

**EXHIBIT \_\_ (LK-12)**

**BLACK HILLS POWER, INC.**  
SD PUC DOCKET: EL-14-026  
RATE CASE

REQUEST DATE : April 28, 2014  
RESPONSE DATE : July 7, 2014  
REQUESTING PARTY: Black Hills Industrial Intervenors

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**BHII Request No. 20:** Reference Schedule H-20. The following questions relate to the costs for the 69kV LIDAR Surveying Project.

- a. Please provide a schedule by month and by FERC account showing (1) the actual costs incurred for the surveying project through the most recent month for which actual information is available and (2) the projected costs thereafter.
- b. Please provide copies of all source documentation pertaining to the actual costs incurred referenced in response to subpart (a) of this question. Include all electronic work papers with formulas intact.
- c. Please provide the details of the plan to perform the surveying project, including the estimated timeframe that the project would start and conclude, the types of costs to be incurred, and the timing of such costs.
- d. Please provide a copy of all internal planning documents describing the surveying project.
- e. Please explain why there is no pro forma adjustment for the ADIT related to this deferred asset.
- f. Please indicate whether the Company has requested an order from the Commission to defer these costs as a regulatory asset. If so, please cite all authorities or references to such authorization included in the Company's filing in this proceeding. If there are none, please explain why.
- g. Reference the testimony of Mr. Fredrich at page 10, lines 15-17, pertaining to the 69kV LIDAR Surveying Project. Please describe "the past experience of BHC" and how the estimated cost of \$800,000 for the 69kV system was determined. Please provide all supporting assumptions, data, and computations, including electronic spreadsheets with formulas intact.

**Response to BHII Request No. 20:**

- a. Black Hills Power is still in the process of finalizing the scope of project to obtain final RFQ's from the vendors.
- b. As noted above, the LiDar patrol work has not yet begun for 2014, so there are no actual costs to report to date.

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- c. Details of the plan: Black Hills Power is still in the process of developing the final plans and specifications for the work to be completed in 2014. Attachment 20B is the RFQ specifications that were associated with the 2013 survey work for Black Hills /Colorado Electric and Black Hills Power. It is anticipated that the 2014 survey work will be similar in nature to the type of work outlined in the attached specifications.

Estimated timeframe: Black Hills Power anticipates getting the RFQ out to the vendors by the end of July 2014.

Type of costs to be incurred:

- New Lidar, Ortho & Oblique Imagery, Ground Control Survey and Weather Data
- Processing and Mapping all topographical DTM files and Plan and Profile data maps along the route
- Conductor Operating Temperature Assessments and report
- Delivery in a PLS CADD.bak file

Timing of such costs: Timing of the costs will be dependent on the availability of the vendor to meet proposed schedule. Targeted timeline would be by the end of 3Q 2014.

- d. Please see Attachments 20A and 20B.
- e. A pro forma adjustment for the ADIT related to this deferred asset should have been reflected on Schedule M-1 and inadvertently it was not. Such an adjustment is determined to be \$191,688 ( $\$547,680 * 35\%$ ).
- f. The Company has requested to defer these costs as a regulatory asset as part of this rate filing. If the Commission does not issue its decision in this filing by the end of 2014, the Company will make a separate request to the Commission to defer the LiDar costs as a regulatory asset.
- g. The \$800,000 estimate for 2014 was based on the completion of 532 miles of 69kV line to be surveyed at \$1,500/mile. See Attachment 20A.

**Attachments:**

20A - Lidar Workpaper  
20B - BHCLidarSpec