC<br>Total Regulatory Liabilities | (590,371)<br>(41,412,451)       | (590,371)<br>(41,762,386) | (590,371)<br>(42,120,827) | (590,371)<br>(42,473,144) | (802,619)<br>(38,970,653) |                              | (38,970,653)              |                          | <u>(802,6</u><br>(38,970,6 |
| 282100/282998 | DT4062 - Accelerated Depreciation                                  | (153,853,430)                   | (153,853,430)             | (153,853,430)             | (153,808,928)             | (149,226,895)             | (1,533,268)                  | (150,760,163)             | (1,761,534)              | (152,521,6                 |
|               | DT4004 - Prepaid Expenses                                          | (256,125)                       | (256,125)                 | (256,125)                 | (256,125)                 | (254,961)                 | (14,893                      |                           |                          | (269,1                     |
|               | DT2015 - Pension Plan                                              | (4,463,571)                     | (4,463,571)               | (4,463,571)               | (1,785,852)               | (2,903,399)               | (1,196,125                   |                           |                          | (4,099,                    |
|               | DT2093 - FAS 109 AFUDC                                             | (2,993,220)                     | (2,993,220)               | (2,993,220)               | (2,993,220)               | (3,144,605)               |                              | (3,144,605)               | -                        | (3,144,1                   |
| 283440        | DT3018 - Tax Effect on State NOL                                   | (1,439)                         | (1,439)                   | (1,439)                   | (1,439)                   | (443)                     | -                            | (443)                     | -                        | (•                         |
| 283440        | DT4065 - FAS 109 Equity AFUDC                                      | (5,558,838)                     | (5,558,838)               | (5,558,838)               | (5,558,838)               | (5,839,981)               |                              | (5,839,981)               | -                        | (5,839,9                   |
| 283440        | 0T4070 - Required Bond Loss                                        | (945,794)                       | (945,794)                 | (945,794)                 | (917,827)                 | (938,158)                 | -                            | (938,158)                 | -                        | (938,1                     |
| 283440        | DT4275 - Unit of Property                                          | (2,075,049)                     | (2,075,049)               | (2,075,049)               | (2,153,598)               | (1,903,200)               | (159,325                     | (2,062,525)               | -                        | (2,062,5                   |
| 283440        | Total 282 and 283 Accounts                                         | (170,147,466)                   | (170,147,466)             | (170,147,466)             | (167,476,826)             | (164,211,642)             | (2,903,611                   | (167,115,253)             | (1,761,534)              | (168,876,7                 |
|               | Total- Black Hills Power                                           | <u>\$ (120,834,911)</u>         | \$ (121,215,717) \$       | (121,629,488) \$          | (125,213,603)             | \$ (125,500,453)          | \$(1,685,788                 | ) \$ (127,186,241)        | \$ (6,496,172)           | \$ (13 <b>3,682,</b> 4     |
|               | Less: Transmission Other Rate Base Reductions                      |                                 |                           |                           |                           |                           |                              |                           |                          |                            |
|               | Accelerated Depreciation                                           |                                 |                           |                           |                           | (20,336,769)              | (208,693.11                  |                           |                          | (20,545,                   |
|               | Accumulated Deferred Income Taxes                                  |                                 |                           |                           |                           | (2,252,115)               | (186,517.39                  |                           |                          | (2,438,                    |
|               |                                                                    |                                 |                           |                           |                           | 5,326,077                 | 165,757.89                   |                           | (644,432)                | 4,847,                     |
|               | FAS 109 Adjustment (Gross Up on Excess DIT)                        |                                 |                           |                           |                           | 393,312                   | -                            | 393,312                   |                          | 393,3                      |
|               | Subtotal                                                           |                                 |                           |                           |                           | (16,869,495)              | (229,453                     | } (17,098,948)            | (644,432)                | (17,743,3                  |

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BLACK HILLS POWER, INC. ADJUSTMENT TO DEFERRED TAXES For the Pro Forma Test Year Ended June 30, 2012

			(a)	(b)		(c) (a) * (b)	(d)		(e) (a) - (d)		(f) (c) - (e)	(g)		(h) (f) * (g)
Line		(S	tmt. D pg. 2)	(Stmt. J) Depreciation		(Stmt. J) Book	1st Year Tax Depreciation		Тах					
No.	Capital Additions		Amount	Rate	De	epreciation	Rate (Note 1)	De	epreciation		Difference	Tax Rate	D	eferred Tax
1	Production													
2	Neil Simpson 1	\$	131,385	3.49%	\$	4,585	42.50%	\$	55,839	\$	(51,254)	35%	\$	(17,939)
3	Wyodak		1,761,206	3.04%		53,541	42.50%		748,513		(694,972)	35%		(243,240)
4	Wygen III		1,475,000	2.35%		34,663	42.50%		626,875		(592,212)	35%		(207,274)
5	Other Production		1,077,906	2.19%		23,606	42,50%		458,110		(434,504)	35%		(152,076)
6	Distribution		4,810,927	2.72%		130,857	42,50%		2,044,644		(1,913,787)	35%		(669,825)
7	General		3,552,990	4.61%		163,793	42.50%		1,510,021		(1,346,228)	35%		(471,180)
8														
9	Total	\$	12,809,414		\$	411,045		\$	5,444,002	\$	(5,032,957)		\$	(1,761,534)
10										_				

10 11

12 Note 1: Reflective of a portion of assets anticipated to be placed in service during 2012 and qualifying for 50% bonus depreciation and

13 portion of assets placed in service in 2013 for regular MACRS depreciation only.

Section N

20:10:13:97. Statement N -- Allocated Cost of Service by Jurisdiction. Statement N shall show for the test period the cost of service allocated to the jurisdictional sales or services for which the increased rates or charges are proposed, including the principal determinants used for allocation purposes. Allocated cost of service per books and per claimed adjustments shall be shown separately. This statement shall show the following for the overall cost of service:

(1) Grouping and allocation of various items of cost and credits to cost of service into functional totals;

(2) Classification of items of cost and credits into demand, energy, customer, or other appropriate categories;

(3) If the filing public utility considers for rate purposes certain special facilities to be devoted entirely to the jurisdictional service involved, it shall show, in addition to the overall cost of service, the cost of service related to the special facilities;

(4) Computations showing the energy responsibilities of the jurisdictional service, based upon consideration of energy sales under the proposed rate schedules and the KWH, MCF or BTU delivered from the filing public utility's supply system;

(5) Estimated peak electric hour or peak gas period and annual energy or system losses applicable to jurisdictional sales expressed as a percentage of system output;

(6) Details of allocation of general or common or joint costs to various functions;

(7) Sufficient detailed breakdown of operation and maintenance expense accounts and taxes to disclose how component items have been classified among energy, class of customer, or other category of cost.

Source: 2 SDR 90, effective July 7, 1976; 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.

Statement N -- Allocated cost of service per books. Schedule N-1 -- Allocated cost of service as adjusted.

Statement N Cost of Service Study Page 1 of 34

SCH LINE NO. NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL BHP	SOUTH DAKOTA	
	(a)	(b)	(c)	(d)	
/ I 1	SUMMARY AT PRESENT RATES				
VI 2					
VI 4					
VI 5		Stmt N Reference			
M 6	Sales of Electricity	SCH I, LN 4	154,565,316	138,472,112	
VI 7	• • • • • • • • •	SCH I, LN 5	56,617,657	50,619,748	
A 8	Other Operating Revenue	SCH I, LN 15	38,965,243	14,492,540	
/ 9			250,148,216	203,584,400	
VI 10					
	OPERATING EXPENSES				
VI 12		SCH H, LN 178	158,197,031	136,315,212	
/ 13	• •	SCH J, LN 27	27,569,938	22,696,010	
VI 14	• •	SCH J, LN 29	97,406	88,365	
A 15	•	SCH L, LN 20	4,880,964	3,737,440	
И 16		SCH K, LN 10	10,261	0	
/ 17	Federal Income Tax	SCH K, LN 32	13,226,091	8,050,139	
	TOTAL OPERATING EXPENSES	•	203,981,691	170,887,166	
/ 19					
A 20	OPERATING INCOME (RETURN)		46,166,525	32,697,234	
M 21					
/ 22					
1 23	DEVELOPMENT OF RATE BASE				
1 24	Electric Plant in Service	SCH D-2, LN 116	995,420,017	788,110,937	
/ 25	Less: Accumulated Depreciation	SCH E, LN 27	346,033,623	282,351,408	
A 26	Less: Amortization	SCH E, LN 29	3,034,523	2,711,805	
1 27	Plus: Working Capital	SCH F, LN 9	18,970,953	14,905,732	
A 28	Less: Other Rate Base Deductions	SCH F, LN 24	125,500,453	98,730,746	
M 29					
VI 30	TOTAL RATE BASE	SCH F, LN 27	539,822,371	419,222,711	
VI 31					
VI 32					
VI 33	RATE OF RETURN (PRESENT)		8.55%	7.80%	
VI 34					
M 35	INDEX RATE OF RETURN (PRESENT)		1.00	0.91	
M 36					
M 37					
VI 38					

M M M M M M M

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BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

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Statement N Cost of Service Study Page 2 of 34

SCH			ALLOCATION	TOTAL	SOUTH
NO.	NO.	DESCRIPTION	BASIS	BHP	DAKOTA
		(a)	(b)	(c)	(d)
м	47	EQUALIZED RETURN AT CLAIMED ROR			
м	48				
М	49	DEVELOPMENT OF RETURN (EQUALIZED RA	TE LEVELS)		
м	50	•			
м	51	RATE BASE		539,822,371	419,222,711
м	52				
м		RATE OF RETURN		8.54%	8.54%
м	54				
м	55	RETURN (RATE BASE * ROR)		46,100,831	35,801,619
М	56				
M	57	LESS:			
М	58	OPERATING EXPENSES	Stmt N Reference		
м	59	Operation and Maintenance Expense	SCH M, LN 12	158,197,031	136,315,212
М	60	Depreciation Expense	SCH M, LN 13	27,569,938	22,696,010
M	61	Amortization Expense	SCH J, LN 29	97,406	88,365
м	62	Taxes Other Than Income Taxes	SCH M, LN 15	4,880,964	3,737,440
м	63	State Income Tax	CALCULATED	10,261	0
М	64	Federal Income Tax	CALCULATED	13,190,714	9,721,850
М	65	TOTAL OPERATING EXPENSES		203,946,315	172,558,877
М	66				
M	67	EQUALS TOTAL COST OF SERVICE		250,047,146	208,360,497
м	68				
м	69	LESS:			
м	70	OTHER OPERATING REVENUES		95,582,900	65,112,288
м	71				
М	72	EQUALS:			
м	73	CLAIMED BASE RATE SALES @ EQUALIZE	D ROR	154,464,245	143,248,208
М	74				
M	75				
м	76	TOTAL COST OF SERVICE INCREASE/(DECR	EASE)	(101,071)	4,776,096
М	77	-			
M	78	REVENUE INCREASE TO RETAIL REVENUES	(%)	-0.07%	3.45%
м	79				



BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

Exhibit Sork - 105 Page 209 of 358

BLACK HILLS POWER, INC. RETAIL ELECTRIC PER BOOK JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement N Cost of Service Study Page 3 of 34

SCH	LINE		ALLOCATION	TOTAL	SOUTH	
NO.	NO.	DESCRIPTION	BASIS	BHP	DAKOTA	
		(a)	(b)	(c)	(d)	
м	93					
M	94					
A A	95					
Λ	96					
1	97					
/	98					
Λ	99					
N	100	THIS PAGE INTENT	IONALLY LEFT BLANK			
М	101					
М	102					
М	103					
М	104					
М	105					
M	106					
M M	107 108					
M	108					
M	110					
M	111					
м	112					
М	113					
м	114					
М	115					
М	116					
м	117					
M	118					
M M	119 120					
M	120					
M	121					
M	122					
м	124					
М	125					
м	126					
М	127					
М	128					
М	129					
М	130					
М	131					
M	132					
M M	133 134					
M	134					
M	136					
M	137					
M	138					
						BHP COS 06-30-12 JURISDICTIONAL - PER B

Exhibit CJK - 105 Page 210 of 358

BLACK HILLS POWER, INC. RETAIL ELECTRIC PER BOOK JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement N Cost of Service Study Page 4 of 34

	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL BHP	SOUTH DAKOTA	
		(a)	(b)	(c)	(d)	
D-2		DEVELOPMENT OF RATE BASE				
D-2	2					
D-2		ELECTRIC PLANT IN SERVICE				
D-2 D-2	4	PRODUCTION PLANT				
D-2	5 6	Steam Plant				
D-2	7	310-Land & Land Rights	DPROD	333,709	298,219	
D-2	8	311-Structures & Improve	DPROD	40,172,565	35,900,261	
D-2	9	312-Boiler Plant Equipment	DPROD	229,471,386	205,067,382	
D-2	10	313-Engines and Engine Driver Generator	DPROD	339,815	303,676	
D-2	11	314-Turbogenerator Units	DPROD	122,755,168	109.700.305	
D-2	12		DPROD	22,705,660	20,290,941	
D-2	13	316-Misc Power Plant Equipment	DPROD	3,668,910	3,278,726	
D-2	14	106-Completed Not Classified Production Plant	DPROD	16,724,779	14,946,119	
D-2		Steam Plant Additions/Annualization	DPROD	0	0	
D-2	16	Total Steam Plant		436,171,992	389,785,629	
D-2	17					
D-2	18					
D-2	19	Other Production Plant				
D-2	20	340-Land & Land Rights	DPROD	2,705	2,417	
D-2	21	341-Structures and Improvements	DPROD	515,535	460,708	
D-2	22	342-Fuel Holders, Producers, & Access	DPROD	5,119,213	4,574,791	
D-2	23	344-Generators	DPROD	68,775,732	61,461,516	
D-2	24		DPROD	4,859,650	4,342,832	
D-2			DPROD	82,868	74,055	
D-2			DPROD	498,582	445,558	
D-2			DPRÓD	0	0	
D-2				79,854,285	71,361,879	
D-2				F40 000 077	404 447 500	
D-2		TOTAL PRODUCTION PLANT		516,026,277	461,147,508	
D-2						
D-2						
D-2			DTRAN	4,036,391	558,204	
D-2 D-2		5	DTRAN	1,568,466	946,817	
D-2 D-2		•	DTRAN	45,442,021	821,071	
D-2			DTRAN	40,442,021 736,867	363,066	
D-2 D-2			DTRAN	26,210,756	217,875	
D-2 D-2			DTRAN	28,310,483	991,295	
D-2 D-2		-	DTRAN	6,920	6,311	
D-2			DTRAN	8,635,892	0,011	
D-2			DTRAN	0,000,002	0	
D-2				114,947 796	3,904,640	
D-2					-,,-	
D-2						
D-2						
						BHP COS 06-30-12 JURISDICTIONAL - PER BOOI

BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

Statement N Cost of Service Study Page 5 of 34

SCH LI NO. N		DESCRIPTION	ALLOCATION BASIS	TOTAL BHP	SOUTH DAKOTA	
		(a)	(b)	(c)	(d)	
		ELECTRIC PLANT IN SERVICE CONTINUED				
	48					
		DISTRIBUTION PLANT				
	50	360-Land & Land Rights	Direct Assigment	1,636,579	1,552,057	
	51	361-Structures & Improvements	Direct Assigment	254,825	246,766	
	52	362-Station Equipment	Direct Assigment	63,211,995	45,100,101	
	53	364-Poles, Towers & Fixtures				
	54	Primary - Demand		49,419,423	46,713,282	
	55	Secondary - Demand		13,065,623	12,350,167	
D-2	56	Total Account 364	Direct Assigment	62,485,046	59,063,449	
D-2	57	365-Overhead Conductors & Devices				
D-2	58	Primary - Demand		32,597,507	30,942,154	
D-2	59	Secondary - Demand		5,595,237	5,311,102	
D-2	60	Total Account 365	Direct Assigment	38,192,744	36,253,256	
D-2	61	366-Underground Conduit				
D-2	62	Primary - Demand		2,129,936	2,088,264	
D-2	63	Secondary - Demand		1,457,627	1,429,109	
D-2	64	Total Account 366	Direct Assigment	3,587,563	3,517,373	
D-2	65	367-Underground Conductors & Devices	U U			
D-2	66	Primary - Demand		19,764,617	19,338,906	
D-2	67	Secondary - Demand		18,838,150	18,432,395	
	68	Total Account 367	Direct Assigment	38,602,767	37,771,301	
D-2	6 9	368-Line Transformers	•			
	70	Demand		32,438,334	31,204,759	
	71	Total Account 368	Direct Assigment	32,438,334	31,204,759	
	72		Direct Assignent	27,327,010	26,665,348	
	73	370-Meters	Direct Assigment	2,978,612	2,825,893	
D-2	74	371-Installation on Customer Premises	Direct Assigment	2,048,191	1,964,488	
	75	373-Street Lighting & Signal Systems	Direct Assigment	1,690,694	1,617,886	
	76	106 - Completed Not Classified Distribution Plant	DISTPLTXNC	13,651,463	12,764,157	
	77	Distribution Plant Additions/Annualization	DISTPLTXNC	0	0	
		TOTAL DISTRIBUTION PLANT		288,105,823	260,546,835	
	79			• •	• •	
	80					
D-2	81					
D-2		TOTAL PROD, TRANS, & DIST PLANT		919,079,896	725,598,983	
	83					
	84					
D-2	85					
D-2	86					
	87					
	88					
D-2	89					
D-2	90					
D-2	91					

BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

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BLACK HILLS POWER, INC. RETAIL ELECTRIC PER BOOK JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

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Statement N Cost of Service Study Page 6 of 34

CH LINE O. NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL BHP	SOUTH DAKOTA	
	(a)	(b)	(c)	(d)	
	ELECTRIC PLANT IN SERVICE CONTINUED				
-2 94					
	GENERAL PLANT				
2 96	· · · · · · · · · · · · · · · · · · ·	SALWAGES	791,347	653,835	
2 97		SALWAGES	10,877,474	8,987,303	
298		SALWAGES	10,144,154	8,381,410	
2 99		SALWAGES	6,447,375	5,327,019	
2 100		SALWAGES	317,260	262,130	
2 101		SALWAGES	4,406,222	3,640,555	
2 102		SALWAGES	436,710	360,824	
2 103		SALWAGES	630,583	521,007	
-2 104		SALWAGES	8,060,617	5,325,590	
-2 105		SALWAGES	262,291	216,713	
-2 106	,	SREVSD	0	0	
-2 107		SALWAGES	3,153,804	2,861,061	
-2 108		SALWAGES	0	0	
-2 109			45,527,837	36,537,446	
-2 110					
	TOTAL OTHER UTILITY PLANT IN SERVICE	SALWAGES	25,941,976	21,622,151	
-2 112					
	TOTAL PLANT ACQUISITION ADJUSTMENT	DPROD	4,870,308	4,352,357	
-2 114					
-2 115					
-2 116			995,420,017	788,110,937	
-2 117					
-2 118					
-2 119					,
-2 120					
-2 121					
-2 122					
-2 123					
-2 124					
-2 125					
-2 126					
-2 127					
-2 128					
-2 129					
-2 130					
-2 131					
-2 132					
-2 133					
-2 134					
-2 135					
-2 136					
-2 137					
-2 138					BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SEPV
					DTP 003 00-30-12 JURISDIC HUNAL - FER BOURS (003) OF 3590
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Statement N Cost of Service Study Page 7 of 34

SCH			ALLOCATION	TOTAL	SOUTH
NO.	NU.	DESCRIPTION	BASIS	BHP	DAKOTA
		(a)	(b)	(c)	(d)
Е	1	LESS: ACCUMULATED DEPRECIATION			
Е	2				
Е	3	PRODUCTION PLANT ACCUM DEPRECIATION	PRODPLT	182,832,997	163,388,929
E	4				
Е	5	TRANSMISSION PLANT ACCUM DEPREC	TRANPLT	29,480,330	1,352,855
Е	6				
Е	7	DISTRIBUTION PLANT ACCUM DEPRECIATION			
E	8	360-Land & Land Rights	PLT_360	(43,322)	(41,085)
Е	9	361-Structures & Improvements	PLT_361	141,732	137,250
Е	10	362-Station Equipment	PLT_362	23,800,485	17,542,035
E	11	364-Poles, Towers & Fixtures	PLT_364	23,213,676	21,942,526
Е	12	365-Overhead Conductors & Devices	PLT_365	13,947,425	13,239,153
Е	13	366-Underground Conduit	PLT_366	507,645	497,713
Е	14	367-Underground Conductors & Devices	PLT_367	13,722,328	13,426,762
E	15	368-Line Transformers	PLT_368	12,033,874	11,576,246
E	16	369-Services	PLT_369	9,035,379	8,816,608
E	17	370-Meters	PLT_370	(4,087,213)	(3,877,654)
E	18	371-Installation on Customer Premises	PLT_371	790,650	758,339
Ē	19	373-Street Lighting & Signal Systems	PLT_373	766,845	733,822
Е	20	Unspecified and Accum Dep Adjustment	DISTPLT	(801,573)	(749,473)
Е	21	TOTAL DISTRIBUTION PLANT ACCUM DEPRI	EC	93,027,931	84,002,242
Е	22				
E	23	GENERAL PLANT ACCUM DEPRECIATION	GENLPLT	22,340,575	18,311,802
Е	24				
E	25	OTHER UTILITY ACCUM DEPRECIATION	SALWAGES	18,351,791	15,295,580
E	26			, ,	
E	27	TOTAL ACCUMULATED DEPRECIATION		346,033,623	282,351,408
E	28				
E	29	AMORTIZATION OF PLANT ACQUISITION	PRODPLT	3,034,523	2,711,805
E	30				•
Е	31	NET ELECTRIC PLANT IN SERVICE		646,351,871	503,047,724
Е	32				
E		· · · · · ·			

BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

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SCH	LINE		ALLOCATION	TOTAL	SOUTH
	NO.	DESCRIPTION	BASIS	BHP	DAKOTA
		(a)	(b)	(c)	(d)
F	1	ADDITIONS AND DEDUCTIONS TO RATE BASE			
F	2				
F		PLUS: ADDITIONS TO RATE BASE			
F	4	WORKING CAPITAL			
F	5	Cash Working Capital (Lead Lag)	SCH F-3, LN 40	(3,631,348)	(3,575,874)
F	6	Fuel Inventory	ENEFUEL	6,740,850	5,825,064
F	7	Materials and Supplies	TOTPLT	14,800,547	12,036,454
F	8	Prepayments	OMXFPP	1,060,904	620,089
F	9	TOTAL WORKING CAPITAL		18,970,953	14,905,732
F	10				
F	11	LESS: DEDUCTIONS TO RATE BASE			
۴	12	Customer Advances for Construction	CUSTADV	2,235,444	2,190,735
F	13	Regulatory Assets - S&W Related	SALWAGES	(23,453,929)	(21,276,884)
F	14	Regulatory Assets - Plant Related	TOTPLT	(14,422,301)	(7,902,392)
F	15	Regulatory Liabilities - S&W Related	SALWAGES	38,126,490	34,587,506
F	16	Regulatory Liabilities - Plant Related	TOTPLT	844,163	766,514
F	17	Deferred Income Taxes and Credits			
F	18	Deferred Income Tax - Property (Debit)	TOTPLT	(24,358,302)	(22,117,752)
F	19	Deferred Income Tax - S&W (Debit)	SALWAGES	(16,941,543)	(15,368,992)
F	20	Deferred Income Tax - Customer (Debit)	SREVSD	(741,211)	(741,211)
F	21	Deferred Income Tax - Property (Credit)	TOTPLT	161,053,282	125,728,028
F	22	Deferred Income Tax - Other (Credit)	SALWAGES	3,158,360	2,865,194
F	23	Total Deferred Income Taxes and Credits		122,170,586	90,365,267
F	24	TOTAL DEDUCTIONS TO RATE BASE		125,500,453	98,730,746
F	25				
F	26				
F	27	TOTAL RATE BASE		539,822,371	419,222,711
F	28				
F	29				
F	30				

BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

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SCH NO.	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL BHP	SOUTH DAKOTA
		(a)	(b)	(c)	(d)
F-3	1 (CASH WORKING CAPITAL (LEAD LAG)			
F-3	2				
F-3	3	O&M EXPENSE PER DAY RELATED CASH WO	RKING CAPITAL		
F-3	4	Purchased Fuel (Coal, Gas, & Oil)	ENEFUEL	57,981	50,104
F-3	5	Coal Transportation	ENEFUEL	3,629	3,136
F-3	6	Natural Gas - Other Production	ENEFUEL	5,682	4,910
F-3	7	Purchased Power	OX_555	133,426	115,886
F-3	8	Transmission	TRANPLT	50,939	46,456
F-3	9	Labor	SALWAGES	31,076	28,191
F-3	10	Employee Benefits	SALWAGES	1,621	1,471
F-3	11	Service Company Charges	SALWAGES	77,353	70,173
F-3	12	Other O&M	OMXFPP	61,684	56,100
F-3	13	Wyodak Power Plant O&M	PRODPLT	10,025	8,959
F-3	14	TOTAL O&M		433,416	385,386
F-3	15				
F-3	16	TAXES OTHER THAN INCOME TAXES			
F-3	17	Property Taxes	TOTPLT	12,768	16,825
F-3	18	Unemployment Taxes (FUTA & SUTA)	SALWAGES	314	285
F-3	19	Montana Electric Energy	SREVMT	49	0
F-3	20	Wyoming Franchise Tax	SREVWY	166	0
F-3	21	South Dakota PUC	SREVSD	592	592
F-3	22	Wyoming PSC	SREVWY	(7)	0
F-3	23	FICA Taxes - Employer's	SALWAGES	7,994	7,252
F-3	24	TOTAL TAXES OTHER THAN INCOME TAXES		21,876	24,954
F-3	25	-		,	
F-3	26	Depreciation Expense	TOTPLT	75,534	134,064
F-3	27	Amortization Expense	PRODPLT	267	238
F-3	28	TOTAL DEPRECIATION/AMORTIZATION		75,801	134,302
F-3	29				
F-3	30	FEDERAL INCOME TAXES	CLAIMREV	36,575	32,700
F-3	31				
F-3	32	INTEREST EXPENSE	TOTPLT	49,501	44,948
F-3	33				
F-3	34	GRAND TOTAL		617,169	622,290
F-3	35				
F-3	36	CWC REQUIREMENT (GRAND TOTAL x EXPEN	ISE LAG)	(2,542,736)	(2,563,836)
F-3	37				
F-3	38	LESS: TAX COLLECTIONS AVAILABLE		(1,088,612)	(1,012,038)
F-3	39				
F-3	40	NET CASH WORKING CAPITAL REQUIREMEN	Г	(3,631,348)	(3,575,874)
F-3	41				
F-3	42		•		
F-3	43				
F-3	44				
F-3	45				
E 2	40				

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BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

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SCH LI		ALLOCATION BASIS	TOTAL BHP	SOUTH DAKOTA	
	(a)	(b)	(c)	(d)	
F-3		Thurs			
	2 CASH WORKING CAPITAL (LEAD LAG) COM	TINUED			
F-3					
F-3	4 LAG/LEAD DAYS		20 50		
F-3	5 REVENUE LAG DAYS		37.96		
F-3	6 EXPENSE LEAD DAYS	-	42.08 (4.12)		
F-3 F-3	7 NET DAYS 8		(4.12)		
F-3	9 TAX COLLECTIONS AVAILABLE				
	10 FICA Taxes (Employee Contribution)	SALWAGES	(54,075)	(49,056)	
	11 Federal Withholding Tax	SALWAGES	(130,575)	(118,455)	
	12 South Dakota Sales and Use Tax	SREVSD	(844,528)	(844,528)	
	13 Wyoming Sales and Use Tax	SREVWY	(59,434)	(044,320)	
	14 TOTAL TAX COLLECTIONS AVAILABLE	SILEVUI	(1,088,612)	(1,012,038)	
	15		(1,000,012)	(1,012,000)	
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	17				
	18				
	19				
	20				
	21				
	22				
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	24				
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CH LINE D. NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL BHP	SOUTH DAKOTA	
	(a)	(b)	(c)	(d)	
1 OPERA 2	TING REVENUES				
3 SALES 4 Sales o 5 Contra 6 TOTAL 7	REVENUES of Electricity Revenues ct Revenues SALES OF ELECTRICITY	CLAIMREV	154,565,316 56,617,657 211,182,973	138,472,112 50,619,748 189,091,860	
9 Cost A 10 Demar 11 450-Fc 12 451-Mi 13 454-Re 14 456-Oi	OPERATING REVENUES djustment Revenue offeited Discounts scellaneous Service Revenues ent from Electric Property ther Electric Revenues - Transmission TAL OTHER OPERATING REV	Direct Assigment Direct Assigment Direct Assigment Direct Assignment TDPLT TRANPLT	7,457,312 (784,521) 259,858 440,263 8,546,371 23,045,960 38,965,243	6,604,628 (784,521) 251,449 433,078 7,987,906 0 14,492,540	
17 TOTAL 18 19 20 21 22 23	OPERATING REVENUES		250,148,216	203,584,400	
24 25 26 27 28 29 30					
31 32 33 34 35					
36 37 38 39 40					
41 42					

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	I LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL BHP	SOUTH DAKOTA	
	-	(a)	(b)	(c)	(d)	
н	1					
н		OPERATION & MAINTENANCE EXPENSE				
H H	3 4					
н		PRODUCTION EXPENSE				
н	э 6	PRODUCTION EXPENSE				
Н	7	Steam Production Operation				
н	8	500-Supervision & Engineering	SALWAGPO	1,846,170	1,609,006	
н	9	501-Fuel	ENEFUEL	24,549,436	21,214,242	
н	10	502-Steam Expense	DPROD	3,665,046	3,275,273	
н	11	505-Electric Expense	DPROD	1,248,355	1,115,594	
н	12	506-Miscellaneous Steam Power Expense	DPROD	789,883	705,880	
Ĥ.	13	507-Rent	DPROD	2,541,056	2,270,818	
Ĥ	14	509-Allowances	DPROD	30	27	
н	15	Total Steam Production Operation		34,639,976	30,190,839	
н	16			• •		
н	17	Steam Production Maintenance				
H	18	510-Supervision & Engineering	SALWAGPM	1,721,490	1,538,412	
н	19	511-Maintenance of Structures	DPROD	820,969	733,660	
Н	20	512-Maintenance of Boilers	DPROD	4,757,649	4,251,679	
н	21	513-Maintenance of Electric Plant	DPROD	875,047	781,987	
н	22	514-Maintanance of Miscellaneous Steam Plant	DPROD	205,774	183,890	
Н	23	Total Steam Production Maintenance		8,380,929	7,489,627	
н	24					
н	25	Total Steam Production Expense		43,020,905	37,680,467	
н	26					
н	27	Other Production Operation				
н	28	546-Operation Supervision and Engineering	SALWAGPO	215,352	187,687	
н	29	547-Fuel	ENEFUEL	2,074,106	1,792,326	
н	30	548-Generation Expense	DPROD	442,112	395,094	
Н	31	549-Miscellaneous Other Power Generation	DPROD	97,138	86,807	
Н	32	550-Rents	DPROD	118,053	105,498	
Н	33	Total Other Production Operation		2,946,761	2,567,413	
Н	34	Other Durdenting Maintenance				
н	35	Other Production Maintenance	SALWAGPM	163,609	146,209	
Н	36	551-Supervision & Engineering	DPROD	98,340	87,882	
Н	37	552-Structures		1,967,157	1,757,952	
н н	38 39	553-Maintenance of Generating and Electric Plant 554-Maintenance of Miscellaneous Other Power	DPROD	197,740	176,711	
н	39 40	556-System Control and Load Dispatching	DPROD	1,211,692	1,082,830	
н	40	556-System Control and Load Dispatching	DPROD	24	21	
н	42		511(05	3,638,562	3,251,605	
н	43			0,000,00E	0,== .,= 00	
н	44 44			6,585,323	5,819,018	
Ĥ	45	•		-,,520	÷,- · · ;- · •	
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BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SEPVICE

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SCH I NO.		DESCRIPTION	ALLOCATION BASIS	TOTAL BHP	SOUTH DAKOTA	
	,	(a)	(b)	(c)	(d)	
н	47	OPERATION & MAINTENANCE EXPENSE CONTI	NUED			
Н	48					
Н	49					
н н	50 51	PRODUCTION EXPENSE (CONT.)				
н	52	Other Power Supply				
н	53	555 - Purchased Power - Energy	ENERGY1	41,442,094	35,811,927	
н	54	555 - Purchased Power - Capacity	DPROD	7,258,307	6,486,395	
н	55	Total Other Power Supply		48,700,401	42,298,322	
н	56					
н	57	TOTAL PRODUCTION EXPENSE		98,306,629	85,797,807	
н	58					
н	59					
H H	60 61	TRANSMISSION EXPENSES				
н	62	Operation				
н	63	560-Supervision & Engineering	SALWAGTO	517,220	246,323	
Ĥ	64	561-Load Dispatch	TRANPLT	2,622,111	0	
H	65	562-Station Equipment	TRANPLT	301,339	0	
н	66	563-Overhead Lines	TRANPLT	94,210	44,867	
н	67	565-Transmission of Electricity by Others	TRANPLT	18,592,582	16,956,354	
н	68	566-Miscellaneous	TRANPLT	100,190	47,715	
н	69	567-Rents	TRANPLT	0	0	
Н	70	Total Transmission Operation		22,227,652	17,295,258	
Н	71	•4-i-+				
H	72 73	Maintenance 568-Maintenance Supervision & Engineering	SALWAGTM	0	0	
н Н	74	569-Maintenance of Structures	TRANPLT	0	0	
Н	75	570-Maintenance of Station Equipment	TRANPLT	143,335	68,262	
н	76	571-Maintenance of Overhead Lines	TRANPLT	160,826	76,592	
H	77	572-Maintenance of Underground Lines	TRANPLT	0	0	
н	78	573-Maint, of Miscellaneous Transmission Plant	TRANPLT	Ō	0	
н	79	Total Transmission Maintenance		304,161	144,855	
Н	80					
н	81	TOTAL TRANSMISSION EXPENSE		22,531,813	17,440,113	
н	82					
H	83					
H H	84 85					
H	85 86					
H	87					
н	88					
н	89					
Н	90					
н	91					
Н	92					

BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

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BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

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SCH LIN	E DESCRIPTION	ALLOCATION	TOTAL BHP	SOUTH DAKOTA	
	(a)	(b)	(c)	(d)	
	OPERATION & MAINTENANCE EXPENSE CO	NTINUED			
H 94					
H 95					
H 96					
H 97	•				
H 98	•	SALWAGDO	836,439	782,216	
H 99	•	DISTPLT	292,624	273,604	
H 100	• •	PLT_362	443,357	371,904	
H 10'		OHDIST	456,237	431,942	
H 102		UGDIST	311,105	304,456	
H 103	• •	PLT_3713	89	85	
H 104	•	CMETERS	866,163	833,288	
H 105		CMETERS	28,737	27,646	
H 100		DISTPLT	502,229	469,586	
H 107		DISTPLT	19,457	18,192	
H 108	3 Total Distribution Operation		3,756,437	3,512,920	
H 109)				
H 110	Maintenance				
H 11 [.]	590-Supervision	SALWAGDM	1,565	1,469	
H 11:	2 591-Structures	DISTPLT	0	0	
H 11:	3 592-Station Equipment	PLT_362	346,575	290,720	
H 114	593-Overhead Lines	OHDIST	2,550,816	2,414,985	
H 11	5 594-Underground Lines	UGDIST	191,328	187,239	
H 11	5 595-Transformers	PLT_368	38,005	36,560	
H 11	7 596-Street Lighting	PLT_3713	138,724	132,917	
H 11		CMETERS	73,889	71,085	
H 11	598-Miscellaneous	DISTPLT	21,554	20,153	
H 12) Total Distribution Maintenance		3,362,456	3,155,127	
H 12	1 .				
H 12	2 TOTAL DISTRIBUTION EXPENSES		7,118,893	6,668,047	
H 12					
	4 TOTAL OPER & MAINT EXP (PROD, TRAN, & D	IST)	127,957,335	109,905,967	
H 12					
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BLACK HILLS POWER, INC. RETAIL ELECTRIC PER BOOK JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

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O. NO. DESCRIPTION BASIS BHP DAKOTA (a) (b) (c) (d) 139 OPERATION & MAINTENANCE EXPENSE CONTINUED (d) (d) 140 141 142 CUSTOMER ACCOUNTS EXPENSES 33,274 31,985 144 901-Supervision SALWAGCA 33,274 31,985 144 902-Meter Reading CMETRDG 62,213 59,755 145 903-Customer Records and Collection Expense CUSTREC 1,733,439 1,664,965 1449 904-Uncollectible Accounts EXP_904 290,583 281,359 147 905-Miscellaneous CA CUSTCAM 826,214 793,577 148 TOTAL CUSTOMER ACCTS EXPENSE 2,945,723 2,831,643 149 150 151 CUSTOMER SERVICE EXPENSES 1,166,416 1,120,341 153 903-Customer Assistance CUSTAST 1,166,416 1,20,341 154 909-Advertisement CUSTAST 1,166,416 1,20,341 155 910-Miscellaneous CS
139 OPERATION & MAINTENANCE EXPENSE CONTINUED 140 141 142 143 901-Supervision SALWAGCA 33,274 31,985 144 902-Meter Reading CMETRDG 62,213 59,755 144 903-Weter Reading CMETRDG 62,213 59,755 144 903-Usotomer Records and Collection Expense CUSTREC 1,733,439 1,664,965 144 903-Usotomer Records and Collection Expense CUSTCAM 828,214 793,577 145 903-Customer Accounts EXP_904 290,583 281,359 147 905-Miscellaneous CA CUSTCAM 828,214 793,577 148 TOTAL CUSTOMER ACCTS EXPENSE 2,945,723 2,831,643 150 151 CUSTOMER SERVICE EXPENSES 1152 907-Supervision SALWAGCS 281,490 270,371 153 908-Customer Assistance CUSTADVT 11,854 1,120,341 1,386 155 910-Miscellaneous CS CUSTCSM 64,863 62,301 156 TOTAL CUSTOMER SERVICE EXPENSE 1,524,623 1,464,398
140 141 142 CUSTOMER ACCOUNTS EXPENSES 143 901-Supervision SALWAGCA 33,274 31,985 144 902-Meter Reading CMETRDG 62,213 59,755 145 903-Customer Records and Collection Expense CUSTREC 1,733,439 1,664,965 146 904-Uncollectible Accounts EXP_904 280,583 281,359 147 905-Miscellaneous CA CUSTCAM 826,214 793,577 148 TOTAL CUSTOMER ACCTS EXPENSE 2,945,723 2,831,643 149 150 151 CUSTOMER SERVICE EXPENSES 2,945,723 2,831,643 151 CUSTOMER SERVICE EXPENSES 1,166,416 1,120,341 152 907-Supervision SALWAGCS 281,490 270,371 153 908-Customer Assistance CUSTASST 1,166,416 1,120,341 154 909-Advertisement CUSTADVT 1,854 11,386 155 910-Miscellaneous CS CUSTCSM 64,863 62,301 156 TOTAL CUSTOMER SERVICE EXPENSE 1,524,623 1,464,398
140 141 142 CUSTOMER ACCOUNTS EXPENSES 143 901-Supervision SALWAGCA 33,274 31,985 144 902-Meter Reading CMETRDG 62,213 59,755 145 903-Customer Records and Collection Expense CUSTREC 1,733,439 1,664,965 146 904-Uncollectible Accounts EXP_904 280,583 281,359 147 905-Miscellaneous CA CUSTCAM 826,214 793,577 148 TOTAL CUSTOMER ACCTS EXPENSE 2,945,723 2,831,643 149 150 151 CUSTOMER SERVICE EXPENSES 2,945,723 2,831,643 151 CUSTOMER SERVICE EXPENSES 1,166,416 1,120,341 152 907-Supervision SALWAGCS 281,490 270,371 153 908-Customer Assistance CUSTASST 1,166,416 1,120,341 154 909-Advertisement CUSTADVT 1,854 11,386 155 910-Miscellaneous CS CUSTCSM 64,863 62,301 156 TOTAL CUSTOMER SERVICE EXPENSE 1,524,623 1,464,398
141 142 CUSTOMER ACCOUNTS EXPENSES 143 901-Supervision SALWAGCA 33,274 31,985 144 902-Meter Reading CMETRDG 62,213 59,755 144 902-Meter Reading CMETRDG 62,213 59,755 144 902-Meter Reading CUSTREC 1,733,439 1,664,965 144 904-Uncollectible Accounts EXP_904 290,583 281,359 147 905-Miscellaneous CA CUSTCAM 826,214 793,577 148 TOTAL CUSTOMER ACCTS EXPENSE 2,945,723 2,831,643 149 150 152 907-Supervision SALWAGCS 281,490 270,371 152 907-Supervision SALWAGCS 281,490 270,371 153 908-Customer Assistance CUSTADVT 11,854 11,386 154 909-Advertisement CUSTADVT 11,854 11,386 155 910-Miscellaneous CS CUSTCSM 64,863 62,301 156 TOTAL CUSTOMER SERVICE EXPENSE 1,524,623 1,464,398 157 158 SAL
142 CUSTOMER ACCOUNTS EXPENSES 143 901-Supervision SALWAGCA 33,274 31,985 144 902-Meter Reading CMETRDG 62,213 59,755 144 902-Meter Reading CMETRDG 62,213 59,755 144 903-Customer Records and Collection Expense CUSTREC 1,733,439 1,664,965 146 904-Uncollectible Accounts EXP_904 290,583 281,359 147 905-Miscellaneous CA CUSTCAM 626,214 793,577 148 TOTAL CUSTOMER ACCTS EXPENSE 2,945,723 2,831,643 149 150 151 CUSTOMER SERVICE EXPENSES 2,945,723 2,831,643 150 151 CUSTOMER SERVICE EXPENSES 1,166,416 1,120,341 152 907-Supervision SALWAGCS 281,490 270,371 153 908-Customer Assistance CUSTASST 1,166,416 1,120,341 155 910-Miscellaneous CS CUSTCSM 64,863 62,301 156 TOTAL CUSTOMER SERVICE EXPENSE 1,524,623 1,464,398 157 158 SALES EXPE
143 901-Supervision SALWAGCA 33,274 31,985 144 902-Meter Reading CMETRDG 62,213 59,755 145 903-Customer Records and Collection Expense CUSTREC 1,733,439 1,664,965 146 904-Uncollectible Accounts EXP_904 290,583 281,359 147 905-Miscellaneous CA CUSTCAM 826,214 793,577 148 TOTAL CUSTOMER ACCTS EXPENSE 2,945,723 2,831,643 149 150
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1 105 320-IIIIIIIICS AIU DAIIIdues 0ALWAGES 1.300.002 1.235.343
1 170 927-Pensions & Benefits SALWAGES 99,228 90,017
1 171 928-Regulatory Commission SALESREV 713,800 639,480
1 172 930.1-General Advertising SALWAGES 224,449 203,615
1 173 930.2-Miscellaneous General SALWAGES 1,161,427 1,053,621
1 174 931-Rents GENLPLT 545,526 494,889
H 175 932-Maintenance of General Plant GENLPLT 1,080,634 980,327
1 175 952-Maintenance of General Plant General General 7,000,034 500,027
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BLACK HILLS POWER, INC. RETAIL ELECTRIC PER BOOK JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement N Cost of Service Study Page 16 of 34

SCH NO.		DESCRIPTION	ALLOCATION BASIS	TOTAL BHP	SOUTH DAKOTA
	NO.	(a)	(b)	(c)	(d)
1	1	DEPRECIATION/AMORTIZATION EXPENSE			
		DEFRECIATION/AMORTIZATION EXPENSE			
J	2	PRODUCTION PLANT EXPENSE	PRODPLT	13,325,407	11,908,267
3	3	PRODUCTION PLANT EXPENSE	FRODELI	13,323,407	11,900,207
3	5	TRANSMISSION PLANT EXPENSE	TRANPLT	2,408,774	82,778
ĩ	6	TRANSMISSION FLANT EXPENSE		2,400,774	02,770
r T	-	DISTRIBUTION PLANT EXPENSE			
1	8	360-Land & Land Rights	PLT 360	0	0
.ĭ	9	361-Structures & Improvements	PLT_361	7,003	6,781
Ĵ	10	362-Station Equipment	PLT 362	1,737,159	1,457,194
	11	364-Poles, Towers & Fixtures	PLT 364	1,717,181	1,623,151
Ĵ	12	•	PLT_365	1,049,593	996,293
Ĵ.	13	366-Underground Conduit	PLT_366	98,592	96,663
Ĵ	14	367-Underground Conductors & Devices	PLT_367	1,060,861	1,038,011
Ĵ	15	368-Line Transformers	PLT 368	891,453	857,553
Ĵ	16	369-Services	PLT 369	750,987	732,803
Ĵ	17	370-Meters	PLT_370	81,857	77,660
Ĵ	18	371-Installation on Customer Premises	PLT 371	56,287	53,987
J	19	373-Street Lighting & Signal Systems	PLT 373	46,463	44,462
J	20	Distribution Plant Annualization	DISTPLT	375,162	350,778
1	21	TOTAL DISTRIBUTION PLANT EXPENSE		7,872,598	7,335,335
J	22			• •	
J		GENERAL PLANT EXPENSE	GENLPLT	2,005,786	1,593,945
J	24				
Ĵ		OTHER UTILITY DEPRECIATION EXPENSE	SALWAGES	1,957,373	1,775,685
J	26				
Ĵ	27	TOTAL DEPRECIATION EXPENSE		27,569,938	22,696,010
J	28				
J	29	PLANT ACQUISITION ADJUSTMENT	SALWAGES	97,406	88,365
J	30				
J	31	TOTAL DEPRECIATION/AMORTIZATION EXPE	NSE	27,667,345	22,784,375

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Statement N Cost of Service Study Page 17 of 34

SCH	LINE		ALLOCATION	TOTAL	SOUTH
NO.	NO.	DESCRIPTION	BASIS	BHP	DAKOTA
		(a)	(b)	(c)	(d)
L	1	OTHER OPERATING EXPENSES			
L	2				
L	3	TAXES OTHER THAN INCOME TAXES			
L	4	Federal Taxes			
L.	5	FICA Tax	SALWAGES	2,917,700	2,512,919
L	6	Unemployment Tax	SALWAGES	21,763	19,743
L	7				
L	8	State Taxes			•
L	9	Unemployment Tax	SALWAGES	92,754	84,144
Ł	10	Montana Electric Energy Tax	SREVMT	17,789	0
L	11	Wyoming Franchise Taxes	SREVWY	60,432	0
L	12	South Dakota PUC Tax	SREVSD	216,138	216,138
L	13	Wyoming Sales Tax	SREVWY	(2,479)	0
L	14				
L	15	Local Taxes			
L	16	Property	TOTPLT	4,660,470	3,720,016
L	17				
L.	18	TOIT - Payroll Loading & Other	SALWAGES	(3,103,603)	(2,815,520)
L	19	, ,	-		
L	20	TOTAL TAXES OTHER THAN INCOME		4,880,964	3,737,440
L	21				

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BLACK HILLS POWER, INC. RETAIL ELECTRIC PER BOOK JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement N Cost of Service Study Page 18 of 34

	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL BHP	SOUTH DAKOTA	
		(a)	(b)	(C)	(d)	
κ		DEVELOPMENT OF INCOME TAXES				
κ	2					
к	3	TOTAL OPERATING REVENUES	SCH I, LN 17	250,148,216	203,584,400	
К	4					
Κ	5	LESS:				
κ	6		SCH H, LN 178	158,197,031	136,315,212	
κ	7	DEPRECIATION EXPENSE	SCH J, LN 27	27,569,938	22,696,010	
К	8	AMORTIZATION EXPENSE	SCH J, LN 29	9 7,406	88,365	
κ	9	TAXES OTHER THAN INCOME TAXES	SCH L, LN 20	4,880,964	3,737,440	
κ	10	MT STATE INCOME TAXES	SREVMT	10,261	0	
ĸ	11					
Κ	12	NET OPERATING INCOME BEFORE TAXES		59,392,615	40,747,373	
Κ	13		TOTPLT	(490,930)	(445,773)	
κ	14	Interest Expense (Rate Base * Wtd Cost of Debt)		18,067,707	14,031,269	
κ	15	Subtotal		41,815,838	27,161,877	
κ	16					
Κ	17	Tax Adjustments:				
κ	18	Permanent - Salaries & Wages	SALWAGES	346,185	314,051	
к	19	Permanent - Plant	TOTPLTCUS	(399,491)	(316,292)	
К	20	Temporary - Salaries & Wages	SALWAGES	(4,690,213)	(4,254,857)	
κ	21	Temporary - Plant	TOTPLTCUS	(43,867,926)	(34,731,864)	
κ	22	Temporary - Customer	CUST	(30,194)	(29,001)	
К	23	Temporary - Other	CLAIMREV	(4,559,695)	(4,076,654)	
к		Total Adjustments		(53,201,334)	(43,094,617)	
к	25					
К	26	TAXABLE INCOME (NOL)		(11,385,496)	(15,932,740)	
к	27	• •				
κ		Federal Income Tax @ 35%		(3,984,923)	(5,576,459)	
ĸ	29				• • •	
ĸ	30		TOTPLTCUS	17,211,014	13,626,598	
ĸ	31			•		
К		TOTAL FEDERAL INCOME TAX		13,226,091	8,050,139	
к	33					
ĸ		TOTAL INCOME TAXES		13,236,352	8,050,139	
ĸ	35					
ĸ	36					
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ĸ	40					

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BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

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#### BLACK HILLS POWER, INC. RETAIL ELECTRIC PER BOOK JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement N Cost of Service Study Page 19 of 34

| O. NO.                       | DESCRIPTION           | ALLOCATION<br>BASIS | TOTAL<br>BHP | SOUTH<br>DAKOTA |                                   |                       |
|------------------------------|-----------------------|---------------------|--------------|-----------------|-----------------------------------|-----------------------|
|                              | (a)                   | (b)                 | (c)          | (d)             |                                   |                       |
| 47                           |                       |                     |              |                 |                                   |                       |
| 48                           |                       |                     |              |                 |                                   |                       |
| 49                           |                       |                     |              |                 |                                   |                       |
| 50                           |                       |                     |              |                 |                                   |                       |
| 51                           | 750                   |                     |              |                 |                                   |                       |
| 52 <u>TAX R/</u><br>53 STATE |                       |                     | 0.00%        |                 |                                   |                       |
| 53 STATE                     | AL TAX RATE - CURRENT |                     | 35.00%       |                 |                                   |                       |
| 55                           |                       |                     | 00.0070      |                 |                                   |                       |
| 56                           |                       |                     |              |                 |                                   |                       |
| 57                           |                       |                     |              |                 |                                   |                       |
| 58                           |                       |                     |              |                 |                                   |                       |
|                              | TED COST OF DEBT      | CALCULATED          | 3.35%        |                 |                                   |                       |
| ( 60<br>( 61                 |                       |                     |              |                 |                                   |                       |
| 62                           |                       |                     |              |                 |                                   |                       |
| 63                           |                       |                     |              |                 |                                   |                       |
| 64                           |                       |                     |              |                 |                                   |                       |
| 65                           |                       |                     |              |                 |                                   |                       |
| 66<br>67                     |                       |                     |              |                 |                                   |                       |
| 68                           |                       |                     |              |                 |                                   |                       |
| 69                           |                       |                     |              |                 |                                   |                       |
| C 70                         |                       |                     |              |                 |                                   |                       |
| <b>K</b> 71                  |                       |                     |              |                 |                                   |                       |
| 72                           |                       |                     |              |                 |                                   |                       |
| C 73<br>C 74                 |                       |                     |              |                 |                                   |                       |
| C 75                         |                       |                     |              |                 |                                   |                       |
| 76                           |                       |                     |              |                 |                                   |                       |
| 77                           |                       |                     |              |                 |                                   |                       |
| 78                           |                       |                     |              |                 |                                   |                       |
| 79                           |                       |                     |              |                 |                                   |                       |
| C 80<br>C 81                 |                       |                     |              |                 |                                   |                       |
| 6 82                         |                       |                     |              |                 |                                   |                       |
| 83                           |                       |                     |              |                 |                                   |                       |
| 84                           |                       |                     |              |                 |                                   |                       |
| 85                           |                       |                     |              |                 |                                   |                       |
| 86<br>87                     |                       |                     |              |                 |                                   |                       |
| 88                           |                       |                     |              |                 |                                   |                       |
| 689                          |                       |                     |              |                 |                                   |                       |
| ( 90                         |                       |                     |              |                 |                                   |                       |
| C 91                         |                       |                     |              |                 |                                   |                       |
| 92                           |                       |                     |              |                 |                                   |                       |
|                              |                       |                     |              |                 | BHP COS 06-30-12 JURISDICTIONAL - | PER BOOKS COST OF SER |

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| SCH         | LINE |                                                  | ALLOCATION    | TOTAL      | SOUTH      |
|-------------|------|--------------------------------------------------|---------------|------------|------------|
| NO.         | NO.  | DESCRIPTION                                      | BASIS         | BHP        | DAKOTA     |
|             |      | (a)                                              | (b)           | (c)        | (d)        |
| H-1         | 1    | DEVELOPMENT OF SALARIES & WAGES ALLO             | CATION FACTOR |            |            |
| H-1         | 2    |                                                  |               |            |            |
| <b>H-</b> 1 | 3    | PRODUCTION SALARIES & WAGES EXPENSE              |               |            |            |
| H-1         | 4    | Operation                                        | OX_PROD       | 3,704,819  | 3,228,889  |
| <b>H-</b> 1 | 5    | Maintenance                                      | MX_PROD       | 2,881,357  | 2,574,928  |
| H-1         | 6    | TOTAL PRODUCTION                                 | _             | 6,586,176  | 5,803,817  |
| H-1         | 7    |                                                  |               |            |            |
| H-1         | 8    | TRANSMISSION SALARIES & WAGES EXPENSE            |               |            |            |
| H-1         | 9    | Operation                                        | OXTRAN        | 236,196    | 215,410    |
| H-1         | 10   | Maintenance                                      | MX_TRAN       | 61,019     | 55,649     |
| H-1         | 11   | TOTAL TRANSMISSION                               |               | 297,215    | 271,059    |
| H-1         | 12   |                                                  |               |            |            |
| H-1         | 13   | <b>DISTRIBUTION SALARIES &amp; WAGES EXPENSE</b> |               |            |            |
| H-1         | 14   | Operation                                        | OX_DIST       | 1,803,754  | 1,686,823  |
| H-1         | 15   | Maintenance                                      | MX_DIST       | 772,397    | 724,771    |
| H-1         | 16   | TOTAL DISTRIBUTION                               |               | 2,576,151  | 2,411,594  |
| H-1         | 17   |                                                  |               |            |            |
| H-1         | 18   | CUSTOMER ACCOUNTS SAL & WAGES EXP                | OX_CA         | 1,009,419  | 970,327    |
| H-1         | 19   |                                                  |               |            |            |
| H-1         | 20   | CUSTOMER SERVICE SAL & WAGES EXP                 | OX_CS         | 757,920    | 727,981    |
| <b>H-</b> 1 | 21   |                                                  |               |            |            |
| H-1         | 22   | ADMINISTRATIVE & GENERAL SALARIES & WA           | GES EXP       |            |            |
| <b>H-</b> 1 | 23   | Operation                                        | SALWAGXAG     | 102,750    | 93,213     |
| H-1         | 24   |                                                  | SALWAGXAG     | 13,241     | 12,012     |
| H-1         | 25   |                                                  |               | 115,991    | 105,224    |
| H-1         | 26   |                                                  |               |            |            |
| H-1         | 27   | TOT OPER & MAINTENANCE SALARIES & WAG            | ES            | 11,342,872 | 10,290,002 |

 H-1
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H-1

H-1

H-1 H-1 H-1 H-1

H-1 H-1 39

40 41 42

43 44

45 46

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BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

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| SCH
NO. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
BHP | SOUTH
DAKOTA |
|------------|-----|---|---------------------|--------------|------------------|
| NO. | NO. | (a) | (b) | (c) | (d) |
| | | (a) | (0) | (0) | (u) |
| AF | 1 | ALLOCATION FACTOR TABLE | | | |
| AF | | DEMAND | | | |
| AF | 3 | | | | |
| AF | 4 | DEMAND - PRODUCTION RELATED | | | |
| AF | 5 | Demand Production (12 CP) | DPROD | 279.61 | 249,88 |
| AF | 6 | · · · · · · · · · · · · · · · · · · · | | | |
| AF | 7 | | | | |
| AF | 8 | | | | |
| AF | 9 | DEMAND - TRANSMISSION RELATED | | | |
| AF | 10 | Demand Transmission (NCP) | DTRAN | 366.18 | 333.95 |
| AF | 11 | | | | |
| AF | 12 | | | | |
| AF | 13 | | | | |
| AF | 14 | | | | |
| AF | 15 | | | | |
| AF | 16 | | | | |
| AF | 17 | | | | |
| AF | 18 | | | | |
| AF | 19 | | | | |
| AF | 20 | DEMAND - DISTRIBUTION RELATED (NCP) | | 000 475 | 000.05 |
| AF | 21 | Demand Distribution Primary Substation | DDISPSUB | 366.175 | 333.95
333.95 |
| AF | | Demand Distribution Primary Overhead Lines | DDISTPOL | 366.175 | |
| AF | | Demand Distribution Primary Underground Lines | DDISTPUL | 366.175 | 333.95 |
| AF | 24 | Demand Distribution Secondary Overhead Lines | DDISTSOL | 366.175 | 333.95 |
| AF
AF | | Demand Distribution Secondary Overnead Lines | DDISTSUL | 366,175 | 333.95 |
| AF | | Demand Distribution Overhead Line Transformers | DDISTSOT | 366.175 | 333.95 |
| AF | | Demand Distribution Undergrnd Line Transformers | DDISTSUT | 366.175 | 333.95 |
| AF | 20 | Demand Distribution ondergind Line transformers | DDIGTGGT | 500.175 | 500.55 |
| AF | 29 | | | | |
| AF | 31 | | | | |
| AF | 32 | | | | |
| AF | 33 | | | | |

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| SCH
NO. | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
BHP | SOUTH
DAKOTA | |
|------------|-------------|--|---------------------|--------------|-----------------|---|
| | | (a) (a) | (b) | (c) | (d) | |
| AF | 47 | ALLOCATION FACTOR TABLE CONTINUED | | | | |
| AF | 48 | | | | | |
| AF | | ENERGY | | | | |
| AF | | Energy @ Generation with losses (kWh) | ENEFUEL | 1,822,806 | 1,575,167 | |
| AF | | Energy @ Generation with losses(kWh) | ENERGY1 | 1,822,806 | 1,575,167 | |
| AF | | Energy @ Meter (kWh Sales) | ENERGY2 | 1,684,273 | 1,455,584 | |
| AF | 53 | | | | | |
| AF | 54 | | | | | |
| AF | 55 | | | | | |
| AF | 56 | | | | | |
| AF | 57 | | | | | |
| AF | 58 | | | | | |
| AF | 59 | | | | | |
| AF
AF | 60
61 | | | | | |
| AF | | | | | | |
| AF | 62 | Customer Dist. Primary Substation | CDISPSUB | 68,630 | 65,919 | |
| AF | | Customer Dist. Primary Overhead Lines | CDISTPOL | 68,630 | 65,919 | |
| AF | | Customer Dist. Primary Underground Lines | CDISTPUL | 68,630 | 65,919 | |
| AF | 66 | | CDISTFUL | 00,000 | 03,515 | |
| AF | 67 | | | | | |
| AF | 68 | | | | | |
| AF | 69 | | | | | |
| AF | 70 | | | | | |
| AF | 71 | | | | | |
| AF | | 369-Services | CSERVICE | 366,175 | 333,950 | |
| AF | | 370-Meters | CMETERS | 14,704,239 | 14,146,138 | |
| AF | 74 | | | | | |
| AF | | 902-Meter Reading | CMETRDG | 823,560 | 791,028 | |
| AF | | 903-Customer Records and Collections | CUSTREC | 823,560 | 791,028 | |
| AF | | 905-Miscellaneous Customer Accounts | CUSTCAM | 68,630 | 65,919 | |
| AF | 78 | 908-Customer Assistance | CUSTASST | 68,630 | 65,919 | |
| AF | 79 | 909-Advertisement | CUSTADVT | 68,630 | 65,919 | |
| AF | 80 | 910-Miscellaneous Customer Service | CUSTCSM | 68,630 | 65,919 | |
| AF | 81 | | | | | |
| AF | 82 | | | | | |
| AF | 83 | • | | | | |
| AF | 84 | 371-Installation on Customer Premises | CUSTPREM | 2,807 | 2,624 | |
| AF | 85 | 373-Street Lighting & Signal Systems | CLIGHT | 204 | 199 | |
| AF | 86 | | | | | |
| AF | | Number of Bills | CUSTBILLS | 823,560 | 791,028 | |
| AF | | Number of Customers | CUST | 68,630 | 65,919 | |
| AF | 89 | | | | | |
| AF | 90 | | | | | |
| AF | 91 | | | | | |
| AF | 92 | | | | | |
| | | | | | \sim | BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS |
| | 1.1 | | | | | |

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BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

Statement N Cost of Service Study Page 23 of 34

| SCH
NO. | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
BHP | SOUTH
DAKOTA | |
|------------|-------------|---|---------------------|--------------|-----------------|--|
| | | (a) | (b) | (c) | (d) | |
| ٩F | 93 | ALLOCATION FACTOR TABLE CONTINUED | | | | |
| AF | 94 | INTERNALLY DEVELOPED ALLOCATION FAC | CTORS | | | |
| AF | 95 | | | | | |
| AF | 96 | Plant | | | | |
| AF | 97 | Prod, Trans, and Distr Plant in Service | PTDPLT | 798,966,554 | 725,598,983 | |
| AF | 98 | Distribution Plant Excl Not Classified | DISTPLTXNC | 265,007,390 | 247,782,678 | |
| AF | 99 | Rate Base | RATEBASE | 461,505,845 | 419,222,711 | |
| AF | 100 | Total Electric Plant In Service | TOTPLT | 867,947,334 | 788,110,937 | |
| AF | 101 | Production Plant In Service | PRODPLT | 516,026,277 | 461,147,508 | |
| AF | 102 | Transmission Plant in Service | TRANPLT | 4,281,424 | 3,904,640 | |
| AF | | Distribution Plant in Service | DISTPLT | 278,658,853 | 260,546,835 | |
| AF | | Total Transmission and Distribution Plant | TDPLT | 282.940.277 | 264,451,475 | |
| AF | | General Plant in Service | GENLPLT | 40,275,948 | 36,537,446 | |
| AF | | Total Electric Plant in Service plus CUS | TOTPLTCUS | 995,420,017 | 788,110,937 | |
| AF | | Account 360 | PLT_360 | 1,636,579 | 1,552,057 | |
| AF | | Account 361 | PLT_361 | 254,825 | 246,766 | |
| AF | | Account 362 | PLT_362 | 53,765,025 | 45,100,101 | |
| AF | | Account 364 | PLT_364 | 62,485,046 | 59,063,449 | |
| AF | | Account 365 | PLT_365 | 38,192,744 | 36,253,256 | |
| AF | | Account 366 | PLT_366 | 3,587,563 | 3,517,373 | |
| AF | | Account 367 | PLT_367 | 38,602,767 | 37,771,301 | |
| AF | | Account 368 | | 32,438,334 | 31,204,759 | |
| AF | | Account 369 | PLT_368
PLT_369 | 27,327,010 | 26,665,348 | |
| AF | | | | · · | | |
| AF | | Account 370 | PLT_370 | 2,978,612 | 2,825,893 | |
| AF | | Account 371 | PLT_371 | 2,048,191 | 1,964,488 | |
| AF | | Account 373
Distribution Overhead Plant in Service | PLT_373
OHDIST | 1,690,694 | 1,617,886 | |
| AF | | | | 100,677,790 | 95,316,705 | |
| | | Distribution Underground Plant in Service | UGDIST | 42,190,330 | 41,288,674 | |
| AF
AF | | Account 371&373 | PLT_3713 | 3,738,884 | 3,582,374 | |
| | 122 | | | 0.47 700 070 | 0.47 700 070 | |
| AF | | South Dakota | DPLTSD | 247,782,678 | 247,782,678 | |
| AF | | Wyoming | DPLTWY | 15,899,082 | 0 | |
| AF | | Montana | DPLTMT | 1,325,630 | D | |
| AF | 126 | | | | | |
| AF | 127 | | | | | |
| AF | 128 | | | | | |
| AF | 129 | | | | | |
| AF | 130 | | | | | |
| AF | 131 | | | | | |
| AF | 132 | | | | | |
| AF | 133 | | | | | |
| AF | | Total O&M less Fuel and Purchased Power | OMXFPP | 78,078,896 | 71,010,323 | |
| AF | | Supervised O&M Expense excluding CUS | OMXFPPT | 35,085,133 | 31,924,565 | |
| AF | 136 | | | | | |
| AF | 137 | | | | | |
| ΔE | 120 | | | | | |

AF 137 AF 138

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BLACK HILLS POWER, INC. RETAIL ELECTRIC PER BOOK JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement N Cost of Service Study Page 24 of 34

| SCH
NO. | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
BHP | SOUTH
DAKOTA | |
|------------|-------------|---|---------------------|--------------|-------------------|--|
| | | (a) | (b) | (c) | (d) | |
| AF | 139 | ALLOCATION FACTOR TABLE CONTINUED | | | | |
| AF | 140 | INTERNALLY DEVELOPED ALLOCATION FAC | TORS | | | |
| AF | 141 | Production Expense | | | | |
| AF | 142 | Account 500 | OX_500 | 1,846,170 | 1,609,006 | |
| AF | 143 | Account 501 | OX_501 | 24,549,436 | 21,214,242 | |
| AF | 144 | Account 502 | OX_502 | 3,665,046 | 3,275,273 | |
| AF | 145 | Account 505 | OX_505 | 1,248,355 | 1,115,594 | |
| AF | 146 | Account 506 | OX_506 | 789,883 | 705,880 | |
| AF | 147 | Account 510 | MX_510 | 1,721,490 | 1,538,412 | |
| AF | 148 | Account 511 | MX_511 | 820,969 | 733,660 | |
| AF | 149 | Account 512 | MX_512 | 4,757,649 | 4,251,679 | |
| AF | 150 | Account 513 | MX_513 | 875,047 | 781,987 | |
| AF | 151 | Account 514 | MX_514 | 205,774 | 183,890 | |
| AF | 152 | Account 546 | OX_546 | 215,352 | 187,687 | |
| AF | 153 | Account 547 | OX_547 | 2,074,106 | 1,792,326 | |
| AF | | Account 548 | OX_548 | 442,112 | 395,094 | |
| AF | | Account 549 | OX_549 | 97,138 | 86,807 | |
| AF | | Account 551 | MX_551 | 163,609 | 146,209 | |
| AF | | Account 552 | MX_552 | 98,340 | 87,882 | |
| AF | | Account 553 | MX 553 | 1,967,157 | 1,757,952 | |
| AF | | Account 554 | MX_554 | 197,740 | 176,711 | |
| AF | | Account 556 | OX_556 | 1,211,716 | 1,082,851 | |
| AF | | Account 555 | OX_555 | 48,700,401 | 42,298,322 | |
| AF | | Account 557 | OX_557 | 0 | , | |
| AF | | O&M Expense Production Operation | OX PROD | 35,525,215 | 30,961,558 | |
| AF | | O&M Expense Production Maintenance | MX PROD | 10,134,392 | 9,056,612 | |
| AF | | Salaries and Wages Production Operation | SALWAGPO | 3,704,819 | 3,228,889 | |
| AF | | Salaries and Wages Production Maintenance | SALWAGPM | 2,881,357 | 2,574,928 | |
| AF | | Transmission Expense | | 2,001,000 | _,, | |
| AF | | Account 560 | OX_560 | 270,092 | 246,323 | |
| AF | | Account 561 | OX_561 | 2/ 0,002 | 0 | |
| AF | | Account 562 | OX_562 | 0 | 0 | |
| AF | | Account 563 | OX_563 | 49,196 | 44,867 | |
| AF | | Account 565 | OX_565 | 18,592,582 | 16,956,354 | |
| AF | | Account 566 | OX_566 | 52,319 | 47,715 | |
| AF | | Account 567 | OX_567 | 02,010 | 0 | |
| AF | | Account 568 | MX_568 | ů
O | 0 | |
| AF | | Account 569 | MX_569 | 0 | 0 | |
| AF | | Account 570 | MX_570 | 74,850 | 68,262 | |
| AF | | Account 570 | MX_570
MX_571 | 83,983 | 76,592 | |
| AF | | Account 573 | | 03,903 | 10,092 | |
| AF | | O&M Accounts 561-567 | MX_573 | 18,694,098 | 17,048,935 | |
| AF | 181 | | OX_TRAN | 158,833 | 144,855 | |
| | | | MX_TRAN | 236,196 | | |
| AF
AF | | Salaries & Wages Accounts 561-567 | SALWAGTO | | 215,410
55,649 | |
| AF | | Salaries & Wages Accounts 569-573 | SALWAGTM | 61,019 | 00,049 | |
| AF | 184 | | | | | BHP COS 06-30-12 JURISDICTIONAL - PER BOOI |

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BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

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|          |     | DESCRIPTION                             | ALLOCATION<br>BASIS  | TOTAL<br>BHP | SOUTH<br>DAKOTA |  |
|----------|-----|-----------------------------------------|----------------------|--------------|-----------------|--|
| NO.      | NO. | DESCRIPTION<br>(a)                      | BASIS<br>(b)         | (c)          | (d)             |  |
|          |     |                                         | (-)                  | (-)          | 1-7             |  |
| AF       |     | ALLOCATION FACTOR TABLE CONTINUED       |                      |              |                 |  |
| AF       |     | INTERNALLY DEVELOPED ALLOCATION FAC     | CTORS                |              |                 |  |
| AF       |     | Distribution Expense                    |                      |              |                 |  |
| AF       |     | Account 580                             | OX_580               | 836,439      | 782,216         |  |
| AF       |     | Account 581                             | OX_581               | 292,624      | 273,604         |  |
| AF       |     | Account 582                             | OX_582               | 443,357      | 371,904         |  |
| AF       |     | Account 583                             | OX_583               | 456,237      | 431,942         |  |
| AF       |     | Account 584                             | OX_584               | 311,105      | 304,456         |  |
| AF       |     | Account 585                             | OX_585               | 89           | 85              |  |
| AF       |     | Account 586                             | OX_586               | 866,163      | 833,288         |  |
| AF       |     | Account 587                             | OX_587               | 28,737       | 27,646          |  |
| AF       |     | Account 588                             | OX_588               | 502,229      | 469,586         |  |
| AF       |     | Account 589                             | OX_589               | 19,457       | 18,192          |  |
| AF       |     | Account 590                             | MX_590               | 1,565        | 1,469           |  |
| AF       |     | Account 592                             | MX_592               | 346,575      | 290,720         |  |
| AF       |     | Account 593                             | MX_593               | 2,550,816    | 2,414,985       |  |
| AF       |     | Account 594                             | MX_594               | 191,328      | 187,239         |  |
| AF       |     | Account 595                             | MX_595               | 38,005       | 36,560          |  |
| AF       |     | Account 596                             | MX_596               | 138,724      | 132,917         |  |
| AF       |     | Account 597                             | MX_597               | 73,889       | 71,085          |  |
| AF       |     | Account 598                             | MX_598               | 21,554       | 20,153          |  |
| AF       |     | O&M Accounts 581-589                    | OX_DIST              | 2,919,998    | 2,730,705       |  |
| AF       |     | O&M Accounts 591-598                    | MX_DIST              | 3,360,891    | 3,153,659       |  |
| AF       |     | Salaries & Wages Accounts 581-589       | SALWAGDO             | 1,803,754    | 1,686,823       |  |
| AF       |     | Salaries & Wages Accounts 591-598       | SALWAGDM             | 772,397      | 724,771         |  |
| AF       | 210 |                                         | <b>A</b> Y <b>AA</b> |              | 50 755          |  |
| AF       |     | Account 902                             | OX_902               | 62,213       | 59,755          |  |
| AF       |     | Account 903                             | OX_903               | 1,733,439    | 1,664,965       |  |
| AF       |     | Account 904                             | OX_904               | 290,583      | 281,359         |  |
| AF       |     | O&M Accounts 902-905                    | OX_CA                | 2,912,449    | 2,799,657       |  |
| AF       |     | Salaries & Wages Accounts 902-905       | SALWAGCA             | 1,009,419    | 970,327         |  |
| AF       | 216 | 4                                       | 07.000               | 4 400 440    | 4 400 044       |  |
| AF       |     | Account908                              | OX_908               | 1,166,416    | 1,120,341       |  |
| AF       |     | Account909                              | OX_909               | 11,854       | 11,386          |  |
| AF       |     | Account910                              | OX_910               | 64,863       | 62,301          |  |
| AF       |     | O&M Accounts 908-910                    | OX_CS                | 1,243,133    | 1,194,027       |  |
| AF       |     | Salaries & Wages Accounts 908-910       | SALWAGCS             | 757,920      | 727,981         |  |
| AF       | 222 | Colorian & Mason Evoluting Admin & Cost | CALIMACYAC           | 11 006 004   | 10 194 777      |  |
| AF       |     | Salaries & Wages Excluding Admin & Gen  | SALWAGXAG            | 11,226,881   | 10,184,777      |  |
| AF<br>AF |     | Total Salaries and Wages Expense        | SALWAGES             | 11,342,872   | 10,290,002      |  |
| AF       | 225 |                                         |                      |              |                 |  |

- AF AF AF AF 226
- 227 228
- 229
- AF 230

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# BLACK HILLS POWER, INC. RETAIL ELECTRIC PER BOOK JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

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| SCH<br>NO. | LINE<br>NO. | DESCRIPTION                                    | ALLOCATION<br>BASIS | TOTAL<br>BHP | SOUTH<br>DAKOTA |                                                |
|------------|-------------|------------------------------------------------|---------------------|--------------|-----------------|------------------------------------------------|
|            |             | (a)                                            | (b)                 | (c)          | (d)             |                                                |
| AF         | 231         | REVENUES AND BILLING DETERMINANTS              |                     |              |                 |                                                |
| AF         | 232         |                                                |                     |              |                 |                                                |
| AF         | 233         | Base Rate Sales Revenue                        | SALESREV            | 154,565,316  | 138,472,112     |                                                |
| AF         |             | South Dakota                                   | SREVSD              | 138,472,112  | 138,472,112     |                                                |
| AF         | 235         | Wyoming                                        | SREVWY              | 13,641,054   | 0               |                                                |
| AF         | 236         | Montana                                        | SREVMT              | 2,452,150    | 0               |                                                |
| AF         | 237         |                                                |                     |              |                 |                                                |
| AF         | 238         |                                                |                     |              |                 |                                                |
| AF         | 239         |                                                |                     |              |                 |                                                |
| AF         | 240         | Claimed Rate Sales Revenue                     | CLAIMREV            | 160,221,618  | 143,248,208     |                                                |
| AF         | 241         |                                                |                     |              |                 |                                                |
| AF         | 242         |                                                |                     |              |                 |                                                |
| AF         | 243         |                                                |                     |              |                 |                                                |
| AF         | 244         |                                                |                     |              |                 |                                                |
| AF<br>AF   | 245<br>246  | PRESENT REVENUES FROM SALES INPUT              |                     |              |                 |                                                |
| AF         | 240         | PRESENT REVENUES TROM SALES INFOT              |                     |              |                 |                                                |
| AF         | 247         | Total Sales of Electricity Revenues            |                     | 154,565,316  | 138,472,112     |                                                |
| AF         | 249         |                                                |                     | 104,000,010  | 130,774,112     |                                                |
| AF         |             | Sales of Electricity Revenues                  |                     | 154,565,316  | 138,472,112     |                                                |
| AF         | 251         |                                                |                     | 104,000,010  | 100,412,112     |                                                |
| AF         | 252         |                                                |                     |              |                 |                                                |
| AF         | 253         |                                                |                     |              |                 |                                                |
| AF         |             | BILLING DETERMINATE INPUTS                     |                     |              |                 |                                                |
| AF         |             | Number of Customer Bills                       | SCH AF, LN 87       | 823,560      | 791,028         |                                                |
| AF         |             | Annual kWh Sales @ Meter                       | SCH AF, LN 52       | 1,684,273    | 1,455,584       |                                                |
| AF         |             | Annual kW - Billed                             | ,                   | 0            |                 |                                                |
| AF         | 258         |                                                |                     |              |                 |                                                |
| AF         | 259         |                                                |                     |              |                 |                                                |
| AF         | 260         |                                                |                     |              |                 |                                                |
| AF         | 261         | RATE OF RETURN                                 |                     |              |                 |                                                |
| AF         | 262         | Rate of Return (Equalized)                     | SCH AF, LN 262      | 8.54%        | 8.54%           |                                                |
| AF         | 263         |                                                |                     |              |                 |                                                |
| AF         | 264         |                                                |                     |              |                 |                                                |
| AF         | 265         |                                                |                     |              |                 |                                                |
| AF         |             | PROPOSED REVENUES FROM SALES INPUT             |                     |              |                 |                                                |
| AF         |             | Annual kWh Sales - Proposed                    | SCH AF, LN 256      | 1,684,273    | 1,455,584       |                                                |
| AF         |             | Sales of Electricity Revenues - Proposed Total |                     | 159,341,412  | 143,248,208     |                                                |
| AF         |             | Sales of Electricity Revenues - Proposed       |                     | 159,341,412  | 143,248,208     |                                                |
| AF         |             | Credit                                         | 0000                | 0            | 0               |                                                |
| AF         |             | Credit                                         | DPROD               | 0            | 0               |                                                |
| AF         | 272         |                                                |                     |              |                 |                                                |
| AF         | 273         |                                                |                     |              |                 |                                                |
| AF         | 274         |                                                |                     |              |                 |                                                |
| AF<br>AF   | 275<br>276  |                                                |                     |              |                 |                                                |
| AF         | 210         |                                                |                     |              |                 | BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS CO |
|            |             |                                                |                     |              | $\sim$          |                                                |
|            |             |                                                |                     |              |                 |                                                |

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COST OF SERVICE

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| SCH | LINE |                                                 | ALLOCATION | TOTAL   | SOUTH   |
|-----|------|-------------------------------------------------|------------|---------|---------|
| NO. |      | DESCRIPTION                                     | BASIS      | BHP     | DAKOTA  |
| ,   |      | (a)                                             | (b)        | (c)     | (d)     |
| AP  | 1    | ALLOCATION PROPORTIONS TABLE                    |            |         |         |
| AP  | 2    | DEMAND                                          |            |         |         |
| AP  | 3    |                                                 |            |         |         |
| AP  | 4    | DEMAND - PRODUCTION RELATED                     |            |         |         |
| AP  | 5    | Demand Production (12 CP)                       | DPROD      | 1.00000 | 0.89365 |
| AP  | 6    |                                                 |            |         |         |
| AP  | 7    |                                                 |            |         |         |
| AP  | 8    |                                                 |            |         |         |
| AP  | 9    | DEMAND - TRANSMISSION RELATED                   |            |         |         |
| AP  |      | Demand Transmission (NCP)                       | DTRAN      | 1.00000 | 0.91200 |
| AP  | 11   |                                                 |            |         |         |
| AP  | 12   |                                                 |            |         |         |
| AP  | 13   |                                                 |            |         |         |
| AP  | 14   |                                                 |            |         |         |
| AP  | 15   |                                                 |            |         |         |
| AP  | 16   |                                                 |            |         |         |
| AP  | 17   |                                                 |            |         |         |
| AP  | 18   |                                                 |            |         |         |
| AP  | 19   |                                                 |            |         |         |
| AP  |      | DEMAND - DISTRIBUTION RELATED (NCP)             |            |         |         |
| AP  |      | Demand Distribution Primary Substation          | DDISPSUB   | 1.00000 | 0.91200 |
| AP  |      | Demand Distribution Primary Overhead Lines      | DDISTPOL   | 1.00000 | 0.91200 |
| AP  |      | Demand Distribution Primary Underground Lines   | DDISTPUL   | 1.00000 | 0.91200 |
| AP  | 24   |                                                 |            |         |         |
| AP  |      | Demand Distribution Secondary Overhead Lines    | DDISTSOL   | 1.00000 | 0.91200 |
| AP  |      | Demand Distribution Secondary Underground Lines | DDISTSUL   | 1.00000 | 0.91200 |
| AP  |      | Demand Distribution Overhead Line Transformers  | DDISTSOT   | 1,00000 | 0.91200 |
| AP  |      | Demand Distribution Undergrnd Line Transformers | DDISTSUT   | 1.00000 | 0.91200 |
| AP  | 29   |                                                 |            |         |         |
| AP  | 30   |                                                 |            |         |         |
| AP  | 31   |                                                 |            |         |         |

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# BLACK HILLS POWER, INC. RETAIL ELECTRIC PER BOOK JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

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| SCH 1<br>NO. N |    | DESCRIPTION                                                                | ALLOCATION<br>BASIS | TOTAL<br>BHP | SOUTH<br>DAKOTA |                                             |
|----------------|----|----------------------------------------------------------------------------|---------------------|--------------|-----------------|---------------------------------------------|
|                |    | (a)                                                                        | (b)                 | (c)          | (d)             |                                             |
| AP             | 47 | ALLOCATION PROPORTIONS TABLE CONTIN                                        | NUED                |              |                 |                                             |
| AP             | 48 |                                                                            |                     |              |                 |                                             |
| AP             |    | ENERGY                                                                     |                     |              |                 |                                             |
| AP             |    | Energy @ Generation with losses (kWh)                                      | ENEFUEL             | 1.00000      | 0.86414         |                                             |
| AP             |    | Energy @ Generation with losses( kWh)                                      | ENERGY1             | 1.00000      | D.86414         |                                             |
| AP             |    | Energy @ Meter (kWh Sales)                                                 | ENERGY2             | 1.00000      | 0.86422         |                                             |
| AP             | 53 |                                                                            |                     |              |                 |                                             |
| AP             | 54 |                                                                            |                     |              |                 |                                             |
| AP             | 55 |                                                                            |                     |              |                 |                                             |
| AP             | 56 |                                                                            |                     |              |                 |                                             |
| AP             | 57 |                                                                            |                     |              |                 |                                             |
| AP             | 58 |                                                                            |                     |              |                 |                                             |
| AP             | 59 |                                                                            |                     |              |                 |                                             |
| AP<br>AP       | 60 | CUSTOMER                                                                   |                     |              |                 |                                             |
| AP             | 62 |                                                                            |                     |              |                 |                                             |
| AP             |    | Customer Dist. Primary Substation                                          | CDISPSUB            | 1.00000      | 0.96050         |                                             |
| AP             |    | Customer Dist. Primary Substation<br>Customer Dist. Primary Overhead Lines | CDISTPOL            | 1.00000      | 0.96050         |                                             |
| AP             | 65 |                                                                            | CDISTPUL            | 1.00000      | 0.96050         |                                             |
| AP             | 66 |                                                                            | GDISTI DE           | 1.00000      | 0.00000         |                                             |
| AP             | 67 |                                                                            |                     |              |                 |                                             |
| AP             | 68 |                                                                            |                     |              |                 |                                             |
| AP             | 69 |                                                                            |                     |              |                 |                                             |
| AP             | 70 |                                                                            |                     |              |                 |                                             |
| AP             | 71 |                                                                            |                     |              |                 |                                             |
| AP             |    | 369-Services                                                               | CSERVICE            | 1.00000      | 0.91200         |                                             |
| AP             |    | 370-Meters                                                                 | CMETERS             | 1.00000      | 0.96204         |                                             |
| AP             | 74 |                                                                            |                     |              |                 |                                             |
| AP             |    | 902-Meter Reading                                                          | CMETRDG             | 1.00000      | 0.96050         |                                             |
| AP             |    | 903-Customer Records and Collections                                       | CUSTREC             | 1.00000      | 0,96050         |                                             |
| AP             |    | 905-Miscellaneous Customer Accounts                                        | CUSTCAM             | 1.00000      | 0.96050         |                                             |
| AP             |    | 908-Customer Assistance                                                    | CUSTASST            | 1,00000      | 0,96050         |                                             |
| AP             | 79 | 909-Advertisement                                                          | CUSTADVT            | 1.00000      | 0.96050         |                                             |
| AP             | 80 | 910-Miscellaneous Customer Service                                         | CUSTCSM             | 1.00000      | 0.96050         |                                             |
| AP             | 81 |                                                                            |                     |              |                 |                                             |
| AP             | 82 |                                                                            |                     | 0.00000      | 0.00000         |                                             |
| AP             | 83 |                                                                            |                     |              |                 |                                             |
| AP             |    | 371-Installation on Customer Premises                                      | CUSTPREM            | 1.00000      | 0.93481         |                                             |
| AP             |    | 373-Street Lighting & Signal Systems                                       | CLIGHT              | 1.00000      | 0.97549         |                                             |
| AP             | 86 |                                                                            |                     |              |                 |                                             |
| AP             |    | Number of Bills                                                            | CUSTBILLS           | 1.00000      | 0.96050         |                                             |
| AP             |    | Number of Customers                                                        | CUST                | 1.00000      | 0.96050         |                                             |
| AP             | 89 |                                                                            |                     |              |                 |                                             |
| AP             | 90 |                                                                            |                     |              |                 |                                             |
| AP             | 91 |                                                                            |                     |              |                 |                                             |
| AP             | 92 |                                                                            |                     |              |                 | BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS |

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#### BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

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#### BLACK HILLS POWER, INC. RETAIL ELECTRIC PER BOOK JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

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|          | LINE<br>NO. | DESCRIPTION                                                              | ALLOCATION<br>BASIS | TOTAL<br>BHP | SOUTH<br>DAKOTA |                                 |  |
|----------|-------------|--------------------------------------------------------------------------|---------------------|--------------|-----------------|---------------------------------|--|
|          |             | (a)                                                                      | (b)                 | (c)          | (d)             |                                 |  |
| AP<br>AP |             | ALLOCATION PROPORTIONS TABLE CONTI<br>INTERNALLY DEVELOPED ALLOCATION FA |                     |              |                 |                                 |  |
| AP<br>AP | 95<br>96    | Plant                                                                    |                     |              |                 |                                 |  |
| AP       |             | Prod, Trans, and Distr Plant in Service                                  | PTDPLT              | 1.00000      | 0.90817         |                                 |  |
| AP       |             | Distribution Plant Excl Not Classified                                   | DISTPLTXNC          | 1.00000      | 0.93500         |                                 |  |
| AP       |             | Rate Base                                                                | RATEBASE            | 1.00000      | 0.90838         |                                 |  |
| AP       |             | Total Electric Plant In Service                                          | TOTPLT              | 1.00000      | 0.90802         |                                 |  |
| AP       |             | Production Plant In Service                                              | PRODPLT             | 1.00000      | 0.89365         |                                 |  |
| AP       |             | Transmission Plant in Service                                            | TRANPLT             | 1.00000      | 0.91200         |                                 |  |
| AP       |             | Distribution Plant in Service                                            | DISTPLT             | 1.00000      | 0.93500         |                                 |  |
| AP       |             | Total Transmission and Distribution Plant                                | TDPLT               | 1.00000      | 0.93465         |                                 |  |
| AP       |             | General Plant in Service                                                 | GENLPLT             | 1.00000      | 0.90718         |                                 |  |
| AP       |             | Total Electric Plant in Service plus CUS                                 | TOTPLTCUS           | 1.00000      | 0.79174         |                                 |  |
| AP       |             | Account 360                                                              | PLT_360             | 1.00000      | 0.94835         |                                 |  |
| AP       |             | Account 361                                                              | PLT_361             | 1.00000      | 0.96837         |                                 |  |
| AP       |             | Account 362                                                              | PLT_362             | 1.00000      | 0.83884         |                                 |  |
| AP       |             | Account 364                                                              | PLT_364             | 1.00000      | 0,94524         |                                 |  |
| AP       |             | Account 365                                                              | PLT_365             | 1.00000      | 0.94922         |                                 |  |
| AP       |             | Account 366                                                              | PLT_366             | 1.00000      | 0.98044         |                                 |  |
| AP       |             | Account 367                                                              | PLT_367             | 1.00000      | 0.97846         |                                 |  |
| AP       |             | Account 368                                                              | PLT_368             | 1.00000      | 0.96197         |                                 |  |
| AP       |             | Account 369                                                              | PLT_369             | 1.00000      | 0.97579         |                                 |  |
| AP       |             | Account 370                                                              | PLT_370             | 1.00000      | 0.94873         |                                 |  |
| AP       |             | Account 371                                                              | PLT_371             | 1.00000      | 0,95913         |                                 |  |
| AP       |             | Account 373                                                              | PLT_373             | 1.00000      | 0.95694         |                                 |  |
| AP       | 119         | Distribution Overhead Plant in Service                                   | OHDIST              | 1.00000      | 0.94675         |                                 |  |
| AP       | 120         | Distribution Underground Plant in Service                                | UGDIST              | 1.00000      | 0.97863         |                                 |  |
| AP       |             | Account 371&373                                                          | PLT_3713            | 1.00000      | 0.95814         |                                 |  |
| AP       | 122         |                                                                          | —                   |              |                 |                                 |  |
| AP       | 123         | South Dakota                                                             | DPLTSD              | 1.00000      | 1.00000         |                                 |  |
| AP       | 124         | Wyoming                                                                  | DPLTWY              | 1.00000      | 0,00000         |                                 |  |
| AP       | 125         | Montana                                                                  | DPLTMT              | 1.00000      | 0.00000         |                                 |  |
| AP       | 126         |                                                                          |                     |              |                 |                                 |  |
| AP       | 127         |                                                                          |                     |              |                 |                                 |  |
| AP       | 128         |                                                                          |                     |              |                 |                                 |  |
| AP       | 129         |                                                                          |                     |              |                 |                                 |  |
| AP       | 130         |                                                                          |                     |              |                 |                                 |  |
| AP       | 131         |                                                                          |                     |              |                 |                                 |  |
| AP       | 132         |                                                                          |                     |              |                 |                                 |  |
| AP       | 133         |                                                                          |                     |              |                 |                                 |  |
| AP       | 134         | Total O&M less Fuel and Purchased Power                                  | OMXFPP              | 1.00000      | 0.90947         |                                 |  |
| AP       | 135         | Supervised O&M Expense excluding CUS                                     | OMXFPPT             | 1.00000      | 0.90992         |                                 |  |
| AP       | 136         |                                                                          |                     |              |                 |                                 |  |
| AP       | 137         |                                                                          |                     |              |                 |                                 |  |
| AP       | 138         |                                                                          |                     |              |                 |                                 |  |
|          |             |                                                                          |                     |              |                 | DUD COS AS 20 43 IUDIODICTIONAL |  |

#### BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

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#### BLACK HILLS POWER, INC. RETAIL ELECTRIC PER BOOK JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

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| SCH<br>NO. | LINE<br>NO. | DESCRIPTION                               | ALLOCATION<br>BASIS | TOTAL<br>BHP | SOUTH<br>DAKOTA |  |
|------------|-------------|-------------------------------------------|---------------------|--------------|-----------------|--|
|            |             | (a)                                       | (b)                 | (c)          | (d)             |  |
| AP         |             | ALLOCATION PROPORTIONS TABLE CONTIN       |                     |              |                 |  |
| AP         |             | INTERNALLY DEVELOPED ALLOCATION FAC       | TORS                |              |                 |  |
| AP         |             | Production Expense                        |                     |              |                 |  |
| AP         |             | Account 500                               | OX_500              | 1.00000      | 0.87154         |  |
| AP         |             | Account 501                               | OX_501              | 1.00000      | 0.86414         |  |
| AP         |             | Account 502                               | OX_502              | 1.00000      | 0.89365         |  |
| AP         |             | Account 505                               | OX_505              | 1.00000      | 0.89365         |  |
| AP         |             | Account 506                               | OX_506              | 1.00000      | 0.89365         |  |
| AP         | 147         | Account 510                               | MX_510              | 1.00000      | 0.89365         |  |
| AP         | 148         | Account 511                               | MX_511              | 1.00000      | 0.89365         |  |
| AP         | 149         | Account 512                               | MX_512              | 1.00000      | 0.89365         |  |
| AP         | 150         | Account 513                               | MX_513              | 1.00000      | 0.89365         |  |
| AP         | 151         | Account 514                               | MX_514              | 1.00000      | 0.89365         |  |
| AP         | 152         | Account 546                               | OX_546              | 1.00000      | 0.87154         |  |
| AP         | 153         | Account 547                               | OX_547              | 1.00000      | 0.86414         |  |
| AP         | 154         | Account 548                               | OX_548              | 1.00000      | 0.89365         |  |
| AP         | 155         | Account 549                               | OX_549              | 1.00000      | 0.89365         |  |
| AP         | 156         | Account 551                               | MX_551              | 1.00000      | 0.89365         |  |
| AP         | 157         | Account 552                               | MX_552              | 1.00000      | 0.89365         |  |
| AP         |             | Account 553                               | MX_553              | 1.00000      | 0.89365         |  |
| AP         |             | Account 554                               | MX_554              | 1.00000      | 0.89365         |  |
| AP         |             | Account 556                               | OX_556              | 1,00000      | 0.89365         |  |
| AP         |             | Account 555                               | OX_555              | 1,00000      | 0.86854         |  |
| AP         |             | Account 557                               | OX_557              | 0.00000      | 0.00000         |  |
| AP         |             | O&M Expense Production Operation          | OX_PROD             | 1,00000      | 0.87154         |  |
| AP         |             | O&M Expense Production Maintenance        | MX_PROD             | 1.00000      | 0.89365         |  |
| AP         |             | Salaries and Wages Production Operation   | SALWAGPO            | 1.00000      | 0.87154         |  |
| AP         |             | Salaries and Wages Production Maintenance | SALWAGPM            | 1.00000      | 0.89365         |  |
| AP         |             | Transmission Expense                      | 0.121110111         |              |                 |  |
| AP         |             | Account 560                               | OX_560              | 1.00000      | 0.91200         |  |
| AP         |             | Account 561                               | OX_561              | 0.00000      | 0.00000         |  |
| AP         |             | Account 562                               | OX_562              | 0.00000      | 0.00000         |  |
| AP         |             | Account 563                               | OX_563              | 1.00000      | 0.91200         |  |
| AP         |             | Account 565                               | OX_565              | 1.00000      | 0.91200         |  |
| AP         |             | Account 566                               | OX_566              | 1.00000      | 0.91200         |  |
|            |             | Account 567                               | OX_567              | 0.00000      | 0.00000         |  |
| AP<br>AP   |             | Account 568                               | MX_568              | 0.00000      | 0.00000         |  |
| AP         |             |                                           | MX_569              | 0.00000      | 0.00000         |  |
|            |             | Account 569                               |                     | 1.00000      | 0.91200         |  |
|            |             | Account 570                               | MX_570<br>MX_571    | 1.00000      | 0.91200         |  |
| AP         |             | Account 571                               |                     | 0.00000      | 0.00000         |  |
| AP         |             | Account 573                               | MX_573              |              | 0.91200         |  |
| AP         |             | O&M Accounts 561-567                      | OX_TRAN             | 1.00000      |                 |  |
| AP         |             | O&M Accounts 569-573                      | MX_TRAN             | 1.00000      | 0.91200         |  |
| AP<br>AP   |             | Salaries & Wages Accounts 561-567         | SALWAGTO            | 1.00000      | 0.91200         |  |
|            | 183         | Salaries & Wages Accounts 569-573         | SALWAGTM            | 1.00000      | 0.91200         |  |

BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

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# BLACK HILLS POWER, INC. RETAIL ELECTRIC PER BOOK JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

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| SCH      | LINE |                                        | ALLOCATION | TOTAL   | SOUTH   |
|----------|------|----------------------------------------|------------|---------|---------|
| NO.      | NO.  | DESCRIPTION                            | BASIS      | BHP     | DAKOTA  |
|          |      | (a)                                    | (b)        | (C)     | (d)     |
|          |      |                                        |            |         |         |
| AP       |      | ALLOCATION PROPORTIONS TABLE CONTIN    |            |         |         |
| AP       |      | INTERNALLY DEVELOPED ALLOCATION FAC    | LIURS      |         |         |
| AP       |      | Distribution Expense                   | 07.500     |         | 0.005/7 |
| AP       |      | Account 580                            | OX_580     | 1.00000 | 0.93517 |
| AP       |      | Account 581                            | OX_581     | 1.00000 | 0.93500 |
| AP       |      | Account 582                            | OX_582     | 1.00000 | 0.83884 |
| AP       |      | Account 583                            | OX_583     | 1.00000 | 0.94675 |
| AP       |      | Account 584                            | OX_584     | 1.00000 | 0.97863 |
| AP       |      | Account 585                            | OX_585     | 1.00000 | 0.95814 |
| AP       |      | Account 586                            | OX_586     | 1.00000 | 0.96204 |
| AP       |      | Account 587                            | OX_587     | 1.00000 | 0.96204 |
| AP       |      | Account 588                            | OX_588     | 1.00000 | 0.93500 |
| AP       |      | Account 589                            | OX_589     | 1.00000 | 0.93500 |
| AP       | 198  | Account 590                            | MX_590     | 1.00000 | 0.93834 |
| AP       | 199  | Account 592                            | MX_592     | 1.00000 | 0.83884 |
| AP       | 200  | Account 593                            | MX_593     | 1.00000 | 0.94675 |
| AP       | 201  | Account 594                            | MX_594     | 1.00000 | 0.97863 |
| AP       | 202  | Account 595                            | MX_595     | 1.00000 | 0,96197 |
| AP       | 203  | Account 596                            | MX_596     | 1.00000 | 0.95814 |
| AP       | 204  | Account 597                            | MX_597     | 1.00000 | 0.96204 |
| AP       | 205  | Account 598                            | MX 598     | 1.00000 | 0.93500 |
| AP       |      | O&M Accounts 581-589                   | OX_DIST    | 1,00000 | 0.93517 |
| AP       |      | O&M Accounts 591-598                   | MX DIST    | 1.00000 | 0.93834 |
| AP       |      | Salaries & Wages Accounts 581-589      | SALWAGDO   | 1.00000 | 0.93517 |
| AP       |      | Salaries & Wages Accounts 591-598      | SALWAGDM   | 1.00000 | 0.93834 |
| AP       | 210  | -                                      |            |         |         |
| AP       |      | Account 902                            | OX_902     | 1,00000 | 0.96050 |
| AP       |      | Account 903                            | OX_903     | 1.00000 | 0.96050 |
| AP       |      | Account 904                            | OX 904     | 1.00000 | 0.96826 |
| AP       |      | O&M Accounts 902-905                   | OX_CA      | 1.00000 | 0.96127 |
| AP       |      | Salaries & Wages Accounts 902-905      | SALWAGCA   | 1.00000 | 0.96127 |
| AP       | 216  |                                        |            | 1.00000 | 0.00121 |
| AP       |      | Account908                             | OX 908     | 1.00000 | 0.96050 |
| AP       |      | Account909                             | OX 909     | 1.00000 | 0.96050 |
| AP       |      |                                        | —          |         | 0.96050 |
|          |      | Account910                             | OX_910     | 1.00000 |         |
| AP<br>AP |      | O&M Accounts 908-910                   | OX_CS      | 1.00000 | 0.96050 |
| AP       |      | Salaries & Wages Accounts 908-910      | SALWAGCS   | 1,00000 | 0.96050 |
|          | 222  |                                        | CALINACYAC | 4 00000 | 0.00740 |
| AP       |      | Salaries & Wages Excluding Admin & Gen | SALWAGXAG  | 1.00000 | 0.90718 |
| AP       |      | Total Salaries and Wages Expense       | SALWAGES   | 1.00000 | 0,90718 |
| AP       | 225  |                                        |            |         |         |

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#### BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVICE

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## BLACK HILLS POWER, INC. RETAIL ELECTRIC PER BOOK JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

SCH LINE ALLOCATION TOTAL SOUTH NO. NO. DESCRIPTION BASIS BHP DAKOTA (b) (C) (d) (a) REVENUES AND BILLING DETERMINANTS 231 232 233 Base Rate Sales Revenue SALESREV 1.00000 0.89588 234 South Dakota SREVSD 1.00000 1.00000 235 Wyoming SREVWY 1.00000 0.00000 236 Montana 0.00000 SREVMT 1.00000 237 238 239 CLAIMREV 0.89406 240 Claimed Rate Sales Revenue 1.00000 241 242 243 244 245 PRESENT REVENUES FROM SALES INPUT 246 247 0.89588 1.00000 248 Total Sales of Electricity Revenues 249 1.00000 0.89588 250 Sales of Electricity Revenues 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272

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| SCH I | LINE           |                            | ALLOCATION   | TOTAL   | SOUTH           |  |
|-------|----------------|----------------------------|--------------|---------|-----------------|--|
| NO. I | NO.            | DESCRIPTION                | BASIS        | BHP     | DAKOTA          |  |
|       |                | (a)                        | (b)          | (c)     | (d)             |  |
|       |                |                            |              |         |                 |  |
| ADA   |                | ED DIRECT ASSIGNMENTS      |              |         |                 |  |
| ADA   |                | SSIGN TO CLASSES W/SALES R | REVEUNCTIONS |         |                 |  |
| ADA   | 3              |                            |              |         |                 |  |
| ADA   |                | - Test Period              |              |         | <b>FFa a ta</b> |  |
| ADA   | 5 South Dak    | ota                        | SREVSD       | 559,949 | 559,949         |  |
| ADA   | 6 Wyoming      |                            | SREVWY       | 18,357  | 0               |  |
| ADA   | 7 Montana      |                            | SREVMT       | 0       | 0               |  |
| ADA   | 8              |                            |              |         |                 |  |
| ADA   | 9              |                            |              |         |                 |  |
| ADA   | 10             |                            |              |         |                 |  |
| ADA   | 11             |                            |              |         |                 |  |
| ADA   | 12             |                            |              |         |                 |  |
| ADA   | 13             |                            |              |         |                 |  |
| ADA   | 14             |                            |              |         |                 |  |
| ADA   | 15 Total Write | e-Offs                     | EXP_904      | 578,305 | 559,949         |  |
| ADA   | 16             |                            |              |         |                 |  |
| ADA   | 17 Total Write | e-Offs                     | EXP_904      | 1.00000 | 0.96826         |  |
| ADA   | 18             |                            |              |         |                 |  |
| ADA   |                | tion Advances              |              |         |                 |  |
| ADA   | 20 South Dak   | tota                       | DPLTSD       | 98%     | 98%             |  |
| ADA   | 21 Wyoming     |                            | DPLTWY       | 2%      | 0%              |  |
| ADA   | 22 Montana     |                            | DPLTMT       | 0%      | 0%              |  |
| ADA   | 23             |                            |              |         |                 |  |
| ADA   | 24             |                            |              |         |                 |  |
| ADA   | 25             |                            |              |         |                 |  |
| ADA   | 26             |                            |              |         |                 |  |
| ADA   |                | Advances for Construction  | CUSTADV      | 100%    | 98%             |  |
| ADA   | 28             |                            |              |         |                 |  |
| ADA   |                | Advances for Construction  | CUSTADV      | 1.00000 | 0.98000         |  |
| ADA   | 30             |                            |              |         |                 |  |
| ADA   | 31             |                            |              |         |                 |  |
| ADA   | 32             |                            |              |         |                 |  |
| ADA   | 33             |                            |              |         |                 |  |
| ADA   | 34             |                            |              |         |                 |  |
| ADA   | 35             |                            |              |         |                 |  |

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| SCH LINE         | DESCRIPTION                               | ALLOCATION<br>BASIS | TOTAL<br>BHP              | SOUTH<br>DAKOTA                                                                                                |                                                            |
|------------------|-------------------------------------------|---------------------|---------------------------|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| <u>VO. NO.</u>   | (a)                                       | <u>BASIS</u>        | (c)                       | (d)                                                                                                            |                                                            |
| RW 1             | REVENUE REQUIREMENTS                      |                     |                           |                                                                                                                |                                                            |
| RRW 2<br>RRW 3   | PRESENT RATES                             |                     |                           |                                                                                                                |                                                            |
| RRW 4            |                                           |                     |                           |                                                                                                                |                                                            |
|                  | RATE BASE<br>NET OPER INC (PRESENT RATES) |                     | 539,822,371<br>46,166,525 | 419,222,711<br>32,697,234                                                                                      |                                                            |
|                  | RATE OF RETURN (PRES RATES)               |                     | 8.55%                     | 7.80%                                                                                                          |                                                            |
|                  | RELATIVE RATE OF RETURN                   |                     | 1.00                      | 0.91                                                                                                           |                                                            |
|                  | SALES REVENUE (PRE RATES)                 |                     | 154,565,316               | 138,472,112                                                                                                    |                                                            |
|                  | REVENUE PRES RATES \$/KWH                 |                     | \$0.0000                  | \$0.0000                                                                                                       |                                                            |
|                  | REVENUE REQUIRED - \$/MO/CUST             |                     | \$2,252.15                | \$2,100.64                                                                                                     |                                                            |
| RRW 12           | SALES REV REQUIRED \$/KW                  |                     | \$0.00                    | \$0.00                                                                                                         |                                                            |
| RRW 14           | CLAIMED RATE OF RETURN                    |                     |                           |                                                                                                                |                                                            |
| RRW 15           | CLAIMED RATE OF RETURN                    |                     | 8.54%                     | 8.54%                                                                                                          |                                                            |
| RRW 17           |                                           |                     | 46,100,831                | 35,801,619                                                                                                     |                                                            |
|                  | SALES REVENUE REQ CLAIMED ROR             |                     | 154,464,245               | 143,248,208                                                                                                    |                                                            |
| RRW 19           | REVENUE DEFICIENCY SALES REV              |                     | (101,071)                 | 4,776,096                                                                                                      |                                                            |
| RW 20            | PERCENT INCREASE REQUIRED                 |                     | -0.07%                    | 3.45%                                                                                                          |                                                            |
|                  |                                           |                     | 1,684,273                 | 1,455,584                                                                                                      |                                                            |
|                  | SALES REV REQUIRED \$/KWH                 |                     | \$0.0000                  | \$0.0000                                                                                                       |                                                            |
| RRW 23           | REVENUE DEFICIENCY \$/KWH                 |                     | (\$0.0600)                | \$3.2812                                                                                                       |                                                            |
| RRW 24           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 25<br>RRW 26 |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 27           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 28           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 29           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 30           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 31           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 32           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 33           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 34           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 35<br>RRW 36 |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 37           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 38           |                                           |                     |                           | 1                                                                                                              |                                                            |
| RRW 39           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 40           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 41           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 42           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 43           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 44           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 45           |                                           |                     |                           |                                                                                                                |                                                            |
| RRW 46           |                                           |                     |                           | 200 m                                                                                                          | BHP COS 06-30-12 JURISDICTIONAL - PER BOOKS COST OF SERVIC |
|                  |                                           |                     |                           |                                                                                                                |                                                            |
|                  | 1. J.                                     |                     |                           | and a second |                                                            |
| 1                |                                           |                     |                           |                                                                                                                |                                                            |
|                  |                                           |                     |                           |                                                                                                                |                                                            |
|                  |                                           |                     |                           |                                                                                                                |                                                            |

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| H LINE<br>D. NO. DESCRIPTION                               | ALLOCATION<br>BASIS          | TOTAL<br>BHP              | SOUTH<br>DAKOTA |  |
|------------------------------------------------------------|------------------------------|---------------------------|-----------------|--|
| (a)                                                        | (b)                          | (c)                       | (d)             |  |
| 1 SUMMARY AT PRESENT RATES                                 |                              |                           |                 |  |
| 2<br>3 DEVELOPMENT OF RETURN                               |                              |                           |                 |  |
| 4<br>5 OPERATING REVENUE                                   | Sched N-1 Reference          |                           |                 |  |
| 6 Sales of Electricity                                     | SCH I, LN 4                  | 115,496,651               | 105,368,259     |  |
| 7 Contract Sales                                           | SCH I, LN 5                  | 13,592,584                | 12,147.029      |  |
| 8 Other Operating Revenue                                  | SCH I, LN 15                 | 28,612,028                | 5,183,345       |  |
| 9 TOTAL OPERATING REVENUE                                  | SOITI, EN 15                 | 157,701,263               | 122,698,634     |  |
| 10                                                         |                              | 107,701,200               | 122,030,034     |  |
| 11 OPERATING EXPENSES                                      |                              |                           |                 |  |
| 12 Operation and Maintenance Expense                       | SCH H, LN 178                | 71,487,206                | 60,204,304      |  |
| 13 Depreciation Expense                                    | SCH J, LN 27                 | 28,684,257                | 23,741,627      |  |
| 14 Amortization Expense                                    | SCH J, LN 29                 | 26,084,257<br>97,406      | 88,945          |  |
| 14 Amonization Expense<br>15 Taxes Other Than Income Taxes | SCH J, LN 29<br>SCH L, LN 20 | 5,365,960                 | 4,177,650       |  |
| 16 State Income Tax                                        | SCH K, LN 10                 |                           | 4,177,050       |  |
| 17 Federal Income Tax                                      |                              | 10,261                    | 5,990,787       |  |
| 17 Federal Income Tax<br>18 TOTAL OPERATING EXPENSES       | SCH K, LN 32                 | 10,899,980<br>116,545,070 |                 |  |
|                                                            |                              | 110,040,070               | 94,203,313      |  |
| 19<br>20 OPERATING INCOME (RETURN)                         |                              | 41,156,193                | 28,495,321      |  |
| · · ·                                                      |                              | 41,100,195                | 20,490,321      |  |
| 21                                                         |                              |                           |                 |  |
|                                                            |                              |                           |                 |  |
| 23 DEVELOPMENT OF RATE BASE                                |                              |                           | -45 - 40 - 44   |  |
| 24 Electric Plant in Service                               | SCH D-2, LN 116              | 1,027,634,330             | 815,548,913     |  |
| 25 Less: Accumulated Depreciation                          | SCH E, LN 27                 | 346,590,783               | 283,096,913     |  |
| 26 Less: Amortization                                      | SCH E, LN 29                 | 3,034,523                 | 2,711,805       |  |
| 27 Plus: Working Capital                                   | SCH F, LN 9                  | 18,045,403                | 14,035,071      |  |
| 28 Less: Other Rate Base Deductions                        | SCH F, LN 24                 | 133,682,413               | 105,486,221     |  |
|                                                            |                              | F00 070 544               | 400.000.045     |  |
| 30 TOTAL RATE BASE                                         | SCH F, LN 27                 | 562,372,014               | 438,289,045     |  |
| 31                                                         |                              |                           |                 |  |
| 32                                                         |                              |                           |                 |  |
| 33 RATE OF RETURN (PRESENT)                                |                              | 7.32%                     | 6.50%           |  |
|                                                            |                              |                           |                 |  |
| 35 INDEX RATE OF RETURN (PRESENT)                          |                              | 1.00                      | 0.89            |  |
| 36                                                         |                              |                           |                 |  |
| 37                                                         |                              |                           |                 |  |
| 38                                                         |                              |                           |                 |  |
| 39                                                         |                              |                           |                 |  |
| 40                                                         |                              |                           |                 |  |
| 41                                                         |                              |                           |                 |  |
| 42                                                         |                              |                           |                 |  |
| 43                                                         |                              |                           |                 |  |
| 44                                                         |                              |                           |                 |  |
| 45                                                         |                              |                           |                 |  |
| 46                                                         |                              |                           |                 |  |

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| SCH LIN<br>NO. NO |                                              | ALLOCATION<br>BASIS      | TOTAL<br>BHP         | SOUTH<br>DAKOTA |      |
|-------------------|----------------------------------------------|--------------------------|----------------------|-----------------|------|
| NO. NC            | a)                                           | (b)                      | (c)                  | (d)             | <br> |
|                   | (4)                                          | (~)                      | (0)                  | (~)             |      |
| M 4               | 7 EQUALIZED RETURN AT PROPOSED ROR           |                          |                      |                 |      |
|                   | 8                                            |                          |                      |                 |      |
|                   | 9 DEVELOPMENT OF RETURN (EQUALIZED R         | RATE LEVELS)             |                      |                 |      |
|                   |                                              |                          | 500 070 014          | 420 000 045     |      |
|                   | 1 RATE BASE<br>2                             |                          | 562,372,014          | 438,289,045     |      |
|                   | 3 RATE OF RETURN                             |                          | 8,54%                | 8.54%           |      |
|                   | 4                                            |                          | 0,0170               | 0.0470          |      |
|                   | 5 RETURN (RATE BASE * ROR)                   |                          | 48,026,570           | 37,429,884      |      |
|                   | i6                                           |                          | • •                  |                 |      |
| М 5               | 7 LESS:                                      |                          |                      |                 |      |
| M 5               | 8 OPERATING EXPENSES                         | Sched N-1 Reference      |                      |                 |      |
|                   | 9 Operation and Maintenance Expense          | SCH M, LN 12             | 71,487,206           | 60,204,304      |      |
|                   | 0 Depreciation Expense                       | SCH M, LN 13             | 28,684,257           | 23,741,627      |      |
|                   | Amortization Expense                         | SCH J, LN 29             | 97,406               | 88,945          |      |
|                   | 2 Taxes Other Than Income Taxes              | SCH M, LN 15             | 5,365,960            | 4,177,650<br>0  |      |
|                   | 3 State Income Tax<br>34 Federal Income Tax  | CALCULATED<br>CALCULATED | 10,261<br>14,599,678 | 10,802,049      |      |
|                   | 55 TOTAL OPERATING EXPENSES                  | CALCULATED               | 120,244,768          | 99,014,575      |      |
|                   |                                              |                          | 120,244,100          | 00,014,070      |      |
|                   | 7 EQUALS TOTAL COST OF SERVICE               |                          | 168,271,338          | 136,444,460     |      |
|                   | 58                                           |                          |                      |                 |      |
| M e               | 69 LESS:                                     |                          |                      |                 |      |
| M 7               | 0 OTHER OPERATING REVENUES                   |                          | 42,204,612           | 17,330,374      |      |
|                   | 71                                           |                          |                      |                 |      |
|                   | 2 EQUALS:                                    |                          |                      |                 |      |
|                   | 73 PROPOSED BASE RATE SALES @ EQUAL          | LIZED ROR                | 126,066,725          | 119,114,085     |      |
|                   | 74                                           |                          |                      |                 |      |
|                   | 75<br>76 TOTAL COST OF SERVICE INCREASE/(DEC | REASE                    | 10,570,075           | 13,745,826      |      |
|                   | 77                                           |                          | 10,010,010           | 10,140,020      |      |
|                   | 78 SALES OF ELECTRICITY                      |                          | 115,496,651          | 105,368,259     |      |
|                   | 79 SALES OF ELECTRICITY FOR BASE ENER        | RGY C Direct Assigment   | 38,871,876           | 32,944,213      |      |
| м а               | 30 TOTAL CURRENT RETAIL REVENUES             | -                        | 154,368,527          | 138,312,473     |      |
|                   | 31                                           |                          |                      |                 |      |
|                   | 32 REVENUE INCREASE TO RETAIL REVENUE        | ES (%)                   | 6,85%                | 9.94%           |      |
|                   | 33                                           |                          |                      |                 |      |
|                   | 34                                           | •                        |                      |                 |      |
|                   | 35<br>36                                     |                          |                      |                 |      |
|                   | 50<br>57                                     |                          |                      |                 |      |
|                   | 38                                           |                          |                      |                 |      |
|                   | 39                                           |                          |                      |                 |      |
|                   | 90                                           |                          |                      |                 |      |
|                   | 91                                           |                          |                      |                 |      |
| M :               | 92                                           |                          |                      |                 |      |
|                   |                                              |                          |                      |                 |      |

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#### BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SERVICE

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| H LINE<br>. NO.  | DESCRIPTION                           | ALLOCATION<br>BASIS | TOTAL<br>BHP | SOUTH<br>DAKOTA |  |
|------------------|---------------------------------------|---------------------|--------------|-----------------|--|
|                  | (a)                                   | (b)                 | (c)          | (d)             |  |
|                  | RETURN AT PROPOSED RATES              |                     |              |                 |  |
| 94<br>95 C<br>96 | DEVELOPMENT OF RETURN AT PROPOSED R   | ATE LEVELS          |              |                 |  |
|                  | DPERATING REVENUE                     |                     |              |                 |  |
|                  | Sales of Electricity                  | SCH AF, LN 269      | 129,242,477  | 119,114,085     |  |
|                  | Contract Revenues                     | SCH I, LN 5         | 13,592,584   | 12,147,029      |  |
|                  | Other Operating Revenue               | SCH I, LN 15        | 28,612,028   | 5,183,345       |  |
|                  | TOTAL OPERATING REVENUE               |                     | 171,447,089  | 136,444,460     |  |
| 102              |                                       |                     | . ,          |                 |  |
|                  | OPERATING EXPENSES                    |                     |              |                 |  |
|                  | Operation and Maintenance Expense     | SCH H, LN 178       | 71,487,206   | 60,204,304      |  |
|                  | Depreciation Expense                  | SCH J, LN 27        | 28,684,257   | 23,741,627      |  |
|                  | Amortization Expense                  | SCH J, LN 29        | 97,406       | 88,945          |  |
|                  | Taxes Other Than Income Taxes         | SCH L, LN 20        | 5,365,960    | 4,177,650       |  |
| 108              | State Income Tax                      | CALCULATED          | 10,261       | , <i>'</i> 0    |  |
|                  | Federal Income Tax                    | CALCULATED          | 14,599,678   | 10,802,049      |  |
|                  | TOTAL OPERATING EXPENSES              |                     | 120,244,768  | 99,014,575      |  |
| 111              |                                       |                     |              | - , ,           |  |
|                  | OPERATING INCOME (RETURN) AT PROPOSE  | D RATES             | 51,202,321   | 37,429,884      |  |
| 113              |                                       |                     | ,===,== .    | •••••••••••     |  |
| 114              |                                       |                     |              |                 |  |
|                  | RATE BASE                             | SCH M, LN 30        | 562,372,014  | 438,289,045     |  |
| 116              |                                       |                     |              |                 |  |
| 117              |                                       |                     |              |                 |  |
|                  | RATE OF RETURN                        |                     | 9.10%        | 8.54%           |  |
| 119              |                                       |                     |              |                 |  |
|                  | NDEX RATE OF RETURN                   |                     | 1.00         | 0.94            |  |
| 120              |                                       |                     | 1.00         |                 |  |
| 122              |                                       |                     |              |                 |  |
|                  | PROPOSED TOTAL REVENUE INCREASE (\$)  |                     | 13,745,826   | 13,745,826      |  |
| 123 1            |                                       |                     | 10,110,020   | 1011 101020     |  |
| 124              | SALES OF ELECTRICITY                  |                     | 115,496,651  | 105,368,259     |  |
| 125              | SALES OF ELECTRICITY FOR BASE ENERGY  | COSTS               | 38,871,876   | 32,944,213      |  |
|                  | TOTAL CURRENT RETAIL REVENUES         | 000.0               | 154,368,527  | 138,312,473     |  |
| 128              |                                       |                     | 101,000,027  | 100,012,110     |  |
|                  | REVENUE INCREASE TO RETAIL REVENUES ( | %)                  | 8.90%        | 9.94%           |  |
| 130              |                                       | <i>707</i>          | 0.0070       | 0.0470          |  |
|                  |                                       |                     |              |                 |  |
| 131              |                                       |                     |              |                 |  |
| 132              |                                       |                     |              |                 |  |
| 133<br>134       |                                       |                     |              |                 |  |
|                  |                                       |                     |              |                 |  |
| 135              |                                       |                     |              |                 |  |
| 136              |                                       |                     |              |                 |  |
| 137              |                                       |                     |              |                 |  |
| 138              |                                       |                     |              |                 |  |

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| SCH<br>NO. |    | DESCRIPTION                                   | ALLOCATION<br>BASIS | TOTAL<br>BHP | SOUTH<br>DAKOTA |
|------------|----|-----------------------------------------------|---------------------|--------------|-----------------|
|            |    | (a)                                           | <u>b</u>            | (c)          | (d)             |
| D-2        | 1  | DEVELOPMENT OF RATE BASE                      |                     |              |                 |
| D-2        | 2  |                                               |                     |              |                 |
| D-2        | 3  | ELECTRIC PLANT IN SERVICE                     |                     |              |                 |
| D-2        | 4  |                                               |                     |              |                 |
| D-2        |    | PRODUCTION PLANT                              |                     |              |                 |
| D-2        | 6  | Steam Plant                                   |                     |              |                 |
| D-2        | 7  | 310-Land & Land Rights                        | DPROD               | 333,709      | 298,219         |
| D-2        | 8  | 311-Structures & Improve                      | DPROD               | 40,172,565   | 35,900,261      |
| D-2        | 9  | 312-Boiler Plant Equipment                    | DPROD               | 229,471,386  | 205,067,382     |
| D-2        | 10 | 313-Engines and Engine Driver Generator       | DPROD               | 339,815      | 303,676         |
| D-2        | 11 | 314-Turbogenerator Units                      | DPROD               | 122,755,168  | 109,700,305     |
| D-2        | 12 | 315-Accessory Electric Equipment              | DPROD               | 22,705,660   | 20,290,941      |
| D-2        | 13 | 316-Misc Power Plant Equipment                | DPROD               | 3,668,910    | 3,278,726       |
| D-2        | 14 | 106-Completed Not Classified Production Plant | DPROD               | 16,724,779   | 14,946,119      |
| D-2        | 15 | Steam Plant Additions/Annualization           | DPROD               | 9,313,475    | 8,322,998       |
| D-2        | 16 | Total Steam Plant                             |                     | 445,485,467  | 398,108,628     |
| D-2        | 17 |                                               |                     |              |                 |
| D-2        | 18 |                                               |                     |              |                 |
| D-2        | 19 | Other Production Plant                        |                     |              |                 |
| D-2        | 20 | 340-Land & Land Rights                        | DPROD               | 2,705        | 2,417           |
| D-2        | 21 | 341-Structures and Improvements               | DPROD               | 515,535      | 460,708         |
| D-2        | 22 | 342-Fuel Holders, Producers, & Access         | DPROD               | 5,119,213    | 4,574,791       |
| D-2        | 23 | 344-Generators                                | DPROD               | 68,775,732   | 61,461,516      |
| D-2        | 24 | 345-Accessory Electric Equipment              | DPROD               | 4,859,650    | 4,342,832       |
| D-2        | 25 | 346-Misc Power Plant Equipment                | DPROD               | 82,868       | 74,055          |
| D-2        | 26 | 106-Completed Not Classified Oth Prod Plt     | DPROD               | 498,582      | 445,558         |
| D-2        | 27 | Other Prod Plant Additions/Annualization      | DPROD               | 1,123,212    | 1,003,760       |
| D-2        | 28 | Total Other Production Plant                  |                     | 80,977,497   | 72,365,638      |
| D-2        | 29 |                                               |                     |              |                 |
| D-2        |    | TOTAL PRODUCTION PLANT                        |                     | 526,462,964  | 470,474,266     |
| D-2        | 31 |                                               |                     |              |                 |
| D-2        | 32 |                                               |                     |              |                 |
| D-2        | 33 | TRANSMISSION PLANT                            |                     |              |                 |
| D-2        | 34 | 350-Land & Land Rights                        | DTRAN               | 4,036,391    | 558,204         |
| D-2        | 35 | 352-Structures & Improvements                 | DTRAN               | 1,568,466    | 946,817         |
| D-2        | 36 | 353-Station Equipment                         | DTRAN               | 45,442,021   | 821,071         |
| D-2        | 37 | 354-Tower and Fixtures                        | DTRAN               | 736,867      | 363,066         |
| D-2        | 38 | 355-Poles & Fixtures                          | DTRAN               | 26,210,756   | 217 875         |
| D-2        | 39 | 356-Overhead Conductors & Devices             | DTRAN               | 28,310,483   | 991,295         |
| D-2        | 40 | 359-Roads and Trails                          | DTRAN               | 6,920        | 6,311           |
| D-2        | 41 | 106-Completed Not Classified Transmission Plt | DTRAN               | 8,635,892    | 0               |
| D-2        | 42 |                                               | DTRAN               | 2,708,988    | 0               |
| D-2        |    | TOTAL TRANSMISSION PLANT                      |                     | 117,656,784  | 3,904,640       |
| D-2        | 44 |                                               |                     | ,,. • •      | -,,             |

D-2 44 D-2 45 D-2 46

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| SCH LI |          |                                                   | ALLOCATION       | TOTAL       | SOUTH       |   |      |      |      |
|--------|----------|---------------------------------------------------|------------------|-------------|-------------|---|------|------|------|
| NO. NO | 0.       | DESCRIPTION                                       | BASIS            | BHP         | DAKOTA      | _ | <br> | <br> | <br> |
|        | ·        | (a)                                               | (b)              | (c)         | (d)         |   |      |      |      |
| D-2    | 47       | ELECTRIC PLANT IN SERVICE CONTINUED               |                  |             |             |   |      |      |      |
| D-2 4  | 48       |                                                   |                  |             |             |   |      |      |      |
| D-2    | 49       | DISTRIBUTION PLANT                                |                  |             |             |   |      |      |      |
|        | 50       | 360-Land & Land Rights                            | Direct Assigment | 1,636,579   | 1,552,057   |   |      |      |      |
|        | 51       | 361-Structures & Improvements                     | Direct Assigment | 254,825     | 246,766     |   |      |      |      |
|        | 52       | 362-Station Equipment                             | Direct Assigment | 63,211,995  | 45,100,101  |   |      |      |      |
|        | 53       | 364-Poles, Towers & Fixtures                      |                  |             | ,,          |   |      |      |      |
|        | 54       | Primary - Demand                                  |                  | 49,419,423  | 46,713,282  |   |      |      |      |
|        | 55       | Secondary - Demand                                |                  | 13,065,623  | 12,350,167  |   |      |      |      |
|        | 56       | Total Account 364                                 | Direct Assigment | 62,485,046  | 59,063,449  |   |      |      |      |
|        | 50<br>57 | 365-Overhead Conductors & Devices                 | Siles Assignment | 02,400,040  | 55,005,448  |   |      |      |      |
|        | 58       | Primary - Demand                                  |                  | 33 507 507  | 30,942,154  |   |      |      |      |
|        | 58<br>59 | •                                                 |                  | 32,597,507  |             |   |      |      |      |
|        | 59<br>60 | Secondary - Demand<br>Total Account 365           | Direct dest      | 5,595,237   | 5,311,102   |   |      |      |      |
|        |          |                                                   | Direct Assigment | 38,192,744  | 36,253,256  |   |      |      |      |
|        | 61       | 366-Underground Conduit                           |                  | A 400 077   | 0.000.001   |   |      |      |      |
|        | 62       | Primary - Demand                                  |                  | 2,129,936   | 2,088,264   |   |      |      |      |
|        | 63       | Secondary - Demand                                |                  | 1,457,627   | 1,429,109   |   |      |      |      |
|        | 64       | Total Account 366                                 | Direct Assigment | 3,587,563   | 3,517,373   |   |      |      |      |
|        | 65       | 367-Underground Conductors & Devices              |                  |             |             |   |      |      |      |
|        | 66       | Primary - Demand                                  |                  | 19,764,617  | 19,338,906  |   |      |      |      |
|        | 67       | Secondary - Demand                                |                  | 18,838,150  | 18,432,395  |   |      |      |      |
|        | 68       | Total Account 367                                 | Direct Assigment | 38,602,767  | 37,771,301  |   |      |      |      |
|        | 69       | 368-Line Transformers                             |                  |             |             |   |      |      |      |
|        | 70       | Demand                                            |                  | 32,438,334  | 31,204,759  |   |      |      |      |
|        | 71       | Total Account 368                                 | Direct Assigment | 32,438,334  | 31,204,759  |   |      |      |      |
| D-2    | 72       | 369-Services                                      | Direct Assigment | 27,327,010  | 26,665,348  |   |      |      |      |
| D-2    | 73       | 370-Meters                                        | Direct Assigment | 2,978,612   | 2,825,893   |   |      |      |      |
| D-2    | 74       |                                                   | Direct Assigment | 2,048,191   | 1,964,488   |   |      |      |      |
| D-2    | 75       | 373-Street Lighting & Signal Systems              | Direct Assigment | 1,690,694   | 1,617,886   |   |      |      |      |
| D-2    | 76       | 106 - Completed Not Classified Distribution Plant | DISTPLTXNC       | 13,651,463  | 12,764,157  |   |      |      |      |
| D-2    | 77       | Distribution Plant Additions/Annualization        | DISTPLTXNC       | 12,732,756  | 11,905,164  |   |      |      |      |
| D-2    | 78       | TOTAL DISTRIBUTION PLANT                          |                  | 300,838,580 | 272,451,999 |   |      |      |      |
|        | 79       |                                                   |                  |             |             |   |      |      |      |
|        | 80       |                                                   |                  |             |             |   |      |      |      |
|        | 81       |                                                   |                  |             |             |   |      |      |      |
|        |          | TOTAL PROD, TRANS, & DIST PLANT                   |                  | 944,958,328 | 746,830,905 |   |      |      |      |
|        | 83       |                                                   |                  |             | ,,          |   |      |      |      |
|        | 84       |                                                   |                  |             |             |   |      |      |      |
|        | 85       |                                                   |                  |             |             |   |      |      |      |
|        | 86       |                                                   |                  |             |             |   |      |      |      |
|        | 87       |                                                   |                  |             |             |   |      |      |      |
|        | 88       |                                                   |                  |             |             |   |      |      |      |
|        | 89       |                                                   |                  |             |             |   |      |      |      |
|        | 90       |                                                   |                  |             |             |   |      |      |      |
|        | 90<br>91 |                                                   |                  |             |             |   |      |      |      |
|        | 91       |                                                   |                  |             |             |   |      |      |      |
| ⊔-∠    | 97       |                                                   |                  |             |             |   |      |      |      |

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| CH L<br>0. N |            | DESCRIPTION                                                 | ALLOCATION           | TOTAL<br>BHP                          | SOUTH<br>DAKOTA        |                                                           |
|--------------|------------|-------------------------------------------------------------|----------------------|---------------------------------------|------------------------|-----------------------------------------------------------|
|              |            | (a)                                                         | (b)                  | (c)                                   | (d)                    |                                                           |
|              |            | ELECTRIC PLANT IN SERVICE CONTINUED                         |                      |                                       |                        |                                                           |
|              | 94         | OFNERAL REANT                                               |                      |                                       |                        |                                                           |
|              |            | GENERAL PLANT                                               |                      | 704 847                               | 050 407                |                                                           |
|              | 96<br>97   | 389-Land and Land Rights<br>390-Structures and Improvements | SALWAGES<br>SALWAGES | 791,347<br>10,877,474                 | 658,127<br>9,046,294   |                                                           |
|              | 97<br>98   | 391-Office Furniture & Equipment                            | SALWAGES             | 10,077,474                            | 9,046,294<br>8,436,425 |                                                           |
|              | 99<br>90   | 392-Transportation Equipment                                | SALWAGES             | 6,447,375                             | 5,361,985              |                                                           |
|              | 100        | 393-Store Equipment                                         | SALWAGES             | 317,260                               | 263,851                |                                                           |
|              | 101        | 394-Tools, Shop & Garage Equip.                             | SALWAGES             | 4,406,222                             | 3,664,452              |                                                           |
|              | 102        | 395-Laboratory Equipment                                    | SALWAGES             | 436,710                               | 363,192                |                                                           |
|              | 103        | 396-Power Operated Equipment                                | SALWAGES             | 630,583                               | 524,427                |                                                           |
|              | 104        | 397-Communication Equipment                                 | SALWAGES             | 8,060,617                             | 5,360,547              |                                                           |
|              | 105        | 398-Miscellaneous Equipment                                 | SALWAGES             | 262,291                               | 218,135                |                                                           |
|              | 106        | Rate Case Expense                                           | SREVSD               | 446,667                               | 446,667                |                                                           |
|              | 107        | 106-Completed Not Classified General Plant                  | SALWAGES             | 3,153,804                             | 2,879,841              |                                                           |
|              | 108        | General Plant Additions/Annualization                       | SALWAGES             | 5,889,215                             | 5,377,633              |                                                           |
| )-2 ·        | 109        | TOTAL GENERAL PLANT                                         |                      | 51,863,718                            | 42,601,574             |                                                           |
| )-2 ·        |            |                                                             |                      |                                       |                        |                                                           |
| )-2 ·        | 111        | TOTAL OTHER UTILITY PLANT IN SERVICE                        | SALWAGES             | 25,941,976                            | 21,764,077             |                                                           |
| )-2          | 112        |                                                             |                      |                                       |                        |                                                           |
| )-2          | 113        | TOTAL PLANT ACQUISITION ADJUSTMENT                          | DPROD                | 4,870,308                             | 4,352,357              |                                                           |
| )-2          | 114        |                                                             |                      |                                       |                        |                                                           |
| )-2          |            |                                                             |                      |                                       |                        |                                                           |
|              |            | TOTAL ELECTRIC PLANT IN SERVICE                             |                      | 1,027,634,330                         | 815,548,913            |                                                           |
| )-2          |            |                                                             |                      |                                       |                        |                                                           |
| )-2          |            |                                                             |                      |                                       |                        |                                                           |
|              | 119        |                                                             |                      |                                       |                        |                                                           |
|              | 120        |                                                             |                      |                                       |                        |                                                           |
|              | 121        |                                                             |                      |                                       |                        |                                                           |
|              | 122        |                                                             |                      |                                       |                        |                                                           |
|              | 123        |                                                             |                      |                                       |                        |                                                           |
|              | 124        |                                                             |                      |                                       |                        |                                                           |
|              | 125<br>126 |                                                             |                      |                                       |                        |                                                           |
|              | 120        |                                                             |                      |                                       |                        |                                                           |
|              | 128        |                                                             |                      |                                       |                        |                                                           |
| )-2<br>)-2   |            |                                                             |                      |                                       |                        |                                                           |
| )-2<br>)-2   |            |                                                             |                      |                                       |                        |                                                           |
|              | 131        |                                                             |                      |                                       |                        |                                                           |
|              | 132        |                                                             |                      |                                       |                        |                                                           |
| )-2          |            |                                                             |                      |                                       |                        |                                                           |
| )-2          |            |                                                             |                      |                                       |                        |                                                           |
|              | 135        |                                                             |                      |                                       |                        |                                                           |
|              | 136        |                                                             |                      |                                       |                        |                                                           |
|              | 137        |                                                             |                      |                                       |                        |                                                           |
| <b>D-2</b>   |            |                                                             |                      |                                       |                        |                                                           |
|              |            |                                                             |                      |                                       | ····>                  | BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SERVI |
|              |            |                                                             |                      |                                       |                        |                                                           |
|              |            |                                                             |                      | · · · · · · · · · · · · · · · · · · · |                        | $\sim$                                                    |

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| SCH | LINE |                                       | ALLOCATION | TOTAL       | SOUTH       |
|-----|------|---------------------------------------|------------|-------------|-------------|
| NO. | NO.  | DESCRIPTION                           | BASIS      | BHP         | DAKOTA      |
| -   |      | (a)                                   | (b)        | (c)         | (d)         |
| E   | 1    | LESS: ACCUMULATED DEPRECIATION        |            |             |             |
| E   | 2    |                                       |            |             |             |
| Ē   |      | PRODUCTION PLANT ACCUM DEPRECIATION   | PRODPLT    | 183,023,119 | 163,558,832 |
| E   | 4    |                                       | 11100101   | (00,020,770 | 100,000,002 |
| Ē   | 5    | TRANSMISSION PLANT ACCUM DEPREC       | TRANPLT    | 29,480,319  | 1,352,846   |
| Ē   | 6    |                                       |            |             |             |
| Ē   | 7    | DISTRIBUTION PLANT ACCUM DEPRECIATION |            |             |             |
| Ē   | 8    | 360-Land & Land Rights                | PLT_360    | (43,322)    | (41,085)    |
| Е   | 9    | 361-Structures & Improvements         | PLT 361    | 141,732     | 137,250     |
| Ē   | 10   | 362-Station Equipment                 | PLT_362    | 23,800,485  | 17,542,035  |
| E   | 11   |                                       | PLT_364    | 23,213,676  | 21,942,526  |
| Е   | 12   | •                                     | PLT_365    | 13,947,425  | 13,239,153  |
| Е   | 13   | 366-Underground Conduit               | PLT_366    | 507,645     | 497,713     |
| Е   | 14   | 367-Underground Conductors & Devices  | PLT_367    | 13,722,328  | 13,426,762  |
| Е   | 15   | 368-Line Transformers                 | PLT_368    | 12,033,874  | 11,576,246  |
| Е   | 16   | 369-Services                          | PLT_369    | 9,035,379   | 8,816,608   |
| E   | 17   |                                       | PLT_370    | (4,087,213) | (3,877,654) |
| Е   | 18   | 371-Installation on Customer Premises | PLT_371    | 790,650     | 758,339     |
| Е   | 19   | 373-Street Lighting & Signal Systems  | PLT_373    | 766,845     | 733,822     |
| Ε   | 20   | Unspecified and Accum Dep Adjustment  | DISTPLT    | (668,725)   | (625,260)   |
| Ë   | 21   | TOTAL DISTRIBUTION PLANT ACCUM DEPR   |            | 93,160,779  | 84,126,455  |
| Ε   | 22   |                                       |            |             |             |
| E   | 23   | GENERAL PLANT ACCUM DEPRECIATION      | GENLPLT    | 22,514,900  | 18,608,128  |
| Е   | 24   |                                       |            |             |             |
| Е   | 25   | OTHER UTILITY ACCUM DEPRECIATION      | SALWAGES   | 18,411,665  | 15,450,652  |
| Е   | 26   |                                       |            |             |             |
| E   | 27   | TOTAL ACCUMULATED DEPRECIATION        |            | 346,590,783 | 283,096,913 |
| Е   | 28   |                                       |            |             |             |
| E   |      | AMORTIZATION OF PLANT ACQUISITION     | PRODPLT    | 3,034,523   | 2,711,805   |
| Е   | 30   |                                       |            |             |             |
| E   | 31   | NET ELECTRIC PLANT IN SERVICE         |            | 678,009,024 | 529,740,194 |
| Е   | 32   |                                       |            |             |             |
| Е   | 33   |                                       |            |             |             |
| Е   | 34   |                                       |            |             |             |
| E   | 35   |                                       |            |             |             |
| E . | 20   |                                       |            |             |             |

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#### BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SERVICE

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| (a)<br>ADDITIONS AND DEDUCTIONS TO RATE BASI<br>PLUS: ADDITIONS TO RATE BASE<br>WORKING CAPITAL<br>Cash Working Capital (Lead Lag)<br>Fuel Inventory<br>Materials and Supplies<br>Prepayments<br>TOTAL WORKING CAPITAL<br>LESS: DEDUCTIONS TO RATE BASE<br>Customer Advances for Construction<br>Regulatory Assets - S&W Related<br>Regulatory Assets - Plant Related | BASIS<br>(b)<br>E<br>SCH F-3, LN 40<br>ENEFUEL<br>TOTPLT<br>OMXFPP<br>CUSTADV | BHP<br>(C)<br>(5,306,898)<br>6,740,850<br>15,550,547<br>1,060,904<br>18,045,403                                                                                                                                                                                                                                                                                                                                               | (5,140,260)<br>5,825,235<br>12,727,558<br>622,538<br>14,035,071                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PLUS: ADDITIONS TO RATE BASE<br>WORKING CAPITAL<br>Cash Working Capital (Lead Lag)<br>Fuel Inventory<br>Materials and Supplies<br>Prepayments<br>TOTAL WORKING CAPITAL<br>LESS: DEDUCTIONS TO RATE BASE<br>Customer Advances for Construction<br>Regulatory Assets - S&W Related                                                                                      | SCH F-3, LN 40<br>ENEFUEL<br>TOTPLT<br>OMXFPP                                 | 6,740,850<br>15,550,647<br>1,060,904                                                                                                                                                                                                                                                                                                                                                                                          | 5,825,235<br>12,727,558<br>622,538                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| WORKING CAPITAL<br>Cash Working Capital (Lead Lag)<br>Fuel Inventory<br>Materials and Supplies<br>Prepayments<br>TOTAL WORKING CAPITAL<br>LESS: DEDUCTIONS TO RATE BASE<br>Customer Advances for Construction<br>Regulatory Assets - S&W Related                                                                                                                      | ENEFUEL<br>TOTPLT<br>OMXFPP                                                   | 6,740,850<br>15,550,647<br>1,060,904                                                                                                                                                                                                                                                                                                                                                                                          | 5,825,235<br>12,727,558<br>622,538                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| WORKING CAPITAL<br>Cash Working Capital (Lead Lag)<br>Fuel Inventory<br>Materials and Supplies<br>Prepayments<br>TOTAL WORKING CAPITAL<br>LESS: DEDUCTIONS TO RATE BASE<br>Customer Advances for Construction<br>Regulatory Assets - S&W Related                                                                                                                      | ENEFUEL<br>TOTPLT<br>OMXFPP                                                   | 6,740,850<br>15,550,647<br>1,060,904                                                                                                                                                                                                                                                                                                                                                                                          | 5,825,235<br>12,727,558<br>622,538                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Cash Working Capital (Lead Lag)<br>Fuel Inventory<br>Materials and Supplies<br>Prepayments<br>TOTAL WORKING CAPITAL<br>LESS: DEDUCTIONS TO RATE BASE<br>Customer Advances for Construction<br>Regulatory Assets - S&W Related                                                                                                                                         | ENEFUEL<br>TOTPLT<br>OMXFPP                                                   | 6,740,850<br>15,550,647<br>1,060,904                                                                                                                                                                                                                                                                                                                                                                                          | 5,825,235<br>12,727,558<br>622,538                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Fuel Inventory<br>Materials and Supplies<br>Prepayments<br>TOTAL WORKING CAPITAL<br>LESS: DEDUCTIONS TO RATE BASE<br>Customer Advances for Construction<br>Regulatory Assets - S&W Related                                                                                                                                                                            | ENEFUEL<br>TOTPLT<br>OMXFPP                                                   | 6,740,850<br>15,550,647<br>1,060,904                                                                                                                                                                                                                                                                                                                                                                                          | 5,825,235<br>12,727,558<br>622,538                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Materials and Supplies<br>Prepayments<br>TOTAL WORKING CAPITAL<br>LESS: DEDUCTIONS TO RATE BASE<br>Customer Advances for Construction<br>Regulatory Assets - S&W Related                                                                                                                                                                                              | ΤΟΤΡLΤ<br>ΟΜΧΕΡΡ                                                              | 15,550,547<br>1,060,904                                                                                                                                                                                                                                                                                                                                                                                                       | 12,727,558<br>622,538                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Prepayments<br>TOTAL WORKING CAPITAL<br>LESS: DEDUCTIONS TO RATE BASE<br>Customer Advances for Construction<br>Regulatory Assets - S&W Related                                                                                                                                                                                                                        | ΟΜΧΕΡΡ                                                                        | 1,060,904                                                                                                                                                                                                                                                                                                                                                                                                                     | 622,538                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| TOTAL WORKING CAPITAL<br>LESS: DEDUCTIONS TO RATE BASE<br>Customer Advances for Construction<br>Regulatory Assets - S&W Related                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| LESS: DEDUCTIONS TO RATE BASE<br>Customer Advances for Construction<br>Regulatory Assets - S&W Related                                                                                                                                                                                                                                                                | CUSTADV                                                                       | 18,040,405                                                                                                                                                                                                                                                                                                                                                                                                                    | 14,000,071                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Customer Advances for Construction<br>Regulatory Assets - S&W Related                                                                                                                                                                                                                                                                                                 | CUSTADV                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Customer Advances for Construction<br>Regulatory Assets - S&W Related                                                                                                                                                                                                                                                                                                 |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Regulatory Assets - S&W Related                                                                                                                                                                                                                                                                                                                                       | GUAIADV                                                                       | 2,235,444                                                                                                                                                                                                                                                                                                                                                                                                                     | 2,190,735                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       | SALWAGES                                                                      | (23,453,929)                                                                                                                                                                                                                                                                                                                                                                                                                  | (21,416,543)                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Neguratory Assets - Fight Neidley                                                                                                                                                                                                                                                                                                                                     | TOTPLT                                                                        | (14,422,301)                                                                                                                                                                                                                                                                                                                                                                                                                  | (8,343,652)                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Regulatory Liabilities - S&W Related                                                                                                                                                                                                                                                                                                                                  | SALWAGES                                                                      | 38,126,490                                                                                                                                                                                                                                                                                                                                                                                                                    | 34,814,535                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Regulatory Liabilities - Plant Related                                                                                                                                                                                                                                                                                                                                | TOTPLT                                                                        | 844,163                                                                                                                                                                                                                                                                                                                                                                                                                       | 767,123                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Deferred Income Taxes and Credits                                                                                                                                                                                                                                                                                                                                     |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       | SALWAGES                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| TOTAL DEDUCTIONS TO RATE BASE                                                                                                                                                                                                                                                                                                                                         |                                                                               | 133,682,413                                                                                                                                                                                                                                                                                                                                                                                                                   | 105,486,221                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               | 562 372 014                                                                                                                                                                                                                                                                                                                                                                                                                   | 438 289 045                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| TOTAL RATE BASE                                                                                                                                                                                                                                                                                                                                                       |                                                                               | 002,072,014                                                                                                                                                                                                                                                                                                                                                                                                                   | 400,200,040                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                       |                                                                               | Deferred Income Taxes and Credits         Deferred Income Tax - Property (Debit)       TOTPLT         Deferred Income Tax - S&W (Debit)       SALWAGES         Deferred Income Tax - Customer (Debit)       CUST         Deferred Income Tax - Property (Credit)       TOTPLT         Deferred Income Tax - Other (Credit)       SALWAGES         Total Deferred Income Taxes and Credits       TOTAL DEDUCTIONS TO RATE BASE | Deferred Income Taxes and CreditsDeferred Income Tax - Property (Debit)TOTPLT(20,820,260)Deferred Income Tax - S&W (Debit)SALWAGES(16,945,457)Deferred Income Tax - Customer (Debit)CUST(758,524)Deferred Income Tax - Property (Credit)TOTPLT164,777,263Deferred Income Tax - Other (Credit)SALWAGES4,099,524Total Deferred Income Taxes and Credits130,352,546TOTAL DEDUCTIONS TO RATE BASE133,682,413 | Deferred Income Taxes and CreditsTOTPLT(20,820,260)(18,920,152)Deferred Income Tax - Property (Debit)TOTPLT(20,820,260)(16,945,457)Deferred Income Tax - S&W (Debit)SALWAGES(16,945,457)(15,473,446)Deferred Income Tax - Customer (Debit)CUST(758,524)(728,561)Deferred Income Tax - Property (Credit)TOTPLT164,777,263128,852,774Deferred Income Tax - Other (Credit)SALWAGES4,099,5243,743,408Total Deferred Income Taxes and Credits130,352,54697,474,023TOTAL DEDUCTIONS TO RATE BASE133,682,413105,486,221 | Deferred Income Taxes and CreditsDeferred Income Tax - Property (Debit)TOTPLT(20,820,260)(18,920,152)Deferred Income Tax - S&W (Debit)SALWAGES(16,945,457)(15,473,446)Deferred Income Tax - Customer (Debit)CUST(758,524)(728,561)Deferred Income Tax - Property (Credit)TOTPLT164,777,263128,852,774Deferred Income Tax - Other (Credit)SALWAGES4,099,5243,743,408Total Deferred Income Taxes and Credits130,352,54697,474,023TOTAL DEDUCTIONS TO RATE BASE133,682,413105,486,221 |

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| H LINE       | DESCRIPTION                        | ALLOCATION<br>BASIS | TOTAL<br>BHP | SOUTH<br>DAKOTA |  |
|--------------|------------------------------------|---------------------|--------------|-----------------|--|
| <u>, no.</u> | (a)                                | (b)                 | (c)          | (d)             |  |
| 310          | CASH WORKING CAPITAL (LEAD LAG)    |                     |              |                 |  |
| 3 2          | ,                                  |                     |              |                 |  |
| 3 3          | O&M EXPENSE PER DAY RELATED CASH V | VORKING CAPITAL     |              |                 |  |
| 3 4          | Purchased Fuel (Coal, Gas, & Oil)  | ENEFUEL             | 0            | 0               |  |
| 35           | Coal Transportation                | ENEFUEL             | 0            | 0               |  |
| 36           | Natural Gas - Other Production     | ENEFUEL             | 0            | 0               |  |
| 37           | Purchased Power                    | OX_555              | 20,363       | 18,197          |  |
| 38           | Transmission                       | TRANPLT             | 20,000       | 0               |  |
| 39           | Labor                              | SALWAGES            | 30,748       | 28,077          |  |
| 3 10         | Employee Benefits                  | SALWAGES            | 1,621        | 1,480           |  |
| 3 11         | Service Company Charges            | SALWAGES            | 87,294       | 79,711          |  |
| 3 12         | Other O&M                          | OMXFPP              | 45,804       | 41,822          |  |
| 3 12<br>3 13 | Wyodak Power Plant O&M             | PRODPLT             | 10,025       | 8,959           |  |
| 3 13<br>3 14 | •                                  | FRODELI             | 195,855      | 178,246         |  |
|              | TOTAL O&M                          |                     | 190,000      | 176,240         |  |
| 3 15         | TANES OTHER FURNINGOME TAXES       |                     |              |                 |  |
| 3 16         | TAXES OTHER THAN INCOME TAXES      |                     | 44.055       | 44760           |  |
| 3 17         | Property Taxes                     | TOTPLT              | 14,055       | 14,750          |  |
| 3 18         | Unemployment Taxes (FUTA & SUTA)   | SALWAGES            | 313          | 286             |  |
| 3 19         | Montana Electric Energy            | SREVMT              | 49           | 0               |  |
| 3 20         | Wyoming Franchise Tax              | SREVWY              | 166          | 0               |  |
| 3 21         | South Dakota PUC                   | SREVSD              | 649          | 649             |  |
| 3 22         | Wyoming PSC                        | SREVWY              | 5            | 0               |  |
| 323          | FICA Taxes - Employer's            | SALWAGES            | 7,969        | 7,277           |  |
| 3 24         | TOTAL TAXES OTHER THAN INCOME TAXE | S                   | 23,206       | 22,961          |  |
| 3 25         |                                    |                     |              |                 |  |
| 3 26         | Depreciation Expense               | TOTPLT              | 78,587       | 96,161          |  |
| 327          | Amortization Expense               | PRODPLT             | 267          | 238             |  |
| 3 28         | TOTAL DEPRECIATION/AMORTIZATION    |                     | 78,854       | 96,400          |  |
| 3 29         |                                    |                     |              |                 |  |
| 3 30         | FEDERAL INCOME TAXES               | CLAIMREV            | 39,999       | 36,398          |  |
| 3 31         |                                    |                     |              |                 |  |
| 3 32         | INTEREST EXPENSE                   | TOTPLT              | 48,730       | 44,283          |  |
| 3 33         |                                    |                     |              |                 |  |
| 3 34         | GRAND TOTAL                        |                     | 386,644      | 378,288         |  |
| 3 35         |                                    |                     |              |                 |  |
| 3 36         | CWC REQUIREMENT (GRAND TOTAL x EX  | PENSE LAG)          | (4,218,286)  | (4,127,122)     |  |
| 3 37         | •                                  | -                   |              |                 |  |
| 3 38         | LESS: TAX COLLECTIONS AVAILABLE    |                     | (1,088,612)  | (1,013,138)     |  |
| 3 39         |                                    |                     |              |                 |  |
| 3 40         | NET CASH WORKING CAPITAL REQUIREM  | ENT                 | (5,306,898)  | (5,140,260)     |  |
| 3 41         |                                    |                     | , /          |                 |  |
| 3 42         |                                    |                     |              |                 |  |
| 3 43         |                                    |                     |              |                 |  |
| 3 44         |                                    |                     |              |                 |  |
| -3 45        |                                    |                     |              |                 |  |
| 0            |                                    |                     |              |                 |  |

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| SCH LINE<br>NO. NO.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | DESCRIPTION                                                                                                 | ALLOCATION<br>BASIS                      | TOTAL<br>BHP                                                  | SOUTH<br>DAKOTA                                        |                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (a)                                                                                                         | (b)                                      | (c)                                                           | (d)                                                    |                                                             |
| F-3 3<br>F-3 4<br>F-3 5<br>F-3 6<br>F-3 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | CASH WORKING CAPITAL (LEAD LAG) CONTI<br>LAG/LEAD DAYS<br>REVENUE LAG DAYS<br>EXPENSE LEAD DAYS<br>NET DAYS | NUED                                     | 37.96<br>48.87<br>(10.91)                                     |                                                        |                                                             |
| $ \begin{array}{cccc} F-3 & 8 \\ F-3 & 9 \\ F-3 & 10 \\ F-3 & 11 \\ F-3 & 13 \\ F-3 & 15 \\ F-3 & 15 \\ F-3 & 16 \\ F-3 & 15 \\ F-3 & 16 \\ F-3 & 10 \\ F-3 & 20 \\ F-3 & 21 \\ F-3 & 20 \\ F-3 & 20 \\ F-3 & 20 \\ F-3 & 30 \\ F-3 & 41 \\ F-$ |                                                                                                             | SALWAGES<br>SALWAGES<br>SREVSD<br>SREVWY | (54,075)<br>(130,575)<br>(844,528)<br>(59,434)<br>(1,088,612) | (49,378)<br>(119,232)<br>(844,528)<br>0<br>(1,013,138) |                                                             |
| F-3 42<br>F-3 43<br>F-3 44<br>F-3 45<br>F-3 46                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                             |                                          |                                                               |                                                        | BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SERVICE |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                             |                                          |                                                               |                                                        |                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                             |                                          |                                                               |                                                        |                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                             |                                          |                                                               |                                                        |                                                             |

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|                     |                                    |                     | TOTAL        |                 |            |   |
|---------------------|------------------------------------|---------------------|--------------|-----------------|------------|---|
| SCH LINE<br>NO. NO. | DESCRIPTION                        | ALLOCATION<br>BASIS | TOTAL<br>BHP | SOUTH<br>DAKOTA |            |   |
| <u></u>             | (a)                                | (b)                 | (C)          | (d)             | <u>***</u> | · |
| i 1                 | OPERATING REVENUES                 |                     |              |                 |            |   |
| 2                   | SALES REVENUES                     |                     |              |                 |            |   |
| 1 4                 |                                    |                     | 115,496,651  | 105,368,259     |            |   |
| 1 5                 |                                    | DPROD               | 13,592,584   | 12,147,029      |            |   |
|                     | TOTAL SALES OF ELECTRICITY         |                     | 129,089,235  | 117,515,288     |            |   |
| 7<br>  8            | OTHER OPERATING REVENUES           |                     | ~            |                 |            |   |
| I 9                 |                                    | Direct Assignment   | 0            |                 |            |   |
| I 10                | -                                  | Direct Assignment   | (784,521)    | (784,521)       |            |   |
| I 11                |                                    | Direct Assignment   | 259,857      | 251,449         |            |   |
| l 12                | 451-Miscellaneous Service Revenues | Direct Assignment   | 471,143      | 463,958         |            |   |
| I 13                |                                    | TDPLT               | 5,619,589    | 5,252,460       |            |   |
| I 14                |                                    | TRANPLT             | 23,045,960   | 0               |            |   |
| I 15<br>I 16        |                                    |                     | 28,612,028   | 5,183,345       |            |   |
|                     | TOTAL OPERATING REVENUES           |                     | 157,701,263  | 122,698,634     |            |   |
| I 18                |                                    |                     |              |                 |            |   |
| I 19                |                                    |                     |              |                 |            |   |
| 1 20                |                                    |                     |              |                 |            |   |
| l 21<br>i 22        |                                    |                     |              |                 |            |   |
| 1 22                |                                    |                     |              |                 |            |   |
| 1 23                |                                    |                     |              |                 |            |   |
| 1 25                |                                    |                     |              |                 |            |   |
| 1 26                |                                    |                     |              |                 |            |   |
| 1 27                |                                    |                     |              |                 |            |   |
| 1 28                |                                    |                     |              |                 |            |   |
| 1 29                |                                    |                     |              |                 |            |   |
| I 30                |                                    |                     |              |                 |            |   |
| I 31                |                                    |                     |              |                 |            |   |
| 1 32                |                                    |                     |              |                 |            |   |
| 1 33                |                                    |                     |              |                 |            |   |
| I 34                |                                    |                     |              |                 |            |   |
| I 35<br>I 36        |                                    |                     |              |                 |            |   |
| 1 36                |                                    |                     |              |                 |            |   |
| I 38                |                                    |                     |              |                 |            |   |
| I 39                |                                    |                     |              |                 |            |   |
| I 40                |                                    |                     |              |                 |            |   |
| I 41                |                                    |                     |              |                 |            |   |
| I 42                |                                    |                     |              |                 |            |   |
| I 43                |                                    |                     |              |                 |            |   |
| I 44                |                                    |                     |              |                 |            |   |
| 1 45                |                                    |                     |              |                 |            |   |
| I 46                |                                    |                     |              |                 |            |   |

Schedule N-1 Cost of Service Study Page 12 of 34

| SCH<br>NO. |     | DESCRIPTION                                      | ALLOCATION<br>BASIS | TOTAL<br>BHP | SOUTH<br>DAKOTA |                                                          |
|------------|-----|--------------------------------------------------|---------------------|--------------|-----------------|----------------------------------------------------------|
| 0.         | NO. | (a)                                              | (b)                 | (c)          | (d)             |                                                          |
| 4          | 1   |                                                  |                     |              |                 |                                                          |
| ł          | 2   | OPERATION & MAINTENANCE EXPENSE                  |                     |              |                 |                                                          |
|            | 3   |                                                  |                     |              |                 |                                                          |
| 4          | 4   |                                                  |                     |              |                 |                                                          |
| H          | 5   | PRODUCTION EXPENSE                               |                     |              |                 |                                                          |
| ł          | 6   |                                                  |                     |              |                 |                                                          |
| Н          | 7   | Steam Production Operation                       |                     |              |                 |                                                          |
| 4          | 8   | 500-Supervision & Engineering                    | SALWAGPO            | 1,693,755    | 1,513,626       |                                                          |
| H          | 9   | 501-Fuei                                         | ENEFUEL             | 0            | 0               |                                                          |
| Н          | 10  | 502-Steam Expense                                | DPROD               | 2,076,355    | 1,855,537       |                                                          |
| Н          | 11  | 505-Electric Expense                             | DPROD               | 824,161      | 736,512         |                                                          |
| H          | 12  | 506-Miscellaneous Steam Power Expense            | DPROD               | 757,003      | 676,496         |                                                          |
| H          | 13  | 507-Rent                                         | DPROD               | 2,571,407    | 2,297,941       |                                                          |
| н          | 14  | 509-Allowances                                   | DPROD               | 30           | 27              |                                                          |
| н          | 15  | Total Steam Production Operation                 |                     | 7,922,711    | 7,080,140       |                                                          |
| н          | 16  |                                                  |                     |              |                 |                                                          |
| н          | 17  | Steam Production Maintenance                     |                     |              |                 |                                                          |
| Н          | 18  | 510-Supervision & Engineering                    | SALWAGPM            | 1,544,367    | 1,380,126       |                                                          |
| н          | 19  | 511-Maintenance of Structures                    | DPROD               | 810,257      | 724,087         |                                                          |
| н          | 20  | 512-Maintenance of Boilers                       | DPROD               | 4,053,128    | 3,622,082       |                                                          |
| Н          | 21  | 513-Maintenance of Electric Plant                | DPROD               | 354,177      | 316,511         |                                                          |
| н          | 22  | 514-Maintanance of Miscellaneous Steam Plant     | DPROD               | 124,702      | 111,440         |                                                          |
| H          | 23  | Total Steam Production Maintenance               |                     | 6,886,631    | 6,154,246       |                                                          |
| н          | 24  |                                                  |                     |              |                 |                                                          |
| H          | 25  | Total Steam Production Expense                   |                     | 14,809,342   | 13,234,386      |                                                          |
| H          | 26  |                                                  |                     |              |                 |                                                          |
| н          | 27  | Other Production Operation                       |                     |              |                 |                                                          |
| н          | 28  | 546-Operation Supervision and Engineering        | SALWAGPO            | 217,924      | 194,748         |                                                          |
| н          | 29  | 547-Fuel                                         | ENEFUEL             | 0            | 0               |                                                          |
| н          | 30  | 548-Generation Expense                           | DPROD               | 447,393      | 399,813         |                                                          |
| н          | 31  | 549-Miscellaneous Other Power Generation         | DPROD               | 87,721       | 78,392          |                                                          |
| Н          | 32  | 550-Rents                                        | DPROD               | 119,463      | 106,758         |                                                          |
| H          | 33  | Total Other Production Operation                 |                     | 872,501      | 779,712         |                                                          |
| H          | 34  | · · · · · · · · · · · · · · · · · · ·            |                     |              |                 |                                                          |
| H          | 35  | Other Production Maintenance                     |                     |              |                 |                                                          |
| H ·        | 36  | 551-Supervision & Engineering                    | SALWAGPM            | 871,738      | 779,030         |                                                          |
| н          | 37  | 552-Structures                                   | DPROD               | 99,276       | 88,718          |                                                          |
| н          | 38  | 553-Maintenance of Generating and Electric Plant |                     | 1,985,888    | 1,774,691       |                                                          |
| H          | 39  | 554-Maintenance of Miscellaneous Other Power     | DPROD               | 198,404      | 177,304         |                                                          |
| H          | 40  | 556-System Control and Load Dispatching          | DPROD               | 786,583      | 702,930         |                                                          |
| н          | 41  | 556-System Control and Load Dispatching          | DPROD               | 24           | 21              |                                                          |
| н          | 42  | · · ·                                            |                     | 3,941,913    | 3,522,695       |                                                          |
| н          | 43  |                                                  |                     |              |                 |                                                          |
| н          | 44  | Total Other Production Expense                   |                     | 4,814,414    | 4,302,406       |                                                          |
| н          | 45  | •                                                |                     | ·,-··,···    |                 |                                                          |
| н          | 46  |                                                  |                     |              |                 |                                                          |
| ••         | -10 |                                                  |                     |              |                 | BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SERV |

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Schedule N-1 Cost of Service Study Page 13 of 34

| SCH I |    |                                                | ALLOCATION | TOTAL      | SOUTH      |
|-------|----|------------------------------------------------|------------|------------|------------|
| NO.   |    | DESCRIPTION                                    | BASIS      | BHP        | DAKOTA     |
|       |    | (a)                                            | (b)        | (c)        | (d)        |
| н     | 47 | OPERATION & MAINTENANCE EXPENSE CONTI          |            |            |            |
| H     | 48 | OPERATION & MAINTENANCE EXPENSE CONTI          | NOED       |            |            |
| Н     | 49 |                                                |            |            |            |
| Н     |    | PRODUCTION EXPENSE (CONT.)                     |            |            |            |
| н     | 51 | FRODUCTION EXPENSE (CONT.)                     |            |            |            |
| н     | 52 | Other Power Supply                             |            |            |            |
| н     | 53 | 555 - Purchased Power - Energy                 | ENERGY1    | 0          | 0          |
| н     | 54 | 555 - Purchased Power - Capacity               | DPROD      | 7,432,664  | 6,642,209  |
| н     | 55 | Total Other Power Supply                       | DI NOD     | 7,432,664  | 6,642,209  |
| н     | 56 |                                                |            | 7,402,004  | 0,012,200  |
| н     | 57 | TOTAL PRODUCTION EXPENSE                       |            | 27,056,420 | 24,179,002 |
| н     | 58 |                                                |            | 27,000,420 | 21,110,002 |
| н     | 59 |                                                |            |            |            |
| н     |    | TRANSMISSION EXPENSES                          |            |            |            |
| Ĥ     | 61 |                                                |            |            |            |
| H     | 62 | Operation                                      |            |            |            |
| H     | 63 | 560-Supervision & Engineering                  | SALWAGTO   | 585,148    | 278,673    |
| Ĥ     | 64 | 561-Load Dispatch                              | TRANPLT    | 3,194,325  | 0          |
| Ĥ     | 65 | 562-Station Equipment                          | TRANPLT    | 296,560    | 0          |
| H     | 66 | 563-Overhead Lines                             | TRANPLT    | 94,453     | 44,983     |
| н     | 67 | 565-Transmission of Electricity by Others      | TRANPLT    | 0          | 0          |
| н     | 68 | 566-Miscellaneous                              | TRANPLT    | 100,449    | 47,838     |
| н     | 69 | 567-Rents                                      | TRANPLT    | 0          | 0          |
| Н     | 70 | Total Transmission Operation                   |            | 4,270,935  | 371,494    |
| н     | 71 |                                                |            | -,,        |            |
| н     | 72 | Maintenance                                    |            |            |            |
| н     | 73 | 568-Maintenance Supervision & Engineering      | SALWAGTM   | 0          | 0          |
| н     | 74 | 569-Maintenance of Structures                  | TRANPLT    | 0          | 0          |
| н     | 75 | 570-Maintenance of Station Equipment           | TRANPLT    | 144,477    | 68,806     |
| н     | 76 | 571-Maintenance of Overhead Lines              | TRANPLT    | 155,825    | 74,211     |
| н     | 77 | 572-Maintenance of Underground Lines           | TRANPLT    | Ū          | 0          |
| н     | 78 | 573-Maint. of Miscellaneous Transmission Plant | TRANPLT    | O          | 0          |
| н     | 79 | Total Transmission Maintenance                 |            | 300,302    | 143,017    |
| н     | 80 |                                                |            |            |            |
| н     | 81 | TOTAL TRANSMISSION EXPENSE                     |            | 4,571,237  | 514,511    |
| н     | 82 |                                                |            |            |            |
| Н     | 83 |                                                |            |            |            |
| н     | 84 |                                                |            |            |            |
| н     | 85 |                                                |            |            |            |
| н     | 86 |                                                |            |            |            |

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BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SERVICE

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Schedule N-1 Cost of Service Study Page 14 of 34

| SCH L | NE                                     | ALLOCATION | TOTAL      | SOUTH      |
|-------|----------------------------------------|------------|------------|------------|
| NO. N |                                        | BASIS      | BHP        | DAKOTA     |
|       | (a)                                    | (b)        | (c)        | (d)        |
| н     | 93 OPERATION & MAINTENANCE EXPENSE     |            |            |            |
|       | 94                                     |            |            |            |
|       | 95                                     |            |            |            |
|       | 96 DISTRIBUTION EXPENSES               |            |            |            |
|       | 97 Operation                           |            |            |            |
|       | 98 580-Supervision                     | SALWAGDO   | 814,867    | 762,045    |
|       | 99 581-Load Dispatch                   | DISTPLT    | 241,101    | 225,430    |
|       | 00 582-Station Equipment               | PLT_362    | 441,640    | 370,464    |
|       | 01 583-Overhead Lines                  | OHDIST     | 454,470    | 430,270    |
| H 1   | 02 584-Underground Lines               | UGDIST     | 309,900    | 303,277    |
|       | 03 585-Street Lighting                 | PLT_3713   | 89         | 85         |
|       | 04 586-Metering                        | CMETERS    | 862,809    | 830,061    |
|       | 05 587-Customer Installations          | CMETERS    | 28,626     | 27,539     |
|       | 06 588-Miscellaneous                   | DISTPLT    | 484,314    | 452,835    |
|       | 07 589-Rents                           | DISTPLT    | 19,382     | 18,122     |
|       | 08 Total Distribution Operation        |            | 3,657,198  | 3,420,129  |
|       | 09                                     |            |            |            |
|       | 10 Maintenance                         |            |            |            |
| н     | 11 590-Supervision                     | SALWAGDM   | 1,579      | 1,481      |
|       | 12 591-Structures                      | DISTPLT    | D          | 0          |
| н     | 13 592-Station Equipment               | PLT_362    | 357,828    | 300,159    |
|       | 14 593-Overhead Lines                  | OHDIST     | 2,573,823  | 2,436,767  |
| н     | 15 594-Underground Lines               | UGDIST     | 193,074    | 188,948    |
|       | 16 595-Transformers                    | PLT_368    | 38,352     | 36,894     |
|       | 17 596-Street Lighting                 | PLT_3713   | 139,990    | 134,130    |
|       | 18 597-Metering                        | CMETERS    | 74,563     | 71,733     |
|       | 19 598-Miscellaneous                   | DISTPLT    | 21,751     | 20,337     |
|       | 120 Total Distribution Maintenance     |            | 3,400,960  | 3,190,449  |
|       | 121                                    |            |            |            |
| н     | 22 TOTAL DISTRIBUTION EXPENSES         |            | 7,058,158  | 6,610,578  |
| н     | 123                                    |            |            |            |
|       | 124 TOTAL OPER & MAINT EXP (PROD, TRAN | N,& DIST)  | 38,685,815 | 31,304,092 |
| н     | 125                                    | -          |            |            |
|       | 126                                    |            |            |            |
|       | 127                                    |            |            |            |

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- 130 131
- 132 133 134
- 135

# BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SERVICE

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Exhibit - 105 Page 255 of 358

BLACK HILLS POWER, INC. RETAIL ELECTRIC ADJUSTED JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule N-1 Cost of Service Study Page 15 of 34

| SCH LINE | | ALLOCATION | TOTAL | SOUTH |
|----------|---|------------|------------|-----------------|
| NO. NO. | DESCRIPTION | BASIS | BHP | DAKOTA |
| | (a) | (b) | (c) | (d) |
| H 139 | OPERATION & MAINTENANCE EXPENSE CONT | INUED | | |
| H 140 | | | | |
| H 141 | | | | |
| | CUSTOMER ACCOUNTS EXPENSES | | | |
| H 143 | | SALWAGCA | 48,177 | 46,325 |
| H 144 | • | CMETRDG | 60,783 | 58,382 |
| H 145 | | CUSTREC | 1,653,204 | 1,587,900 |
| H 146 | • | EXP_904 | 398,647 | 385,993 |
| H 147 | | CUSTCAM | 825,788 | 793,168 |
| | TOTAL CUSTOMER ACCTS EXPENSE | COULCHIM | 2,986,599 | 2,871,767 |
| H 149 | | | 2,000,000 | 2,011,701 |
| | | | | |
| | CUSTOMER SERVICE EXPENSES | | | |
| | | SALWAGCS | 273,948 | 263,127 |
| H 152 | • | CUSTASST | 1,047,762 | 1,006,374 |
| H 153 | | | | |
| H 154 | | CUSTADVT | 5,282 | 5,073
56,057 |
| H 155 | | CUSTCSM | 58,362 | |
| | TOTAL CUSTOMER SERVICE EXPENSE | | 1,385,354 | 1,330,630 |
| H 157 | | | - | |
| | SALES EXPENSES TOTAL | SALESREV | 0 | Ó |
| H 159 | | | | |
| | TOTAL OPER & MAINT EXCL A&G | | 43,057,768 | 35,506,489 |
| H 161 | | | | |
| | ADMINISTRATIVE & GENERAL EXPENSE | | | |
| H 163 | | SALWAGES | 14,397,074 | 11,881,380 |
| H 164 | | SALWAGES | 4,338,074 | 3,961,236 |
| H 165 | | SALWAGES | (33,951) | (31,002) |
| H 166 | | SALWAGES | 3,006,109 | 2,744,976 |
| H 167 | | SREVSD | 65,773 | 65,773 |
| H 168 | | TOTPLT | 830,509 | 754,715 |
| H 169 | | SALWAGES | 1,565,308 | 1,429,334 |
| H 170 | 927-Pensions & Benefits | SALWAGES | 562,378 | 513,526 |
| H 171 | 928-Regulatory Commission | SALESREV | 713,800 | 651,204 |
| H 172 | 930.1-General Advertising | SALWAGES | 27,261 | 24,893 |
| H 173 | 930.2-Miscellaneous General | SALWAGES | 1,089,158 | 994,545 |
| H 174 | 931-Rents | GENLPLT | 513,056 | 468,915 |
| H 175 | 932-Maintenance of General Plant | GENLPLT | 1,354,889 | 1,238,321 |
| H 176 | TOTAL A&G EXPENSE | | 28,429,438 | 24,697,815 |
| H 177 | , | | | |
| H 178 | | ES | 71,487,206 | 60,204,304 |
| H 179 |) | | | |
| | | | | |

H H H H H H 180 181

182 183 184

Schedule N-1 Cost of Service Study Page 16 of 34

| SCH I
NO. I | | DESCRIPTION | ALLOCATION | TOTAL
BHP | SOUTH
DAKOTA | |
|----------------|-------------|---------------------------------------|------------|--------------|-----------------|--|
| | | (a) | (b) | (c) | (d) | |
| J | | DEPRECIATION/AMORTIZATION EXPENSE | | | | |
| ,
L | | PRODUCTION PLANT EXPENSE | PRODPLT | 13,705,652 | 12,248,072 | |
| L
L | 4
5
6 | TRANSMISSION PLANT EXPENSE | TRANPLT | 2,408,752 | 152,076 | |
| 3 | | DISTRIBUTION PLANT EXPENSE | | | | |
| J | 8 | 360-Land & Land Rights | PLT_360 | 0 | 0 | |
| Ĵ | 9 | 361-Structures & Improvements | PLT_361 | 6,931 | 6,712 | |
| J | 10 | 362-Station Equipment | PLT_362 | 1,719,366 | 1,378,511 | |
| Ĵ | 11 | 364-Poles, Towers & Fixtures | PLT_364 | 1,699,593 | 1,606,526 | |
| Ĵ | 12 | 365-Overhead Conductors & Devices | PLT_365 | 1,038,843 | 986,089 | |
| Ĵ | 13 | 366-Underground Conduit | PLT_366 | 97,582 | 95,673 | |
| Ĵ | 14 | 367-Underground Conductors & Devices | PLT_367 | 1,049,995 | 1,027,379 | |
| Ĵ | 15 | 368-Line Transformers | PLT_368 | 882,323 | 848,769 | |
| Ĵ | 16 | 369-Services | PLT_369 | 743,295 | 725.297 | |
| Ĵ | 17 | 370-Meters | PLT_370 | 81,018 | 76,864 | |
| Ĵ | 18 | 371-Installation on Customer Premises | PLT_371 | 55,711 | 53,434 | |
| Ĵ | 19 | 373-Street Lighting & Signal Systems | PLT_373 | 45,987 | 44,007 | |
| .l | 20 | Distribution Plant Annualization | DISTPLT | 717,651 | 671,006 | |
| J | 21
22 | TOTAL DISTRIBUTION PLANT EXPENSE | | 8,138,294 | 7,520,266 | |
| 1
I | | GENERAL PLANT EXPENSE | GENLPLT | 2,354,436 | 1,924,524 | |
| J | 25 | OTHER UTILITY DEPRECIATION EXPENSE | SALWAGES | 2,077,122 | 1,896,687 | |
| J | | TOTAL DEPRECIATION EXPENSE | | 28,684,257 | 23,741,627 | |
| J
J | | PLANT ACQUISITION ADJUSTMENT | SALWAGES | 97,406 | 88,945 | |
| J | 30
31 | | INSE | 28,781,663 | 23,830,572 | |
| J | 32 | | | | | |
| J | 33 | | | | | |
| J | 34 | | | | | |
| J | 35 | | | | | |
| 3 | 36 | | | | | |
| J | 37 | | | | | |
| J | 38 | | | | | |
| J | 39 | | | | | |
| J | 40 | | | | | |
| J | 41
42 | | | | | |
| J | | | | | | |
| J | 43 | | | | | |
| J | 44 | | | | | |
| J | 45 | | | | | |
| J | 46 | | | | | BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SEP/40 |

Schedule N-1 Cost of Service Study Page 17 of 34

| SCH LINE
NO. DESCRIPTION ALLOCATION
BASIS TOTAL
BHP SOUTH
DAKOTA (a) (b) (c) (d) L 1 OTHER OPERATING EXPENSES L 2 L 3 TAXES OTHER THAN INCOME TAXES L L |
|---|
| (a) (b) (c) (d) L 1 OTHER OPERATING EXPENSES 2 L 2 3 TAXES OTHER THAN INCOME TAXES |
| L 2
L 3 TAXES OTHER THAN INCOME TAXES |
| L 2
L 3 TAXES OTHER THAN INCOME TAXES |
| L 3 TAXES OTHER THAN INCOME TAXES |
| |
| L 4 Federal Taxes |
| L 5 FICA Tax SALWAGES 2,908,541 2,521,050 |
| L 6 Unemployment Tax SALWAGES 21,554 19,681 |
| |
| L 8 State Taxes |
| L 9 Unemployment Tax SALWAGES 92,545 84,505 |
| L 10 Montana Electric Energy Tax SREVMT 17,789 0 |
| L 11 Wyoming Franchise Taxes SREWY 60,432 0 |
| L 12 South Dakota PUC Tax SREVSD 236,757 236,757 |
| L 13 Wyoming Sales Tax SREVWY 1,935 0 |
| |
| L 15 Local Taxes |
| L 16 Property TOTPLT 5,130,011 4,149,657 |
| L 17
L 18 TOIT - Payroli Loading & Other SALWAGES (3,103,603) (2,834,001) |
| L 18 TOIT - Payroli Loading & Other SALWAGES (3,103,603) (2,834,001)
L 19 |
| L 20 TOTAL TAXES OTHER THAN INCOME 5,365,960 4,177,650 |
| |
| L 22 |
| L 23 |
| L 24 |
| L 25 |

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BLACK HILLS POWER, INC. RETAIL ELECTRIC ADJUSTED JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule N-1 Cost of Service Study Page 18 of 34

| SCH LIN
NO. NO | — | ALLOCATION
BASIS | TOTAL
BHP | SOUTH
DAKOTA |
|-------------------|---|---------------------|--------------|-----------------|
| | (a) | (b) | (c) | (d) |
| ĸ | 1 DEVELOPMENT OF INCOME TAXES | | | |
| | 2
3 TOTAL OPERATING REVENUES | SCH I, LN 17 | 157,701,263 | 122,698,634 |
| | 4 | SCHT, LN 17 | 157,701,265 | 122,080,034 |
| | 5 LESS: | | | |
| | 6 OPERATION & MAINTAINENCE EXPENSE | SCH H, LN 178 | 71,487,206 | 60,204,304 |
| | 7 DEPRECIATION EXPENSE | SCH J. LN 27 | 28,684,257 | 23,741,627 |
| ĸ | 8 AMORTIZATION EXPENSE | SCH J, LN 29 | 97,406 | 88,945 |
| | 9 TAXES OTHER THAN INCOME TAXES | SCH L, LN 20 | 5,365,960 | 4,177,650 |
| K 1 | 0 MT STATE INCOME TAXES | SREVMT | 10,261 | 0 |
| K 1 | 1 | | | |
| K 1 | 2 NET OPERATING INCOME BEFORE TAXES | | 52,056,173 | 34,486,107 |
| К 1 | 3 AFUDC | TOTPLT | (490,930) | (446,127) |
| | 4 Interest Expense (Rate Base * Wtd Cost of Debt) | | 17,377,295 | 13,543,131 |
| | 5 Subtotal | | 35,169,808 | 21,389,102 |
| | 6 | | | |
| | 7 Tax Adjustments: | | | |
| K 1 | 8 Permanent - Salaries & Wages | SALWAGES | 163,020 | 148,859 |
| | 9 Permanent - Plant | TOTPLTCUS | (216,326) | (171,680) |
| | 0 Temporary - Salaries & Wages | SALWAGES | (4,690,213) | (4,282,786) |
| | 1 Temporary - Plant | TOTPLTCUS | (43,867,926) | (34,814,368) |
| | 2 Temporary - Customer | CUST | (30,194) | (29,001) |
| | 3 Temporary - Other | CLAIMREV | (4,559,695) | (4,149,215) |
| | 4 Total Adjustments | | (53,201,334) | (43,298,191) |
| | | | (10 004 500) | (21,909,088) |
| | 6 TAXABLE INCOME (NOL) | | (18,031,526) | (& 1,909,086) |
| | 7
 | | (6 244 024) | (7 669 194) |
| | 8 Federal Income Tax @ 35% | | (6,311,034) | (7,668,181) |
| | 9
Other Tax Adjustments | TOTPLTCUS | 17,211,014 | 13,658,967 |
| | 0 Other Tax Adjustments | TOTFLIGUS | 17,211,014 | 10,000,007 |
| | 2 TOTAL FEDERAL INCOME TAX | | 10,899,980 | 5,990,787 |
| | | | ,, | -,,- 01 |
| - | | | 10,910,241 | 5,990,787 |
| | 5 | | | |
| | 6 | | | |
| | 37 | | | |

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Schedule N-1 Cost of Service Study Page 19 of 34

| SCH LINE
NO. NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
BHP | SOUTH
DAKOTA | | | |
|--|--|---------------------|-----------------|-----------------|-----------------------|------------------------|---------------------------------|
| · | (a) | (b) | (c) | (d) | | | |
| K 53 S
K 54 FE
K 55 | AX RATES
TATE TAX RATE
EDERAL TAX RATE - CURRENT | · · | 0.00%
35.00% | ., | | | |
| | EIGHTED COST OF DEBT | | 3.09% | | | | |
| K 60
K 61
K 62
K 63
K 64
K 65
K 66
K 66
K 66
K 66
K 66
K 66
K 66 | | | | | BHP COS 06-30-12 JURI | ISDICTIONAL - PRO FORI | MA [°] COST OF SERVICE |

Schedule N-1 Cost of Service Study Page 20 of 34

| SCH L | NE | ALLOCATION | TOTAL | SOUTH |
|--------------|--|----------------|------------|------------|
| <u>NO.</u> N | O. DESCRIPTION | BASIS | BHP | DAKOTA |
| | (a) | (b) | (c) | (d) |
| H-1 | 1 DEVELOPMENT OF SALARIES & WAGES ALL | OCATION FACTOR | | |
| H-1 | 2 | | | |
| H-1 | 3 PRODUCTION SALARIES & WAGES EXPENSI | <u> </u> | | |
| H-1 | 4 Operation | OX_PROD | 3,851,977 | 3,442,324 |
| H-1 | 5 Maintenance | MX_PROD | 2,995,805 | 2,677,205 |
| H-1 | 6 TOTAL PRODUCTION | | 6,847,782 | 6,119,529 |
| H-1 | 7 | | | |
| H-1 | 8 TRANSMISSION SALARIES & WAGES EXPEN | SE | | |
| H-1 | 9 Operation | OX_TRAN | 245,578 | 223,966 |
| H-1 | 10 Maintenance | MXTRAN | 63,443 | 57,860 |
| H-1 | 11 TOTAL TRANSMISSION | | 309,021 | 281,826 |
| H-1 | 12 | | | |
| H-1 | 13 DISTRIBUTION SALARIES & WAGES EXPENS | E | | |
| H-1 | 14 Operation | OX_DIST | 1,789,206 | 1,673,225 |
| H-1 | 15 Maintenance | MX_DIST | 803,077 | 753,369 |
| H- 1 | 16 TOTAL DISTRIBUTION | | 2,592,283 | 2,426,594 |
| H-1 | 17 | | | |
| H-1 | 18 CUSTOMER ACCOUNTS SAL & WAGES EXP | OX_CA | 941,729 | 905,521 |
| H-1 | 19 | | | |
| H-1 | 20 CUSTOMER SERVICE SAL & WAGES EXP | OX_CS | 605,104 | 581,201 |
| H-1 | 21 | | | |
| H-1 | 22 ADMINISTRATIVE & GENERAL SALARIES & V | NAGES EXP | | |
| H-1 | 23 Operation | SALWAGXAG | (86,539) | (79,022) |
| H-1 | 24 Maintenance | SALWAGXAG | 13,766 | 12,570 |
| H-1 | 25 TOTAL ADMINISTRATIVE & GENERAL | | (72,773) | (66,451) |
| H-1 | 26 | | | |
| H-1 | 27 TOT OPER & MAINTENANCE SALARIES & WA | GES | 11,223,146 | 10,248,219 |

Sec.

- H-1 28 H-1 29 H-1 30 H-1 31 32
- H-1 H-1 H-1 H-1 H-1 H-1 H-1 H-1 H-1
- 33 34 35 36 37 38 39 40 41 42 43
- H-1
- H-1 H-1 44 45 H-1 46

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Schedule N-1 Cost of Service Study Page 21 of 34

| SCH L | | DECONSTICU | | | SOUTH |
|--------------|-----------------|--|--------------|------------|---------------|
| <u>NO.</u> N | 10. | DESCRIPTION
(a) | BASIS
(b) | BHP
(c) | DAKOTA
(d) |
| | | (a) | (6) | (0) | (u) |
| AF | 1 ALLOCA | TION FACTOR TABLE | | | |
| AF | 2 DEMAND | | | | |
| AF | 3 | | | | |
| AF | 4 DEMAND | - PRODUCTION RELATED | | | |
| AF | 5 Demand i | Production (12 CP) | DPROD | 279,61 | 249.88 |
| AF | 6 | | | | |
| AF | 7 | | | | |
| AF | 8 | | | | |
| AF | 9 <u>DEMAND</u> | - TRANSMISSION RELATED | | | |
| AF | 10 Demand | Transmission (NCP) | DTRAN | 366.18 | 333.95 |
| AF | 11 | | | | |
| AF | 12 | | | | |
| AF | 13 | | | | |
| AF | 14 | | | | |
| AF | 15 | | | | |
| AF | 16 | | | | |
| AF | 17 | | | | |
| AF | 18 | | | | |
| AF | 19 | | | | |
| AF | 20 DEMAND | - DISTRIBUTION RELATED (NCP) | | | |
| AF | 21 Demand | Distribution Primary Substation | DDISPSUB | 366.175 | 333.95 |
| AF | 22 Demand | Distribution Primary Overhead Lines | DDISTPOL | 366.175 | 333,95 |
| AF | 23 Demand | Distribution Primary Underground Lines | DDISTPUL | 366,175 | 333.95 |
| AF | 24 | | | | |
| AF | 25 Demand | Distribution Secondary Overhead Lines | DDISTSOL | 366.175 | 333.95 |
| AF | 26 Demand | Distribution Secondary Underground Lines | DDISTSUL | 366.175 | 333.95 |
| AF | 27 Demand | Distribution Overhead Line Transformers | DDISTSOT | 366.175 | 333.95 |
| AF | 28 Demand | Distribution Undergrnd Line Transformers | DDISTSUT | 366.175 | 333.95 |
| AF | 29 | | | | |
| AF | 30 | | | | |
| AF | 31 | | | | |

AF 32 33 34 35 36 37 38 39 40 41 42 43 44 45

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Schedule N-1 Cost of Service Study Page 22 of 34

| SCH
NO. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
BHP | SOUTH
DAKOTA | |
|------------|----------|--|---------------------|--------------|-----------------|---|
| | | (a) | (b) | (c) | (d) | |
| AF | | ALLOCATION FACTOR TABLE CONTINUED | | | | |
| AF | 48 | | | | | |
| AF | | ENERGY | | | | |
| AF | | Energy @ Generation with losses (kWh) | ENEFUEL | 1,817,363 | 1,570,509 | |
| AF | | Energy @ Generation with losses(kWh) | ENERGY1 | 1,817,363 | 1,570,509 | |
| AF | | Energy @ Meter (kWh Sales) | ENERGY2 | 1,679,252 | 1,451,287 | |
| AF | 53 | | | | | |
| AF | 51 | | | | | |
| AF | 55 | | | | | |
| AF | 56 | | | | | |
| AF
AF | 57
58 | | | | | |
| AF | 59 | | | | | |
| AF | 60 | | | | | |
| AF | | | | | | |
| AF | 62 | | | | | |
| AF | | Customer Dist. Primary Substation | CDISPSUB | 68,630 | 65,919 | |
| AF | | Customer Dist. Primary Overhead Lines | CDISTPOL | 68,630 | 65,919 | |
| AF | | Customer Dist. Primary Underground Lines | CDISTPUL | 68,630 | 65,919 | |
| AF | 66 | • - | | | , | |
| AF | 67 | | | | | |
| AF | 68 | | | | | |
| AF | 69 | | | | | |
| AF | 70 | | | | | |
| AF | 71 | | | | | |
| AF | 72 | 369-Services | CSERVICE | 366.175 | 333.950 | |
| AF | 73 | 370-Meters | CMETERS | 14,704,239 | 14,146,138 | |
| AF | 74 | | | | | |
| AF | | 902-Meter Reading | CMETRDG | 823,560 | 791,028 | |
| AF | | 903-Customer Records and Collections | CUSTREC | 823,560 | 791,028 | |
| AF | | 905-Miscellaneous Customer Accounts | CUSTCAM | 68,630 | 65,919 | |
| AF | | 908-Customer Assistance | CUSTASST | 68,630 | 65,919 | |
| AF | | 909-Advertisement | CUSTADVT | 68,630 | 65,919 | |
| AF | | 910-Miscellaneous Customer Service | CUSTCSM | 68,630 | 65,919 | |
| AF | 81 | | | | | |
| AF | 82 | | | | | |
| AF | 83 | | | 0.007 | 0.504 | |
| AF | | 371-Installation on Customer Premises | CUSTPREM | 2,807 | 2,624 | |
| AF | | 373-Street Lighting & Signal Systems | CLIGHT | 204 | 199 | |
| AF | 86 | | CUSTBILLS | 823,560 | 791,028 | |
| AF
AF | | Number of Bills
Number of Customers | CUST | 68,630 | 65,919 | |
| | | | 0001 | 00,000 | 00,018 | |
| AF | 89 | | | | | |
| AF
AF | 90
91 | | | | | |
| AF | 91 | | | | | |
| 71 | 92 | - | | | | BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SERVI |

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Exhibit - - 105 Page 263 of 358

BLACK HILLS POWER, INC. RETAIL ELECTRIC ADJUSTED JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule N-1 Cost of Service Study Page 23 of 34

| SCH | | | ALLOCATION | TOTAL | SOUTH |
|------------|-------------|---|--------------|---------------|---------------|
| <u>NO.</u> | NO. | DESCRIPTION | BASIS
(b) | BHP
(c) | DAKOTA
(d) |
| | | (a) | (u) | (0) | (u) |
| AF | 93 | ALLOCATION FACTOR TABLE CONTINUED | | | |
| AF | 94 | INTERNALLY DEVELOPED ALLOCATION FA | <u>CTORS</u> | | |
| AF | 95 | | | | |
| AF | | Plant | | | |
| AF | 97 | Prod, Trans, and Distr Plant in Service | PTDPLT | 822,135,998 | 746,830,905 |
| AF | | Distribution Plant Excl Not Classified | DISTPLTXNC | 265,007,390 | 247,782,678 |
| AF | | Rate Base | RATEBASE | 482,220,388 | 438,289,045 |
| AF | | Total Electric Plant In Service | TOTPLT | 897,452,659 | 815,548,913 |
| AF | | Production Plant In Service | PRODPLT | 526,462,964 | 470,474,266 |
| AF | | Transmission Plant in Service | TRANPLT | 4,281,424 | 3,904,640 |
| AF | | Distribution Plant in Service | DISTPLT | 291,391,610 | 272,451,999 |
| AF | | Total Transmission and Distribution Plant | TOPLT | 295,673,034 | 276,356,639 |
| AF | | General Plant in Service | GENLPLT | 46,611,829 | 42,601,574 |
| AF | | Total Electric Plant in Service plus CUS | TOTPLTCUS | 1,027,634,330 | 815,548,913 |
| AF | | Account 360 | PLT_360 | 1,636,579 | 1,552,057 |
| AF | 108 | Account 361 | PLT_361 | 254,825 | 246,766 |
| AF | 109 | Account 362 | PLT_362 | 53,765,025 | 45,100,101 |
| AF | 110 | Account 364 | PLT_364 | 62,485,046 | 59,063,449 |
| AF | 111 | Account 365 | PLT_365 | 38,192,744 | 36,253,256 |
| AF | 112 | Account 366 | PLT_366 | 3,587,563 | 3,517,373 |
| AF | 113 | Account 367 | PLT_367 | 38,602,767 | 37,771,301 |
| AF | 114 | Account 368 | PLT_368 | 32,438,334 | 31,204,759 |
| AF | 115 | Account 369 | PLT_369 | 27,327,010 | 26,665,348 |
| AF | 116 | Account 370 | PLT_370 | 2,978,612 | 2,825,893 |
| AF | 117 | Account 371 | PLT_371 | 2,048,191 | 1,964,488 |
| AF | 118 | Account 373 | PLT_373 | 1,690,694 | 1,617,886 |
| AF | 119 | Distribution Overhead Plant in Service | OHDIST | 100,677,790 | 95,316,705 |
| AF | | Distribution Underground Plant in Service | UGDIST | 42,190,330 | 41,288,674 |
| AF | 12 1 | Account 371&373 | PLT_3713 | 3,738,884 | 3,582,374 |
| AF | 122 | | | | |
| AF | | South Dakota | DPLTSD | 247,782,678 | 247,782,678 |
| AF | | Wyoming | DPLTWY | 15,899,082 | 0 |
| AF | 125 | Montana | DPLTMT | 1,325,630 | 0 |
| AF | 126 | | | | |
| AF | 127 | | | | |
| AF | 128 | | | | |
| AF | 129 | | | | |
| AF | 130 | | | | |
| AF | 131 | | | | |
| AF | 132 | | | | |
| AF | 133 | | | | |
| AF | 134 | Total O&M less Fuel and Purchased Power | OMXFPP | 58,662,063 | 53,562,095 |
| AF | 135 | Supervised O&M Expense excluding CUS | OMXFPPT | 31,598,644 | 28,846,158 |
| AF | 136 | | | | |
| AF | 137 | | | | |

AF 137 AF 138

Exhibit CJK - 105 Page 264 of 358

BLACK HILLS POWER, INC. RETAIL ELECTRIC ADJUSTED JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule N-1 Cost of Service Study Page 24 of 34

| SCH
NO. | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
BHP | SOUTH
DAKOTA | |
|------------|-------------|---|---------------------|------------------|-----------------|--|
| | | (a) | (b) | (c) | (d) | |
| AF | 139 | ALLOCATION FACTOR TABLE CONTINUED | | | | |
| AF | 140 | INTERNALLY DEVELOPED ALLOCATION FAC | TORS | | | |
| ٩F | 141 | Production Expense | - | | | |
| AF | 142 | Account 500 | OX 500 | 1,693,755 | 1,513,626 | |
| AF | 143 | Account 501 | OX 501 | 0 | 0 | |
| ٩F | 144 | Account 502 | OX_502 | 2,076,355 | 1,855,537 | |
| ٩F | 145 | Account 505 | OX 505 | 824,161 | 736,512 | |
| AF | 146 | Account 506 | OX_506 | 757,003 | 676,496 | |
| AF | | Account 510 | MX_510 | 1,544,367 | 1,380,126 | |
| ٩F | | Account 511 | MX_511 | 810,257 | 724,087 | |
| AF | | Account 512 | MX_512 | 4,053,128 | 3,622,082 | |
| AF | | Account 513 | MX_513 | 354,177 | 316,511 | |
| AF | | Account 514 | MX_514 | 124,702 | 111,440 | |
| AF | | Account 546 | OX_546 | 217,924 | 194,748 | |
| AF | | Account 547 | OX_547 | 0 | 0 | |
| AF | | Account 548 | OX_548 | 447,393 | 399,813 | |
| AF | | Account 549 | OX 549 | 87,721 | 78,392 | |
| AF | | Account 551 | MX_551 | 871,738 | 779,030 | |
| AF | | Account 552 | MX 552 | 99,276 | 88,718 | |
| AF | | Account 553 | MX 553 | 1,985,888 | 1,774,691 | |
| AF | | Account 554 | MX_554 | 198,404 | 177,304 | |
| AF | | Account 556 | OX_556 | 786,607 | 702,952 | |
| AF | | Account 555 | OX_555 | 7,432,664 | 6,642,209 | |
| AF | | Account 557 | OX 557 | 0 | 0,012,200 | |
| AF | | O&M Expense Production Operation | OX_SON | 6,883,533 | 6,151,477 | |
| AF | | O&M Expense Production Operation | MX_PROD | 8,412,438 | 7,517,786 | |
| AF | | Salaries and Wages Production Operation | SALWAGPO | 3,851,977 | 3,442,324 | |
| | | Salaries and Wages Production Operation | SALWAGPM | 2,995,805 | 2,677,205 | |
| AF
AF | | Transmission Expense | SALWAGEN | 2,333,000 | 2,011,200 | |
| AF | | Account 560 | OX 560 | 305,564 | 278,673 | |
| AF | | Account 561 | OX_561 | 0 | 2,0,010 | |
| AF | | Account 562 | OX_562 | 0
0 | ů
ů | |
| AF | | Account 563 | OX_563 | 49,323 | 44,983 | |
| AF | | Account 565 | OX_565 | 43,525 | 47,300
0 | |
| | | | OX_566 | 52,454 | 47,838 | |
| AF | | Account 566 | | 52,454
0 | 000,14 | |
| AF | | Account 567 | OX_567 | 0 | 0 | |
| AF | | Account 568 | MX_568 | 0 | 0 | |
| AF | | Account 569 | MX_569 | - | 68,806 | |
| AF | | Account 570 | MX_570 | 75,446
81,372 | 74,211 | |
| AF | | Account 571 | MX_571 | 81,372 | 74,211
D | |
| AF | | Account 573 | MX_573 | | - | |
| AF | | O&M Accounts 561-567 | OX_TRAN | 101,778 | 92,821 | |
| AF | | O&M Accounts 569-573 | MX_TRAN | 156,818 | 143,017 | |
| AF | | Salaries & Wages Accounts 561-567 | SALWAGTO | 245,578 | 223,966 | |
| AF | | Salaries & Wages Accounts 569-573 | SALWAGTM | 63,443 | 57,860 | |
| AF | 184 | | | | | |

<u>~</u>~ ~___ BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SERVICE

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Schedule N-1 Cost of Service Study Page 25 of 34

| SCH | | | ALLOCATION | TOTAL | SOUTH |
|----------|------------|---|--------------------|------------------------|------------------------|
| NO. | NO. | DESCRIPTION | BASIS | BHP | DAKOTA |
| | | (a) | (b) | (c) | (d) |
| AF | 185 | ALLOCATION FACTOR TABLE CONTINUED | | | |
| AF | | INTERNALLY DEVELOPED ALLOCATION FA | CTORS | | |
| AF | | Distribution Expense | | | |
| AF | | Account 580 | OX_580 | 814,867 | 762,045 |
| AF | | Account 581 | OX_581 | 241,101 | 225,430 |
| AF | | Account 582 | OX_582 | 441,640 | 370,464 |
| AF | | Account 583 | OX_583 | 454,470 | 430,270 |
| AF | | Account 584 | OX_584 | 309,900 | 303,277 |
| AF | | Account 585 | OX_585 | 89 | 85 |
| AF | | Account 586 | OX_586 | 862,809 | 830,061 |
| AF | | Account 587 | OX_587 | 28,626 | 27,539 |
| AF | | Account 588 | OX_588 | 484,314 | 452,835 |
| AF | | Account 589 | OX_589 | 19,382 | 18,122 |
| AF | | Account 590 | MX_590 | 1,579 | 1,481 |
| AF | | Account 592 | MX_592 | 357,828 | 300,159 |
| AF | | Account 593 | MX_593 | 2,573,823 | 2,436,767 |
| AF | | Account 594 | MX_594 | 193,074 | 188,948 |
| AF | | Account 595 | MX_595 | 38,352 | 36,894 |
| AF | | Account 596 | MX_596 | 139,990 | 134,130 |
| AF | | Account 597 | MX_597 | 74,563 | 71,733 |
| AF | | Account 598 | MX 598 | 21,751 | 20,337 |
| | | O&M Accounts 581-589 | _ | | , |
| AF
AF | | O&M Accounts 591-598 | OX_DIST
MX_DIST | 2,842,331
3,399,381 | 2,658,084
3,188,968 |
| | | | | | |
| AF
AF | | Salaries & Wages Accounts 581-589 | SALWAGDO | 1,789,206 | 1,673,225
753,369 |
| AF | 209 | Salaries & Wages Accounts 591-598 | SALWAGDM | 803,077 | / 55,369 |
| AF | | Account 902 | OX_902 | 60,783 | 58,382 |
| AF | | Account 902 | | 1,653,204 | 1,587,900 |
| AF | | Account 903 | OX_903
OX 904 | 398,647 | 385,993 |
| AF | | O&M Accounts 902-905 | OX_504
OX_CA | 2,938,422 | 2,825,443 |
| AF | | Salaries & Wages Accounts 902-905 | SALWAGCA | 941,729 | 905,521 |
| AF | 215 | Salaries & Wages Accounts 902-905 | SALWAGUA | 941,729 | 905,521 |
| AF | | Account908 | 07 009 | 1 047 769 | 1,006,374 |
| AF | | Account909 | OX_908 | 1,047,762
5,282 | 5,073 |
| AF | | Account910 | OX_909
OX_910 | 58,362 | 56,057 |
| AF | | O&M Accounts 908-910 | | 1,111,406 | 1,067,504 |
| AF | | Salaries & Wages Accounts 908-910 | OX_CS
SALWAGCS | 605,104 | 1,087,504
581,201 |
| AF | 222 | Salaries & Wages Accounts 508-810 | SALWAGUS | 000,104 | 301,201 |
| AF | 223 | Salarian & Magas Evoluting Admin [®] Car | SALWAGXAG | 11 205 040 | 10 214 670 |
| AF | | | | 11,295,919 | 10,314,670 |
| AF | 224
225 | Total Salaries and Wages Expense | SALWAGES | 11,223,146 | 10,248,219 |
| AF | 225 | | | | |

- AF AF AF AF AF 226
- 227
- 228
- 229
- 230

Schedule N-1 Cost of Service Study Page 26 of 34

| SCH
NO. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
BHP | SOUTH
DAKOTA | |
|------------|------------|--|---------------------|----------------------------|----------------------------|---|
| 10. | NU. | DESCRIPTION
(a) | (b) | <u>BHP</u> | (d) | - |
| | | | - * | | | |
| | 231
232 | REVENUES AND BILLING DETERMINANTS | | | | |
| | | Base Rate Sales Revenue | SALESREV | 115,496,651 | 105,368,259 | |
| AF | | South Dakota | SREVSD | 105,368,259 | 105,368,259 | |
| | | Wyoming | SREVWY | 8,311,421 | 105,566,259 | |
| чг
АF | | Montana | SREVMT | 1,816,970 | 0 | |
| | 237 | Nontana | OTTE VINT | 1,010,010 | Ū | |
| AF | 238 | | | | | |
| AF | 239 | | | | | |
| ٩F | 240 | Claimed Rate Sales Revenue | CLAIMREV | 130,897,998 | 119,114,085 | |
| AF | 241 | | | , | . , | |
| AF | 242 | | | | | |
| ٩F | 243 | | | | | |
| ٩F | 244 | | | | | |
| AF | 245 | | | | | |
| ٩F | | PRESENT REVENUES FROM SALES INPUT | | | | |
| AF | 247 | | | | | |
| AF | | Total Sales of Electricity Revenues | | 115,496,651 | 105,368,259 | |
| AF | 249 | | | | 105 000 050 | |
| AF | | Sales of Electricity Revenues | | 115,496,651 | 105,368,259 | |
| AF | 251 | | | | | |
| AF | 252 | | | | | |
| AF
AF | 253 | BILLING DETERMINATE INPUTS | | | | |
| AF | | Number of Customer Bills | SCH AF, LN 87 | 823,560 | 791,028 | |
| AF | | Annual kWh Sales @ Meter | SCH AF, LN 52 | 1,679,252 | 1,451,287 | |
| AF | | Annual kW - Billed | BOILAL, EN DE | 1,070,202 | | |
| AF | 258 | | | • | | |
| AF | 259 | | | | | |
| AF | 260 | | | | | |
| AF | | RATE OF RETURN | | | | |
| AF | 262 | Rate of Return (Equalized) | SCH AF, LN 262 | 8,54% | 8.54% | |
| AF | 263 | | | | | |
| AF | 264 | | | | | |
| AF | 265 | | | | | |
| AF | | PROPOSED REVENUES FROM SALES INPUT | | | 4 454 655 | |
| AF | 267 | Annual kWh Sales - Proposed | SCH AF, LN 256 | 1,679,252 | 1,451,287 | |
| AF | | Sales of Electricity Revenues - Proposed Total | | 129,242,477
129,242,477 | 119,114,085
119,114,085 | |
| AF
AF | | Sales of Electricity Revenues - Proposed
Credit | | 129,242,477 | 119,114,085 | |
| AF | | Credit | DPROD | 0 | 0 | |
| AF | 272 | | | 5 | U | |
| AF | 273 | | | | | |
| AF | 274 | | | | | |
| AF | 275 | | | | | |
| AF | 276 | | | | | |
| | | | | | | |



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BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SERVICE

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Schedule N-1 Cost of Service Study Page 27 of 34

| SCH LI
NO, N | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
BHP | SOUTH
DAKOTA |
|-----------------|----------|---|---------------------|--------------|-----------------|
| | | (a) | (b) | (c) | (d) |
| AP | 1 | ALLOCATION PROPORTIONS TABLE | | | |
| AP | 2 | DEMAND | | | |
| AP | 3 | | | | |
| AP | | DEMAND - PRODUCTION RELATED | | | |
| AP | 5 | Demand Production (12 CP) | DPROD | 1.00000 | 0.89365 |
| AP | 6 | | | | |
| AP | /
8 | | | | |
| AP
AP | - | DEMAND - TRANSMISSION RELATED | | | |
| | | Demand Transmission (NCP) | DTRAN | 1.00000 | 0.91200 |
| | 11 | bemana manemesion (nor) | ontra | | 0.01200 |
| | 12 | | | | |
| | 13 | | | | |
| | 14 | | | | |
| | 15 | | | | |
| | 16 | | | | |
| | 17 | | | | |
| | 18 | | | | |
| | 19 | DEMAND - DISTRIBUTION RELATED (NCP) | | | |
| | | Demand Distribution Primary Substation | DDISPSUB | 1.00000 | 0.91200 |
| | | Demand Distribution Primary Overhead Lines | DDISTPOL | 1.00000 | 0,91200 |
| | | Demand Distribution Primary Underground Lines | DDISTPUL | 1.00000 | 0.91200 |
| | 24 | | | | |
| AP | 25 | Demand Distribution Secondary Overhead Lines | DDISTSOL | 1.00000 | 0.91200 |
| | | Demand Distribution Secondary Underground Lines | DDISTSUL | 1.00000 | 0.91200 |
| | | Demand Distribution Overhead Line Transformers | DDISTSOT | 1.00000 | 0.91200 |
| | | Demand Distribution Undergrnd Line Transformers | DDISTSUT | 1.00000 | 0.91200 |
| | 29 | | | | |
| | 30 | | | | |
| AP | 31
32 | | | | |
| AP | 33 | | | | |
| | | | | | |

АР 34 35 36 37 38 39 40 41 42 43 44 45

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| CH LINE
O. NO. DESCI | ALLOCATION
IPTION BASIS | TOTAL
BHP | SOUTH
DAKOTA | | |
|--|----------------------------|--------------------|--------------------|--|--|
| | a) (b) | (c) | (d) | ······································ | |
| P 47 ALLOCATION PROPORT | IONS TABLE CONTINUED | | | | |
| P 48 | | | | | |
| P 49 <u>ENERGY</u> | | | | | |
| P 50 Energy @ Generation with | | 1.00000 | 0.86417 | | |
| P 51 Energy @ Generation with | | 1,00000 | 0.86417 | | |
| P 52 Energy @ Meter (kWh Sal | es) ENERGY2 | 1.00000 | 0.86425 | | |
| P 53 | | | | | |
| P 51 | | | | | |
| P 55 | | | | | |
| P 56 | | | | | |
| P 57 | | | | | |
| P 58 | | | | | |
| P 59 | | | | | |
| P 60 | | | | | |
| P 61 CUSTOMER | | | | | |
| P 62 | | | | | |
| P 63 Customer Dist. Primary Si | | 1.00000 | 0.96050 | | |
| P 64 Customer Dist. Primary O | | 1.00000 | 0.96050 | | |
| P 65 Customer Dist. Primary U | nderground Lines CDISTPUL | 1.00000 | 0.96050 | | |
| P 66 | | | | | |
| P 67 | | 0.00000 | 0.00000 | | |
| P 68 | | 0.00000 | 0.00000 | | |
| P 69 | | 0.00000 | 0.00000 | | |
| P 70 | | 0.00000 | 0.00000 | | |
| NP 71 | | 4 00000 | 0.04000 | | |
| P 72 369-Services | CSERVICE | 1.00000
1.00000 | 0.91200
0.96204 | | |
| P 73 370-Meters | CMETERS | 1.00000 | 0.90204 | | |
| P 74 | | 1 00000 | 0.00050 | | |
| P 75 902-Meter Reading | CMETRDG | 1.00000 | 0.96050
0.96050 | | |
| P 76 903-Customer Records at | | 1.00000
1.00000 | 0.96050 | | |
| P 77 905-Miscellaneous Custo | | 1.00000 | 0.96050 | | |
| VP 78 908-Customer Assistance
VP 79 909-Advertisement | CUSTASST
CUSTADVT | 1.00000 | 0.96050 | | |
| | | 1.00000 | 0.96050 | | |
| | ther service COSTCSW | 1.00000 | 0.30030 | | |
| | | 0.00000 | 0.00000 | | |
| NP 82
NP 83 | | 0.00000 | 0.00000 | | |
| AP 83
AP 84 371-Installation on Custor | ner Premises CUSTPREM | 1.00000 | 0.93481 | | |
| AP 84 371-Installation on Custol
AP 85 373-Street Lighting & Sign | | 1,00000 | 0.97549 | | |
| AP 86 | ioroyatema OEIOITT | 1,65000 | 0,01043 | | |
| AP 80
AP 87 Number of Bills | CUSTBILLS | 1.00000 | 0.96050 | | |
| AP 88 Number of Customers | CUST | 1.00000 | 0.96050 | | |
| VP 89 | 0001 | 1.00000 | 0.00000 | | |
| AP 89
AP 90 | | | | | |
| AP 90
AP 91 | | | | | |
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BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SERVICE

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Schedule N-1 Cost of Service Study Page 29 of 34

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| SCH L
NO. 1 | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
BHP | SOUTH
DAKOTA | |
|----------------|------------|--|---------------------|--------------|-----------------|--|
| <u>NO. 1</u> | NO. | (a) | (b) | (c) | (d) | |
| AP | 93 | ALLOCATION PROPORTIONS TABLE CONTI | NUED | | | |
| AP | 94 | INTERNALLY DEVELOPED ALLOCATION FA | CTORS | | | |
| AP | 95 | | | | | |
| AP | 96 | Plant | | | | |
| AP | 97 | Prod, Trans, and Distr Plant in Service | PTDPLT | 1.00000 | 0.90840 | |
| AP | | Distribution Plant Excl Not Classified | DISTPLTXNC | 1.00000 | 0.93500 | |
| AP | 98 | Rate Base | RATEBASE | 1.00000 | 0.90890 | |
| AP | 100 | Total Electric Plant In Service | TOTPLT | 1,00000 | 0,90874 | |
| | | Production Plant In Service | PRODPLT | 1.00000 | 0.89365 | |
| | | Transmission Plant in Service | TRANPLT | 1.00000 | 0.91200 | |
| | | Distribution Plant in Service | DISTPLT | 1.00000 | 0.93500 | |
| | | Total Transmission and Distribution Plant | TDPLT | 1.00000 | 0.93467 | |
| | | General Plant in Service | GENLPLT | 1.00000 | 0,91396 | |
| | | Total Electric Plant in Service plus CUS | TOTPLTCUS | 1.00000 | 0.79362 | |
| | | Account 360 | PLT 360 | 1.00000 | 0.94835 | |
| | | Account 361 | PLT_361 | 1,00000 | 0.96837 | |
| | | Account 362 | PLT_362 | 1.00000 | 0.83884 | |
| | | Account 364 | PLT_364 | 1.00000 | 0.94524 | |
| | | Account 365 | PLT_365 | 1.00000 | 0,94922 | |
| | | Account 366 | PLT_366 | 1.00000 | 0.98044 | |
| | | Account 367 | PLT_367 | 1.00000 | 0.97846 | |
| | | Account 368 | PLT_368 | 1,00000 | 0,96197 | |
| | | Account 369 | PLT_369 | 1,00000 | 0.97579 | |
| | | Account 370 | PLT_370 | 1.00000 | 0.94873 | |
| | | Account 370 | PLT_370
PLT_371 | 1,00000 | 0.95913 | |
| | | Account 373 | PLT_373 | 1.00000 | 0.95694 | |
| | | Distribution Overhead Plant in Service | OHDIST | 1.00000 | 0.94675 | |
| | | | UGDIST | 1.00000 | 0.97863 | |
| | | Distribution Underground Plant in Service
Account 371&373 | | 1.00000 | 0.95814 | |
| | 121 | Account 57 Tas75 | PLT_3713 | 1.00000 | 0.90014 | |
| | | South Dakota | DPLTSD | 1.00000 | 1.00000 | |
| | | Wyoming | DPLTSD | 1.00000 | 0,00000 | |
| | | Montana | DPLTMT | 1.00000 | 0,00000 | |
| | 125 | Montana | DECIMI | 1.00000 | 0.00000 | |
| | 120 | | | | | |
| | 127 | | | | | |
| | 120 | | | | | |
| | | | | | | |
| | 130
131 | | | | | |
| | 131 | | | | | |
| | | | | | | |
| | 133 | Total OPM loss Eval and Runshoood Deves | OMYEDD | 1 00000 | 0.01202 | |
| | | Total O&M less Fuel and Purchased Power | OMXFPP | 1.00000 | 0.91306 | |
| | | Supervised O&M Expense excluding CUS | OMXFPPT | 1.00000 | 0.91289 | |
| AP | 136 | | | | | |
| AP | 137 | | | | | |
| AP | 138 | | | | | |
| | | | | | | |

Exhibit CJK - 105 Page 270 of 358

BLACK HILLS POWER, INC. RETAIL ELECTRIC ADJUSTED JURISDICTIONAL COST OF SERVICE ANALYSIS FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule N-1 Cost of Service Study Page 30 of 34

| 140
141
142
143
144
145
146 | DESCRIPTION
(a)
ALLOCATION PROPORTIONS TABLE CONTINU
INTERNALLY DEVELOPED ALLOCATION FACT | BASIS
(b) | <u>BHP</u>
(c) | DAKOTA(d) | | |
|---|--|--------------|-------------------|-----------|---|--|
| 140
141
142
143
144
145
146 | ALLOCATION PROPORTIONS TABLE CONTINU | ., | (4) | | | |
| 140
141
142
143
144
145
146 | | | | (4) | | |
| 141
142
143
144
145
146 | INTERNALLY DEVELOPED ALLOCATION FACT | JED | | | | |
| 142
143
144
145
146 | | ORS | | | | |
| 143
144
145
146 | Production Expense | | | | | |
| 144
145
146 | Account 500 | OX_500 | 1.00000 | 0.89365 | | |
| 145
146 | Account 501 | OX_501 | 0.00000 | 0.00000 | | |
| 146 | Account 502 | OX_502 | 1.00000 | 0.89365 | | |
| | Account 505 | OX_505 | 1.00000 | 0.89365 | | |
| | Account 506 | OX 506 | 1,00000 | 0.89365 | | |
| 147 | Account 510 | MX 510 | 1.00000 | 0.89365 | | |
| 148 | Account 511 | MX_511 | 1.00000 | 0.89365 | | |
| 149 | Account 512 | MX_512 | 1.00000 | 0.89365 | | |
| | Account 513 | MX_513 | 1.00000 | 0.89365 | | |
| | Account 514 | MX 514 | 1.00000 | 0.89365 | | |
| | Account 546 | OX_546 | 1.00000 | 0.89365 | | |
| | Account 547 | OX 547 | 0.00000 | 0.00000 | | |
| | Account 548 | OX_548 | 1.00000 | 0.89365 | | |
| | Account 549 | OX_549 | 1,00000 | 0.89365 | | |
| | Account 551 | MX_551 | 1.00000 | 0.89365 | | |
| | Account 552 | MX_552 | 1.00000 | 0.89365 | | |
| | Account 553 | MX 553 | 1.00000 | 0.89365 | | |
| | Account 554 | MX 554 | 1.00000 | 0.89365 | | |
| | Account 556 | OX_556 | 1.00000 | 0,89365 | | |
| | Account 555 | OX_555 | 1,00000 | 0.89365 | | |
| | Account 557 | OX_557 | 0.00000 | 0.00000 | | |
| | | OX_SS/ | 1.00000 | 0.89365 | | |
| | O&M Expense Production Operation | MX PROD | 1.00000 | 0.89365 | | |
| | O&M Expense Production Maintenance | | 1.00000 | 0.89365 | | |
| | Salaries and Wages Production Operation | SALWAGPO | | 0.89365 | | |
| | Salaries and Wages Production Maintenance | SALWAGPM | 1.00000 | 0.09305 | | |
| | Transmission Expense | 07 560 | 1 00000 | 0.91200 | | |
| | Account 560 | OX_560 | 1.00000 | | | |
| | Account 561 | OX_561 | 0.00000 | 0.00000 | | |
| | Account 562 | OX_562 | 0.00000 | 0.00000 | | |
| | Account 563 | OX_563 | 1.00000 | 0.91200 | | |
| | Account 565 | OX_565 | 0.00000 | 0.00000 | | |
| | Account 566 | OX_566 | 1.00000 | 0.91200 | | |
| | Account 567 | OX_567 | 0.00000 | 0.00000 | | |
| | Account 568 | MX_568 | 0.00000 | 0.00000 | | |
| | Account 569 | MX_569 | 0.00000 | 0.00000 | | |
| | Account 570 | MX_570 | 1.00000 | 0.91200 | | |
| | Account 571 | MX_571 | 1.00000 | 0.91200 | • | |
| | Account 573 | MX_573 | 0.00000 | 0.00000 | | |
| | O&M Accounts 561-567 | OX_TRAN | 1,00000 | 0.91200 | | |
| | O&M Accounts 569-573 | MX_TRAN | 1.00000 | 0.91200 | | |
| P 182 | · · · · · · · · · · · · · · · · · · · | SALWAGTO | 1.00000 | 0.91200 | | |
| P 183
P 184 | Salaries & Wages Accounts 569-573 | SALWAGTM | 1.00000 | 0.91200 | | |

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BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SERVICE

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Schedule N-1 Cost of Service Study Page 31 of 34

| SCH L | INE | | ALLOCATION | TOTAL | SOUTH |
|-------|-----|--|-------------|--------------------|---------|
| NO. N | ю. | DESCRIPTION | BASIS | BHP | DAKOTA |
| | | (a) | (b) | (c) | (d) |
| | 105 | ALL OCATION DOODOBTIONS TABLE CONTI | | | |
| | | ALLOCATION PROPORTIONS TABLE CONTI
INTERNALLY DEVELOPED ALLOCATION FA | | | |
| | | Distribution Expense | CIORS | | |
| | | • | OX EPP | 4 00000 | 0.93518 |
| | | Account 580 | OX_580 | 1.00000
1.00000 | 0.93500 |
| | | Account 581 | OX_581 | | 0.83884 |
| | | Account 582 | OX_582 | 1.00000 | |
| | | Account 583 | OX_583 | 1.00000 | 0.94675 |
| | | Account 584 | OX_584 | 1.00000 | 0,97863 |
| | | Account 585 | OX_585 | 1.00000 | 0.95814 |
| | | Account 586 | OX_586 | 1.00000 | 0.96204 |
| | | Account 587 | OX_587 | 1.00000 | 0.96204 |
| AP 1 | 196 | Account 588 | OX_588 | 1.00000 | 0.93500 |
| AP 1 | 197 | Account 589 | OX_589 | 1.00000 | 0.93500 |
| AP ′ | 198 | Account 590 | MX_590 | 1.00000 | 0.93810 |
| AP 1 | 199 | Account 592 | MX_592 | 1.00000 | 0.83884 |
| AP 2 | 200 | Account 593 | MX_593 | 1.00000 | 0.94675 |
| | | Account 594 | MX_594 | 1,00000 | 0.97863 |
| | | Account 595 | MX_595 | 1,00000 | 0.96197 |
| | | Account 596 | MX_596 | 1.00000 | 0.95814 |
| | | Account 597 | MX_597 | 1.00000 | 0.96204 |
| | | Account 598 | MX_598 | 1.00000 | 0.93500 |
| | | O&M Accounts 581-589 | OX_DIST | 1.00000 | 0.93518 |
| | | O&M Accounts 591-598 | MX_DIST | 1.00000 | 0.93810 |
| | | Salaries & Wages Accounts 581-589 | SALWAGDO | 1.00000 | 0.93518 |
| | | Salaries & Wages Accounts 591-598 | SALWAGDO | 1.00000 | 0,93810 |
| | 209 | Galaries & Wages Accounts by 1-980 | SALYVAGDIVI | 1.00000 | 0,00010 |
| | | Account 902 | OX_902 | 1.00000 | 0,96050 |
| | | | | 1.00000 | 0.96050 |
| | | Account 903 | OX_903 | | 0.96826 |
| | | Account 904 | OX_904 | 1.00000 | |
| | | O&M Accounts 902-905 | OX_CA | 1.00000 | 0.96155 |
| | | Salaries & Wages Accounts 902-905 | SALWAGCA | 1.00000 | 0.96155 |
| | 216 | | | | |
| | | Account908 | OX_908 | 1.00000 | 0.96050 |
| | | Account909 | OX_909 | 1.00000 | 0.96050 |
| | | Account910 | OX_910 | 1.00000 | 0.96050 |
| | | O&M Accounts 908-910 | OX_CS | 1.00000 | 0.96050 |
| | | Salaries & Wages Accounts 908-910 | SALWAGCS | 1.00000 | 0.96050 |
| | 222 | | | | |
| AP 2 | 223 | Salaries & Wages Excluding Admin & Gen | SALWAGXAG | 1.00000 | 0.91313 |
| | 224 | Total Salaries and Wages Expense | SALWAGES | 1.00000 | 0.91313 |
| AP 2 | 225 | • | | | |

AP AP AP AP AP AP 225 226 -

- 227 228
- 229
- 230

Schedule N-1 Cost of Service Study Page 32 of 34

| SCH
NO, | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
BHP | SOUTH
DAKOTA | |
|------------|-------------|-------------------------------------|---------------------|--------------------|--------------------|---|
| | · | (a) | (b) | (c) | (d) | |
| AP
AP | 231
232 | REVENUES AND BILLING DETERMINANTS | | | | |
| AP | 233 | Base Rate Sales Reven⊔e | SALESREV | 1.00000 | 0.91231 | |
| AP | 234 | South Dakota | SREVSD | 1.00000 | 1.00000 | |
| AP
AP | 235 | Wyoming
Montana | SREVWY
SREVMT | 1.00000
1.00000 | 0.00000
0.00000 | |
| AP | 230 | NORMA | | 1.00000 | 5.00000 | |
| AP | 238 | | | | | |
| AP | 239 | | | 1 20000 | 0.00000 | |
| AP
AP | 240
241 | Claimed Rate Sales Revenue | CLAIMREV | 1.00000 | 0.90998 | |
| AP | 242 | | | | | |
| AP | 243 | | | | | |
| AP | 244 | | | | | |
| AP
AP | 245
246 | | | | | |
| AP | 240 | | | | | |
| AP | 248 | Total Sales of Electricity Revenues | | 1.00000 | 0.91231 | |
| AP | 249 | | | 1.00000 | 0.91231 | |
| AP
AP | 250 | Sales of Electricity Revenues | | 1.00000 | 0.01201 | |
| AP | 252 | | | | | |
| AP | 253 | | | | | |
| AP | 254 | | | | | |
| AP
AP | 255
256 | | | | | |
| AP | 257 | | | | | |
| AP | 258 | | | | | |
| AP
AP | 259
260 | | | | | |
| AP | 260 | | | | | |
| AP | 262 | | | | | |
| AP | 263 | | | | | |
| AP
AP | 264
265 | | | | | |
| AP | 265 | | | | | |
| AP | 267 | | | | | |
| AP | 268 | | | | | |
| AP
AP | 269
270 | | | | | |
| AP | 271 | | | | | |
| AP | 272 | 2 | | | | |
| AP | 273 | | | | | |
| AP
AP | 274
275 | | | | | |
| AP | | | | | | |
| | | | | | | BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SERVICE |
| | | | | | | |
| | | | | · | | |
| | | | | | | |

Schedule N-1 Cost of Service Study Page 33 of 34

| | DESCRIPTION | | | SOUTH
DAKOTA |
|-------------|---|--|---|--|
| NV. | | | | (d) |
| | (0) | (5) | (0) | (0) |
| 1 ALLOCA | TED DIRECT ASSIGNMENTS | | | |
| 2 DIRECT A | ASSIGN TO CLASSES W/SALES | REV FUNCTIONS | | |
| 3 | | | | |
| | | | | |
| | | | , | 559,949 |
| | | | | 0 |
| | | SREVMT | 0 | 0 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | to Offe | | 578 305 | 559,949 |
| | e-013 | EXI _304 | 070,000 | 000,040 |
| | a_Offe | EXP ONA | 1 00000 | 0.96826 |
| | 0.00 | | 1,00000 | ******* |
| | tion Advances | | | |
| | | DPI TSD | 98% | 98% |
| | | | | 0% |
| | | | | 0% |
| | | | | |
| | | | | |
| | | | | |
| 26 | | | | |
| | Advances for Construction | CUSTADV | 100% | 98% |
| | | | | |
| 29 Customer | r Advances for Construction | CUSTADV | 1.00000 | 0,98000 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | 2 DIRECT A
3
4 Write-Off
5 South Dai
6 Wyoming
7 Montana
8
9
10
11
12
13
14
15 Total Writ
16
17 Total Writ
16
17 Total Writ
18
19 Construct
20 South Da
21 Wyoming
22 Montana
23
24
25
26
27 Customer
28
29
20 Customer
31
32 | NO. DESCRIPTION (a) 1 ALLOCATED DIRECT ASSIGNMENTS 2 DIRECT ASSIGN TO CLASSES W/SALES 3 4 Write-Offs - Test Period 5 5 6 Wyoming 7 Montana 8 9 10 11 12 13 14 15 Total Write-Offs 16 17 Total Write-Offs 18 19 Construction Advances 20 South Dakota 21 Wyoming 22 Montana 23 24 25 26 27 Customer Advances for Construction 30 31 32 33 34 35 | NO. DESCRIPTION BASIS (a) (b) 1 ALLOCATED DIRECT ASSIGNMENTS 2 DIRECT ASSIGN TO CLASSES W/SALES REV FUNCTIONS 3 Write-Offs - Test Period 5 South Dakota 6 Wyoming 7 Montana 9 SREVWY 10 Nontana 9 STotal Write-Offs 11 EXP_904 16 EXP_904 17 Total Write-Offs 18 DPLTSD 20 South Dakota 21 Wyoming 22 South Dakota 33 DPLTSD 24 DPLTSD 25 Dention Advances 26 Customer Advances for Construction 23 Customer Advances for Construction 34 S | NO. DESCRIPTION BASIS BHP (a) (b) (c) 1 ALLOCATED DIRECT ASSIGNMENTS DIRECT ASSIGN TO CLASSES W/SALES REV FUNCTIONS 3 4 Write-Offs - Test Period 5 5 South Dakota SREVSD 559,949 6 Wyoming SREVWY 18,357 7 Montana SREVMT 0 8 9 10 1 1 11 12 1 1 1 12 13 1 1 1 13 Total Write-Offs EXP_904 578,305 16 1 100000 1 17 Total Write-Offs EXP_904 1.00000 18 0 0 98% 20 South Dakota DPLTSD 98% 21 Wyoming DPLTWY 2% 22 Montana 0 100% 23 24 25 26 22 |

- 36 37 38 39 40

41 42

43

ADA ADA ADA 44 45

46

BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SERVICE

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Schedule N-1 Cost of Service Study Page 34 of 34

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| SCH LINE | DESCRIPTION | | TOTAL
BHP | SOUTH
DAKOTA | |
|------------------|---|--------------|---------------------------|---------------------------|---|
| NO. NO. | DESCRIPTION | BASIS
(b) | | (d) | |
| | (a) | (u) | (c) | (a) | |
| RRW 1 | REVENUE REQUIREMENTS | | | | |
| RRW 2 | | | | | |
| RRW 3 | PRESENT RATES | | | | |
| RRW 4 | · · · · · · · · · · · · · · · · · · · | - | | | |
| | RATE BASE
NET OPER INC (PRESENT RATES) | | 562,372,014
41,156,193 | 438,289,045
28,495,321 | |
| | RATE OF RETURN (PRES RATES) | | 7.32% | 26,495,521
6.50% | |
| | RELATIVE RATE OF RETURN | | 1.00 | 0.89 | |
| | SALES REVENUE (PRE RATES) | | 115,496,651 | 105,368,259 | |
| RRW 10 | | | | | : |
| RRW 11 | | | | | |
| RRW 12 | | | | | |
| RRW 13 | | | | | |
| RRW 14
RRW 15 | CLAIMED RATE OF RETURN | | | | |
| | CLAIMED RATE OF RETURN | | 8,54% | 8.54% | |
| | RETURN REQ FOR CLAIMED ROR | | 48,026,570 | 37,429,884 | |
| | SALES REVENUE REQ CLAIMED ROR | | 126,066 725 | 119,114,085 | |
| | REVENUE DEFICIENCY SALES REV | | 10,570,075 | 13,745,826 | |
| RRW 20 | PERCENT INCREASE REQUIRED | | 9.15% | 9.94% | |
| RRW 21 | ANNUAL BOOKED KWH SALES | | 1,679,252 | 1,451,287 | |
| RRW 22 | | | | | |
| RRW 23 | | | | | |
| RRW 24 | | | | | |
| RRW 25
RRW 26 | PROPOSED REVENUES | | | | |
| RRW 27 | PROPOSED SALES REVENUES | | 129,242,477 | 119,114,085 | |
| RRW 28 | REVENUE DEFICIENCY SALES REV | | 13,745,826 | 13,745,826 | |
| RRW 29 | PERCENT INCREASE PROPOSED | | 11.90% | 9.94% | |
| RRW 30 | PROPOSED RATE OF RETURN | | 9,10% | 8.54% | |
| RRW 31 | | | 51,202,321 | 37,429,884 | |
| | ANNUAL BOOKED KWH SALES | | 1,679,252 | 1,451,287 | |
| RRW 33 | | | | | |
| RRW 34 | | | | | |
| RRW 35
RRW 36 | | | | | |
| RRW 37 | | | | | |
| RRW 38 | | | | | |
| RRW 39 | | | | | |
| RRW 40 | | | | | |
| RRW 41 | | | | | |
| RRW 42 | | | | | |
| RRW 43 | | | | | |
| RRW 44 | | | | | |
| RRW 45
RRW 46 | | | | | |
| 11110 40 | | | | | BHP COS 06-30-12 JURISDICTIONAL - PRO FORMA COST OF SERVICE |
| 7 | | | 1 | 1 × 1 | |

Exhibit CJK - 105 Page 275 of 358

Section O

20:10:13:98. Statement O – Allocated Cost of Service by South Dakota Customer Class. Statement O shall be provided with the initial application under this chapter for a rate increase greater than \$85,000, when a material change in rate structure is proposed, or when the commission so orders. Statement O shall compare the allocated cost of service provided pursuant to § 20:10:13:43 with the revenues under the proposed rates. If the amount of revenue under the proposed new rates differs significantly from allocated cost of service, including allowances for claimed return and income taxes, the filing public utility shall show the amounts available for return and taxes on income and shall show return expressed as a percentage of rate base allocated to the service concerned. If the filing public utility considers certain facilities as being devoted entirely to the service related to such special facilities. The schedule described in § 20:10:13:100 shall be submitted as a part of statement O.

Source: 2 SDR 90, effective July 7, 1976; 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.

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Section O

20:10:13:99. Schedule O-1 -- Derivation of Increased Rates. If, after the initial rate filing under this chapter the commission orders it to be provided, schedule O-1 shall show the derivation of each of the increased rates. If the increased rates are predicated on costs as classified and allocated, all calculations involved in derivation of the rates shall be shown. If in computing the increased rates weight is given in whole or in part to value of service, competition, historical revenue pattern, or the like, it shall be indicated.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 1 of 35

| SCH LII
No. No | | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|-------------------|--------------------------------------|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| м | 1 SUMMARY AT PRESENT RATES | | | | | | | | |
| М | 2 | | | | | | | | |
| M | 3 DEVELOPMENT OF RETURN | | | | | | | | |
| M | 4 | | | | | | | | |
| м | 5 OPERATING REVENUE | Stmt O Reference | | | | | | | |
| м | 6 Sales of Electricity | SCH I, LN 4 | 138,472,112 | 53,463,066 | 45,981,255 | 37,131,743 | 1,896,049 | | |
| м | 7 Contract Revenues | SCH I, LN 5 | 50,619,748 | 17,467,285 | 18,333,101 | 14,367,507 | 451,855 | | |
| М | 8 Other Operating Revenue | SCH I, LN 15 | 14,492,540 | 5,639,701 | 5,182,882 | 3,397,651 | 272,305 | | |
| М | 9 TOTAL OPERATING REVENUE | | 203,584,401 | 76,570,052 | 69,497,238 | 54,896,901 | 2,620,209 | | |
| | 10 | | | | | | | | |
| | 11 OPERATING EXPENSES | | | | | | | | |
| | 12 Operation and Maintenance Expense | SCH H, LN 178 | 136,315,212 | 51,393,500 | 43,229,760 | 40,212,662 | 1,479,290 | | |
| | 13 Depreciation Expense | SCH J, LN 27 | 22,696,010 | 8,404,757 | 8,197,330 | 5,782,721 | 311,202 | | |
| | 14 Amortization Expense | SCH J, LN 29 | 88,365 | 38,827 | 27,378 | 21,064 | 1,095 | | |
| | 15 Taxes Other Than Income Taxes | SCH L, LN 20 | 3,737,440 | 1,348,301 | 1,367,029 | 971,164 | 50,946 | | |
| 1 - 1 | 16 State Income Tax | SCH K, LN 10 | 0 | 0 | 0 | 0 | 0 | | |
| | 17 Federal Income Tax | SCH K, LN 32 | 8,050,139 | 2,985,604 | 3,710,635 | 1,160,142 | 193,759 | | |
| | 18 TOTAL OPERATING EXPENSES | | 170,887,166 | 64,170,990 | 56,532,131 | 48,147,752 | 2,036,293 | | |
| | 19 | | | | | | | | |
| | 20 OPERATING INCOME (RETURN) | | 32,697,235 | 12,399,062 | 12,965,107 | 6,749,150 | 583,917 | | |
| | 21 | | | | | | | | |
| | 22 | | | | | | | | |
| | 23 DEVELOPMENT OF RATE BASE | | | | | | | | |
| | 24 Electric Plant in Service | SCH D-2, LN 116 | 788,110,937 | 286,723,245 | 287,914,394 | 202,709,169 | 10,764,130 | | |
| | 25 Less: Accumulated Depreciation | SCH E, LN 27 | 282,351,408 | 101,714,624 | 102,997,281 | 73,562,262 | 4,077,241 | | |
| | 26 Less: Amortization | SCH E, LN 29 | 2,711,805 | 935,759 | 982,142 | 769,697 | 24,207 | | |
| | 27 Plus: Working Capital | SCH F, LN 9 | 14,905,732 | 5,267,919 | 5,113,109 | 4,338,788 | 185,916 | | |
| | 28 Less: Other Rate Base Deductions | SCH F, LN 24 | 98,730,746 | 36,248,588 | 36,157,122 | 25,004,635 | 1,320,401 | | |
| | 29 | | | 150 000 404 | 450 000 057 | | 5 (BB 400 | | |
| | 30 TOTAL RATE BASE | SCH F, LN 27 | 419,222,711 | 153,092,194 | 152,890,957 | 107,711,363 | 5,528,198 | | |
| | 31 | | | | | | | | |
| | 32
RATE OF DETURN (RRESENT) | | 7 660/ | 8.10% | 0 (00) | 6.27% | 10.56% | | |
| | 33 RATE OF RETURN (PRESENT) | | 7.80% | 8.10% | 8.48% | 6,27% | 10.56% | | |
| | | | 4.00 | 1.04 | 4.00 | 0.00 | 4.05 | | |
| | 35 INDEX RATE OF RETURN (PRESENT) | | 1.00 | 1.04 | 1.09 | 0.80 | 1.35 | | |
| | 36 | | | | | | | | |
| | 37 | | | | | | | | |
| | 38 | | | | | | | | |
| | 39 | | | | | | | | |
| | | | | | | | | | |

BHP COS 06-30-12 CUSTOMER CLASS - PER BOOKS COST OF SERVICE

BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 2 of 35

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BHP COS 06-30-12 CUSTOMER CLASS - PER BOOKS COST OF SERVICE

| ICH L | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|--------|------------|--|----------------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| | 47 E | EQUALIZED RETURN AT PROPOSED ROR | | | | | | | | |
| | 48 | | | | | | | | | |
| 1 | | DEVELOPMENT OF RETURN (EQUALIZED R | ATE LEVELS) | | | | | | | |
| 1 | 50 | | | 440 000 711 | 152 003 104 | 152,890,957 | 107 711 262 | 5,528,198 | | |
|
 | 51 r
52 | RATE BASE | | 419,222,711 | 153,092,194 | 152,690,957 | 107,711,363 | 5,526,196 | | |
| | | RATE OF RETURN | | 8,54% | 8.54% | 8.54% | 8.54% | 8.54% | | |
| | 54 | | | | | | | | | |
| 1 | | RETURN (RATE BASE * ROR) | | 35,801,619 | 13,074,073 | 13,056,888 | 9,198,550 | 472,108 | | |
| 1 | 56 | | | | | | | | | |
| 1 | | LESS: | | | | | | | | |
| 1 | | OPERATING EXPENSES | Stmt O Reference | | | | | | | |
| 1 | | Operation and Maintenance Expense | SCH M, LN 12 | 136,315,212 | 51,393,500 | 43,229,760 | 40,212,662 | 1,479,290 | | |
| | | Depreciation Expense | SCH M, LN 13 | 22,696,010 | 8,404,757 | 8,197,330 | 5,782,721 | 311,202 | | |
| 1 | | Amortization Expense | SCH J, LN 29 | 88,365 | 38,827 | 27,378 | 21,064 | 1,095
50,946 | | |
| 1 | 62
63 | Taxes Other Than Income Taxes State Income Tax | SCH M, LN 15
CALCULATED | 3,737,440
0 | 1,348,301
0 | 1,367,029
0 | 971,164
n | 50,940
D | | |
| 1 | 63
64 | Federal Income Tax | CALCULATED | 9,721,850 | 3,349,098 | 3,760,059 | 2,479,144 | 133,550 | | |
| A | | TOTAL OPERATING EXPENSES | ONCOOLITED | 172,558,877 | 64,534,484 | 56,581,556 | 49,466,754 | 1,976,084 | | |
| 1 | 66 | | | | - 1 | · , | , , | • | | |
| 4 | | EQUALS TOTAL COST OF SERVICE | | 208,360,497 | 77,608,557 | 69,638,443 | 58,665,305 | 2,448,192 | | |
| 4 | 68 | | | | | | | | | |
| 1 | 69 I | LESS: | | | | | | | | |
| Λ | 70 | OTHER OPERATING REVENUES | | 65,112,288 | 23,106,986 | 23,515,983 | 17,765,159 | 724,161 | | |
| A | 71 | | | | | | | | | |
| л | | EQUALS: | | 442 040 000 | EA E04 E74 | 46 400 460 | 40,900,146 | 1,724,031 | | |
| 1 | 73 | PROPOSED BASE RATE SALES @ EQUAL | IZED KOR | 143,248,208 | 54,501,571 | 46,122,460 | 40,900,140 | 1,724,001 | | |
| 4
1 | 74
75 | | | | | | | | | |
| 1 | | TOTAL COST OF SERVICE INCREASE/DECH | REASE | 4,776,096 | 1,038,505 | 141,205 | 3,768,403 | (172,018) | | |
| Λ | 77 | | | | .,, | , | -11 | , , , , , , | | |
| n
n | 78 | | | | | | | | | |
| 1 | | REVENUE INCREASE TO RETAIL REVENUE | S (%) | 3.45% | 1.94% | 0.31% | 10.15% | -9.07% | | |
| 1 | 80 | | | | | | | | | |
| 1 | 81 | | | | | | | | | |
| 1 | 82 | | | | | | | | | |
| 1 | 83 | | | | | | | | | |
| Л
А | 84 | | | | | | | | | |
| Л
л | 85
86 | | | | | | | | | |
| Л
Л | 86
87 | | | | | | | | | |
| Λ | 88 | | | | | | | | | |
| N. | 89 | | | | | | | | | |
| | 90 | | | | | | | | | |
| Ň | 91 | | | | | | | | | |
| И | 92 | | | | | | | | | |

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

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Statement O Cost of Service Study Page 3 of 35

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- /4/ - - - - - ----

| SCH
NO. | I LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------|---------------|------------------------|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|----------|------------|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| м | 93 | | | | | | | | | |
| M | 93
94 | | | | | | | | | |
| M | 94
95 | | | | | | | | | |
| M | 96 | | | | | | | | | |
| M | 97 | | | | | | | | | |
| M | 98 | | | | | | | | | |
| M | 99 | | | | | | | | | |
| м | 100 | THIS PAGE INTENTIONALL | Y LEFT BLANK | | | | | | | |
| м | 101 | | | | | | | | | |
| м | 102 | | | | | | | | | |
| М | 103 | | | | | | | | | |
| М | 104 | | | | | | | | | |
| M | 105 | | | | | | | | | |
| M | 106 | | | | | | | | | |
| M
M | 107
108 | | | | | | | | | |
| M | 109 | | | | | | | | | |
| M | 110 | | | | | | | | | |
| M | 111 | | | | | | | | | |
| M | 112 | | | | | | | | | |
| м | 113 | | | | | | | | | |
| м | 114 | | | | | | | | | |
| м | 115 | | | | | | | | | |
| М | 116 | | | | | | | | | |
| M | 117 | | | | | | | | | |
| M
M | 118
119 | | | | | | | | | |
| M | 120 | | | | | | | | | |
| M | 120 | | | | | | | | | |
| M | 122 | | | | | | | | | |
| M | 123 | | | | | | | | | |
| M | 124 | | | | | | | | | |
| м | 125 | | | | | | | | | |
| м | 126 | | | | | | | | | |
| М | 127 | | | | | | | | | |
| M | 128 | | | | | | | | | |
| м | 129 | | | | | | | | | |
| M | 130 | | | | | | | | | |
| M
M | 131
132 | | | | | | | | | |
| M | 132 | | | | | | | | | |
| M | 134 | | | | | | | | | |
| M | 135 | | | | | | | | | |
| M | 136 | | | | | | | | | |
| м | 137 | | | | | | | | | |
| М | 138 | | | | | | | | | |
| | | | | | | BHP COS | 06-30-12 CUSTOME | R CLASS - PER BO | OKS COST | OF SERVICE |

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 4 of 35 ----

| CHLINI
O.NO. | E DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|-----------------|--|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| -2 1 | DEVELOPMENT OF RATE BASE | | | | | | | | |
| -2 2 | | | | | | | | | |
| | | | | | | | | | |
| -2 4 | | | | | | | | | |
| | 5 PRODUCTION PLANT | | | | | | | | |
| -2 6 | | | | | | | | | |
| -2 7 | | DPROD | 298,219 | 102,906 | 108,007 | 84,644 | 2,662 | | |
| -2 8 | | DPROD | 35,900,261 | 12,388,053 | 13,002,102 | 10,189,645 | 320,462 | | |
| | 312-Boiler Plant Equipment | DPROD | 205,067,382 | 70,762,312 | 74,269,847 | 58,204,697 | 1,830,526 | | |
| -2 10 | | DPROD | 303,676 | 104,789 | 109,983 | 86,193 | 2,711 | | |
| -2 1 | - | DPROD | 109,700,305 | 37,854,129 | 39,730,477 | 31,136,463 | 979,235 | | |
| -2 12 | - | DPROD | 20,290,941 | 7,001,766 | 7,348,829 | 5,759,219 | 181,126 | | |
| -2 1: | · · · | DPROD | 3,278,726 | 1,131,385 | 1,187,466 | 930,608 | 29,267 | | |
| -2 14 | | DPROD | 14,946,119 | 5,157,436 | 5,413,079 | 4,242,188 | 133,416 | | |
| -2 1 | | DPROD | 0 | 0 | 0 | 0 | 0 | | |
| -2 10 | | | 389,785,629 | 134,502,777 | 141,169,789 | 110,633,658 | 3,479,406 | | |
| -2 1 | 7 | | | | | | | | |
| -2 1 | | | | | | | | | |
| -2 1 | | | | | | | | | |
| -2 2 | | DPROD | 2,417 | 834 | 875 | 686 | 22 | | |
| -2 2 | | DPROD | 460,708 | 158,976 | 166,856 | 130,764 | 4,112 | | |
| -2 2 | • | DPROD | 4,574,791 | 1,578,617 | 1,656,865 | 1,298,472 | 40,837 | | |
| -2 2 | | DPROD | 61,461,516 | 21,208,439 | 22,259,695 | 17,444,749 | 548,634 | | |
|)-2 2 | | DPROD | 4,342,832 | 1,498,575 | 1,572,856 | 1,232,635 | 38,766 | | |
|)-2 2 | | DPROD | 74,055 | 25,554 | 26,821 | 21,019 | 661 | | |
|)-2 2 | | DPROD | 445,558 | 153,748 | 161,369 | 126,464 | 3,977 | | |
| -2 2 | | DPROD | 0 | 0 | · 0 | 0 | 0 | | |
| -2 2 | 8 Total Other Production Plant | | 71,231,438 | 24,624,743 | 25,845,338 | 20,128,325 | 633,032 | | |
| -2 2 | 9 | | | | | | | | |
| | 0 TOTAL PRODUCTION PLANT | | 461,147,508 | 159,127,519 | 167,015,127 | 130,888,447 | 4,116,414 | | |
| -2 3 | 1 | | | | | | | | |
| -2 3 | 2 | | | | | | | | |
| -2 3 | 3 TRANSMISSION PLANT | | | | | | | | |
| -2 3 | 4 350-Land & Land Rights | DTRAN | 558,204 | 192,846 | 209,458 | 150,995 | 4,905 | | |
|)-2 3 | 5 352-Structures & Improvements | DTRAN | 946,817 | 327,102 | 355,279 | 256,116 | 8,320 | | |
|)-2 3 | 6 353-Station Equipment | DTRAN | 821,071 | 283,660 | 308,095 | 222,102 | 7,215 | | |
|)-2 3 | 7 354-Tower and Fixtures | DTRAN | 363,066 | 125,431 | 136,235 | 98,210 | 3,190 | | |
|)-2 3 | 8 355-Poles & Fixtures | DTRAN | 217,875 | 75,270 | 81,754 | 58,936 | 1,915 | | |
| -2 3 | 9 356-Overhead Conductors & Devices | DTRAN | 991,295 | 342,468 | 371,968 | 268,147 | 8,711 | | |
| -2 4 | 0 359-Roads and Trails | DTRAN | 6,311 | 2,180 | 2,368 | 1,707 | 55 | | |
|)-2 4 | | DTRAN | 0 | 0 | 0 | 0 | 0 | | |
| D-2 4 | 2 Transmission Plant Additions/Annualization | DTRAN | 0 | 0 | 0 | 0 | 0 | | |
|)-2 4 | 3 TOTAL TRANSMISSION PLANT | | 3,904,640 | 1,348,958 | 1,465,157 | 1,056,213 | 34,312 | | |
| 0-2 4 | 4 | | | | | | | | |
| -2 4 | 5 | | | | | | | | |
|)-2 4 | 6 | | | | | | | | |

 BHP COS 06-30-12 CUSTOMER CLASS - PER BOOKS COST OF SERVICE

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 5 of 35

| SCH | LINE | | ALLOCATION | TOTAL
SOUTH | RESIDENTIAL | GENERAL | GS LARGE/
INDUSTRIAL | LIGHTING | | |
|-----|------|-------------------------------------|------------|----------------|-------------|-------------|-------------------------|-------------|---|-----|
| NO. | NO, | DESCRIPTION | BASIS | DAKOTA | SERVICE | SERVICE | CONTRACT | SERVICE | | |
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | Ű | (f) |
| D-2 | | ELECTRIC PLANT IN SERVICE CONTINUED | | | | | | | | |
| D-2 | 48 | | | | | | | | | |
| D-2 | | DISTRIBUTION PLANT | | | | | | | | |
| D-2 | 50 | 360-Land & Land Rights | DDISPSUB | 1,552,057 | 536,198 | 582,386 | 419,835 | 13,639 | | |
| D-2 | 51 | 361-Structures & Improvements | DDISPSUB | 246,766 | 85,252 | 92,595 | 66,751 | 2,168 | | |
| D-2 | 52 | | DDISPSUB | 45,100,101 | 15,580,987 | 16,923,133 | 12,199,669 | 396,312 | | |
| D-2 | 53 | 364-Poles, Towers & Fixtures | | | | | <i></i> | | | |
| D-2 | 54 | | DDISTPOL | 46,713,282 | 16,138,302 | 17,528,455 | 12,636,037 | 410,488 | | |
| D-2 | 55 | Secondary - Demand | DDISTSOL | 12,350,167 | 4,921,517 | 5,345,456 | 1,958,013 | 125,182 | | |
| D-2 | 56 | Total Account 364 | | 59,063,449 | 21,059,818 | 22,873,911 | 14,594,050 | 535,670 | | |
| D-2 | 57 | 365-Overhead Conductors & Devices | | | | | | | | |
| D-2 | 58 | | DDISTPOL | 30,942,154 | 10,689,761 | 11,610,577 | 8,369,915 | 271,901 | | |
| D-2 | 59 | | DDISTSOL | 5,311,102 | 2,116,463 | 2,298,776 | 842,029 | 53,834 | | |
| D-2 | 60 | | | 36,253,256 | 12,806,224 | 13,909,352 | 9,211,945 | 325,735 | | |
| D-2 | 61 | 366-Underground Conduit | | | | | | 1 | | |
| D-2 | 62 | | DDISTPUL | 2,088,264 | 721,445 | 783,590 | 564,880 | 18,350 | | |
| D-2 | 63 | | DDISTSUL | 1,429,109 | 569,497 | 618,553 | 226,573 | 14,486 | | |
| D-2 | 64 | | | 3,517,373 | 1,290,941 | 1,402,143 | 791,453 | 32,836 | | |
| D-2 | 65 | | | | | | | | | |
| D-2 | 66 | | DDISTPUL | 19,338,906 | 6,681,121 | 7,256,633 | 5,231,213 | 169,939 | | |
| D-2 | 67 | | DDISTSUL | 18,432,395 | 7,345,272 | 7,977,994 | 2,922,297 | 186,832 | | |
| D-2 | 68 | | | 37,771,301 | 14,026,393 | 15,234,627 | 8,153,511 | 356,770 | | |
| D-2 | 69 | | | | | | | | | |
| D-2 | 70 | | DDISTSUT | 31,204,759 | 12,435,033 | 13,506,187 | 4,947,246 | 316,293 | | |
| D-2 | 71 | | | 31,204,759 | 12,435,033 | 13,506,187 | 4,947,246 | 316,293 | | |
| D-2 | 72 | | CSERVICE | 26,665,348 | 14,483,764 | 9,790,576 | 2,391,008 | 0 | | |
| D-2 | 73 | | CMETERS | 2,825,893 | 2,025,733 | 632,542 | 162,631 | 4,987 | | |
| D-2 | 74 | | CUSTPREM | 1,964,488 | 0 | 0 | 0 | 1,964,488 | | |
| D-2 | 75 | | CLIGHT | 1,617,886 | 0 | 0 | 0 | 1,617,886 | | |
| D-2 | 76 | | DISTPLTXNC | 12,764,157 | 4,859,288 | 4,891,077 | 2,727,028 | 286,765 | | |
| D-2 | 77 | | DISTPLTXNC | 0 | 0 | 0 | 0 | 0 | | |
| D-2 | | TOTAL DISTRIBUTION PLANT | | 260,546,835 | 99,189,632 | 99,838,529 | 55,665,125 | 5,853,549 | | |
| D-2 | 79 | | | | | | | | | |
| D-2 | 80 | | | | | | | | | |
| D-2 | | | | | | | 407 | 10 00 1 07- | | |
| D-2 | 82 | | | 725,598,983 | 259,666,110 | 268,318,814 | 187,609,784 | 10,004,275 | | |
| D-2 | | | | | | | | | | |
| D-2 | | | | | | | | | | |
| D-2 | 85 | | | | | | | | | |
| D-2 | | | | | | | | | | |
| D-2 | | | | | | | | | | |

D-2 D-2 D-2 D-2 D-2 D-2 D-2

BHP COS 06-30-12 CUSTOMER CLASS - PER BOOKS COST OF SERVICE

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 6 of 35

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| SCH | LINE | | ALLOCATION | TOTAL
SOUTH | RESIDENTIAL | GENERAL | GS LARGE/
INDUSTRIAL | LIGHTING | | |
|------------|----------|---|------------|------------------------|----------------|----------------------|-------------------------|------------------|--------|--------------|
| NO, | | DESCRIPTION | BASIS | DAKOTA | SERVICE | SERVICE | CONTRACT | SERVICE | | |
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| | | | | | | | | | | |
| D-2 | | ELECTRIC PLANT IN SERVICE CONTINUED | | | | | | | | |
| D-2 | 94 | OFNERAL REANT | | | | | | | | |
| D-2 | | GENERAL PLANT | SALWAGES | 053 025 | 287,294 | 202 574 | 455 001 | \$ 10c | | |
| D-2
D-2 | 96
97 | 389-Land and Land Rights | SALWAGES | 653,835 | 3,949,012 | 202,574
2,784,487 | 155,861
2,142,387 | 8,106
111,415 | | |
| D-2
D-2 | 97
98 | 390-Structures and Improvements
391-Office Furniture & Equipment | SALWAGES | 8,987,303
8,381,410 | 3,682,784 | 2,596,767 | 1,997,955 | 103,904 | | |
| D-2
D-2 | 99 | 392-Transportation Equipment | SALWAGES | 5,327,019 | 2,340,687 | 1,650,441 | 1,269,851 | 66,039 | | |
| D-2
D-2 | 100 | 393-Store Equipment | SALWAGES | 262,130 | 2,340,887 | 81,214 | 62,486 | 3,250 | | |
| D-2 | 100 | 394-Tools, Shop & Garage Equip. | SALWAGES | 3,640,555 | 1,599,657 | 1,127,934 | 867,833 | 45,132 | | |
| D-2
D-2 | 102 | | SALWAGES | 360.824 | 158,546 | 111,792 | 86,013 | 4,473 | | |
| D-2
D-2 | 102 | | SALWAGES | 521,007 | 228,930 | 161,421 | 124,197 | 6,459 | | |
| D-2
D-2 | 103 | 397-Communication Equipment | SALWAGES | 5,325,590 | 2,340,059 | 1,649,999 | 1,269,511 | 66,021 | | |
| D-2
D-2 | 104 | 398-Miscellaneous Equipment | SALWAGES | 216,713 | 95,223 | 67,143 | 51,660 | 2,687 | | |
| D-2 | 100 | | CLAIMREV | 210,710 | 00,220 | 01,140 | 0,,000 | 2,001 | | |
| D-2 | 107 | 106-Completed Not Classified General Plant | SALWAGES | 2,861,061 | 1,257,148 | 886,427 | 682,018 | 35,469 | | |
| D-2
D-2 | 108 | | SALWAGES | 2,001,001 | 1,201,140 | 000,427
N | 002,010 | 00,405 | | |
| D-2
D-2 | | TOTAL GENERAL PLANT | BALINIGLO | 36,537,446 | 16,054,520 | 11,320,200 | 8,709,772 | 452,954 | | |
| D-2 | 110 | TO THE GENERAL PENNT | | 30,551,440 | 10,004,020 | 11,020,200 | 0,100,112 | 102,004 | | |
| D-2
D-2 | | TOTAL OTHER UTILITY PLANT IN SERVICE | SALWAGES | 21,622,151 | 9,500,753 | 6,699,074 | 5,154,274 | 268,050 | | |
| D-2
D-2 | 112 | TO BE OTHER OTHER THE PART IN DERVICE | UNE WIGED | 21,022,101 | 5,000,100 | 0,000,014 | 0,104,214 | 200,000 | | |
| D-2
D-2 | | TOTAL PLANT ACQUISITION ADJUSTMENT | DPROD | 4,352,357 | 1,501,862 | 1,576,306 | 1,235,338 | 38,851 | | |
| D-2
D-2 | 114 | FOTAL PLANT ACQUISITION ADJUSTMENT | DENOD | 4,002,007 | 1,001,002 | 1,010,000 | 1,200,000 | 00,001 | | |
| D-2
D-2 | 115 | | | | | | | | | |
| D-2
D-2 | 116 | TOTAL ELECTRIC PLANT IN SERVICE | | 788,110,937 | 286,723,245 | 287,914,394 | 202,709,169 | 10,764,130 | | |
| D-2
D-2 | 117 | | | 100,110,001 | 200,: 20,2 (0 | 201,011,001 | ,, | | | |
| D-2 | 118 | | - | | | | | | | |
| D-2
D-2 | 119 | | | | | | | | | |
| D-2
D-2 | 120 | | | | | | • | | | |
| D-2 | 121 | | | | | | | | | |
| D-2 | 122 | | | | | | | | | |
| D-2 | 123 | | | | | | | | | |
| D-2 | 124 | | | | | | | | | |
| D-2 | 125 | · | | | | | | | | |
| D-2 | 126 | | | | | | | | | |
| D-2 | 127 | | | | | | | | | |
| D-2 | 128 | | | | | | | | | |
| D-2 | 129 | | | | | | | | | |
| D-2 | 130 | | | | | | | | | |
| D-2 | 131 | | | | | | | | | |
| D-2 | 132 | | | | | | | | | |
| D-2 | 133 | | | | | | | | | |
| D-2 | 134 | | | | | | | | | |
| D-2 | 135 | | | | | | | | | |
| D-2 | 136 | | | | | | | | | |
| D-2 | 138 | | | | | | | | | |
| D-2 | | | | | | | | | | |
| | 100 | | | | | BHP COS 0 | 6-30-12 CUSTOMER | CLASS - PER BOO | KS COS | T OF SERVICE |
| | | | | | and the second | | | | | |
| | | | | | | | | | | |

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 7 of 35

| | LINE | PERCEIPTION | ALLOCATION | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|-----|----------|--|----------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| NO. | NU. | | BASIS
(b) | (C) | (d) | (e) | (h) | | (i) | (f) |
| | | (a) | (0) | (6) | (0) | (8) | (1) | (i) | Ű | (1) |
| Е | 1 | LESS: ACCUMULATED DEPRECIATION | | | | | | | | |
| Е | 2 | | | | | | | | | |
| E | 3 | PRODUCTION PLANT ACCUMULATED DEPREC | AT PRODPLT | 163,388,929 | 56,380,387 | 59,175,041 | 46,375,016 | 1,458,485 | | |
| Е | 4 | | | | | ,, | | | | |
| Е | 5 | TRANSMISSION PLANT ACCUMULATED DEPR | ECIATRANPLT | 1,352,855 | 467,379 | 507,639 | 365,950 | 11,888 | | |
| Е | 6 | | | | | | | | | |
| E | 7 | DISTRIBUTION PLANT ACCUMULATED DEPRE | CIATION | | | | | | | |
| Е | 8 | 360-Land & Land Rights | PLT_360 | (41,085) | (14,194) | (15,416) | (11,114) | (361) | | |
| E | 9 | 361-Structures & Improvements | PLT_361 | 137,250 | 47,416 | 51,501 | 37,126 | 1,206 | | |
| Е | 10 | 362-Station Equipment | PLT_362 | 17,542,035 | 6,060,346 | 6,582,384 | 4,745,156 | 154,149 | | |
| Е | 11 | 364-Poles, Towers & Fixtures | PLT_364 | 21,942,526 | 7,823,885 | 8,497,834 | 5,421,802 | 199,006 | | |
| Е | 12 | 365-Overhead Conductors & Devices | PLT_365 | 13,239,153 | 4,676,644 | 5,079,490 | 3,364,066 | 118,953 | | |
| Е | 13 | 366-Underground Conduit | PLT_366 | 497,713 | 182,670 | 198,405 | 111,992 | 4,646 | | |
| E | 14 | 367-Underground Conductors & Devices | PLT_367 | 13,426,762 | 4,986,035 | 5,415,532 | 2,898,371 | 126,823 | | |
| Е | 15 | 368-Line Transformers | PLT_368 | 11,576,246 | 4,613,111 | 5,010,484 | 1,835,314 | 117,337 | | |
| Е | 16 | 369-Services | PLT_369 | 8,816,608 | 4,788,900 | 3,237,148 | 790,561 | 0 | | |
| E | 17 | 370-Meters | PLT_370 | (3,877,654) | (2,779,684) | (867,965) | (223,161) | (6,844) | | |
| Е | 18 | 371-Installation on Customer Premises | PLT_371 | 758,339 | 0 | 0 | 0 | 758,339 | | |
| E | 19 | 373-Street Lighting & Signal Systems | PLT_373 | 733,822 | 0 | 0 | 0 | 733,822 | | |
| E | 20 | ······································ | DISTPLT | (749,473) | (285,323) | (287,189) | (160,123) | (16,838) | | |
| E | 21 | TOTAL DISTRIBUTION PLANT ACCUMULATE | D DEPRECIATION | 84,002,242 | 30,099,806 | 32,902,207 | 18,809,991 | 2,190,238 | | |
| E. | 22 | | | | | | | | | |
| Ë | 23 | GENERAL PLANT ACCUMULATED DEPRECIAT | ION GENLPLT | 18,311,802 | 8,046,189 | 5,673,447 | 4,365,155 | 227,011 | | |
| Е | 24 | | | | | | | | | |
| E | | OTHER UTILITY DEPRECIATION ACCUM DEPR | ECI/SALWAGES | 15,295,580 | 6,720,864 | 4,738,947 | 3,646,150 | 189,619 | | |
| E | 26 | | | | | | 70 500 000 | | | |
| E | | TOTAL ACCUMULATED DEPRECIATION | | 282,351,408 | 101,714,624 | 102,997,281 | 73,562,262 | 4,077,241 | | |
| E | 28 | | | | 665 7 75 | | 700 0 | 01.007 | | |
| E | | AMORTIZATION OF PLANT ACQUISITION | PRODPLT | 2,711,805 | 935,759 | 982,142 | 769,697 | 24,207 | | |
| E | 30 | | | 500 047 704 | 101 070 800 | 400 004 074 | 100.077 000 | 0.000.000 | | |
| E | | | | 503,047,724 | 184,072,862 | 183,934,971 | 128,377,209 | 6,662,682 | | |
| E | 32
33 | | | | | | | | | |

E 29 E 29 E 30 E 31 E 32 E 33 E 34 E 35 E 34 E 35 E 36 E 39 E 40 E 41 E 42 E 43 E 44 E 45 E 46

BHP COS 06-30-12 CUSTOMER CLASS - PER BOOKS COST OF SERVICE

BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 8 of 35

| SCH
NO. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------|------------|---|---------------------------|-----------------------------|----------------------------|----------------------------|-------------------------------------|------------------------|------------|-----|
| <u></u> | <u>NO.</u> | (a) | (b) | (c) | (d) | (e) | (h) | (i) | <u>(i)</u> | (f) |
| F | 1
2 | ADDITIONS AND DEDUCTIONS TO RATE BASE | ., | () | | | ., | ., | U / | () |
| F
F | | PLUS: ADDITIONS TO RATE BASE
WORKING CAPITAL | | | | | | | | |
| F
F | 5
6 | Cash Working Capital (Lead Lag)
Fuel Inventory | SCH F-3, LN 40
ENEFUEL | (3,575,874)
5,825,064 | (1,350,192)
1,998,000 | (1,173,998)
1,686,815 | (1,009,775)
2,083,793 | (41,908)
56,456 | | |
| F
F | 7
8 | Materials and Supplies
Prepayments | TOTPLT
OMXFPP | 12,036,454
620,089 | 4,378,991
241,120 | 4,397,183
203,109 | 3,095,883
168,887 | 164,395
6,973 | | |
| F
F | 9
10 | | | 14,905,732 | 5,267,919 | 5,113,109 | 4,338,788 | 185,916 | | |
| F | 11
12 | LESS: DEDUCTIONS TO RATE BASE
Customer Advances for Construction | CUSTADV | 2,190,735 | 1,392,705 | 798,030 | 0 | 0 | | |
| F | 13
14 | Regulatory Assets - S&W Related
Regulatory Assets - Plant Related | SALWAGES
TOTPLT | (21,276,884)
(7,902,392) | (9,349,043)
(2,874,975) | (6,592,102)
(2,886,919) | (5,071,969)
(2,032,566) | (263,769)
(107,932) | | |
| F | 15
16 | Regulatory Liabilities - S&W Related
Regulatory Liabilities - Plant Related | SALWAGES
TOTPLT | 34,587,506
766,514 | 15,197,718
278,866 | 10,716,060
280,025 | 8,244,947
197,154 | 428,781
10,469 | | |
| F
F | 17
18 | Deferred Income Taxes and Credits
Deferred Income Tax - Property (Debit) | TOTPLT | (22,117,752) | (8,046,676) | (8,080,105) | (5,688,883) | (302,087) | | |
| F
F | 19
20 | Deferred Income Tax - S&W (Debit)
Deferred Income Tax - Customer (Debit) | SALWAGES
CUST | (15,368,992)
(741,211) | (6,753,121)
(597,060) | (4,761,692)
(135,117) | (3,663,650)
(1,771) | (190,529)
(7,262) | | |
| F | 21
22 | Deferred Income Tax - Property (Credit)
Deferred Income Tax - Other (Credit) | TOTPLT
SALWAGES | 125,728,028
2,865,194 | 45,741,210
1,258,964 | 45,931,235
887,708 | 32,338,371
683,003 | 1,717,211
35,520 | | |
| F
F | 23
24 | Total Deferred Income Taxes and Credits
TOTAL DEDUCTIONS TO RATE BASE | | 90,365,267
98,730,746 | 31,603,317
36,248,588 | 33,842,029
36,157,122 | 23,667,069
25,004,635 | 1,252,852
1,320,401 | | |
| F | 25
26 | | | | | | | | | |
| F | 27
28 | TOTAL RATE BASE | | 419,222,711 | 153,092,194 | 152,890,957 | 107,711,363 | 5,528,198 | | |
| F | 29
30 | | | | | | | | | |
| F
F | 31
32 | | | | | | | | | |
| F | 33
34 | | | | | | | | | |
| F | 35 | | | | | | | | | |
| F | 36
37 | | | | | | | | | |
| ਜ
ਜ | 38
39 | | | | | | | | | |
| F
F | 40
41 | | | | | | | | | |
| F
F | 42
43 | | | | | | | | | - |
| F
F | 44
45 | | | | | | | | | |
| F | 46 | | | | | BHP COS 0 | 6-30-12 CUSTOMER | CLASS - PER BOO | KS COST | |

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BHP COS 06-30-12 CUSTOMER CLASS - PER BOOKS COST OF SEPVICE

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

BHP COS 06-30-12 CUSTOMER CLASS - PER BOOKS COST OF SERVICE

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Statement O Cost of Service Study Page 9 of 35

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| | | DECOUNTION | ALLOCATION | TOTAL
SOUTH | RESIDENTIAL | GENERAL | GS LARGE/
INDUSTRIAL | | | |
|------------|----------|--------------------------------------|--------------------|-----------------|------------------|-------------------------------------|-------------------------|-----------------|----------|------------|
| NO. | NO. | DESCRIPTION | BASIS
(b) | DAKOTA
(c) | SERVICE
(d) | SERVICE
(e) | CONTRACT
(h) | SERVICE
(i) | (i) | (f) |
| | | (a) | (0) | (0) | (u) | (e) | (1) | (1) | 0/ | (1) |
| F-3 | 1 | CASH WORKING CAPITAL (LEAD LAG) | | | | | | | | |
| F-3 | 2 | | | | | | | | | |
| F-3 | 3 | O&M EXPENSE PER DAY RELATED CASH WOR | | | | | | | | |
| F-3 | 4 | Purchased Fuel (Coal, Gas, & Oil) | ENEFUEL | 50,104 | 17,186 | 14,509 | 17,924 | 486 | | |
| F-3 | 5 | Coal Transportation | ENEFUEL | 3,136 | 1,076 | 908 | 1,122 | 30 | | |
| F-3 | 6 | Natural Gas - Other Production | ENEFUEL | 4,910 | 1,684 | 1,422 | 1,756 | 48 | | |
| F-3 | 7 | Purchased Power | OX_555 | 115,886 | 39,786 | 34,848 | 40,143 | 1,110 | | |
| F-3 | 8 | Transmission | TRANPLT | 46,456 | 16,049 | 17,432 | 12,566 | 408 | | |
| F-3 | 9 | Labor | SALWAGES | 28,191 | 12,387 | 8,734 | 6,720 | 349 | | |
| F-3 | 10 | Employee Benefits | SALWAGES | 1,471 | 646 | 456 | 351 | 18
870 | | |
| F-3 | 11 | Service Company Charges | SALWAGES
OMXFPP | 70,173 | 30,834
21,814 | 21,741
18,375 | 16,728
15,279 | 631 | | |
| F-3 | 12 | Other O&M | PRODPLT | 56,100
8,959 | 21,814
3,091 | 3,245 | 2,543 | 80 | | |
| F-3
F-3 | 13
14 | Wyodak Power Plant O&M | PRODELI | 385,386 | 144,554 | 121,670 | 115,132 | 4,030 | | |
| г-з
F-3 | 14 | TOTAL O&M | | 360,360 | 144,554 | 121,070 | 115,152 | 4,000 | | 1 |
| F-3 | 16 | TAXES OTHER THAN INCOME TAXES | | | | | | | | |
| F-3 | 17 | Property Taxes | TOTPLT | 16,825 | 6,121 | 6,147 | 4,328 | 230 | | |
| F-3 | 18 | Unemployment Taxes (FUTA & SUTA) | SALWAGES | 285 | 125 | 88 | 68 | 4 | | |
| F-3 | 19 | Montana Electric Energy | CLAIMREV | 0 | 0 | 0 | 0 | 0 | | |
| F-3 | 20 | Wyoming Franchise Tax | CLAIMREV | 0 | 0 | 0 | 0 | 0 | | |
| F-3 | 21 | South Dakota PUC | CLAIMREV | 592 | 225 | 191 | 169 | 7 | | |
| F-3 | 22 | Wyoming PSC | CLAIMREV | 0 | 0 | 0 | 0 | 0 | | |
| F-3 | 23 | FICA Taxes - Employer's | SALWAGES | 7,252 | 3,187 | 2,247 | 1,729 | 90 | | |
| F-3 | 24 | TOTAL TAXES OTHER THAN INCOME TAXES | | 24,954 | 9,658 | 8,672 | 6,293 | 330 | | |
| F-3 | 25 | | | | | | | | | |
| F-3 | 26 | Depreciation Expense | TOTPLT | 134,064 | 48,774 | 48,977 | 34,482 | 1,831 | | |
| F-3 | 27 | Amortization Expense | PRODPLT | 238 | 82 | 86 | 68 | 2 | | |
| F-3 | 28 | TOTAL DEPRECIATION/AMORTIZATION | | 134,302 | 48,856 | 49,063 | 34,550 | 1,833 | | |
| F-3 | 29 | | | 00 700 | 10 444 | 40 500 | 0 227 | 394 | | |
| F-3 | 30 | FEDERAL INCOME TAXES | CLAIMREV | 32,700 | 12,441 | 10,529 | 9,337 | 394 | | |
| F-3 | 31 | | TOTPLT | 44,948 | 16,352 | 16,420 | 11,561 | 614 | | |
| F-3
F-3 | 32
33 | INTEREST EXPENSE | TOTPLT | 44,940 | 10,302 | 10,420 | 11,301 | 014 | | |
| F-3 | 34 | GRAND TOTAL | | 622,290 | 231,862 | 206,355 | 176,873 | 7,201 | | |
| F-3 | 35 | | | 022,200 | 101,002 | 200,000 | 110,010 | | | |
| F-3 | 36 | CWC REQUIREMENT (GRAND TOTAL x EXPEN | SE LAG) | (2,563,836) | (955,271) | (850,182) | (728,715) | (29,668) | | |
| F-3 | 37 | | | (_,,, | (| (000,000) | (/ _0,/ /0) | (| | |
| F-3 | 38 | LESS: TAX COLLECTIONS AVAILABLE | | (1,012,038) | (394,921) | (323,816) | (281,060) | (12,241) | | |
| F-3 | 39 | | | , , , , | | · · · · · · · · · · · · · · · · · · | -/ | | | |
| F-3 | 40 | NET CASH WORKING CAPITAL REQUIREMENT | - | (3,575,874) | (1,350,192) | (1,173,998) | (1,009,775) | (41,908) | | |
| F-3 | 41 | | | | | | | | | |
| F-3 | 42 | | | | | | | | | |
| F-3 | 43 | | | | | | | | | |
| F-3 | 44 | | | | | | | | | |
| F-3 | 45 | | | | | | | | | |
| F-3 | 46 | | | | | BHP COS M | -30-12 CUSTOMER | CLASS - PER BOO | oks cost | OF SERVICE |

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 10 of 35

| | LINE
NO, | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|---|----------------------------|---|--|--|---|---|---|---|---------|---------|
| | | (a) | (b) | (c) | (d) | (e) | (h) | | (j) | (f) |
| F-3
F-3
F-3
F-3
F-3
F-3
F-3
F-3 | 3
4
5
6
7
8 | CASH WORKING CAPITAL (LEAD LAG) CONTINU
LAGILEAD DAYS
REVENUE LAG DAYS
EXPENSE LEAD DAYS
NET DAYS | | 37.96
42.08
(4.12) | | | | | u, | ., |
| F-3 3
F-3 3
F-5 3
F-7 7
F-7 7 | | FICA Taxes (Employee Contribution)
Federal Withholding Tax
South Dakota Sales and Use Tax
Wyoming Sales and Use Tax
TOTAL TAX COLLECTIONS AVAILABLE | SALWAGES
SALWAGES
CLAIMREV
CLAIMREV | (49,056)
(118,455)
(844,528)
0
(1,012,038) | (21,555)
(52,049)
(321,317)
0
(394,921) | (15,199)
(36,700)
(271,918)
0
(323,816) | (11,694)
(28,237)
(241,129)
0
(281,060) | (608)
(1,468)
(10,164)
0
(12,241) | | |
| F-3
F-3
F-3 | 45 | | | | | BHP COS 0 | 8-30-12 CUSTOMER | CLASS - PER BOOK | COST OF | SERVICE |
| | | | | | | | | | | |

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

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Statement O Cost of Service Study Page 11 of 35

| I LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|-------------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| 1 OPE
2 | RATING REVENUES | | | | | | | | |
| | ES REVENUES | | | | | | | | |
| | es of Electricity Revenues | | 138,472,112 | 53,463,066 | 45,981,255 | 37,131,743 | 1,896,049 | | |
| | tract Revenues | DPROD | 50,619,748 | 17,467,285 | 18,333,101 | 14,367,507 | 451,855 | | |
| 6 TOT/ | AL SALES OF ELECTRICITY | | 189,091,860 | 70,930,351 | 64,314,355 | 51,499,250 | 2,347,904 | | |
| 7 | | | • • | | | | -, , , , , , | | |
| 18 OTH | ER OPERATING REVENUES | | | | | | | | |
| 9 Unt | pilled and Cost Adjustment Revenue | SALESREV | 6,604,628 | 2,549,999 | 2,193,143 | 1,771,052 | 90,435 | | |
| 10 Der | nand Side Management Revenue | SREVDSM | (784,521) | (340,470) | (255,505) | (179,995) | (8,551) | | |
| 11 450 | -Forfeited Discounts | OX_904 | 251,449 | 228,476 | 19,359 | 768 | 2,846 | | |
| 12 451 | -Miscellaneous Service Revenues | DISTPLT | 433,078 | 164,872 | 165,950 | 92,526 | 9,730 | | |
| 13 454 | -Rent from Electric Property | TDPLT | 7,987,906 | 3,036,825 | 3,059,935 | 1,713,300 | 177,846 | | |
| | -Other Electric Revenues - Transmission | TRANPLT | 0 | Û | 0 | 0 | Ŭ | | |
| 15 | TOTAL OTHER OPERATING REV | | 14,492,540 | 5,639,701 | 5,182,882 | 3,397,651 | 272,305 | | |
| 16 | | | | | | | | | |
| | AL OPERATING REVENUES | | 203,584,401 | 76,570,052 | 69,497,238 | 54,896,901 | 2,620,209 | | |
| 18 | | | | | | | | | |
| 19 | | | | | | | | | |
| 20 | | | | | | | | | |
| 21 | | | | | | | | | |
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| 46 | | | | | | | | | |

BHP COS 06-30-12 CUSTOMER CLASS - PER BOOKS COST OF SERVICE

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 12 of 35

:-____i

| SCH LIN
No. No | | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | |
|-------------------|---|---------------------|--------------------------|------------------------|---------------------------------------|-------------------------------------|---------------------|--------------------|
| | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) (f) |
| н
Н
Н | 1 2 OPERATION & MAINTENANCE EXPENSE 3 | | | | | | | |
| | 4 | | | | | | | |
| н | 5 PRODUCTION EXPENSE | | | | | | | |
| н | 6 | | | | | | | |
| н | 7 Steam Production Operation | | | | | | | |
| н | 8 500-Supervision & Engineering | SALWAGPO | 1,609,006 | 552,539 | 488,730 | 552,384 | 15,354 | |
| н | 9 501-Fuel | ENEFUEL | 21,214,242 | 7,276,496 | 6,143,194 | 7,588,946 | 205,605 | |
| H 1 | 0 502-Steam Expense | DPROD | 3,275,273 | 1,130,194 | 1,186,215 | 929,627 | 29,237 | |
| H 1 | 1 505-Electric Expense | DPROD | 1,115,594 | 384,956 | 404,038 | 316,641 | 9,958 | |
| н ′ | 12 506-Miscellaneous Steam Power Expense | DPROD | 705,880 | 243,577 | 255,651 | 200,351 | 6,301 | |
| H ' | 13 507-Rent | DPROD | 2,270,818 | 783,588 | 822,429 | 644,531 | 20,270 | |
| H ' | 14 509-Allowances | DPROD | 27 | 9 | 10 | 8 | 0 | |
| H ' | 15 Total Steam Production Operation | | 30,190,839 | 10,371,360 | 9,300,266 | 10,232,488 | 286,726 | |
| H · | 16 | | | | | | | |
| н | 17 Steam Production Maintenance | | | | | | | |
| н | 18 510-Supervision & Engineering | SALWAGPM | 1,538,412 | 530,858 | 557,171 | 436,651 | 13,733 | |
| н | 19 511-Maintenance of Structures | DPROD | 733,660 | 253,163 | 265,712 | 208,236 | 6,549 | |
| н : | 20 512-Maintenance of Boilers | DPROD | 4,251,679 | 1,467,121 | 1,539,843 | 1,206,763 | 37,952 | |
| н : | 21 513-Maintenance of Electric Plant | DPROD | 781,987 | 269,839 | 283,214 | 221,953 | 6,980 | |
| н : | 22 514-Maintanance of Miscellaneous Steam Plant | DPROD | 183,890 | 63,455 | 66,600 | 52,194 | 1,641 | |
| | 23 Total Steam Production Maintenance | | 7,489,627 | 2,584,435 | 2,712,540 | 2,125,796 | 66,856 | |
| | 24 | | | | | | | |
| | 25 Total Steam Production Expense | | 37,680,467 | 12,955,795 | 12,012,806 | 12,358,284 | 353,582 | |
| | 26 | | | | | | | |
| | 27 Other Production Operation | | | | | | | |
| | 28 546-Operation Supervision and Engineering | SALWAGPO | 187,687 | 64,453 | 57,009 | 64,434 | 1,791 | |
| | 29 547-Fuel | ENEFUEL | 1,792,326 | 614,769 | 519,020 | 641,167 | 17,371 | |
| | 30 548-Generation Expense | DPROD | 395,094 | 136,335 | 143,092 | 112,140 | 3,527 | |
| | 31 549-Miscellaneous Other Power Generation | DPROD | 86,807 | 29,955 | 31,439 | 24,639 | 775 | |
| н | 32 550-Rents | DPROD | 105,498 | 36,404 | 38,209 | 29,944 | 942 | |
| | 33 Total Other Production Operation | | 2,567,413 | 881,914 | 788,769 | 872,324 | 24,405 | |
| | 34 | | | | | | | |
| | 35 Other Production Maintenance | | | | | | | |
| | 36 551-Supervision & Engineering | SALWAGPM | 146,209 | 50,452 | 52,953 | 41,499 | 1,305 | |
| | 37 552-Structures | DPROD | 87,882 | 30,325 | 31,828 | 24,944 | 784 | |
| | 38 553-Maintenance of Generating and Electric Plant | DPROD | 1,757,952 | 606,614 | 636,683 | 498,963 | 15,692 | |
| | 39 554-Maintenance of Miscellaneous Other Power | DPROD | 176,711 | 60,977 | 64,000 | 50,156 | 1,577 | |
| | 40 556-System Control and Load Dispatching | DPROD | 1,082,830 | 373,651 | 392,172 | 307,342 | 9,666 | |
| | 41 556-System Control and Load Dispatching | DPROD | 21 | 7 | 8 | 6 | 0 | |
| | 42 Total Other Production Maintenance | | 3,251,605 | 1,122,027 | 1,177,643 | 922,910 | 29,025 | |
| | 43 | | | | · · | | - | |
| | 44 Total Other Production Expense | | 5,819,018 | 2,003,941 | 1,966,412 | 1,795,234 | 53,431 | |
| | 45 | | -,,-,-,- | -,,·· , | · · · · · · · · · · · · · · · · · · · | | • | |
| | 46 | | | | BHP COS 0 | 6-30-12 CUSTOMER | CLASS - PER BOO | KS COST OF SERVICE |

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BHP COS 06-30-12 CUSTOMER CLASS - PER BOOKS COST OF SERVICE

BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 13 of 35

| SCH LIN
No. NC | | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|-------------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| P | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| н 4 | 7 OPERATION & MAINTENANCE EXPENSE CONTIN | NUED | | | | | | | |
| | 8 | | | | | | | | |
| | 9 | | | | | | | | |
| | 0 PRODUCTION EXPENSE (CONT.) | | | | | | | | |
| | | | | | | | | | |
| | 2 Other Power Supply
3 555 - Purchased Power - Energy | ENERGY1 | 35,811,927 | 12,283,510 | 10,370,374 | 12,810,958 | 347,084 | | |
| | 4 555 - Purchased Power - Capacity | DPROD | 6,486,395 | 2,238,251 | 2,349,196 | 1,841,047 | 57,901 | | |
| | 5 Total Other Power Supply | DIROD | 42,298,322 | 14,521,761 | 12,719,571 | 14,652,005 | 404,984 | | |
| | | | 42,200,022 | 14,021,101 | 12,710,071 | 14,002,000 | 101,004 | | |
| | 7 TOTAL PRODUCTION EXPENSE | | 85,797,807 | 29,481,498 | 26,698,789 | 28,805,523 | 811,997 | | |
| H e | 8 | | | , . | | | | | |
| H S | 9 | | | | | | | | |
| H e | 0 TRANSMISSION EXPENSES | | | | | | | | |
| | 1 | | | | | | | | |
| | 2 Operation | 041144070 | 0.40.000 | 25 000 | 00.400 | 40.004 | 0.405 | | |
| | 3 560-Supervision & Engineering
4 561-Load Dispatch | SALWAGTO
TRANPLT | 246,323 | 85,099
0 | 92,429
0 | 66,631
0 | 2,165
0 | | |
| ••• | 4 561-Load Dispatch
5 562-Station Equipment | TRANFLI | 0
0 | 0 | 0 | 0 | 0 | | |
| | 6 563-Overhead Lines | TRANPLT | 44,867 | 15,500 | 16,836 | 12,137 | 394 | | |
| | 565-Transmission of Electricity by Others | TRANPLT | 16,956,354 | 5,858,007 | 6,362,616 | 4,586,728 | 149,002 | | |
| | 8 566-Miscellaneous | TRANPLT | 47,715 | 16,484 | 17,904 | 12,907 | 419 | | |
| H e | 9 567-Rents | TRANPLT | 0 | 0 | 0 | 0 | 0 | | |
| | 70 Total Transmission Operation | | 17,295,258 | 5,975,091 | 6,489,785 | 4,678,402 | 151,980 | | |
| | 71 | | | | | | | | |
| | 72 Maintenance | 04114/4 OTT | _ | | | - | _ | | |
| | 73 568-Maintenance Supervision & Engineering | SALWAGTM | 0 | 0 | 0 | 0 | 0 | | |
| | 569-Maintenance of Structures 570-Maintenance of Station Equipment | TRANPLT | 0
68,262 | ں
23,583 | 0
25,614 | 0
18.465 | 0
600 | | |
| | 5 570-Maintenance of Station Equipment | TRANPLT | 76,592 | 25,565 26,461 | 25,614
28,740 | 20,718 | 673 | | |
| | 7 572-Maintenance of Underground Lines | TRANPLT | 0,002 | 20,401 | 20,740 | 20,710 | 0,5 | | |
| | 573-Maint. of Miscellaneous Transmission Plant | TRANPLT | 0 | 0 | 0 | ő | ŏ | | |
| н | 79 Total Transmission Maintenance | | 144,855 | 50,044 | 54,355 | 39,184 | 1,273 | | |
| н | 30 | | | | | | | | |
| | 31 TOTAL TRANSMISSION EXPENSE | | 17,440,113 | 6,025,135 | 6,544,140 | 4,717,586 | 153,253 | | |
| | 32 | | | | | | | | |
| | 33 | | | | | | | | |
| | 34
35 | | | | | | | | |
| | 36 | | | | | | | | |
| | 37 | | | | | | | | |
| | 38 | | | | | | | | |
| H a | 39 | | | | | | | | |
| | 90 | | | | | | | | |
| | 91 | | | | | | | | |
| H t | 92 | | | | | | | | |

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 14 of 35

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| SCHL
NO.N | .INE | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|--------------|------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| н | 93 | OPERATION & MAINTENANCE EXPENSE CONTIN | UED | | | | | | | |
| н | 94 | | | | | | | | | |
| н | 95 | | | | | | | | | |
| н | | DISTRIBUTION EXPENSES | | | | | | | | |
| Н | 97 | Operation | | | | | | | | |
| н | 98 | 580-Supervision | SALWAGDO | 782,216 | 372,936 | 261,639 | 139,403 | 8,237 | | |
| Ĥ | 99 | 581-Load Dispatch | DISTPLT | 273,604 | 104,161 | 104,842 | 58,455 | 6,147 | | |
| | 100 | 582-Station Equipment | PLT_362 | 371,904 | 128,484 | 139,551 | 100,601 | 3,268 | | |
| | 101 | 583-Overhead Lines | OHDIST | 431,942 | 153,469 | 166,689 | 107,881 | 3,904 | | |
| | 102 | 584-Underground Lines | UGDIST | 304,456 | 112,948 | 122,677 | 65,959 | 2,873 | | |
| | 103 | 585-Street Lighting | PLT_3713 | 85 | 0 | 0 | 00,000 | 85 | | |
| | 104 | 586-Metering | CMETERS | 833,288 | 597,340 | 186,521 | 47,956 | 1,471 | | |
| | 105 | 587-Customer Installations | CMETERS | 27,646 | 19,818 | 6,188 | 1,591 | 49 | | |
| | 106 | 588-Miscellaneous | DISTPLT | 469,586 | 178,770 | 179,940 | 100,326 | 10,550 | | |
| | 107 | 589-Rents | DISTPLT | 18,192 | 6,926 | 6,971 | 3,887 | 409 | | |
| | 108 | Total Distribution Operation | DIGITET | 3,512,920 | 1,674,851 | 1,175,019 | 626,058 | 36,992 | | |
| | 109 | | | 0,012,020 | 1,014,001 | 1,173,013 | 020,000 | 00,002 | | |
| | 110 | Maintenance | | | | | | | | |
| | 111 | | SALWAGDM | 1,469 | 513 | 538 | 343 | 75 | | |
| | | 590-Supervision | DISTPLT | 1,409 | 0 | 0 | 0 | 0 | | |
| | 112 | 591-Structures | | 290,720 | 100,437 | 109,088 | 78,640 | 2,555 | | |
| | 113 | 592-Station Equipment | PLT_362 | | 858,045 | 931,957 | 603,159 | 2,555 | | |
| | 114 | 593-Overhead Lines | OHDIST | 2,414,985 | | | | | | |
| | 115 | 594-Underground Lines | UGDIST | 187,239 | 69,462 | 75,446 | 40,564 | 1,767 | | |
| | 116 | 595-Transformers | PLT_368 | 36,560 | 14,569 | 15,824 | 5,796 | 371 | | |
| | 117 | 596-Street Lighting | PLT_3713 | 132,917 | 0 | 0 | 0 | 132,917 | | |
| | 118 | 597-Metering | CMETERS | 71,085 | 50,957 | 15,911 | 4,091 | 125 | | |
| | 119 | 598-Miscellaneous | DISTPLT | 20,153 | 7,672 | 7,722 | 4,306 | 453 | | |
| | 120
121 | Total Distribution Maintenance | | 3,155,127 | 1,101,654 | 1,156,487 | 736,899 | 160,087 | | |
| Н | | TOTAL DISTRIBUTION EXPENSES | | 6,668,047 | 2,776,506 | 2,331,506 | 1,362,957 | 197,078 | | |
| | | TOTAL OPER & MAINT EXP (PROD,TRAN,& DIST) | | 109,905,967 | 38,283,138 | 35,574,434 | 34,886,066 | 1,162,328 | | |
| | 125 | | | | | | | | | |
| | 126 | | | | | | | | | |
| | 127 | | | | | | | | | |
| | 128 | | | | | | | | | |
| | 129 | | | | | | | | | |
| | 130 | | | | | | | | | |
| | 131 | | | | | | | | | |
| | 132 | | | | | | | | | |
| | 133 | | | | | | | | | |
| | 134 | | | | | | | | | |
| | 135 | | | | | | | | | |
| | 136 | | | | | | | | | |
| | 137 | | | | | | | | | |
| Н | 138 | | | | | | 6-30-12 CUSTOMER | | | |

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BHP COS 06-30-12 CUSTOMER CLASS - PER BOOKS COST OF SERVICE

ExhibicearK - 105 Page 291 of 358

BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

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Statement O Cost of Service Study Page 15 of 35

| SCH LIN
NO. NO. | | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|--------------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| 13 | 9 OPERATION & MAINTENANCE EXPENSE CONTI | | | | | | | | |
| 1 14 | | INDED | | | | | | | |
| 1 14 | - | | | | | | | | |
| | 2 CUSTOMER ACCOUNTS EXPENSES | | | | | | | | |
| 1 14 | | SALWAGCA | 31,985 | 26,100 | 5,493 | 79 | 313 | | |
| 1 14 | • | CMETRDG | 59,755 | 48,498 | 10,975 | 143 | 140 | | |
| i 14
i 14 | | CUSTREC | 1,664,965 | 1,341,162 | 303,511 | 3,979 | 16,313 | | |
| 1 14
I 14 | | | | 255,654 | 21,662 | 3,979
859 | 3,185 | | |
| 1 14 | | EXP_904
CUSTCAM | 281,359 | 639,242 | 144,663 | | 7,776 | | |
| | | CUSICAW | 793,577 | | | 1,896 | | | |
| | | | 2,831,643 | 2,310,656 | 486,304 | 6,956 | 27,727 | | |
| 1 14 | - | | | | | | | | |
| - 15
- 15 | | | | | | | | | |
| | 1 CUSTOMER SERVICE EXPENSES | 0411440000 | | 047 700 | 40.007 | | | | |
| - 15 | | SALWAGCS | 270,371 | 217,789 | 49,287 | 646 | 2,649 | | |
| - 15 | | CUSTASST | 1,120,341 | 902,456 | 204,230 | 2,677 | 10,977 | | |
| - 15 | | CUSTADVT | 11,386 | 9,171 | 2,076 | 27 | 112 | | |
| 1 15 | | CUSTCSM | 62,301 | 50,185 | 11,357 | 149 | 610 | | |
| | 6 TOTAL CUSTOMER SERVICE EXPENSE | | 1,464,398 | 1,179,60 1 | 266,949 | 3,500 | 14,348 | | |
| H 15 | | | | | | | | | |
| | 8 SALES EXPENSES TOTAL | SALESREV | 1,992 | 769 | 662 | 534 | 27 | | |
| H 15 | | | | | | | | | |
| | 0 TOTAL OPER & MAINT EXCL A&G | | 114,204,000 | 41,774,164 | 36,328,349 | 34,897,056 | 1,204,431 | | |
| H 16 | | | | | | | | | |
| | 2 ADMINISTRATIVE & GENERAL EXPENSE | | | | | | | | |
| 1 16 | | SALWAGES | 11,264,237 | 4,949,495 | 3,489,938 | 2,685,161 | 139,643 | | |
| 1 16 | · · · · · · · · · · · · · · · · · · · | SALWAGES | 3,315,974 | 1,457,036 | 1,027,370 | 790,460 | 41,108 | | |
| 1 16 | | SALWAGES | (37,590) | (16,517) | (11,646) | (8,961) | (466) | | |
| H 16 | | SALWAGES | 2,071,098 | 910,038 | 641,677 | 493,707 | 25,675 | | |
| H 16 | | CLAIMREV | 0 | 0 | 0 | 0 | 0 | | |
| H 16 | · · · · · · · · · · · · · · · · · · · | TOTPLT | 775,598 | 282,171 | 283,343 | 199,491 | 10,593 | | |
| H 16 | · · · · · · · · · · · · · · · · · · · | SALWAGES | 1,259,945 | 553,619 | 390,362 | 300,345 | 15,620 | | |
| H 17 | | SALWAGES | 90,017 | 39,554 | 27,890 | 21,458 | 1,116 | | |
| H 17 | 5 , | CLAIMREV | 639,480 | 243,303 | 205,897 | 182,584 | 7,696 | | |
| H 17 | | SALWAGES | 203,615 | 89,468 | 63,085 | 48,538 | 2,524 | | |
| H 17 | | SALWAGES | 1,053,621 | 462,960 | 326,438 | 251,161 | 13,062 | | |
| - 1 7 | 4 931-Rents | GENLPLT | 494,889 | 217,454 | 153,329 | 117,971 | 6,135 | | |
| 1 17 | | GENLPLT | 980,327 | 430,755 | 303,729 | 233,690 | 12,153 | | |
| -1 17 | | | 22,111,212 | 9,619,336 | 6,901,412 | 5,315,605 | 274,859 | | |
| H 17 | | | | | | | | | |
| H 17 | 8 TOTAL OPERATION & MAINTENANCE EXPENSI | ES | 136,315,212 | 51,393,500 | 43,229,760 | 40,212,662 | 1,479,290 | | |
| H 17 | 9 | | | | | | | | |
| H 18 | 0 | | | | | | | | |
| H 18 | 1 | | | | | | | | |
| 11 40 | n | | | | | | | | |

H H H 182 183 184

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 16 of 35

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Construction of the second second

| SCH | LINE | | ALLOCATION | TOTAL
SOUTH | RESIDENTIAL | GENERAL | GS LARGE/
INDUSTRIAL | LIGHTING | | |
|----------|----------|---|--------------------|------------------------|--------------------|--------------------|-------------------------|------------------|-----|-----|
| NO. | NO. | DESCRIPTION | BASIS | DAKOTA | SERVICE | SERVICE | CONTRACT | SERVICE | | |
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| J | | DEPRECIATION/AMORTIZATION EXPENSE | | | | | | | | |
| J | 2
3 | PRODUCTION PLANT EXPENSE | PRODPLT | 11,908,267 | 4,109,169 | 4,312,851 | 3,379,948 | 106,299 | | |
| J | 4
5 | TRANSMISSION PLANT EXPENSE | TRANPLT | 82,778 | 28,598 | 31,061 | 22,392 | 727 | | |
| J | 6 | DISTRIBUTION PLANT EXPENSE | | | | | | | | |
| J | 8 | 360-Land & Land Rights | PLT_360 | 0 | 0 | 0 | 0 | 0 | | |
| J | 9 | 361-Structures & Improvements | PLT_361 | 6,781 | 2,343 | 2,545 | 1,834 | 60 | | |
| -1
-1 | 10
11 | 362-Station Equipment
364-Poles, Towers & Fixtures | PLT_362
PLT_364 | 1,457,194
1,623,151 | 503,425
578,755 | 546,790
628,609 | 394,174
401,066 | 12,805
14,721 | | |
| J | 12 | 365-Overhead Conductors & Devices | PLT_365 | 996,293 | 351,934 | 382,250 | 253,158 | 8,952 | | |
| J | 13 | 366-Underground Conduit | PLT_366 | 96,663 | 35,477
385,466 | 38,533
418,670 | 21,750
224,071 | 902
9,805 | | |
| J | 14
15 | 367-Underground Conductors & Devices
368-Line Transformers | PLT_367
PLT_368 | 1,038,011
857,553 | 341,733 | 371,170 | 135,958 | 8,692 | | |
| J | 16 | 369-Services | PLT_369 | 732,803 | 398,035 | 269,060 | 65,708 | 0 | | |
| J | 17
18 | 370-Meters
371-Installation on Customer Premises | PLT_370
PLT_371 | 77,660
53,987 | 55,670
0 | 17,383
0 | 4,469
0 | 137
53,987 | | |
| J | 19 | 373-Street Lighting & Signal Systems | PLT_373 | 44,462 | 0 | 0 | 0 | 44,462 | | |
| J | 20 | Distribution Plant Annualization | DISTPLT | 350,778 | 133,540 | 134,414 | 74,943 | 7,881 | | |
| J | 21
22 | TOTAL DISTRIBUTION PLANT EXPENSE | | 7,335,335 | 2,786,378 | 2,809,423 | 1,577,131 | 162,403 | | |
| Ĵ | 23 | GENERAL PLANT EXPENSE | GENLPLT | 1,593,945 | 700,378 | 493,843 | 379,964 | 19,760 | | |
| J | 24
25 | OTHER UTILITY DEPRECIATION EXPENSE | SALWAGES | 1,775,685 | 780,234 | 550,151 | 423,287 | 22,013 | | |
| Ĵ | 26 | | | | | | | | | |
| J | 27
28 | TOTAL DEPRECIATION EXPENSE | | 22,696,010 | 8,404,757 | 8,197,330 | 5,782,721 | 311,202 | | |
| J | 29 | | SALWAGES | 88,365 | 38,827 | 27,378 | 21,064 | 1,095 | | |
| J
J | 30
31 | TOTAL DEPRECIATION/AMORTIZATION EXPEN | ISE | 22,784,375 | 8,443,585 | 8,224,707 | 5,803,785 | 312,298 | | |
| Ĵ | 32 | | | , - , | -, , | • • • | , , | | | |

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33 34 35 36 37 38 39 40 41 42 43 44 5

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 17 of 35

| SCH
NO. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------|-------------------------|-------------------------|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (t) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| L | 1 OTHER C | PERATING EXPENSES | | | | | | | | |
| L | 2 | | | | | | | | | |
| L | | THER THAN INCOME TAXES | | | | | | | | |
| L | 4 Federal
5 FICA T | | SALWAGES | 2,512,919 | 1,104,174 | 778,564 | 599,028 | 31,153 | | |
| L
I | | ax
loyment Tax | SALWAGES | 19,743 | 8,675 | 6,117 | 4,706 | 245 | | |
| ī. | 7 Offering | ioyment rax | SALWAGES | 10,740 | 0,070 | 0,117 | 4,700 | 240 | | |
| Ë | 8 State Ta | xes | | | | | | | | |
| L | 9 Unemp | loyment Tax | SALWAGES | 84,144 | 36,973 | 26,070 | 20,058 | 1,043 | | |
| L | | a Electric Energy Tax | CLAIMREV | 0 | 0 | 0 | 0 | 0 | | |
| L | | ng Franchise Taxes | CLAIMREV | 0 | 0 | 0 | 0 | 0 | | |
| L | | Dakota PUC Tax | CLAIMREV | 216,138 | 82,234 | 69,591 | 61,712 | 2,601 | | |
| L | | ng Sales Tax | CLAIMREV | 0 | 0 | 0 | 0 | 0 | | |
| L | 14
15 Local Ta | | | | | | | | | |
| L
1 | 16 Proper | | TOTPLT | 3,720,016 | 1,353,382 | 1,359,004 | 956,821 | 50,808 | | |
| L | 17 | , y | 101121 | 01/201010 | 1,000,002 | 1,000,004 | 000,021 | 00,000 | | |
| Ĺ | 18 TOIT - F | Payroll Loading & Other | SALWAGES | (2,815,520) | (1,237,137) | (872,317) | (671,162) | (34,904) | | |
| L
I | 19
20 TOTAL T | AXES OTHER THAN INCOME | | 3,737,440 | 1,348,301 | 1,367,029 | 971,164 | 50,946 | | |
| L | 21 | | | 0,707,440 | 1,040,001 | 1,001,020 | 011,104 | 00,040 | | |
| Ľ | 22 | | | | | | | | | |
| L | 23 | | | | | | | | | |
| L | 24 | | | | | | | | | |
| L | 25 | | | | | | | | | |
| L | 26 | | | | | | | | | |
| | 27
28 | | | | | | | | | |
| 1 | 29 | | | | | | | | | |
| Ľ | 30 | | | | | | | | | |
| L | 31 | | | | | | | | | |
| L | 32 | | | | | | | | | |
| L | 33 | | | | | | | | | |
| L | 34 | | | | | | | | | |
| L | 35 | | | | | | | | | |
| L
1 | 36
37 | | | | | | | | | |
| L,
Î | 38 | | | | | | | | | |
| L | 39 | | | | | | | | | |
| L | 40 | | | | | | | | | |
| L | 41 | | | | | | | | | |
| L | 42 | | | | | | | | | |
| L | 43 | | | | | | | | | |
| L | 44 | | | | | | | | | |
| ц
1 | 45
46 | | | | | | | | | |
| L | 40 | | | | | | -30-17 CUISTOMED | | | |

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

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and a second second

| | | | | TOTAL | | | GS LARGE/ | | | |
|--------|----------|-----------------------------------|---------------|-----------------------------|-------------------------|------------------------|---------------------|-------------------|-----|-----|
| | LINE | | ALLOCATION | SOUTH | RESIDENTIAL | GENERAL | | | | |
| NO. | NO. | DESCRIPTION | BASIS | DAKOTA | SERVICE | SERVICE | CONTRACT | SERVICE | (7) | |
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| к | 1 | DEVELOPMENT OF INCOME TAXES | | | | | | | | |
| ĸ | 2 | | | | | | | | | |
| K | 3 | TOTAL OPERATING REVENUES | SCH I, LN 17 | 203,584,401 | 76,570,052 | 69,497,238 | 54,896,901 | 2,620,209 | | |
| к
К | 4 | LESS: | | | | | | | | |
| ĸ | 5 | OPERATION & MAINTAINENCE EXPENSE | SCH H, LN 178 | 136,315,212 | 51,393,500 | 43,229,760 | 40,212,662 | 1,479,290 | | |
| ĸ | 7 | DEPRECIATION EXPENSE | SCH J, LN 27 | 22,696,010 | 8,404,757 | 8,197,330 | 5,782,721 | 311,202 | | |
| ĸ | 8 | AMORTIZATION EXPENSE | SCH J, LN 29 | 88,365 | 38,827 | 27,378 | 21,064 | 1,095 | | |
| к | 9 | TAXES OTHER THAN INCOME TAXES | SCH L, LN 20 | 3,737,440 | 1,348,301 | 1,367,029 | 971,164 | 50,946 | | |
| к | 10 | MT STATE INCOME TAXES | CLAIMREV | 0 | 0 | 0 | 0 | 0 | | |
| к
к | 11 | NET OPERATING INCOME BEFORE TAXES | | 40,747,374 | 15,384,666 | 16,675,741 | 7,909,291 | 777,675 | | |
| ĸ | 13 | | TOTPLT | (445,773) | (162,177) | (162,851) | (114,657) | (6,088) | | |
| ĸ | 14 | | 101111 | 14,031,269 | 5,123,954 | 5,117,218 | 3,605,070 | 185,027 | | |
| ĸ | | Subtotaj | | 27,161,877 | 10,422,889 | 11,721,374 | 4,418,878 | 598,736 | | |
| ĸ | 16 | _ | | , | ·-, , ··· | | | , | | |
| ĸ | | Tax Adjustments: | | | | | | | | |
| к | 18 | Permanent - Salaries & Wages | SALWAGES | 314,051 | 137,994 | 97,301 | 74,863 | 3,893 | | |
| к | 19 | | TOTPLT | (316,292) | (115,070) | (115,548) | (81,353) | (4,320) | | |
| к | 20 | | SALWAGES | (4,254,857) | (1,869,580) | (1,318,259) | (1,014,270) | (52,747) | | |
| ĸ | 21 | | TOTPLT | (34,731,864) | (12,635,826) | (12,688,320) | (8,933,345) | (474,373) | | |
| ĸ | 22 | | CUST | (29,001) | (23,361)
(1,551,043) | (5,287)
(1,312,584) | (69)
(1,163,964) | (284)
(49,064) | | |
| ĸ | 23
24 | | CLAIMREV | (4,076,654)
(43,094,617) | (16,056,886) | (15,342,697) | (11,118,138) | (576,895) | | |
| к
к | 24
25 | | | (40,004,017) | (10,000,000) | (10,042,007) | (11,110,100) | (010,000) | | |
| ĸ | | TAXABLE INCOME (NOL) | | (15,932,740) | (5,633,997) | (3,621,324) | (6,699,260) | 21,842 | | |
| к | 27 | | | | | | | | | |
| к | | Federal Income Tax @ 35% | | (5,576,459) | (1,971,899) | (1,267,463) | (2,344,741) | 7,645 | | |
| ĸ | 29 | | | | | 4 676 868 | 0 504 000 | 400 444 | | |
| ĸ | 30 | Other Tax Adjustments | TOTPLT | 13,626,598 | 4,957,503 | 4,978,098 | 3,504,883 | 186,114 | | |
| ĸ | 31
32 | TOTAL FEDERAL INCOME TAX | | 8,050,139 | 2,985,604 | 3,710,635 | 1,160,142 | 193,759 | | |
| ĸ | 33 | | | 5,555,100 | _ ,,- u , | -, | ·,···,·· | | | |
| ĸ | 34 | | | 8,050,139 | 2,985,604 | 3,710,635 | 1,160,142 | 193,759 | | |
| к | 35 | | | | | | | | | |
| к | 36 | | | | | | | | | |
| к | 37 | | | | | | | | | |

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- 38 39 40 41 42 43 44 45 46

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

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| SCH I
NO. I | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|----------------|----------|----------------------------|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|----------|------------|
| | | (a) | (b) | (c) | · (d) | (e) | (h) | (i) | (i) | (f) |
| к | 47 | | | | | | | | | |
| ĸ | 48 | | | | | | | | | |
| K | 49 | | | | | | | | | |
| к
к | 50
51 | | | | | | | | | |
| ĸ | 52 | | | | | | | | | |
| к | 53 | | | | | | | | | |
| к
К | 54 | TAX RATES | | | | | | | | |
| ĸ | | STATE TAX RATE | | 0.00% | | | | | | |
| к | 57 | FEDERAL TAX RATE - CURRENT | | 35.00% | | | | | | |
| к | 58 | | | | | | | | | |
| ĸ | 59
60 | | | | | | | | | |
| ĸ | 61 | | | | | | | | | |
| к | | WEIGHTED COST OF DEBT | | 3.35% |) | | | | | |
| K
K | 63
64 | | | | | | | | | |
| ĸ | 65 | | | | | | | | | |
| к | 66 | | | | | | | | | |
| K | 67 | | | | | | | | | |
| K
K | 68
69 | | | | | | | | | |
| ĸ | 70 | | | | | | | | | |
| к | 71 | | | | | | | | | |
| к
к | 72
73 | | | | | | | | | |
| ĸ | 74 | | | | | | | | | |
| к | 75 | | | | | | | | | |
| к
к | 76
77 | | | | | | | | | |
| ĸ | 78 | | | | | | | | | |
| к | 79 | | | | | | | | | |
| K
K | 80 | | | | | | | | | |
| ĸ | 81
82 | | | | | | | | | |
| ĸ | 83 | | | | | | | | | |
| ĸ | 84 | | | | | | | | | |
| к
к | 85
86 | | | | | | | | | |
| ĸ | 87 | | | | | | | | | |
| к | 88 | | | | | | | | | |
| к
к | 89
90 | | | | | | | | | |
| ĸ | 90 | | | | | | | | | |
| к | 92 | | | | | | | | | |
| | | | | | | BHP COS | 06-30-12 CUSTOME | R CLASS - PER BO | OKS COST | OF SERVICE |
| | | | | | | | | | | |

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

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· _____ '

| SCH | | | ALLOCATION | TOTAL
SOUTH | RESIDENTIAL | GENERAL | GS LARGE/
INDUSTRIAL | LIGHTING | | |
|-------------|----|---|--------------|----------------|-------------|-----------------|-------------------------|--------------|-----|-----|
| NO. | | DESCRIPTION | BASIS | DAKOTA | SERVICE | SERVICE | CONTRACT | SERVICE | | |
| ta | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| H -1 | 1 | DEVELOPMENT OF SALARIES & WAGES ALLOC | ATION FACTOR | | | | | | | |
| H-1 | 2 | | | | | | | | | |
| H-1 | | PRODUCTION SALARIES & WAGES EXPENSE | | | | | | | | |
| H-1 | 4 | Operation | OX PROD | 3,704,819 | 1,272,250 | 1,125,324 | 1,271,891 | 35,353 | | |
| H-1 | 5 | Maintenance | MX_PROD | 2,881,357 | 994,266 | 1,043,549 | 817,821 | 25,720 | | |
| H-1 | 6 | TOTAL PRODUCTION | | 6,586,176 | 2,266,516 | 2,168,874 | 2,089,713 | 61,073 | | |
| H-1 | 7 | | | | | • • | | | | |
| H-1 | 8 | TRANSMISSION SALARIES & WAGES EXPENSE | | | | | | | | |
| H-1 | 9 | Operation | OX_TRAN | 236,196 | 81,600 | 88,629 | 63,891 | 2,076 | | |
| H-1 | 10 | Maintenance | MX_TRAN | 61,019 | 21,081 | 22,896 | 16,506 | 536 | | |
| H-1 | 11 | TOTAL TRANSMISSION | | 297,215 | 102,681 | 111,525 | 80,397 | 2,612 | | |
| H-1 | 12 | | | | | | | | | |
| H-1 | 13 | DISTRIBUTION SALARIES & WAGES EXPENSE | | | | | | | | |
| H-1 | 14 | Operation | OX_DIST | 1,803,754 | 859,974 | 603,329 | 321,457 | 18,994 | | |
| H-1 | 15 | | MX_DIST | 772,397 | 269,693 | 283,116 | 180,398 | 39,190 | | |
| H-1 | | TOTAL DISTRIBUTION | | 2,576,151 | 1,129,667 | 886,445 | 501,856 | 58,184 | | |
| H-1 | 17 | | | | | | | | | |
| H- 1 | | CUSTOMER ACCOUNTS SAL & WAGES EXP | OX_CA | 1,009,419 | 823,699 | 173,357 | 2,480 | 9,884 | | |
| H-1 | 19 | | | 757 | 040 540 | 100 470 | | 7 460 | | |
| H -1 | | CUSTOMER SERVICE SAL & WAGES EXP | ox_cs | 757,920 | 610,519 | 138,163 | 1,811 | 7,426 | | |
| H-1 | 21 | | | | | | | | | |
| H-1 | | ADMINISTRATIVE & GENERAL SALARIES & WAG | | 100 750 | 45 4 40 | 04 004 | 0.4 400 | 4 074 | | |
| H-1 | 23 | | SALWAGXAG | 102,750 | 45,148 | 31,834
4,102 | 24,493 | 1,274
164 | | |
| H-1 | 24 | | SALWAGXAG | 13,241 | 5,818 | | 3,156 | 1,438 | | |
| H-1 | | TOTAL ADMINISTRATIVE & GENERAL | | 115,991 | 50,966 | 35,937 | 27,650 | 1,438 | | |
| H-1 | 26 | | | 11,342,872 | 4,984,047 | 3,514,301 | 2,703,906 | 140,617 | | |
| H-1
H-1 | 27 | | | 11,342,072 | 4,804,047 | 3,014,301 | 2,103,800 | 140,017 | | |
| | 28 | | | | | | | | | |
| H-1 | 29 | | | | | | | | | |

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 21 of 35

| SCH
NO. | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|----------------------------------|---|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----------|------------|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| AF
AF
AF | | ALLOCATION FACTOR TABLE | | | | ., | ., | v | | |
| AF
AF
AF
AF
AF | 4
5
6
6
6
6 | Demand Production (A&E) | DPROD | 1.0000 | 0.3451 | 0.36217 | 0.28383 | 0.0089 | | |
| AF
AF
AF
AF
AF
AF | 9
10
11
12
13
15
16
17
18 | · | i) DTRAN | 395,339 | 136,580 | 148,345 | 106,940 | 3,474 | | |
| AF | 19 | | | | | | | | | |
| AF
AF | | DEMAND - DISTRIBUTION RELATED (Calculated M
Demand Distribution Primary Substation | DDISPSUB | 395,339 | 136,580 | 148,345 | 106,940 | 3,474 | | |
| AF | | Demand Distribution Primary Overhead Lines | DDISTPOL | 395,339 | 136,580 | 148,345 | 106,940 | 3,474 | | |
| AF | | Demand Distribution Primary Underground Lines | DDISTPUL | 395,339 | 136,580 | 148,345 | 106,940 | 3,474 | | |
| AF | 24 | | | , | · , | , | | -, | | |
| AF | 25 | Demand Distribution Secondary Overhead Lines | DDISTSOL | 342,737 | 136,580 | 148,345 | 54,338 | 3,474 | | |
| AF | | Demand Distribution Secondary Underground Lines | DDISTSUL | 342,737 | 136,580 | 148,345 | 54,338 | 3,474 | | |
| AF | | Demand Distribution Overhead Line Transformers | DDISTSOT | 342,737 | 136,580 | 148,345 | 54,338 | 3,474 | | |
| AF | | Demand Distribution Undergrnd Line Transformers | DDISTSUT | 342,737 | 136,580 | 148,345 | 54,338 | 3,474 | | |
| AF | 29 | | | | | | | | | |
| AF | 30 | | N | | | | | | | |
| AF | 31 | | | | | | | | | |
| AF
AF | 32
33 | | | | | | | | | |
| AF | 34 | | | | | | | | | |
| AF | 35 | | | | | | | | | |
| AF | 36 | | | | | | | | | |
| AF | 37 | | | | | | | | | |
| AF | 38 | | | | | | | | | |
| AF | 39 | | | | | | | | | |
| AF | 40 | | | | | | | | | |
| AF | 41 | | | | | | | | | |
| AF | 42 | | | | | | | | | |
| AF | 43 | | | | | | | | | |
| AF | 44 | | | | | | | | | |
| AF
AF | 45 | | | | | | | | | |
| Ar | 46 | | | | | BHP COS 06 | -30-12 CUSTOMER | CLASS - PER BOD | ка совт с | OF SERVICE |

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 22 of 35

| SCH L
NO. N | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|----------------|---------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | <u></u> | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| AF | 47 AL | LLOCATION FACTOR TABLE CONTINUED | | | | | | | | |
| AF | 48 | | | | | | | | | |
| ٩F | | NERGY | | | | | | | | |
| ٩F | | nergy @ Generation with losses (kWh) | ENEFUEL | 1,575,166,528 | 540,282,965 | 456,134,813 | 563,482,467 | 15,266,283 | | |
| ١ | | nergy @ Generation with losses(kWh) | ENERGY1 | 1,575,166,528 | 540,282,965 | 456,134,813 | 563,482,467 | 15,266,283 | | |
| ٨F | | nergy @ Meter (kWh Sales) | ENERGY2 | 1,455,583,600 | 495,446,720 | 419,125,988 | 525,983,250 | 14,027,642 | | |
| ٩F | 53 | 3, C | | ., | | | ,, | | | |
| ٩F | 54 | | | | | | | | | |
| ٩F | 55 | | | | | | | | | |
| AF | 56 | | | | | | | | | |
| AF | 57 | | | | | | | | | |
| AF | 58 | | | | | | | | | |
| AF | 59 | | | | | | | | | |
| 4F | 60 | | | | | | | | | |
| AF | | USTOMER | | | | | | | | |
| AF | 62 | <u>ooromen</u> | | | | | | | | |
| AF | | ustomer Dist. Primary Substation | CDISPSUB | 65,012 | 52,369 | 11,851 | 154 | 637 | | |
| ۹F | | ustomer Dist. Primary Overhead Lines | CDISTPOL | 64,375 | 52,369 | 11,851 | 154 | 0 | | |
| -\F
\F | | ustomer Dist. Primary Underground Lines | CDISTPUL | 64,375 | 52,369 | 11,851 | 154 | ő | | |
| | | ustomer Dist. Primary Underground Lines | CDISTFUL | 04,375 | 52,565 | 1,001 | 104 | Ū | | |
| AF | 66 | | | | | | | | | |
| AF | 67 | | | | | | | | | |
| AF | 68 | | | | | | | | | |
| AF | 69 | | | | | | | | | |
| AF | 70 | | | | | | | | | |
| AF | 71 | | | 605,996 | 329,158 | 222,500 | 54,338 | 0 | | |
| AF | | 69-Services | CSERVICE | | | 3,166,440 | 814,117 | 24,966 | | |
| AF | | 70-Meters | CMETERS | 14,146,138 | 10,140,616 | 3,166,440 | 014,117 | 24,900 | | |
| AF | 74 | | | 77 4 000 | | 440.040 | 4 950 | 1.812 | | |
| AF | | 02-Meter Reading | CMETRDG | 774,309 | 628,429 | 142,216 | 1,852 | | | |
| AF | | 03-Customer Records and Collections | CUSTREC | 780,153 | 628,429 | 142,216 | 1,864 | 7,644 | | |
| AF | | 05-Miscellaneous Customer Accounts | CUSTCAM | 65,013 | 52,369 | 11,851 | 155 | 637 | | |
| AF | | 08-Customer Assistance | CUSTASST | 65,013 | 52,369 | 11,851 | 155 | 637
637 | | |
| AF | | 09-Advertisement | CUSTADVT | 65,013 | 52,369 | 11,851 | 155 | | | |
| AF | | 10-Miscellaneous Customer Service | CUSTCSM | 65,013 | 52,369 | 11,851 | 155 | 637 | | |
| AF | 81 | | | | | | | | | |
| AF | 82 | | | | | | | | | |
| AF | 83 | | | | - | _ | - | 4== | | |
| AF | | 71-Installation on Customer Premises | CUSTPREM | 126 | 0 | 0 | 0 | 126 | | |
| AF | | 73-Street Lighting & Signal Systems | CLIGHT | 4,248,144 | 0 | 0 | 0 | 4,248,144 | | |
| AF | 86 | | | | | | | | | |
| AF | | lumber of Bills | CUSTBILLS | 780,153 | 628,429 | 142,216 | 1,864 | 7,644 | | |
| AF | 88 N | lumber of Customers | CUST | 65,013 | 52,369 | 11,851 | 155 | 637 | | |
| AF | 89 | | | | | | | | | |
| AF | 90 | | | | | | | | | |
| AF | 91 | | | | | | | | | |

AF AF

91 92

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 $\mathcal{F}_{i} = \mathcal{F}_{i}$

BHP COS 06-30-12 CUSTOMER CLASS - PER BOOKS COST OF SEPVICE

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 23 of 35

| | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|-----|-------------|--|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| NO. | NO. | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| | | (a) | (6) | (C) | (0) | (e) | (11) | (1) | U) | U) |
| AF | 93 | ALLOCATION FACTOR TABLE CONTINUED | | | | | | | | |
| AF | 94 | INTERNALLY DEVELOPED ALLOCATION FAC | TORS | | | | | | | |
| AF | 95 | | | | | | | | | |
| AF | 96 | Plant | | | | | | | | |
| AF | 97 | Prod, Trans, and Distr Plant in Service | PTDPLT | 725,598,983 | 259,666,110 | 268,318,814 | 187,609,784 | 10,004,275 | | |
| AF | 98 | Distribution Plant Excl Not Classified | DISTPLTXNC | 247,782,678 | 94,330,344 | 94,947,452 | 52,938,097 | 5,566,784 | | |
| AF | 99 | Rate Base | RATEBASE | 419,222,711 | 153,092,194 | 152,890,957 | 107,711,363 | 5,528,198 | | |
| AF | 100 | Total Electric Plant In Service | TOTPLT | 788,110,937 | 286,723,245 | 287,914,394 | 202,709,169 | 10,764,130 | | |
| AF | 101 | Production Plant In Service | PRODPLT | 461,147,508 | 159,127,519 | 167,015,127 | 130,888,447 | 4,116,414 | | |
| AF | 102 | Transmission Plant in Service | TRANPLT | 3,904,640 | 1,348,958 | 1,465,157 | 1,056,213 | 34,312 | | |
| AF | 103 | Distribution Plant in Service | DISTPLT | 260,546,835 | 99,189,632 | 99,838,529 | 55,665,125 | 5,853,549 | | |
| AF | 104 | Total Transmission and Distribution Plant | TDPLT | 264,451,475 | 100,538,590 | 101,303,687 | 56,721,338 | 5,887,861 | | |
| AF | 105 | General Plant in Service | GENLPLT | 36,537,446 | 16,054,520 | 11,320,200 | 8,709,772 | 452,954 | | |
| AF | 106 | | | | | . , | • • | , | | |
| AF | 107 | Account 360 | PLT_360 | 1,552,057 | 536,198 | 582,386 | 419,835 | 13,639 | | |
| AF | 108 | Account 361 | PLT_361 | 246,766 | 85,252 | 92,595 | 66,751 | 2,168 | | |
| AF | 109 | Account 362 | PLT 362 | 45,100,101 | 15,580,987 | 16,923,133 | 12,199,669 | 396,312 | | |
| AF | | Account 364 | PLT 364 | 59,063,449 | 21,059,818 | 22,873,911 | 14,594,050 | 535,670 | | |
| AF | | Account 365 | PLT_365 | 36,253,256 | 12,806,224 | 13,909,352 | 9,211,945 | 325,735 | | |
| AF | | Account 366 | PLT_366 | 3,517,373 | 1,290,941 | 1,402,143 | 791,453 | 32,836 | | |
| AF | | Account 367 | PLT_367 | 37,771,301 | 14,026,393 | 15,234,627 | 8,153,511 | 356,770 | | |
| AF | | Account 368 | PLT_368 | 31,204,759 | 12,435,033 | 13,506,187 | 4,947,246 | 316,293 | | |
| AF | | Account 369 | PLT 369 | 26,665,348 | 14,483,764 | 9,790,576 | 2,391,008 | 0 | | |
| AF | | Account 370 | PLT_370 | 2,825,893 | 2,025,733 | 632,542 | 162,631 | 4,987 | | |
| AF | | Account 371 | PLT_371 | 1,964,488 | 2,020,000 | 002,012 | 102,001 | 1,964,488 | | |
| AF | | Account 373 | PLT_373 | 1,617,886 | - | ů. | õ | 1,617,886 | | |
| AF | | Distribution Overhead Plant in Service | OHDIST | 95,316,705 | 33,866,042 | 36,783,263 | 23,805,995 | 861,405 | | |
| AF | | Distribution Underground Plant in Service | UGDIST | 41,288,674 | 15,317,335 | 16,636,770 | 8,944,963 | 389,606 | | |
| AF | | Account 371&373 | PLT_3713 | 3,582,374 | 0,011,000 | 10,000,770 | 0,044,000 | 3,582,374 | | |
| AF | 122 | | 1 21_01 10 | 0,002,014 | v | J | Ŭ | 0,002,014 | | |
| AF | | Other Customer Class | DPLTOTH | 3,035,340 | 0 | 3,035,340 | 0 | 0 | | |
| AF | | Residential Regular Sales Revenue | DPLTRESR | 32,621,709 | 32,621,709 | 0,000,010 | ů | 0 | | |
| AF | | Residential Electric Sales Revenue | DPLTRESE | 8,104,922 | 8,104,922 | ů
0 | 0 | ů | | |
| AF | | Residential Demand Sales Revenue | DPLTRESD | 8,456,746 | 8,456,746 | 0 | 0 | 0 | | |
| AF | | GS Regular Sales Revenue | DPLTGSR | 43,081,009 | 0,100,110 | 43,081,009 | 0
N | ů | | |
| AF | | GS Total Electric Sales Revenue | DPLTGSE | 5,095,870 | 0 | 5,095,870 | 0 | õ | | |
| AF | | GSL Secondary | DPLTGSLS | 18,735,633 | Ö | 0,000,010 | 18,735,633 | 0 | | |
| AF | | GSL Primary | DPLTGSLP | 3,627,324 | 0 | 0 | 3,627,324 | 0 | | |
| AF | 131 | | | 0,021,024 | 0 | v | 0,021,024 | 0 | | |
| AF | 132 | | - | | | | | | | |
| AF | 133 | | | | | | | | | |
| AF | | Total O&M less Fuel and Purchased Power | OMXFPP | 101,199,170 | 39,351,065 | 33,147,580 | 27,562,498 | 1,138,028 | | |
| AF | | Supervised O&M Expense excluding CUS | OMXFPPT | 48,880,918 | 19,354,212 | 16,939,593 | 12,011,052 | 576,061 | | |
| AF | 136 | Supervised Odial Expense excluding ODD | 0.0001111 | 40,000,910 | 13,004,212 | 10,000,000 | 12,011,002 | 0,001 | | |
| AF | 137 | | | | | | | | | |
| AF | 138 | | | | | | | | | |

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AF 138

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 24 of 35

| SCH I
NO. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|--------------|-----|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|---------|-----------|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | Ű | (f) |
| AF | 139 | ALLOCATION FACTOR TABLE CONTINUED | | | | | | | | |
| AF | | INTERNALLY DEVELOPED ALLOCATION FACT | ORS | | | | | | | |
| AF | 141 | Production Expense | | | | | | | | |
| AF | 142 | Account 500 | OX_500 | 1,609,006 | 552,539 | 488,730 | 552,384 | 15,354 | | |
| AF | 143 | Account 501 | OX_501 | 21,214,242 | 7,276,496 | 6, 14 3,194 | 7,588,946 | 205,605 | | |
| AF | 144 | Account 502 | OX_502 | 3,275,273 | 1,130,194 | 1,186,215 | 929,627 | 29,237 | | |
| AF | | Account 505 | OX_505 | 1,115,594 | 384,956 | 404,038 | 316,641 | 9,958 | | |
| AF | | Account 506 | OX_506 | 705,880 | 243,577 | 255,651 | 200,351 | 6,301 | | |
| AF | | Account 510 | MX_510 | 1,538,412 | 530,858 | 557,171 | 436,651 | 13,733 | | |
| AF | | Account 511 | MX_511 | 733,660 | 253,163 | 265,712 | 208,236 | 6,549 | | |
| AF | | Account 512 | MX_512 | 4,251,679 | 1,467,121 | 1,539,843 | 1,206,763 | 37,952 | | |
| AF | | Account 513 | MX_513 | 781,987 | 269,839 | 283,214 | 221,953 | 6,980 | | |
| AF | | Account 514 | MX_514 | 183,890 | 63,455 | 66,600 | 52,194 | 1,641 | | |
| AF | | Account 546 | OX_546 | 187,687 | 64,453 | 57,009 | 64,434 | 1,791 | | |
| AF | | Account 547 | OX_547 | 1,792,326 | 614,769 | 519,020 | 641,167 | 17,371 | | |
| AF
AF | | Account 548
Account 549 | OX_547 | 395,094
86,807 | 136,335
29,955 | 143,092
31,439 | 112,140
24,639 | 3,527
775 | | |
| AF | | Account 549
Account 551 | OX_549 | 146,209 | 29,955
50,452 | 52,953 | 24,639
41,499 | 1,305 | | |
| AF | | Account 552 | MX_551 | 87.882 | 30,325 | 31,828 | 24,944 | 784 | | |
| AF | | Account 553 | MX_552
MX_553 | 1,757,952 | 606,614 | 636,683 | 498,963 | 15,692 | | |
| AF | | Account 554 | MX_554 | 176,711 | 60,977 | 64,000 | 50,156 | 1,577 | | |
| AF | | Account 556 | OX 556 | 1,082,851 | 373,658 | 392,179 | 307,348 | 9,666 | | |
| AF | | Account 555 | OX_555 | 42,298,322 | 14,521,761 | 12,719,571 | 14,652,005 | 404,984 | | |
| AF | | Account 557 | OX_557 | 42,230,322 | 0 | 12,112,011 | 14,002,000 | 0 | | |
| AF | | O&M Expense Production Operation | OX_PROD | 28,585,216 | 9,816,281 | 8,682,649 | 9,813,511 | 272,774 | | |
| AF | | O&M Expense Production Maintenance | MX PROD | 16,546,218 | 5,709,580 | 5,992,592 | 4,696,347 | 147,699 | | |
| AF | | Salaries and Wages Production Operation | SALWAGPO | 3,704,819 | 1,272,250 | 1,125,324 | 1,271,891 | 35,353 | | |
| AF | | Salaries and Wages Production Maintenance | SALWAGPM | 2,881,357 | 994,266 | 1,043,549 | 817,821 | 25,720 | | |
| AF | | Transmission Expense | 0/12/1/10/11 | 2,001,027 | | .,, | , | | | |
| AF | | Account 560 | OX_560 | 246,323 | 85,099 | 92,429 | 66,631 | 2,165 | | |
| AF | | Account 561 | OX_561 | 0 | Ö | 0 | 0 | 0 | | |
| AF | | Account 562 | OX 562 | 0 | 0 | 0 | 0 | 0 | | |
| AF | | Account 563 | OX_563 | 44,867 | 15,500 | 16,836 | 12,137 | 394 | | |
| AF | 172 | Account 565 | OX_565 | 16,956,354 | 5,858,007 | 6,362,616 | 4,586,728 | 149,002 | | |
| AF | 173 | Account 566 | OX_566 | 47,715 | 16,484 | 17,904 | 12,907 | 419 | | |
| AF | 174 | Account 567 | OX_567 | 0 | 0 | 0 | 0 | 0 | | |
| AF | 175 | Account 568 | MX_568 | 0 | 0 | Û | 0 | 0 | | |
| AF | 176 | Account 569 | MX_569 | 0 | 0 | 0 | 0 | 0 | | |
| AF | 177 | Account 570 | MX_570 | 68,262 | 23,583 | 25,614 | 18,465 | 600 | | |
| AF | 178 | Account 571 | MX_571 | 76,592 | 26,461 | 28,740 | 20,718 | 673 | | |
| AF | | Account 573 | MX_573 | 0 | 0 | 0 | 0 | 0 | | |
| AF | | O&M Accounts 561-567 | OX_TRAN | 17,048,935 | 5,889,992 | 6,397,356 | 4,611,772 | 149,816 | | |
| AF | | O&M Accounts 569-573 | MX_TRAN | 144,855 | 50,044 | 54,355 | 39,184 | 1,273 | | |
| AF | | Salaries & Wages Accounts 561-567 | SALWAGTO | 236,196 | 81,600 | 88,629 | 63,891 | 2,076 | | |
| AF | | Salaries & Wages Accounts 569-573 | SALWAGTM | 61,019 | 21,081 | 22,896 | 16,506 | 536 | | |
| AF | 184 | | | | <u> </u> | BHP COS 0 | 6-30-12 CUSTOMER | CLASS - PER BOC | KS COST | OF SERVIC |
| | | | | | | | | | | · |
| | | | | | | | | | | |
| | | | | | | | | | | |

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 25 of 35

| SCH
NO. | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------|-------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | 110. | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| . F" | 405 | | | | | | | | - | |
| AF | | ALLOCATION FACTOR TABLE CONTINUED | TODA | | | | | | | |
| AF | | INTERNALLY DEVELOPED ALLOCATION FAC | TURS | | | | | | | |
| AF | | Distribution Expense | 07 590 | 790.046 | 372,936 | 064 690 | 490.409 | 8,237 | | |
| AF
AF | | Account 580
Account 581 | OX_580
OX_581 | 782,216
273,604 | 104,161 | 261,639
104,842 | 139,403
58,455 | 6,237
6,147 | | |
| AF | | Account 582 | OX_581
OX_582 | 371,904 | 128,484 | 139,551 | 100,601 | 3,268 | | |
| AF | | Account 583 | OX_582
OX_583 | 431,942 | 153,469 | 166,689 | 107,881 | 3,208 | | |
| AF | | Account 584 | OX_584 | 304,456 | 112,948 | 122,677 | 65,959 | 2,873 | | |
| AF | | Account 585 | OX_585 | 85 | 0 | 122,011 | 00,808 | 2,075 | | |
| AF | | Account 586 | OX_586 | 833,288 | 597,340 | 186,521 | 47,956 | 1,471 | | |
| AF | | Account 587 | OX_587 | 27,646 | 19,818 | 6,188 | 1,591 | 49 | | |
| AF | | Account 588 | OX_588 | 469,586 | 178,770 | 179,940 | 100,326 | 10,550 | | |
| AF | | Account 589 | OX_589 | 18,192 | 6,926 | 6,971 | 3,887 | 409 | | |
| AF | | Account 590 | MX_590 | 1,469 | 513 | 538 | 343 | 75 | | |
| AF | | Account 592 | MX_592 | 290,720 | 100,437 | 109,088 | 78,640 | 2,555 | | |
| AF | | Account 593 | MX_593 | 2,414,985 | 858,045 | 931,957 | 603,159 | 21,825 | | |
| AF | | Account 594 | MX_594 | 187,239 | 69,462 | 75,446 | 40,564 | 1,767 | | |
| AF | | Account 595 | MX_595 | 36,560 | 14,569 | 15,824 | 5,796 | 371 | | |
| AF | | Account 596 | MX_596 | 132,917 | . 0 | 0 | 0 | 132,917 | | |
| AF | | Account 597 | MX_597 | 71,085 | 50,957 | 15,911 | 4,091 | 125 | | |
| AF | | Account 598 | MX 598 | 20,153 | 7,672 | 7,722 | 4,306 | 453 | | |
| AF | | O&M Accounts 581-589 | OX_DIST | 2,730,705 | 1,301,915 | 913,380 | 486,655 | 28,755 | | |
| AF | | O&M Accounts 591-598 | MX_DIST | 3,153,659 | 1,101,142 | 1,155,948 | 736,556 | 160,012 | | |
| AF | 208 | Salaries & Wages Accounts 581-589 | SALWAGDO | 1,803,754 | 859,974 | 603 329 | 321,457 | 18,994 | | |
| AF | | Salaries & Wages Accounts 591-598 | SALWAGDM | 772,397 | 269,693 | 283,116 | 180,398 | 39,190 | | |
| AF | 210 | • | | | | | | | | |
| AF | 211 | Account 902 | OX_902 | 59,755 | 48,498 | 10,975 | 143 | 140 | | |
| AF | 212 | Account 903 | OX_903 | 1,664,965 | 1,341,162 | 303,511 | 3,979 | 16,313 | | |
| AF | 213 | Account 904 | OX_904 | 281,359 | 255,654 | 21,662 | 859 | 3,185 | | |
| AF | 214 | O&M Accounts 902-905 | OX_CA | 2,799,657 | 2,284,555 | 480,811 | 6,878 | 27,414 | | |
| AF | 215 | Salaries & Wages Accounts 902-905 | SALWAGCA | 1,009,419 | 823,699 | 173,357 | 2,480 | 9,884 | | |
| AF | 216 | | | | | | | | | |
| AF | 217 | Account908 | OX_908 | 1,120,341 | 902,456 | 204,230 | 2,677 | 10,977 | | |
| AF | 218 | Account909 | OX_909 | 11,386 | 9,171 | 2,076 | 27 | 112 | | |
| AF | 219 | Account910 | OX_910 | 62,301 | 50,185 | 11,357 | 149 | 610 | | |
| AF | | O&M Accounts 908-910 | ox_cs | 1,194,027 | 961,812 | 217,662 | 2,853 | 11,699 | | |
| AF | 221 | · · · · · · · · · · · · · · · · · · · | SALWAGCS | 757,920 | 610,519 | 138,163 | 1,811 | 7,426 | | |
| AF | 222 | | | | | | | | | |
| AF | 223 | • | SALWAGXAG | 11,226,881 | 4,933,081 | 3,478,364 | 2,676,256 | 139,180 | | |
| AF | 224 | Total Salaries and Wages Expense | SALWAGES | 11,342,872 | 4,984,047 | 3,514,301 | 2,703,906 | 140,617 | | |
| AF | 225 | | | | | | | | | |
| AF | 226 | | | | | | | | | |
| AF | 227 | | | | | | | | | |
| AF | 228 | | | | | | | | | |
| AF | 229 | | | | | | | | | |
| AF | 230 | | | | | | 6-30-12 CUSTOMER | | | |

- 227 228 229 230

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 26 of 35

| | LINE | | ALLOCATION | TOTAL
SOUTH | RESIDENTIAL | GENERAL | GS LARGE/
INDUSTRIAL | LIGHTING | | |
|----------|------------|--|----------------|----------------|--|-------------|-------------------------|-----------------|---------|--------------|
| NO. | NU. | DESCRIPTION | BASIS | | SERVICE | SERVICE | CONTRACT | SERVICE | | (6) |
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| AF
AF | 231
232 | REVENUES AND BILLING DETERMINANTS | | | | | | | | |
| AF | | Base Rate Sales Revenue | SALESREV | 138,472,112 | 53,463,066 | 45,981,255 | 37,131,743 | 1,896,049 | | |
| AF | | Other Sales Revenue | SREVOTH | 1,855,833 | 00,100,000 | 1,855,833 | 01,101,148 | 1,000,010 | | |
| AF | | Residential Regular Sales Revenue | SREVRESR | 38,615,013 | 38,615,013 | 0 | 0 | ů | | |
| AF | | Residential Total Electric Sales Revenue | SREVRESE | 7,838,265 | 7,838,265 | ō | 0 | Ū | | |
| AF | | Residential Total Electric Demand Sales Rev | SREVRESED | 7,009,788 | 7,009,788 | Ō | D | 0 | | |
| AF | | GS Regular Sales Revenue | SREVSGSR | 38,063,784 | 0 | 38,063,784 | Ū | Ū. | | |
| AF | | GS Total Electric Sales Revenue | SREVSGSE | 3,818,597 | 0 | 3,818,597 | 0 | 0 | | |
| AF | | GS Total Other Sales Revenue | SREVSGSO | 2,243,040 | 0 | 2,243,040 | 0 | 0 | | |
| AF | | GSL Secondary | SREVGSLS | 20,384,869 | 0 | 0 | 20,384,869 | 0 | | |
| AF | | GSL Primary | SREVGSLP | 5,294,759 | 0 | 0 | 5 294,759 | 0 | | |
| AF | | GSL Other | SREVGSLO | 1,509,732 | 0 | 0 | 1,509,732 | 0 | | |
| AF | | Traffic Signals & Flashers | SREVTSF | 69,524 | 0 | 0 | 0 | 69,524 | | |
| AF | | Private Area Lighting Leased | SREVPAL | 572,230 | 0 | 0 | 0 | 572,230 | | |
| AF | | Street Lighting Leased | SREVSL | 757,866 | 0 | 0 | 0 | 757,866 | | |
| AF | | Street Lighting Energy & Maint Cust Owned | SREVSLEM | 415,313 | 0 | 0 | 0 | 415,313 | | |
| AF | 248 | | SREVSLSR | 81,116 | O | 0 | 0 | 81,116 | | |
| AF | 249 | | | | | | 0 | | | |
| AF | | Claimed Rate Sales Revenue | CLAIMREV | 143,248,208 | 54,501,571 | 46,122,460 | 40,900,146 | 1,724,031 | | |
| AF | 251 | | | | | | | | | |
| AF | 252 | PRESENT REVENUES FROM SALES INPUT | | | | | | | | |
| AF | 253 | | | | | | | | | |
| AF | 254 | Total Sales of Electricity Revenues | | 138,472,112 | 53,463,066 | 45,981,255 | 37,131,743 | 1,896,049 | | |
| AF | 255 | | | | | | | | | |
| AF | 256 | Sales of Electricity Revenues | | 138,472,112 | 53,463,066 | 45,981,255 | 37,131,743 | 1,896,049 | | |
| AF | 257 | · · | | | | | | | | |
| AF | 258 | | | | | | | | | |
| AF | 259 | | | | | | | | | |
| AF | 260 | BILLING DETERMINATE INPUTS | | | | | | | | |
| AF | 261 | Number of Customer Bills | SCH AF, LN 87 | 780,153 | 628,429 | 142,216 | 1,864 | 7,644 | | |
| AF | 262 | Annual kWh Sales @ Meter | SCH AF, LN 52 | 1,455,583,600 | 496,446,720 | 419,125,988 | 525,983,250 | 14,027,642 | | |
| AF | 263 | Annual kW - Billed | | 3,320,546 | 417,090 | 1,570,707 | 1,332,749 | 0 | | |
| AF | 264 | | | | | | | | | |
| AF | 265 | | | | | | | | | |
| AF | 266 | RATE OF RETURN | | | | | | | | |
| AF | 267 | Rate of Return (Equalized) | SCH AF, LN 267 | 8.54% | 8.54% | 8,54% | 8.54% | 8.54% | | |
| AF | 268 | | | | | | | | | |
| AF | 269 | | | | | | | | | |
| AF | | PROPOSED REVENUES FROM SALES INPUT | | | | | | | | |
| AF | | Annual kWh Sales - Proposed | SCH AF, LN 262 | 1,455,583,600 | 496,446,720 | 419,125,988 | 525,983,250 | 14,027,642 | | |
| AF | | Sales of Electricity Revenues - Proposed Total | | 143,248,208 | 54,501,571 | 46,122,460 | 40,900,146 | 1,724,031 | | |
| AF | | Sales of Electricity Revenues - Proposed | | 143,248,208 | 54,501,571 | 46,122,460 | 40,900,146 | 1,724,031 | | |
| AF | | Credit | | 0 | 0 | 0 | 0 | 0 | | |
| AF | | i Credit | DPROD | 0 | 0 | 0 | 0 | 0 | | |
| AF | 276 | i | | | | BU | | | | |
| | 2 | | | | and the second sec | BHP COS 0 | 6-30-12 CUSTOMER | CLASS - PER BOO | JKS COS | T OF SEPVICE |

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

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Statement O Cost of Service Study Page 27 of 35

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| SCH
NO. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------|----------|---|----------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| AP | 1 | ALLOCATION PROPORTIONS TABLE | | | | | | | | |
| AP | | DEMAND | | | | | | | | |
| AP | 3 | BEMAND | | | | | | | , | |
| AP | | DEMAND - PRODUCTION RELATED | | | | | | | | |
| AP | | Demand Production (A&E) | DPROD | 1,00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | 6 | · · · · · · · · · · · · · · · · · · · | | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | 6 | | | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | 6 | | | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | 6 | | | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | | DEMAND - TRANSMISSION RELATED | | | | | | | | |
| AP | | Demand Transmission (Calculated Maximum Demand | I) DTRAN | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | 11 | | | | | | | | | |
| AP
AP | 12
13 | | | | | | | | | |
| AP | 15 | | | | | | | | | |
| AP | 16 | | | | | | | | | |
| AP | 17 | | | | | | | | | |
| AP | 18 | | | | | | | | | |
| AP | 19 | | | | | | | | | |
| AP | 20 | DEMAND - DISTRIBUTION RELATED (Calculated M | a | | | | | | | |
| AP | 21 | Demand Distribution Primary Substation | DDISPSUB | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | | Demand Distribution Primary Overhead Lines | DDISTPOL | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | | Demand Distribution Primary Underground Lines | DDISTPUL | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | 24 | | | | | | | | | |
| AP | | Demand Distribution Secondary Overhead Lines | DDISTSOL | 1.00000 | 0.39850 | 0.43282 | 0.15854 | 0.01014 | | |
| AP | | Demand Distribution Secondary Underground Lines | DDISTSUL | 1.00000 | 0.39850 | 0.43282
0.43282 | 0.15854
0.15854 | 0.01014
0.01014 | | |
| AP | | Demand Distribution Overhead Line Transformers
Demand Distribution Undergrnd Line Transformers | DDISTSOT
DDISTSUT | 1.00000
1.00000 | 0.39850
0.39850 | 0.43282 | 0.15854 | 0.01014 | | |
| AP
AP | 28
29 | | DDISTSUT | 1.00000 | 0.39690 | 0.43282 | 0.15654 | 0.01014 | | |
| AP | 30 | | | | | | | | | |
| AP | 31 | | | | | | | | | |
| AP | 32 | | | | | | | | | |
| AP | 33 | | | | | | | | | |
| AP | 34 | | | | | | | | | |
| AP | 35 | | | | | | | | | |
| AP | 36 | | | | | | | | | |
| AP | 37 | | | | | | | | | |
| AP | 38 | | | | | | | | | |
| AP | 39 | | | | | | | | | |
| AP | 40 | | | | | | | | | |

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 28 of 35

| SCHL
NO.N | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|--------------|--------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|----|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | Ú) | (f) |
| ٩P | 47 AL | LLOCATION PROPORTIONS TABLE CONTINUE |)
) | | | | | | | |
| ΑP | 48 | | | | | | | | | |
| ΑP | | NERGY | ; | | | | | | | |
| AP | | nergy @ Generation with losses (kWh) | ENEFUEL | 1.00000 | 0.34300 | 0.28958 | 0.35773 | 0.00969 | | |
| AP | | nergy @ Generation with losses(kWh) | ENERGY1 | 1.00000 | 0.34300 | 0,28958 | 0.35773 | 0.00969 | | |
| AP | | nergy @ Meter (kWh Sales) | ENERGY2 | 1.00000 | 0.34106 | 0.28794 | 0.36136 | 0.00964 | | |
| AP | 53 | , C | | | | | | | | |
| AP | 54 | | | | | | | | | |
| AP | 55 | | | | | | | | | |
| AP | 56 | | | | | | | | | |
| AP | 57 | | | | | | | | | |
| AΡ | 58 | | | | | | | | | |
| AP | 59 | | | | | | | | | |
| ٩P | 60 | | | | | | | | | |
| ٩P | 61 <u>CI</u> | USTOMER | | | | | | | | |
| AP | 62 | | | | | | | | | |
| AP | | ustomer Dist. Primary Substation | CDISPSUB | 1.00000 | 0.80553 | 0.18230 | 0.00237 | 0.00980 | | |
| AP | | ustomer Dist. Primary Overhead Lines | CDISTPOL | 1.00000 | 0.81350 | 0.18410 | 0.00240 | 0.00000 | | |
| AP | | ustomer Dist. Primary Underground Lines | CDISTPUL | 1.00000 | 0.81350 | 0.18410 | 0.00240 | 0.00000 | | |
| AP | 66 | | | | | | | | | |
| AP | 67 | | | | | | | | | |
| AP | 68 | | | | | | | | | |
| AP | 69 | | | | | | | | | |
| AP | 70 | | | | | | | | | |
| AP | 71 | | | 4 6 6 6 6 6 | 9 5 4 9 4 7 | 0.00740 | 0.00007 | 0.00000 | | |
| AP | | 69-Services | CSERVICE | 1.00000 | 0.54317 | 0.36716 | 0.08967 | 0.00000 | | |
| AP | | 70-Meters | CMETERS | 1.00000 | 0.71685 | 0,22384 | 0.05755 | 0.00176 | | |
| AP | 74 | | | 4 00000 | 0.04400 | a 40007 | 0.00000 | 0.00234 | | |
| AP | | 02-Meter Reading | CMETRDG | 1.00000 | 0.81160
0.80552 | 0.18367
0.18229 | 0.00239
0.00239 | 0.00980 | | |
| AP | | 03-Customer Records and Collections | CUSTREC | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | | 05-Miscellaneous Customer Accounts | CUSTCAM
CUSTASST | 1.00000
1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | | 08-Customer Assistance | | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP
AP | | 09-Advertisement | CUSTADVT
CUSTCSM | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP
AP | | 10-Miscellaneous Customer Service | CUSTCOM | 1.00000 | 0.00002 | 0.10229 | 0.00238 | 0.0000 | | |
| AP
AP | 81
82 | | | 0.00000 | 0.00000 | 0,0000 | 0.00000 | 0.00000 | | |
| AP
AP | 82
83 | | | 0.0000 | 0.00000 | | 0.00000 | 0.00000 | | |
| AP | | 71-Installation on Customer Premises | CUSTPREM | 1.00000 | 0.00000 | 0,00000 | 0.00000 | 1.00000 | | |
| AP | | 73-Street Lighting & Signal Systems | CLIGHT | 1.00000 | 0.00000 | 0,00000 | 0.00000 | 1.00000 | | |
| AP | 86
86 | ra-oneer Lighting & orginal oystems | olion | 1.00000 | 0.00000 | 0,0000 | 0.00000 | | | |
| AP | | lumber of Bills | CUSTBILLS | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP
AP | | lumber of Customers | CUST | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| | | | 2001 | 1.00000 | 0.00002 | 0.10220 | 0.00200 | | | |
| AP | 89 | | | | | | | | | |

- AP AP AP
- 90 91 92



BHP CQS 06-30-12 CUSTOMER CLASS - PER BOOKS COST OF SERVICE

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Exhibit and - 105 Page 305 of 358

BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 29 of 35

| SCH 1
NO. 1 | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHT I NG
SERVICE | | |
|----------------|-----|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|------------------------------|-----|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| AP
AP | 94 | ALLOCATION PROPORTIONS TABLE CONTI
INTERNALLY DEVELOPED ALLOCATION FAC | | | | | | | | |
| AP
AP | 95 | Diant | | | | | | | | |
| AP | | Plant
Prod, Trans, and Distr Plant in Service | PTDPLT | 1.00000 | 0.35786 | 0,36979 | 0.25856 | 0,01379 | | |
| AP | | Distribution Plant Excl Not Classified | DISTPLTXNC | 1.00000 | 0.38070 | 0.38319 | 0.21365 | 0.02247 | | |
| AP | | Rate Base | RATEBASE | 1.00000 | 0.36518 | 0.36470 | 0.25693 | 0.01319 | | |
| AP | | Total Electric Plant In Service | TOTPLT | 1.00000 | 0.36381 | 0.36532 | 0.25721 | 0.01366 | | |
| AP | | Production Plant In Service | PRODPLT | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | | Transmission Plant in Service | TRANPLT | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| | | Distribution Plant in Service | DISTPLT | 1.00000 | 0.38070 | 0.38319 | 0.21365 | 0.02247 | | |
| | | Total Transmission and Distribution Plant | TOPLT | 1.00000 | 0.38018 | 0.38307 | 0.21449 | 0.02226 | | |
| | | General Plant in Service | GENLPLT | 1.00000 | 0.43940 | 0.30982 | 0.23838 | 0.01240 | | |
| AP | 106 | | GENER ET | 1.00000 | 0,40040 | 0,00002 | 0.20000 | 0.01240 | | |
| AP | | Account 360 | PLT_360 | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | | Account 361 | PLT_361 | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | | Account 362 | PLT_362 | 1,00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | | Account 364 | PLT_364 | 1.00000 | 0.35656 | 0.38728 | 0.24709 | 0,00907 | | |
| | | Account 365 | PLT_365 | 1.00000 | 0.35324 | 0.38367 | 0.25410 | 0.00898 | | |
| AP | | Account 366 | PLT_366 | 1,00000 | 0.36702 | 0,39863 | 0.22501 | 0,00934 | | |
| AP | | Account 367 | PLT_367 | 1.00000 | 0.37135 | 0.40334 | 0.21587 | 0.00945 | | |
| AP | | Account 368 | PLT_368 | 1,00000 | 0.39850 | 0,43282 | 0,15854 | 0,01014 | | |
| AP | | Account 369 | PLT_369 | 1.00000 | 0.54317 | 0.36716 | 0.08967 | 0.00000 | | |
| AP | | Account 370 | PLT_370 | 1.00000 | 0.71685 | 0.22384 | 0.05755 | 0.00176 | | |
| AP | | Account 371 | PLT 371 | 1,00000 | 0.00000 | 0.00000 | 0,00000 | 1.00000 | | |
| AP | | Account 373 | PLT_373 | 1.00000 | 0.00000 | 0.00000 | 0.00000 | 1.00000 | | |
| AP | | Distribution Overhead Plant in Service | OHDIST | 1.00000 | 0.35530 | 0.38591 | 0.24976 | 0.00904 | | |
| AP | | Distribution Underground Plant in Service | UGDIST | 1.00000 | 0.37098 | 0.40294 | 0.21664 | 0.00944 | | |
| AP | | Account 371&373 | PLT_3713 | 1.00000 | 0.00000 | 0.00000 | 0.00000 | 1.00000 | | |
| AP | 122 | | = | | | | | | | |
| AP | 123 | Other Customer Class | DPLTOTH | 1.00000 | 0.00000 | 1.00000 | 0.00000 | 0.00000 | | |
| AP | | Residential Regular Sales Revenue | DPLTRESR | 1.00000 | 1.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | | Residential Electric Sales Revenue | DPLTRESE | 1.00000 | 1.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | 126 | Residential Demand Sales Revenue | DPLTRESD | 1.00000 | 1.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | 127 | GS Regular Sales Revenue | DPLTGSR | 1,00000 | 0.00000 | 1.00000 | 0.00000 | 0.00000 | | |
| AP | | GS Total Electric Sales Revenue | DPLTGSE | 1.00000 | 0.00000 | 1.00000 | 0.00000 | 0.00000 | | |
| AP | 129 | GSL Secondary | DPLTGSLS | 1.00000 | 0.00000 | 0.00000 | 1.00000 | 0.00000 | | |
| AP | 130 | GSL Primary | DPLTGSLP | 1.00000 | 0.00000 | 0.00000 | 1.00000 | 0.00000 | | |
| AP | 131 | - | | | | | | | | |
| AP | 132 | | | | | | | | | |
| AP | 133 | | | | | | | | | |
| AP | 134 | Total O&M less Fuel and Purchased Power | OMXFPP | 1,00000 | 0,38885 | 0.32755 | 0,27236 | 0.01125 | | |
| AP | 135 | Supervised O&M Expense excluding CUS | OMXFPPT | | | | | | | |
| AP | 136 | · · · · · | | | | | | | | |
| ΔÞ | 137 | | | | | | | | | |

- AP 137 AP 138

BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 30 of 35

| SCH | | | ALLOCATION | TOTAL
SOUTH | RESIDENTIAL | GENERAL | GS LARGE/
INDUSTRIAL | LIGHTING | | |
|----------|----------------|---|------------|----------------|-------------|---------|-------------------------|----------|---|-----|
| NO, | | DESCRIPTION | BASIS | DAKOTA | SERVICE | SERVICE | CONTRACT | SERVICE | | |
| <u> </u> | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | Û | (f) |
| AP | 139 ALL | LOCATION PROPORTIONS TABLE CONTINU | JED | | | | | | | |
| AP | 140 <u>INT</u> | ERNALLY DEVELOPED ALLOCATION FACT | TORS | | | | | | | |
| AP | 141 Pro | oduction Expense | | | | | | | | |
| AP | 142 Acc | count 500 | OX_500 | 1.00000 | 0.34340 | 0.30375 | 0.34331 | 0.00954 | | |
| AP | 143 Acc | count 501 | OX_501 | 1.00000 | 0.34300 | 0.28958 | 0.35773 | 0.00969 | | |
| AP | 144 Acc | count 502 | OX_502 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | 145 Acc | count 505 | OX_505 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | 146 Acc | count 506 | OX_506 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | 147 Acc | count 510 | MX_510 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | | count 511 | MX_511 | 1,00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | | count 512 | MX_512 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | | count 513 | MX_513 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | | count 514 | MX_514 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | | count 546 | OX_546 | 1.00000 | 0.34340 | 0.30375 | 0.34331 | 0.00954 | | |
| AP | | count 547 | OX_547 | 1.00000 | 0.34300 | 0,28958 | 0.35773 | 0.00969 | | |
| AP | | count 548 | OX_547 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | | count 549 | OX_549 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | | count 551 | MX_551 | 1.00000 | 0,34507 | 0,36217 | 0.28383 | 0.00893 | | |
| AP | | count 552 | MX_552 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | | count 553 | MX 553 | 1.00000 | 0.34507 | 0,36217 | 0.28383 | 0.00893 | | |
| AP | | count 554 | MX_554 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | | count 556 | OX_556 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | | count 555 | OX_555 | 1.00000 | 0.34332 | 0.30071 | 0.34640 | 0.00957 | | |
| AP | | count 557 | OX_557 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | | | OX_980D | 1.00000 | 0.34340 | 0,30375 | 0.34331 | 0.00954 | | |
| AP | | M Expense Production Operation | MX_PROD | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| | | M Expense Production Maintenance | SALWAGPO | 1.00000 | 0.34340 | 0.30375 | 0.34331 | 0.00954 | | |
| AP | | laries and Wages Production Operation | SALWAGPO | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP
AP | | Iaries and Wages Production Maintenance | SALWAGPIN | 1.00000 | 0.34507 | 0.30217 | 0.20303 | 0.00000 | | |
| | | ansmission Expense | OX FRO | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | | count 560 | OX_560 | | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | | count 561 | OX_561 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | | count 562 | OX_562 | 0.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | | count 563 | OX_563 | 1.00000 | | 0.37523 | | 0.00879 | | |
| AP | | count 565 | OX_565 | 1,00000 | 0.34548 | | 0.27050
0.27050 | 0.00879 | | |
| AP | | count 566 | OX_566 | 1.00000 | 0.34548 | 0.37523 | | | | |
| AP | | count 567 | OX_567 | 0.00000 | 0.00000 | 0,00000 | 0.00000 | 0.00000 | | |
| AP | | count 568 | MX_568 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | | count 569 | MX_569 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | | count 570 | MX_570 | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | | count 571 | MX_571 | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | | count 573 | MX_573 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | | M Accounts 561-567 | OX_TRAN | 1.00000 | 0.34548 | 0,37523 | 0.27050 | 0.00879 | | |
| AP | | M Accounts 569-573 | MX_TRAN | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | | laries & Wages Accounts 561-567 | SALWAGTO | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | 183 Sa | alaries & Wages Accounts 569-573 | SALWAGTM | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | 184 | | | | | | 6-30-42 CLISTOMES | | | |

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BHP COS 06-30-12 CUSTOMER CLASS - PER BOOKS COST OF SERVICE

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

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Statement O Cost of Service Study Page 31 of 35

| SCH
NO. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------|-----|--|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| AP | 185 | ALLOCATION PROPORTIONS TABLE CONTIN | UED | | | | | | | |
| AP | | INTERNALLY DEVELOPED ALLOCATION FAC | | | | | | | | |
| AP | | Distribution Expense | | | | | | | | |
| AP | | Account 580 | OX 580 | 1.00000 | 0.47677 | 0.33449 | 0.17822 | 0.01053 | | |
| AP | | Account 581 | OX_581 | 1.00000 | 0.38070 | 0.38319 | 0,21365 | 0.02247 | | |
| AP | | Account 582 | OX_582 | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | | Account 583 | OX 583 | 1.00000 | 0.35530 | 0.38591 | 0.24976 | 0.00904 | | |
| AP | | Account 584 | OX 584 | 1.00000 | 0.37098 | 0.40294 | 0.21664 | 0.00944 | | |
| AP | | Account 585 | OX_585 | 1.00000 | 0.00000 | 0.00000 | 0.00000 | 1.00000 | | |
| AP | | Account 586 | OX_586 | 1.00000 | 0.71685 | 0,22384 | 0.05755 | 0,00176 | | |
| AP | | Account 587 | OX_587 | 1.00000 | 0.71685 | 0.22384 | 0.05755 | 0.00176 | | |
| AP | | Account 588 | OX_588 | 1.00000 | 0.38070 | 0.38319 | 0.21365 | 0.02247 | | |
| AP | | Account 589 | OX_589 | 1,00000 | 0.38070 | 0.38319 | 0.21365 | 0.02247 | | |
| AP | | Account 590 | MX_590 | 1.00000 | 0.34916 | 0.36654 | 0.23356 | 0.05074 | | |
| AP | | Account 592 | MX 592 | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | | Account 593 | MX_593 | 1.00000 | 0.35530 | 0.38591 | 0.24976 | 0.00904 | | |
| AP | | Account 594 | MX_594 | 1.00000 | 0.37098 | 0.40294 | 0.21664 | 0.00944 | | |
| AP | | Account 595 | MX_595 | 1.00000 | 0,39850 | 0.43282 | 0.15854 | 0.01014 | | |
| AP | | Account 596 | MX_596 | 1.00000 | 0.00000 | 0.00000 | 0.00000 | 1.00000 | | |
| AP | | Account 597 | MX_597 | 1.00000 | 0.71685 | 0.22384 | 0.05755 | 0.00176 | | |
| AP | | Account 598 | MX_598 | 1.00000 | 0.38070 | 0.38319 | 0.21365 | 0.02247 | | |
| AP | | O&M Accounts 581-589 | OX_DIST | 1.00000 | 0.47677 | 0.33449 | 0.17822 | 0.01053 | | |
| AP | | O&M Accounts 591-598 | MX DIST | 1,00000 | 0,34916 | 0.36654 | 0.23356 | 0,05074 | | |
| AP | | Salaries & Wages Accounts 581-589 | SALWAGDO | 1.00000 | 0.47677 | 0.33449 | 0.17822 | 0.01053 | | |
| AP | | Salaries & Wages Accounts 591-598 | SALWAGDM | 1.00000 | 0,34916 | 0.36654 | 0.23356 | 0,05074 | | |
| AP | 210 | | | | -1 | 0.00001 | 0.20000 | | | |
| AP | | Account 902 | OX_902 | 1.00000 | 0.81160 | 0.18367 | 0.00239 | 0,00234 | | |
| AP | | Account 903 | OX_903 | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | | Account 904 | OX_904 | 1.00000 | 0.90864 | 0.07699 | 0.00305 | 0.01132 | | |
| AP | | O&M Accounts 902-905 | OX_CA | 1.00000 | 0.81601 | 0.17174 | 0,00246 | 0.00979 | | |
| AP | | Salaries & Wages Accounts 902-905 | SALWAGCA | 1.00000 | 0.81601 | 0.17174 | 0.00246 | 0.00979 | | |
| AP | 216 | | | | | | | | | |
| AP | | Account908 | OX 908 | 1.00000 | 0,80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | | Account909 | OX 909 | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | | Account910 | OX 910 | 1,00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | | O&M Accounts 908-910 | OX_CS | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | | Salaries & Wages Accounts 908-910 | SALWAGCS | 1,00000 | 0,80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | 222 | | | | | | | | | |
| AP | | Salaries & Wages Excluding Admin & Gen | SALWAGXAG | 1.00000 | 0,43940 | 0.30982 | 0,23838 | 0.01240 | | |
| AP | 224 | s s s | SALWAGES | 1.00000 | 0.43940 | 0.30982 | 0.23838 | 0.01240 | | |
| AP | 225 | | | | | | 20000 | | | |
| AP | 226 | | | | | | | | | |
| 10 | 007 | | | | | | | | | |

AP AP AP AP 227 228 229 230

Exhibit CJK - 105 Page 308 of 358

BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 32 of 35

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| ROU | 1 1610- | | | TOTAL | DEOIDENTAL | | GS LARGE/ | | | |
|------|-------------|--|---------------------|-----------------|------------------------|--------------------|------------------------|---------------------|-----|-----|
| | LINE
NO, | DESCRIPTION | ALLOCATION
BASIS | SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
| 100. | NO. | (a) | (b) | | (d) | (e) | | | (3) | /8 |
| | | (a) · | (4) | (c) | (u) | (e) | (h) | (i) | (i) | (f) |
| AP | 231 | REVENUES AND BILLING DETERMINANTS | | | | | | | | |
| AP | 232 | | | | | | | | | |
| AP | 233 | Base Rate Sales Revenue | SALESREV | 1.00000 | 0.38609 | 0.33206 | 0.26815 | 0.01369 | | |
| AP | 234 | Other Sales Revenue | SREVOTH | 1.00000 | 0.00000 | 1.00000 | 0.00000 | 0.00000 | | |
| AP | 235 | Residential Regular Sales Revenue | SREVRESR | 1.00000 | 1.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | 236 | Residential Total Electric Sales Revenue | SREVRESE | 1.00000 | 1.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | 237 | Residential Total Electric Demand Sales Rev | SREVRESED | 1.00000 | 1.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | 238 | GS Regular Sales Revenue | SREVSGSR | 1,00000 | 0.00000 | 1.00000 | 0.00000 | 0.00000 | | |
| AP | 239 | GS Total Electric Sales Revenue | SREVSGSE | 1.00000 | 0.00000 | 1.00000 | 0.00000 | 0.0000 | | |
| AP | 240 | GS Total Other Sales Revenue | SREVSGSO | 1.00000 | 0.00000 | 1.00000 | 0.00000 | 0.00000 | | |
| AP | 241 | GSL Secondary | SREVGSLS | 1.00000 | 0.00000 | 0.00000 | 1.00000 | 0.00000 | | |
| AP | 242 | GSL Primary | SREVGSLP | 1.00000 | 0.00000 | 0.00000 | 1.00000 | 0.00000 | | |
| AP | 243 | GSL Other | SREVGSLO | 1.00000 | 0.00000 | 0.00000 | 1,00000 | 0.00000 | | |
| AP | 244 | Traffic Signals & Flashers | SREVTSF | 1.00000 | 0.00000 | 0.00000 | 0.00000 | 1.00000 | | |
| AP | 245 | Private Area Lighting Leased | SREVPAL | 1,00000 | 0.00000 | 0.00000 | 0,00000 | 1.00000 | | |
| AP | 246 | Street Lighting Leased | SREVSL | 1.00000 | 0.00000 | 0.00000 | 0.00000 | 1.00000 | | |
| AP | 247 | Street Lighting Energy & Maint Cust Owned | SREVSLEM | 1.00000 | 0.00000 | 0.00000 | 0.00000 | 1.00000 | | |
| AP | 248 | Street Lighting Non-Metered Services/Rentals | SREVSLSR | 1.00000 | 0.00000 | 0.00000 | 0.00000 | 1.00000 | | |
| AP | 249 | | | | | | | | | |
| AP | 250 | Claimed Rate Sales Revenue | CLAIMREV | 1,00000 | 0.38047 | 0.32198 | 0.28552 | 0.01204 | | |
| AP | 251 | | | | | | | | | |
| AP | 252 | | | | | | | | | |
| AP | 253 | | | | | | | | | |
| AP | 254 | Total Sales of Electricity Revenues | | 1.00000 | 0.38609 | 0.33206 | 0.26815 | 0.01369 | | |
| AP | 255 | | | | | | | | | |
| AP | 256 | Sales of Electricity Revenues | | 1.00000 | 0.38609 | 0.33206 | 0.26815 | 0.01369 | | |
| AP | 257 | | | | | | | | | |
| AP | 258 | | | | | | | | | |

 AP
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 AP
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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 33 of 35

| SCH L
NO. N | | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|----------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| NO. 1 | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| ADA | 1 ALLOCATED DIRECT ASSIGNMENTS | | | | | | | | |
| ADA | 2 DIRECT ASSIGN TO CLASSES W/SALES REV I | UNCTIONS | | | | | | | |
| ADA | 3 | | | | | | | | |
| ADA | 4 Write-Offs | | | | | | | | |
| ADA | 5 Other Sales Revenue | SREVOTH | 0 | 0 | 0 | 0 | 0 | | |
| ADA | 6 Residential Regular Sales Revenue | SREVRESR | 373,943 | 373,943 | O | 0 | 0 | | |
| ADA | 7 Residential Total Electric Sales Revenue | SREVRESE | 114,958 | 114,958 | 0 | 0 | 0 | | |
| ADA | 8 Residential - Demand | SREVRESED | 19,889 | 19,889 | 0 | 0 | 0 | | |
| ADA | 9 GS Regular Sales Revenue | SREVSGSR | 37,973 | 0 | 37,973 | 0 | 0 | | |
| ADA | 10 GS Total Electric Sales Revenue | SREVSGSE | 2,233 | 0 | 2,233 | 0 | 0 | | |
| ADA | 11 GS Other | SREVSGSO | 2,904 | 0 | 2,904 | 0 | 0 | | |
| ADA | 12 GSL Secondary | SREVGSLS | 1,710 | 0 | Ó | 1,710 | 0 | | |
| ADA | 13 GSL Primary | SREVGSLP | 0 | 0 | 0 | 0 | 0 | | |
| ADA | 14 Private Area Lighting Leased | SREVPAL | 5,891 | 0 | 0 | 0 | 5,891 | | |
| ADA | 15 Street Lighting Leased | SREVSL | . 0 | 0 | 0 | 0 | 0 | | |
| ADA | 16 Street Lighting Energy & Maint Cust Owned | SREVSLEM | 0 | 0 | Ð | 0 | 0 | | |
| ADA | 17 Street Lighting Non-Metered Services/Rentals | SREVSLSR | 447 | 0 | 0 | o | 447 | | |
| ADA | 18 Total Write-Offs | EXP_904 | 559,948 | 508,790 | 43,110 | 1,710 | 6,338 | | |
| ADA | 19 | | | , | | | -, | | |
| ADA | 20 Total Write-Offs | EXP 904 | 1,00000 | 0,90864 | 0.076989 | 0.003054 | 0.01132 | | |
| ADA | 21 | | | | | | | | |
| ADA | 22 Customer Advances for Construction | | | | | | | | |
| ADA | 23 Other | DPLTOTH | 19,597 | ٥ | 19,597 | 0 | 0 | | |
| ADA | 24 Residential Regular | DPLTRESR | 706,872 | 706,872 | 0 | õ | õ | | |
| ADA | 25 Residential Total Electric | DPLTRESE | 100,158 | 100,158 | õ | 0 | õ | | |
| ADA | 26 Residential Electric Demand | DPLTRESD | 94,224 | 94,224 | 0 | ō | õ | | |
| ADA | 27 GS Regular | DPLTGSR | 496,828 | 0 | 496,828 | 0
0 | ō | | |
| ADA | 28 GS Total Electric | DPLTGSE | 0 | 0 | 0 | 0 | 0 | | |
| ADA | 29 GSL Secondary | DPLTGSLS | õ | õ | 0
0 | õ | õ | | |
| ADA | 30 GSL Primary | DPLTGSLP | ů
D | õ | 0 | Ő | õ | | |
| ADA | 31 | 21 21 200 | 5 | · · | 0 | 0 | U U | | |
| ADA | 32 Customer Advances for Construction | CUSTADV | 1,417,679 | 901,254 | 516,425 | 0 | 0 | | |
| ADA | 33 | 0001100 | | 001,204 | 010,720 | 0 | v | | |
| ADA | 34 Customer Advances for Construction | CUSTADV | 1.00000 | 0.63573 | 0.364275 | 0.000000 | 0.00000 | | |
| ADA | 35 | 0001/10V | 1.00000 | 2,00070 | 0.00-12/0 | | 0.00000 | | |
| ADA | 36 | | | | | | | | |
| ADA | 37 | | | | | | | | |
| ADA | 38 | | | | | | | | |
| ADA | 30 | | | | | | | | |

 ADA
 38

 ADA
 39

 ADA
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 ADA
 41

 ADA
 42

 ADA
 43

 ADA
 44

 ADA
 45

 ADA
 46

Exhibit CJK - 105 Page 310 of 358

BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 34 of 35

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| SCH LII
No, No | | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|-------------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|----------|-----------|
| NO, NO | (a) | BASIS
(b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| ADA | 1 ALLOCATED DIRECT ASSIGNMENTS | | | | | | | - | |
| ADA | 2 DIRECT ASSIGN TO CLASSES W/SALES REV F | UNCTIONS | | | | | | | |
| ADA | 2 DIRECT ASSIGN TO GLASSES WISALES REV I | ONCTIONS | | | | | | | |
| ADA | 4 DSM | | | | | | | | |
| ADA | 5 Other Sales Revenue | SREVOTH | 19,042 | Û | 19,042 | 0 | 0 | | |
| ADA | 6 Residential Regular Sales Revenue | SREVRESR | 296,203 | 296,203 | 13,042 | ő | 0 | | |
| ADA | 7 Residential Total Electric Sales Revenue | SREVRESE | 73,705 | 73,705 | ő | õ | 0
0 | | |
| ADA | 8 Residential - Demand | SREVRESED | 76,894 | 76,894 | Ő | õ | 0
0 | | |
| ADA | 9 GS Regular Sales Revenue | SREVSGSR | 270,381 | 0 | 270,381 | õ | 0 | | |
| | 10 GS Total Electric Sales Revenue | SREVSGSE | 32,010 | ō | 32,010 | 0 | 0 | | |
| | 11 GS Other | SREVSGSO | 13,868 | 0 | 13,868 | 0 | 0 | | |
| | 12 GSL Secondary | SREVGSLS | 179,137 | 0 | 0 | 179,137 | 0 | | |
| | 13 GSL Primary | SREVGSLP | 57,072 | 0
0 | ō | 57,072 | 0 | | |
| | 14 Traffic Signals & Flashers | SREVTSF | 529 | 0 | 0 | 0 | 529 | | |
| | 15 Private Area Lighting Leased | SREVPAL | 3,188 | ŭ | 0 | 0 | 3,188 | | |
| | 16 Street Lighting Leased | SREVSL | 2,869 | Ŭ | 0 | 0 | 2,869 | | |
| | 17 Street Lighting Energy & Maint Cust Owned | SREVSLEM | 4,636 | Ō | 0 | 0 | 4,636 | | |
| | 18 Street Lighting Non-Metered Services/Rentals | SREVSLSR | 0 | 0 | 0 | 0 | 0 | | |
| | 19 Total DSM | SREVDSM | 1,029,534 | 446,802 | 335,301 | 236,209 | 11,222 | | |
| | 20 | | , | | • | | | | |
| | 21 Total DSM | SREVDSM | 1.00000 | 0.43398 | 0.325682 | 0.229433 | 0.01090 | | |
| | 22 | | | | | | | | |
| | 23 | | | | | | | | |
| | 24 | | | | | | | | |
| | 25 | | | | | | | | |
| | 26 | | | | | | | | |
| | 27 | | | | | | | | |
| ADA | 28 | | | | | | | | |
| ADA | 29 | | | | | | | | |
| ADA | 30 | | | | | | | | |
| ADA | 31 | | | | | | | | |
| ADA | 32 | | | | | | | | |
| ADA | 33 | | | | | | | | |
| ADA | 34 | | | | | | | | |
| ADA | 35 | | | | | | | | |
| ADA | 36 | | | | | | | | |
| ADA | 37 | | | | | | | | |
| ADA | 38 | | | | | | | | |
| | 39 | | | | | | | | |
| | 40 | | | | | | | | |
| | 41 | | | | | | | | |
| | 42 | | | | | | | | |
| ADA | 43 | | | | | | | | |
| | 44 | | | | | | | | |
| | 45 | | | | | | | | |
| ADA | 46 | | | | | | | | |
| | | | | | BHP COS 0 | 6-30-12 CUSTOMER | CLASS - PER BOO | DKS COST | OF SERVIC |

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BLACK HILLS POWER, INC. PER BOOK RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Statement O Cost of Service Study Page 35 of 35

| SCH LINE | <u> </u> | ALLOCATION | TOTAL
SOUTH | RESIDENTIAL | GENERAL | GS LARGE/
INDUSTRIAL | LIGHTING | | |
|----------------------------|---|------------|--|--|--|---|--|---------|-----|
| <u>NO. NO.</u> | DESCRIPTION | BASIS | DAKOTA | SERVICE | SERVICE | CONTRACT | SERVICE | | |
| | (a) | (b) | (C) | (d) | (e) | (h) | (i) | (j) | (f) |
| RRW 1
RRW 2 | | | | | | | | | |
| RRW 3
RRW 4 | PRESENT RATES | | | | | | | | |
| RRW 6
RRW 7 | 5 RATE BASE
5 NET OPER INC (PRESENT RATES)
7 RATE OF RETURN (PRES RATES)
8 RELATIVE RATE OF RETURN | | 419,222,711
32,697,235
7.80%
1.00 | 153,092,194
12,399,062
8.10%
1.04 | 152,890,957
12,965,107
8.48%
1.09 | 107,711,363
6,749,150
6.27%
0.80 | 5,528,198
583,917
10.56%
1,35 | | |
| RRW 9
RRW 10
RRW 11 | SALES REVENUE (PRE RATES) REVENUE PRES RATES \$/KWH | | 138,472,112
\$0.0951
\$2,127.04 | 53,463,066
\$0,1077
\$1,020.89 | 45,981,255
\$0,1097
\$3,851.21 | 37,131,743
\$0.0706
\$0.00 | 1,896,049
\$0.1352
\$2,976.53 | | |
| | SALES REV REQUIRED \$/KW | | \$41.70 | \$128.18 | \$29.27 | \$27.86 | \$0.00 | | |
| RRW 15
RRW 16 | CLAIMED RATE OF RETURN | - | 8.54% | 8.54% | 8.54% | 8.54% | 8.54% | | |
| RRW 17
RRW 18
RRW 19 | | | 35,801,619
143,248,208
4,776,096 | 13,074,073
54,501,571
1,038,505 | 13,056,888
46,122,460
141,205 | 9,198,550
40,900,146
3,768,403 | 472,108
1,724,031
(172,018) | | |
| RRW 20 | PERCENT INCREASE REQUIRED | | 3.45%
1,455,583,600 | 1.94%
496,446,720 | 0.31%
419,125,988 | 10.15%
525,983,250 | -9.07%
14,027,642 | | |
| RRW 23 | - | | \$0.0984
\$0.0033 | \$0,1098
\$0,0021 | \$0,1100
\$0,0003 | \$0.0778
\$0.0072 | \$0.1229
(\$0.0123) | | |
| RRW 24
RRW 25
RRW 26 | 5 | | | | | | | | |
| RRW 27
RRW 28 | 7
3 | | | | | | | | |
| RRW 29
RRW 30
RRW 31 |) | | | | | | | | |
| RRW 32
RRW 33 | 2 | | | | | | | | |
| RRW 34
RRW 35
RRW 36 | 5 | | | | | | | | |
| RRW 37
RRW 37 | 7 | | | | | | | | |
| RRW 39
RRW 40 | 9
0 | | | | | | | | |
| RRW 41
RRW 42
RRW 43 | 2 | | | | | | | | |
| RRW 44 | 4 | | | | | | | | |
| RRW 40 | 5 | | | | BHD COS 0 | | | KS COST | |

BHP COS 06-30-12 CUSTOMER CLASS - PER BOOKS COST OF SERVICE

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Exhibit CJK - 105 Page 312 of 358

BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 1 of 35

| SCH
NO. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL | GENERAL | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE |
 |
|-------------|-------------|---------------------------------------|----------------------------------|--------------------------|-------------|-------------|-------------------------------------|----------------------|---------|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) |
(f) |
| м | | SUMMARY AT PRESENT RATES | | | | | | | |
| M
M
M | 2
3
4 | DEVELOPMENT OF RETURN | | | | | | | |
| M | | OPERATING REVENUE | Sched O-1 Reference | | | | | | |
| м | 6 | Sales of Electricity | SCH I, LN 4 | 105,368,260 | 42,082,273 | 36,395,788 | 25,340,827 | 1,549,371 | |
| м | 7 | Contract Revenues | SCH I, LN 5 | 12,147,029 | 4,191,558 | 4,399,325 | 3,447,716 | 108,430 | |
| М | 8 | Other Operating Revenue | SCH I, LN 15 | 5,183,345 | 2,061,741 | 1,953,662 | 1,046,234 | 121,707 | |
| М | 9 | TOTAL OPERATING REVENUE | | 122,698,634 | 48,335,573 | 42,748,775 | 29,834,778 | 1,779,508 | |
| м | 10 | | | | | | | | |
| М | | OPERATING EXPENSES | | | | | | | |
| м | 12 | | SCH H, LN 178 | 60,204,304 | 25,352,220 | 20,200,767 | 13,887,146 | 764,172 | |
| м | 13 | · · · · · · · · · · · · · · · · · · · | SCH J, LN 27 | 23,741,627 | 8,798,382 | 8,638,963 | 5,979,083 | 325,200 | |
| M | 14 | · · · · · · · · · · · · · · · · · · · | SCH J, LN 29 | 88,945 | 38,666 | 29,439 | 19,744 | 1,095 | |
| M | 15 | | SCH L, LN 20 | 4,177,650 | 1,512,947 | 1,536,098 | 1,071,148 | 57,457 | |
| M | 16 | | SCH K, LN 10 | 0 | 0 | 0 | 0 | 0 | |
| M | 17 | | SCH K, LN 32 | 5,990,787 | 2,052,687 | 2,173,228 | 1,622,355
22,579,475 | 142,517
1,290,442 | |
| M
M | 18 | TOTAL OPERATING EXPENSES | | 94,203,313 | 37,754,902 | 32,578,494 | 22,018,475 | 1,290,442 | |
| M | | OPERATING INCOME (RETURN) | | 28,495,321 | 10,580,671 | 10,170,281 | 7,255,303 | 489,066 | |
| M | 20 | OPERATING INCOME (RETORN) | | 20,400,021 | 10,560,071 | 10,170,201 | 7,200,000 | -403,000 | |
| M | 22 | | | | | | | | |
| M | | DEVELOPMENT OF RATE BASE | | | | | | | |
| M | 24 | | SCH D-2, LN 116 | 815,548,913 | 296,881,260 | 299,147,992 | 208,332,750 | 11,186,911 | |
| M | 25 | | SCH E, LN 27 | 283,096,913 | 101,851,495 | 103,970,895 | 73,189,993 | 4,084,530 | |
| M | 26 | • | SCH E, LN 29 | 2,711,805 | 935,759 | 982,142 | 769,697 | 24,207 | |
| M | 27 | | SCH F, LN 9 | 14,035,070 | 4,862,060 | 4,766,190 | 4,233,740 | 173,079 | |
| M | 28 | | SCH F, LN 24 | 105,486,221 | 38,791,241 | 38,762,087 | 26,515,467 | 1,417,425 | |
| M | 29 | | · · · · · · , · · · · · · | | ,, | , , , | . , | | |
| M | | TOTAL RATE BASE | SCH F, LN 27 | 438,289,043 | 160,164,825 | 160,199,058 | 112,091,333 | 5,833,827 | |
| M | 31 | | | | | | | | |
| м | 32 | | | | | | | | |
| M | 33 | RATE OF RETURN (PRESENT) | | 6.50% | 6.61% | 6.35% | 6.47% | 8.38% | |
| м | 34 | | | | | | | | |
| м | 35 | INDEX RATE OF RETURN (PRESENT) | | 1.00 | 1.02 | 0.98 | 1.00 | 1.29 | |
| м | 36 | | | | | | | | |
| м | 37 | | | | | | | | |
| м | 38 | | | | | | | | |
| м | 39 | | | | | | | | |
| м | 40 | | | | | | | | |
| м | 41 | | | | | | | | |
| м | 42 | | | | | | | | |
| м | 43 | | | | | | | | |
| м | 44 | | | | | | | | |
| м | 45 | | | | | | | | |

M 45 M 46

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BHP COS 06-30-12 CUSTOMER CLASS - PRO FORMA COST OF SERVICE

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 2 of 35

| SCH
NO. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|-------------|----------------|--|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (C) | (d) | (e) | (h) | (i) | (j) | (f) |
| M
M
M | 48 | EQUALIZED RETURN AT PROPOSED ROR
DEVELOPMENT OF RETURN (EQUALIZED RATE LEVI | ELS) | | | | | | | |
| M
M
M | 50
51
52 | RATE BASE | | 438,289,043 | 160,164,825 | 160,199,058 | 112,091,333 | 5,833,827 | | |
| м | 53 | RATE OF RETURN | | 8.54% | 8.54% | 8.54% | 8.54% | 8.54% | | |
| M
M
M | 56 | RETURN (RATE BASE * ROR) | | 37,429,884 | 13,678,076 | 13,681,000 | 9,572,600 | 498,209 | | |
| M | | LESS:
OPERATING EXPENSES | Sched O-1 Reference | | | | | | | |
| м | 59 | | SCH M, LN 12 | 60,204,304 | 25,352,220 | 20,200,767 | 13,887,146 | 764,172 | | |
| м | 60 | | SCH M, LN 13 | 23,741,627 | 8,798,382 | 8,638,963 | 5,979,083 | 325,200 | | |
| М | 61 | Amortization Expense | SCH J, LN 29 | 88,945 | 38,666 | 29,439 | 19,744 | 1,095 | | |
| М | 62 | | SCH M, LN 15 | 4,177,650 | 1,512,947 | 1,536,098 | 1,071,148 | 57,457 | | |
| M | 63 | | CALCULATED | 0
10,802,049 | 0
3,720,640 | 0
4,063,750 | 0
2,870,219 | 0
147,441 | | |
| M
M | 64 | Federal Income Tax
TOTAL OPERATING EXPENSES | CALCULATED | 99,014,575 | 39,422,855 | 34,469,016 | 23,827,339 | 1,295,365 | | |
| M | 66 | | | 33,014,315 | 00,422,000 | 54,405,010 | 20,021,000 | 1,200,000 | | |
| M | | EQUALS TOTAL COST OF SERVICE | | 136,444,459 | 53,100,931 | 48,150,016 | 33,399,939 | 1,793,574 | | |
| M
M | 69
70
71 | | | 17,330,374 | 6,253,300 | 6,352,987 | 4,493,951 | 230,137 | | |
| M
M | 72
73 | EQUALS:
PROPOSED BASE RATE SALES @ EQUALIZED ROI | र | 119,114,085 | 46,847,631 | 41,797,029 | 28,905,989 | 1,563,437 | | |
| M
M
M | 74
75
76 | | | 13,745,826 | 4,765,358 | 5,401,241 | 3,565,161 | 14,066 | | |
| м | 77 | · · · · · · · · · · · · · · · · · · · | | | | • | | | | |
| Μ | 78 | | | 105,368,260 | 42,082,273 | 36,395,788 | 25,340,827 | 1,549,371 | | |
| м | 79 | | SENERGY2 | 32,944,213 | 11,229,982 | 9,486,790 | 11,910,017 | 317,424 | | |
| М | | TOTAL CURRENT RETAIL REVENUES | | 138,312,473 | 53,312,255 | 45,882,578 | 37,250,844 | 1,866,795 | | |
| M
M | | REVENUE INCREASE TO RETAIL REVENUES (%) | | 9.94% | 8.94% | 1 1 .77% | 9.57% | 0.75% | | |
| м | 83 | | | | | | | | | |
| м | 84 | | | | | | | | | |
| M | 85
86 | | | | | | | | | |
| M | 80
87 | | | | | | | | | |
| M | 88 | | | | | | | | | |
| | 00 | | | | | | | | | |

M M M 89 90 91

92

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 3 of 35

· ____

| SCH
NO. | | DESCRIPTION | ALLOCATION
BASIS _ | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------|-------------|----------------------------------|-----------------------|--------------------------|------------------------|-------------|-------------------------------------|---------------------|-----|----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f |
| И | 93 RETURI | NAT PROPOSED RATES | | | | | | | | |
| И | 94 | | | | | | | | | |
| A | 95 DEVELO | DPMENT OF RETURN AT PROPOSED F | ATE LEVELS | | | | | | | |
| A I | 96 | | | | | | | | | |
| л | 97 OPERA | TING REVENUE | | | | | | | | |
| Λ | 98 Sales o | f Electricity | SCH AF, LN 273 | 119,114,085 | 46,847,631 | 41,797,029 | 28,905,989 | 1,563,437 | | |
| Л | 99 Contrac | ct Revenues | SCH I, LN 5 | 12,147,029 | 4,191,558 | 4,399,325 | 3,447,716 | 108,430 | | |
| Λ | 100 Other O | Dperating Revenue | SCH I, LN 15 | 5,183,345 | 2,061,741 | 1,953,662 | 1,046,234 | 121,707 | | |
| N | 101 TOTAL | OPERATING REVENUE | | 136,444,459 | 53,100,931 | 48,150,016 | 33,399,939 | 1,793,574 | | |
| И | 102 | | | | | | | | | |
| M | 103 OPERA | TING EXPENSES | | | | | | | | |
| N | 104 Operat | ion and Maintenance Expense | SCH H, LN 178 | 60,204,304 | 25,352,220 | 20,200,767 | 13,887,146 | 764,172 | | |
| N | | iation Expense | SCH J, LN 27 | 23,741,627 | 8,798,382 | 8,638,963 | 5,979,083 | 325,200 | | |
| Ŵ | | zation Expense | SCH J, LN 29 | 88,945 | 38,666 | 29,439 | 19,744 | 1,095 | | |
| Ň | | Other Than Income Taxes | SCH L, LN 20 | 4,177,650 | 1,512,947 | 1,536,098 | 1,071,148 | 57,457 | | |
| A | | ncome Tax | CALCULATED | 0 | 0 | 0 | 0 | · 0 | | |
| vi | | I Income Tax | CALCULATED | 10,802,049 | 3,720,640 | 4,063,750 | 2,870,219 | 147,441 | | |
| Ň | | OPERATING EXPENSES | | 99,014,575 | 39,422,855 | 34,469,016 | 23,827,339 | 1,295,365 | | |
| M | 111 | | | | | | | | | |
| Ň | | TING INCOME (RETURN) AT PROPOSE | D RATES | 37,429,884 | 13,678,076 | 13,681,000 | 9,572,600 | 498,209 | | |
| M | 113 | | | | | | | | | |
| M | 114 | | | | | | | | | |
| N. | 115 RATE B | ASE | SCH M, LN 30 | 438,289,043 | 160,164,825 | 160,199,058 | 112,091,333 | 5,833,827 | | |
| M | 116 | | | | , , , | | • • | | | |
| M | 117 | | | | | | | | | |
| M | 118 RATE C | | | 8.54% | 8.54% | 8.54% | 8.54% | 8.54% | | |
| N. | 119 | | · | | | | | | | |
| M | | RATE OF RETURN | | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | | |
| M | 121 | | | | | | | | | |
| M | 122 | | | | | | | | | |
| M | | SED TOTAL REVENUE INCREASE (\$) | | 13,745,826 | 4,765,358 | 5,401,241 | 3,565,161 | 14,066 | | |
| M | 124 | | | | | | | | | |
| M | | S OF ELECTRICITY | | 105,368,260 | 42,082,273 | 36,395,788 | 25,340,827 | 1,549,371 | | |
| M | | S OF ELECTRICITY FOR BASE ENERG | Y COSTS ENERGY2 | 32,944,213 | 11,229,982 | 9,486,790 | 11,910,017 | 317,424 | | |
| M | | CURRENT RETAIL REVENUES | oddio Enerone | 138,312,473 | 53,312,255 | 45,882,578 | 37,250,844 | 1,866,795 | | |
| | 127 1014 | CONTENT REFAIL REFERENCE | | , | **,*,_00 | ,, | ,,- | .,- , | | |
| M
M | | SED TOTAL REVENUE INCREASE (%) | | 9.94% | 8.94% | 11.77% | 9.57% | 0.75% | | |
| | 129 FROFO | CED TO THE REPERCE MORE AGE (70) | | 0.0470 | -10170 | | | | | |
| M
M | 130 | | | | | | | | | |
| M | 131 | | | | | | | | | |
| | 132 | | | | | | | | | |
| M | 133 | | | | | | | | | |
| М | 134 | | | | | | | | | |

135

M M M 136 137 138

7 >

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

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Schedule O-1 Cost of Service Study Page 4 of 35

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| SCH
NO. | | ALLOCATION | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------|---------------------------------|--------------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| - | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| D-2 | 1 DEVELOPMENT OF RATE BA | SE | | | | | | | |
| D-2 | 2 | | | | | | | | |
| D-2 | 3 ELECTRIC PLANT IN SERVIC | E | | | | | | | |
| D-2 | 4 | | | | | | | | |
| D-2 | 5 PRODUCTION PLANT | | | | | | | | |
| D-2 | 6 Steam Plant | | | | | | | | |
| D-2 | 7 310-Land & Land Rights | DPROD | 298,219 | 102,906 | 108,007 | 84,644 | 2,662 | | |
| D-2 | 8 311-Structures & Improve | DPROD | 35,900,261 | 12,388,053 | 13,002,102 | 10,189,645 | 320,462 | | |
| D-2 | 9 312-Boiler Plant Equipment | DPROD | 205,067,382 | 70,762,312 | 74,269,847 | 58,204,697 | 1,830,526 | | |
| D-2 | 10 313-Engines and Engine Driv | er Generator DPROD | 303,676 | 104,789 | 109,983 | 86,193 | 2,711 | | |
| D-2 | 11 314-Turbogenerator Units | DPROD | 109,700,305 | 37,854,129 | 39,730,477 | 31,136,463 | 979,235 | | |
| D-2 | 12 315-Accessory Electric Equip | | 20,290,941 | 7,001,766 | 7,348,829 | 5,759,219 | 181,126 | | |
| D-2 | 13 316-Misc Power Plant Equipn | nent DPROD | 3,278,726 | 1,131,385 | 1,187,466 | 930,608 | 29,267 | | |
| D-2 | 14 106-Completed Not Classifier | d Production Plant DPROD | 14,946,119 | 5,157,436 | 5,413,079 | 4,242,188 | 133,416 | | |
| D-2 | 15 Steam Plant Additions/Annua | lization DPROD | 8,322,998 | 2,872,005 | 3,014,364 | 2,362,334 | 74,295 | | |
| D-2 | 16 Total Steam Plant | | 398,108,628 | 137,374,782 | 144,184,154 | 112,995,992 | 3,553,700 | | |
| D-2 | 17 | | | | | | | | |
| D-2 | 18 | | | | | | | | |
| D-2 | 19 Other Production Plant | | | | | | | | |
| D-2 | 20 340-Land & Land Rights | DPROD | 2,417 | 834 | 875 | 686 | 22 | | |
| D-2 | 21 341-Structures and Improven | nents DPROD | 460,708 | 158,976 | 166,856 | 130,764 | 4,112 | | |
| D-2 | 22 342-Fuel Holders, Producers | & Access DPROD | 4,574,791 | 1,578,617 | 1,656,865 | 1,298,472 | 40,837 | | |
| D-2 | 23 344-Generators | DPROD | 61,461,516 | 21,208,439 | 22,259,695 | 17,444,749 | 548,634 | | |
| D-2 | 24 345-Accessory Electric Equip | | 4,342,832 | 1,498,575 | 1,572,856 | 1,232,635 | 38,766 | | |
| D-2 | 25 346-Misc Power Plant Equipr | | 74,055 | 25,554 | 26,821 | 21,019 | 661 | | |
| D-2 | 26 106-Completed Not Classifie | | 445,558 | 153,748 | 161,369 | 126,464 | 3,977 | | |
| D-2 | 27 Other Prod Plant Additions/A | nnualization DPROD | 1,003,760 | 346,366 | 363,535 | 284,899 | 8,960 | | |
| D-2 | 28 Total Other Production Plant | | 71,941,338 | 24,971,109 | 26,208,873 | 20,128,325 | 633,032 | | |
| D-2 | 29 | | | | | | | | |
| D-2 | 30 TOTAL PRODUCTION PLANT | | 470,474,266 | 162,345,891 | 170,393,026 | 133,535,680 | 4,199,669 | | |
| D-2 | 31 | | | | | | | | |
| D-2 | 32 | | | | | | | | |
| D-2 | 33 TRANSMISSION PLANT | | | | | | | | |
| D-2 | 34 350-Land & Land Rights | DTRAN | 558,204 | 192,846 | 209,458 | 150,995 | 4,905 | | |
| D-2 | 35 352-Structures & Improveme | | 946,817 | 327,102 | 355,279 | 256,116 | 8,320 | | |
| D-2 | 36 353-Station Equipment | DTRAN | 821,071 | 283,660 | 308,095 | 222,102 | 7,215 | | |
| D-2 | 37 354-Tower and Fixtures | DTRAN | 363,066 | 125,431 | 136,235 | 98,210 | 3,190 | | |
| D-2 | 38 355-Poles & Fixtures | DTRAN | 217,875 | 75,270 | 81,754 | 58,936 | 1,915 | | |
| D-2 | 39 356-Overhead Conductors & | | 991,295 | 342,468 | 371,968 | 268,147 | 8,711 | | |
| D-2 | 40 359-Roads and Trails | DTRAN | 6,311 | 2,180 | 2,368 | 1,707 | 55 | | |
| D-2 | 41 106-Completed Not Classifie | | 0 | 0 | 0 | 0 | 0 | | |
| D-2 | 42 Transmission Plant Additions | | 0 | 0 | 0 | 0 | 0 | | |
| D-2 | 43 TOTAL TRANSMISSION PLAN | IT | 3,904,640 | 1,348,958 | 1,465,157 | 1,056,213 | 34,312 | | |
| D-2 | 44 | | | | | | | | |
| D-2 | 45 | | | | | | | | |

D-2 D-2 45 46

Exhibit CJK - 105 Page 316 of 358

BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 5 of 35

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| SCH L
No. N | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|----------------|----------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|----------------------|-----------|-------|
| 10. 1 | <u></u> | (a) | (b) | (c) | (d) | (e) | (h) | (i) | Ú) | (f) |
| | | | , , | | | | | ., | | ., |
| D-2 | | ELECTRIC PLANT IN SERVICE CONTINUED | | | | | | | | |
| D-2
D-2 | 48 | DISTRIBUTION PLANT | | | | | | | | |
| D-2
D-2 | 49
50 | 360-Land & Land Rights | DDISPSUB | 1,552,057 | 536,198 | 582,386 | 419,835 | 13.639 | | |
| D-2
D-2 | 50
51 | 361-Structures & Improvements | DDISPSUB | 246,766 | 85,252 | 92,595 | 66,751 | 2,168 | | |
| D-2 | 52 | 362-Station Equipment | DDISPSUB | 45,100,101 | 15,580,987 | 16,923,133 | 12,199,669 | 396,312 | | |
| D-2 | 53 | 364-Poles, Towers & Fixtures | | 40,100,101 | 10,000,007 | 10,020,100 | 12,100,000 | 000,012 | | |
| D-2 | 54 | Primary - Demand | DDISTPOL | 46,713,282 | 16,138,302 | 17,528,455 | 12,636,037 | 410,488 | | |
| D-2 | 55 | Secondary - Demand | DDISTSOL | 12,350,167 | 4,921,517 | 5,345,456 | 1,958,013 | 125,182 | | |
| D-2 | 56 | Total Account 364 | BBIOTOOL | 59,063,449 | 21,059,818 | 22,873,911 | 14,594,050 | 535,670 | | |
| D-2 | 57 | 365-Overhead Conductors & Devices | | | 21,000, | | , | | | |
| D-2 | 58 | Primary - Demand | DDISTPOL | 30,942,154 | 10,689,761 | 11,610,577 | 8,369,915 | 271,901 | | |
| D-2 | 59 | Secondary - Demand | DDISTSOL | 5,311,102 | 2,116,463 | 2,298,776 | 842,029 | 53,834 | | |
| D-2 | 60 | Total Account 365 | | 36,253,256 | 12,806,224 | 13,909,352 | 9,211,945 | 325,735 | | |
| D-2 | 61 | 366-Underground Conduit | | | | | | | | |
| D-2 | 62 | Primary - Demand | DDISTPUL | 2,088,264 | 721,445 | 783,590 | 564,880 | 18,350 | | |
| D-2 | 63 | Secondary - Demand | DDISTSUL | 1,429,109 | 569,497 | 618,553 | 226,573 | 14,486 | | |
| D-2 | 64 | Total Account 366 | | 3,517,373 | 1,290,941 | 1,402,143 | 791,453 | 32,836 | | |
| D-2 | 65 | 367-Underground Conductors & Devices | | | | | | ' | | |
| D-2 | 66 | Primary - Demand | DDISTPUL | 19,338,906 | 6,681,121 | 7,256,633 | 5,231,213 | 169,939 | | |
| D-2 | 67 | Secondary - Demand | DDISTSUL | 18,432,395 | 7,345,272 | 7,977,994 | 2,922,297 | 186,832 | | |
| D-2 | 68 | Total Account 367 | | 37,771,301 | 14,026,393 | 15,234,627 | 8,153,511 | 356,770 | | |
| D-2 | 69 | 368-Line Transformers | | | | | | | | |
| D-2 | 70 | Demand | DDISTSUT | 31,204,759 | 12,435,033 | 13,506,187 | 4,947,246 | 316,293 | | |
| D-2 | 71 | Total Account 368 | | 31,204,759 | 12,435,033 | 13,506,187 | 4,947,246 | 316,293 | | |
| D-2 | 72 | 369-Services | CSERVICE | 26,665,348 | 14,483,764 | 9,790,576 | 2,391,008 | . 0 | | |
| D-2 | 73 | 370-Meters | CMETERS | 2,825,893 | 2,025,733 | 632,542 | 162,631 | 4,987 | | |
| D-2 | 74 | 371-Installation on Customer Premises | CUSTPREM | 1,964,488 | 0 | 0 | 0 | 1,964,488 | | |
| D-2 | 75 | 373-Street Lighting & Signal Systems | CLIGHT | 1,617,886 | 0 | 0 | 0 | 1,617,886 | | |
| D-2 | 76 | 106 - Completed Not Classified Distribution Plant | DISTPLTXNC | 12,764,157 | 4,859,288 | 4,891,077 | 2,727,028 | 286,765 | | |
| D-2 | 77 | Distribution Plant Additions/Annualization | DISTPLTXNC | 11,905,164 | 4,532,271 | 4,561,921 | 2,543,506 | 267,466
6,121,015 | | |
| D-2 | | TOTAL DISTRIBUTION PLANT | | 272,451,999 | 103,721,903 | 104,400,450 | 58,208,631 | 0,121,013 | | |
| D-2 | 79 | | | | | | | | | |
| D-2
D-2 | 80 | | | | | | | | | |
| D-2
D-2 | 81 | TOTAL PROD, TRANS, & DIST PLANT | | 746,830,905 | 267,416,752 | 276,258,634 | 192,800,523 | 10,354,996 | | |
| D-2
D-2 | o∠
83 | TOTAL PROD, TRANS, & DIST PLANT | | 740,000,000 | 201,410,102 | 210,200,004 | 102,000,020 | 10,004,000 | | |
| D-2
D-2 | 84 | | | | | | | | | |
| D-2
D-2 | 85 | | | | | | | | | |
| D-2
D-2 | 86 | | | | | | | | | |
| D-2
D-2 | 87 | | | | | | | | | |
| D-2 | 88 | | | | | | | | | |
| D-2 | 89 | | | | | | | | | |
| D-2 | 90 | | | | | | | | | |
| D-2 | 91 | | | | | | | | | |
| D-2 | 92 | | | | | | | | | |
| | | | | | B | HP COS 06-30-12 | CUSTOMER CLASS | - PRO FORMA C | OST OF SE | RVICE |

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

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. . .

Schedule O-1 Cost of Service Study Page 6 of 35

| SCH
NO. | | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------|--|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| D-2 | 93 ELECTRIC PLANT IN SERVICE CONTINUED | | | | | | | | |
| D-2 | 94 | | | | | | | | |
| D-2 | 95 GENERAL PLANT | | | | | | | | |
| D-2 | 96 389-Land and Land Rights | SALWAGES | 658,127 | 286,102 | 217,831 | 146,088 | 8,105 | | |
| D-2 | 97 390-Structures and Improvements | SALWAGES | 9,046,294 | 3,932,621 | 2,994,201 | 2,008,062 | 111,411 | | |
| D-2 | 98 391-Office Furniture & Equipment | SALWAGES | 8,436,425 | 3,667,497 | 2,792,342 | 1,872,686 | 103,900 | | |
| D-2 | 99 392-Transportation Equipment | SALWAGES | 5,361,985 | 2,330,971 | 1,774,744 | 1,190,233 | 66,036 | | |
| D-2 | 100 393-Store Equipment | SALWAGES | 263,851 | 114,702 | 87,331 | 58,569 | 3,249 | | |
| D-2 | 101 394-Tools, Shop & Garage Equip. | SALWAGES | 3,664,452 | 1,593,017 | 1,212,884 | 813,421 | 45,130 | | |
| D-2 | 102 395-Laboratory Equipment | SALWAGES | 363,192 | 157,887 | 120,212 | 80,620 | 4,473 | | |
| D-2 | 103 396-Power Operated Equipment | SALWAGES | 524,427 | 227,980 | 173,578 | 116,410 | 6,459 | | |
| D-2 | 104 397-Communication Equipment | SALWAGES | 5,360,547 | 2,330,346 | 1,774,268 | 1,189,914 | 66,018 | | |
| D-2 | 105 398-Miscellaneous Equipment | SALWAGES | 218,135 | 94,828 | 72,200 | 48,421 | 2,686 | | |
| D-2 | 106 Rate Case Expenses | CLAIMREV | 446,667 | 175,674 | 156,735 | 108,395 | 5,863 | | |
| D-2 | 107 106-Completed Not Classified General Plant | SALWAGES | 2,879,841 | 1,251,929 | 953,188 | 639,256 | 35,467 | | |
| D-2 | 108 General Plant Additions/Annualization | SALWAGES | 5,377,633 | 2,337,774 | 1,779,924 | 1,193,707 | 66,229 | | |
| D-2 | 109 TOTAL GENERAL PLANT | | 42,601,574 | 18,501,329 | 14,109,438 | 9,465,781 | 525,026 | | |
| D-2 | 110 | | | | | | | | |
| D-2 | 111 TOTAL OTHER UTILITY PLANT IN SERVICE | SALWAGES | 21,764,077 | 9,461,317 | 7,203,615 | 4,831,107 | 268,038 | | |
| D-2 | 112 | | | | | | | | |
| D-2 | 113 TOTAL PLANT ACQUISITION ADJUSTMENT | DPROD | 4,352,357 | 1,501,862 | 1,576,306 | 1,235,338 | 38,851 | | |
| D-2 | 114 | | | | | | | | |
| D-2 | 115 | | | | | | | | |
| D-2 | 116 TOTAL ELECTRIC PLANT IN SERVICE | | 815,548,913 | 296,881,260 | 299,147,992 | 208,332,750 | 11,186,911 | | |
| D-2 | 117 | | | | | | | | |
| D-2 | 118 | | | | | | | | |

- 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 138 139

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 7 of 35

| | H LINE
NO. DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING | | |
|---|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|-----------|-----|-----|
| | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| Е | 1 LESS: ACCUMULATED DEPRECIATION | | | | | | | | |
| Е | 2 | | | | | | | | |
| Е | 3 PRODUCTION PLANT ACCUMULATED DEPRECI | ATION PRODPLT | 163,558,832 | 56,439,015 | 59,236,575 | 46,423,240 | 1,460,001 | | |
| Е | 4 | | | | ,, | | ., | | |
| Е | 5 TRANSMISSION PLANT ACCUMULATED DEPRE | | 1,352,846 | 467,375 | 507,635 | 365,947 | 11,888 | | |
| Ę | 6 | | | | | | , | | |
| Е | 7 DISTRIBUTION PLANT ACCUMULATED DEPREC | IATION | | | | | | | |
| Е | 8 360-Land & Land Rights | PLT 360 | (41,085) | (14,194) | (15,416) | (11,114) | (361) | | |
| E | 9 361-Structures & Improvements | PLT_361 | 137,250 | 47,416 | 51,501 | 37,126 | 1,206 | | |
| Е | 10 362-Station Equipment | PLT_362 | 17,542,035 | 6,060,346 | 6,582,384 | 4,745,156 | 154,149 | | |
| Е | 11 364-Poles, Towers & Fixtures | PLT_364 | 21,942,526 | 7,823,885 | 8,497,834 | 5,421,802 | 199,006 | | |
| Ē | 12 365-Overhead Conductors & Devices | PLT_365 | 13,239,153 | 4,676,644 | 5,079,490 | 3,364,066 | 118,953 | | |
| Е | 13 366-Underground Conduit | PLT_366 | 497,713 | 182,670 | 198,405 | 111,992 | 4,646 | | |
| ε | 14 367-Underground Conductors & Devices | PLT_367 | 13,426,762 | 4,986,035 | 5,415,532 | 2,898,371 | 126,823 | | |
| Е | 15 368-Line Transformers | PLT_368 | 11,576,246 | 4,613,111 | 5,010,484 | 1,835,314 | 117,337 | | |
| E | 16 369-Services | PLT_369 | 8,816,608 | 4,788,900 | 3,237,148 | 790,561 | 0 | | |
| Е | 17 370-Meters | PLT_370 | (3,877,654) | (2,779,684) | (867,965) | (223,161) | (6,844) | | |
| Е | 18 371-Installation on Customer Premises | PLT_371 | 758,339 | D | 0 | 0 | 758,339 | | |
| Е | 19 373-Street Lighting & Signal Systems | PLT_373 | 733,822 | 0 | 0 | 0 | 733,822 | | |
| Е | 20 Accum Dep Adjustment | DISTPLT | (625,260) | (238,035) | (239,592) | (133,585) | (14,047) | | |
| E | 21 TOTAL DISTRIBUTION PLANT ACCUMULATED | DEPRECIATION | 84,126,455 | 30,147,094 | 32,949,804 | 18,836,529 | 2,193,029 | | |
| E | 22 | | | | | | | | |
| E | 23 GENERAL PLANT ACCUMULATED DEPRECIATIO | DN GENLPLT | 18,608,128 | 8,081,277 | 6,162,923 | 4,134,600 | 229,328 | | |
| E | 24 | | | | | | | | |
| Е | 25 OTHER UTILITY ACCUMULATED DEPRECIATION | N SALWAGES | 15,450,652 | 6,716,734 | 5,113,957 | 3,429,677 | 190,284 | | |
| £ | 26 | | | | | | | | |
| E | 27 TOTAL ACCUMULATED DEPRECIATION | | 283,096,913 | 101,851,495 | 103,970,895 | 73,189,993 | 4,084,530 | | |
| Е | 28 | | | | | | | | |
| Е | 29 AMORTIZATION OF PLANT ACQUISITION | PRODPLT | 2,711,805 | 935,759 | 982,142 | 769,697 | 24,207 | | |
| Е | 30 | | | | | | | | |
| Е | 31 NET ELECTRIC PLANT IN SERVICE | | 529,740,194 | 194,094,006 | 194,194,955 | 134,373,060 | 7,078,174 | | |
| E | 32 | | | | | | | | |

E 30 E 31 E 32 E 33 E 34 E 35 E 36 E 37 E 38 E 39 E 40 E 41 E 42 E 43 E 43 E 44 E 45 E 46

BHP COS 06-30-12 CUSTOMER CLASS - PRO FORMA COST OF SERVICE

BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 8 of 35

| SCHL
NO.N | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|--------------|---------|---|---------------------------|--------------------------|--------------------------|--------------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| F
F | 1
2 | ADDITIONS AND DEDUCTIONS TO RATE BASE | | | | | | | | |
| F
F | 3
4 | PLUS: ADDITIONS TO RATE BASE
WORKING CAPITAL | | | | | | | | |
| F
F | 5
6 | Cash Working Capital (Lead Lag)
Fuel Inventory | SCH F-3, LN 40
ENEFUEL | (5,140,261)
5,825,235 | (2,029,902)
1,996,985 | (1,798,355)
1,687,000 | (1,246,168)
2,084,804 | (65,836)
56,446 | | |
| F | 7
8 | Materials and Supplies
Prepayments | TOTPLT
OMXFPP | 12,727,558
622,538 | 4,633,166
261,811 | 4,668,541
209,004 | 3,251,267
143,838 | 174,584
7,885 | | |
| F | 9
10 | TOTAL WORKING CAPITAL | | 14,035,070 | 4,862,060 | 4,766,190 | 4,233,740 | 173,079 | | |
| F | | LESS: DEDUCTIONS TO RATE BASE | | | | | | | | |
| F | 12 | | CUSTADV | 2,190,735 | 1,392,705 | 798,030 | 0 | 0 | | |
| F | 13 | Regulatory Assets - S&W Related | SALWAGES | (21,416,543) | (9,310,237) | (7,088,586) | (4,753,963) | (263,758) | | |
| F | 14 | Regulatory Assets - Plant Related | TOTPLT | (8,343,652) | (3,037,309) | (3,060,499) | (2,131,394) | (114,450) | | |
| F | 15 | Regulatory Liabilities - S&W Related | SALWAGES | 34,814,535 | 15,134,635 | 11,523,139 | 7,727,998 | 428,762 | | |
| F | 16 | Regulatory Liabilities - Plant Related | TOTPLT | 767,123 | 279,253 | 281,385 | 195,962 | 10,523 | | |
| F | 17 | Deferred Income Taxes and Credits | | | | | | | | |
| F | 18 | Deferred Income Tax - Property (Debit) | TOTPLT | (18,920,152) | (6,887,433) | (6,940,020) | (4,833,171) | (259,528) | | |
| F | 19 | Deferred Income Tax - S&W (Debit) | SALWAGES | (15,473,446) | (6,726,644) | (5,121,501) | (3,434,737) | (190,565) | | |
| F | 20 | Deferred Income Tax - Customer (Debit) | CUST | (728,561) | (586,870) | (132,811) | (1,741) | (7,138) | | |
| F | 21 | Deferred Income Tax - Property (Credit) | TOTPLT | 128,852,774 | 46,905,799 | 47,263,932 | 32,915,564 | 1,767,478 | | |
| F | 22 | Deferred Income Tax - Other (Credit) | SALWAGES | 3,743,408 | 1,627,341 | 1,239,017 | 830,948 | 46,102 | | |
| F | 23 | Total Deferred Income Taxes and Credits | | 97,474,023 | 34,332,194 | 36,308,618 | 25,476,863 | 1,356,348 | | |
| F | 24 | | | 105,486,221 | 38,791,241 | 38,762,087 | 26,515,467 | 1,417,425 | | |
| F | 25 | | | | | | | | | |
| F | 26 | | | 400 000 040 | 100 404 005 | 400 400 059 | 110 001 000 | E 999 007 | | |
| F | 27 | | | 438,289,043 | 160,164,825 | 160,199,058 | 112,091,333 | 5,833,827 | | |
| F | 28 | | | | | | | | | |
| r
r | 29 | | | | | | | | | |

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 9 of 35

| JESCRIPTION (a) ASH WORKING CAPITAL (LEAD LAG) D&M EXPENSE PER DAY RELATED CASH WO Purchased Fuel (Coal, Gas, & Oil) Coal Transportation Natural Gas - Other Production Purchased Power Transmission Labor Employee Benefits Service Company Charges Other O&M Wyodak Power Plant O&M TOTAL O&M | ENEFUEL
ENEFUEL
OX_555
TRANPLT
SALWAGES
SALWAGES
SALWAGES
OMXFPP | DAKOTA
(c)
0
0
18,197
0
28,077
1,480 | <u>(d)</u>
(d)
0
0
6,279
0
12,206 | 0
(e)
0
0
0
6,591
0 | 0
(h)
0
5,165 | | (j) | (f) |
|---|---|---|---|---|---|---|--|--|
| D&M EXPENSE PER DAY RELATED CASH WO
Purchased Fuel (Coal, Gas, & Oil)
Coal Transportation
Natural Gas - Other Production
Purchased Power
Transmission
Labor
Employee Benefits
Service Company Charges
Other O&M
Wyodak Power Plant O&M
TOTAL O&M | ENEFUEL
ENEFUEL
OX_555
TRANPLT
SALWAGES
SALWAGES
SALWAGES
OMXFPP | 0
0
18,197
0
28,077
1,480 | 0
0
6,279
0 | 0
0
6,591 | 0
0 | 0
0 | | |
| Purchased Fuel (Coal, Gas, & Oil)
Coal Transportation
Natural Gas - Other Production
Purchased Power
Transmission
Labor
Employee Benefits
Service Company Charges
Other O&M
Wyodak Power Plant O&M
TOTAL O&M | ENEFUEL
ENEFUEL
OX_555
TRANPLT
SALWAGES
SALWAGES
SALWAGES
OMXFPP | 0
0
18,197
0
28,077
1,480 | 0
0
6,279
0 | 0
0
6,591 | 0
0 | 0
0 | | |
| Purchased Fuel (Coal, Gas, & Oil)
Coal Transportation
Natural Gas - Other Production
Purchased Power
Transmission
Labor
Employee Benefits
Service Company Charges
Other O&M
Wyodak Power Plant O&M
TOTAL O&M | ENEFUEL
ENEFUEL
OX_555
TRANPLT
SALWAGES
SALWAGES
SALWAGES
OMXFPP | 0
0
18,197
0
28,077
1,480 | 0
0
6,279
0 | 0
0
6,591 | 0
0 | 0
0 | | |
| Coal Transportation
Natural Gas - Other Production
Purchased Power
Transmission
Labor
Employee Benefits
Service Company Charges
Other O&M
Wyodak Power Plant O&M
TOTAL O&M | ENEFUEL
ENEFUEL
OX_555
TRANPLT
SALWAGES
SALWAGES
SALWAGES
OMXFPP | 0
0
18,197
0
28,077
1,480 | 0
0
6,279
0 | 0
0
6,591 | 0
0 | 0
0 | | |
| Coal Transportation
Natural Gas - Other Production
Purchased Power
Transmission
Labor
Employee Benefits
Service Company Charges
Other O&M
Wyodak Power Plant O&M
TOTAL O&M | ENEFUEL
ENEFUEL
OX_555
TRANPLT
SALWAGES
SALWAGES
SALWAGES
OMXFPP | 0
18,197
0
28,077
1,480 | 0
0
6,279
0 | 0
0
6,591 | 0
0 | 0
0 | | |
| Natural Gas - Other Production
Purchased Power
Transmission
Labor
Employee Benefits
Service Company Charges
Other O&M
Wyodak Power Plant O&M
TOTAL O&M | ENEFUEL
OX_555
TRANPLT
SALWAGES
SALWAGES
SALWAGES
OMXFPP | 18,197
0
28,077
1,480 | 6,27 9
0 | 6,591 | - | | | |
| Purchased Power
Transmission
Labor
Employee Benefits
Service Company Charges
Other O&M
Wyodak Power Plant O&M
TOTAL O&M | OX_555
TRANPLT
SALWAGES
SALWAGES
SALWAGES
OMXFPP | 0
28,077
1,480 | Ŭ | | - | | | |
| Transmission
Labor
Employee Benefits
Service Company Charges
Other O&M
Wyodak Power Plant O&M
TOTAL O&M | TRÄNPLT
SALWAGES
SALWAGES
SALWAGES
OMXFPP | 0
28,077
1,480 | Ŭ | | | | | |
| Labor
Employee Benefits
Service Company Charges
Other O&M
Wyodak Power Plant O&M
TOTAL O&M | SALWAGES
SALWAGES
SALWAGES
OMXFPP | 1,480 | 12,206 | | 0 | 0 | | |
| Employee Benefits
Service Company Charges
Other O&M
Wyodak Power Plant O&M
TOTAL O&M | SALWAGES
SALWAGES
OMXFPP | 1,480 | | 9,293 | 6,232 | 346 | | |
| Service Company Charges
Other O&M
Wyodak Power Plant O&M
TOTAL O&M | SALWAGES
OMXFPP | | 643 | 490 | 329 | 18 | | |
| Other O&M
Wyodak Power Plant O&M
TOTAL O&M | OMXFPP | 79,711 | 34,652 | 26,383 | 17,694 | 982 | | |
| Wyodak Power Plant O&M
TOTAL O&M | | 41,822 | 17,588 | 14,041 | 9,663 | 530 | | |
| TOTAL O&M | PRODPLT | 8,959 | 3,091 | 3,245 | 2,543 | 80 | | |
| | THOBIE! | 178,246 | 74,460 | 60,042 | 41,626 | 2,118 | | |
| | | 110,210 | ,400 | 00,012 | 11,020 | 2,110 | | |
| | | | | | | | | |
| Property Taxes | TOTPLT | 14,750 | 5,369 | 5,410 | 3,768 | 202 | | |
| Unemployment Taxes (FUTA & SUTA) | SALWAGES | 286 | 124 | 95 | 63 | 4 | | |
| Montana Electric Energy | CLAIMREV | 0 | 0 | 0 | 0 | ,
Q | | |
| Wyoming Franchise Tax | CLAIMREV | õ | ő | 0 | 0 | 0 | | |
| South Dakota PUC | CLAIMREV | 649 | 255 | 228 | 157 | 9 | | |
| Wyoming PSC | CLAIMREV | 049 | 200 | 220 | 0 | 0
0 | | |
| FICA Taxes - Employer's | SALWAGES | 7,277 | 3,163 | 2,409 | 1,615 | 90 | | |
| TOTAL TAXES OTHER THAN INCOME TAXES | SALWAGES | 22,961 | 8,912 | 8,141 | 5,604 | 304 | | |
| TOTAL TAKES OTHER THAN INCOME TAKES | | 22,901 | 0,912 | 0,141 | 5,004 | 304 | | |
| Depreciation Expense | TOTPLT | 96, 1 61 | 35,005 | 35,273 | 24,564 | 1,319 | | |
| , . | PRODPLT | 238 | 82 | 33,213 | 24,004 | 2 | | |
| Amortization Expense | PRODPLI | | | 35,359 | 24,632 | 1,321 | | |
| FOTAL DEPRECIATION/AMORTIZATION | | 96,400 | 35,088 | 30,309 | 24,032 | 1,321 | | |
| | CLAIMREV | 36,398 | 44.945 | 12,772 | 8,833 | 478 | | |
| FEDERAL INCOME TAXES | CLAIMREV | 20,390 | 14,315 | 12,112 | 0,033 | 4/0 | | |
| NTERECT EXPENSE | TOTELT | 44.000 | 16 100 | 46 049 | 44 240 | 607 | | |
| NIERESI EXPENSE | TOTPLI | 44,203 | 10,120 | 10,243 | 11,312 | 007 | | |
| | | 279 300 | 1/9 900 | 100 550 | 92.007 | 4 000 | | |
| SKAND TUTAL | | 378,288 | 148,899 | 132,008 | 92,007 | 4,8∠0 | | |
| | | (4 407 400) | (1.894.450) | /4 /46 000 | (1.002.705) | (53 675) | | |
| UWU REQUIREMENT (GRAND TUTAL X EXPE | NOE LAG) | (4,127,123) | (1,024,450) | (1,440,203) | (1,003,795) | (32,073) | | |
| FRR. TAX OOL FOTIONS AVAILAR! F | | (1.049.400) | (405.450) | (950 450) | (242 272) | (42.464) | | |
| LESS. TAX CULLECTIONS AVAILABLE | | (1,013,138) | (400,402) | (354,192) | (242,313) | (13,161) | | |
| | T | /E 440 0645 | (0.000.000) | (4 700 DEE) | (4 046 460) | (05 006) | | |
| NET CASH WORKING CAPITAL REQUIREMEN | | (0,140,261) | (Z,UZ9,9UZ) | (1,796,355) | (1,240,168) | (05,630) | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| G | ESS: TAX COLLECTIONS AVAILABLE | RAND TOTAL
WC REQUIREMENT (GRAND TOTAL x EXPENSE LAG) | RAND TOTAL378,288WC REQUIREMENT (GRAND TOTAL x EXPENSE LAG)(4,127,123)ESS: TAX COLLECTIONS AVAILABLE(1,013,138) | irand Total 378,288 148,896 WC REQUIREMENT (GRAND TOTAL x EXPENSE LAG) (4,127,123) (1,624,450) ESS: TAX COLLECTIONS AVAILABLE (1,013,138) (405,452) ET CASH WORKING CAPITAL REQUIREMENT (5,140,261) (2,029,902) | irand total 378,288 148,896 132,558 WC REQUIREMENT (GRAND TOTAL x EXPENSE LAG) (4,127,123) (1,624,450) (1,446,203) ESS: TAX COLLECTIONS AVAILABLE (1,013,138) (405,452) (352,152) ET CASH WORKING CAPITAL REQUIREMENT (5,140,261) (2,029,902) (1,798,355) | RAND TOTAL378,288148,896132,55892,007WC REQUIREMENT (GRAND TOTAL x EXPENSE LAG)(4,127,123)(1,624,450)(1,446,203)(1,003,795)ESS: TAX COLLECTIONS AVAILABLE(1,013,138)(405,452)(352,152)(242,373) | IRAND TOTAL378,288148,896132,55892,0074,828WC REQUIREMENT (GRAND TOTAL x EXPENSE LAG)(4,127,123)(1,624,450)(1,446,203)(1,003,795)(52,675)ESS: TAX COLLECTIONS AVAILABLE(1,013,138)(405,452)(352,152)(242,373)(13,161)ET CASH WORKING CAPITAL REQUIREMENT(5,140,261)(2,029,902)(1,798,355)(1,246,168)(65,836) | IRAND TOTAL 378,288 148,896 132,558 92,007 4,828 WC REQUIREMENT (GRAND TOTAL x EXPENSE LAG) (4,127,123) (1,624,450) (1,446,203) (1,003,795) (52,675) ESS: TAX COLLECTIONS AVAILABLE (1,013,138) (405,452) (352,152) (242,373) (13,161) |

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BHP COS 06-30-12 CUSTOMER CLASS - PRO FORMA COST OF SERVICE

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 10 of 35

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| SCH
NO. | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|-------------------|-------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|------------|------|
| - | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| F-3
F-3
F-3 | 3 | CASH WORKING CAPITAL (LEAD LAG) CONTINUED | | | | | | | | |
| F-3 | | LAG/LEAD DAYS | | | | | | | | |
| F-3 | | REVENUE LAG DAYS | | 37.96 | | | | | | |
| F-3 | | EXPENSE LEAD DAYS | | 48.87 | | | | | | |
| F-3 | 8 | NET DAYS | | (10.91) | | | | | | |
| F-3
F-3 | 8
9 | TAX COLLECTIONS AVAILABLE | | | | | | | | |
| F-3
F-3 | 10 | FICA Taxes (Employee Contribution) | SALWAGES | (49,378) | (21,466) | (16,343) | (10,961) | (608) | | |
| F-3 | 11 | Federal Withholding Tax | SALWAGES | (119,232) | (51,833) | (39,464) | (26,467) | (1,468) | | |
| F-3 | 12 | South Dakota Sales and Use Tax | CLAIMREV | (844,528) | (332,153) | (296,344) | (204,946) | (11,085) | | |
| F-3 | 13 | Wyoming Sales and Use Tax | CLAIMREV | (,,) | 0 | 0 | 0 | 0 | | |
| F-3 | 14 | TOTAL TAX COLLECTIONS AVAILABLE | | (1,013,138) | (405,452) | (352,152) | (242,373) | (13,161) | | |
| F-3 | 15 | | | | | | | | | |
| F-3 | 16 | | | | | | | | | |
| F-3 | 17 | | | | | | | | | |
| F-3 | 18 | | | | | | | | | |
| F-3 | 19 | | | | | | | | | |
| F-3 | 20 | | | | | | | | | |
| F-3 | 21 | | | | | | | | | |
| F-3 | 22 | | | | | | | | | |
| F-3 | 23 | | | | | | | | | |
| F-3
F-3 | 24
25 | | | | | | | | | |
| F-3 | 25
26 | | | | | | | | | |
| F-3 | 20 | | | | | | | | | |
| F-3 | 28 | | | | | | | | | |
| F-3 | 29 | | | | | | | | | |
| F-3 | 30 | | | | | | | | | |
| F-3 | 31 | | | | | | | | | |
| F-3 | 32 | | | | | | | | | |
| F-3 | 33 | | | | | | | | | |
| F-3 | 34 | | | | | | | | | |
| F-3 | 35 | | | | | | | | | |
| F-3 | 36 | | | | | | | | | |
| F-3 | 37 | | | | | | | | | |
| F-3 | 38 | | | | | | | | | |
| F-3 | 39 | | | | | | | | | |
| F-3
F-3 | 40
41 | | | | | | | | | |
| F-3
F-3 | 42 | | | | | | | | | |
| F-3 | 43 | | | | | | | | | |
| F-3 | 44 | | | | | | | | | |
| F-3 | 45 | | | | | | | | | |
| F-3 | 46 | | | | | | | | | |
| | | | | | BI | HP COS 06-30-12 (| CUSTOMER CLASS | - PRO FORMA CO | ST OF SERV | /ICE |

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Exhibit CJK - 105 Page 322 of 358

BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 11 of 35

| SCH LINE
No. No. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|---------------------|--|---------------------|--------------------------|------------------------|---------------------|-------------------------------------|---------------------|-----|-----|
| | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| | G REVENUES | | | | | | | | |
| 2
3 SALES RE | VENUES | | | | | | | | |
| | Electricity Revenues | | 105,368,260 | 42,082,273 | 36,395,788 | 25,340,827 | 1,549,371 | | |
| | Revenues | DPROD | 12,147,029 | 4,191,558 | 4,399,325 | 3,447,716 | 108,430 | | |
| 6 TOTAL SA | LES OF ELECTRICITY | | 117,515,289 | 46,273,832 | 40,795,113 | 28,788,544 | 1,657,801 | | |
| 7 | | | | | | | | | |
| | PERATING REVENUES | | | | | | _ | | |
| | and Cost Adjustment Revenue | Direct Assignment | 0 (704 504) | 0 | Û
(DEE 574) | 0 | 0 | | |
| | Side Management Revenue
aited Discounts | SREVDSM
OX_904 | (784,521)
251,449 | (340,349)
228,476 | (255,571)
19,359 | (180,050)
768 | (8,551)
2,846 | | |
| | ellaneous Service Revenues | DISTPLT | 463,958 | 176,628 | 177,783 | 99,123 | 10,423 | | |
| | from Electric Property | TDPLT | 5,252,460 | 1,996,986 | 2,012,091 | 1,126,393 | 116,989 | | |
| | r Electric Revenues - Transmission | TRANPLT | 0,2-2,100 | 0 | 2,012,220 | 0 | 0 | | |
| | LOTHER OPERATING REV | | 5,183,345 | 2,061,741 | 1,953,662 | 1,046,234 | 121,707 | | |
| 16 | | | - | | | | | | |
| 17 TOTAL O | PERATING REVENUES | | 122,698,634 | 48,335,573 | 42,748,775 | 29,834,778 | 1,779,508 | | |
| 18 | | | | | | | | | |
| 19 | | | | | | | | | |
| 20 | | | | | | | | | |
| 21 | | | | | | | | | |
| 22 | | | | | | | | | |
| 23
24 | | | | | | | | | |
| 24
25 | | | | | | | | | |
| 26 | | | | | | | | | |
| 27 | | | | | | | | | |
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| 29 | | | | | | | | | |
| 30 | | | | | | | | | |
| 31 | | | | | | | | | |
| 32 | | | | | | | | | |
| 33 | | | | | | | | | |
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36 | | | | | | | | | |
| 30 | | | | | | | | | |
| 38 | | • | | | | | | | |
| 39 | | | | | | | | | |
| 40 | | | | | | | | | |
| 41 | | | | | | | | | |
| 42 | | | | | | | | | |
| 43 | | | | | | | | | |
| 44 | | | | | | | | | |
| 45 | | | | | | | | | |
| 46 | | | | | | CUSTOMED CLASS | | | |

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BHP COS 06-30-12 CUSTOMER CLASS - PRO FORMA COST OF SERVICE

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 12 of 35

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| (a) (b) (c) (d) (e) (b) (c) (d) (e) (f) (f) <th>SCH
NO.</th> <th>LINE
NO.</th> <th>DESCRIPTION</th> <th>ALLOCATION
BASIS</th> <th>TOTAL
SOUTH
DAKOTA</th> <th>RESIDENTIAL</th> <th>GENERAL
SERVICE</th> <th>GS LARGE/
INDUSTRIAL
CONTRACT</th> <th>LIGHTING
SERVICE</th> <th></th> <th></th> | SCH
NO. | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|--|------------|-------------|------------------------------------|---------------------|--------------------------|-------------|--------------------|-------------------------------------|---------------------|----|-----|
| H 2 OPERATION & MAINTERANCE EXPENSE 3 5 PRODUCTION EXPENSE 4 5 PRODUCTION EXPENSE 6 5 Stam Production Operation 5 7 8 60-Supervision & Engineering SALWAGPO 1,513,626 522,396 545,194 422,616 13,511 8 600-Supervision & Engineering SALWAGPO 1,853,537 424,0286 672,023 526,061 15,563 1 8 600-Supervision & Expense DPROD 7,853,537 424,0248 225,228 620,278 20,612 1 8 600-Supervision & Expense DPROD 7,980,140 22,647,313 2,090,571 632,201 1 7 7 8 49,843 391,724 12,320 1 7 74,087 2449,809 282,745 20,65,19 64,443 2 151-Maintenance of Structures DPROD 32,249,809 282,745 20,65,19 64,443 2 154-Maintenance of Structures DPROD | | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | Ú) | (f) |
| H 2 OPERATION & MAINTERANCE EXPENSE 3 5 PRODUCTION EXPENSE 4 5 PRODUCTION EXPENSE 6 5 Stam Production Operation 5 7 8 60-Supervision & Engineering SALWAGPO 1,513,626 522,396 545,194 422,616 13,511 8 600-Supervision & Engineering SALWAGPO 1,853,537 424,0286 672,023 526,061 15,563 1 8 600-Supervision & Expense DPROD 7,853,537 424,0248 225,228 620,278 20,612 1 8 600-Supervision & Expense DPROD 7,980,140 22,647,313 2,090,571 632,201 1 7 7 8 49,843 391,724 12,320 1 7 74,087 2449,809 282,745 20,65,19 64,443 2 151-Maintenance of Structures DPROD 32,249,809 282,745 20,65,19 64,443 2 154-Maintenance of Structures DPROD | н | 1 | | | | | | | | | |
| H 4 F F F 5 F 5 F 5 F 5 Stam Production Operation 500-Supervision & Engineering Solo-Supervision & Engineering SALWAGPO 1 8052-Stam Expense DPROD 1 8052-Stam Expense DPROD 1 8052-Stam Expense DPROD 1 8054-State Expense DPROD 1 8054-State Expense DPROD 1 8054-Rent DPROD 1 5054-Stam Production Maintenance 1 1 Statem Production Maintenance 1 1 Statenance DPROD 37 | | | OPERATION & MAINTENANCE EXPENSE | | | | | | | | |
| H 6 H 6 H 6 H 7 Steam Production Operation 0 H 8 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 1 505-Electric Expense DPROD 0 0 0 1 305-Electric Expense DPROD 2270;941 782,942 652,229 0 8 0 1 7108,142 2,644,314 2,662,239 0 1 800 22,257 632,209 1 1 501-Supervision Expense DPROD 7,628 1 1 511-Supervision Expense 12,430 1 < | н | 3 | | | | | | | | | |
| H 7 Steam Production Operation H 7 Steam Production Operation SALWAGPO 1,513,628 522,305 548,194 429,616 13,511 H 8 500-Supervision & Engineering SALWAGPO 1,855,512 254,147 286,745 2200,646 6.574 11 505-Electric Expense DPROD 7,765,512 254,147 286,745 2200,646 6.574 12 506-Miscellaneous Steam Power Expense DPROD 2,739,941 732,252 652,229 2,00,512 0.51 13 507-Rent DPROD 2,739,941 732,4252 652,229 2,00,571 63,201 14 506-Miscening Comparison 7,080,140 2,443,134 2,564,235 2,00,8571 63,201 15 Total Stam Production Maintenance 7 7 9 1 8 0 14 510-Supervision & Engineering SALWAGPM 1,380,128 11,4632 498,944 391,724 12,320 15 5113-Supervision & Engineering SALWAGPM 1,380,128 11,4432 391,724 12,320 16 | н | 4 | | | | | | | | | |
| H 7 Steam Production Operation H 8 605-Supervision & Engineering SALWAGPO 1,513,526 522,305 548,194 429,616 13,513 H 10 605-Supervision & Engineering DPROD 1,513,526 522,305 528,164 12,535,533 H 11 605-Betric Expense DPROD 735,512 244,147 226,745 209,046 6,574 H 13 607-Rent DPROD 2,767,486 233,438 245,009 192,011 6,039 H 13 607-Rent DPROD 2,779,941 702,447 28,252 662,228 2,0512 H 15 Total Steam Production Operation 779,991 0 82,252 2,09,971 63,201 H 15 Total Steam Production Alimenance 724,087 742,687 202,253 2,003,573 464 10 513-Supervision & Engineering SUMAGPM 1,380,128 1,249,867 1,214,850 1,232,033 2,232 11 43 513-Supervision & Engineering SUMAGPM 1,380,128 1,249,867 1,214,850 | н | 5 | PRODUCTION EXPENSE | | | | | | | | |
| H 8 600-Supervision & Engineering SALWAGPO 1,518,280 522,305 548,184 449,616 13,511 H 9 607-Fuel 0 0 0 0 0 0 H 10 605-Steam Expense DPROD 1,855,512 224,147 206,745 209,046 6,574 H 12 605-Macellaneous Steam Power Expense DPROD 2,737,941 792,447 832,252 652,220 20,512 H 14 505-Allowances DPROD 7,279 10 8 0 H 18 510-Supervision & Engineering SALWAGPM 1,380,128 476,238 499,844 391,724 12,320 H 18 510-Supervision & Engineering SALWAGPM 1,380,128 144,880 262,245 20,511 6,464 H 18 510-Maintenance of Shuctures DPROD 324,087 2,418,80 31,030 386 2,322 H 18 510-Maintenance of Shuctures DPROD 316,511 108,218 114,632 89,636 2,32,322 H <td< td=""><td>н</td><td>6</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<> | н | 6 | | | | | | | | | |
| H 9 501-Fuel 0 0 0 0 0 0 0 H 10 502-Steam Expense DPROD 736.512 254.147 286.745 2200.046 6.574 H 12 504-Miscelanceus Steam Prower Expense DPROD 726.512 254.147 286.745 2200.046 6.574 H 15 507-Rent DPROD 2.279.941 729.947 832.252 652.229 2.0512 H 15 505-Aloxances DPROD 7.280.140 2.443.134 2.564.235 2.009.571 63.201 H 15 Steam Production Maintenance 7.080.140 2.443.134 2.564.235 2.009.571 63.201 H 19 511-Maintenance of Structures DPROD 724.0497 249.860 282.745 200.519 6.464 H 19 511-Maintenance of Structures DPROD 316.511 100.218 114.452 89.836 2.825 H 20 513-Maintenance of Miscellancous Steam Production Mai | | | • | | | | | | | | |
| H 10 502-Steam Expense DPROD 1,865,572 242,848 672,025 522,661 16,563 H 11 505-Bittic Expense DPROD 676,488 233,438 246,009 192,011 6,039 H 13 507-Annt DPROD 2,287,941 782,947 832,252 652,229 20,512 H 14 503-Minvences DPROD 2,287,941 782,947 832,252 652,209 652,229 20,512 H 15 503-Minvences DPROD 2,287,941 2,264,433 2,264,435 2,005,71 633,201 H 15 510-Steam Production Operation Employee DPROD 724,097 724,850 225,244 391,724 12,320 H 25 512-Minitenance of Bublers DPROD 316,420 21,249,857 1,311,820 1,020,063 32,332 H 26 512-Minitenance of Bublers DPROD 316,424 2,128,857 1,311,820 1,020,063 32,332 12 514-Maintenance of Minocillancous Steam Plant DPROD 316,429,4567 3,144,852 <t< td=""><td></td><td></td><td></td><td></td><td>1,513,626</td><td>,</td><td></td><td>429,616</td><td></td><td></td><td></td></t<> | | | | | 1,513,626 | , | | 429,616 | | | |
| H 11 505-Electric Expense DPROD 78,612 28,147 296,745 209,046 6.574 H 15 507-Rent DPROD 2,279,741 78,247 832,252 652,229 20,512 H 16 509-Alloceal mouses Sham Production Operation 77,080,140 2,443,134 2,564,235 2,009,571 63,201 H 16 Total Stam Production Maintenance 77,080,140 2,443,134 2,564,235 2,009,571 63,201 H 16 Total Stam Production Maintenance 77,080,140 2,443,134 2,564,235 2,009,571 63,201 H 16 Total Stam Production Maintenance DPROD 72,607 249,860 282,245 20,5519 6,464 12 151-Maintenance of Blociers DPROD 3,622,082 1,311,623 10,82,063 22,322 H 21 513-Maintenance of Miscelaneous Steam Production Maintenance 6,154,246 2,123,637 2,228,001 1,746,772 54,936 H 26 Total Steam Production Departion DPROD 19,474 8,566,771 4,793,136 3,756,343 11 | | | | | - | - | • | • | • | | |
| H 12 504-Miscellaneous Skam Power Expense DPROD 676,488 228,438 246,009 192,011 6.039 H 13 507-Rent DPROD 2,227,941 792,447,134 252,26 652,229 20,612 H 14 509-Allowances DPROD 2,287,941 792,447,134 2,564,235 2,009,571 63,201 H 15 Total Stam Production Maintenance DPROD 3,622,082 1,244,31,34 2,564,235 2,009,571 63,201 H 16 Total Stam Production Maintenance DPROD 3,622,082 1,244,81,314 2,564,235 2,009,571 12,230 H 18 510-Supervision & Engineering SALWAOPM 1,380,128 424,887 1,311,820 1,028,063 22,323 H 20 512-Maintenance of Structures DPROD 3,652,082 1,248,857 1,314,820 1,028,063 22,323 H 21 514-Maintenance of Structures DPROD 3,652,082 1,248,857 1,314,820 1,028,063 2,323 H 23 Fortal Stram Production Maintenance DPROD <t< td=""><td></td><td></td><td>•</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<> | | | • | | | | | | | | |
| H 13 507-Rent DPROD 2,27 19 10 832,252 652,229 20,312 H 14 509-Allowances DPROD 2,7 9 10 8 0 H 15 Total Steam Production Operation 7,080,140 2,443,134 2,564,235 2,009,571 63,201 H 16 Steam Production Maintenance 7,080,140 2,443,134 2,564,235 2,009,571 63,201 H 16 S10-Supervision & Engineering SALWAGPM 1,380,128 476,238 499,844 391,724 12,320 H 18 511-Maintenance of Situctures DPROD 372,617 249,867 1,311,820 1,428,063 3,232 H 20 513-Maintenance of Electric Plant DPROD 311,411 108,218 141,452 89,356 2,622 H 21 514-Maintenance of Electric Plant DPROD 311,420 1,426,776 2,49,867 1,311,820 3,836 2,825 H 22 Total Steam Production Maintenance Electric Plant DPROD 114,440 38,455 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<> | | | | | | | | | | | |
| H 14 509-Allowances DPROD 27 9 10 8 0 H 15 Total Steam Production Operation 7,080,140 2,443,134 2,564,235 2,009,571 63,201 H 15 Steam Production Maintenance 7 7,080,140 2,443,134 2,564,235 2,009,571 63,201 H 15 Steam Production Maintenance 501-Supervision & Engineering SALWAGPM 1,380,126 476,238 498,844 391,724 12,320 H 15 Steam Production Maintenance DPROD 724,067 249,667 131,820 1028,063 32,332 H 20 512-Maintenance of Blocers DPROD 316,511 109,218 114,453 89,836 2,825 H 23 Total Steam Production Maintenance 0 111,440 38,455 40,361 31,630 965 H 24 Total Steam Production Expense 13,234,886 4,566,771 4,793,136 3,756,343 118,130 H 25 Other Production Operation FUPCUE 0 0 0 0 | | | | | | , | - 1 | | | | |
| H 15 Total Steam Production Operation 7,080,140 2,443,134 2,564,235 2,009,571 63,201 H 16 Steam Production Maintenance | | | | | . , | | | | | | |
| H 16 H 17 Steam Production Maintenance H 18 510-Supervision & Engineering SALWAGPM 1,380,125 476,238 499,844 391,724 12,320 H 19 511-Maintenance of Binering DPROD 724,087 249,860 282,245 205,519 6,464 12 512-Maintenance of Biolers DPROD 3,622,082 1,249,867 1,11,820 1,028,063 32,332 H 21 513-Maintenance of Miscellaneous Steam Plant DPROD 316,511 109,218 114,4532 89,936 2,825 14 25 Total Steam Production Maintenance MROD 111,440 38,455 40,361 31,630 985 12 Total Steam Production Deration 113,234,386 4,566,771 4,793,138 3,756,343 118,136 H 26 Other Production Operation ENEFUEL 0 | | | | DPROD | | • | | - | • | | |
| H 17 Steam Production Maintenance H 18 Stolo-Supervision & Engineering SALWAGPM 1,380,128 476,238 499,844 391,724 12,320 H 18 Stolo-Supervision & Engineering DPROD 724,087 249,860 262,245 205,519 6,464 H 20 S13-Maintenance of Blouters DPROD 3,622,082 1,248,867 1,31,820 1028,063 32,332 H 21 S13-Maintenance of Hiscellaneous Steam Plant DPROD 3,651,11 109,218 114,452 89,868 2,825 H 22 S14-Maintenance of Hiscellaneous Steam Plant DPROD 111,440 38,455 40,381 31,633 995 H 23 Total Steam Production Maintenance Energineering SALWAGPO 194,748 67,201 4,793,136 3,756,343 118,136 H 26 S44-Operation Supervision and Engineering SALWAGPO 194,748 67,201 70,532 55,276 1,738 G S44-Operation Supervision and Engineering SALWAGPO 194,748 67,201 70,532 55,276 1,738 | | | Total Steam Production Operation | | 7,080,140 | 2,443,134 | 2,564,235 | 2,009,571 | 63,201 | | |
| H 18 510-Supervision & Engineering SALWAGPM 1,380,128 476,238 499,844 391,724 12,320 H 19 511-Maintenance of Boliers DPROD 724,087 249,860 262,245 205,519 6,464 L 20 512-Maintenance of Boliers DPROD 376,2082 1,219,863 32,332 H 21 513-Maintenance of Miscilaneous Steam Plant DPROD 316,511 108,218 114,632 89,836 2,225 G 514-Maintanance of Miscilaneous Steam Plant DPROD 316,514 38,455 40,361 31,630 995 H 23 Total Steam Production Maintenance 6,154,246 2,123,637 2,228,901 1,746,772 54,936 H 24 Total Steam Production Expense Isan Company 8,144 8,771 4,793,136 3,756,343 118,136 H 28 546-Operation Supervision and Engineering SALWAGPO 194,748 67,201 70,532 55,276 1,738 H 28 546-Operation Supervision and Engineering SALWAGPO 194,748 67,201 70,532 | | | | | | | | | | | |
| H 19 511-Maintenance of Structures DPROD 724 087 248 200 252 245 205 519 6.464 H 20 512-Maintenance of Bollers DPROD 3,622 082 1,249,867 1,311,820 1,028,063 32,332 H 21 513-Maintenance of Electric Plant DPROD 3,622,082 1,249,867 1,311,820 1,028,063 32,332 H 22 514-Maintenance of Structures 0.156,211 108,218 114,432 889,386 2,225 H 23 Total Steam Production Maintenance 0.164,246 4,0361 31,630 995 H 25 Total Steam Production Depretation 13,234,386 4,566,771 4,793,136 3,756,343 118,136 H 26 548-Generation Supervision and Engineering SALWAGPO 194,748 67,201 70,532 55,276 1,738 H 29 547-Fuel DPROD 78,392 27,051 28,391 22,250 700 H 30 548-Generation Expense DPROD 779,712 269,054 282,390 221,077 6,960 | | | | | | | | | | | |
| H 20 512-Maintenance of Bollers DPROD 3,622,082 1,249,667 1,311,820 1,022,063 32,332 H 21 513-Maintenance of Bollers DPROD 316,511 109,218 114,632 89,836 2,825 H 22 514-Maintenance of Miscellaneous Steam Plant DPROD 316,511 109,218 114,632 89,836 2,825 H 22 514-Maintenance of Miscellaneous Steam Plant DPROD 316,511 0.39,218 114,632 89,836 2,825 H 23 Total Steam Production Maintenance Miscellaneous Steam Plant DPROD 61,54,246 2,123,637 2,228,901 1,746,772 54,935 H 24 Other Production Operation Iteration Supervision and Engineering SALWAGPO 194,748 67,201 70,532 55,276 1,738 H 29 547-Fuel DPROD 39,813 137,663 144,802 113,480 3,569 H 30 548-Miscellaneous Other Power Generation DPROD 78,392 27,051 28,381 222,130 69,660 H 31 | | | | | | , | | | • | | |
| H 21 513-Maintenance of Electric Plant DPROD 316,511 109,218 114,632 89,836 2,825 H 22 514-Maintenance of Miscellaneous Steam Plant DPROD 111,440 38,455 40,361 31,630 995 H 23 Total Steam Production Maintenance 113,234,386 4,566,771 4,793,136 3,76,343 118,136 H 26 Total Steam Production Operation SALWAGPO 194,748 67,201 70,532 55,276 1,738 H 29 546-Operation Supervision and Engineering SALWAGPO 194,748 67,201 70,532 55,276 1,738 H 29 547-Fuel ENEFUEL 0 0 0 0 0 0 H 30 548-Generation Expense DPROD 78,392 27,061 28,391 22,250 700 H 32 550-Rents DPROD 79,712 269,054 282,143 221,114 6,954 H 33 551-Supervision & Engineering SALWAGPM 779,030 268,819 282,143 221,114 | | | | | | | | , | • | | |
| H 22 514-Maintanance of Miscellaneous Steam Plant DPROD 111,440 38,455 40,361 31,630 995 H 23 Total Steam Production Maintenance 6,154,246 2,123,637 2,228,901 1,746,772 54,936 H 24 Total Steam Production Expense 13,234,386 4,566,771 4,793,136 3,756,343 118,136 H 26 Total Steam Production Operation 13,234,386 67,201 70,532 55,276 1,738 H 28 548-Operation Supervision and Engineering SALWAGPO 194,748 67,201 70,532 55,276 1,738 H 28 549-Generation Expense DPROD 79,913 137,963 144,400 113,480 3,569 H 30 549-Generation Expense DPROD 779,712 289,054 282,390 221,007 953 H 33 Total Other Production Operation Freue 779,712 289,054 282,143 221,114 6,954 H 34 553-Maintenance of Generating and Electric Plant DPROD 1779,030 268,819 282,143 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>• •</td> <td></td> <td>•</td> <td></td> <td></td> | | | | | | | • • | | • | | |
| H 23 Total Steam Production Maintenance 6,154,246 2,123,637 2,228,901 1,746,772 54,936 H 24 | | | | | | , | , | , | | | |
| H 24 H 25 Total Steam Production Expense 13,234,386 4,566,771 4,793,136 3,756,343 118,136 H 26 Other Production Operation 1 118,136 118,136 H 28 546-Operation Supervision and Engineering SALWAGPO 194,748 67,201 70,532 55,276 1,738 G 547-Fuel ENEFUEL 0 0 0 0 0 0 13 548-Generation Expense DPROD 399,813 137,963 144,802 113,480 3,569 14 31 549-Miscellaneous Other Power Generation DPROD 78,392 27,051 28,391 22,250 700 13 549-Miscellaneous Other Power Generation DPROD 106,758 36,655 30,301 953 14 32 550-Rents DPROD 106,758 36,819 282,143 221,137 6,960 14 36 551-Supervision & Engineering SALWAGPM 779,030 268,819 282,143 221,137 792 14 35 553-Maintenance | | | | DPROD | | | | | | | |
| H 25 Total Steam Production Expense 13,234,386 4,566,771 4,793,136 3,756,343 118,136 H 26 H 27 Other Production Operation 548-Operation Supervision and Engineering SALWAGPO 194,748 67,201 70,532 55,276 1,738 H 29 547-Fuel 0 0 0 0 0 0 H 29 548-Operation Supervision and Engineering SALWAGPO 194,748 67,201 70,532 55,276 1,738 H 29 548-Operation Supervision and Engineering DPROD 399,813 137,963 144,802 113,480 3,569 H 31 549-Miscellaneous Other Power Generation DPROD 779,712 289,054 282,391 22,250 700 H 32 550-Rents DPROD 106,758 368,839 36,665 30,301 953 H 34 Total Other Production Operation F 779,712 289,054 282,143 221,107 6,954 H 34 551-Supervision & Engineering SALWAGPM | | | Total Steam Production Maintenance | | 6,154,246 | 2,123,637 | 2,228,901 | 1,746,772 | 54,936 | | |
| H 26 H 27 Other Production Operation H 27 Other Production Operation Supervision and Engineering SALWAGPO 194,748 67,201 70,532 55,276 1,738 H 29 547-Fuel ENEFUEL 0 0 0 0 0 H 30 548-Generation Expense DPROD 399,813 137,963 144,802 113,480 3,569 H 31 549-Miscellaneous Other Power Generation DPROD 78,382 27,051 28,391 22,250 700 H 32 550-Rents DPROD 106,758 36,839 38,665 30,301 953 H 33 Total Other Production Operation 779,712 269,054 282,390 221,307 6,960 H 35 Other Production Maintenance 779,012 269,054 282,143 221,114 6,954 H 35 S51-Supervision & Engineering SALWAGPM 779,030 268,819 282,143 221,114 6,954 H 36 551-Supervision & Engineeering DPROD< | | | | | | 1 500 501 | 1 740 100 | | | | |
| H 27 Other Production Operation H 28 548-Operation Supervision and Engineering SALWAGPO 194,748 67,201 70,532 55,276 1,738 H 29 547-Fuel ENEFUEL 0 0 0 0 0 H 30 548-Generation Expense DPROD 399,813 137,963 144,802 113,480 3,569 H 31 549-Miscellaneous Other Power Generation DPROD 78,382 27,051 28,391 22,250 700 H 32 550-Rents DPROD 76,382 270,051 288,391 22,250 700 H 33 Total Other Production Operation DPROD 779,712 269,054 282,390 221,017 6,960 H 36 551-Stoructures DPROD 88,718 30,614 32,131 251,811 792 H 36 553-Maintenance of Generating and Electric Plant DPROD 1,774,681 612,390 642,745 503,714 15,842 H 37 552-Structures DPROD 1,774,681 <th< td=""><td></td><td></td><td>Total Steam Production Expense</td><td></td><td>13,234,386</td><td>4,566,771</td><td>4,793,136</td><td>3,756,343</td><td>118,136</td><td></td><td></td></th<> | | | Total Steam Production Expense | | 13,234,386 | 4,566,771 | 4,793,136 | 3,756,343 | 118,136 | | |
| H 28 546-Operation Supervision and Engineering SALWAGPO 194,748 67,201 70,532 55,276 1,738 H 29 547-Fuel ENEFUEL 0 0 0 0 H 30 548-Generation Expense DPROD 399,813 137,963 144,802 113,480 3,569 H 31 549-Miscellaneous Other Power Generation DPROD 78,392 27,051 28,391 22,250 700 H 32 550-Rents DPROD 106,758 36,839 38,665 30,301 953 H 33 Total Other Production Operation 779,712 269,054 282,390 221,307 6,960 H 34 651-Supervision & Engineering SALWAGPM 779,030 268,819 282,143 221,114 6,954 H 36 551-Supervision & Engineering and Electric Plant DPROD 1,774,691 612,390 642,745 503,714 15,842 H 37 552-Structures DPROD 1,774,691 612,390 642,215 503,325 1,583 H </td <td></td> <td></td> <td>Other Deaduction Operation</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> | | | Other Deaduction Operation | | | | | | | | |
| H 29 547-Fuel ENEFUEL 0 0 0 0 0 0 0 0 H 30 548-Generation Expense DPROD 399,813 137,963 144,802 113,480 3,569 H 31 549-Miscellaneous Other Power Generation DPROD 78,932 27,051 28,391 22,250 700 H 32 550-Rents DPROD 106,758 36,839 38,665 30,301 953 H 33 Total Other Production Operation 779,712 269,054 282,390 221,307 6,960 H 34 7 551-Supervision & Engineering SALWAGPM 779,030 268,819 282,143 221,114 6,954 H 37 552-Structures DPROD 1,774,691 612,390 642,745 503,714 15,842 H 38 553-Maintenance of Generating and Electric Plant DPROD 177,304 61,182 64,215 50,325 1,584 H 38 554-Maintenance of Miscellaneous Other Power DPROD 702,930 242,559 254,55 | | | | CALMACRO | 404 749 | 67.004 | 70 590 | 65 070 | 1 700 | | |
| H 30 548-Generation Expense DPROD 399,813 137,963 144,802 113,480 3,569 H 31 549-Miscellaneous Other Power Generation DPROD 78,392 27,051 28,391 22,250 700 H 32 550-Rents DPROD 106,758 36,839 38,655 30,301 953 H 33 Total Other Production Operation 779,712 269,054 282,390 221,307 6,960 H 35 Other Production Maintenance Total Other Production Maintenance H 36 551-Supervision & Engineering SALWAGPM 779,030 268,819 282,143 221,114 6,954 H 36 551-Supervision & Engineering and Electric Plant DPROD 88,718 30,614 32,131 25,181 792 H 38 553-Maintenance of Generating and Electric Plant DPROD 177,304 61,182 64,215 503,714 15,842 H 39 554-Maintenance of Miscellaneous Other Power DPROD 702,930 242,559 254,582 199,514 6,275 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<> | | | | | | | | | | | |
| H 31 549-Miscellaneous Other Power Generation DPROD 78,392 27,051 28,391 22,250 700 H 32 550-Rents DPROD 106,758 36,839 38,665 30,301 953 H 33 Total Other Production Operation 779,712 269,054 282,390 221,307 6,960 H 34 717,712 269,054 282,143 221,114 6,954 H 36 551-Supervision & Engineering SALWAGPM 779,030 268,819 282,143 221,114 6,954 H 36 551-Supervision & Engineering DPROD 1,774,691 612,390 642,745 503,714 15,842 H 38 553-Maintenance of Miscellaneous Other Power DPROD 1,774,691 612,390 642,745 503,714 15,842 H 40 556-System Control and Load Dispatching DPROD 702,930 242,559 254,582 199,514 6,275 H 41 556-System Control and Load Dispatching DPROD 21 7 8 6 0 0 <tr< td=""><td></td><td></td><td></td><td></td><td>•</td><td>•</td><td>-</td><td></td><td>-</td><td></td><td></td></tr<> | | | | | • | • | - | | - | | |
| H 32 550-Rents DPROD 106,758 36,839 38,665 30,301 953 H 33 Total Other Production Operation 779,712 269,054 282,390 221,307 6,960 H 34 74 749,712 269,054 282,390 221,104 6,954 H 35 Other Production Maintenance 779,030 268,819 282,143 221,114 6,954 H 36 551-Supervision & Engineering SALWAGPM 779,030 268,819 282,143 221,114 6,954 H 36 551-Supervision & Engineering SALWAGPM 779,030 268,819 282,143 221,114 6,954 H 37 552-Structures DPROD 8,718 30,614 32,131 25,181 792 H 38 553-Maintenance of Generating and Electric Plant DPROD 1,774,691 612,390 642,745 503,714 15,842 H 39 554-Maintenance of Miscellaneous Other Power DPROD 702,930 242,559 254,582 199,514 6,275 H | | | | | | | | , | | | |
| H 33 Total Other Production Operation 779,712 269,054 282,390 221,307 6,960 H 34 H 35 Other Production Maintenance | | | | | · · · | , | _ , | | | | |
| H 34 H 35 H 35 Other Production Maintenance H 36 551-Supervision & Engineering SALWAGPM 779,030 268,819 282,143 221,114 6,954 H 37 552-Structures DPROD 88,718 30,614 32,131 25,181 792 H 38 553-Maintenance of Generating and Electric Plant DPROD 1,774,691 612,390 642,745 503,714 15,842 H 39 554-Maintenance of Miscellaneous Other Power DPROD 1,774,691 611,822 64,215 50,325 1,583 H 39 554-Maintenance of Miscellaneous Other Power DPROD 702,930 242,559 254,582 199,514 6,275 H 40 556-System Control and Load Dispatching DPROD 21 7 8 6 0 H 41 Total Other Production Maintenance 3,522,695 1,215,571 1,275,825 999,854 31,445 H 43 Total Other Production Expense 4,302,406 1,484,6 | | | | DEROD | | | | 1 | + | | |
| H35Other Production MaintenanceH36551-Supervision & EngineeringSALWAGPM779,030268,819282,143221,1146,954H37552-StructuresDPROD88,71830,61432,13125,181792H38553-Maintenance of Generating and Electric PlantDPROD1,774,691612,390642,745503,71415,842H39554-Maintenance of Miscellaneous Other PowerDPROD177,304611,82264,21550,3251,583H40556-System Control and Load DispatchingDPROD702,930242,559264,582199,5146,275H41556-System Control and Load DispatchingDPROD217860H42Total Other Production Maintenance3,522,6951,215,5711,275,825999,85431,445H44Total Other Production Expense4,302,4061,484,6251,558,2151,221,16138,405 | | | Total Other Production Operation | | 115,112 | 203,004 | 202,090 | 221,307 | 0,900 | | |
| H 36 551-Supervision & Engineering SALWAGPM 779,030 268,819 282,143 221,114 6,954 H 37 552-Structures DPROD 88,718 30,614 32,131 25,181 792 H 38 553-Maintenance of Generating and Electric Plant DPROD 1,774,691 612,390 642,745 503,714 15,842 H 39 554-Maintenance of Miscellaneous Other Power DPROD 1,774,691 612,390 642,745 503,714 15,842 H 39 554-Maintenance of Miscellaneous Other Power DPROD 1,774,691 612,390 642,745 503,714 15,842 H 40 556-System Control and Load Dispatching DPROD 702,930 242,559 254,582 199,514 6,275 H 41 556-System Control and Load Dispatching DPROD 21 7 8 6 0 H 42 Total Other Production Maintenance 3522,695 1,215,571 1,275,825 999,854 31,445 H 43 Total Other Production Expense 4,302,406 1,484,625 < | | | Other Production Maintenance | | | | | | | | |
| H 37 552-Structures DPROD 88,718 30,614 32,131 25,181 792 H 38 553-Maintenance of Generating and Electric Plant DPROD 1,774,691 612,390 642,745 503,714 15,842 H 39 554-Maintenance of Miscellaneous Other Power DPROD 1,774,691 612,390 642,745 503,714 15,842 H 39 554-Maintenance of Miscellaneous Other Power DPROD 177,304 611,82 64,215 50,325 1,583 H 40 556-System Control and Load Dispatching DPROD 702,930 242,559 254,582 199,514 6,275 H 41 556-System Control and Load Dispatching DPROD 21 7 8 6 0 H 42 Total Other Production Maintenance 33,522,695 1,215,571 1,275,825 999,854 31,445 H 44 Total Other Production Expense 4,302,406 1,484,625 1,558,215 1,221,161 38,405 | | | | SALWAGPM | 779 030 | 268 819 | 282 143 | 221 114 | 6 954 | | |
| H 38 553-Maintenance of Generating and Electric Plant DPROD 1,774,691 612,390 642,745 503,714 15,842 H 39 554-Maintenance of Miscellaneous Other Power DPROD 177,304 611,82 64,215 503,714 15,842 H 40 556-System Control and Load Dispatching DPROD 702,930 242,559 254,582 199,514 6,275 H 41 556-System Control and Load Dispatching DPROD 21 7 8 6 0 H 42 Total Other Production Maintenance 3,522,695 1,215,571 1,275,825 999,854 31,445 H 44 Total Other Production Expense 4,302,406 1,484,625 1,558,215 1,221,161 38,405 | | | | | | | | | | | |
| H 39 554-Maintenance of Miscellaneous Other Power DPROD 177,304 61,182 64,215 50,325 1,583 H 40 556-System Control and Load Dispatching DPROD 702,930 242,559 254,582 199,514 6,275 H 41 556-System Control and Load Dispatching DPROD 21 7 8 6 0 H 42 Total Other Production Maintenance 3,522,695 1,215,571 1,275,825 999,854 31,445 H 44 Total Other Production Expense 4,302,406 1,484,625 1,558,215 1,221,161 38,405 | | | | | | | | | | | |
| H 40 556-System Control and Load Dispatching DPROD 702,930 242,559 254,582 199,514 6,275 H 41 556-System Control and Load Dispatching DPROD 21 7 8 6 0 H 42 Total Other Production Maintenance 3,522,695 1,215,571 1,275,825 999,854 31,445 H 43 Total Other Production Expense 4,302,406 1,484,625 1,558,215 1,221,161 38,405 | | | | | , , | , | | 1 | <i>,</i> · · · -= | | |
| H 41 556-System Control and Load Dispatching DPROD 21 7 8 6 0 H 42 Total Other Production Maintenance 3,522,695 1,215,571 1,275,825 999,854 31,445 H 43 44 Total Other Production Expense 4,302,406 1,484,625 1,558,215 1,221,161 38,405 | | | | | | | | | | | |
| H 42 Total Other Production Maintenance 3,522,695 1,215,571 1,275,825 999,854 31,445 H 43 H 44 Total Other Production Expense 4,302,406 1,484,625 1,558,215 1,221,161 38,405 | | | | | | | | | | | |
| H 43 H 44 Total Other Production Expense 4,302,406 1,484,625 1,558,215 1,221,161 38,405 | | | | | | • | - | _ | - | | |
| H 44 Total Other Production Expense 4,302,406 1,484,625 1,558,215 1,221,161 38,405 | | | | | -,,0000 | .,, | ., | 000,004 | 0.,740 | | |
| | | | Total Other Production Expense | | 4,302.406 | 1,484,625 | 1.558,215 | 1,221,161 | 38,405 | | |
| | | | | | | ····· | | ., | , | | |

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Exhibit CJK - 105 Page 324 of 358

BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 13 of 35

| SCH
NO. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL | GS LARGE/
INDUSTRIAL | | | |
|------------|----------|---|---------------------|--------------------------|------------------------|-----------|-------------------------|---------|-----|-----|
| NO. | NU, | | (b) | (c) | | SERVICE | CONTRACT
(h) | SERVICE | (3) | 46 |
| | | (a) | (u) | (C) | (d) | (e) | (11) | (i) | (i) | (f) |
| н | 47 | OPERATION & MAINTENANCE EXPENSE CONTINUE | D | | | | | | | |
| н | 48 | | | | | | | | | |
| н | 49 | | | | | | | | | |
| н | 50 | PRODUCTION EXPENSE (CONT.) | | | | | | | | |
| н | 51 | | | | | | | | | |
| Н | 52 | Other Power Supply | | | | | | | | |
| н | 53 | 555 - Purchased Power - Energy | ENERGY1 | 0 | 0 | 0 | 0 | 0 | | |
| Н | 54 | 555 - Purchased Power - Capacity | DPROD | 6,642,209 | 2,292,018 | 2,405,628 | 1,885,272 | 59,291 | | |
| н | 55 | Total Other Power Supply | | 6,642,209 | 2,292,018 | 2,405,628 | 1,885,272 | 59,291 | | |
| н | 56 | | | | | | | | | |
| н | 57 | TOTAL PRODUCTION EXPENSE | | 24,179,002 | 8,343,414 | 8,756,979 | 6,862,776 | 215,833 | | |
| н | 58 | | | | | | | | | |
| н | 59 | | | | | | | | | |
| Н | | TRANSMISSION EXPENSES | | | | | | | | |
| н | 61 | | | | | | | | | |
| н | 62 | Operation | | | | | | _ | | |
| Н | 63 | 560-Supervision & Engineering | SALWAGTO | 278,673 | 96,275 | 104,568 | 75,382 | 2,449 | | |
| н | 64 | 561-Load Dispatch | TRANPLT | D | 0 | 0 | 0 | 0 | | |
| Н | 65 | 562-Station Equipment | TRANPLT | 0 | 0 | 0 | 0 | 0 | | |
| н | 66 | 563-Overhead Lines | TRANPLT | 44,983 | 15,540 | 16,879 | 12,168 | 395 | | |
| н | 67 | 565-Transmission of Electricity by Others | TRANPLT | 0 | 0 | 0 | 0 | 0 | | |
| н | 68 | 566-Miscellaneous | TRANPLT | 47,838 | 16,527 | 17,951 | 12,940 | 420 | | |
| н | 69 | 567-Rents | TRANPLT | 0 | 0 | 0 | 0 | 0 | | |
| н | 70 | Total Transmission Operation | | 371,494 | 128,342 | 139,398 | 100,490 | 3,264 | | |
| н | 71 | | | | | | | | | |
| н | 72 | | 0411040714 | • | | • | 0 | ٥ | | |
| н | 73 | 568-Maintenance Supervision & Engineering | SALWAGTM
TRANPLT | 0 | 0 | 0
N | 0 | 0 | | |
| н | 74 | 569-Maintenance of Structures | | 0 | - | 25,819 | | 605 | | |
| н | 75 | 570-Maintenance of Station Equipment | | 68,806
74,211 | 23,771 | 25,819 | 18,612
20,074 | 652 | | |
| н | 76 | 571-Maintenance of Overhead Lines | | • | 25,638 | | | 052 | | |
| H | 77 | 572-Maintenance of Underground Lines | TRANPLT | 0 | 0 | 0 | 0 | 0 | | |
| н | 78 | 573-Maint. of Miscellaneous Transmission Plant | TRANPLT | - | - | 53,665 | 38,686 | 1,257 | | |
| Н | 79 | Total Transmission Maintenance | | 143,017 | 49,409 | 33,005 | 30,000 | 1,20/ | | |
| H
H | 80
81 | TOTAL TRANSMISSION EXPENSE | | 514,511 | 177,751 | 193,063 | 139,176 | 4,521 | | |
| | | TOTAL TRANSMISSION EXPENSE | | 014,011 | 177,751 | 193,003 | 135,176 | 4,021 | | |
| H
H | 82
83 | | | | | | | | | |
| н | 84
84 | | | | | | | | | |
| н | 04
85 | | | | | | | | | |
| н | 86 | | | | | | | | | |

H 85 H 86 H 87 H 88 H 89 H 90 H 91 H 92

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Schedule O-1 Cost of Service Study Page 14 of 35

| SCH
NO. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------|--------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (C) | (d) | (e) | (h) | (i) | (i) | (f) |
| н | 93 | OPERATION & MAINTENANCE EXPENSE CONTINUE | 5 | | | | | | | |
| н | 94 | | | | | | | | | |
| н | 95 | | | | | | | | | |
| н | 96 | DISTRIBUTION EXPENSES | | | | | | | | |
| н | 97 | Operation | | | | | | | | |
| н | 98 | 580-Supervision | SALWAGDO | 762,045 | 365,028 | 254,026 | 135,178 | 7,812 | | |
| н | 99 | 581-Load Dispatch | DISTPLT | 225,430 | 85,821 | 86,382 | 48,163 | 5,065 | | |
| н | 100 | 582-Station Equipment | PLT_362 | 370,464 | 127,986 | 139,011 | 100,211 | 3,255 | | |
| н | 101 | 583-Overhead Lines | OHDIST | 430,270 | 152,875 | 166,043 | 107,463 | 3,888 | | |
| н | 102 | 584-Underground Lines | UGDIST | 303,277 | 112,510 | 122,202 | 65,703 | 2,862 | | |
| н | 103 | 585-Street Lighting | PLT_3713 | 85 | 0 | 0 | 0 | 85 | | |
| н | 104 | 586-Metering | CMETERS | 830,061 | 595,027 | 185,799 | 47,770 | 1,465 | | |
| н | 105 | 587-Customer Installations | CMETERS | 27,53 9 | 19,742 | 6,164 | 1,585 | 49 | | |
| н | 106 | 588-Miscellaneous | DISTPLT | 452,835 | 172,393 | 173,521 | 96,747 | 10,174 | | |
| н | 107 | 589-Rents | DISTPLT | 18,122 | 6,899 | 6,944 | 3,872 | 407 | | |
| н | 108 | Total Distribution Operation | | 3,420,129 | 1,638,281 | 1,140,094 | 606,692 | 35,062 | | |
| Н | 109 | | | | | | | | | |
| Н | 110 | Maintenance | | | | | | | | |
| н | 111 | 590-Supervision | SALWAGDM | 1,481 | 517 | 543 | 346 | 75 | | |
| н | 112 | 591-Structures | DISTPLT | 0 | 0 | 0 | 0 | 0 | | |
| н | 113 | 592-Station Equipment | PLT_362 | 300,159 | 103,698 | 112,630 | 81,194 | 2,638 | | |
| н | 114 | 593-Overhead Lines | OHDIST | 2,436,767 | 865,784 | 940,362 | 608,599 | 22,022 | | |
| н | 115 | 594-Underground Lines | UGDIST | 188,948 | 70,096 | 76,134 | 40,934 | 1,783 | | |
| н | 116 | | PLT_368 | 36,894 | 14,702 | 15,968 | 5,849 | 374 | | |
| н | 117 | 596-Street Lighting | PLT_3713 | 134,130 | 0 | 0 | 0 | 134,130 | | |
| н | 1 1 8 | 597-Metering | CMETERS | 71,733 | 51,422 | 16,057 | 4,128 | 127 | | |
| н | 119 | 598-Miscellaneous | DISTPLT | 20,337 | 7,742 | 7,793 | 4,345 | 457 | | |
| н | 120 | Total Distribution Maintenance | | 3,190,449 | 1,113,961 | 1,169,488 | 745,396 | 161,605 | | |
| н | 121 | | | | 0 770 040 | 0 000 F04 | | 400.007 | | |
| н | | TOTAL DISTRIBUTION EXPENSES | | 6,610,578 | 2,752,242 | 2,309,581 | 1,352,088 | 196,667 | | |
| н | 123 | TOTAL OPER & MARIE EVE (PROP TO MUS DIOT | | | 44.070.407 | 14 of 0 000 | | 447 004 | | |
| H | 124 | | | 31,304,092 | 11,273,407 | 11,259,623 | 8,354,040 | 417,021 | | |
| н | 125 | | | | | | | | | |
| н | 126 | | | | | | | | | |
| н | 127 | | | | | | | | | |
| н
н | 128 | | | | | | | | | |
| н | 129 | | | | | | | | | |

Exhibit CJK - 105 Page 326 of 358

BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 15 of 35

| SCH LINE | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| - 139 | OPERATION & MAINTENANCE EXPENSE CONTINU | (ED | | | | | | | |
| 140 | | | | | | | | | |
| 141 | | | | | | | | | |
| | CUSTOMER ACCOUNTS EXPENSES | | | | | | | | |
| 143 | | SALWAGCA | 46,325 | 37,974 | 7,780 | 115 | 456 | | |
| 143
144 | | CMETRDG | 58,382 | 47,383 | 10,723 | 140 | 137 | | |
| 145 | | CUSTREC | 1,587,900 | 1,279,084 | 289,462 | 3,795 | 15,558 | | |
| 145 | - , | EXP 904 | 385,993 | 350,728 | 29,717 | 1,179 | 4,369 | | |
| 140 | | CUSTCAM | 793,168 | 638,912 | 144,589 | 1,896 | 7,772 | | |
| 147 | | COSTORIA | 2,871,767 | 2,354,081 | 482,271 | 7,124 | 28,292 | | |
| 149 | | | 2,01 1,701 | 2,00 1,00 1 | 142,211 | | , | | |
| 149
150 | | | | | | | | | |
| | CUSTOMER SERVICE EXPENSES | | | | | | | | |
| 152 | | SALWAGCS | 263,127 | 211,954 | 47,966 | 629 | 2.578 | | |
| 152 | • | CUSTASST | 1.006,374 | 810.654 | 183,454 | 2,405 | 9,861 | | |
| 153 | | CUSTADVT | 5,073 | 4,087 | 925 | 12 | 50 | | |
| 155 | | CUSTCSM | 56,057 | 45,155 | 10,219 | 134 | 549 | | |
| | | 0001000 | 1,330,630 | 1.071,849 | 242,564 | 3,180 | 13,038 | | |
| 156
157 | | | 1,000,000 | 1,01 1,01 | E .= (+ | -,+ | 1 | | |
| | SALES EXPENSES TOTAL | SALESREV | 0 | 0 | 0 | ٥ | 0 | | |
| | - | GALLONEV | v | • | v | - | - | | |
| |)
TOTAL OPER & MAINT EXCL A&G | | 35,506,489 | 14,699,337 | 11,984,458 | 8,364,344 | 458,350 | | |
| 161 | | | 00,000,100 | 11,000,001 | | -j, | , | | |
| | 2 ADMINISTRATIVE & GENERAL EXPENSE | | | | | | | | |
| 163 | | SALWAGES | 11,881,380 | 5,165,094 | 3,932,576 | 2,637,384 | 146,326 | | |
| 164 | | SALWAGES | 3,961,236 | 1,722,035 | 1 311 115 | 879,300 | 48,785 | | |
| | ••• | SALWAGES | (31,002) | | (10,261) | (6,882) | (382) | | |
| 165
166 | • | SALWAGES | 2,744,976 | 1,193,301 | 908,550 | 609,319 | 33,806 | | |
| 160 | | CLAIMREV | 65,773 | 25,869 | 23,080 | 15,962 | 863 | | |
| 165 | · · · · · · · · · · · · · · · · · · · | TOTPLT | 754,715 | 274,736 | 276,834 | 192,793 | 10.352 | | |
| 169 | | SALWAGES | 1,429,334 | 621,362 | 473,090 | 317,278 | 17,603 | | |
| 170 | | SALWAGES | 513,526 | 223,241 | 169,970 | 113,990 | 6,324 | | |
| 171 | | CLAIMREV | 651,204 | 256,119 | 228,507 | 158,031 | 8,547 | | |
| 172 | | SALWAGES | 24,893 | 10,821 | 8,239 | 5,526 | 307 | | |
| 173 | • | SALWAGES | 994,545 | 432,351 | 329,181 | 220,765 | 12,248 | | |
| | | GENLPLT | 468,915 | 203,644 | 155,302 | 104,190 | 5,779 | | |
| 174
175 | | GENLPLT | 1,238,321 | 537,787 | 410,126 | 275,147 | 15,261 | | |
| 1 176 | | JUNE CI | 24,697,815 | 10,652,883 | 8,216,309 | 5,522,802 | 305,821 | | |
| 177 | | | 24,007,010 | 10,002,000 | 0,2,0,000 | 0,022,002 | 0,021 | | |
| 1 178 | | i | 60,204,304 | 25,352,220 | 20,200,767 | 13,887,146 | 764,172 | | |
| t 179 | | | 00,20 ,001 | me, co-j==0 | ,, | | | | |
| 1 1/3 | | | | | | | | | |
| 1 181 | | | | | | | | | |

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181 182 H H H H

183 184



Schedule O-1 Cost of Service Study Page 16 of 35

| SCH
NO. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|-------------|----------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| J | 1
2 | DEPRECIATION/AMORTIZATION EXPENSE | | | | | | | | |
| J | | PRODUCTION PLANT EXPENSE | PRODPLT | 12,248,072 | 4,226,425 | 4,435,920 | 3,476,396 | 109,332 | | |
| J
J | 5 | TRANSMISSION PLANT EXPENSE | TRANPLT | 152,076 | 52,539 | 57,064 | 41,137 | 1,336 | | |
| J | 7 | DISTRIBUTION PLANT EXPENSE | | | | | | | | |
| J | 8 | 360-Land & Land Rights | PLT_360 | 0 | 0 | D | 0 | 0 | | |
| J | 9 | 361-Structures & Improvements | PLT_361 | 6,712 | 2,319 | 2,519 | 1,816 | 59 | | |
| J | 10 | | PLT_362 | 1,378,511 | 476,242 | 517,265 | 372,890 | 12,114 | | |
| J | 11 | 364-Poles, Towers & Fixtures | PLT_364 | 1,606,526 | 572,827 | 622,170 | 396,958 | 14,570 | | |
| J | 12 | 365-Overhead Conductors & Devices | PLT_365 | 986,089 | 348,329 | 378,334 | 250,565 | 8,860 | | |
| J | 13 | 366-Underground Conduit | PLT_366 | 95,673 | 35,114 | 38,138 | 21,528 | 893 | | |
| J | 14 | 367-Underground Conductors & Devices | PLT_367 | 1,027,379 | 381,518 | 414,382 | 221,775 | 9,704 | | |
| J | 15 | 368-Line Transformers | PLT_368 | 848,769 | 338,233 | 367,368 | 134,565 | 8,603 | | |
| J | 16 | 369-Services | PLT_369 | 725,297 | 393,958 | 266,304 | 65,035 | 0 | | |
| J | 17 | 370-Meters | PLT_370 | 76,864 | 55,100 | 17,205 | 4,424 | 136 | | |
| J | 18 | 371-Installation on Customer Premises | PLT_371 | 53,434 | 0 | 0 | 0 | 53,434 | | |
| J | 19 | 373-Street Lighting & Signal Systems | PLT_373 | 44,007 | 0 | 0 | 0 | 44,007 | | |
| J | 20 | Distribution Plant Annualization | DISTPLT | 671,006 | 255,450 | 257,122 | 143,359 | 15,075 | | |
| J | 21
22 | TOTAL DISTRIBUTION PLANT EXPENSE | | 7,520,266 | 2,859,090 | 2,880,808 | 1,612,914 | 167,454 | | |
| j
J | 23
24 | GENERAL PLANT EXPENSE | GENLPLT | 1,924,524 | 835,797 | 637,393 | 427,616 | 23,718 | | |
| J
J | 25
26 | OTHER UTILITY DEPRECIATION EXPENSE | SALWAGES | 1,896,687 | 824,531 | 627,778 | 421,019 | 23,359 | | |
| j
J | 27
28 | TOTAL DEPRECIATION EXPENSE | | 23,741,627 | 8,798,382 | 8,638,963 | 5,979,083 | 325,200 | | |
| Ĵ | | PLANT ACQUISITION ADJUSTMENT | SALWAGES | 88,945 | 38,666 | 29,439 | 19,744 | 1,095 | | |
| J
J
J | 31
32
33 | TOTAL DEPRECIATION/AMORTIZATION EXPENSE | | 23,830,572 | 8,837,048 | 8,668,402 | 5,998,826 | 326,295 | | |

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 17 of 35

| SCH LINE
NO. NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RÉSIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|---------------------|-------------------------------|---------------------------------------|--------------------------|------------------------|----------------------|---------------------------------------|---------------------|-----|-----|
| | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| - 1 | OTHER OPERATING EXPENSES | | | | | | | | |
| | TAXES OTHER THAN INCOME TAXES | | | | | | | | |
| L 4 | Federal Taxes | | | | | | | | |
| L 5 | FICA Tax | SALWAGES | 2,521,050 | 1,095,955 | 834,433 | 559,613 | 31,048 | | |
| L 6 | Unemployment Tax | SALWAGES | 19,681 | 8,556 | 6,514 | 4,369 | 242 | | |
| L 7 | | | | | | | | | |
| L 8 | State Taxes | | | | | | | | |
| L 9 | Unemployment Tax | SALWAGES | 84,505 | 36,736 | 27,970 | 18,758 | 1,041 | | |
| L 10 | | CLAIMREV | 0 | 0 | 0 | 0 | 0 | | |
| L 11 | | CLAIMREV | 0 | 0 | 0 | 0 | 0 | | |
| L 12 | | CLAIMREV | 236,757 | 93,117 | 83,078 | 57,455 | 3,108 | | |
| L 13 | | CLAIMREV | 0 | 0 | 0 | 0 | 0 | | |
| L. 14 | | | | | | | | | |
| L 15 | | | | | | | | | |
| L 16 | | TOTPLT | 4,149,657 | 1,510,584 | 1,522,118 | 1,060,034 | 56,921 | | |
| L 17 | | · · · · · · · · · · · · · · · · · · · | | | <i>(</i> - -) | · · · · · · · · · · · · · · · · · · · | | | |
| L 18 | | SALWAGES | (2,834,001) | (1,232,002) | (938,016) | (629,081) | (34,902) | | |
| L 19 | | | 4 477 666 | 4 540 047 | 4 500 000 | 4 074 440 | 67 AF7 | | |
| L 20 | | | 4,177,650 | 1,512,947 | 1,536,098 | 1,071,148 | 57,457 | | |
| L 21 | | | | | | | | | |
| L 22 | | | | | | | | | |
| L 23 | | | | | | | | | |
| L 24 | | | | | | | | | |
| 1. 25 | | | | | | | | | |
| L 26 | | | | | | | | | |
| L 27 | | | | | | | | | |
| L 28 | | | | | | | | | |
| L 29 | | | | | | | | | |
| L 30
L 31 | | | | | | | | | |
| L 32 | | | | | | | | | |
| L 32 | | | | | | | | | |
| L 34 | | | | | | | | | |
| L 35 | | | | | | | | | |
| L 36 | | | | | | | | | |
| L 37 | | | | | | | | | |
| L 38 | | | | | | | | | |
| L 39 | | | | | | | | | |
| L 40 | | | | | | | | | |
| L 41 | | | | | | | | | |
| L 42 | | | | | | | | | |
| L 43 | | | | | | | | | |
| L 44 | | | | | | | | | |
| L 45 | | | | | | | | | |
| | 6 | | | | | | | | |

1

Schedule O-1 Cost of Service Study Page 18 of 35

| SCH LINI
NO. NO. | | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|---------------------|-------------------------------------|---------------------|--------------------------|--------------|--------------------|-------------------------------------|---------------------|-----|-------|
| | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| ĸ | DEVELOPMENT OF INCOME TAXES | | | | | | | | |
| | 2 | | | | | | | | |
| к : | 3 TOTAL OPERATING REVENUES | SCH I, LN 17 | 122,698,634 | 48,335,573 | 42,748,775 | 29,834,778 | 1,779,508 | | |
| | 4 | | | | | | | | |
| | 5 LESS: | | | | | | | | |
| | 6 OPERATION & MAINTAINENCE EXPENSE | SCH H, LN 178 | 60,204,304 | 25,352,220 | 20,200,767 | 13,887,146 | 764,172 | | |
| | 7 DEPRECIATION EXPENSE | SCH J, LN 27 | 23,741,627 | 8,798,382 | 8,638,963 | 5,979,083 | 325,200 | | |
| | 8 AMORTIZATION EXPENSE | SCH J, LN 29 | 88,945 | 38,666 | 29,439 | 19,744 | 1,095 | | |
| •• | 9 TAXES OTHER THAN INCOME TAXES | SCH L, LN 20 | 4,177,650 | 1,512,947 | 1,536,098 | 1,071,148 | 57,457 | | |
| K 1 | | CLAIMREV | 0 | 0 | 0 | 0 | 0 | | |
| K 1 | | | | | | | | | · - : |
| | 2 NET OPERATING INCOME BEFORE TAXES | | 34,486,108 | 12,633,358 | 12,343,509 | 8,877,658 | 631,584 | | |
| | 3 AFUDC | TOTPLT | (446,127) | | (163,642) | (113,963) | (6,120) | | |
| K 1 | | | 13,543,131 | 4,949,093 | 4,950,151 | 3,463,622 | 180,265 | | |
| | 5 Subtotal | | 21,389,103 | 7,846,667 | 7,556,999 | 5,527,999 | 457,438 | | |
| K 1 | | | | | | | | | |
| | 7 Tax Adjustments: | | | | | | | | |
| | 8 Permanent - Salaries & Wages | SALWAGES | 148,859 | 64,712 | 49,270 | 33,043 | 1,833 | | |
| | 9 Permanent - Plant | TOTPLT | (171,680) | | (62,973) | (43,856) | (2,355) | | |
| | 0 Temporary - Salaries & Wages | SALWAGES | (4,282,786) | | (1,417,544) | (950,676) | (52,745) | | |
| | 1 Temporary - Plant | TOTPLT | (34,814,368) | | (12,770,109) | (8,893,364) | (477,550) | | |
| | 2 Temporary - Customer | CUST | (29,001) | | (5,287) | (69) | (284) | | |
| | 3 Temporary - Other | CLAIMREV | (4,149,215) | | (1,455,956) | (1,006,910) | (54,461) | | |
| | 4 Subtotal | | (43,298,191) | (16,188,199) | (15,662,598) | (10,861,832) | (585,561) | | |
| K 2 | | | | | | | | | |
| | 6 TAXABLE INCOME (NOL) | | (21,909,088) | (8,341,532) | (8,105,599) | (5,333,833) | (128,124) | | |
| К 2 | | | | | | | | | |
| | 8 Federal Income Tax @ 35% | | (7,668,181) | (2,919,536) | (2,836,960) | (1,866,842) | (44,843) | | |
| K 2 | | | | | / - / | | | | |
| | 0 Other Tax Adjustments | TOTPLT | 13,658,967 | 4,972,223 | 5,010,187 | 3,489,196 | 187,360 | | |
| K 3 | | | C 000 707 | 0.050.007 | 0 470 000 | 4 600 055 | 440 547 | | |
| | 2 TOTAL FEDERAL INCOME TAX | | 5,990,787 | 2,052,687 | 2,173,228 | 1,622,355 | 142,517 | | |
| К 3 | | | 5 000 707 | 0 050 007 | 0.470.000 | 4 200 055 | 440 547 | | |
| | 4 TOTAL INCOME TAXES | | 5,990,787 | 2,052,687 | 2,173,228 | 1,622,355 | 142,517 | | |
| | 5 | | | | | | | | 6 - A |
| K 3 | | | | | | | | | |
| K 3 | | | | | | | | | |
| K 3 | | | | | | | | | |
| | 9 | | | | | | | | |
| | 0 | | | | | | | | |
| K 4 | 1 | | | | | | | | |

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

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Schedule O-1 Cost of Service Study Page 19 of 35

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| SCH
NO. | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | (5) |
|------------|-------------|----------------------------|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-------------|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | 0 | (f) |
| к
К | 47
48 | | | | | | | | | |
| κ | 49 | | | | | | | | | |
| к
К | 50
51 | | | | | | | | | |
| к | 52 | | | | | | | | | |
| к
к | 53
54 | | | | | | | | | |
| к | 55 | TAX RATES | | | | | | | | |
| ĸ | | STATE TAX RATE | | 0.00%
35.00% | | | | | | |
| к
к | 57
58 | FEDERAL TAX RATE - CURRENT | | 33,007 | 0 | | | | | |
| к | 59 | | | | | | | | | |
| к
к | 60
61 | | | | | | | | | |
| к | 62 | WEIGHTED COST OF DEBT | | 3.09% | 6 | | | | | |
| к
к | 63
64 | | | | | | | | | |
| к | 65 | | | | | | | | | |
| к
К | 66
67 | | | | | | | | | |
| κ | 68 | | | | | | | | | |
| к
к | 69
70 | | | | | | | | | |
| к | 71 | | | | | | | | | |
| к
К | 72
73 | | | | | | | | | |
| ĸ | 74 | | | | | | | | | |
| ĸ | 75 | | | | | | | | | |
| к
к | 76
77 | | | | | | | | | |
| ĸ | 78 | | | | | | | | | |
| к
к | 79
80 | | | | | | | | | |
| ĸ | 81 | | | | | | | | | |
| к
к | 82
83 | | | | | | | | | |
| к | 84 | | | | | | | | | |
| к
К | 85
86 | | | | | | | | | |
| к | 87 | | | | | | | | | |
| к
к | 88
89 | | | | | | | | | |
| к | 90 | | | | | | | | | |
| к
к | 91
92 | | | | | | | | | |
| n | | | | <u>/~~</u> | I | BHP COS 06-30-1 | 2 CUSTOMER CLAS | S-PRO FORMA | COST OF SEP | "CE |
| | | | | | | | | | | |
| | | | | · • • • • • | | | | | | |

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

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Schedule O-1 Cost of Service Study Page 20 of 35

| SCH LII
No. No | | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|-------------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| - | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| H-1 | 1 DEVELOPMENT OF SALARIES & WAGES ALLOCA | TION FACTOR | | | | | | | |
| H-1 | 2 | | | | | | | | |
| H-1 | 3 PRODUCTION SALARIES & WAGES EXPENSE | | | | | | | | |
| H-1 | 4 Operation | OX_PROD | 3,442,324 | 1,187,838 | 1,246,716 | 977,042 | 30,728 | | |
| H-1 | 5 Maintenance | MX_PROD | 2,677,205 | 923,819 | 969,611 | 759,877 | 23,898 | | |
| H-1 | 6 TOTAL PRODUCTION | | 6,119,529 | 2,111,657 | 2,216,327 | 1,736,918 | 54,626 | | |
| H-1 | 7 | | | | | | | | |
| H-1 | 8 TRANSMISSION SALARIES & WAGES EXPENSE | | | | | | | | |
| H-1 | 9 Operation | OX_TRAN | 223,966 | 77,375 | 84,040 | 60,583 | 1,968 | | |
| H-1 | 10 Maintenance | MX_TRAN | 57,860 | 19,989 | 21,711 | 15,651 | 508 | | |
| H-1 | 11 TOTAL TRANSMISSION | - | 281,826 | 97,364 | 105,751 | 76,234 | 2,477 | | |
| H-1 | 12 | | | | | | | | |
| H -1 | 13 DISTRIBUTION SALARIES & WAGES EXPENSE | | | | | | | | |
| H- 1 | 14 Operation | OX_DIST | 1,673,225 | 801,494 | 557,766 | 296, 81 1 | 17,153 | | |
| H-1 | 15 Maintenance | MX_DIST | 753,369 | 263,042 | 276,154 | 176,012 | 38,160 | | |
| H -1 | 16 TOTAL DISTRIBUTION | — | 2,426,594 | 1,064,536 | 833,920 | 472,823 | 55,313 | | |
| | 17 | | | | | | | | |
| H- 1 | 18 CUSTOMER ACCOUNTS SAL & WAGES EXP | OX_CA | 905,521 | 742,285 | 152,069 | 2,246 | 8,921 | | |
| H-1 | 19 | | | | | | | | |
| H-1 | 20 CUSTOMER SERVICE SAL & WAGES EXP | OX_CS | 581,201 | 468,169 | 105,949 | 1,389 | 5,695 | | |
| H-1 | 21 | | | | | | | | |
| H-1 | 22 ADMINISTRATIVE & GENERAL SALARIES & WAGE | ES EXP | | | | | | | |
| H-1 | 23 Operation | SALWAGXAG | (79,022) | (34,352) | (26,155) | (17,541) | (973) | | |
| H-1 | 24 Maintenance | SALWAGXAG | 12,570 | 5,465 | 4,161 | 2,790 | 155 | | |
| H-1 | 25 TOTAL ADMINISTRATIVE & GENERAL | | (66,451) | (28,888) | (21,995) | (14,751) | (818) | | |
| H- 1 | 26 | | | | | | | | |
| H-1 | 27 TOT OPER & MAINTENANCE LABOR | | 10,248,219 | 4,455,123 | 3,392,022 | 2,274,861 | 126,213 | | |
| H- 1 | 28 | | | | | | | | |
| H-1 | 29 | | | | | | | | |
| H-1 | 30 | | | | | | | | |
| H-1 | 31 | | | | | | | | |
| H -1 | 32 | | | | | | | | |
| H-1 | 33 | | | | | | | | |
| H-1 | 34 | | | | | | | | |
| H-1 | 35 | | | | | | | | |
| H-1 | 36 | | | | | | | | |
| H - 1 | 37 | | | | | | | | |
| H-1 | 38 | | | | | | | | |
| H-1 | 39 | | | | | | | | |

H-1 H-1 H-1 H-1 H-1 H-1 H-1 39 40 41 42 43 44 45 46

Schedule O-1 Cost of Service Study Page 21 of 35

| | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|----------|-------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|------------|------|
| NO. | <u>NO.</u> | <u></u> | <u>BA3i3</u> | (c) | (d) | (e) | (h) | | (i) | (f) |
| | | (~) | (2) | (-) | (4) | (0) | (, | (•) | U) | (1) |
| AF | | ALLOCATION FACTOR TABLE | | | | | | | | |
| AF | | DEMAND | | | | | | | | |
| AF
AF | 3
∡ | DEMAND - PRODUCTION RELATED | | | | | | | | |
| AF | | Demand Production (A&E) | DPROD | 1.0000 | 0.3451 | 0,36217 | 0.28383 | 0.0089 * | | |
| AF | 6 | · · | | | | | | | | |
| AF | 6 | | | | | | | | | |
| AF | 6 | | | | | | | | | |
| AF | 6 | | | | | | | | | |
| AF
AF | | <u>DEMAND - TRANSMISSION RELATED</u>
Demand Transmission (Calculated Maximum Demand) | DTRAN | 395,339 | 136,580 | 148,345 | 106,940 | 3,474 | | |
| AF | 11 | | D U VAN | 030,003 | 100,000 | 140,040 | 100,940 | 5,414 | | |
| AF | 12 | | | | | | | | | |
| AF | 13 | | | | | | | | | |
| AF | 15 | | | | | | | | | |
| AF | 16 | | | | | | | | | |
| AF
AF | 17
18 | | | | | | | | | |
| AF | 19 | | | | | | | | | |
| AF | | DEMAND - DISTRIBUTION RELATED (Calculated Maxir | num Demand) | | | | | | | |
| AF | | Demand Distribution Primary Substation | DDISPSUB | 395,339 | 136,580 | 148,345 | 106,940 | 3,474 | | |
| AF | | Demand Distribution Primary Overhead Lines | DDISTPOL | 395,339 | 136,580 | 148,345 | 106,940 | 3,474 | | |
| AF | | Demand Distribution Primary Underground Lines | DDISTPUL | 395,339 | 136,580 | 148,345 | 106,940 | 3,474 | | |
| AF
AF | 24 | Demand Distribution Secondary Overhead Lines | DDISTSOL | 342,737 | 136,580 | 148,345 | 54,338 | 3,474 | | |
| AF | 20 | | DDISTSUL | 342,737 | 136,580 | 148,345 | 54,338 | 3,474 | | |
| AF | | Demand Distribution Overhead Line Transformers | DDISTSOT | 342,737 | 136,580 | 148,345 | 54,338 | 3,474 | | |
| AF | | Demand Distribution Undergrnd Line Transformers | DDISTSUT | 342,737 | 136,580 | 148,345 | 54,338 | 3,474 | | |
| AF | 29 | | | | | | | | | |
| AF | 30 | | | | | | | | | |
| AF
AF | 31 | | | | | | | | | |
| AF | 32
33 | | | | | | | | | |
| AF | 34 | | | | | | | | | |
| AF | 35 | | | | | | | | | |
| AF | 36 | | | | | | | | | |
| AF | 37 | | | | | | | | | |
| AF
AF | 38
39 | | | | | | | | | |
| AF | 40 | | | | | | | | | |
| AF | 41 | | | | | | | | | |
| AF | 42 | | | | | | | | | |
| AF | 43 | | | | | | | | | |
| AF | 44 | | | | | | | | | |
| AF | 45 | | | | | | | | | |
| AF | 46 | 5 | | | D | HP COS 06-30-12 | CUSTOMER CLASS | - PRO FORMA CO | ST OF SERV | /ICF |
| | | | | $\sim \sim$ | Б | | | | | |
| | | | | | | | | | | |

Schedule O-1 Cost of Service Study Page 22 of 35

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| SCH L
NO. N | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE
(d) | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | (5) |
|----------------|----------|--|---------------------|--------------------------|-------------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (c) | (u) | (e) | (h) | (i) | (j) | (f) |
| AF | 47 | ALLOCATION FACTOR TABLE CONTINUED | | | | | | | | |
| AF | 48 | | | | | | | | | |
| AF | 49 | ENERGY | | | | | | | | |
| AF | | Energy @ Generation with losses (kWh) | ENEFUEL | 1,570,509,094 | 538,396,006 | 454,822,635 | 562,072,285 | 15,218,168 | | |
| AF | | Energy @ Generation with losses(kWh) | ENERGY1 | 1,570,509,094 | 538,396,006 | 454,822,635 | 562,072,285 | 15,218,168 | | |
| AF | | Energy @ Meter (kWh Sales) | ENERGY2 | 1,451,286,926 | 494,712,860 | 417,920,275 | 524,670,360 | 13,983,431 | | |
| AF | 53 | | | | | | | | | |
| AF | 54 | | | | | | | | | |
| AF
AF | 55
56 | | | | | | | | | |
| AF | 57 | | | | | | | | | |
| AF | 58 | | | | | | | | | |
| AF | 59 | | | | | | | | | |
| AF | 60 | | | | | | | | | |
| AF | 61 | CUSTOMER | | | | | | | | |
| AF | 62 | | | | | | | | | |
| AF | | Customer Dist. Primary Substation | CDISPSUB | 65,012 | 52,369 | 11,851 | 154 | 637 | | |
| AF | | Customer Dist. Primary Overhead Lines | CDISTPOL | 64,375 | 52,369 | 11,851 | 154 | 0 | | |
| AF | | Customer Dist. Primary Underground Lines | CDISTPUL | 64,375 | 52,369 | 11,851 | 154 | 0 | | |
| AF | 66 | | | | | | | | | |
| AF
AF | 67 | | | | | | | | | |
| AF
AF | 68
69 | | | | | | | | | |
| AF | 70 | | | | | | | | | |
| AF | 71 | | | | | | | | | |
| AF | | 369-Services | CSERVICE | 605,996 | 329,158 | 222,500 | 54,338 | - | | |
| AF | | 370-Meters | CMETERS | 14,146,138 | 10,140,616 | 3,166,440 | 814,117 | 24,966 | | |
| AF | 74 | | | | | | | | | |
| AF | | 902-Meter Reading | CMETRDG | 774,309 | 628,429 | 142,216 | 1,852 | 1,812 | | |
| AF | | 903-Customer Records and Collections | CUSTREC | 780,153 | 628,429 | 142,216 | 1,864 | 7,644 | | |
| AF | | 905-Miscellaneous Customer Accounts | CUSTCAM | 65,013 | 52,369 | 11,851 | 155 | 637 | | |
| AF | | 908-Customer Assistance | CUSTASST | 65,013 | 52,369 | 11,851 | 155 | 637 | | |
| AF | | 909-Advertisement | CUSTADVT | 65,013 | 52,369 | 11,851 | 155 | 637 | | |
| AF
AF | 80
81 | 910-Miscellaneous Customer Service | CUSTCSM | 65,013 | 52,369 | 11,851 | 155 | 637 | | |
| AF | 82 | | | | | | | | | |
| AF | o∠
83 | | | | | | | | | |
| AF | | 371-Installation on Customer Premises | CUSTPREM | 126 | 0 | 0 | 0 | 126 | | |
| AF | | 373-Street Lighting & Signal Systems | CLIGHT | 4,234,673 | ō | ō | õ | 4,234,673 | | |
| AF | 86 | | | -, | - | | - | | | |
| AF | | Number of Bills | CUSTBILLS | 780,153 | 628,429 | 142,216 | 1,864 | 7,644 | | |
| AF | 88 | Number of Customers | CUST | 65,013 | 52,369 | 11,851 | 155 | 637 | | |
| AF | 89 | | | | | | | | | |
| AF | 90 | | | | | | | | | |

- AF AF
- 91 92

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| SCH LI
NO. N | | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|-----------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| ٩F | 93 ALLOCATION FACTOR TABLE CONTINUE | D | | | | | | | |
| | 94 INTERNALLY DEVELOPED ALLOCATION I | | | | | | | | |
| | 95 | | | | | | | | |
| | 96 Plant | | | | | | | | |
| | 97 Prod. Trans. and Distr Plant in Service | PTDPLT | 746,830,905 | 267,416,752 | 276,258,634 | 192,800,523 | 10,354,996 | | |
| | 98 Distribution Plant Excl Not Classified | DISTPLTXNC | 247,782,678 | 94,330,344 | 94,947,452 | 52,938,097 | 5,566,784 | | |
| | 99 Rate Base | RATEBASE | 438,289,043 | 160,164,825 | 160,199,058 | 112,091,333 | 5,833,827 | | |
| | 100 Total Electric Plant In Service | TOTPLT | 815,548,913 | 296,881,260 | 299,147,992 | 208,332,750 | 11,186,911 | | |
| | 101 Production Plant In Service | PRODPLT | 470,474,266 | 162,345,891 | 170,393,026 | 133,535,680 | 4,199,669 | | |
| | | TRANPLT | 3,904,640 | 1,348,958 | 1,465,157 | 1,056,213 | 34,312 | | |
| | 102 Transmission Plant in Service | | | 103,721,903 | 104,400,450 | 58,208,631 | | | |
| | 103 Distribution Plant in Service | DISTPLT | 272,451,999 | | | | 6,121,015 | | |
| | 104 Total Transmission and Distribution Plant | TDPLT | 276,356,639 | 105,070,861 | 105,865,608 | 59,264,844 | 6,155,327 | | |
| | 105 General Plant in Service | GENLPLT | 42,601,574 | 18,501,329 | 14,109,438 | 9,465,781 | 525,026 | | |
| | 106 | | | 544 488 | 5 00 000 | 440.005 | 10.000 | | |
| | 107 Account 360 | PLT_360 | 1,552,057 | 536,198 | 582,386 | 419,835 | 13,639 | | |
| | 108 Account 361 | PLT_361 | 246,766 | 85,252 | 92,595 | 66,751 | 2,168 | | |
| AF 1 | 109 Account 362 | PLT_362 | 45,100,101 | 15,580,987 | 16,923,133 | 12,199,669 | 396,312 | | |
| AF 1 | 110 Account 364 | PLT_364 | 59,063,449 | 21,059,818 | 22,873,911 | 14,594,050 | 535,670 | | |
| AF 1 | 111 Account 365 | PLT_365 | 36,253,256 | 12,806,224 | 13,909,352 | 9,211,945 | 325,735 | | |
| AF 1 | 112 Account 366 | PLT_366 | 3,517,373 | 1,290,941 | 1,402,143 | 791,453 | 32,836 | | |
| AF 1 | 113 Account 367 | PLT_367 | 37,771,301 | 14,026,393 | 15,234,627 | 8,153,511 | 356,770 | | |
| AF 1 | 114 Account 368 | PLT_368 | 31,204,759 | 12,435,033 | 13,506,187 | 4,947,246 | 316,293 | | |
| AF 1 | 115 Account 369 | PLT_369 | 26,665,348 | 14,483,764 | 9,790,576 | 2,391,008 | 0 | | |
| | 116 Account 370 | PLT_370 | 2,825,893 | 2,025,733 | 632,542 | 162,631 | 4,987 | | |
| | 117 Account 371 | PLT_371 | 1,964,488 | 0 | 0 | 0 | 1,964,488 | | |
| | 118 Account 373 | PLT_373 | 1,617,886 | 0 | 0 | 0 | 1,617,886 | | |
| | 119 Distribution Overhead Plant in Service | OHDIST | 95,316,705 | 33,866,042 | 36,783,263 | 23,805,995 | 861,405 | | |
| | 120 Distribution Underground Plant in Service | UGDIST | 41,288,674 | 15,317,335 | 16,636,770 | 8,944,963 | 389,606 | | |
| | 121 Account 371&373 | PLT_3713 | 3,582,374 | 0 | 0 | 0,000,000 | 3,582,374 | | |
| | 122 | 121_0/10 | 0,002,077 | • | Ŭ | - | -,,- | | |
| | 122
123 Other Customer Class | DPLTOTH | 3,035,340 | O | 3,035,340 | 0 | 0 | | |
| | 124 Residential Regular Sales Revenue | DPLTRESR | 32,621,709 | 32,621,709 | 0,000,040 | 0 | ů
Q | | |
| | | | 8,104,922 | 8,104,922 | 0 | 0 | D
D | | |
| | 125 Residential Electric Sales Revenue | DPLTRESE | | | 0 | U
D | ő | | |
| | 126 Residential Demand Sales Revenue | DPLTRESD | 8,456,746 | 8,456,746 | • | 0 | 0 | | |
| | 127 GS Regular Sales Revenue | DPLTGSR | 43,081,009 | 0 | 43,081,009 | U
O | 0 | | |
| | 128 GS Total Electric Sales Revenue | DPLTGSE | 5,095,870 | 0 | 5,095,870 | • | • | | |
| | 129 GSL Secondary | DPLTGSLS | 18,735,633 | 0 | 0 | 18,735,633 | 0 | | |
| | 130 GSL Primary | DPLTGSLP | 3,627,324 | 0 | 0 | 3,627,324 | 0 | | |
| | 131 | | | | | | | | |
| | 132 | | | | | | | | |
| | 133 | | | | | | | | |
| AF | 134 Total O&M less Fuel and Purchased Power | OMXFPP | 60,642,235 | | 20,359,373 | 14,011,445 | 768,081 | | |
| AF [·] | 135 Supervised O&M Expense excluding CUS | OMXFPPT | 28,846,158 | 12,400,421 | 9,571,885 | 6,475,200 | 398,652 | | |
| AF | 136 | | | | | | | | |
| | 137 | | | | | | | | |
| | 129 | | | | | | | | |

AF 137 AF 138

BHP COS 06-30-12 CUSTOMER CLASS - PRO FORMA COST OF SERVICE

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 24 of 35

| CH LINE | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|----------------------------|-------------------------------------|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| 0. NO. | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| F 139 ALLO | CATION FACTOR TABLE CONTINUED | | | | | | | | |
| | RNALLY DEVELOPED ALLOCATION FACTO | 85 | | | | | | | |
| | iction Expense | | | | | | | | |
| F 142 Accou | • | OX_500 | 1,513,626 | 522,305 | 548,194 | 429,616 | 13,511 | | |
| F 142 Accou | | OX_501 | 1,515,626 | 0 | 0,134 | 423,010 | 13,311 | | ÷ |
| F 144 Accou | | OX_502 | 1,855,537 | 640,288 | 672,025 | 526,661 | 16,563 | | |
| F 145 Accou | | OX_502
OX_505 | 736,512 | 254,147 | 266,745 | 209,046 | 6,574 | | |
| F 145 Accou | | OX 506 | 676,496 | 233,438 | 245,009 | 192,011 | 6,039 | | |
| F 148 Accou | | MX_510 | 1,380,126 | 476,238 | 499,844 | 391,724 | 12,320 | | |
| F 148 Accou | | MX_510 | 724,087 | 249,860 | 262,245 | 205,519 | 6,464 | | |
| F 148 Accou | | | 3,622,082 | 1,249,867 | 1,311,820 | 1,028,063 | 32,332 | | |
| F 149 Accou | | MX_512
MX_513 | 316,511 | 109,218 | 114,632 | 89,836 | 2,825 | - | |
| | | | 11 1,44 0 | 38,455 | 40,361 | 31,630 | 2,825 | | |
| F 151 Accou
F 152 Accou | | MX_514 | | | , | | | | |
| F 152 Accou
F 153 Accou | | OX_546 | 194,748
0 | 67,201
0 | 70,532
0 | 55,276
0 | 1,738
0 | | |
| | | OX_547 | _ | - | - | • | • | | |
| F 154 Accou
F 155 Accou | | OX_547 | 399,813
78,392 | 137,963
27,051 | 144,802
28,391 | 113,480
22,250 | 3,569
700 | | |
| | | OX_549 | 779,030 | | 282,143 | 22,250
221,114 | 6,954 | | |
| | | MX_551 | | 268,819 | | | 6,954
792 | | |
| F 157 Accou | | MX_552 | 88,718 | 30,614 | 32,131 | 25,181 | | | |
| = 158 Accou | | MX_553 | 1,774,691 | 612,390 | 642,745 | 503,714 | 15,842 | | |
| F 159 Accou | | MX_554 | 177,304 | 61,182 | 64,215 | 50,325 | 1,583 | | |
| F 160 Accou | | OX_556 | 702,952 | 242,567 | 254,590 | 199,520 | 6,275 | | |
| F 161 Accou | | OX_555 | 6,642,209 | 2,292,018 | 2,405,628 | 1,885,272 | 59,291 | | |
| F 162 Accou | | OX_557 | 0 | 0 | 0 | 0 | 0 | | |
| | Expense Production Operation | OX_PROD | 3,746,751 | 1,292,886 | 1,356,972 | 1,063,448 | 33,445 | | |
| | Expense Production Maintenance | MX_PROD | 13,672,011 | 4,717,781 | 4,951,632 | 3,880,555 | 122,043 | | |
| | es and Wages Production Operation | SALWAGPO | 3,442,324 | 1,187,838 | 1,246,716 | 977,042 | 30,728 | | |
| | es and Wages Production Maintenance | SALWAGPM | 2,677,205 | 923,819 | 969,611 | 759,877 | 23,898 | | |
| | mission Expense | OV 500 | 070 070 | 00.075 | 404 500 | 75 000 | 0.440 | | |
| F 168 Accou | | OX_560 | 278,673 | 96,275 | 104,568 | 75,382 | 2,449 | | |
| F 169 Accou | | OX_561 | 0 | 0 | 0 | 0 | 0 | | |
| F 170 Accou | | OX_562 | 0 | 0 | 0 | 0 | 0 | | |
| F 171 Accou | | OX_563 | 44,983 | 15,540 | 16,879 | 12,168 | 395 | | |
| F 172 Accou | | OX_565 | 0 | 0 | 0 | 0 | 0 | | |
| F 173 Accou | | OX_566 | 47,838 | 16,527 | 17,951 | 12,940 | 420 | | |
| F 174 Accou | | OX_567 | 0 | 0 | 0 | 0 | 0 | | |
| F 175 Accou | | MX_568 | 0 | 0 | 0 | 0 | 0 | | |
| = 176 Accou | | MX_569 | 0 | 0 | 0 | 0 | 0 | | |
| F 177 Accou | | MX_570 | 68,806 | 23,771 | 25,819 | 18,612 | 605 | | |
| F 178 Accou | | MX_571 | 74,211 | 25,638 | 27,846 | 20,074 | 652 | | |
| F 179 Accou | | MX_573 | 0 | 0 | 0 | 0 | 0 | | |
| | Accounts 561-567 | OX_TRAN | 92,821 | 32,067 | 34,830 | 25,108 | 816 | | |
| | Accounts 569-573 | MX_TRAN | 143,017 | 49,409 | 53,665 | 38,686 | 1,257 | | |
| | es & Wages Accounts 561-567 | SALWAGTO | 223,966 | 77,375 | 84,040 | 60,583 | 1,968 | | |
| F 183 Salari
F 184 | ies & Wages Accounts 569-573 | SALWAGTM | 57,860 | 19,989 | 21,711 | 15,651 | 508 | | |

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 25 of 35

~_____

| SCH
NO. | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------|-------------|--|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| 45 | 405 | | | | | | | | | |
| AF
AF | | ALLOCATION FACTOR TABLE CONTINUED
INTERNALLY DEVELOPED ALLOCATION FACTORS | | | | | | | | |
| AF | | Distribution Expense | | | | | | | | |
| AF | | Account 580 | OX 580 | 762,045 | 365,028 | 254,026 | 135,178 | 7,812 | | |
| AF | | Account 581 | OX_581 | 225,430 | 85,821 | 86,382 | 48,163 | 5,065 | | |
| AF | | Account 582 | OX_582 | 370,464 | 127,986 | 139,011 | 100,211 | 3,255 | | |
| AF | | Account 583 | OX_583 | 430,270 | 152,875 | 166,043 | 107,463 | 3,888 | | |
| AF | | Account 584 | OX_584 | 303,277 | 112,510 | 122,202 | 65,703 | 2,862 | | |
| AF | 193 | Account 585 | OX_585 | 85 | 0 | 0 | 0 | 85 | | |
| AF | 194 | Account 586 | OX_586 | 830,061 | 595,027 | 185,799 | 47,770 | 1,465 | | |
| AF | 195 | Account 587 | OX_587 | 27,539 | 19,742 | 6,164 | 1,585 | 49 | | |
| AF | 196 | Account 588 | OX_588 | 452,835 | 172,393 | 173,521 | 96,747 | 10,174 | | |
| AF | 197 | Account 589 | OX_589 | 18,122 | 6,899 | 6,944 | 3,872 | 407 | | |
| AF | 198 | Account 590 | MX_590 | 1,481 | 517 | 543 | 346 | 75 | | |
| AF | | Account 592 | MX_592 | 300,15 9 | 103,698 | 112,630 | 81,194 | 2,638 | | |
| AF | | Account 593 | MX_593 | 2,436,767 | 865,784 | 940,362 | 608,599 | 22,022 | | |
| AF | | Account 594 | MX_594 | 188,948 | 70,096 | 76,134 | 40,934 | 1,783 | | |
| AF | | Account 595 | MX_595 | 36,894 | 14,702 | 15,968 | 5,849 | 374 | | |
| AF | | Account 596 | MX_596 | 134,130 | 0 | 0 | 0 | 134,130 | | |
| AF | | Account 597 | MX_597 | 71,733 | 51,422 | 16,057 | 4,128 | 127 | | |
| AF | | Account 598 | MX_598 | 20,337 | 7,742 | 7,793 | 4,345 | 457 | | |
| AF | | O&M Accounts 581-589 | OX_DIST | 2,658,084 | 1,273,253 | 886,067 | 471,514 | 27,250 | | |
| AF | | O&M Accounts 591-598 | MX_DIST | 3,188,968 | 1,113,444 | 1,168,945 | 745,050 | 161,530 | | |
| AF | | Salaries & Wages Accounts 581-589 | SALWAGDO | 1,673,225 | 801,494 | 557,766 | 296,811 | 17,153 | | |
| AF | | Salaries & Wages Accounts 591-598 | SALWAGDM | 753,369 | 263,042 | 276,154 | 176,012 | 38,160 | | |
| AF | 210 | | OX_902 | 58,382 | 47,383 | 10,723 | 140 | 137 | | |
| AF
AF | | Account 902
Account 903 | OX_902
OX_903 | 1,587,900 | 1,279,084 | 289,462 | 3,795 | 15,558 | | |
| AF | | Account 904 | OX_904 | 385,993 | 350,728 | 200,402 | 1,179 | 4,369 | | |
| AF | | O&M Accounts 902-905 | OX_CA | 2,825,443 | 2,316,108 | 474,491 | 7,009 | 27,836 | | |
| AF | | Salaries & Wages Accounts 902-905 | SALWAGCA | 905,521 | 742,285 | 152,069 | 2,246 | 8,921 | | |
| AF | 216 | - | | , | | | -, | -, | | |
| AF | | Account908 | OX_908 | 1,006,374 | 810,654 | 183,454 | 2,405 | 9,861 | | |
| AF | | Account909 | OX_909 | 5,073 | 4,087 | 925 | 12 | 50 | | |
| AF | 219 | Account910 | OX_910 | 56,057 | 45,155 | 10,219 | 134 | 549 | | |
| AF | 220 | O&M Accounts 908-910 | ox_cs | 1,067,504 | 859,895 | 194,598 | 2,551 | 10,459 | | |
| AF | 221 | Salaries & Wages Accounts 908-910 | SALWAGCS | 581,201 | 468,169 | 105,949 | 1,389 | 5,695 | | |
| AF | 222 | | | | | | | | | |
| AF | 223 | Salaries & Wages Excluding Admin & Gen | SALWAGXAG | 10,314,670 | 4,484,011 | 3,414,016 | 2,289,611 | 127,031 | | |
| AF | 224 | 5 1 | SALWAGES | 10,248,219 | 4,455,123 | 3,392,022 | 2,274,861 | 126,213 | | |
| AF | 225 | | | | | | | | | |
| AF | 226 | | | | | | | | | |

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226 227 228 229 230 AF AF AF AF

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 26 of 35

| SCH 1
NO. M | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|----------------|------------|--|---------------------|--------------------------|------------------------|--------------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| AF | 224 | REVENUES AND BILLING DETERMINANTS | | | | | | | | |
| | 232 | REVENUES AND BILLING DETERMINANTS | | | | | | | | |
| | | Base Rate Sales Revenue | SALESREV | 105,368,260 | 42,082,273 | 36.395.788 | 25,340,827 | 1,549,371 | | |
| | | Other Sales Revenue | SREVOTH | 1,313,289 | 42,002,273 | 1,313,289 | 23,340,627 | 1,549,571 | | |
| | | Residential Regular Sales Revenue | SREVRESR | 31,063,446 | 31,063,446 | 1,313,209 | 0 | 0 | | |
| | | Residential Total Electric Sales Revenue | SREVRESE | 5,955,950 | 5,955,950 | 0 | 0 | U
D | | |
| | | Residential Total Electric Demand Sales Rev | SREVRESED | 5,062,877 | 5,062,877 | 0 | 0 | U
D | | |
| | | GS Regular Sales Revenue | SREVSGSR | 30,333,842 | 5,002,877 | 30,333,842 | 0 | U
D | | |
| | | GS Total Electric Sales Revenue | SREVSGSE | 2,903,762 | 0 | 2,903,762 | 0 | 0 | | |
| | | GS Total Other Sales Revenue | SREVSGSO | 1,844,895 | 0 | 1,844,895 | 0 | U
O | | |
| | | GSL Secondary | SREVGSLS | | 0 | 1,044,095 | 14,660,828 | 0 | | |
| | | GSL Primary | SREVGSLS | 14,660,828
3,671,060 | 0 | 0 | 3,671,060 | U
N | | |
| | | GSL Other | SREVGSLO | 945,679 | 0 | 0 | 945.679 | 0 | | |
| | | Traffic Signals & Flashers | SREVTSF | 54,390 | 0 | 0 | 540,079
0 | 54,390 | | |
| | | Private Area Lighting Leased | SREVPAL | 480,413 | 0 | 0 | 0 | 480,413 | | |
| | | Street Lighting Leased | SREVSL | 674,512 | D | 0 | 0 | 674,512 | | |
| | | Street Lighting Energy & Maint Cust Owned | SREVSLEM | 282,977 | 0 | 0 | 0 | 282,977 | | |
| | | Street Lighting Non-Metered Services/Rentals | SREVSLSR | 57,079 | 0 | 0 | 0 | 57,079 | | |
| | 240 | Street Eighting Non-Metered Services/Kentals | SREVOLOR | 51,019 | U | U | 0 | 57,079 | | |
| | | Claimed Rate Sales Revenue | CLAIMREV | 119,114,085 | 46,847,631 | 41,797,029 | 28,905,989 | 1,563,437 | | |
| | 250 | Claimed Rate Sales Revenue | CLAINREV | 119,114,005 | 40,047,031 | 41,797,029 | 20,900,909 | 1,565,457 | | |
| | | PRESENT REVENUES FROM SALES INPUT | | | | | | | | |
| | 253 | FRESENT REVENUES FROM SALES INFUT | | | | | | | | |
| AF | | Total Color of Flootricity Devenues | | 105,368,260 | 42,082,273 | 36,395,788 | 25,340,827 | 1 540 974 | | |
| AF | 254
255 | Total Sales of Electricity Revenues | | 109,306,200 | 42,062,275 | 30,393,768 | 23,340,627 | 1,549,371 | | |
| | | Sales of Electricity Revenues | | 105,368,260 | 42,082,273 | 36,395,788 | 25,340,827 | 1,549,371 | | |
| | 257 | Sales of Electricity Revenues | | 105,500,200 | 42,002,275 | 30,393,100 | 23,340,027 | 1,545,571 | | |
| | 258 | | | | | | | | | |
| | 259 | | | | | | | | | |
| AF | 260 | BILLING DETERMINATE INPUTS | | | | | | | | |
| AF | | Number of Customer Bills | SCH AF, LN 87 | 780,153 | 628,429 | 142,216 | 1,864 | 7,644 | | |
| AF | | Annual kWh Sales @ Meter | SCH AF, LN 52 | 1,451,286,926 | 494.712.860 | 417,920,275 | 524,670,360 | 13,983,431 | | |
| AF | | Annual kW - Billed | 001171, 61102 | 3,320,546 | 417,090 | 1,570,707 | 1,332,749 | 10,000,401 | | |
| | 264 | Annuar KW - Dilleu | | 0,020,040 | 417,030 | 1,010,101 | 1,002,140 | U | | |
| AF | 265 | | | | | | | | | |
| AF | 266 | RATE OF RETURN | | | | | | | | |
| AF | 267 | Rate of Return (Equalized) | SCH AF, LN 267 | 8.54% | 8.54% | 8,54% | 8,54% | 8.54% | | |
| AF | 268 | Nate of Neithin (Equalized) | 0011AI, EN 201 | 0,0470 | 0.0475 | 0.0478 | 0.0478 | 0.047a | | |
| AF | 269 | | | | | | | | | |
| AF | | PROPOSED REVENUES FROM SALES INPUT | | | | | | | | |
| AF | | Annual kWh Sales - Proposed | SCH AF, LN 262 | 1,451,286,926 | 494,712,860 | 417,920,275 | 524,670,360 | 13,983,431 | | |
| AF | | Sales of Electricity Revenues - Proposed Total | 5011 AL, EN 202 | 119,114,085 | 46,847,631 | 41,797,029 | 28,905,989 | 1,563,437 | | |
| | | Sales of Electricity Revenues - Proposed | | 119,114,085 | 46,847,631 | 41,797,029 | 28,905,989 | 1,563,437 | | |
| AF | | Credit | | 113, 114,000 | 40,047,051 | 41, <i>181</i> ,029
0 | 20,803,909 | 1,000,407 | | |
| AF | | Credit | DPROD | 0 | 0 | 0 | 0 | 0 | | |
| | | O'CAR | Brittop | 0 | U | U | Ŭ | 0 | | |
| AF | 276 | | | | | | | | | |

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 27 of 35

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| SCH LI
No. Ni | | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------------|--|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| <u></u> | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| AP | 1 ALLOCATION PROPORTIONS TABLE | | | | | | | | |
| AP | 2 DEMAND | | | | | | | | |
| AP | 3 | | | | | | | | |
| AP | 4 DEMAND - PRODUCTION RELATED | | | | | | | | |
| AP | 5 Demand Production (A&E) | DPROD | 1.00000 | 0,34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | 6 | 211100 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | 6 | | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | 6 | | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | 6 | | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | 9 DEMAND - TRANSMISSION RELATED | | | | | | | | |
| | 10 Demand Transmission (Calculated Maximum Demand) | DTRAN | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| | 11 | | | | | | | | |
| | 12 | | | | | | | | |
| AP | 13 | | | | | | | | |
| AP | 15 | | | | | | | | |
| AP | 16 | | | | | | | | |
| | 17 | | | | | | | | |
| AP | 18 | | | | | | | | |
| | 19 | | | | | | | | |
| | 20 DEMAND - DISTRIBUTION RELATED (Calculated Maxi | | | _ | | | | | |
| | 21 Demand Distribution Primary Substation | DDISPSUB | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| | 22 Demand Distribution Primary Overhead Lines | DDISTPOL | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| | 23 Demand Distribution Primary Underground Lines | DDISTPUL | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| | 24 | | | | | | | | |
| | 25 Demand Distribution Secondary Overhead Lines | DDISTSOL | 1.00000 | 0,39850 | 0.43282 | 0.15854 | 0.01014 | | |
| AP | 26 Demand Distribution Secondary Underground Lines | DDISTSUL | 1.00000 | 0.39850 | 0.43282 | 0.15854 | 0.01014 | | |
| AP | 27 Demand Distribution Overhead Line Transformers | DDISTSOT | 1.00000 | 0.39850 | 0.43282 | 0.15854 | 0.01014 | | |
| | 28 Demand Distribution Undergrnd Line Transformers | DDISTSUT | 1.00000 | 0.39850 | 0.43282 | 0.15854 | 0.01014 | | |
| AP | 29 | | | | | | | | |
| | 30 | | | | | | | | |
| AP | 31
32 | | | | | | | | |
| AP
AP | 32 33 | | | | | | | | |
| AP
AP | 33 | | | | | | | | |
| AP
AP | 34
35 | | | | | | | | |
| AP | 36 | | | | | | | | |
| | 30 | | | | | | | | |

- 37 38 39 40 41 42 43 44 45 46
- AP AP AP AP AP AP AP AP AP

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

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Schedule O-1 Cost of Service Study Page 28 of 35

| SCH
NO. | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------|-------------|--|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| AP | 47 | ALLOCATION PROPORTIONS TABLE CONTINUED | | | | | | | | |
| AP | 47 | | | | | | | | | |
| AP | | ENERGY | | | | | | | | |
| AP | | Energy @ Generation with losses (kWh) | ENEFUEL | 1.00000 | 0.34282 | 0.28960 | 0.35789 | 0.00969 | | |
| AP | | Energy @ Generation with losses(kWh) | ENERGY1 | 1,00000 | 0.34282 | 0.28960 | 0.35789 | 0.00969 | | |
| AP | 52 | Energy @ Meter (kWh Sales) | ENERGY2 | 1.00000 | 0.34088 | 0.28797 | 0.36152 | 0.00964 | | |
| AP | 53 | | | | | | | | | |
| AP | 54 | | | | | | | | | |
| AP | 55 | | | | | | | | | |
| AP | 56 | | | | | | | | | |
| AP
AP | 57 | | | | | | | | | |
| AP | 58
59 | | | | | | | | | |
| AP | 60 | | | | | | | | | |
| AP | | CUSTOMER | | | | | | | | |
| AP | 62 | | | | | | | | | |
| AP | 63 | Customer Dist. Primary Substation | CDISPSUB | 1.00000 | 0.80553 | 0.18230 | 0.00237 | 0.00980 | | |
| AP | 64 | Customer Dist. Primary Overhead Lines | CDISTPOL | 1.00000 | 0.81350 | 0.18410 | 0.00240 | 0.00000 | | |
| AP | | Customer Dist. Primary Underground Lines | CDISTPUL | 1.00000 | 0.81350 | 0.18410 | 0.00240 | 0.00000 | | |
| AP | 66 | | | | | | | | | |
| AP | 67 | | | | | | | | | |
| AP | 68 | | | | | | | | | |
| AP
AP | 69
70 | | | | | | | | | |
| AP | 71 | | | | | | | | | |
| AP | | 369-Services | CSERVICE | 1.00000 | 0.54317 | 0.36716 | 0.08967 | 0.00000 | | |
| AP | | 370-Meters | CMETERS | 1.00000 | 0.71685 | 0.22384 | 0.05755 | 0,00176 | | |
| AP | 74 | Į. | | | | | | | | |
| AP | | 902-Meter Reading | CMETRDG | 1.00000 | 0.81160 | 0.18367 | 0.00239 | 0.00234 | | |
| AP | | 903-Customer Records and Collections | CUSTREC | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | | 905-Miscellaneous Customer Accounts | CUSTCAM | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | | 908-Customer Assistance | CUSTASST | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | | 909-Advertisement | CUSTADVT | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP
AP | 81 | 910-Miscellaneous Customer Service | CUSTCSM | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | 82 | | | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | 83 | | | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | | 371-Installation on Customer Premises | CUSTPREM | 1.00000 | 0.00000 | 0.00000 | 0.00000 | 1.00000 | | |
| AP | | 5 373-Street Lighting & Signal Systems | CLIGHT | 1,00000 | 0,00000 | 0.00000 | 0.00000 | 1.00000 | | |
| AP | 86 | | | | | | | | | |
| AP | 87 | Number of Bills | CUSTBILLS | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | | Number of Customers | CUST | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | 89 | | | | | | | | | |
| AP | 90 | | | | | | | | | |
| AP | 91 | | | | | | | | | |

AP AP 91 92 ·

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 29 of 35

| SCH
NO. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------|-----|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| AP | 93 | ALLOCATION PROPORTIONS TABLE CONTINUED | | | | | | | | |
| AP | | INTERNALLY DEVELOPED ALLOCATION FACTORS | | | | | | | | |
| AP | 95 | | | | | | | | | |
| AP | | Plant | | | | | | | | |
| AP | | Prod, Trans, and Distr Plant in Service | PTDPLT | 1.00000 | 0.35807 | 0,36991 | 0.25816 | 0.01387 | | |
| AP | | Distribution Plant Excl Not Classified | DISTPLTXNC | 1.00000 | 0.38070 | 0.38319 | 0.21365 | 0.02247 | | |
| AP | | Rate Base | RATEBASE | 1.00000 | 0.36543 | 0.36551 | 0.25575 | 0.01331 | | |
| AP | | Total Electric Plant In Service | TOTPLT | 1.00000 | 0.36403 | 0.36681 | 0.25545 | 0.01372 | | |
| AP | | Production Plant In Service | PRODPLT | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | | |
| AP | | Transmission Plant in Service | TRANPLT | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | | Distribution Plant in Service | DISTPLT | 1.00000 | 0.38070 | 0.38319 | 0.21365 | 0.02247 | | |
| AP | | Total Transmission and Distribution Plant | TDPLT | 1,00000 | 0.38020 | 0.38308 | 0.21445 | 0.02227 | | |
| AP | | General Plant in Service | GENLPLT | 1.00000 | 0.43429 | 0.33120 | 0.22219 | 0.01232 | | |
| AP | 106 | | 8 | | -174120 | 0.000.000 | | 0.01202 | | |
| AP | | Account 360 | PLT_360 | 1.00000 | 0.34548 | 0,37523 | 0.27050 | 0.00879 | | |
| AP | | Account 361 | PLT_361 | 1.00000 | 0.34548 | 0,37523 | 0.27050 | 0.00879 | | |
| AP | | Account 362 | PLT_362 | 1.00000 | 0,34548 | 0,37523 | 0.27050 | 0.00879 | | |
| AP | | Account 364 | PLT_364 | 1,00000 | 0,35656 | 0.38728 | 0.24709 | 0.00907 | | |
| AP | | Account 365 | PLT_365 | 1.00000 | 0.35324 | 0.38367 | 0.25410 | 0.00898 | | |
| AP | | Account 366 | PLT_366 | 1.00000 | 0.36702 | 0.39863 | 0.22501 | 0.00934 | | |
| AP | | Account 367 | PLT_367 | 1.00000 | 0.37135 | 0.40334 | 0.21587 | 0.00945 | | |
| AP | | Account 368 | PLT_368 | 1.00000 | 0.39850 | 0,43282 | 0.15854 | 0.01014 | | |
| AP | | Account 369 | PLT_369 | 1.00000 | 0.54317 | | 0.08967 | 0.00000 | | |
| AP | | Account 370 | PLT_370 | 1.00000 | 0.71685 | 0.22384 | 0.05755 | 0.00176 | | |
| AP | | Account 371 | PLT 371 | 1.00000 | 0.00000 | 0.00000 | 0.00000 | 1,00000 | | |
| AP | | Account 373 | PLT 373 | 1.00000 | 0.00000 | 0,00000 | 0.00000 | 1.00000 | | |
| AP | | Distribution Overhead Plant in Service | OHDIST | 1.00000 | 0.35530 | 0.38591 | 0.24976 | 0.00904 | | |
| AP | | Distribution Underground Plant in Service | UGDIST | 1.00000 | 0.37098 | 0,40294 | 0.21664 | 0.00944 | | |
| AP | | Account 371&373 | PLT_3713 | 1.00000 | 0.00000 | 0.00000 | 0.00000 | 1.00000 | | |
| AP | 122 | | | | | | | | | |
| AP | | Other Customer Class | DPLTOTH | 1.00000 | 0.00000 | 1.00000 | 0.00000 | 0.00000 | | |
| AP | | Residential Regular Sales Revenue | DPLTRESR | 1.00000 | 1.00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | | Residential Electric Sales Revenue | DPLTRESE | 1.00000 | 1.00000 | 0.00000 | D.00000 | 0.00000 | | |
| AP | | Residential Demand Sales Revenue | DPLTRESD | 1,00000 | 1,00000 | 0.00000 | 0.00000 | 0.00000 | | |
| AP | | GS Regular Sales Revenue | DPLTGSR | 1.00000 | 0.00000 | 1,00000 | 0.00000 | 0.00000 | | |
| AP | | GS Total Electric Sales Revenue | DPLTGSE | 1.00000 | 0.00000 | 1,00000 | 0.00000 | 0.00000 | | |
| AP | | GSL Secondary | DPLTGSLS | 1.00000 | 0.00000 | 0.00000 | 1,00000 | 0.00000 | | |
| AP | | GSL Primary | DPLTGSLP | 1.00000 | 0.00000 | 0,00000 | 1.00000 | 0.00000 | | |
| AP | 131 | | | | | | | | | |
| AP | 132 | | | | | | | | | |
| AP | 133 | | | | | | | | | |
| AP | | Total O&M less Fuel and Purchased Power | OMXFPP | 1.00000 | 0,42055 | 0,33573 | 0.23105 | 0.01267 | | |
| AP | | Supervised Q&M Expense excluding CUS | OMXFPPT | | | | | | | |
| AP | 136 | | | | | | | | | |
| AP | 137 | | | | | | | | | |
| A 15 | 400 | | | | | | | | | |

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AP 138

BHP COS 06-30-12 CUSTOMER CLASS - PRO FORMA COST OF SERVICE

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 30 of 35

| ю. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | |
|--------|-----|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|---------|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) |
(f) |
| P | 130 | ALLOCATION PROPORTIONS TABLE CONTINUED | | | | | | | |
| P | | INTERNALLY DEVELOPED ALLOCATION FACTORS | | | | | | | |
| ,
P | | Production Expense | | | | | | | |
| P | | Account 500 | OX 500 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| P | | Account 501 | OX 501 | 0.00000 | 0.00000 | 0.00000 | 0,00000 | 0.00000 | |
| 5 | | Account 502 | OX_301
OX 502 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| > | | Account 505 | OX_502
OX_505 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| 5 | | Account 505 | OX_506 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| 5 | | Account 510 | MX_510 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| 5 | | Account 510 | MX_510
MX_511 | 1.00000 | 0.34507 | 0.36217 | 0,28383 | 0.00893 | |
| 5 | | Account 512 | MX_512 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | • |
| 5 | | Account 512
Account 513 | MX 513 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| 5 | | Account 515 | | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| 5 | | | MX_514 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| 5 | | Account 546
Account 547 | OX_546 | 0.00000 | 0.00000 | 0.00000 | 0.20303 | 0.00000 | |
| | | | OX_547
OX_547 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| י
כ | | Account 548 | | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0,00893 | |
| | | Account 549 | OX_549 | | | | | | |
| 2 | | Account 551 | MX_551 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
|) | | Account 552 | MX_552 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| 2 | | Account 553 | MX_553 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| > | | Account 554 | MX_554 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| 2 | | Account 556 | OX_556 | 1.00000 | 0,34507 | 0.36217 | 0.28383 | 0.00893 | |
| 2 | | Account 555 | OX_555 | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| 2 | | Account 557 | OX_557 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | |
| 2 | | O&M Expense Production Operation | OX_PROD | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| 2 | | O&M Expense Production Maintenance | MX_PROD | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| 2 | | Salaries and Wages Production Operation | SALWAGPO | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| 2 | | Salaries and Wages Production Maintenance | SALWAGPM | 1.00000 | 0.34507 | 0.36217 | 0.28383 | 0.00893 | |
| 2 | | Transmission Expense | | | | | | | |
| > | | Account 560 | OX_560 | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | |
| 2 | | Account 561 | OX_561 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | |
| 5 | | Account 562 | OX_562 | 0.0000.0 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | |
| 2 | | Account 563 | OX_563 | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | |
| 2 | | Account 565 | OX_565 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | |
| 2 | | Account 566 | OX_566 | 1.00000 | 0.34548 | 0.37523 | 0,27050 | 0.00879 | |
| 2 | | Account 567 | OX_567 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | |
| 2 | 175 | Account 568 | MX_568 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | |
| 2 | | Account 569 | MX_569 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | |
| 2 | 177 | Account 570 | MX_570 | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | |
| Ρ | | Account 571 | MX_571 | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | |
| Р | 179 | Account 573 | MX_573 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | |
| Р | 180 | O&M Accounts 561-567 | OX_TRAN | 1,00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | |
| Р | 181 | O&M Accounts 569-573 | MX_TRAN | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | |
| P | 182 | Salaries & Wages Accounts 561-567 | SALWAGTO | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | |
| Р | | Salaries & Wages Accounts 569-573 | SALWAGTM | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | |

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 31 of 35

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| SCH
NO. | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|------------|-------------|---|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| 40 | 405 | ALL CONTION PROPORTIONS TABLE CONTINUES | | | | | | | | |
| AP
AP | | ALLOCATION PROPORTIONS TABLE CONTINUED
INTERNALLY DEVELOPED ALLOCATION FACTORS | | | | | | | | |
| AP | | Distribution Expense | | | | | | | | |
| AP | | Account 580 | OX_580 | 1.00000 | 0.47901 | 0.33335 | 0.17739 | 0.01025 | | |
| AP | | Account 581 | OX 581 | 1.00000 | 0.38070 | 0.38319 | 0.21365 | 0.02247 | | |
| AP | | Account 582 | OX_582 | 1.00000 | 0.34548 | 0.37523 | 0.27050 | 0.00879 | | |
| AP | | Account 583 | OX_583 | 1.00000 | 0.35530 | 0.38591 | 0.24976 | 0.00904 | | |
| AP | | Account 584 | OX_584 | 1,00000 | 0.37098 | 0.40294 | 0.21664 | 0.00944 | | |
| AP | | Account 585 | OX_585 | 1.00000 | 0.00000 | 0.00000 | 0.00000 | 1.00000 | | |
| AP | 194 | Account 586 | OX_586 | 1.00000 | 0,71685 | 0.22384 | 0.05755 | 0,00176 | | |
| AP | | Account 587 | OX 587 | 1.00000 | 0.71685 | 0.22384 | 0.05755 | 0.00176 | | |
| AP | 196 | Account 588 | OX_588 | 1.00000 | 0.38070 | 0.38319 | 0.21365 | 0.02247 | | |
| AP | 197 | Account 589 | OX_589 | 1.00000 | 0.38070 | 0.38319 | 0.21365 | 0.02247 | | |
| AP | 198 | Account 590 | MX_590 | 1.00000 | 0.34915 | 0.36656 | 0.23363 | 0.05065 | | |
| AP | 199 | Account 592 | MX_592 | 1,00000 | 0.34548 | 0.37523 | 0.27050 | 0,00879 | | |
| AP | 200 | Account 593 | MX_593 | 1.00000 | 0.35530 | 0.38591 | 0.24976 | 0.00904 | | |
| AP | 201 | Account 594 | MX_594 | 1.00000 | 0.37098 | 0.40294 | 0.21664 | 0,00944 | | |
| AP | 202 | Account 595 | MX_595 | 1.00000 | 0.39850 | 0.43282 | 0.15854 | 0.01014 | | |
| AP | 203 | Account 596 | MX_596 | 1.00000 | 0.00000 | 0.00000 | 0.00000 | 1.00000 | | |
| AP | 204 | Account 597 | MX_597 | 1.00000 | 0.71685 | 0.22384 | 0.05755 | 0.00176 | | |
| AP | 205 | Account 598 | MX_598 | 1.00000 | 0.38070 | 0.38319 | 0.21365 | 0.02247 | | |
| AP | 206 | O&M Accounts 581-589 | OX_DIST | 1.00000 | 0.47901 | 0.33335 | 0.17739 | 0.01025 | | |
| AP | 207 | O&M Accounts 591-598 | MX_DIST | 1.00000 | 0.34915 | 0.36656 | 0.23363 | 0.05065 | | |
| AP | 208 | Salaries & Wages Accounts 581-589 | SALWAGDO | 1.00000 | 0.47901 | 0.33335 | 0.17739 | 0.01025 | | |
| AP | 209 | | SALWAGDM | 1.00000 | 0.34915 | 0.36656 | 0.23363 | 0.05065 | | |
| AP | 210 | - | | | | | | | | |
| AP | 211 | Account 902 | OX_902 | 1.00000 | 0.81160 | 0.18367 | 0.00239 | 0.00234 | | |
| AP | 212 | Account 903 | OX_903 | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | 213 | Account 904 | OX_904 | 1.00000 | 0.90864 | 0.07699 | 0.00305 | 0.01132 | | |
| AP | 214 | O&M Accounts 902-905 | OX_CA | 1.00000 | 0.81973 | 0.16794 | 0.00248 | 0.00985 | | |
| AP | 215 | Salaries & Wages Accounts 902-905 | SALWAGCA | 1.00000 | 0.81973 | 0.16794 | 0.00248 | 0.00985 | | |
| AP | 216 | - | | | | | | | | |
| AP | 217 | Account908 | OX_908 | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | 218 | Account909 | OX_909 | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | 219 | Account910 | OX_910 | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | 220 | O&M Accounts 908-910 | ox_cs | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | 221 | Salaries & Wages Accounts 908-910 | SALWAGCS | 1.00000 | 0.80552 | 0.18229 | 0.00239 | 0.00980 | | |
| AP | 222 | - | | | | | | | | |
| AP | 223 | Salaries & Wages Excluding Admin & Gen | SALWAGXAG | 1.00000 | 0.43472 | 0,33099 | 0.22198 | 0.01232 | | |
| AP | 224 | Total Salaries and Wages Expense | SALWAGES | 1.00000 | 0.43472 | 0.33099 | 0.22198 | 0.01232 | | |
| AP | 225 | | | | | | | | | |
| AP | 226 | | | | | | | | | |

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 AP
 223

 AP
 226

 AP
 227

 AP
 228

 AP
 229

 AP
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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 32 of 35

| SCH
NO. | LINE
NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|----------------------------|--------------------------|--|----------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------------|-------------------------------|-----|-----|
| | | (a) | (b) | (C) | (d) | (e) | (h) | (i) | (i) | (f) |
| АР
АР
АР
АР
АР | 234 | REVENUES AND BILLING DETERMINANTS
Base Rate Sales Revenue
Other Sales Revenue
Residential Regular Sales Revenue | SALESREV
SREVOTH
SREVRESR | 1.00000
1.00000
1.00000 | 0.39938
0.00000
1.00000 | 0.34542
1.00000
0.00000 | 0.24050
0.00000
0.00000 | 0.01470
0.00000
0.00000 | | |
| AP
AP | 236
237 | Residential Total Electric Sales Revenue
Residential Total Electric Demand Sales Rev | SREVRESE
SREVRESED | 1.00000
1.00000 | 1.00000
1.00000 | 0,00000 | 0.00000 | 0.00000 | | |
| AP
AP
AP | 239 | GS Regular Sales Revenue
GS Total Electric Sales Revenue
GS Total Other Sales Revenue | SREVSGSR
SREVSGSE
SREVSGSO | 1.00000
1.00000
1.00000 | 0.00000
0.00000
0.00000 | 1.00000
1.00000
1.00000 | 0.00000
0.00000
0.00000 | 0.00000
0.00000
0.00000 | | |
| AP
AP | 241
242 | GSL Secondary
GSL Primary | SREVGSLS
SREVGSLP | 1.00000
1.00000 | 0.00000 | 0.00000 | 1.00000
1.00000 | 0.00000
0.00000 | | |
| AP
AP
AP | 244 | GSL Other
Traffic Signals & Flashers
Private Area Lighting Leased | SREVGSLO
SREVTSF
SREVPAL | 1.00000
1.00000
1.00000 | 0.00000
0.00000
0.00000 | 0.00000
0.00000
0.00000 | 1.00000
0.00000
0.00000 | 0.00000
1.00000
1.00000 | | |
| AP
AP | | Street Lighting Leased | SREVFAL
SREVSL
SREVSLEM | 1.00000 | 0.00000
0.00000
0.00000 | 0.00000 | 0.00000 | 1.00000
1.00000 | | |
| AP
AP | 248
249 | | SREVSLSR | 1.00000 | 0.00000 | 0.00000 | 0.00000 | 1.00000 | | |
| AP
AP
AP | 250
251
252 | | CLAIMREV | 1.00000 | 0.39330 | 0.35090 | 0.24267 | 0.01313 | | |
| AP
AP
AP | 253
254
255 | | | 1.00000 | 0.39938 | 0.34542 | 0.24050 | 0.01470 | | |
| AP
AP
AP
AP | 256
257
258
259 | , | | 1.00000 | 0.39938 | 0.34542 | 0.24050 | 0.01470 | | |

- 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276

BHP COS 06-30-12 CUSTOMER CLASS - PRO FORMA COST OF SERVICE

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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 33 of 35

| SCH L
No. 1 | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|----------------|----|--|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| ADA | 1 | ALLOCATED DIRECT ASSIGNMENTS | | | | | | | | |
| ADA | 2 | DIRECT ASSIGN TO CLASSES W/SALES REV FUI | NCTIONS | | | | | | | |
| ADA | 3 | | | | | | | | | |
| ADA | | Write-Offs | | | | | | | | |
| ADA | 5 | Other Sales Revenue | SREVOTH | 0 | 0 | 0 | 0 | 0 | | |
| ADA | | Residential Regular Sales Revenue | SREVRESR | 373,943 | 373,943 | 0 | 0 | 0 | | |
| ADA | 7 | Residential Total Electric Sales Revenue | SREVRESE | 114,958 | 114,958 | 0 | 0 | 0 | | |
| ADA | 8 | Residential - Demand | SREVRESED | 19,889 | 19,889 | Û | 0 | 0 | | |
| ADA | 9 | GS Regular Sales Revenue | SREVSGSR | 37,973 | 0 | 37,973 | 0 | 0 | | |
| ADA | 10 | GS Total Electric Sales Revenue | SREVSGSE | 2,233 | 0 | 2,233 | 0 | 0 | | |
| ADA | 11 | GS Other | SREVSGSO | 2,904 | 0 | 2,904 | 0 | 0 | | |
| ADA | 12 | GSL Secondary | SREVGSLS | 1,710 | 0 | 0 | 1,710 | 0 | | |
| ADA | 13 | GSL Primary | SREVGSLP | 0 | 0 | 0 | 0 | 0 | | |
| ADA | 14 | Private Area Lighting Leased | SREVPAL | 5,891 | 0 | 0 | 0 | 5,891 | | |
| ADA | 15 | Street Lighting Leased | SREVSL | 0 | 0 | 0 | 0 | 0 | | |
| ADA | 16 | Street Lighting Energy & Maint Cust Owned | SREVSLEM | 0 | 0 | 0 | 0 | 0 | | |
| ADA | | Street Lighting Non-Metered Services/Rentals | SREVSLSR | 447 | 0 | 0 | 0 | 447 | | |
| ADA | | Total Write-Offs | EXP_904 | 559,948 | 508,790 | 43,110 | 1,710 | 6,338 | | |
| ADA | 19 | | - | | | | | | | |
| ADA | | Total Write-Offs | EXP_904 | 1.00000 | 0.90864 | 0.076989 | 0.003054 | 0.01132 | | |
| ADA | 21 | | _ | | | | | | | |
| ADA | | Customer Advances for Construction | | | | | | | | |
| ADA | 23 | Other | DPLTOTH | 19,597 | 0 | 19,597 | · 0 | 0 | | |
| ADA | | Residential Regular | DPLTRESR | 706,872 | 706,872 | 0 | 0 | 0 | | |
| ADA | | Residential Total Electric | DPLTRESE | 100,158 | 100,158 | 0 | 0 | 0 | | |
| ADA | | Residential Electric Demand | DPLTRESD | 94,224 | 94,224 | 0 | 0 | 0 | | |
| ADA | | GS Regular | DPLTGSR | 496,828 | 0 | 496,828 | 0 | 0 | | |
| ADA | | GS Total Electric | DPLTGSE | 0 | 0 | 0 | 0 | 0 | | |
| ADA | | GSL Secondary | DPLTGSLS | 0 | 0 | 0 | 0 | Û | | |
| ADA | | GSL Primary | DPLTGSLP | 0 | 0 | 0 | 0 | a | | |
| ADA | 31 | | | | | | | | | |
| ADA | | Customer Advances for Construction | CUSTADV | 1,417,679 | 901,254 | 516,425 | 0 | 0 | | |
| ADA | 33 | | | | | | | | | |
| ADA | | Customer Advances for Construction | CUSTADV | 1,00000 | 0,63573 | 0.364275 | 0.000000 | 0.00000 | | |
| ADA | 35 | | | | | | | | | |
| ADA | 36 | | | | | | | | | |
| ADA | 37 | | | | | | | | | |
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BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 34 of 35

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| SCH
NO. | | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|--------------|----|--|---------------------|--------------------------|------------------------|--------------------|-------------------------------------|---------------------|-----|-----|
| | | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (j) | (f) |
| ADA | | ALLOCATED DIRECT ASSIGNMENTS | | | | | | | | |
| ADA | | DIRECT ASSIGN TO CLASSES W/SALES REV FUN | ICTIONS | | | | | | | |
| ADA | 3 | | | | | | | | | |
| ADA | | DSM | | | | | | | | |
| ADA | | Other Sales Revenue | SREVOTH | 18,999 | Û | 18,999 | ٥ | 0 | | |
| ADA | | Residential Regular Sales Revenue | SREVRESR | 295,316 | 295,316 | 0 | 0 | 0 | | |
| ADA | | Residential Total Electric Sales Revenue | SREVRESE | 73,370 | 73,370 | 0 | 0 | 0 | | |
| ADA | | Residential - Demand | SREVRESED | 76,555 | 76,555 | 0 | 0 | 0 | | |
| ADA | | GS Regular Sales Revenue | SREVSGSR | 269,629 | 0 | 269,629 | 0 | 0 | | |
| ADA | | GS Total Electric Sales Revenue | SREVSGSE | 31,892 | 0 | 31,892 | 0 | 0 | | |
| ADA | | GS Other | SREVSGSO | 13,817 | 0 | 13,817 | 0 | 0 | | |
| ADA | | GSL Secondary | SREVGSLS | 178,575 | 0 | 0 | 178,575 | 0 | | |
| ADA | | GSL Primary | SREVGSLP | 56,965 | 0 | 0 | 56,965 | 0 | | |
| ADA | | Traffic Signals & Flashers | SREVTSF | 527 | Û | Ŭ | 0 | 527 | | |
| ADA | | Private Area Lighting Leased | SREVPAL | 3,178 | 0 | Ó | 0 | 3,178 | | |
| ADA | | Street Lighting Leased | SREVSL | 2,860 | 0 | 0 | 0 | 2,860 | | |
| ADA | | Street Lighting Energy & Maint Cust Owned | SREVSLEM | 4,621 | 0 | 0 | 0 | 4,621 | | |
| ADA | | Street Lighting Non-Metered Services/Rentals | SREVSLSR | 0 | Ó | 0 | 0 | 0 | | |
| ADA | | Total DSM | SREVDSM | 1,026,305 | 445,242 | 334,336 | 235,540 | 11,187 | | |
| ADA | 20 | | | | | | | | | |
| ADA | | Total DSM | SREVDSM | 1.00000 | 0.43383 | 0.325767 | 0.229503 | 0.01090 | | |
| ADA | 22 | | | | | | | | | |
| ADA | 23 | | | | | | | | | |
| ADA | 24 | | | | | | | | | |
| ADA | 25 | | | | | | | | | |
| ADA | 26 | | | | | | | | | |
| ADA | 27 | | | | | | | | | |
| ADA | 28 | | | | | | | | | |
| ADA | 29 | | | | | | | | | |
| ADA | 30 | | | | | | | | | |
| ADA | 31 | | | | | | | | | |
| ADA | 32 | | | | | | | | | |
| ADA | 33 | | | | | | | | | |
| ADA | 34 | | | | | | | | | |
| ADA | 35 | | | | | | | | | |

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Exhibit CJK - 105 Page 346 of 358

BLACK HILLS POWER, INC. ADJUSTED RETAIL ELECTRIC CLASS COST OF SERVICE STUDY FOR THE TEST YEAR ENDED JUNE 30, 2012

Schedule O-1 Cost of Service Study Page 35 of 35

| SCH LINE
NO, NO. | DESCRIPTION | ALLOCATION
BASIS | TOTAL
SOUTH
DAKOTA | RESIDENTIAL
SERVICE | GENERAL
SERVICE | GS LARGE/
INDUSTRIAL
CONTRACT | LIGHTING
SERVICE | | |
|-------------------------|--|---------------------|---------------------------|---------------------------|---------------------------|-------------------------------------|------------------------|-----|-----|
| | (a) | (b) | (c) | (d) | (e) | (h) | (i) | (i) | (f) |
| RRW 1 | | | | | | | | | |
| RRW 2
RRW 3
RRW 4 | | | | | | | | | |
| RRW 5 | RATE BASE
NET OPER INC (PRESENT RATES) | _ | 438,289,043
28,495,321 | 160,164,825
10,580,671 | 160,199,058
10,170,281 | 112,091,333
7,255,303 | 5,833,827
489,066 | | |
| RRW 7 | RATE OF RETURN (PRES RATES) | | 6.50% | 6.61% | 6.35% | 6.47% | 8.38% | | |
| RRW 9 | RELATIVE RATE OF RETURN
SALES REVENUE (PRE RATES) | | 1.00
105,368,260 | 1.02
42,082,273 | 0.98
36,395,788 | 1.00
25,340,827 | 1.29
1,549,371 | | |
| RRW 10
RRW 11 | REVENUE PRES RATES \$/KWH
REVENUE REQUIRED - \$/MO/CUST | | \$0.0726
\$1,618.54 | \$0.0851
\$803.57 | \$0.0871
\$3,048.37 | \$0.0483
\$0.00 | \$0.1108
\$2,432.29 | | |
| RRW 12
RRW 13 | | | \$31.73 | \$100.8 9 | \$23.17 | \$19.01 | \$0.00 | | |
| RRW 14
RRW 15 | CLAIMED RATE OF RETURN | | | | | | | | |
| RRW 16 | CLAIMED RATE OF RETURN | | 8.54% | 8.54% | 8.54% | 8.54% | 8.54% | | |
| RRW 18 | SALES REVENUE REQ CLAIMED ROR | | 37,429,884
119,114,085 | 13,678,076
46,847,631 | 13,681,000
41,797,029 | 9,572,600
28,905,989 | 498,209
1,563,437 | | |
| RRW 19
RRW 20 | REVENUE DEFICIENCY SALES REV
PERCENT INCREASE REQUIRED | | 13,745,826
9.94% | 4,765,358
8.94% | 5,401,241
11.77% | 3,565,161
9.57% | 14,066
0.75% | | |
| RRW 21
RRW 22 | ANNUAL BOOKED KWH SALES
SALES REV REQUIRED \$/KWH | | 1,451,286,926
\$0.0821 | 494,712,860
\$0,0947 | 417,920,275
\$0.1000 | 524,670,360
\$0.0551 | 13,983,431
\$0,1118 | | |
| RRW 23
RRW 24 | | | \$0.0095 | \$0,0096 | \$0.0129 | \$0.0068 | \$0.0010 | | |
| RRW 25
RRW 26 | PROPOSED REVENUES | | | | | | | | |
| RRW 27
RRW 28 | PROPOSED SALES REVENUES | | 119,114,085
13,745,826 | 46,847,631
4,765,358 | 41,797,029
5,401,241 | 28,905,989
3,565,161 | 1,563,437
14,066 | | |
| RRW 29 | PERCENT INCREASE PROPOSED | | 9.94% | 8.94% | 11.77% | 9.57% | 0.75% | | |
| RRW 30
RRW 31 | RETURN REQ FOR PROPOSED REV | | 8.54%
37,429,884 | 8.54%
13,678,076 | 8.54%
13,681,000 | 8.54%
9,572,600 | 8.54%
498,209 | | |
| RRW 32
RRW 33 | | | 1,451,286,926
\$0.0821 | 494,712,860
\$0.0947 | 417,920,275
\$0,1000 | 524,670,360
\$0.0551 | 13,983,431
\$0.1118 | | |
| RRW 34
RRW 35 | ····· | | \$0.0095 | \$0.0096 | \$0.0129 | \$0.0068 | \$0.0010 | | |
| RRW 36
RRW 37 | | | | | | | | | |
| RRW 38 | 1 | | | | | | | | |
| RRW 40 |) | | | | | | | | |
| RRW 41 | | | | | | | | | |

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RRW 41 RRW 42 RRW 43 RRW 44 RRW 45 RRW 46

Section P

20:10:13:100. Statement P – Energy Cost Adjustment Factors. Statement P shall show the derivation of the cost adjustment factor as stated therein if the rate schedule or sales contract embodies a fuel clause or gas adjustment clause. If the fuel clause differs from the one prescribed by the commission, the statement shall show the derivation as proposed by the company and as prescribed by the commission.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL 49-34A-4.

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

Statement P page 1 is the Fuel and Purchase Power Adjustment. This schedule is used to calculate the test year base unit cost by taking Steam Plant Fuel, Other Production Fuel, Purchase Power expenses, to include re-agent costs and divifing by the system energy sales.

Statement P page 2 is the Transmission Adjustment. This schedule is used to calculate the test year base unit cost for Transmission by taking the adjusted Transmission expenses and dividing by the total retail energy sales.

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BLACK HILLS POWER, INC. DERIVATION OF BASE UNIT COST - FUEL AND PURCHASE POWER ADJUSTMENT For the Test Year Ended June 30, 2012

| Line
No. | Description | Reference | | | |
|-------------|---|-------------------------------------|----------|---------------|------|
| 1 | Steam Plant Fuel Expense (Adjusted) - FERC Account 501 | Stmt H Sum (Ln.3(a):Ln.7(p)) | \$ | 20,116,803 | |
| 2 | | | | | |
| 3 | Other Production Fuel Expense (Adjusted) - FERC Account 547 | Stmt H Sum (Ln.27(a):(p)) | | 1,403,757 | |
| 4 | | | | | |
| 5 | Purchase Power - Energy (Adjusted) - FERC Account 555 | Stmt H Sum (Ln.45(a):(p)) | | 14,132,051 | |
| 6 | | | | | |
| 7 | Plus: Reagent Costs- Lime, Lime Freight, Ammonia, Chemical | | | 1,324,944 | |
| 8 | | | | | |
| 9 | Base Cost for Fuel and Purchase Power Expense | Sum (Ln.1:Ln.7) | \$ | 36,977,555 | |
| 10 | | | | | |
| 11 | <u>kWh SALES</u> | | | | |
| 12 | | | | | |
| 13 | System Energy Sales | WP-1 (Ln. 47(a) + Ln. 52(a)) * 1000 | | 2,001,085,862 | |
| 14 | | | | | |
| 15 | Base Unit Cost for Fuel and Purchase Power | Ln.9 / Ln.13 | \$ | 0.01848 | /kWh |
| 16 | | | | | |
| 17 | Base Unit Cost for Fuel and Purchase Power | Approved Docket EL09-018 | Ś | 0.01460 | /kWh |
| 18 | | •• | <u> </u> | | - |

18 19 Note: The Statement is for illustrated purposes only. The Company is not proposing a change to the base cost for the Fuel and Purchase

20 Power Adjustment. The rate calculated on line 15 is used to calculate the removal of the Energy Cost Revenue on Statement I page 5,

lines 7 and 9. The base unit cost approved in Docket EL09-018 is used to calculate the removal of the Energy Cost Revenue on Statement
 l page 5, line 1.

Exhibit CJK - 105 Page 349 of 358

BLACK HILLS POWER, INC. DERIVATION OF BASE UNIT COST OF TRANSMISSION For the Test Year Ended June 30, 2012

| Line
No. | Description | Reference | | | |
|-------------|---|----------------------------|----------|---------------|------|
| 1 | Transmission Expense (Adjusted)- FERC Account 565 | Stmt. H Sum (Ln.56(a):(p)) | \$ | 17,057,416 | |
| 2 | | | | | |
| 3 | Base Cost for Transmission Expense | | \$ | 17,057,416 | |
| 4 | | | | | |
| 5 | kWh SALES | | | | |
| 6 | | | | | |
| 7 | Retail Energy Sales | WP-1 Ln.47(a) * 1000 | | 1,679,251,862 | |
| 8 | | | | | |
| 9 | Base Unit Cost for Transmission | Ln.3 / Ln.7 | \$ | 0.01016 | /kWh |
| 10 | | | <u> </u> | | |
| 11 | Base Unit Cost for Transmission | Approved Docket EL09-018 | \$ | 0.00810 | /kWh |
| 12 | | •• | | | - |

Note: The Statement is for illustrated purposes only. The Company is not proposing a change to the base cost for the Transmission

Cost Adjustment. The base unit cost approved in Docket EL09-018 is used to calculate the removal of the Energy Cost Revenue on Statement I page 5, line 1.

Section Q

20:10:13:101. Statement Q -- Description of Utility Operations. Statement Q shall include a description of the utility's area and diversity of operations, including miles of lines and generating stations operated and a breakdown of sales between jurisdictional and nonjurisdictional. A concise statement of the last rate case of the filing public utility, whether or not it was concluded at the time of the filing of the current rate increase, shall also be included.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

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General Authority:SDCL 49-34A-4.

Law Implemented:SDCL <u>49-34A-10</u>, <u>49-34A-12</u>, <u>49-34A-41</u>.

Exhibit CJK - 105 Page 351 of 358

BLACK HILLS POWER, INC. DESCRIPTION OF UTILITY OPERATIONS For the Test Year Ended June 30, 2012

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| Line | | | | | | | |
|------------|--|--|--|--|--|--|--|
| <u>No.</u> | Policy Description | | | | | | |
| 1 | Black Hills Power, Inc. ("Black Hills Power") is an electric utility serving retail customers in | | | | | | |
| 2 | South Dakota, Wyoming, and Montana. Black Hills Power is incorporated in South Dakota | | | | | | |
| 3 | and began providing electric service in 1941. Black Hills Power is a wholly-owned subsidiary | | | | | | |
| 4 | of the publicly traded company, Black Hills Corporation. | | | | | | |
| 5 | ····· /····· / ····· // ···· // | | | | | | |
| 6 | Black Hills Power is engaged in the generation, transmission, and distribution of electricity. | | | | | | |
| 7 | We serve approximately 68,000 retail electric customers in 34 communities in western South | | | | | | |
| 8 | Dakota, northeastern Wyoming and southeastern Montana. | | | | | | |
| 9 | | | | | | | |
| 10 | In addition to retail sales of electric energy, Black Hills Power sells wholesale power to | | | | | | |
| 11 | Montana Dakota Utilities for Sheridan, Wyoming and to the Municipal Energy Agency | | | | | | |
| 12 | of Nebraska. Black Hills Power also makes short-term wholesale power sales when | | | | | | |
| 13 | economically feasible. | | | | | | |
| 14 | | | | | | | |
| 15 | The electric system utilized by Black Hills Power consists of a common use transmission | | | | | | |
| 16 | system with approximately 570 miles of 230 kV transmission lines and a lower voltage | | | | | | |
| 17 | distribution system. Black Hills Power is interconnected with the Western Area Power | | | | | | |
| 18 | Administration Rocky Mountain Regions' west 230 kV bus at Stegall, Nebraska, and with | | | | | | |
| 19 | PacifiCorp at the Wyodak plant near Gillette, Wyoming. Black Hills Power is also | | | | | | |
| 20 | interconnected with Western Area Power Administration's Upper Great Plains Region, through | | | | | | |
| 21 | the Rapid City Converter Tie. | | | | | | |
| 22 | | | | | | | |
| 23 | Black Hills Power has generating facilities located at the Wyodak site near Gillette, Wyoming, | | | | | | |
| 24 | in Osage, Wyoming and in Rapid City, South Dakota. In addition to these generating plants, | | | | | | |
| 25
26 | Black Hills Power has a long-term purchase power agreement with PacifiCorp for 50 megawatts | | | | | | |
| 26
27 | of capacity and associated energy. | | | | | | |
| 27 | The last South Dakota rate filing was submitted September 30, 2009 and an order issued by the | | | | | | |
| 28
29 | South Dakota Public Utilities Commission on August 11, 2010. | | | | | | |
| 23 | South Dakota Fublic Othelics Commission on August 11, 2010. | | | | | | |

Section R

20:10:13:102. Statement R – Coal Supply Pricing. If any of the preceding statements cover purchases or other transfers of equipment, fuels or gas, materials, or services from an affiliate that are not regulated for price, the applicant shall submit a detailed explanation, including a showing of the affiliate's rate of return on investment associated with the purchases and the prices of comparable equipment, materials, or services offered by unaffiliated suppliers.

Source: 2 SDR 90, effective July 7, 1976; 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.

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Statement R - Part) Wyodak Resources Development Corporation Computation of Utility Type Investment Base for Total Sales to Black Hills Power and Cheyenne Light, Fuel and Power Company For the Pro Forma Test Year Ended June 30, 2012

| | | (1) | | | (2) | | | | |
|-------------|--|----------------|---------------|------------|-----|------------|---------------------------------|--|--|
| Line
No. | Description | Total C | Total Company | | | | Applicable Sales
to BHP/CLFP | | |
| 1 | Gross Mining Plant (from Schedule B) | \$ 105,399,191 | | | | | | | |
| 2 | Accumulated Provision for Depreciation, Depletion and
Amortization Mining Plant (from Schedule B) | 59,251,590 | _ | | | | | | |
| 3 | Net Mining Plant (Line 1 less Line 2) | | \$ | 46,147,601 | \$ | 19,381,992 | (a) | | |
| 4 | Blending Facility (from Schedule B) | 7,430,785 | | | | | | | |
| 5 | Accumulated Provision for Depreciation (from Schedule B) | 6,498,754 | - | | | | | | |
| 6 | Net Blending Facility (Line 4 less Line 5) | | | 932,031 | | 446,163 | (b) | | |
| 7 | Processing Plant (from Schedule B) | 20,513,165 | | | | | | | |
| 8 | Accumulated Provision for Depreciation (from Schedule B) | 11,775,300 | - | | | | | | |
| 9 | Net Processing Plant (Line 7 less Line 8) | | | 8,737,865 | | 3,669,903 | (c) | | |
| 10 | Mining Investment for BHP/CLFP Sales* | 425,000 | | | | | | | |
| 11 | Accumulated Provision for Depreciation* | 425,000 | - | | | | | | |
| 12 | Net Investment for Sales to BHP/CLFP (Line 10 less Line 11) | | | - | | - | - | | |
| 13 | Net Mining and Processing Plant (Sum Lines 3, 6, 9, 12) | | | 55,817,497 | | 23,498,058 | | | |
| 14 | Unamortized Stripping Costs* | | | | | - | (a) | | |
| 15 | Materials, Supplies and Prepayments* | | | 5,549,859 | | 2,330,941 | (a) | | |
| 16 | Total Utility Type Investment Base (Sum Lines 13, 14, 15) | | s | 61,367,356 | \$ | 25,828,999 | | | |

 17
 (a) Percent Applicable to Mining (Part III, Line 6)
 42.00%

 18
 (b) Percent Applicable to Blending Facility (Part III, Line 9)
 47.87%

 19
 (c) Percent Applicable to Processing (Part III, Line 11)
 42.00%

.

20 * from Input page

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Exhibit CJK - 105 Page 354 of 358

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Statement R - Part II Wyodak Resources Development Corporation Computation of Utility Type Investment Base for Total Sales to Black Hills Power and Cheyenne Light, Fuel and Power Company For the Pro Forma Test Year Ended June 30, 2012

| Line
No. | Description | т | (1)
Dtal Company | | (2)
licable Sales to
P Ownership &
CLFP | | (3) |
|-------------------------|--|---------|---------------------|----|--|-----|----------------------------|
| 140. | Description | | carcompany | · | ÇLFF | - |
Adjusted |
| 1 | Receipts from Coal Sales* | \$ | 61,405,632 | \$ | 27,730,564 | | \$
27,730,596 |
| 2 | Operating Expenses: | | | | | · | |
| 3 | Mining Expenses (from Schedule B) | | 24,413,711 | | 10,253,759 | (a) | 10,253,759 |
| 4
4a | Royalties*
Royalty tax from prior year activity | | 7,675,704 | | 3,466,320 | (e) | 3,466,320 |
| 5
5a | Production Tax*
Production tax from prior year activity | | 2,919,409 | | 1,318,395 | (e) | 1,318,395 |
| 6
6a | Severance Tax*
Severance Tax from Prior Year activity | | 3,405,978 | | 1,538,127 | (e) | 1,538,127 |
| 7
7
7a | Black Lung Tax*
Black Lung tax from prior year activity | | 1,940,983 | | 876,541 | (e) | 876,541 |
| 8 | Blending Facility Expenses (from Schedule B) | | 1,767,492 | | 846,098 | (b) | 846,098 |
| 9 | Processing Expenses (from Schedule B) | | 1,309,749 | | 550,095 | (c) | 550,095 |
| 10 | Depreciation and Depletion of Mining Plant
(from Schedule B) | | 10,021,130 | | 4,208,875 | (a) | 4,208,875 |
| 11 | Depreciation Blending Facility (from Schedule B) | | 228,891 | | 109,570 | (b) | 109,570 |
| 12 | Depreciation Processing Plant (from Schedule B) | | 1,482,272 | | 622,554 | (c) | 622,554 |
| 13 | Depreciation Investment for BHP/CLFP Sale* | | - | | - | | - |
| 14
14a
15 | Federal Reclamation, FICA, and Unemployment*
Fed Reclamation tax from prior year activity
<u>Property Taxes:</u> | | 1,903,662 | | 799,538 | (a) | 799,538 |
| | Mining
Diandles Section | | 454,632 | | 190,945 | | 190,945 |
| | Blending Facility
Processing | | 32,052
88,482 | | 15,343
37,162 | | 15,343
37,162 |
| | Investment for BHP/CLFP Sale | | 1,833 | | 1,833 | | 1,833 |
| | Total Operating Expenses (before Taxes) | | 57,645,980 | | 24,835,155 | | 24,835,155 |
| 16 | Federal Income Tax (from Part IV) | | 972,622 | | 749,042 | (d) | 749,051 |
| 17 | Total Operating Expenses | | 58,618,602 | | 25,584,197 | |
25,584,206 |
| 18 | Net Mining Income | | 2,787,030 | | 2,146,366 | | 2,146,390 |
| 19 | Other non-mining income (net) | | 1,656,318 | | | | |
| 20 | Less: Interest on Long-term Debt* | | <u> </u> | | | | |
| 21 | Net Income | \$ | 4,443,348 | | | | |
| 22 | Utility Type Investment Base Applicable to Sales to BHP/CLFP (from Part I) | | | | 25,828,999 | | 25,828,999 |
| 23 | Utility Type Rate of Return Related to Sales to
BHP/CLFP | | | | 8.31% | | 8.31% |
| 25 (l
26 (d
27 (d | a) Percent Applicable to Mining (Part III, Line 6)
b) Percent Applicable to Blending Facility (Part III, Line 9)
c) Percent Applicable to Processing (Part III, Line 11)
d) Amount Applicable to BHP/CLFP (Part IV, Line 11)
e) Coał taxes calculated based on applicable sales to those | | | | 749,042 | | 42.00%
47.87%
42.00% |
| 29 | Note: An "*" designates the column 1 amount comes fr | com the | Input nage | | | | |

29 Note: An "*" designates the column 1 amount comes from the Input page

Statement R - Part III Wyodak Resources Development Corporation Computation of Utility Type Investment Base for Total Sales to Black Hills Power and Cheyenne Light, Fuel and Power Company For the Pro Forma Test Year Ended June 30, 2012

| Line
No. | Description | Tons Sold |
|-------------|--|-----------|
| 1 | Total Coal Sold | 4,648,854 |
| 2 | Total Coal Sold - Wγodak Plant | 1,997,150 |
| 3 | Total Coal Sold - All Except Wyodak | 2,651,704 |
| 4 | Total Tons Sold - BHP Wyodak | 399,430 |
| 5 | Total Coal Sold - BHP Other/Wygen II/Wygen III | 1,553,152 |
| 6 | Percent Applicable to Mining ((Line 4+Line 5)/Line 1) | 42.00% |
| 7 | Total Coal Sold by Blending Facility (BHP Other less NSII, Trucks, Wygen II & Wygen III) | 1,008,672 |
| 8 | Other Coal Sold by Blending Facility | 1,098,552 |
| 9 | Percent Applicable to Processing Blending Facility (Line 7/(Line 7+Line 8)) | 47.87% |
| 10 | Total Coal Sold - Train Load Out | 0 |
| 11 | Percent Applicable to Processing (Line 4+Line 5)/(Line 1-Line 10) | 42.00% |

Statement R - Part IV Wyodak Resources Development Corporation Computation of Utility Type Investment Base for Total Sales to Black Hills Power and Cheyenne Light, Fuel and Power Company For the Pro Forma Test Year Ended June 30, 2012

| Line
No. | Description | Amount | | |
|-------------|--|----------------|--|--|
| 1 | Total Federal Income Tax Applicable to Mining Income (from Schedule A) | \$
972,622 | | |
| 2 | Income before Federal Income Tax: | | | |
| 3 | Net Income | 2,787,029 | | |
| 4 | Plus Federal Income Tax |
972,622 | | |
| 5 | Mining Income Before Federal Income Tax | 3,759,651 | | |
| 6 | Unadjusted Receipts from Coal Sales (from Part II) | 27,730,564 | | |
| 7 | Total Operating Expenses (from Part II) |
24,835,155 | | |
| 9 | Income before Federal Income Tax Applicable to BHP/CLFP | 2,895,408 | | |
| 10 | Federal Income Tax Rate (Line 4/Line 5) |
25.87 | | |
| 11 | Federal Income Tax | \$
749,042 | | |

Statement R - Part V Wyodak Resources Development Corporation Computation of Utility Type Investment Base for Total Sales to Black Hills Power and Cheyenne Light, Fuel and Power Company For the Pro Forma Test Year Ended June 30, 2012

| Line
No. | Return on Rate Base | Percentage |
|-------------|-----------------------|------------|
| 1 | Utility A-rated Bonds | 4.31% |
| 2 | Plus 400 Basis Points | 4.00% |
| 3 | Return on Equity | 8.31% |

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Statement R - Part VI Wyodak Resources Development Corporation Computation of Utility Type Investment Base for Total Sales to Black Hills Power and Cheyenne Light, Fuel and Power Company For the Pro Forma Test Year Ended June 30, 2012

| Line No. | Description | | Amount |
|----------|--|----|------------|
| 1 | Price per Ton required to balance Affiliate Coal Adjustment to approximately | \$ | 14.20 |
| 2 | Coal Receipts from BHP/CLFP (from Input page) | \$ | 27,730,564 |
| 3 | Coal Receipts from BHP/CLFP as Adjusted (from Part II) | \$ | 27,730,596 |
| 4 | Difference in Coal Receipts BHP/CLFP/MDU (Line 1 - Line 2) | | (32) |
| 5 | Annual Retail Energy Sales in South Dakota - MWH | | 1 |
| 6 | Annual Total Energy Sales - MWH | | 1 |
| 7 | Percent Applicable to South Dakota (Line 4/Line 5) | | 100.00% |
| 8 | Affiliate Coal Adjustment (Line 3 x Line 6) | \$ | (32) |