

4. Please provide the Statement R calculation for affiliate coal purchases contained in the Fuel and Purchased Power Adjustment.

Statement R - Part I

Wyodak Resources Development Corporation Computation of Utility Type Investment Base for Total Sales to Black Hills Power 2011

Line No.	2011 (1) Total Company	(2) Applicable Sales to BHP/CLFP
1	\$ 105,285,179	
2	<u>49,403,009</u>	
3	\$ 55,882,170	\$ 18,379,646 (a) 32.89%
4	6,852,919	
5	<u>5,965,733</u>	
6	887,186	459,651 (b) 51.81%
7	20,613,935	
8	<u>9,938,097</u>	
9	10,675,838	4,952,521 (c) 46.39%
10	425,000	
11	<u>425,000</u>	
12	<u>-</u>	<u>-</u>
13	67,445,194	23,791,818
14		- (a)
15	<u>6,134,232</u>	<u>2,017,549</u> (a) 32.89%
16	<u>\$ 73,579,426</u>	<u>\$ 25,809,367</u>

(a)	Percent Applicable to Mining (Part III, Line 6)	32.89%
(b)	Percent Applicable to Blending Facility (Part III, Line 9)	51.81%
(c)	Percent Applicable to Processing (Part III, Line 11)	46.39%

Statement R - Part II
Wyodak Resources Development Corporation
Computation of Utility Type Investment Base
for Total Sales to Black Hills Power/Cheyenne Light Fuel & Power

Line No.		2011		
		(1)	(2)	(3)
		Total Company	Applicable Sales to BHP Ownership & CLFP	Adjusted
1	Receipts from Coal Sales*	\$ 66,469,796	\$ 29,228,952	\$ 29,228,773
2	<u>Operating Expenses:</u>			
3	Mining Expenses (from Schedule B)	31,234,779	10,273,119	(a) 10,273,119
4	Royalties*	8,319,421	3,658,323	(e) 3,658,323
4a	Royalty tax from prior year activity			
5	Production Tax*	3,126,296	1,374,735	(e) 1,374,735
5a	Production tax from prior year activity			
6	Severance Tax*	3,594,579	1,580,654	(e) 1,580,654
6a	Severance Tax from Prior Year activity			
7	Black Lung Tax*	1,862,480	818,994	(e) 818,994
7a	Black Lung tax from prior year activity			
8	Blending Facility Expenses (from Schedule B)	966,830	500,915	(b) 500,915
9	Processing Expenses (from Schedule B)	2,057,170	954,321	(c) 954,321
10	Depreciation and Depletion of Mining Plant (from Schedule B)	16,403,377	5,395,071	(a) 5,395,071
11	Depreciation -- Blending Facility (from Schedule B)	168,186	87,137	(b) 87,137
12	Depreciation -- Processing Plant (from Schedule B)	1,428,681	662,765	(c) 662,765
13	Depreciation -- Investment for BHP/CLFP Sale [‡]	-	-	-
14	Federal Reclamation, FICA, and Unemployment	1,828,249	601,311	(a) 601,311
14a	Fed Reclamation tax from prior year activity			
15	<u>Property Taxes:</u>			
	Mining	368,318	121,140	(a) 121,140
	Blending Facility	23,973	12,420	(b) 12,420
	Processing	72,113	33,453	(c) 33,453
	Investment for BHP/CLFP Sale	1,487	1,487	1,487
	Total Operating Expenses (before Taxes)	71,455,940	26,075,845	26,075,845
16	Federal Income Tax (from Part IV)	(1,296,398)	819,808	(d) 819,761
17	Total Operating Expenses	70,159,542	26,895,653	26,895,606
18	Net Mining Income	(3,689,745)	2,333,299	2,333,167
19	Other non-mining income (net)	6,608,377		
20	Less: Interest on Long-term Debt*	-		
21	Net Income	<u>\$ 2,918,632</u>		
22	Utility Type Investment Base Applicable to Sales to BHP/CLFP (from Part I)		25,809,367	25,809,367
23	Utility Type Rate of Return Related to Sales to BHP/CLFP		9.04%	9.04%

Statement R - Part III
Wyodak Resources Development Corporation
Computation of Utility Type Investment Base
for Total Sales to Black Hills Power / Cheyenne Light Fuel & Power
2011

<u>Line No.</u>		2011
1	Total Coal Sold	5,691,756
2	Total Coal Sold - Wyodak Plant	<u>2,496,833</u>
3	Total Coal Sold - All Except Wyodak	3,194,923
4	Total Tons Sold - BHP Wyodak	282,376
5	Total Coal Sold - BHP Other/Wygen II/Wygen III	1,589,834
6	Percent Applicable to Mining ((Line 4+Line 5)/Line 1)	32.89%
7	Total Coal Sold by Blending Facility (BHP Other less NSII, Trucks, Wygen II & Wygen III)	1,079,407
8	Other Coal Sold by Blending Facility	1,003,960
9	Percent Applicable to Processing Blending Facility (Line 7/(Line 7+Line 8))	51.81%
10	Total Coal Sold - Train Load Out	1,656,221
11	Percent Applicable to Processing (Line 4+Line 5)/(Line 1-Line 10)	46.39%

Statement R - Part IV
Wyodak Resources Development Corporation
Computation of Utility Type Investment Base
for Total Sales to Black Hills Power / Cheyenne Light Fuel & Power
2011

Line No.	2011
1	Total Federal Income Tax Applicable to Mining Income (from Schedule A) \$ (1,296,398)
2	Income before Federal Income Tax:
3	Net Income (3,689,747)
4	Plus Federal Income Tax (1,296,398)
5	Mining Income Before Federal Income Tax (4,986,145)
6	Unadjusted Receipts from Coal Sales (from Part II) 29,228,952
7	Total Operating Expenses (from Part II) 26,075,845
9	Income before Federal Income Tax Applicable to BHP/CLFP 3,153,107
10	Federal Income Tax Rate (Line 4/Line 5) 26.00%
11	Federal Income Tax \$ 819,808

Statement R - Part V
Wyodak Resources Development Corporation
Computation of Utility Type Investment Base
Total Sales to Black Hills Power / Cheyenne Light Fuel & I

2011

<u>Return on Rate Base</u>	<u>Percentage</u>
Utility A-rated Bonds	5.04%
Plus 400 Basis Points	4.00%
Return on Equity	<u>9.04%</u>

Statement R - Part VI
Wyodak Resources Development Corporation
Computation of Utility Type Investment Base
for Total Sales to Black Hills Power / Cheyenne Light Fuel & Power
2011

	2011
Price per Ton required to balance Affiliate Coal Adjustment to approximately \$0.00	\$ 15.61200

Line No.	Amount
1 Coal Receipts from BHP/CLFP (from Input page)	\$ 29,228,952
2 Coal Receipts from BHP/CLFP as Adjusted (from Part II)	<u>\$ 29,228,773</u>
3 Difference in Coal Receipts BHP/CLFP/MDU (Line 1 - Line 2)	179
4 Annual Retail Energy Sales in South Dakota - MWH	1
5 Annual Total Energy Sales - MWH	1
6 Percent Applicable to South Dakota (Line 4/Line 5)	100.00%
7 Affiliate Coal Adjustment (Line 3 x Line 6)	<u><u>\$ 179</u></u>