

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

## **Section H**

**Schedule H-21 – Customer Service Model Adjustment.** This Schedule reflects the cost reductions as a result of Black Hills Power’s customer service model changes. The total decrease is adjusted in Statement H, column (s).

**BLACK HILLS POWER, INC.**  
**CUSTOMER SERVICE MODEL ADJUSTMENT**  
**For the Pro Forma Test Year Ended September 30, 2013**

Line No.	Description	Reference	Amount
1	<b>Facility Expense Elimination</b>		
2	Belle Fourche Office:		
3	Office Rent		\$ 9,000
4	Janitorial Service		2,955
5	Postage		1,460
6	Rug Cleaning Service		1,334
7	Utilities		891
8	Snow Removal		514
9	Total Belle Fourche Facility Expense	Sum(Ln. 3: Ln. 8)	<u>16,154</u>
10			
11	Newell Office:		
12	Rug Cleaning Service		\$ 1,866
13	Utilities		793
14	Lawn Care/Snow Removal		261
15	PO Box Lease		80
16	Total Newell Facility Expense	Sum(Ln. 12:Ln. 15)	<u>3,000</u>
17			
18	Total Facility Cost	Ln. 9 + Ln. 16	<u><u>19,154</u></u>
19			
20	<b>Employee Expense Elimination</b>		
21	Customer Service Representative - Newell		\$ 39,122
22	Customer Service Representative - Custer		38,658
23	Customer Service Representative - Spearfish		38,658
24	Total Salary Costs	Sum(Ln. 21:Ln. 23)	<u>116,438</u>
25	Benefit Loading Percentage		69%
26	Total Benefit Costs	Ln. 24 * Ln. 25	<u>80,342</u>
27			
28	Total Employee Expense Cost	Ln. 24 + Ln. 26	<u><u>196,780</u></u>
29			
30	Total Customer Service Model Adjustment		<u><u>215,934</u></u>