

BLACK HILLS POWER, INC.
PER BOOKS COST OF SERVICE ANALYSIS-RATE CLASS
For the Test Year Ended December 31, 2005

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Ref. #	Description	Allocation Factor	Total South Dakota	Residential	Small General Service	Large General Service	Industrial Contract	Lighting
	Energy Input (MWH) See WP-1	1	1,469,150	480,048	390,294	371,310	212,764	14,734
	Production Capacity (kW) See WP-2	2	301,568	102,546	103,536	62,530	30,075	2,881
	Transmission Capacity	3	301,568	102,546	103,536	62,530	30,075	2,881
	Non-coincident Peaks	4	355,491	121,778	127,297	70,645	32,407	3,364
	Distribution - Secondary	5	307,613	121,778	127,297	55,174	-	3,364
	Customers-(Yearend #)	6	61,124	49,787	10,865	278	3	191
	Customers - Weighted Services (multiplier)	7	61,124	49,787	10,865	278	3	191
	Customers - Weighted Meters (multiplier) \$	8	640,935	336,739	270,798	30,175	2,385	838
	Weighted Bills	9	61,124	49,787	10,865	278	3	191
	Street Lighting (count)	10	12,147	-	-	-	-	12,147
	Private Area Lighting (# of cust)	11	2,512	-	-	-	-	2,512
	Total Production Plant (line 2006)	12	282,732,915	96,141,267	97,069,434	58,624,553	28,196,600	2,701,061
	Total Transmission Plant (line 2022)	13	11,449,621	3,893,360	3,930,947	2,374,074	1,141,856	109,383
	Total Distribution Plant (line 2040)	14	191,627,416	79,003,376	70,167,505	34,560,865	3,350,061	4,545,608
	Total General Plant (line 2045)	15	28,470,938	11,344,599	8,382,453	5,631,638	2,699,141	413,107
	Total Plant in Service (line 2046)	16	514,280,890	190,382,601	179,550,339	101,191,130	35,387,659	7,769,159
	Total Rate Base (line 2062)	17	264,029,279	101,153,595	92,615,789	50,885,186	14,744,278	4,630,431
	Subtotal Other Production Plant (line 2004)	18	66,074,501	22,468,152	22,685,065	13,700,520	6,589,527	631,236
	Total Lines (line 2011)	19	4,854,388	1,650,699	1,666,635	1,006,555	484,122	46,376
	Total Substations (line 2015)	20	6,119,647	2,080,941	2,101,031	1,268,906	610,305	58,463
	Subtotal Transmission Plant (line 2020)	21	10,974,034	3,731,640	3,767,666	2,275,461	1,094,427	104,839
	Distribution Primary	22	323,084	121,778	127,297	70,645	-	3,364
	Subtotal Overhead Lines (line 2029)	23	104,554,516	38,191,964	39,922,831	22,155,655	3,229,049	1,055,016
	Subtotal Underground Lines (line 2032)	24	31,999,865	12,061,506	12,608,135	6,997,036	-	333,187
	Subtotal Distribution Plant (line 2038)	25	186,567,739	76,917,393	68,314,822	33,648,330	3,261,607	4,425,587
	Total Production O&M (line 3020)	26	74,023,137	24,267,513	20,134,157	18,434,260	10,447,707	739,500
	Total Operation & Maintenance (line 3092)	27	101,219,558	35,987,103	28,217,003	23,278,415	12,540,931	1,196,107
	Supervised O & M Expense (line 3082)	28	16,677,411	6,816,619	4,766,790	3,270,850	1,566,633	256,519
	Subtotal Trans. Operation (line 3027)	29	2,336,236	794,420	802,090	484,418	232,990	22,319
	Subtotal Trans. Maintenance (line 3037)	30	114,139	38,812	39,187	23,667	11,383	1,090
	Distribution Operation Subtotal (line 3052)	31	1,660,991	678,910	648,078	268,544	52,226	13,232
	Distribution Maintenance Subtotal (line 3067)	32	1,491,110	513,660	529,429	284,327	39,341	124,354
	Firm Revenues	39	100,776,454	37,725,314	31,825,749	21,015,387	8,677,752	1,532,251

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Ref. #	Description	Allocation Factor	Total South Dakota	Residential	Small General Service	Large General Service	Industrial Contract	Lighting
	Energy Input (MWH) See WP-1	1	100%	32.68%	26.57%	25.27%	14.48%	1.00%
	Production Capacity (kW) See WP-2	2	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Transmission Capacity	3	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Non-coincident Peaks	4	100%	34.26%	35.81%	19.87%	9.12%	0.95%
	Distribution - Secondary	5	100%	39.59%	41.38%	17.94%	0.00%	1.09%
	Customers-(Yearend #)	6	100%	81.45%	17.78%	0.45%	0.00%	0.31%
	Customers - Weighted Services (multiplier)	7	100%	81.45%	17.78%	0.45%	0.00%	0.31%
	Customers - Weighted Meters (multiplier) \$	8	100%	52.54%	42.25%	4.71%	0.37%	0.13%
	Weighted Bills	9	100%	81.45%	17.78%	0.45%	0.00%	0.31%
	Street Lighting (count)	10	100%	0.00%	0.00%	0.00%	0.00%	100.00%
	Private Area Lighting (# of cust)	11	100%	0.00%	0.00%	0.00%	0.00%	100.00%
	Total Production Plant (line 2006)	12	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Total Transmission Plant (line 2022)	13	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Total Distribution Plant (line 2040)	14	100%	41.23%	36.62%	18.04%	1.75%	2.37%
	Total General Plant (line 2045)	15	100%	39.85%	29.44%	19.78%	9.48%	1.45%
	Total Plant in Service (line 2046)	16	100%	37.02%	34.91%	19.68%	6.88%	1.51%
	Total Rate Base (line 2062)	17	100%	38.31%	35.08%	19.27%	5.58%	1.75%
	Subtotal Other Production Plant (line 2004)	18	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Total Lines (line 2011)	19	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Total Substations (line 2015)	20	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Subtotal Transmission Plant (line 2020)	21	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Distribution Primary	22	100%	37.69%	39.40%	21.87%	0.00%	1.04%
	Subtotal Overhead Lines (line 2029)	23	100%	36.53%	38.18%	21.19%	3.09%	1.01%
	Subtotal Underground Lines (line 2032)	24	100%	37.69%	39.40%	21.87%	0.00%	1.04%
	Subtotal Distribution Plant (line 2038)	25	100%	41.23%	36.62%	18.04%	1.75%	2.37%
	Total Production O&M (line 3020)	26	100%	32.78%	27.20%	24.90%	14.11%	1.00%
	Total Operation & Maintenance (line 3092)	27	100%	35.55%	27.88%	23.00%	12.39%	1.18%
	Supervised O & M Expense (line 3082)	28	100%	40.87%	28.58%	19.61%	9.39%	1.54%
	Subtotal Trans. Operation (line 3027)	29	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Subtotal Trans. Maintenance (line 3037)	30	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Distribution Operation Subtotal (line 3052)	31	100%	40.87%	39.02%	16.17%	3.14%	0.80%
	Distribution Maintenance Subtotal (line 3067)	32	100%	34.45%	35.51%	19.07%	2.64%	8.34%
	Firm Revenues	39	100%	37.43%	31.58%	20.85%	8.61%	1.52%

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2001 Plant in Service								
2002	Production Plant							
2003	Steam Production Plant	2	215,259,444	73,197,405	73,904,067	44,633,957	21,467,555	2,056,460
2004	Other Production Plant	2	66,074,501	22,468,152	22,685,065	13,700,520	6,589,527	631,236
2005	Unclassified Steam Production Plant	2	970,513	330,016	333,202	201,235	96,788	9,272
2005.1	CWIP Production & CT Plant	2	428,457	145,694	147,100	88,840	42,730	4,093
2006	Total Production Plant	CAT01	282,732,915	96,141,267	97,069,434	58,624,553	28,196,600	2,701,061
2007 Transmission Plant								
2008	Lines							
2009	Power Pool Service	3	4,854,388	1,650,699	1,666,635	1,006,555	484,122	46,376
2009.1	CUS Plant	3	-	-	-	-	-	-
2010	Direct To Jurisdiction	3	-	-	-	-	-	-
2011	Total Lines	CAT02	4,854,388	1,650,699	1,666,635	1,006,555	484,122	46,376
2012	Substations							
2013	Power Pool Service	3	6,119,647	2,080,941	2,101,031	1,268,906	610,305	58,463
2014	CUS Plant	3	-	-	-	-	-	-
2015	Total Substations	CAT03	6,119,647	2,080,941	2,101,031	1,268,906	610,305	58,463
2016	Total Lines And Substations	TOTAL01	10,974,034	3,731,640	3,767,666	2,275,461	1,094,427	104,839
2017	Other Transmission Plant							
2018	Power Pool Service	3	-	-	-	-	-	-
2019	Total Other Trans. Plant	CAT04	0	-	-	-	-	-
2020	Subtotal - Trans. Plant	TOTAL02	10,974,034	3,731,640	3,767,666	2,275,461	1,094,427	104,839
2021	Unclassified Trans. Plant plus Additions	3	475,586	161,720	163,281	98,613	47,430	4,543
2021	Total Unclassified Trans. Plant	CAT05	475,586	161,720	163,281	98,613	47,430	4,543
2022	Total Transmission Plant	TOTAL03	11,449,621	3,893,360	3,930,947	2,374,074	1,141,856	109,383
2023 Distribution Plant								
2024	Land And Land Rights	4	1,239,571	424,631	443,875	246,334	113,001	11,730
2025	Structures And Improvements	4	246,581	84,469	88,298	49,002	22,479	2,333
2026	Station Equipment	4	33,935,146	11,624,919	12,151,763	6,743,767	3,093,570	321,127
2027.1	Poles, Towers & Fixtures - Primary	22	43,613,361	16,438,907	17,183,921	9,536,424	-	454,109
2027.2	Poles, Towers & Fixtures - Secondary	5	-	-	-	-	-	-
2028.1	Overhead Conductors & Devices - Primary	22	25,519,857	9,619,038	10,054,974	5,580,129	-	265,717
2028.2	Overhead Conductors & Devices - Secondary	5	-	-	-	-	-	-

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2029	Subtotal - O.H. Lines	CAT06	104,554,516	38,191,964	39,922,831	22,155,655	3,229,049	1,055,016
2030	Underground Conduit	22	760,023	286,471	299,453	166,185	-	7,913
2031	U.G. Conductors & Devices	22	31,239,842	11,775,035	12,308,682	6,830,851	-	325,274
2032	Subtotal - U.G. Lines	CAT07	31,999,865	12,061,506	12,608,135	6,997,036	-	333,187
2033	Line Transformers	5	22,410,389	8,871,844	9,273,918	4,019,551	-	245,076
2034	Services	7	16,338,907	13,308,441	2,904,297	74,311	802	51,056
2035	Meters	8	8,533,969	4,483,637	3,605,641	401,776	31,756	11,158
2036	Installations on Cust. Premises	11	1,435,786	-	-	-	-	1,435,786
2037	Street Lighting and Signal Systems	10	1,294,308	-	-	-	-	1,294,308
	Subtotal - Equipment	CAT08	50,013,359	26,663,923	15,783,856	4,495,639	32,558	3,037,384
2038	Subtotal - Dist. Plant	TOTAL04	186,567,739	76,917,393	68,314,822	33,648,330	3,261,607	4,425,587
2039	Unclassified Dist. Plant Plus Additions	25	5,059,677	2,085,983	1,852,683	912,536	88,454	120,021
2039	Total Unclassified Dist. Plant	CAT09	5,059,677	2,085,983	1,852,683	912,536	88,454	120,021
2040	Total Distribution Plant	TOTAL05	191,627,416	79,003,376	70,167,505	34,560,865	3,350,061	4,545,608
2041	Total Trans. and Dist. Plant	TOTAL06	203,077,037	82,896,736	74,098,452	36,934,939	4,491,918	4,654,991
2042	General Plant							
2043	Classified Plant	28	23,118,374	9,449,258	6,607,766	4,534,081	2,171,680	355,589
2043.1	Unclassified General Plant	28	1,095,350	447,706	313,076	214,825	102,894	16,848
2044	Plant Acquisition Adj	2	4,257,214	1,447,635	1,461,610	882,732	424,567	40,671
2045	Total General Plant	CAT10	28,470,938	11,344,599	8,382,453	5,631,638	2,699,141	413,107
2046	Total Plant in Service	TOTAL07	514,280,890	190,382,601	179,550,339	101,191,130	35,387,659	7,769,159
2047	Accumulated Depreciation							
2048	Production	12	124,589,549	42,365,768	42,774,776	25,833,591	12,425,160	1,190,254
2049	Transmission	13	11,297,449	3,841,615	3,878,703	2,342,521	1,126,680	107,929
2050	Distribution	14	53,608,838	22,101,635	19,629,751	9,668,595	937,198	1,271,659
2051	General	15	10,268,530	4,091,623	3,023,275	2,031,147	973,491	148,994
2052	Total Accumulated Depreciation	CAT11	199,764,366	72,400,641	69,306,504	39,875,854	15,462,530	2,718,836
2053	Net Plant	TOTAL08	314,516,524	117,981,960	110,243,835	61,315,276	19,925,129	5,050,323
2054	Accum amortized Wyodak & Rushmore Acquisition Adj.	2	1,874,885	637,541	643,696	388,757	186,980	17,912
2054	Accum amortized Wyodak & Rushmore Acquisition Adj.	CAT12	1,874,885	637,541	643,696	388,757	186,980	17,912

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Ref. #	Description	Allocation Factor	Total South Dakota	Residential	Small General Service	Large General Service	Industrial Contract	Lighting
2055 Working Capital								
2056	Cash Working Capital Allowance	28	1,472,227	601,749	420,796	288,740	138,297	22,645
2057	Materials and Supplies	16	8,080,364	2,991,285	2,821,089	1,589,912	556,010	122,069
2058	Prepayments	16	1,325,298	490,614	462,700	260,769	91,194	20,021
2059	Fuel Stocks	1	3,404,492	1,112,425	904,437	860,445	493,043	34,143
2060	Total Working Capital	CAT13	14,282,380	5,196,073	4,609,022	2,999,865	1,278,543	198,878
2061	Other Rate Base Deductions	12	62,894,740	21,386,898	21,593,371	13,041,198	6,272,414	600,859
2061	Total Other Rate Base Deductions	CAT14	62,894,740	21,386,898	21,593,371	13,041,198	6,272,414	600,859
2062	Total Rate Base	TOTAL09	264,029,279	101,153,595	92,615,789	50,885,186	14,744,278	4,630,431
3001 Operation and Maintenance Expense								
3002 Production Expense								
3003 Operation								
3004 Steam Power Generation								
3005	Fuel	1	10,858,826	3,548,145	2,884,753	2,744,438	1,572,588	108,902
3006	Rents	2	-	-	-	-	-	-
3007	Other	2	-	-	-	-	-	-
3008 Other Power Generation								
3009	Fuel	1	2,573,732	840,973	683,737	650,480	372,731	25,812
3010	Other	2	-	-	-	-	-	-
3011 Other Power Supply								
3012	Purchased Power - Capacity	2	5,349,219	1,818,963	1,836,524	1,109,158	533,471	51,103
3013	Purchased Power - Energy	1	45,329,496	14,811,513	12,042,222	11,456,485	6,564,670	454,606
3014	System Cont. & Load Dispatch	2	-	-	-	-	-	-
3015	Total Production Operation	CAT15	64,111,274	21,019,594	17,447,235	15,960,561	9,043,460	640,424
3016 Maintenance								
3017	Steam Power Generation	1	9,219,939	3,012,635	2,449,367	2,330,229	1,335,242	92,466
3018	Other Power Generation	2	691,924	235,284	237,555	143,470	69,005	6,610
3019	Total Production Maintenance	CAT16	9,911,863	3,247,919	2,686,922	2,473,699	1,404,247	99,076
3020	Total Production O&M	TOTAL10	74,023,137	24,267,513	20,134,157	18,434,260	10,447,707	739,500
3021 Transmission Expense								
3022 Operation								

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3023	Load Dispatching	20	-	-	-	-	-	-
3024	Station Expenses	20	-	-	-	-	-	-
3025	Overhead Line Expenses	19	33,614	11,430	11,541	6,970	3,352	321
3026	Transmission Expense	3	2,302,622	782,990	790,549	477,448	229,638	21,998
3027	Subtotal Trans. Operation	CAT17	2,336,236	794,420	802,090	484,418	232,990	22,319
3028	Supervision and Engineering	29	174,892	59,471	60,045	36,264	17,442	1,671
3029	Misc. Trans. Expenses	29	91,932	31,261	31,563	19,062	9,168	878
3030	Rents	3	-	-	-	-	-	-
3031	Total Transmission Operation	CAT18	2,603,060	885,152	893,697	539,743	259,600	24,868
3032	Maintenance							
3033	Structures	20	-	-	-	-	-	-
3034	Station Equipment	20	43,130	14,666	14,807	8,943	4,301	412
3035	Overhead Lines	19	71,009	24,146	24,379	14,724	7,082	678
3036	Underground Lines	19	-	-	-	-	-	-
3037	Subtotal Trans. Maintenance	CAT19	114,139	38,812	39,187	23,667	11,383	1,090
3038	Supervision and Engineering	30	13,624	4,633	4,678	2,825	1,359	130
3039	Misc. Trans. Plant	30	-	-	-	-	-	-
3040	Total Transmission Maint.	CAT20	127,763	43,445	43,864	26,492	12,742	1,221
3041	Total Transmission O&M	TOTAL11	2,730,823	928,597	937,561	566,235	272,342	26,089
3042	Distribution Expense							
3043	Operation							
3044	Load Dispatching	4	68,144	23,344	24,402	13,542	6,212	645
3045	Station Expenses	4	268,294	91,908	96,073	53,317	24,458	2,539
3046	Overhead Line Expenses	23	639,397	233,561	244,146	135,492	19,747	6,452
3047	Transformer Setting	5	-	-	-	-	-	-
3048	Underground Line Expenses	22	198,040	74,646	78,029	43,303	-	2,062
3049	Street Lighting and Sig. Exp.	10	898	-	-	-	-	898
3050	Meter Expenses	8	453,653	238,343	191,670	21,358	1,688	593
3051	Cust. Install. Expenses	8	32,564	17,109	13,759	1,533	121	43
3052	Subtotal Dist. Operation	CAT21	1,660,991	678,910	648,078	268,544	52,226	13,232
3053	Supervision and Operation	31	513,875	210,040	200,501	83,082	16,158	4,094
3054	Misc. Dist. Expenses	31	360,170	147,215	140,530	58,231	11,325	2,869
3055	Rents	31	20,040	8,191	7,819	3,240	630	160
3057	Total Distribution Operation	CAT22	2,555,076	1,044,357	996,928	413,098	80,339	20,354

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3058	Maintenance							
3059	Structures	4	-	-	-	-	-	-
3060	Station Equipment	4	38,406	13,156	13,753	7,632	3,501	363
3061	Overhead Lines	23	1,136,156	415,018	433,827	240,757	35,089	11,464
3062	Underground Lines	22	113,244	42,684	44,619	24,762	-	1,179
3063	Line Transformers	5	17,108	6,773	7,080	3,069	-	187
3064	Street Light. & Signal System	10	110,298	-	-	-	-	110,298
3065	Meters	8	41,879	22,003	17,694	1,972	156	55
3066	Misc. Dist. Plant	14	34,019	14,025	12,457	6,136	595	807
3067	Subtotal Dist. Maintenance	CAT23	1,491,110	513,660	529,429	284,327	39,341	124,354
3068	Supervision and Engineering	32	19,704	6,788	6,996	3,757	520	1,643
3069	Total Distribution Maintenance	CAT24	1,510,814	520,447	536,425	288,084	39,860	125,997
3070	Total Distribution O&M	TOTAL12	4,065,890	1,564,804	1,533,353	701,182	120,200	146,351
3071	Total Trans. & Dist. O&M	TOTAL13	6,796,713	2,493,401	2,470,915	1,267,417	392,541	172,440
3072	Computer Services							
3073	Computer Services	9	-	-	-	-	-	-
3074	Customer Accounts	9	-	-	-	-	-	-
3075	Accounts 901 Through 905	9	1,522,303	1,239,953	270,594	6,924	75	4,757
3076	Total Comp. Exp. & Cust. Acct.	CAT25	1,522,303	1,239,953	270,594	6,924	75	4,757
3077	Customer Service & Information							
3078	Accounts 907 Through 910	7	769,194	626,527	136,727	3,498	38	2,404
3080	Total Customer Service and Info.	CAT26	769,194	626,527	136,727	3,498	38	2,404
3081	Subtotal O&M Expense	TOTAL14	83,111,347	28,627,394	23,012,393	19,712,099	10,840,360	919,100
3082	Supervised O&M Expense	TOTAL15	16,677,411	6,816,619	4,766,790	3,270,850	1,566,633	256,519
3083	Administrative and General Exp.							
3084	Operation							
3085	Property Insurance	16	537,558	198,999	187,677	105,771	36,989	8,121
3086	Regulatory Comm. Exp.	1	256,256	83,732	68,077	64,766	37,111	2,570
3087	Other A&G Expense	28	17,134,751	7,003,550	4,897,508	3,360,546	1,609,594	263,553
3088	Total A&G Operation	CAT27	17,928,565	7,286,281	5,153,262	3,531,083	1,683,695	274,244
3089	Maintenance							
3090	General Plant	28	179,647	73,428	51,347	35,233	16,876	2,763

BLACK HILLS POWER, INC.
PER BOOKS COST OF SERVICE ANALYSIS-RATE CLASS
For the Test Year Ended December 31, 2005

Ref. #	Description	Allocation Factor	Total South Dakota	Residential	Small General Service	Large General Service	Industrial Contract	Lighting
3091	Total A&G Expenses	CAT28	18,108,212	7,359,709	5,204,609	3,566,316	1,700,570	277,007
3092	Total O&M Expenses	TOTAL16	101,219,558	35,987,103	28,217,003	23,278,415	12,540,931	1,196,107
3093	Total O&M Exp. Less Purch. Pwr.	TOTAL17	50,540,843	19,356,627	14,338,257	10,712,771	5,442,790	690,398
3094	Total O&M Exp. Less P. P. & Fuel	TOTAL18	37,108,284	14,967,509	10,769,767	7,317,854	3,497,471	555,684
3095	Amortization of Acquisition Adj.	2	132,345	45,003	45,437	27,442	13,199	1,264
3095	Amortization of Acquisition Adj.	CAT29	132,345	45,003	45,437	27,442	13,199	1,264
3096	Depreciation Expense							
3097	Production	12	8,475,241	2,881,944	2,909,767	1,757,338	845,225	80,967
3098	Transmission	13	100,931	34,321	34,652	20,928	10,066	964
3099	Distribution	14	5,400,295	2,226,412	1,977,406	973,967	94,409	128,101
3100	General	15	1,734,616	691,179	510,708	343,112	164,448	25,169
3101	Total Depreciation Expense	CAT30	15,711,084	5,833,856	5,432,533	3,095,346	1,114,147	235,201
3102	Taxes Other Than Income							
3103	Property Taxes	16	4,488,326	1,661,542	1,567,004	883,134	308,842	67,804
3104	Nebraska Tax on Trans. Plant	13	-	-	-	-	-	-
3105	Payroll Taxes	28	1,106,131	452,113	316,158	216,939	103,907	17,014
3106	Unemployment - Federal	28	-	-	-	-	-	-
3107	Unemployment - State	28	-	-	-	-	-	-
3108	Gross Receipts Tax	1	-	-	-	-	-	-
3109	Regulatory Comm. Taxes/Expenses	17	145,206	55,631	50,935	27,985	8,109	2,547
3110	Total Taxes Other Than Income	CAT31	5,739,663	2,169,285	1,934,097	1,128,058	420,857	87,365
3111	Total Oper. Exp. Before Inc. Tax	TOTAL19	122,802,649	44,035,247	35,629,071	27,529,260	14,089,134	1,519,938
4001	Other Operating Revenue							
4002	Acct. 450 - Forfeited Discounts	39	125,242	46,884	39,552	26,117	10,784	1,904
4003	Acct. 451 - Misc. Service Revenues	39	272,531	102,021	86,067	56,832	23,467	4,144
4004	Acct. 453 - Sales of Water	39	(1,876)	(702)	(592)	(391)	(162)	(29)
4005	Acct. 454 & 456 - Rent from Elec. Prop. & Other	17	577,849	221,383	202,697	111,366	32,269	10,134
4007	Total Other Operating Revenue	CAT32	973,747	369,586	327,724	193,925	66,359	16,153
5001	Return Under Existing Rates							
5002	Revenue from Firm Sales	39	100,776,454	37,725,315	31,825,749	21,015,387	8,677,752	1,532,251

BLACK HILLS POWER, INC.
PER BOOKS COST OF SERVICE ANALYSIS-RATE CLASS
For the Test Year Ended December 31, 2005

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Ref. #	Description	Allocation	Total South Dakota	Residential	Small General Service	Large General Service	Industrial Contract	Lighting
		Factor						
5002.1	Revenue from Firm Sales-Unbilled	39	497,897	186,386	157,238	103,829	42,873	7,570
5002.2	Revenue from Other Non-Firm	2	37,982,113	12,915,541	13,040,230	7,875,575	3,787,909	362,858
5003	Revenue from Contracts	2	13,213,868	4,493,279	4,536,658	2,739,890	1,317,803	126,237
5004	Other Operating Revenue		973,747	369,586	327,724	193,925	66,359	16,153
5005	Total Operating Revenue	CAT33	153,444,078	55,690,106	49,887,600	31,928,606	13,892,696	2,045,071
5006	Oper. Expense Before Income Tax	TOTAL19	122,802,649	44,035,247	35,629,071	27,529,260	14,089,134	1,519,938
5007	Oper. Income Before Income Tax	TOTAL20	30,641,428	11,654,859	14,258,529	4,399,346	(196,438)	525,133
5008 Federal Income Tax Calculation								
5009	Tax Adjustments							
5010	Interest Expense	17	10,047,395	3,849,308	3,524,410	1,936,390	561,080	176,207
5011	State Income Tax	1	-	-	-	-	-	-
5012	Other Tax Adjustments	16	(20,774)	(7,690)	(7,253)	(4,088)	(1,429)	(314)
5013	Total Tax Adjustments	CAT34	10,026,621	3,841,618	3,517,157	1,932,302	559,651	175,893
5014	Taxable Income	TOTAL21	20,614,808	7,813,241	10,741,372	2,467,044	(756,089)	349,240
5015	Federal Income Tax		7,215,183	2,734,634	3,759,480	863,465	(264,631)	122,234
5016	Deferred Federal Income Tax	16	(2,180,088)	(807,051)	(761,132)	(428,959)	(150,012)	(32,934)
5017	Less Inv. Tax Credit Amort.	16	(206,737)	(76,532)	(72,178)	(40,678)	(14,226)	(3,123)
5018	Total Federal Income Tax	CAT35	5,241,831	2,004,116	3,070,526	475,184	(400,417)	92,423
5019	State Income Tax	1	-	-	-	-	-	-
5019	State Income Tax	CAT36	-	-	-	-	-	-
5020	Total Operating Expense	TOTAL22	128,044,481	46,039,363	38,699,597	28,004,444	13,688,717	1,612,360
5021	Return to equity pretax	TOTAL23	25,399,597	9,650,743	11,188,003	3,924,162	203,979	432,710
5022	Rate Base	TOTAL09	264,029,279	101,153,595	92,615,789	50,885,186	14,744,278	4,630,431
5023	Rate of Return, Existing Rates		9.62%	9.54%	12.08%	7.71%	1.38%	9.34%
6001 Proposed Revenue Increase								
6002 Revenue Increase								
6003	Revenue Under Existing Rates		101,274,351	37,911,701	31,982,988	21,119,216	8,720,625	1,539,821
6004	Revenue Under Proposed Rates		102,111,839	38,355,978	28,771,575	22,774,451	10,635,731	1,574,104
6005	Proposed Revenue Increase		544,367	288,781	(2,087,418)	1,075,903	1,244,819	22,284
6006	Additional Revenue with Federal Income Tax		837,488	444,278	(3,211,413)	1,655,235	1,915,105	34,283
6007 Return Under Proposed Rates								

BLACK HILLS POWER, INC.
PER BOOKS COST OF SERVICE ANALYSIS-RATE CLASS
For the Test Year Ended December 31, 2005

Ref. #	Description	Allocation Factor	Total South Dakota	Residential	Small General Service	Large General Service	Industrial Contract	Lighting
6008	Revenue from Firm Sales		102,111,839	38,355,978	28,771,575	22,774,451	10,635,731	1,574,104
6009	Revenue from Non-Firm Sales		37,982,113	12,915,541	13,040,230	7,875,575	3,787,909	362,858
6010	Revenue from Contract Sales		13,213,868	4,493,279	4,536,658	2,739,890	1,317,803	126,237
6011	Other Operating Revenue		973,747	369,586	327,724	193,925	66,359	16,153
6012	Total Operating Revenue		154,281,566	56,134,384	46,676,187	33,583,841	15,807,801	2,079,353
6013	Operation and Maintenance Expense		101,219,558	35,987,103	28,217,003	23,278,415	12,540,931	1,196,107
6014	Depreciation and Amortization Expense		15,843,429	5,878,859	5,477,971	3,122,787	1,127,346	236,466
6015	Taxes Other than Income Tax		5,739,663	2,169,285	1,934,097	1,128,058	420,857	87,365
6016	Federal Income Tax - Existing Rates		5,241,831	2,004,116	3,070,526	475,184	(400,417)	92,423
6017	Federal Income Tax - Additional		293,121	155,497	(1,123,995)	579,332	670,287	11,999
6018	State Income Tax		-	-	-	-	-	-
6019	Total Operating Expenses		128,337,602	46,194,860	37,575,602	28,583,776	14,359,003	1,624,359
6020	Return		25,943,964	9,939,524	9,100,584	5,000,065	1,448,798	454,994
6021	Rate Base		264,029,279	101,153,595	92,615,789	50,885,186	14,744,278	4,630,431
6022	Rate of Return, Proposed Rates		9.83%	9.83%	9.83%	9.83%	9.83%	9.83%
7001 Return Under Current Rates								
7002	Revenue from Firm Sales		101,274,351	37,911,701	31,982,988	21,119,216	8,720,625	1,539,821
7003	Revenue from Non-Firm Sales		37,982,113	12,915,541	13,040,230	7,875,575	3,787,909	362,858
7004	Revenue from Contract Sales		13,213,868	4,493,279	4,536,658	2,739,890	1,317,803	126,237
7005	Other Operating Revenue		973,747	369,586	327,724	193,925	66,359	16,153
7006	Total Operating Revenue		153,444,078	55,690,106	49,887,600	31,928,606	13,892,696	2,045,071
7007	Operation and Maintenance Expense		101,219,558	35,987,103	28,217,003	23,278,415	12,540,931	1,196,107
7008	Depreciation and Amortization Expense		15,843,429	5,878,859	5,477,971	3,122,787	1,127,346	236,466
7009	Taxes Other than Income Tax		5,739,663	2,169,285	1,934,097	1,128,058	420,857	87,365
7010	Federal Income Tax - Existing Rates		5,241,831	2,004,116	3,070,526	475,184	(400,417)	92,423
7011	State Income Tax		-	-	-	-	-	-
7012	Total Operating Expenses		128,044,481	46,039,363	38,699,597	28,004,444	13,688,717	1,612,360
7013	Return		25,399,597	9,650,743	11,188,003	3,924,162	203,979	432,710
7014	Rate Base		264,029,279	101,153,595	92,615,789	50,885,186	14,744,278	4,630,431
7015	Rate of Return, Current Rates		9.62%	9.54%	12.08%	7.71%	1.38%	9.34%

BLACK HILLS POWER, INC.
ADJUSTED COST OF SERVICE ANALYSIS - RATE CLASS
For the Test Year Ended December 31, 2005

Ref. #	Description	Allocation Factor	Total South Dakota	Residential	Small General Service	Large General Service	Industrial Contract	Lighting
	Energy Input (MWH) See WP-1	1	1,469,150	480,048	390,294	371,310	212,764	14,734
	Production Capacity (kW) See WP-2	2	301,568	102,546	103,536	62,530	30,075	2,881
	Transmission Capacity	3	301,568	102,546	103,536	62,530	30,075	2,881
	Non-coincident Peaks	4	355,491	121,778	127,297	70,645	32,407	3,364
	Distribution - Secondary	5	307,613	121,778	127,297	55,174	-	3,364
	Customers-(Yearend #)	6	61,124	49,787	10,865	278	3	191
	Customers - Weighted Services (multiplier)	7	61,124	49,787	10,865	278	3	191
	Customers - Weighted Meters (multiplier)	8	640,935	336,739	270,798	30,175	2,385	838
	Weighted Bills	9	61,124	49,787	10,865	278	3	191
	Street Lighting (count)	10	12,147	-	-	-	-	12,147
	Private Area Lighting (# of cust)	11	2,512	-	-	-	-	2,512
	Total Production Plant (line 2006)	12	288,665,524	98,158,607	99,106,250	59,854,677	28,788,252	2,757,737
	Total Transmission Plant (line 2022)	13	11,449,621	3,893,360	3,930,947	2,374,074	1,141,856	109,383
	Total Distribution Plant (line 2040)	14	201,122,487	82,917,966	73,644,280	36,273,344	3,516,056	4,770,842
	Total General Plant (line 2045)	15	35,611,939	14,272,298	10,473,717	7,011,442	3,338,373	516,108
	Total Plant in Service (line 2046)	16	536,849,570	199,242,231	187,155,195	105,513,537	36,784,538	8,154,070
	Total Rate Base (line 2062)	17	286,039,222	109,764,092	100,028,754	55,112,447	16,130,709	5,003,221
	Subtotal Other Production Plant (line 2004)	18	66,074,501	22,468,152	22,685,065	13,700,520	6,589,527	631,236
	Total Lines (line 2011)	19	4,854,388	1,650,699	1,666,635	1,006,555	484,122	46,376
	Total Substations (line 2015)	20	6,119,647	2,080,941	2,101,031	1,268,906	610,305	58,463
	Subtotal Transmission Plant (line 2020)	21	10,974,034	3,731,640	3,767,666	2,275,461	1,094,427	104,839
	Distribution Primary	22	323,084	121,778	127,297	70,645	-	3,364
	Subtotal Overhead Lines (line 2029)	23	104,554,516	38,191,964	39,922,831	22,155,655	3,229,049	1,055,016
	Subtotal Underground Lines (line 2032)	24	31,999,865	12,061,506	12,608,135	6,997,036	-	333,187
	Subtotal Distribution Plant (line 2038)	25	186,567,739	76,917,393	68,314,822	33,648,330	3,261,607	4,425,587
	Total Production O&M (line 3020)	26	40,964,294	13,465,530	11,352,147	10,078,805	5,659,858	407,953
	Total Operation & Maintenance (line 3092)	27	73,194,124	26,811,534	21,321,701	15,947,286	8,216,573	897,031
	Supervised O & M Expense (line 3082)	28	17,500,901	7,158,193	5,030,182	3,420,791	1,626,365	265,369
	Subtotal Trans. Operation (line 3027)	29	9,121,875	3,101,827	3,131,773	1,891,417	909,713	87,145
	Subtotal Trans. Maintenance (line 3037)	30	116,578	39,642	40,024	24,172	11,626	1,114
	Distribution Operation Subtotal (line 3052)	31	1,908,858	780,224	744,790	308,618	60,020	15,206
	Distribution Maintenance Subtotal (line 3067)	32	1,517,574	522,782	538,826	289,372	40,038	126,555
	Firm Revenues	39	100,776,454	37,725,314	31,825,749	21,015,387	8,677,752	1,532,251

BLACK HILLS POWER, INC.
ADJUSTED COST OF SERVICE ANALYSIS - RATE CLASS
For the Test Year Ended December 31, 2005

Ref. #	Description	Allocation Factor	Total South Dakota	Residential	Small General Service	Large General Service	Industrial Contract	Lighting
	Energy Input (MWH) See WP-1	1	100%	32.68%	26.57%	25.27%	14.48%	1.00%
	Production Capacity (kW) See WP-2	2	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Transmission Capacity	3	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Non-coincident Peaks	4	100%	34.26%	35.81%	19.87%	9.12%	0.95%
	Distribution - Secondary	5	100%	39.59%	41.38%	17.94%	0.00%	1.09%
	Customers-(Yearend #)	6	100%	81.45%	17.78%	0.45%	0.00%	0.31%
	Customers - Weighted Services (multiplier)	7	100%	81.45%	17.78%	0.45%	0.00%	0.31%
	Customers - Weighted Meters (multiplier)	8	100%	52.54%	42.25%	4.71%	0.37%	0.13%
	Weighted Bills	9	100%	81.45%	17.78%	0.45%	0.00%	0.31%
	Street Lighting (count)	10	100%	0.00%	0.00%	0.00%	0.00%	100.00%
	Private Area Lighting (# of cust)	11	100%	0.00%	0.00%	0.00%	0.00%	100.00%
	Total Production Plant (line 2006)	12	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Total Transmission Plant (line 2022)	13	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Total Distribution Plant (line 2040)	14	100%	41.23%	36.62%	18.04%	1.75%	2.37%
	Total General Plant (line 2045)	15	100%	40.08%	29.41%	19.69%	9.37%	1.45%
	Total Plant in Service (line 2046)	16	100%	37.11%	34.86%	19.65%	6.85%	1.52%
	Total Rate Base (line 2062)	17	100%	38.37%	34.97%	19.27%	5.64%	1.75%
	Subtotal Other Production Plant (line 2004)	18	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Total Lines (line 2011)	19	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Total Substations (line 2015)	20	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Subtotal Transmission Plant (line 2020)	21	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Distribution Primary	22	100%	37.69%	39.40%	21.87%	0.00%	1.04%
	Subtotal Overhead Lines (line 2029)	23	100%	36.53%	38.18%	21.19%	3.09%	1.01%
	Subtotal Underground Lines (line 2032)	24	100%	37.69%	39.40%	21.87%	0.00%	1.04%
	Subtotal Distribution Plant (line 2038)	25	100%	41.23%	36.62%	18.04%	1.75%	2.37%
	Total Production O&M (line 3020)	26	100%	32.87%	27.71%	24.60%	13.82%	1.00%
	Total Operation & Maintenance (line 3092)	27	100%	36.63%	29.13%	21.79%	11.23%	1.23%
	Supervised O & M Expense (line 3082)	28	100%	40.90%	28.74%	19.55%	9.29%	1.52%
	Subtotal Trans. Operation (line 3027)	29	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Subtotal Trans. Maintenance (line 3037)	30	100%	34.00%	34.33%	20.73%	9.97%	0.96%
	Distribution Operation Subtotal (line 3052)	31	100%	40.87%	39.02%	16.17%	3.14%	0.80%
	Distribution Maintenance Subtotal (line 3067)	32	100%	34.45%	35.51%	19.07%	2.64%	8.34%
	Firm Revenues	39	100%	37.43%	31.58%	20.85%	8.61%	1.52%

BLACK HILLS POWER, INC.
ADJUSTED COST OF SERVICE ANALYSIS - RATE CLASS
For the Test Year Ended December 31, 2005

Ref. #	Description	Allocation Factor	Total South Dakota	Residential	Small General Service	Large General Service	Industrial Contract	Lighting
2001 Plant in Service								
2002	Production Plant							
2003	Steam Production Plant	2	215,259,444	73,197,405	73,904,067	44,633,957	21,467,555	2,056,460
2004	Other Production Plant	2	66,074,501	22,468,152	22,685,065	13,700,520	6,589,527	631,236
2005	Unclassified Steam Production Plant	2	6,658,369	2,264,130	2,285,988	1,380,610	664,031	63,610
2005.1	CWIP Production & CT Plant	2	673,210	228,920	231,130	139,590	67,138	6,431
2006	Total Production Plant	CAT01	288,665,524	98,158,607	99,106,250	59,854,677	28,788,252	2,757,737
2007 Transmission Plant								
2008	Lines							
2009	Power Pool Service	3	4,854,388	1,650,699	1,666,635	1,006,555	484,122	46,376
2010	Direct To Jurisdiction	3	-	-	-	-	-	-
2011	Total Lines	CAT02	4,854,388	1,650,699	1,666,635	1,006,555	484,122	46,376
2012	Substations							
2013	Power Pool Service	3	6,119,647	2,080,941	2,101,031	1,268,906	610,305	58,463
2014	CUS Plant	3	-	-	-	-	-	-
2015	Total Substations	CAT03	6,119,647	2,080,941	2,101,031	1,268,906	610,305	58,463
2016	Total Lines And Substations	TOTAL01	10,974,034	3,731,640	3,767,666	2,275,461	1,094,427	104,839
2017	Other Transmission Plant							
2018	Power Pool Service	3	-	-	-	-	-	-
2019	Total Other Trans. Plant	CAT04	0	-	-	-	-	-
2020	Subtotal - Trans. Plant	TOTAL02	10,974,034	3,731,640	3,767,666	2,275,461	1,094,427	104,839
2021	Unclassified Trans. Plant plus Additions	3	475,586	161,720	163,281	98,613	47,430	4,543
2021	Total Unclassified Trans. Plant	CAT05	475,586	161,720	163,281	98,613	47,430	4,543
2022	Total Transmission Plant	TOTAL03	11,449,621	3,893,360	3,930,947	2,374,074	1,141,856	109,383
2023 Distribution Plant								
2024	Land And Land Rights	4	1,239,571	424,631	443,875	246,334	113,001	11,730
2025	Structures And Improvements	4	246,581	84,469	88,298	49,002	22,479	2,333
2026	Station Equipment	4	33,935,146	11,624,919	12,151,763	6,743,767	3,093,570	321,127
2027.1	Poles, Towers & Fixtures - Primary	22	43,613,361	16,438,907	17,183,921	9,536,424	-	454,109
2027.2	Poles, Towers & Fixtures - Secondary	5	-	-	-	-	-	-
2028.1	Overhead Conductors & Devices - Primary	22	25,519,857	9,619,038	10,054,974	5,580,129	-	265,717
2028.2	Overhead Conductors & Devices - Secondary	5	-	-	-	-	-	-
2029	Subtotal - O.H. Lines	CAT06	104,554,516	38,191,964	39,922,831	22,155,655	3,229,049	1,055,016

BLACK HILLS POWER, INC.
ADJUSTED COST OF SERVICE ANALYSIS - RATE CLASS
For the Test Year Ended December 31, 2005

Ref. #	Description	Allocation Factor	Total South Dakota	Residential	Small General Service	Large General Service	Industrial Contract	Lighting
2030	Underground Conduit	22	760,023	286,471	299,453	166,185	-	7,913
2031	U.G. Conductors & Devices	22	31,239,842	11,775,035	12,308,682	6,830,851	-	325,274
2032	Subtotal - U.G. Lines	CAT07	31,999,865	12,061,506	12,608,135	6,997,036	-	333,187
2033	Line Transformers	5	22,410,389	8,871,844	9,273,918	4,019,551	-	245,076
2034	Services	7	16,338,907	13,308,441	2,904,297	74,311	802	51,056
2035	Meters	8	8,533,969	4,483,637	3,605,641	401,776	31,756	11,158
2036	Installations on Cust. Premises	11	1,435,786	-	-	-	-	1,435,786
2037	Street Lighting and Signal Systems	10	1,294,308	-	-	-	-	1,294,308
	Subtotal - Equipment	CAT08	50,013,359	26,663,923	15,783,856	4,495,639	32,558	3,037,384
2038	Subtotal - Dist. Plant	TOTAL04	186,567,739	76,917,393	68,314,822	33,648,330	3,261,607	4,425,587
2039	Unclassified Dist. Plant Plus Additions	25	14,554,748	6,000,573	5,329,458	2,625,014	254,448	345,254
2039	Total Unclassified Dist. Plant	CAT09	14,554,748	6,000,573	5,329,458	2,625,014	254,448	345,254
2040	Total Distribution Plant	TOTAL05	201,122,487	82,917,966	73,644,280	36,273,344	3,516,056	4,770,842
2041	Total Trans. and Dist. Plant	TOTAL06	212,572,108	86,811,326	77,575,227	38,647,418	4,657,912	4,880,225
2042	General Plant							
2043	Classified Plant	28	23,152,532	9,469,814	6,654,598	4,525,480	2,151,574	351,066
2043.1	Unclassified General Plant	28	8,202,193	3,354,849	2,357,509	1,603,231	762,233	124,371
2044	Plant Acquisition Adj	2	4,257,214	1,447,635	1,461,610	882,732	424,567	40,671
2045	Total General Plant	CAT10	35,611,939	14,272,298	10,473,717	7,011,442	3,338,373	516,108
2046	Total Plant in Service	TOTAL07	536,849,570	199,242,231	187,155,195	105,513,537	36,784,538	8,154,070
2047	Accumulated Depreciation							
2048	Production	12	124,435,551	42,313,402	42,721,904	25,801,660	12,409,802	1,188,783
2049	Transmission	13	11,363,778	3,864,170	3,901,475	2,356,275	1,133,295	108,563
2050	Distribution	14	54,066,302	22,290,236	19,797,259	9,751,100	945,196	1,282,511
2051	General	15	10,465,605	4,194,330	3,078,006	2,060,516	981,078	151,673
2052	Total Accumulated Depreciation	CAT11	200,331,235	72,662,138	69,498,644	39,969,551	15,469,371	2,731,530
2053	Net Plant	TOTAL08	336,518,335	126,580,093	117,656,550	65,543,986	21,315,166	5,422,541
2054	Accum amortized Wyodak & Rushmore Acquisition Adj.	2	1,874,885	637,541	643,696	388,757	186,980	17,912
2054	Accum amortized Wyodak & Rushmore Acquisition Adj.	CAT12	1,874,885	637,541	643,696	388,757	186,980	17,912
2055	Working Capital							

BLACK HILLS POWER, INC.
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For the Test Year Ended December 31, 2005

Ref. #	Description	Allocation		Residential	Small General Service	Large General Service	Industrial Contract	Lighting
		Factor	Total South Dakota					
2056	Cash Working Capital Allowance	28	1,474,402	603,058	423,779	288,192	137,017	22,357
2057	Materials and Supplies	16	8,085,482	3,000,784	2,818,741	1,589,137	554,011	122,808
2058	Prepayments	16	1,326,137	492,172	462,315	260,642	90,866	20,142
2059	Fuel Stocks	1	3,404,492	1,112,425	904,437	860,445	493,043	34,143
2060	Total Working Capital	CAT13	14,290,513	5,208,439	4,609,271	2,998,416	1,274,936	199,451
2061	Other Rate Base Deductions	12	62,894,740	21,386,898	21,593,371	13,041,198	6,272,414	600,859
2061	Total Other Rate Base Deductions	CAT14	62,894,740	21,386,898	21,593,371	13,041,198	6,272,414	600,859
2062	Total Rate Base	TOTAL09	286,039,222	109,764,092	100,028,754	55,112,447	16,130,709	5,003,221
3001 Operation and Maintenance Expense								
3002 Production Expense								
3003 Operation								
3004	Steam Power Generation							
3005	Fuel	1	11,060,073	3,613,903	2,938,216	2,795,301	1,601,733	110,921
3006	Rents	2	-	-	-	-	-	-
3007	Other	2	-	-	-	-	-	-
3008	Other Power Generation							
3009	Fuel	1	1,027,644	335,785	273,004	259,725	148,825	10,306
3010	Other	2	-	-	-	-	-	-
3011	Other Power Supply							
3012	Purchased Power - Capacity	2	5,349,219	1,818,963	1,836,524	1,109,158	533,471	51,103
3013	Purchased Power - Energy	1	13,306,605	4,347,962	3,535,029	3,363,084	1,927,078	133,451
3014	System Cont. & Load Dispatch	2	-	-	-	-	-	-
3015	Total Production Operation	CAT15	30,743,541	10,116,614	8,582,772	7,527,268	4,211,106	305,781
3016	Maintenance							
3017	Steam Power Generation	1	9,523,765	3,111,911	2,530,081	2,407,017	1,379,243	95,513
3018	Other Power Generation	2	696,988	237,006	239,294	144,520	69,510	6,659
3019	Total Production Maintenance	CAT16	10,220,753	3,348,917	2,769,375	2,551,537	1,448,752	102,172
3020	Total Production O&M	TOTAL10	40,964,294	13,465,530	11,352,147	10,078,805	5,659,858	407,953
3021 Transmission Expense								
3022 Operation								
3023	Load Dispatching	20	-	-	-	-	-	-

BLACK HILLS POWER, INC.
ADJUSTED COST OF SERVICE ANALYSIS - RATE CLASS
For the Test Year Ended December 31, 2005

Ref. #	Description	Allocation Factor	Total South Dakota	Residential	Small General Service	Large General Service	Industrial Contract	Lighting
3024	Station Expenses	20	-	-	-	-	-	-
3025	Overhead Line Expenses	19	36,250	12,327	12,446	7,516	3,615	346
3026	Transmission Expense	3	9,085,625	3,089,500	3,119,327	1,883,900	906,098	86,799
3027	Subtotal Trans. Operation	CAT17	9,121,875	3,101,827	3,131,773	1,891,417	909,713	87,145
3028	Supervision and Engineering	29	188,607	64,134	64,754	39,108	18,810	1,802
3029	Misc. Trans. Expenses	29	99,142	33,712	34,038	20,557	9,887	947
3030	Rents	3	-	-	-	-	-	-
3031	Total Transmission Operation	CAT18	9,409,623	3,199,674	3,230,564	1,951,081	938,410	89,894
3032	Maintenance							
3033	Structures	20	-	-	-	-	-	-
3034	Station Equipment	20	44,051	14,979	15,124	9,134	4,393	421
3035	Overhead Lines	19	72,527	24,662	24,900	15,038	7,233	693
3036	Underground Lines	19	-	-	-	-	-	-
3037	Subtotal Trans. Maintenance	CAT19	116,578	39,642	40,024	24,172	11,626	1,114
3038	Supervision and Engineering	30	13,916	4,732	4,778	2,885	1,388	133
3039	Misc. Trans. Plant	30	-	-	-	-	-	-
3040	Total Transmission Maint.	CAT20	130,494	44,374	44,802	27,058	13,014	1,247
3041	Total Transmission O&M	TOTAL11	9,540,117	3,244,047	3,275,366	1,978,139	951,424	91,141
3042	Distribution Expense							
3043	Operation							
3044	Load Dispatching	4	78,313	26,827	28,043	15,563	7,139	741
3045	Station Expenses	4	308,330	105,622	110,409	61,273	28,108	2,918
3046	Overhead Line Expenses	23	734,810	268,414	280,578	155,710	22,694	7,415
3047	Transformer Setting	5	-	-	-	-	-	-
3048	Underground Line Expenses	22	227,592	85,785	89,673	49,765	-	2,370
3049	Street Lighting and Sig. Exp.	10	1,032	-	-	-	-	1,032
3050	Meter Expenses	8	521,356	273,914	220,275	24,545	1,940	682
3051	Cust. Install. Expenses	8	37,424	19,662	15,812	1,762	139	49
3052	Subtotal Dist. Operation	CAT21	1,908,858	780,224	744,790	308,618	60,020	15,206
3053	Supervision and Operation	31	590,560	241,385	230,422	95,480	18,569	4,704
3054	Misc. Dist. Expenses	31	413,918	169,184	161,501	66,921	13,015	3,297
3055	Rents	31	23,030	9,413	8,986	3,723	724	183
3057	Total Distribution Operation	CAT22	2,936,365	1,200,206	1,145,699	474,742	92,328	23,391

BLACK HILLS POWER, INC.
ADJUSTED COST OF SERVICE ANALYSIS - RATE CLASS
For the Test Year Ended December 31, 2005

Ref. #	Description	Allocation Factor	Total South Dakota	Residential	Small General Service	Large General Service	Industrial Contract	Lighting
3058	Maintenance							
3059	Structures	4	-	-	-	-	-	-
3060	Station Equipment	4	39,085	13,389	13,996	7,767	3,563	370
3061	Overhead Lines	23	1,156,251	422,359	441,500	245,016	35,710	11,667
3062	Underground Lines	22	115,247	43,439	45,408	25,200	-	1,200
3063	Line Transformers	5	17,411	6,893	7,205	3,123	-	190
3064	Street Light. & Signal System	10	112,249	-	-	-	-	112,249
3065	Meters	8	42,621	22,392	18,007	2,007	159	56
3066	Misc. Dist. Plant	14	34,711	14,311	12,710	6,260	607	823
3067	Subtotal Dist. Maintenance	CAT23	1,517,574	522,782	538,826	289,372	40,038	126,555
3068	Supervision and Engineering	32	20,052	6,908	7,120	3,824	529	1,672
3069	Total Distribution Maintenance	CAT24	1,537,626	529,690	545,946	293,196	40,567	128,228
3070	Total Distribution O&M	TOTAL12	4,473,992	1,729,896	1,691,644	767,938	132,895	151,619
3071	Total Trans. & Dist. O&M	TOTAL13	14,014,109	4,973,943	4,967,011	2,746,077	1,084,319	242,759
3072	Computer Services							
3073	Computer Services	9	-	-	-	-	-	-
3074	Customer Accounts	9	-	-	-	-	-	-
3075	Accounts 901 Through 905	9	1,574,556	1,282,514	279,883	7,161	77	4,920
3076	Total Comp. Exp. & Cust. Acct.	CAT25	1,574,556	1,282,514	279,883	7,161	77	4,920
3077	Customer Service & Information							
3078	Accounts 907 Through 910	7	800,138	651,732	142,227	3,639	39	2,500
3080	Total Customer Service and Info.	CAT26	800,138	651,732	142,227	3,639	39	2,500
3081	Subtotal O&M Expense	TOTAL14	57,353,096	20,373,720	16,741,267	12,835,683	6,744,294	658,133
3082	Supervised O&M Expense	TOTAL15	17,500,901	7,158,193	5,030,182	3,420,791	1,626,365	265,369
3083	Administrative and General Exp.							
3084	Operation							
3085	Property Insurance	16	537,898	199,631	187,521	105,720	36,856	8,170
3086	Regulatory Comm. Exp.	1	256,256	83,732	68,077	64,766	37,111	2,570
3087	Other A&G Expense	28	14,866,961	6,080,863	4,273,124	2,905,951	1,381,592	225,431
3088	Total A&G Operation	CAT27	15,661,115	6,364,226	4,528,722	3,076,437	1,455,560	236,170
3089	Maintenance							
3090	General Plant	28	179,913	73,588	51,711	35,166	16,719	2,728

BLACK HILLS POWER, INC.
ADJUSTED COST OF SERVICE ANALYSIS - RATE CLASS
For the Test Year Ended December 31, 2005

Ref. #	Description	Allocation Factor	Total South Dakota	Residential	Small General Service	Large General Service	Industrial Contract	Lighting
3091	Total A&G Expenses	CAT28	15,841,028	6,437,814	4,580,433	3,111,603	1,472,279	238,899
3092	Total O&M Expenses	TOTAL16	73,194,124	26,811,534	21,321,701	15,947,286	8,216,573	897,031
3093	Total O&M Exp. Less Purch. Pwr.	TOTAL17	54,538,300	20,644,608	15,950,148	11,475,043	5,756,024	712,477
3094	Total O&M Exp. Less P. P. & Fuel	TOTAL18	42,450,583	16,694,920	12,738,928	8,420,018	4,005,467	591,250
3095	Amortization of Acquisition Adj.	2	132,345	45,003	45,437	27,442	13,199	1,264
3095	Amortization of Acquisition Adj.	CAT29	132,345	45,003	45,437	27,442	13,199	1,264
3096	Depreciation Expense							
3097	Production	12	8,321,242	2,829,578	2,856,895	1,725,406	829,867	79,496
3098	Transmission	13	46,933	15,959	16,113	9,731	4,681	448
3099	Distribution	14	5,851,823	2,412,566	2,142,740	1,055,403	102,303	138,812
3100	General	15	1,930,108	773,535	567,658	380,008	180,934	27,972
3101	Total Depreciation Expense	CAT30	16,150,106	6,031,638	5,583,407	3,170,549	1,117,784	246,728
3102	Taxes Other Than Income							
3103	Property Taxes	16	4,822,589	1,789,819	1,681,239	947,842	330,440	73,249
3104	Nebraska Tax on Trans. Plant	13	-	-	-	-	-	-
3105	Payroll Taxes	28	1,134,134	463,882	325,978	221,682	105,396	17,197
3106	Unemployment - Federal	28	-	-	-	-	-	-
3107	Unemployment - State	28	-	-	-	-	-	-
3108	Gross Receipts Tax	1	-	-	-	-	-	-
3109	Regulatory Comm. Taxes/Expenses	17	157,036	60,261	54,916	30,257	8,856	2,747
3110	Total Taxes Other Than Income	CAT31	6,113,759	2,313,961	2,062,133	1,199,781	444,692	93,193
3111	Total Oper. Exp. Before Inc. Tax	TOTAL19	95,590,333	35,202,135	29,012,677	20,345,057	9,792,248	1,238,217
4001	Other Operating Revenue							
4002	Acct. 450 - Forfeited Discounts	39	125,242	46,884	39,552	26,117	10,784	1,904
4003	Acct. 451 - Misc. Service Revenues	39	620,684	232,351	196,015	129,434	53,446	9,437
4004	Acct. 453 - Sales of Water	39	(1,872)	(701)	(591)	(390)	(161)	(28)
4005	Acct. 454 & 456 - Rent from Elec. Prop. & Other	17	3,691,698	1,416,644	1,290,998	711,296	208,187	64,573
4007	Total Other Operating Revenue	CAT32	4,435,751	1,695,178	1,525,974	866,457	272,257	75,886
5001	Return Under Existing Rates							
5002	Revenue from Firm Sales	39	100,776,454	37,725,315	31,825,749	21,015,387	8,677,752	1,532,251

BLACK HILLS POWER, INC.
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For the Test Year Ended December 31, 2005

Ref. #	Description	Allocation Factor	Total South Dakota	Residential	Small General Service	Large General Service	Industrial Contract	Lighting
5002.1	Revenue from Firm Sales-Unbilled	39	497,897	186,386	157,238	103,829	42,873	7,570
5002.2	Revenue from Other Non-Firm	2	0	0	0	0	0	0
5003	Revenue from Contracts	2	13,213,868	4,493,279	4,536,658	2,739,890	1,317,803	126,237
5004	Other Operating Revenue		4,435,751	1,695,178	1,525,974	866,457	272,257	75,886
5005	Total Operating Revenue	CAT33	118,923,970	44,100,158	38,045,620	24,725,563	10,310,685	1,741,945
5006	Oper. Expense Before Income Tax	TOTAL19	95,590,333	35,202,135	29,012,677	20,345,057	9,792,248	1,238,217
5007	Oper. Income Before Income Tax	TOTAL20	23,333,637	8,898,023	9,032,943	4,380,506	518,437	503,728
5008 Federal Income Tax Calculation								
5009	Tax Adjustments							
5010	Interest Expense	17	9,870,352	3,787,628	3,451,691	1,901,765	556,622	172,646
5011	State Income Tax	1	-	-	-	-	-	-
5012	Other Tax Adjustments	16	(20,883)	(7,750)	(7,280)	(4,104)	(1,431)	(317)
5013	Total Tax Adjustments	CAT34	9,849,470	3,779,878	3,444,411	1,897,660	555,191	172,329
5014	Taxable Income	TOTAL21	13,484,167	5,118,145	5,588,532	2,482,846	(36,754)	331,399
5015	Federal Income Tax		4,719,459	1,791,351	1,955,986	868,996	(12,864)	115,990
5016	Deferred Federal Income Tax	16	(538,919)	(200,010)	(187,877)	(105,920)	(36,926)	(8,186)
5017	Less Inv. Tax Credit Amort.	16	(207,817)	(77,128)	(72,449)	(40,845)	(14,239)	(3,156)
5018	Total Federal Income Tax	CAT35	4,388,357	1,668,468	1,840,558	803,921	(35,551)	110,961
5019	State Income Tax	1	-	-	-	-	-	-
5019	State Income Tax	CAT36	-	-	-	-	-	-
5020	Total Operating Expense	TOTAL22	99,978,690	36,870,603	30,853,236	21,148,977	9,756,697	1,349,177
5021	Return to equity pretax	TOTAL23	18,945,280	7,229,555	7,192,384	3,576,586	553,988	392,767
5022	Rate Base	TOTAL09	286,039,222	109,764,092	100,028,754	55,112,447	16,130,709	5,003,221
5023	Rate of Return, Existing Rates		6.62%	6.59%	7.19%	6.49%	3.43%	7.85%
6001 Proposed Revenue Increase								
6002	Revenue Increase							
6003	Revenue Under Existing Rates		101,274,351	37,911,701	31,982,988	21,119,216	8,720,625	1,539,821
6004	Revenue Under Proposed Rates		115,368,842	43,382,548	36,039,312	23,948,227	10,306,845	1,691,910
6005	Proposed Revenue Increase		9,161,419	3,556,051	2,636,611	1,838,857	1,031,043	98,858
6006	Additional Revenue with Federal Income Tax		14,094,491	5,470,848	4,056,324	2,829,011	1,586,220	152,089
6007 Return Under Proposed Rates								

BLACK HILLS POWER, INC.
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For the Test Year Ended December 31, 2005

Ref. #	Description	Allocation Factor	Total South Dakota	Residential	Small General Service	Large General Service	Industrial Contract	Lighting
6008	Revenue from Firm Sales		115,368,842	43,382,548	36,039,312	23,948,227	10,306,845	1,691,910
6009	Revenue from Non-Firm Sales		0	0	0	0	0	0
6010	Revenue from Contract Sales		13,213,868	4,493,279	4,536,658	2,739,890	1,317,803	126,237
6011	Other Operating Revenue		4,435,751	1,695,178	1,525,974	866,457	272,257	75,886
6012	Total Operating Revenue		133,018,461	49,571,006	42,101,944	27,554,573	11,896,904	1,894,033
6013	Operation and Maintenance Expense		73,194,124	26,811,534	21,321,701	15,947,286	8,216,573	897,031
6014	Depreciation and Amortization Expense		16,282,450	6,076,640	5,628,844	3,197,990	1,130,983	247,993
6015	Taxes Other than Income Tax		6,113,759	2,313,961	2,062,133	1,199,781	444,692	93,193
6016	Federal Income Tax - Existing Rates		4,388,357	1,668,468	1,840,558	803,921	(35,551)	110,961
6017	Federal Income Tax - Additional		4,933,072	1,914,797	1,419,713	990,154	555,177	53,231
6018	State Income Tax		-	-	-	-	-	-
6019	Total Operating Expenses		104,911,762	38,785,400	32,272,949	22,139,131	10,311,874	1,402,408
6020	Return		28,106,699	10,785,606	9,828,995	5,415,442	1,585,031	491,625
6021	Rate Base		286,039,222	109,764,092	100,028,754	55,112,447	16,130,709	5,003,221
6022	Rate of Return, Proposed Rates		9.83%	9.83%	9.83%	9.83%	9.83%	9.83%
7001 Return Under Current Rates								
7002	Revenue from Firm Sales		101,274,351	37,911,701	31,982,988	21,119,216	8,720,625	1,539,821
7003	Revenue from Non-Firm Sales		0	0	0	0	0	0
7004	Revenue from Contract Sales		13,213,868	4,493,279	4,536,658	2,739,890	1,317,803	126,237
7005	Other Operating Revenue		4,435,751	1,695,178	1,525,974	866,457	272,257	75,886
7006	Total Operating Revenue		118,923,970	44,100,158	38,045,620	24,725,563	10,310,685	1,741,945
7007	Operation and Maintenance Expense		73,194,124	26,811,534	21,321,701	15,947,286	8,216,573	897,031
7008	Depreciation and Amortization Expense		16,282,450	6,076,640	5,628,844	3,197,990	1,130,983	247,993
7009	Taxes Other than Income Tax		6,113,759	2,313,961	2,062,133	1,199,781	444,692	93,193
7010	Federal Income Tax - Existing Rates		4,388,357	1,668,468	1,840,558	803,921	(35,551)	110,961
7011	State Income Tax		-	-	-	-	-	-
7012	Total Operating Expenses		99,978,690	36,870,603	30,853,236	21,148,977	9,756,697	1,349,177
7013	Return		18,945,280	7,229,555	7,192,384	3,576,586	553,988	392,767
7014	Rate Base		286,039,222	109,764,092	100,028,754	55,112,447	16,130,709	5,003,221
7015	Rate of Return, Current Rates		6.62%	6.59%	7.19%	6.49%	3.43%	7.85%

