



**BLACK HILLS POWER**  
**COST OF SERVICE - TRANSMISSION FACILITIES**  
 For the Pro Forma Year Ended May 31, 2015

Line No.	Description	Reference	South Dakota Jurisdiction
1	Operating Revenue Required		
2	Transmission Facilities Revenue		\$ 463,481
3			
4	Operating Expenses		
5	Depreciation	Schedule B-4, line 6	89,671
5a	Assessed Filing Fee	Estimate	25,000
6	Property Taxes	Schedule B-4, line 23	48,409
7	Total Operating Expenses		<u>163,080</u>
8			
9	Other Operating Revenues	Schedule B-5, line 5	39,820
10			
11	Operating Income Before Tax	(line 2 - line 7 + line 9)	340,221
12			
13	Federal Income Tax	Schedule B-4, line 17	81,377
14			
15	Return (Operating Income)	Schedule B-4, line 14 (line 11 - line 13)	<u>\$ 258,844</u>
16			
17	Rate of Return		<u>7.93%</u>
18			
19	Rate Base		
20	Plant in Service	Schedule B-3, line 6	3,321,153
21	Less: Accumulated Depreciation	Schedule B-3, line 9	44,836
22	Less: Accumulated Deferred Income Taxes	Schedule B-3, line 19	12,205
23			
24	Total Rate Base	(line 20 - line 21 - line 22)	<u>\$ 3,264,112</u>