

Line	Description	Staff Proposed South Dakota Electric Adjusted Test Year	BHP Proposed South Dakota Electric Adjusted Test Year	Difference
	(a)	(b)	(c)	(d)
1	Average Rate Base	\$ 380,525,518	\$ 393,433,409	\$ (12,907,891)
2	Adjusted Test Year Operating Income	15,525,927	11,278,499	4,247,428
3	Earned Rate of Return	4.08%	2.87%	
4	Recommended Rate of Return	8.26%	9.27%	
5	Required Operating Income	31,431,408	36,471,277	(5,039,869)
6	Income Deficiency (Excess)	15,905,481	25,192,778	(9,287,297)
7	Gross Revenue Conversion Factor	1.53846		
8	Subtotal: Revenue Deficiency (Excess)	24,469,971	38,759,089	(14,289,118)
9	Surplus Energy Adjustment	(2,500,000)		
10	Revenue Deficiency (Excess)	21,969,971	38,759,089	
11	Gross Receipts Tax (at 0.0015)	32,955		
12	<b>Total Revenue Deficiency (Excess)</b>	<b>22,002,926</b>	<b>38,759,089</b>	(16,756,163)
13	Adjusted Test Year Revenue	133,973,389	134,521,308	(547,919)
14	<b>Revenue Requirement</b>	<b>\$ 155,976,315</b>	<b>\$ 173,280,397</b>	<b>\$ (17,304,082)</b>

**SOURCES:**

Column b, line 1: JPT-2, schedule 1, page 1, column d, line 35  
Column b, line 2: JPT-1, schedule 2, page 1, column d, line 34  
Column b, line 3: Line 2 divided by line 1  
Column b, line 4: BLC-1, Schedule 1, column e, line 5  
Column b, line 5: Line 1 \* line 4  
Column b, line 6: Line 5 less line 2  
Column b, line 7: Effective FIT rate / inverse + 1  
Column b, line 8: Line 6 \* line 7  
Column b, line 10: Column b, line 8 + line 9  
Column b, line 11: Column b, line 10 \* 0.0015  
Column b, line 12: Column b, line 10 plus line 11  
Column b, line 13: JPT-1, schedule 2, page 1, column d, line 6  
Column b, line 14: Line 12 plus line 13

Column c, line 1: Sch N-1, page 8 of 8, Ref. # 8002  
Column c, line 2: Sch N-1, page 7 of 8, Ref. # 5021  
Column c, line 3: Line 2 divided by line 1  
Column c, line 4: Statement G page 1 of 5  
Column c, line 5: Sch N-1, page 8 of 8, Ref. # 8004  
Column c, line 6: Sch N-1, page 8 of 8, Ref. # 8017  
Column c, line 8: Sch N-1, page 8 of 8, Ref. # 8018  
Column c, line 10: Column c, line 8 plus line 9  
Column c, line 12: Column c, line 10 + line 11  
Column c, line 13: Sch N-1, page 8 of 8, Ref. # 7006  
Column c, line 14: Sch N-1, page 7 of 8, Ref. # 6012

Column d: Column b less column c

Line No.	Description (a)	South Dakota Per Books (b)	Total Staff Adjustments (c)	Adjusted Test Year (d)	Revenue Adjustment (e)	Adjusted Test Year with Revenue Adjustment (f)
1	OPERATING REVENUES:					
2	Firm Sales (including unbilled)	\$ 113,564,634	\$ 65,354	\$ 113,629,988	\$ 22,002,926	\$ 135,632,914
3	Non- Firm Sales	34,736,502	(34,736,502)	-		-
4	Revenue from Contract	14,684,041	(716,086)	13,967,955		13,967,955
5	Other Operating Revenues	12,019,643	(5,644,197)	6,375,446		6,375,446
6	<b>TOTAL OPERATING REVENUES</b>	<b>175,004,820</b>	<b>(41,031,431)</b>	<b>133,973,389</b>	<b>22,002,926</b>	<b>155,976,315</b>
7	OPERATING EXPENSES:					
8	Operation and Maintenance:					
9	Coal/Fuel Oil/Natural Gas	13,368,256	646,564	14,014,820		14,014,820
10	Coal Transportation	2,189,582	261,595	2,451,177		2,451,177
11	Natural Gas - Other Production	2,172,542	(1,851,338)	321,204		321,204
12	Purchased Power and Capacity	51,589,179	(37,822,318)	13,766,861		13,766,861
13	Transmission	11,925,966	350,634	12,276,600		12,276,600
14	Labor	13,856,729	2,247,250	16,103,979		16,103,979
15	Employee Benefits	5,231,707	(2,288,013)	2,943,694		2,943,694
16	Office Supplies	13,823,957	1,138,346	14,962,303		14,962,303
17	Other O&M	8,948,286	2,769,994	11,718,280		11,718,280
18	Wyodak Power Plant O&M	2,700,604	245,339	2,945,943		2,945,943
19	Total Operation and Maintenance	125,806,808	(34,301,947)	91,504,861	-	91,504,861
20	Depreciation and Amortization	17,213,812	2,864,889	20,078,701		20,078,701
21	Taxes:					
22	Property Taxes	3,796,598	1,001,030	4,797,628		4,797,628
23	Payroll Taxes					
24	FICA	1,522,778	150,518	1,673,296		1,673,296
25	Federal Unemployment	17,151	3,262	20,413		20,413
26	State Unemployment	16,774	3,236	20,010		20,010
27	Gross Receipts Tax	175,000	-	175,000	32,955	207,955
28	Federal Income Taxes	(6,588,395)	(5,071,101)	(11,659,496)	7,689,490	(3,970,006)
29	Deferred Income Taxes	12,546,255	(815,857)	11,730,398		11,730,398
30	Investment Tax Credit	108,284	(1,633)	106,651		106,651
31	Other Taxes	-	-	-		-
32	Total Taxes	11,594,445	(4,730,545)	6,863,900	7,722,445	14,586,345
33	<b>TOTAL OPERATING EXPENSES</b>	<b>154,615,065</b>	<b>(36,167,603)</b>	<b>118,447,462</b>	<b>7,722,445</b>	<b>126,169,907</b>
34	<b>OPERATING INCOME</b>	<b>\$ 20,389,755</b>	<b>\$ (4,863,828)</b>	<b>\$ 15,525,927</b>	<b>\$ 14,280,481</b>	<b>\$ 29,806,408</b>

**SOURCES:**

Line 6: Sum of lines 2 through 5  
Line 19: Sum of lines 9 through 18  
Line 32: Sum of lines 22 through 31  
Line 33: Sum of lines 19, 20 and 32  
Line 34: Line 6 less line 33  
  
Column b: JPT-1, Schedule 3, column b  
  
Column c: JPT-1, Schedule 3, column ar

Column d: Column b plus column c  
  
Column e, line 2: JPT-1, Schedule 1, page 1, column b, line 12  
Column e, line 27: JPT-1, Schedule 1, page 1, column b, line 11  
Column e, line 28: JPT-1, Sch 1, p 1, col b, line 8 less  
JPT-1, sch 1, p 1, col b, line 6  
  
Column f: Column d plus column e

Line No.	Description	South Dakota Per Books	Corrections To Test Year	Additional Personnel (H-1)	Wage Increase (H-1)	Intercompany Transaction Adjustment (H-5)	Wygen III O&M (H-6)	Wygen III Forecasted Coal Cost (H-7)	Generation Dispatch & Scheduling (H-8)	Purchase Power and Natural Gas Expense (H-9)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	OPERATING REVENUES:									
2	Firm Sales (including unbilled)	\$ 113,564,634								
3	Non- Firm Sales	34,736,502								
4	Revenue from Contract	14,684,041								
5	Other Operating Revenues	12,019,643	(499,019)							
6	<b>TOTAL OPERATING REVENUES</b>	<b>175,004,820</b>	<b>(499,019)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
7	OPERATING EXPENSES:									
8	Operation and Maintenance:									
9	Coal/Fuel Oil/Natural Gas	13,368,256					34,212	3,016,019		
10	Coal Transportation	2,189,582								
11	Natural Gas - Other Production	2,172,542								(878,399)
12	Purchased Power and Capacity	51,589,179								(10,461,278)
13	Transmission	11,925,966								
14	Labor	13,856,729		181,932	411,618		1,045,443			
15	Employee Benefits	5,231,707		89,929		(104,448)				
16	Service Company Charges	13,823,957				1,450,658				
17	Other O&M	8,948,286					1,848,728		(76,611)	
18	Wyodak Power Plant O&M	2,700,604								
19	Total Operation and Maintenance	125,806,808	-	271,861	411,618	1,346,210	2,928,383	3,016,019	(76,611)	(11,339,677)
20	Depreciation and Amortization	17,213,812								
21	Taxes:									
22	Property Taxes	3,796,598								
23	Payroll Taxes									
24	FICA	1,522,778		13,918	31,489					
25	Federal Unemployment	17,151		637	1,441					
26	State Unemployment	16,774		637	1,441					
27	Gross Receipts Tax	175,000								
28	Federal Income Taxes	(6,588,395)	(174,657)	(100,469)	(156,096)	(471,174)	(1,024,934)	(1,055,607)	26,814	3,968,887
29	Deferred Income Taxes	12,546,255								
30	Investment Tax Credit	108,284								
31	Other Taxes	-								
32	Total Taxes	11,594,445	(174,657)	(85,277)	(121,725)	(471,174)	(1,024,934)	(1,055,607)	26,814	3,968,887
33	<b>TOTAL OPERATING EXPENSES</b>	<b>154,615,065</b>	<b>(174,657)</b>	<b>186,584</b>	<b>289,893</b>	<b>875,036</b>	<b>1,903,449</b>	<b>1,960,412</b>	<b>(49,797)</b>	<b>(7,370,790)</b>
34	<b>OPERATING INCOME</b>	<b>\$ 20,389,755</b>	<b>\$ (324,362)</b>	<b>\$ (186,584)</b>	<b>\$ (289,893)</b>	<b>\$ (875,036)</b>	<b>\$ (1,903,449)</b>	<b>\$ (1,960,412)</b>	<b>\$ 49,797</b>	<b>\$ 7,370,790</b>
	Source	BHP filed case	DR 13-8 SD Allocation	JPT-3 Sch 7	JPT-3 Sch 6	H-5 SD Allocation	RLK-1 Sch 8	RLK-1 Sch 10	DAJ-1 Sch 5	H-9 SD Allocation
	Staff Witness Testimony		Knadle	Thurber	Thurber	Peterson	Towers	Towers	Jacobson	Towers
	Staff position on BHP's Adjustment		Accepted	Adjusted	Adjusted	Accepted	Adjusted	Adjusted	Adjusted	Accepted

Line No.	Description (a)	Generation Plant Overhaul Expense w/o Wygen III (H-10) (k)	Transmission Expense (H-11) (l)	Power Marketing Adjustment (H-12) (m)	Rate Case Expense (H-13) (n)	Normalized Output for Power Marketing Coal Costs (H-14) (o)	Coal Price Adjustment (H-15) (p)	Test Year Depreciation Expense (J) (q)	Wygen III Depreciation Overhaul/Property Tax Expense (H-10,J,L-1) (r)
1	OPERATING REVENUES:								
2	Firm Sales (including unbilled)								
3	Non- Firm Sales			(38,886,564)					
4	Revenue from Contract								
5	Other Operating Revenues								
6	<b>TOTAL OPERATING REVENUES</b>	<b>-</b>	<b>-</b>	<b>(38,886,564)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
7	OPERATING EXPENSES:								
8	Operation and Maintenance:								
9	Coal/Fuel Oil/Natural Gas			(1,059,303)		(3,711,265)	769,760		
10	Coal Transportation								
11	Natural Gas - Other Production			(1,232,498)					
12	Purchased Power and Capacity			(32,747,051)					
13	Transmission		1,464,945	(1,114,311)					
14	Labor		(6,859)						
15	Employee Benefits								
16	Service Company Charges								
17	Other O&M	(919,075)		(167,414)	(2,721)				55,277
18	Wyodak Power Plant O&M	245,339							
19	Total Operation and Maintenance	(673,736)	1,458,086	(36,320,577)	(2,721)	(3,711,265)	769,760	-	55,277
20	Depreciation and Amortization							(329,592)	2,736,296
21	Taxes:								
22	Property Taxes								878,200
23	Payroll Taxes								
24	FICA								
25	Federal Unemployment								
26	State Unemployment								
27	Gross Receipts Tax								
28	Federal Income Taxes	235,808	(510,330)	(898,095)	952	1,298,943	(269,416)	115,357	(1,284,421)
29	Deferred Income Taxes								
30	Investment Tax Credit								
31	Other Taxes								
32	Total Taxes	235,808	(510,330)	(898,095)	952	1,298,943	(269,416)	115,357	(406,221)
33	<b>TOTAL OPERATING EXPENSES</b>	<b>(437,928)</b>	<b>947,756</b>	<b>(37,218,672)</b>	<b>(1,769)</b>	<b>(2,412,322)</b>	<b>500,344</b>	<b>(214,235)</b>	<b>2,385,352</b>
34	<b>OPERATING INCOME</b>	<b>\$ 437,928</b>	<b>\$ (947,756)</b>	<b>\$ (1,667,892)</b>	<b>\$ 1,769</b>	<b>\$ 2,412,322</b>	<b>\$ (500,344)</b>	<b>\$ 214,235</b>	<b>\$ (2,385,352)</b>
	Source	RLK-1 Sch 2	RLK-1 Sch 11	H-12 and I Page 1 SD Allocation	JPT-3 Sch 1	DAJ-1 Sch 4	DAJ-1 Sch 3	RLK-1 Sch 7	RLK-1 Sch 5
	Staff Witness Testimony	Knadle	Knadle	Jacobson	Thurber	Jacobson	Jacobson	Knadle	Knadle
	Staff position on BHP's Adjustment	Adjusted	Adjusted	Accepted	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted

Line No.	Description	Operating Revenue Adjustment (I Pg 2)	Wygen III Miscellaneous Service Revenues (I - Note 5)	Lawsuit	Remove ECA Revenue (I - Note 4)	Interest Sync and Statement K Adjustments	Workers Compensation Expense	Industry Association Dues	Economic Development Expense	Advertising Expense
	(a)	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)
1	OPERATING REVENUES:									
2	Firm Sales (including unbilled)									
3	Non- Firm Sales									
4	Revenue from Contract	(2,470,427)								
5	Other Operating Revenues		1,743,490		(6,774,414)					
6	<b>TOTAL OPERATING REVENUES</b>	<b>(2,470,427)</b>	<b>1,743,490</b>	<b>-</b>	<b>(6,774,414)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
7	OPERATING EXPENSES:									
8	Operation and Maintenance:									
9	Coal/Fuel Oil/Natural Gas									
10	Coal Transportation									
11	Natural Gas - Other Production									
12	Purchased Power and Capacity									
13	Transmission									
14	Labor									
15	Employee Benefits						(1,401,766)			
16	Service Company Charges							(36,804)		(264,956)
17	Other O&M			(894)					(53,146)	(1,234)
18	Wyodak Power Plant O&M									
19	Total Operation and Maintenance			(894)			(1,401,766)	(36,804)	(53,146)	(266,190)
20	Depreciation and Amortization									
21	Taxes:									
22	Property Taxes									
23	Payroll Taxes									
24	FICA									
25	Federal Unemployment									
26	State Unemployment									
27	Gross Receipts Tax									
28	Federal Income Taxes	(864,649)	610,222	313	(2,371,045)	(1,054,227)	490,618	12,881	18,601	93,167
29	Deferred Income Taxes									
30	Investment Tax Credit									
31	Other Taxes									
32	Total Taxes	(864,649)	610,222	313	(2,371,045)	(1,054,227)	490,618	12,881	18,601	93,167
33	<b>TOTAL OPERATING EXPENSES</b>	<b>(864,649)</b>	<b>610,222</b>	<b>(581)</b>	<b>(2,371,045)</b>	<b>(1,054,227)</b>	<b>(911,148)</b>	<b>(23,923)</b>	<b>(34,545)</b>	<b>(173,023)</b>
34	<b>OPERATING INCOME</b>	<b>\$ (1,605,778)</b>	<b>\$ 1,133,268</b>	<b>\$ 581</b>	<b>\$ (4,403,369)</b>	<b>\$ 1,054,227</b>	<b>\$ 911,148</b>	<b>\$ 23,923</b>	<b>\$ 34,545</b>	<b>\$ 173,023</b>
	Source	Statement I SD Allocation	Statement I SD Allocation	JPT-3 Sch 8	Statement I SD Allocation	RLK-1 Sch 1	JPT-3 Sch 3	TLB-1 Sch 3	TLB-1 Sch 2	TLB-1 Sch 4
	Staff Witness Testimony	Jacobson	Towers	LaBrie Baker	Jacobson	Knadle	Thurber	LaBrie Baker	LaBrie Baker	LaBrie Baker
	Staff position on BHP's Adjustment	Accepted	Accepted	Staff Proposed	Accepted	Adjusted	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed

Line No.	Description	Lobbying Expense	Pension Expense	Remove DSM Expense	Test Year Plant Annualization (J,L-1)	Post Test Year Plant Additions (J,L-1)	Late Payment Charge Revenue	Incentive Compensation	Change In Allocation Factors	Industrial Revenue Adjustment	Severance Payment
	(a)	(ab)	(ac)	(ad)	(ae)	(af)	(ag)	(ah)	(ai)	(aj)	(ak)
1	OPERATING REVENUES:										
2	Firm Sales (including unbilled)									\$ 65,354	
3	Non- Firm Sales								4,150,062		
4	Revenue from Contract								1,754,341		
5	Other Operating Revenues						(148,756)				
6	<b>TOTAL OPERATING REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(148,756)</b>	<b>-</b>	<b>5,904,403</b>	<b>65,354</b>	<b>-</b>
7	OPERATING EXPENSES:										
8	Operation and Maintenance:										
9	Coal/Fuel Oil/Natural Gas								1,597,141		
10	Coal Transportation								261,595		
11	Natural Gas - Other Production								259,559		
12	Purchased Power and Capacity								5,386,011		
13	Transmission										
14	Labor								615,116		
15	Employee Benefits		(74,527)					(794,114)			
16	Service Company Charges	(10,552)									
17	Other O&M			(279,982)					2,489,724		(17,227)
18	Wyodak Power Plant O&M										
19	Total Operation and Maintenance	(10,552)	(74,527)	(279,982)	-	-	-	(794,114)	10,609,146	-	(17,227)
20	Depreciation and Amortization				233,939	173,986			123,348		
21	Taxes:										
22	Property Taxes				58,250	51,451			13,129		
23	Payroll Taxes										
24	FICA								105,111		
25	Federal Unemployment								1,184		
26	State Unemployment								1,158		
27	Gross Receipts Tax										
28	Federal Income Taxes	3,693	26,084	97,994	(102,266)	(78,903)	(52,065)	277,940	(1,985,562)	22,874	6,029
29	Deferred Income Taxes								189,178		
30	Investment Tax Credit								(1,633)		
31	Other Taxes										
32	Total Taxes	3,693	26,084	97,994	(44,016)	(27,452)	(52,065)	277,940	(1,677,435)	22,874	6,029
33	<b>TOTAL OPERATING EXPENSES</b>	<b>(6,859)</b>	<b>(48,443)</b>	<b>(181,988)</b>	<b>189,923</b>	<b>146,534</b>	<b>(52,065)</b>	<b>(516,174)</b>	<b>9,055,059</b>	<b>22,874</b>	<b>(11,198)</b>
34	<b>OPERATING INCOME</b>	<b>\$ 6,859</b>	<b>\$ 48,443</b>	<b>\$ 181,988</b>	<b>\$ (189,923)</b>	<b>\$ (146,534)</b>	<b>\$ (96,691)</b>	<b>\$ 516,174</b>	<b>\$ (3,150,656)</b>	<b>\$ 42,480</b>	<b>\$ 11,198</b>
	Source	TLB-1 Sch 1	JPT-3 Sch 8	JPT-3 Sch 8	RLK-1 Sch 4	RLK-1 Sch 3	JPT-3 Sch 8	JPT-3 Sch 2	JPT-3 Sch 5	JPT-3 Sch 9	JPT-3 Sch 8
	Staff Witness Testimony	LaBrie Baker	Jacobson	Binder	Knadle	Knadle	Jacobson	Thurber	Thurber	Peterson	LaBrie Baker
	Staff position on BHP's Adjustment	Staff Proposed	Staff Proposed	Staff Proposed	Adjusted	Adjusted	Staff Proposed	Staff Proposed	BHP Proposed	Staff Proposed	Staff Proposed

Line No.	Description	Renewable Energy Credits (a)	Flow-Through Tax Treatment for Repair Allowance (am)	Reduce Allocated Service Company Costs (an)	Amortization of Kirk Plant Reserve (ao)	Wygen III Shared Facilities Asset Fee (ap)	Employee Picnic (aq)	Subtotal Staff Adjustments (ar)	Adjusted Test Year (as)
1	OPERATING REVENUES:								
2	Firm Sales (including unbilled)							\$ 65,354	\$ 113,629,988
3	Non- Firm Sales							(34,736,502)	-
4	Revenue from Contract							(716,086)	13,967,955
5	Other Operating Revenues	9,090				25,412		(5,644,197)	6,375,446
6	<b>TOTAL OPERATING REVENUES</b>	<b>9,090</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,412</b>	<b>-</b>	<b>(41,031,431)</b>	<b>133,973,389</b>
7	OPERATING EXPENSES:								
8	Operation and Maintenance:								
9	Coal/Fuel Oil/Natural Gas							646,564	14,014,820
10	Coal Transportation							261,595	2,451,177
11	Natural Gas - Other Production							(1,851,338)	321,204
12	Purchased Power and Capacity							(37,822,318)	13,766,861
13	Transmission							350,634	12,276,600
14	Labor							2,247,250	16,103,979
15	Employee Benefits						(3,087)	(2,288,013)	2,943,694
16	Service Company Charges							1,138,346	14,962,303
17	Other O&M			(105,431)				2,769,994	11,718,280
18	Wyodak Power Plant O&M							245,339	2,945,943
19	Total Operation and Maintenance	-	-	(105,431)	-	-	(3,087)	(34,301,947)	91,504,861
20	Depreciation and Amortization				(73,088)			2,864,889	20,078,701
21	Taxes:								
22	Property Taxes							1,001,030	4,797,628
23	Payroll Taxes								-
24	FICA							150,518	1,673,296
25	Federal Unemployment							3,262	20,413
26	State Unemployment							3,236	20,010
27	Gross Receipts Tax							-	175,000
28	Federal Income Taxes	3,182		36,901	25,581	8,894	1,080	(5,071,101)	(11,659,496)
29	Deferred Income Taxes		(1,005,035)					(815,857)	11,730,398
30	Investment Tax Credit							(1,633)	106,651
31	Other Taxes							-	-
32	Total Taxes	3,182	(1,005,035)	36,901	25,581	8,894	1,080	(4,730,545)	6,863,900
33	<b>TOTAL OPERATING EXPENSES</b>	<b>3,182</b>	<b>(1,005,035)</b>	<b>(68,530)</b>	<b>(47,507)</b>	<b>8,894</b>	<b>(2,007)</b>	<b>(36,167,603)</b>	<b>118,447,462</b>
34	<b>OPERATING INCOME</b>	<b>\$ 5,908</b>	<b>\$ 1,005,035</b>	<b>\$ 68,530</b>	<b>\$ 47,507</b>	<b>\$ 16,518</b>	<b>\$ 2,007</b>	<b>\$ (4,863,828)</b>	<b>\$ 15,525,927</b>
	Source	RLK-1 Sch 9	DEP-1 Sch 1	DEP-2 Sch 1	RLK-1 Sch 6	RLK-1 Sch 12	JPT-3 Sch 8		
	Staff Witness Testimony	Knadle	Peterson	Peterson	Towers	Knadle	LaBrie Baker		
	Staff position on BHP's Adjustment	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed	Staff Proposed		

**SOURCES:**

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Line 6:	Sum of lines 2 through 5
Line 19:	Sum of lines 9 through 18
Line 28 (excluding col b and x):	(line 6 less sum of (lines 19, 20, 22, 24 through 27, 31))* .35
Line 32:	Sum of lines 22 through 31
Line 33:	Sum of lines 19, 20, and 32
Line 34:	Line 6 less line 33
Column b, line 2:	Statement N, page 7 of 8, Ref. # 5002 plus Ref. # 5002.1
Column b, line 3:	Statement N, page 7 of 8, Ref. # 5002.2
Column b, line 4:	Statement N, page 7 of 8, Ref. # 5003
Column b, line 5:	Statement N, page 7 of 8, Ref. # 5004
Column b, line 9:	Schedule H, page 1 of 8, column a, sum of FERC Account 501.1, 501.2, and 501.3 multiplied by allocation factor 1
Column b, line 10:	Schedule H, page 1 of 8, column a, FERC Account 501.4 multiplied by allocation factor 1
Column b, line 11:	Schedule H, page 1 of 8, column a, FERC Account 547 multiplied by allocation factor 1
Column b, line 12:	Schedule H, page 2 of 8, column a, FERC Account 555.1 multiplied by allocation factor 2 plus FERC Account 555 multiplied by allocation factor 1
Column b, line 13:	Schedule H, page 2 of 8, column a, FERC Account 565 multiplied by allocation factor 3
Column b, line 14:	E-mail confirmation from Chris Kilpatrick 2/9/10
Column b, line 15:	Schedule F-3, page 1 of 2, line 8 column a multiplied by allocation factor 28
Column b, line 16:	Schedule H-4, page 1, line 11 multiplied by allocation factor 56 plus (Schedule H-4, page 1, line 25 minus line 16 minus line 11) multiplied by allocation factor 28
Column b, line 17:	Statement N, page 6 of 8, Ref. #3092 minus (sum of Column b, line 9 through 16 & 18)
Column b, line 18:	DR 6-12 (\$3,469,868 minus \$16,401 (FERC 562)) multiplied by allocation factor 1
Column b, line 20:	Statement N, page 6 of 8, Ref. #3095 plus Ref. #3101
Column b, line 22:	Schedule N, page 6 of 8 Ref. # 3103
Column b, line 24:	Schedule N, page 6 of 8 Ref. # 3105 - allocated based on Statement L
Column b, line 25:	Schedule N, page 6 of 8 Ref. # 3105 - allocated based on Statement L
Column b, line 26:	Schedule N, page 6 of 8 Ref. # 3105 - allocated based on Statement L
Column b, line 27:	Schedule N, page 6 of 8 Ref. # 3109
Column b, line 28:	Schedule N, page 7 of 8 Ref. # 5015
Column b, line 29:	Schedule N, page 7 of 8 Ref. # 5016
Column b, line 30:	Schedule N, page 7 of 8 Ref. # 5017



Line No.	Description	South Dakota Test Year Average Per Books	Total Pro Forma Adjustments	South Dakota Pro Forma Rate Base
	(a)	(b)	(c)	(d)
1	Electric Plant in Service			
2	Production (including unclassified)	\$ 305,036,763	\$ 122,710,639	\$ 427,747,402
3	Transmission (including unclassified)	4,021,136	-	4,021,136
4	Distribution (including unclassified)	226,811,930	7,625,601	234,437,531
5	General (including unclassified)	34,957,754	3,532,706	38,490,460
6	Wyodak Acquisition Adjustment	4,457,799	-	4,457,799
7	Total Plant in Service	575,285,382	133,868,946	709,154,328
8	Accumulated Depreciation & Amortization			
9	Production	154,138,286	1,441,517	155,579,803
10	Transmission	795,251	(17,385)	777,866
11	Distribution	74,941,258	(121,232)	74,820,026
12	General	16,738,598	1,243,243	17,981,841
13	Wyodak Acquisition Adjustment	2,448,254	(24,712)	2,423,542
14	Total Accumulated Depreciation and Amortization	249,061,647	2,521,431	251,583,078
15	TOTAL NET ELECTRIC PLANT IN SERVICE	326,223,735	131,347,515	457,571,250
16	Additions to Rate Base:			
17	Materials and Supplies	9,700,870	441,605	10,142,475
18	Fuel Stocks	5,137,901	591,005	5,728,906
19	Prepayments	1,942,052	(810,015)	1,132,037
20	Advanced Tax Collections	-	(355,192)	(355,192)
21	Working Capital	1,703,618	(3,447,648)	(1,744,030)
22	Other	-	236,350	236,350
23	TOTAL ADDITIONS TO RATE BASE	18,484,441	(3,343,895)	15,140,546
24	Deductions to Rate Base:			
25	Accumulated Deferred Income Taxes	61,853,065	18,701,817	80,554,882
26	Accumulated Investment Tax Credit	-	-	-
27	Customer Advances for Construction	4,167,591	(185,134)	3,982,457
28	Customer Deposits	-	-	-
29	Accumulated Provision for Uncollectibles	-	-	-
30	Accumulated Provision for Injuries and Damages	-	-	-
31	Miscellaneous Operating Provisions	-	-	-
32	FAS 109	(2,120,416)	-	(2,120,416)
33	Other	9,639,791	129,564	9,769,355
34	TOTAL DEDUCTIONS TO RATE BASE	73,540,031	18,646,247	92,186,278
35	TOTAL SOUTH DAKOTA RATE BASE	\$ 271,168,145	\$ 109,357,373	\$ 380,525,518

**Sources:**

Line 7: Sum of lines 2 through 7  
Line 14: Sum of lines 9 through 13  
Line 15: Line 7 less line 14  
Line 23: Sum of lines 16 through 22  
Line 34: Sum of lines 25 through 32

Line 35: Line 15 plus 23 less line 33  
Column b: JPT-2 Schedule 2, page 1, column b  
Column c: JPT-2 Schedule 2, page 1, column q  
Column d: column b plus column c

Line No.	Description	South Dakota Test Year Average Per Books (a)	Working Capital (F-3) (b)	Wygen III Plant Addition (D-10, J, F-4, M-2) (c)	Post Test Year Plant Additions (D-11) (d)	Test Year Plant Annualization (WP-5) (e)	Test Year Accumulated Depreciation Adjustment (J) (f)	Rate Case Expense (H-13) (g)
1	Electric Plant in Service							
2	Production (including unclassified)	\$ 305,036,763		116,438,149	5,180,196	1,092,294		
3	Transmission (including unclassified)	4,021,136						
4	Distribution (including unclassified)	226,811,930			1,684,358	5,946,833		
5	General (including unclassified)	34,957,754			67,084	1,052,624		
6	Wyodak Acquisition Adjustment	4,457,799						
7	Total Plant in Service	575,285,382	-	116,438,149	6,931,638	8,091,751	-	-
8	Accumulated Depreciation & Amortization							
9	Production	154,138,286		1,368,148	63,533	15,292	31,088	
10	Transmission	795,251					(17,385)	
11	Distribution	74,941,258			21,912	77,362	(351,568)	
12	General	16,738,598			1,550	24,316	197,781	
13	Wyodak Acquisition Adjustment	2,448,254					(24,712)	
14	Total Accumulated Depreciation and Amortization	249,061,647	-	1,368,148	86,995	116,970	(164,796)	-
15	TOTAL NET ELECTRIC PLANT IN SERVICE	326,223,735	-	115,070,001	6,844,643	7,974,781	164,796	-
16	Additions to Rate Base:							
17	Materials and Supplies	9,700,870		659,297				
18	Fuel Stocks	5,137,901						
19	Prepayments	1,942,052						
20	Advanced Tax Collections		(355,192)					
21	Working Capital	1,703,618	(3,447,648)					
22	Other	-						236,350
23	TOTAL ADDITIONS TO RATE BASE	18,484,441	(3,802,840)	659,297	-	-	-	236,350
24	Deductions to Rate Base:							
25	Accumulated Deferred Income Taxes	61,853,065		18,261,222	881,706	563,924		
26	Accumulated Investment Tax Credit	-						
27	Customer Advances for Construction	4,167,591						
28	Customer Deposits	-						
29	Accumulated Provision for Uncollectibles	-						
30	Accumulated Provision for Injuries and Damages	-						
31	Miscellaneous Operating Provisions	-						
32	FAS 109	(2,120,416)						
33	Other	9,639,791						
34	TOTAL DEDUCTIONS TO RATE BASE	73,540,031	-	18,261,222	881,706	563,924	-	-
35	TOTAL SOUTH DAKOTA RATE BASE	\$ 271,168,145	(3,802,840)	97,468,076	5,962,937	7,410,857	164,796	236,350
	Source	BHP filed case	DAJ-1 Sch 1	RLK-1 Sch 5	RLK-1 Sch 3	RLK-1 Sch 4	RLK-1 Sch 7	JPT-3 Sch 1
	Staff Witness Testimony		Jacobson	Towers	Knadle	Knadle	Knadle	Thurber
	Staff position on BHP's Adjustment		Adjusted	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted

Line No.	Description	Renewable Energy Credits (i)	Amortization of Kirk Plant Reserve (j)	Change In Allocation Factors (k)	Updates (l)	Flow-Through Tax Treatment for Repair Allowance (m)	Incentive Compensation (n)	(o)
1	Electric Plant in Service							
2	Production (including unclassified)							
3	Transmission (including unclassified)							
4	Distribution (including unclassified)			(5,590)				
5	General (including unclassified)			2,412,998				
6	Wyodak Acquisition Adjustment							
7	Total Plant in Service	-	-	2,407,408	-	-	-	-
8	Accumulated Depreciation & Amortization							
9	Production		(36,544)					
10	Transmission							
11	Distribution			131,062				
12	General			1,019,596				
13	Wyodak Acquisition Adjustment							
14	Total Accumulated Depreciation and Amortization	-	(36,544)	1,150,658	-	-	-	-
15	TOTAL NET ELECTRIC PLANT IN SERVICE	-	36,544	1,256,750	-	-	-	-
16	Additions to Rate Base:							
17	Materials and Supplies				(217,692)			
18	Fuel Stocks				591,005			
19	Prepayments				(810,015)			
20	Advanced Tax Collections							
21	Working Capital							
22	Other							
23	TOTAL ADDITIONS TO RATE BASE	-	-	-	(436,702)	-	-	-
24	Deductions to Rate Base:							
25	Accumulated Deferred Income Taxes					(1,005,035)		
26	Accumulated Investment Tax Credit							
27	Customer Advances for Construction				(185,134)			
28	Customer Deposits							
29	Accumulated Provision for Uncollectibles							
30	Accumulated Provision for Injuries and Damages							
31	Miscellaneous Operating Provisions							
32	FAS 109							
33	Other	13,635					115,929	
34	TOTAL DEDUCTIONS TO RATE BASE	13,635	-	-	(185,134)	(1,005,035)	115,929	-
35	TOTAL SOUTH DAKOTA RATE BASE	(13,635)	36,544	1,256,750	(251,568)	1,005,035	(115,929)	-
	Source	RLK-1 Sch 9	RLK-1 Sch 6	JPT-3 Sch 5	JPT-3 Sch 4	DEP-1 Sch 1	JPT-3 Sch 2	
	Staff Witness Testimony	Knadle	Towers	Thurber	Thurber	Peterson	Thurber	
	Staff position on BHP's Adjustment	Staff Proposed	Staff Proposed	BHP Proposed	Staff Proposed	Staff Proposed	Staff Proposed	

Line No.	Description	(a)	(p)	Total Staff Adjustments (q)	Total Staff South Dakota Rate Base (r)
1	Electric Plant in Service				
2	Production (including unclassified)			\$ 122,710,639	\$ 427,747,402
3	Transmission (including unclassified)			-	4,021,136
4	Distribution (including unclassified)			7,625,601	234,437,531
5	General (including unclassified)			3,532,706	38,490,460
6	Wyodak Acquisition Adjustment			-	4,457,799
7	Total Plant in Service		-	133,868,946	709,154,328
8	Accumulated Depreciation & Amortization				
9	Production			1,441,517	155,579,803
10	Transmission			(17,385)	777,866
11	Distribution			(121,232)	74,820,026
12	General			1,243,243	17,981,841
13	Wyodak Acquisition Adjustment			(24,712)	2,423,542
14	Total Accumulated Depreciation and Amortization		-	2,521,431	251,583,078
15	TOTAL NET ELECTRIC PLANT IN SERVICE		-	131,347,515	457,571,250
16	Additions to Rate Base:				
17	Materials and Supplies			441,605	10,142,475
18	Fuel Stocks			591,005	5,728,906
19	Prepayments			(810,015)	1,132,037
20	Advanced Tax Collections			(355,192)	(355,192)
21	Working Capital			(3,447,648)	(1,744,030)
22	Other			236,350	236,350
23	TOTAL ADDITIONS TO RATE BASE		-	(3,343,895)	15,140,546
24	Deductions to Rate Base:				
25	Accumulated Deferred Income Taxes			18,701,817	80,554,882
26	Accumulated Investment Tax Credit			-	-
27	Customer Advances for Construction			(185,134)	3,982,457
28	Customer Deposits			-	-
29	Accumulated Provision for Uncollectibles			-	-
30	Accumulated Provision for Injuries and Damages			-	-
31	Miscellaneous Operating Provisions			-	-
32	FAS 109			-	(2,120,416)
33	Other			129,564	9,769,355
34	TOTAL DEDUCTIONS TO RATE BASE		-	18,646,247	92,186,278
35	TOTAL SOUTH DAKOTA RATE BASE		-	109,357,373	\$ 380,525,518

Source

Staff Witness Testimony

Staff position on BHP's Adjustment

### Sources

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Line 7: Sum of lines 2 through 7  
Line 14: Sum of lines 9 through 13  
Line 15: Line 7 less line 14  
Line 23: Sum of lines 16 through 22  
Line 34: Sum of lines 25 through 32  
Line 35: Line 15 plus 23 less line 33

Column b, line 2: Statement N, page 3 of 8, Ref. # 2006  
Column b, line 3: Statement N, page 3 of 8, Ref. # 2022  
Column b, line 4: Statement N, page 3 of 8, Ref. # 2040  
Column b, line 5: Statement N, page 4 of 8, Ref. # 2045 minus Ref. # 2044  
Column b, line 6: Statement N, page 4 of 8, Ref. # 2044

Column b, line 9: Statement N, page 4 of 8, Ref. # 2048  
Column b, line 10: Statement N, page 4 of 8, Ref. # 2049  
Column b, line 11: Statement N, page 4 of 8, Ref. # 2050  
Column b, line 12: Statement N, page 4 of 8, Ref. # 2051 plus Ref. # 2051.1  
Column b, line 13: Statement N, page 4 of 8, Ref. # 2054

Column b, line 17: Statement N, page 4 of 8, Ref. # 2057  
Column b, line 18: Statement N, page 4 of 8, Ref. # 2059  
Column b, line 19: Statement N, page 4 of 8, Ref. # 2058  
Column b, line 21: Statement N, page 4 of 8, Ref. # 2056

Column b, line 25: [Schedule M-1, page 3 of 4, line 9, column n plus Schedule M-1, page 3 of 4, line 27, column n plus (Schedule M-1, page 4 of 4, column n, sum of lines 63 through 66)] \* allocation factor 12  
Column b, line 27: Schedule M-1, page 4 of 4, line 49, column n \* allocation factor 12  
Column b, line 32: [Schedule M-1, page 3 of 4, line 44, column n plus Schedule M-1, page 4 of 4, line 67, column n] \* allocation factor 12  
Column b, line 33: Schedule M-1, page 4 of 4, line 49, column n \* allocation factor 12

Line	Description	Amount
	(a)	(b)
1	Depreciation Study	\$ 46,312.50
2	Rate Design	15,856.84
3	Other Consulting - IRP	9,215.79
4	Capital Structure	10,850.00
5	Legal	190,834.68
6	Supplies and Other	1,959.25
7	Ventyx	72,670.20
8	SD PUC Statutory Fee	125,000.00
9	Total Rate Case Expense	<u>472,699.00</u>
10	Amortization Period	<u>3</u>
11	Annualized Rate Case Expense	157,566.00
12	Test Year Rate Case Expense	160,287.00
13	Rate Case Expense Adjustment	<u>(2,721.00)</u>
14	Pro Forma Adjustment to Rate Base	<b>\$ 236,350</b>

**SOURCES:**

Column b, line 1 - 7: E-mail sent from Kilpatrick to Thurber on 4/6/2010  
Column b, line 8: Maximum Statutory Fee w/IRP  
Column b, line 9: Sum of lines 1 through 8  
Column b, line 10: Staff Witness Tower's testimony, bottom of page 14  
Column b, line 11: Line 9 / 10  
Column b, line 12: DR 13-5  
Column b, line 13: line 11 - line 12  
Column b, line 14: line 9 / 2

Line	Description	Total Company Amount	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)
<b>Black Hills Power Incentive Plans</b>					
1	Short-Term Incentive Plan				
2	2008 Plan Payments	\$ 57,338			
3	Financial Based Performance Objectives (%)	-71%			
4	Disallowance	<u>(40,710)</u>			
5					
6	2009 Plan Payments	111,239			
7	Financial Based Performance Objectives (%)	-74%			
8	Disallowance	<u>(82,317)</u>			
9					
10	Results Compensation (7/1/2008 - 12/31/2008)				
11	2008 Results Compensation - Generation Employees	(16,064)			
12	Financial Based Performance Objectives (%)	-70%			
13	Disallowance	<u>11,245</u>			
14					
15	2008 Results Compensation - Without Generation Employees	(32,825)			
16	Financial Based Performance Objectives (%)	-90%			
17	Disallowance	<u>29,542</u>			
18					
19	Gainsharing Program (7/1/2008 - 12/31/2008)				
20	2008 Division B & Staff Gainsharing Program	116,051			
21	Financial Based Performance Objectives (%)	-100%			
22	Disallowance	<u>(116,051)</u>			
23					
24	Unified Incentive Plan (1/1/2009 - 6/30/2009)				
25	Plan Payments	774,974			
26	Financial Based Performance Objectives (%)	-50%			
27	Disallowance	<u>(387,487)</u>			
28					
29	Incentive Comp Payout Disallowance	<u>(14,049)</u>			
30					
31					
32	<b>Black Hills Service Company Incentive Plan</b>				
33					
34	Short-Term Incentive Plan				
35	Plan Payments (7/1/2008 - 6/30/2009)	250,000			
36	Financial Based Performance Objectives (%)	-100%			
37	Disallowance	<u>(250,000)</u>			
38					
39	Results Compensation/Gainsharing/Unified Incentive Plan				
40	Plan Payments (7/1/2008 - 6/30/2009)	325,000			
41	Financial Based Performance Objectives (%)	-55%			
42	Disallowance	<u>(178,750)</u>			
43					
44					
45	Total Incentive Compensation O&M Disallowance	(887,990)	28	89.43%	(794,114)
46	Total Incentive Compensation Plant In Service Disallowance	<u>(140,587)</u>	16	82.46%	(115,929)
47	Total Incentive Compensation Disallowance	<u>(1,028,577)</u>			

**SOURCES:**

Column b, line 2: E-mail from Kilpatrick to Thurber on 3/23/2010, Incentive Comp.xls, Sheet 1, column f, sum of line 7 through 12  
Column b, line 3: E-mail from Kilpatrick to Thurber on 3/23/2010, 2032\_001.pdf, pg 1 through 8, average of 4 plans:  
 $(70\% + 70\% + 70\% + 75\%) / 4$   
Column b, line 4: Column b, line 2 \* line 3  
Column b, line 6: E-mail from Kilpatrick to Thurber on 3/23/2010, Incentive Comp.xls, Sheet 1, column f, sum of line 13 through 18  
Column b, line 7: E-mail from Kilpatrick to Thurber on 3/23/2010, 2032\_001.pdf, pg 9, average of 9 plans:  
 $(100\% + 70\% + 70\% + 70\% + 75\% + 75\% + 70\% + 70\% + 70\%) / 9$   
Column b, line 8: Column b, line 6 \* line 7  
Column b, line 11: E-mail from Kilpatrick to Thurber on 3/23/2010, Incentive Comp.xls, Sheet 1, column d, line 19 \* (line 27 / line 24)  
Column b, line 12: Attachment 1-37.1\_2008 BHP Results Comp W Generation, page 5  
Column b, line 13: Column b, line 11 \* line 12  
Column b, line 15: E-mail from Kilpatrick to Thurber on 3/23/2010, Incentive Comp.xls, Sheet 1, column d, line 19 \* (line 28 / line 24)  
Column b, line 16: Attachment 1-37.2\_2008 BHP Results Comp Program WO Generation, page 5  
Column b, line 17: Column b, line 15 \* line 16  
Column b, line 20: E-mail from Kilpatrick to Thurber on 3/23/2010, Incentive Comp.xls, Sheet 1, column b, line 19  
Column b, line 21: E-mail from Kilpatrick to Thurber on 3/23/2010  
Column b, line 22: Column b, line 20 \* line 21  
Column b, line 25: E-mail from Kilpatrick to Thurber on 3/23/2010, Incentive Comp.xls, Sheet 1, line 19, column h + column j  
Column b, line 26: Attachment 6-16.6  
Column b, line 27: Column b, line 25 \* line 26  
Column b, line 29: E-mail from Kilpatrick to Thurber on 3/23/2010, Incentive Comp.xls, Sheet 1, line 19, column i  
Description of program is in e-mail message.  
Column b, line 35: E-mail from Kilpatrick to Thurber on 3/24/2010  
Column b, line 36: Attachment 1-37.5\_2008 Short-Term Incentive Plan, page 6  
Column b, line 37: Column b, line 35 \* line 36  
Column b, line 40: E-mail from Kilpatrick to Thurber on 3/24/2010  
Column b, line 41: (Column b, line 13 + line 17 + line 22 + line 27) / (Column b, line 11 + line 15 + line 20 + line 25)  
Column b, line 42: Column b, line 40 \* line 41  
Column b, line 45: Column b, 76% (E-mail from Kilpatrick to Thurber on 3/23/2010, Incentive Comp.xls, Sheet 1, line 22)  
\* (sum of line 4, 8, 13, 17, 22, 27) plus sum of line 29, 37 & 42  
Column c, line 45: Statement N-1, Page 6, Ref#3087  
Column e, line 45: Line 45, Column b \* Column d  
Column b, line 46: Column b, 24% \* (sum of line 4, 8, 13, 17, 22, 27)  
Column c, line 46: Statement N-1, Page 2, Allocation Factor 16, Total Plant In Service  
Column e, line 46: Line 46, Column b \* Column d  
Column b, line 47: Column b, line 45 + line 46

Line	Description	Total Company Amount	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)
	Workers Compensation Expense				
1	Non-recurring test year claims	\$ (1,435,048)			
2					
3	2004	128,796			
4	2005	116,916			
5	2006	282,755			
6	2007	106,413			
7	2008	294,850			
8	Total	<u>929,730</u>			
9					
10	5 Year Average	185,946			
11	Less Test Year Amount minus Non-Recurring Claim	<u>318,373</u>			
12	5 Year Average Adjustment	<u>(132,427)</u>			
13					
14	Claims & Injuries Compensation Expense Adjustment	<u>\$ (1,567,475)</u>	28	89.43%	<u>\$ (1,401,766)</u>

**SOURCES:**

- Column b, line 1: DR 11-7
- Column b, line 3: DR 11-7
- Column b, line 4-6: DR 7-7
- Column b, line 7: DR 7-7 (1,729,898) minus Column b, line 1
- Column b, line 8: Sum of Column b, line 3 through 7
- Column b, line 10: Column b, line 8 / 5
- Column b, line 11: DR 7-7 (\$1,753,421) minus Column b, line 1
- Column b, line 12: Column b, line 10 minus line 11
- Column b, line 14: Column b, line 1 plus line 12
- Column c, line 14: Statement N-1, pg 6, Ref#3087
- Column e, line 14: Line 14, column b \* column d



Line	Description	Total Company Amount	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)
<b>Materials and Supplies:</b>					
1	13 month average ending January 31, 2010:	\$ 10,330,918			
2	Less test year 13 month average	10,567,234			
3	Difference	<u>(236,316)</u>	56	92.12%	(217,692)
<b>Fuel Stocks</b>					
4	13 month average ending January 31, 2010:	\$ 7,245,329			
5	Less test year 13 month average	6,570,223			
6	Difference	<u>675,106</u>	1	87.54%	591,005
<b>Prepayments</b>					
7	13 month average ending January 31, 2010:	\$ 1,236,178			
8	Less test year 13 month average	2,115,493			
9	Difference	<u>(879,315)</u>	56	92.12%	(810,015)
<b>Customer Advances</b>					
10	13 month average ending January 31, 2010:	\$ 4,350,979			
11	Less test year 13 month average	4,553,245			
12	Difference	<u>(202,266)</u>	12	91.53%	(185,134)

**SOURCES:**

Column b, line 1: E-mail from Kilpatrick to Thurber 2/22/10 (\$11,972,008) minus CUS in E-mail from Kilpatrick to Thurber on 2/22/10 (\$1,000,866) and W/P SDPUC-000161 (\$640,224)  
Column b, line 2: Statement F, pg 1, line 5, column c  
Column b, line 4: Attachment 17.1  
Column b, line 5: Statement F, pg 1, line 3, column c  
Column b, line 7: E-mail from Kilpatrick to Thurber 2/22/10 without Federal/State Income Tax (\$1,375,225) minus CUS in E-mail from Kilpatrick to Thurber on 3/2/10 \* 2010 Allocator (\$1,172,120 \* 10.159% = 119,076) and W/P SDPUC-000161 (\$19,971)  
Column b, line 8: Statement F, pg 1, line 7, column c  
Column b, line 10: E-mail from Kilpatrick to Thurber 2/26/10  
Column b, line 11: Schedule M-1, pg 4, line 49, column n

Line	Description (a)	Total Company Per Books (b)	Allocation Factor (c)	South Dakota Proforma Allocation (d)	South Dakota Per Books Allocation (e)	South Dakota Adjustment (f)
1	<b>Rate Base Adjustments</b>					
2						
3	Distribution Plant					
4	Line Transformers	29,654,527	51	96.50%	96.51%	(1,151)
5	Meters	9,230,726	53	96.54%	96.59%	(4,439)
6	Total Distribution					<u>(5,590)</u>
7						
8	General Plant					
9	Classified Plant	35,187,143	28	89.43%	83.65%	2,031,814
10	Unclassified General Plant	2,036,550	28	89.43%	83.65%	117,597
11	Other Utility Plant	4,564,821	28	89.43%	83.65%	263,587
12	Total General Plant					<u>2,412,998</u>
13						
14	Accumulated Depreciation					
15	Distribution	80,074,241	14	93.75%	93.59%	131,062
16	General	17,614,552	15	89.62%	84.48%	906,389
17	Other Utility Plant	2,200,043	15	89.62%	84.48%	113,207
18						
19	<b>Operating Income Adjustments</b>					
20						
21	Revenue					
22	Revenue From Other Non-Firm	44,420,196	1	87.54%	78.20%	4,150,062
23	Revenue From Contracts	18,777,595	1	87.54%	78.20%	1,754,341
24						
25	Operations & Maintenance					
26	Coal/Fuel Oil/Natural Gas	17,095,001	1	87.54%	78.20%	1,597,141
27	Coal Transportation	2,799,985	1	87.54%	78.20%	261,595
28	Natural Gas - Other Production	2,778,194	1	87.54%	78.20%	259,559
29	Purchased Power and Capacity	57,649,169	1	87.54%	78.20%	5,386,011
30						
31	Other O&M/Labor (80/20 Allocation)					
32	Maintenance - Steam Power Generation	16,252,649	1	87.54%	78.20%	1,518,442
33	Maintenance Expense - Misc. Dist. Plant	45,960	14	93.75%	93.59%	75
34	Computer Services - Accounts 901 Through 905	2,470,046	39	90.45%	85.77%	115,624
35	Customer Service & Info - Accts 907 Through 910	1,014,377	39	90.45%	85.77%	47,484
36	Fuel (Handling and Ash Removal)	1,032,323	1	87.54%	78.20%	96,447
37	Other A&G Expense	22,470,372	28	89.43%	83.65%	1,297,509
38	Total Other O&M/Labor					<u>3,075,581</u>
39						
40	Allocated Labor					<u>615,116</u>
41						
42	Allocated Other O&M					<u>2,460,465</u>
43	Plus:					
44	Property Insurance	713,163	56	92.12%	91.80%	2,264
45	Regulatory Commission Expense	335,937	39	90.45%	85.77%	15,725
46	General Plant	195,183	28	89.43%	83.65%	11,270
47	Total Other O&M					<u>2,489,724</u>
48						
49	Depreciation Expense					
50	Distribution	7,309,670	14	93.75%	93.59%	11,964
51	General	1,569,138	15	89.62%	84.48%	80,743
52	Other Utility Plant	595,478	15	89.62%	84.48%	30,641
53	Total Depreciation Expense					<u>123,348</u>
54						
55	Taxes					
56	Property Taxes	4,135,664	56	92.12%	91.80%	13,129
57	FICA	1,820,329	28	89.43%	83.65%	105,111
58	Federal Unemployment	20,502	28	89.43%	83.65%	1,184
59	State Unemployment	20,052	28	89.43%	83.65%	1,158
60	Deferred Federal Income Tax	15,444,231	16	82.46%	81.24%	189,178
61	Investment Tax Credit	(133,296)	16	82.46%	81.24%	(1,633)

Line	Description	Total Company Per Books (b)	Allocation Factor (c)	South Dakota Proforma Allocation (d)	South Dakota Per Books Allocation (e)	South Dakota Adjustment (f)
	(a)					
1	Federal Income Tax					
2	Total Operating Revenue					5,904,403
3	Operating Expense Before Income Tax					10,853,076
4	Operating Income Before Income Tax					<u>(4,948,673)</u>
5						
6	Tax Adjustments					
7	Interest Expense	4,879,493	17	82.03%	79.98%	100,454
8	Other Tax Adjustments	50,935,012	16	82.46%	81.24%	623,907
9	Total Tax Adjustments					<u>724,361</u>
10						
11	Taxable Income					(5,673,034)
12	Tax Rate					35%
13	Federal Income Tax					<u>(1,985,562)</u>

**SOURCES:**

Page 1:

- Line 4, column b & c: Statement N, Page 3, Ref#2033
- Line 5, column b & c: Statement N, Page 3, Ref#2035
- Line 9, column b & c: Statement N, Page 4, Ref#2043
- Line 10, column b & c: Statement N, Page 4, Ref#2043.1
- Line 11, column b & c: Statement N, Page 4, Ref#2044.1
- Line 15, column b & c: Statement N, Page 4, Ref#2050
- Line 16, column b & c: Statement N, Page 4, Ref#2051
- Line 17, column b & c: Statement N, Page 4, Ref#2051.1
- Line 22, column b & c: Statement N, Page 7, Ref#5002.2
- Line 23, column b & c: Statement N, Page 7, Ref#5003
- Line 26, column b & c: Statement N, Page 4, Ref#3005 minus  
FERC Account 501 minus FERC Account 501.4 (Statement H, page 1)
- Line 27, column b & c: Statement N, Page 4, Ref#3005 (FERC Account 501.4 - Statement H, page 1)
- Line 28, column b & c: Statement N, Page 4, Ref#3009
- Line 29, column b & c: Statement N, Page 4, Ref#3013
- Line 32, column b & c: Statement N, Page 4, Ref#3017
- Line 33, column b & c: Statement N, Page 5, Ref#3066
- Line 34, column b & c: Statement N, Page 6, Ref#3075
- Line 35, column b & c: Statement N, Page 6, Ref#3078
- Line 36, column b & c: Statement N, Page 4, Ref#3005 (FERC Account 501 - Statement H, page 1)
- Line 37, column b & c: Statement N, Page 6, Ref#3087
- Line 44, column b & c: Statement N, Page 6, Ref#3085
- Line 45, column b & c: Statement N, Page 6, Ref#3086
- Line 46, column b & c: Statement N, Page 6, Ref#3090
- Line 50, column b & c: Statement N, Page 6, Ref#3099
- Line 51, column b & c: Statement N, Page 6, Ref#3100
- Line 52, column b & c: Statement N, Page 6, Ref#3100.2
- Line 56, column b & c: Statement N, Page 6, Ref#3103
- Line 57, column b & c: Statement N, Page 6, Ref#3107 - Allocated per Statement L
- Line 58, column b & c: Statement N, Page 6, Ref#3107 - Allocated per Statement L
- Line 59, column b & c: Statement N, Page 6, Ref#3107 - Allocated per Statement L
- Line 60, column b & c: Statement N, Page 7, Ref#5016
- Line 61, column b & c: Statement N, Page 7, Ref#5017
- Column d: Statement N-1, Page 2, column South Dakota
- Column e: Statement N, Page 2, column South Dakota
- Column f, lines 4-5, 9-11, 15-17, 22-23, 26-29, 32-37, 44-46, 50-52, 56-61: Column b \* (Column d - Column e)
- Column f, line 6: Column f, line 4 + line 5
- Column f, line 12: Column f, sum of lines 9 - 11
- Column f, line 38: Column f, sum of lines 32 - 37
- Column f, line 40: Column f, line 38 \* 20%
- Column f, line 42: Column f, line 38 \* 80%
- Column f, line 47: Column f, sum of lines 42 and 44 - 46
- Column f, line 53: Column f, sum of lines 50 - 52

Page 2:

- Line 7, column b & c: Statement N, Page 7, Ref#5010
- Line 8, column b & c: Statement N, Page 7, Ref#5012
- Column d: Statement N-1, Page 2, column South Dakota
- Column e: Statement N, Page 2, column South Dakota
- Column f, line 2: Page 1, Column f, sum of lines 22 & 23
- Column f, line 3: Page 1, Column f, sum of lines 26-29, 40, 47, 53, 56-59
- Column f, line 4: Column f, line 2 minus line 3
- Column f, line 9: Column f, line 7 + line 8
- Column f, line 11: Column f, line 4 minus line 9
- Column f, line 13: Column f, line 11 \* line 12

Line	Description	Amount
	(a)	(b)
1	Estimated South Dakota Union Labor	\$ 6,096,961
2	Estimated South Dakota Non-Union Labor	7,759,768
3	South Dakota Test Year Labor	<u>13,856,729</u>
South Dakota Union Labor:		
4	Estimated 7/1/08 - 3/31/09 Expense	4,546,303
5	Estimated 4/1/09 - 6/30/09 Expense	1,550,658
6	Total Test Year Expense	<u>6,096,961</u>
7	7/1/08 - 3/31/09 Expense to Annualize	4,546,303
8	April 2009 Union Salary Increase	2.00%
9	Annualized Union Labor Increase	<u>90,926</u>
South Dakota Non-Union Labor:		
10	Estimated 7/1/08 - 3/31/09 Expense	5,786,204
11	Estimated 4/1/09 - 6/30/09 Expense	1,973,564
12	Total Test Year Expense	<u>7,759,768</u>
13	7/1/08 - 3/31/09 Expense to Annualize	5,786,204
14	April 2009 Non-Union Salary Increase	2.03%
15	Annualized Non-Union Labor Increase	<u>117,460</u>
16	Annualized Non-Union Labor Amount	7,877,228
17	April 2010 Non-Union Salary Increase	2.58%
18	Post Test Year Non-Union Labor Increase	<u>203,232</u>
19	Total SD Labor Adjustment	<b>\$ 411,618</b>
Payroll Taxes		
20	FICA @ 7.65%	31,489
21	State Unemployment @ .35%	1,441
22	Federal Unemployment @ .35%	1,441

**SOURCES:**

Column b, line 1, 2, 4 - 6, 10-12: E-mail from Thurber to Kilpatrick on 2/17/2010 and confirmed via e-mail from Kilpatrick to Thurber on 2/19/2010

Column b, line 3: E-mail confirmation from Chris Kilpatrick 2/9/10

Column b, line 7: Column b, line 4

Column b, line 8: Attachment 1-34.1 and 1-34.2

Column b, line 9: Column b, line 7 \* line 8

Column b, line 13: Column b, line 10

Column b, line 14: BHII DR 1-121 and e-mail from Kilpatrick to Thurber on 2/19/2010

Column b, line 15: Column b, line 13 \* line 14

Column b, line 16: Column b, line 12 + line 15

Column b, line 17: E-mail from Kilpatrick to Thurber on 4/6/2010

Column b, line 18: Column b, line 16 \* 17

Column b, line 19: column b, line 9 + line 15 + line 18

Column b, line 20: line 19 \* 7.65% (Schedule L-1)

Column b, line 21: line 19 \* .35% (Schedule L-1)

Column b, line 22: line 19 \* .35% (Schedule L-1)

Line	Description	Amount
	(a)	(b)
	Actual Hires (Post Test Year):	
	Production Operation Employees:	
1	Instrument Technician at NSEC	66,560
2	Plant Maintenance Operator	48,800
3	Electric Controls Engineer at NSEC	92,000
4	Total Company Labor Expense For New Employees:	207,360
5		
6	Labor Expense Allocated to South Dakota (see page 2)	181,932
7		
8	Benefits	
9	Employee Benefits as a % of Labor Dollars	49.43%
10	South Dakota Employee Benefits	89,929
11		
12	Taxes	
13	FICA @ 7.65%	13,918
14	Federal Unemployment @ .35%	637
15	State Unemployment @ .35%	637

**SOURCES:**

Column b, line 1 - 4: Attachment 3-1.1\_Support

Column b, line 6: JPT-3 Schedule 7, Pg 2, line 47, column d

Column b, line 9: (\$14,108,000 (Attachment 7-6) less 600,000 (JPT-3 Sch 2, col b, sum of lines 4, 8, 13, 17, 22, 27 & 29) less \$1,567,000 (JPT-3 Sch 3, col b, line 14)) / \$20,668,000 (Attachment 7-6) = 57.78% minus 8.35% (FICA, FUTA, SUTA) = 49.43%

Column b, line 10: Column b, line 6 \* line 9

Column b, line 13: Column b, line 6 \* 7.65%

Column b, line 14: Column b, line 6 \* .35%

Column b, line 15: Column b, line 6 \* .35%

Line No.	FERC Account	Description	(a) Additional Personnel Distribution	(b) Allocator	(c) Per Books Allocation	(d) South Dakota Per Books
1		<b>Steam Production Operation:</b>				
2	500	Supervision & Engineering	36,614			
3	501	Fuel (Handling and Ash Removal)	22,673			
4	501.1	Steam Power Fuel - Gas				
5	501.2	Steam Power Fuel - Oil				
6	501.3	Steam Power Fuel - Coal				
7	501.4	Steam Power Fuel - Transportation				
8	502	Steam Expense	82,595			
9	505	Electric Expense	25,950			
10	506	Miscellaneous	29,389			
11	507	Rent	-			
12		<b>Total Steam Production Operation</b>	<u>197,221</u>	1	87.54%	172,652
13						
14		<b>Other Production Operation:</b>				
15	546	Supervision & Engineering	1,266			
16	547	Fuel	-			
17	548	Generation Expense	8,054			
18	549	Miscellaneous	819			
19	550	Rents	-			
20		<b>Total Other Production Operation</b>	<u>10,139</u>	2	91.53%	9,280
21						
22		<b>Total Production Expenses</b>	<u>207,360</u>			<u>181,932</u>

**SOURCES:**

Column a, line 2-11, 15-19: Mirrored same allocation as Statement H, column b  
Column a, line 12 + 20: JPT-3 Sch 7, Pg 1, col b line 4  
Column c, line 22, 40: Schedule N-1, Page 4

Line	Description	Total Company Amount	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)
1	Other Administrative and General Expenses				
2	Lawsuit	(1,000)	28	89.43%	(894)
3	Severance Payment	(19,264)	28	89.43%	(17,227)
4	Total Other A&G Expense	<u>(20,264)</u>			<u>(18,121)</u>
5					
6	Other Operating Revenues				
7	Late Payment Revenues	(156,287)	40	95.18%	(148,756)
8					
9	Demand Side Management				
10	Distribution - Customer Installation (FERC 587)	(1,916)	6	95.92%	(1,838)
11	Customer Service - Customer Assistance (FERC 908)	(307,507)	39	90.45%	(278,144)
12	Total Demand Side Management Expenses	<u>(309,423)</u>			<u>(279,982)</u>
13					
14	Pension Expense				
15	Pension Expense (7/1/08 - 6/30/09)	1,831,329			
16	Test Year Pension Expense (Contributions)	1,914,666			
17	Pension Expense Adjustment	<u>(83,337)</u>	28	89.43%	<u>(74,527)</u>
18					
19	Employee Picnic	(3,452)	28	89.43%	<u>(3,087)</u>

**SOURCES:**

Column b, line 2: DR 1-5  
Column b, line 3: DR 1-38 & DR 5-5  
Column b, line 4: Column b, line 2 + line 3  
Column b, line 7: DR 1-27  
Column b, line 10 & 11: DR 3-55  
Column b, line 15: DR 5-3  
Column b, line 16: BHII Attachment 1-180.1 012110  
Column b, line 17: Column b, line 15 - 16  
Column b, line 19: Schedule H-3, workpaper BHP-SDPUC-000297, work order 10444

Column c, line 4: E-mail from Kilpatrick to Thurber on 2/26/10  
Column c, line 7: Statement N-1, pg 7, Ref#4002  
Column c, line 8 & 9: DR 3-55  
Column c, line 17, 19: Statement N-1, pg 6, Ref#3087

Column e, line 4, 7, 10, 11, 17, 19: col b \* col d  
Column e, line 12: Column e, line 10 + line 11

Line	Description	Billing Determinants	1/1/09 - 6/30/09 Rates	South Dakota Revenue
	(a)	(b)	(c)	(d)
1	69kV Service IC			
2	Energy Charge (kWh)	89,151,244	0.0327	2,915,246
3	Demand Charge (kVA)	201,516.9	5.64	1,136,555
4	Total Annualized Revenue			4,051,801
5	Less Test Year Revenue			4,017,700
6	Revenue Annualization Adjustment			34,101
7				
8	Forest Product Service - Primary Service FPS			
9	Energy Charge:			
10	800,000 kWh	19,200,000	0.0443	850,560
11	1,200,000 kWh	28,517,316	0.0414	1,180,617
12	Additional kWh	10,655,141	0.0382	407,026
13	Demand Charge:			
14	2,000 kVA	48,000	6.36	305,280
15	3,000 kVA	72,000	5.96	429,120
16	Additional kVA	31,214.7	5.33	166,374
17	Total Annualized Revenue			3,338,977
18	Less Test Year Revenue			3,313,069
19	Revenue Annualization Adjustment			25,908
20				
21	Forest Product Service - Secondary Service FPS			
22	Energy Charge:			
23	800,000 kWh	9,518,866	0.0456	434,060
24	1,200,000 kWh	1,969,903	0.0427	84,115
25	Additional kWh	-	0.0394	-
26	Demand Charge:			
27	2,000 kVA	24,000	6.73	161,520
28	3,000 kVA	8,331.3	6.22	51,821
29	Additional kVA	-	5.59	-
30	Total Annualized Revenue			731,516
31	Less Test Year Revenue			726,171
32	Revenue Annualization Adjustment			5,345
33				
34	Total Revenue Annualization Adjustment			65,354

**SOURCES:**

Column b, line 2: Schedule I-1, pg 10, column Billing Determinants, line 4 + line 7  
Column b, line 3: Schedule I-1, pg 10, column Billing Determinants, line 5 + line 8  
Column b, line 10: Schedule I-1, pg 10, column Billing Determinants, line 15 + line 26  
Column b, line 11: Schedule I-1, pg 10, column Billing Determinants, line 16 + line 27  
Column b, line 12: Schedule I-1, pg 10, column Billing Determinants, line 17 + line 28  
Column b, line 14: Schedule I-1, pg 10, column Billing Determinants, line 20 + line 31  
Column b, line 15: Schedule I-1, pg 10, column Billing Determinants, line 21 + line 32  
Column b, line 16: Schedule I-1, pg 10, column Billing Determinants, line 22 + line 33  
Column b, line 23: Schedule I-1, pg 10, column Billing Determinants, line 41 + line 52  
Column b, line 24: Schedule I-1, pg 10, column Billing Determinants, line 42 + line 53  
Column b, line 25: Schedule I-1, pg 10, column Billing Determinants, line 43 + line 54  
Column b, line 27: Schedule I-1, pg 10, column Billing Determinants, line 46 + line 57  
Column b, line 28: Schedule I-1, pg 10, column Billing Determinants, line 47 + line 58  
Column b, line 29: Schedule I-1, pg 10, column Billing Determinants, line 48 + line 59

Column c, line 2: Schedule I-1, pg 10, column Present Rates, line 7  
Column c, line 3: Schedule I-1, pg 10, column Present Rates, line 8  
Column c, line 10: Schedule I-1, pg 10, column Present Rates, line 26  
Column c, line 11: Schedule I-1, pg 10, column Present Rates, line 27  
Column c, line 12: Schedule I-1, pg 10, column Present Rates, line 28  
Column c, line 14: Schedule I-1, pg 10, column Present Rates, line 31  
Column c, line 15: Schedule I-1, pg 10, column Present Rates, line 32  
Column c, line 16: Schedule I-1, pg 10, column Present Rates, line 33  
Column c, line 23: Schedule I-1, pg 10, column Present Rates, line 52  
Column c, line 24: Schedule I-1, pg 10, column Present Rates, line 53  
Column c, line 25: Schedule I-1, pg 10, column Present Rates, line 54  
Column c, line 27: Schedule I-1, pg 10, column Present Rates, line 57  
Column c, line 28: Schedule I-1, pg 10, column Present Rates, line 58  
Column c, line 29: Schedule I-1, pg 10, column Present Rates, line 59

Column d, line 2, 3, 10-12, 14-16, 23-25, 27-29: Col b \* Col c  
Column d, line 4: Col d, line 2 plus 3  
Column d, line 5: Schedule I-1, pg 10, column Present Revenue, line 10  
Column d, line 6: Col d, line 4 minus 5  
Column d, line 17: Column d, sum of lines 10-12 & 14-16  
Column d, line 18: Schedule I-1, pg 10, column Present Revenue, line 36  
Column d, line 19: Column d, line 17 minus 18  
Column d, line 30: Column d, sum of lines 23-25 & 27-29  
Column d, line 31: Schedule I-1, pg 10, column Present Revenue, line 62  
Column d, line 32: Column d, line 30 minus 31  
Column d, line 34: Column d, line 6 plus 19 plus 32



## NON-CONFIDENTIAL

<u>Line</u>	<u>Component</u> (a)	<u>Balance as of</u> <u>June 30, 2009</u>	<u>% of Total</u>	<u>Cost</u> (d)	<u>Weighted</u> <u>Cost</u> (e)
1	Long Term Debt				
2	Preferred Stock				
3	Notes payable to Associated Companies (Net)				
4	Common Equity				
5	Total				<u>8.26%</u>

## NON-CONFIDENTIAL

Line	Description	Amount
	(a)	(b)
1	Investment To Be Financed (Average Rate Base)	\$ 380,525,518
2	Weighted Cost of Long Term Debt	3.210%
3	Synchronized Interest Expense	12,214,869
4	Less South Dakota Interest Expense on LT Debt as filed	(3,902,384)
5	Adjusted Interest Expense	8,312,485
6	Less AFUDC Equity Pro Forma Adjustment	(4,196,589)
7	Less AFUDC Capitalized Pro Forma Adjustment	(1,103,818)
8	Total Difference in Interest Expense	3,012,078
9	Federal Income Tax Adjustment (35%)	<b>\$ (1,054,227)</b>

**SOURCES:**

- Column b, line 1: JPT-2 Sch 1, column d, line 35
- Column b, line 2: BLC-1 Sch 1 column e, line 1
- Column b, line 3: Line 1 times line 2
- Column b, line 4: Statement N, page 7 of 8, Ref. # 5010 and Statement K, page 1 of 4, line 3
- Column b, line 5: Line 3 plus line 4
- Column b, line 6: Statement K, pg 1, line 11, column b \* Allocation Factor 16, Statement N-1, Page 7, Ref#5012
- Column b, line 7: Statement K, pg 1, line 15, column b \* Allocation Factor 16, Statement N-1, Page 7, Ref#5012
- Column b, line 8: Sum of column b, line 5 through 7
- Column b, line 9: line 8 times consolidated effective tax rate (inverse)

Line	Description	Total Company Amount	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)
1	Wyodak Overhaul Expense				
2	Actual Costs Incurred 2006 (20% Ownership)	\$ 1,401,253			
3	Normalization Period	5			
4	Wyodak Annual Overhaul Expense	<u>280,251</u>	1	87.54%	<u>\$ 245,339</u>
5					
6	Ben French Steam Overhaul Expense				
7	Actual Costs Incurred 2008	1,570,884			
8	Normalization Period	7			
9	Ben French Annual Overhaul Expense	<u>224,412</u>			
10					
11	Neil Simpson I Overhaul Expense				
12	Actual Costs Incurred 2009	696,331			
13	Normalization Period	7			
14	Neil Simpson I Annual Overhaul Expense	<u>99,476</u>			
15					
16	Neil Simpson II Overhaul Expense				
17	Actual Costs Incurred 2009	790,321			
18	Normalization Period	7			
19	Neil Simpson II Annual Overhaul Expense	<u>112,903</u>			
20					
21	Subtotal Annual Overhaul Expense	436,791			
22	Less Neil Simpson I & Neil Simpson II Test Year Overhaul Expense	<u>1,486,652</u>			
23	Adjustment for Generation Plant Overhaul Expense	<u>(1,049,861)</u>	1	87.54%	<u>\$ (919,075)</u>

**SOURCES:**

Column b, line 2: DR BHII 1-134 and DR 3-44  
Column b, line 3, 7, 8, 12, 13, 17, 18, & 22: Schedule H-10, Page 1  
Column b, line 4: line 2 / 3  
Column b, line 9: line 7 / 8  
Column b, line 14: line 12 / 13  
Column b, line 19: line 17 / 18  
Column b, line 21: sum of lines 4, 9, 14 & 19  
Column b, line 23: line 21 minus line 22  
Column c, line 4 & 23: Schedule N-1, page 4, ref #3017  
Column e, line 4 & 23: col b \* col d

Line	Description	Total Company Amount	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)
1	Plant In Service				
2	Other Production	\$ 3,220,506	2	91.53%	\$ 2,947,733
3	Distribution	1,718,503	24	98.01%	1,684,358
4	General	75,014	28	89.43%	67,084
5	Steam Production	2,439,047	2	91.53%	2,232,463
6	Total Plant Additions	<u>7,453,070</u>			<u>6,931,638</u>
7					
8	Depreciation				
9	Steam Production				
10	Plant Additions	2,439,047			
11	Depreciation Rate	2.80%			
12	Depreciation Expense	<u>68,293</u>	12	91.53%	62,509
13					
14	Other Production				
15	Plant Additions	3,220,506			
16	Depreciation Rate	2.19%			
17	Depreciation Expense	<u>70,529</u>	12	91.53%	64,555
18					
19	Distribution				
20	Plant Additions	1,718,503			
21	Depreciation Rate	2.72%			
22	Depreciation Expense	<u>46,743</u>	14	93.75%	43,823
23					
24	General				
25	Plant Additions	75,014			
26	Depreciation Rate	4.61%			
27	Depreciation Expense	<u>3,458</u>	15	89.62%	3,099
28					
29	Total Depreciation Expense				<u>173,986</u>
30					
31	Accumulated Depreciation				
32	Production				63,533
33	Distribution				21,912
34	General				1,550
35	Total Accumulated Depreciation				<u>86,995</u>
36					
37	Accumulated Deferred Income Taxes				
38	Steam Production				
39	50% Tax Depreciation	370,613			
40	Book Depreciation	20,754			
41	Difference	349,859			
42	Tax Rate	35.00%			
43	Accumulated Deferred Income Tax	<u>122,451</u>	12	91.53%	112,080
44					
45	3.75% Tax Depreciation	63,668			
46	Book Depreciation	47,539			
47	Difference	16,129			
48	Tax Rate	35.00%			
49	Accumulated Deferred Income Tax	<u>5,645</u>	12	91.53%	5,167
50					
51	Other Production				
52	50% Tax Depreciation	1,610,253			
53	Book Depreciation	70,529			
54	Difference	1,539,724			
55	Tax Rate	35.00%			
56	Accumulated Deferred Income Tax	<u>538,903</u>	12	91.53%	493,259
57					
58	Distribution				
59	50% Tax Depreciation	859,252			
60	Book Depreciation	46,743			
61	Difference	812,509			
62	Tax Rate	35.00%			
63	Accumulated Deferred Income Tax	<u>284,378</u>	12	91.53%	260,292
64					
65	General				
66	50% Tax Depreciation	37,507			
67	Book Depreciation	3,458			
68	Difference	34,049			
69	Tax Rate	35.00%			
70	Accumulated Deferred Income Tax	<u>11,917</u>	12	91.53%	10,908
71					
72	Total Accumulated Deferred Income Tax				<u>881,706</u>
73					
74	Property Tax				
75	Total Plant Additions	7,453,070			
76	Effective Blended Tax Rate	0.7494%			
77	Property Tax Adjustment	<u>55,853</u>	56	92.12%	<u>51,451</u>

**Sources**

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Column b, line 2 & 15: 2/3/2010 & 2/10/2010 E-mails from Kilpatrick to Knadle  
Column b, line 3 & 20: DR 3-37, Attachment 3-37, lines 27, 31, & 32  
Column b, line 4 & 25: DR 3-37, Attachment 3-37, line 42 (79,632) minus CUS rate  
effective 1/1/10 ( $\$79,632 * .0579911$ ) per E-mail from Kilpatrick  
to Knadle on 2/22/10  
Column b, line 5 & 10: E-mail from Kilpatrick to Knadle on 4/6/10  
Column b, line 6: Sum of Column b, line 2 through line 5  
Column b, line 11, 16, 21 & 26: Statement J, pg 1, column d  
Column b, line 12: Line 10 \* Line 11  
Column b, line 17: Line 15 \* Line 16  
Column b, line 22: Line 20 \* Line 21  
Column b, line 27: Line 25 \* Line 26  
Column b, line 39: E-mail from Kilpatrick to Knadle on 4/7/2010 ( $\$741,226 * 50\%$ )  
Column b, line 40:  $\$741,226 * \text{Column b, line 11}$   
Column b, line 41: Column b, line 39 minus line 40  
Column b, line 42, 48, 55, 62 & 69: DR 3-38  
Column b, line 43: Column b, line 41 \* line 42  
Column b, line 45:  $(\text{Column b, line 5} - \$741,226) * 3.75\%$   
Column b, line 46:  $(\text{Column b, line 5} - \$741,226) * \text{Column b, line 11}$   
Column b, line 47: Column b, line 45 - line 46  
Column b, line 49: Column b, line 47 \* line 48  
Column b, line 52: E-mail Kilpatrick to Knadle 2/19/2010  
Column b, line 53: Column b, line 17  
Column b, line 54: Column b, line 52 minus line 53  
Column b, line 56: Column b, line 54 \* 55  
Column b, line 59: Column b, line 3 \* 50% (DR 3-54)  
Column b, line 60: Column b, line 22  
Column b, line 61: Column b, line 59 minus line 60  
Column b, line 63: Column b, line 61 \* 62  
Column b, line 66: Column b, line 4 \* 50% (DR 3-54)  
Column b, line 67: Column b, line 27  
Column b, line 68: Column b, line 66 minus line 67  
Column b, line 70: Column b, line 68 \* 69  
Column b, line 75: Column b, line 6  
Column b, line 76:  $\$1,070,503 \text{ (DR 3-52)} / (\$127,212,931 \text{ [RLK-1 Sch 5, Pg 1, Col b, line 4]})$   
 $+ \$8,437,815 \text{ [RLK-1 Sch 4, Pg 1, Col b, Line 5]} + \$7,453,070 \text{ [Column b, line 6]}$   
Column b, line 77: Column b, line 75 \* 76

Column c, line 2: Schedule N-1, pg 3, Ref #2005.1  
Column c, line 3: Schedule N-1, pg 3, Ref #2039  
Column c, line 4: Schedule N-1, pg 4, Ref #2043.1  
Column c, line 5: Schedule N-1, pg 3, Ref #2003  
Column c, line 12: Schedule N-1, pg 6, Ref #3097  
Column c, line 17: Schedule N-1, pg 6, Ref #3097  
Column c, line 22: Schedule N-1, pg 6, Ref #3099  
Column c, line 27: Schedule N-1, pg 6, Ref #3100  
Column c, line 43, 49, 56, 63, & 70: Schedule N-1, pg 4, Ref #2061  
Column c, line 77: Schedule N-1, pg 6, Ref #3103

Column e, line 2, 3, 4, 5, 12, 17, 22, 27, 43, 49, 56, 63, 70 & 77: Col b \* Col d  
Column e, line 32: Column e, line 12 / 2 + line 17 / 2  
Column e, line 33: Column e, line 22 / 2  
Column e, line 34: Column e, line 27 / 2  
Column e, line 72: Sum of Column e, line 43, 49, 56, 63 & 70

Line	Description	Total Company Amount	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)
1	Plant In Service				
2	Steam Production	\$ 1,193,371	2	91.53%	\$ 1,092,294
3	Distribution	6,067,385	24	98.01%	5,946,833
4	General	1,177,059	28	89.43%	1,052,624
5	Total Plant Annualization Adjustment	<u>8,437,815</u>			<u>8,091,751</u>
6					
7	Depreciation				
8	Steam Production				
9	Plant Annualization Adjustment	1,193,371			
10	Depreciation Rate	2.80%			
11	Depreciation Expense	<u>33,414</u>	12	91.53%	30,584
12					
13	Distribution				
14	Plant Annualization Adjustment	6,067,385			
15	Depreciation Rate	2.72%			
16	Depreciation Expense	<u>165,033</u>	14	93.75%	154,724
17					
18	General				
19	Plant Annualization Adjustment	1,177,059			
20	Depreciation Rate	4.61%			
21	Depreciation Expense	<u>54,262</u>	15	89.62%	48,631
22					
23	Total Depreciation Expense				<u>233,939</u>
24					
25	Accumulated Depreciation				
26	Steam Production				15,292
27	Distribution				77,362
28	General				24,316
29	Total Accumulated Depreciation				<u>116,970</u>
30					
31	Accumulated Deferred Income Taxes				
32	Steam Production				
33	50% Bonus Tax Depreciation	119,417			
34	Book Depreciation	6,687			
35	Difference	112,730			
36	Tax Rate	35.00%			
37	Accumulated Deferred Income Tax	<u>39,456</u>	12	91.53%	36,114
38					
39	3.75% Tax Depreciation	35,795			
40	Book Depreciation	26,728			
41	Difference	9,067			
42	Tax Rate	35.00%			
43	Accumulated Deferred Income Tax	<u>3,173</u>	12	91.53%	2,904
44					
45	Distribution				
46	50% Bonus Tax Depreciation	1,148,730			
47	Book Depreciation	62,491			
48	Difference	1,086,239			
49	Tax Rate	35.00%			
50	Accumulated Deferred Income Tax	<u>380,184</u>	12	91.53%	347,983
51					
52	3.75% Tax Depreciation	141,372			
53	Book Depreciation	102,542			
54	Difference	38,830			
55	Tax Rate	35.00%			
56	Accumulated Deferred Income Tax	<u>13,591</u>	12	91.53%	12,440
57					
58	General				
59	50% Bonus Tax Depreciation	559,364			
60	Book Depreciation	51,573			
61	Difference	507,791			
62	Tax Rate	35.00%			
63	Accumulated Deferred Income Tax	<u>177,727</u>	12	91.53%	162,674
64					
65	14.29% Tax Depreciation	8,335			
66	Book Depreciation	2,689			
67	Difference	5,646			
68	Tax Rate	35.00%			
69	Accumulated Deferred Income Tax	<u>1,976</u>	12	91.53%	1,809
70					
71	Total Accumulated Deferred Income Tax				<u>563,924</u>
72					
73	Property Tax				
74	Total Plant Additions	8,437,815			
75	Effective Blended Tax Rate	0.7494%			
76	Property Tax Adjustment	<u>63,233</u>	56	92.12%	<u>58,250</u>

**Sources**

Column b, line 2 & 9: WP-5, pg 1 of 11 (E-mail 2/11/2010)  
Column b, line 3 & 14: WP-5, pg 9 of 11 (E-mail 2/11/2010)  
Column b, line 4 & 19: E-mail 2/11/2010 WP-5, pg 11 of 11 (\$1,249,520) minus CUS rate effective 1/1/10 ( $\$1,249,520 * .0579911$ ) per e-mail from Kilpatrick to Knadle on 2/22/10  
Column b, line 5: Sum of Column b, line 2 - 4  
Column b, line 10, 15 & 20: Statement J, page 1, column d  
Column b, line 11: Line 9 \* Line 10  
Column b, line 16: Line 14 \* Line 15  
Column b, line 21: Line 19 \* Line 20  
Column b, line 33: E-mail from Kilpatrick to Knadle on 2/25/10 ( $\$238,833 * 50\%$ )  
Column b, line 34: Column b, line 10 \* \$238,833  
Column b, line 35: Column b, line 33 minus line 34  
Column b, line 36, 42, 49, 55, 62 & 68: DR 3-38  
Column b, line 37: Column b, line 35 \* 36  
Column b, line 39: (Column b, line 2 minus \$238,833) \* 3.75% (DR3-38)  
Column b, line 40: (Column b, line 2 minus \$238,833) \* Column b, line 10  
Column b, line 41: Column b, line 39 minus line 40  
Column b, line 43: Column b, line 41 \* 42  
Column b, line 46: E-mail from Kilpatrick to Knadle on 2/25/10 ( $\$2,297,460 * 50\%$ )  
Column b, line 47: Column b, line 15 \* \$2,297,460  
Column b, line 48: Column b, line 46 minus line 47  
Column b, line 50: Column b, line 48 \* 49  
Column b, line 52: (Column b, line 3 minus \$2,297,460) \* 3.75% (DR3-38)  
Column b, line 53: (Column b, line 3 minus \$2,297,460) \* Column b, line 15  
Column b, line 54: Column b, line 52 minus line 53  
Column b, line 56: Column b, line 54 \* 55  
Column b, line 59: E-mail from Kilpatrick to Knadle on 2/25/10 ( $\$1,187,598 * 50\%$ ) minus CUS rate effective 1/1/10 ( $\$1,187,598 * .0579911 * 50\%$ ) per E-mail from Kilpatrick to Knadle on 2/22/10  
Column b, line 60: Column b, line 20 \* ( $\$1,187,598 - (\$1,187,598 * .0579911)$ )  
Column b, line 61: Column b, line 59 minus line 60  
Column b, line 63: Column b, line 61 \* 62  
Column b, line 65: (Column b, line 4 minus \$1,118,728) \* 14.29% (DR3-38)  
Column b, line 66: (Column b, line 4 minus \$1,118,728) \* Column b, line 20  
Column b, line 67: Column b, line 65 minus line 66  
Column b, line 69: Column b, line 67 \* 68  
Column b, line 74: Column b, line 5  
Column b, line 75:  $\$1,070,503$  (DR 3-52) / ( $\$127,212,931$  [RLK-1 Sch 5, Pg 1, Col b, line 4] +  $\$8,437,815$  [Col b, Line 5] +  $\$7,453,070$  [RLK-1 Sch 3, Pg 1, Column b, line 6])  
Column b, line 76: Column b, line 74 \* 75

Column c, line 2: Schedule N-1, pg 3, Ref #2005  
Column c, line 3: Schedule N-1, pg 3, Ref #2039  
Column c, line 4: Schedule N-1, pg 4, Ref #2043.1  
Column c, line 11: Schedule N-1, pg 6, Ref #3097  
Column c, line 16: Schedule N-1, pg 6, Ref #3099  
Column c, line 21: Schedule N-1, pg 6, Ref #3100  
Column c, line 37, 43, 50, 56, 63 & 69: Schedule N-1, pg 4, Ref #2061  
Column c, line 76: Schedule N-1, pg 6, Ref #3103

Column e, line 2, 3, 4, 11, 16, 21, 37, 43, 50, 56, 63, 69, 76: Col b \* Col d  
Column e, line 26: Column e, line 11 / 2  
Column e, line 27: Column e, line 16 / 2  
Column e, line 28: Column e, line 21 / 2  
Column e, line 71: Sum of Column e, line 37, 43, 50, 56, 63 & 69

Line	Description (a)	Total Company Amount (b)	Allocation Factor (c)	South Dakota Percent (d)	South Dakota Amount (e)
1	Plant In Service				
2	Actual Costs as of 3/31/2010	\$ 244,640,251			
3	BHP % Ownership	52.00%			
4	BHP Amount	<u>127,212,931</u>	2	91.53%	<u>116,438,149</u>
5					
6	Depreciation				
7	BHP Amount	127,212,931			
8	Depreciation Rate	2.35%			
9	Depreciation Expense	<u>2,989,504</u>	12	91.53%	<u>2,736,296</u>
10					
11	Accumulated Depreciation				
12	South Dakota Amount				<u>1,368,148</u>
13					
14	Accumulated Deferred Income Taxes				
15	50% Bonus Tax Depreciation				17,690,675
16	3.75% Tax Depreciation	4,770,485			
17	Book Depreciation	<u>2,989,504</u>			
18	Difference	1,780,981			
19	Tax Rate	<u>35.00%</u>			
20	Accumulated Deferred Income Tax	<u>623,343</u>	12	91.53%	<u>570,547</u>
21	Total Accumulated Deferred Income Tax				<u>18,261,222</u>
22					
23	Overhaul Expense Account				
24	BHP Overhaul Expense (52%)	442,000			
25	Normalization Period	<u>7</u>			
26	Annual Overhaul Expense	<u>63,143</u>	1	87.54%	<u>\$ 55,277</u>
27					
28	Materials & Supplies				
29	Steam Turbine \ Generator - SPEC #362.1001 (52%)	277,097			
30	Other Spare Parts (100%)	<u>438,605</u>			
31	Total Materials and Supplies	<u>715,702</u>	56	92.12%	<u>\$ 659,297</u>
32					
33	Property Tax				
34	Total Plant Additions	127,212,931			
35	Effective Blended Tax Rate	<u>0.7494%</u>			
36	Property Tax Adjustment	<u>953,334</u>	56	92.12%	<u>878,200</u>



### Sources

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Column b, line 2: E-mail from Kilpatrick to Knadle on 4/6/10  
Column b, line 3: Schedule D-10, Pages 1-3  
Column b, line 4 & 7: Column b, line 2 \* line 3  
Column b, line 8: RGT-1 Schedule 1  
Column b, line 9: Column b, Line 7 \* Line 8  
Column b, line 16: Tax Depreciation via DR 3-38  
Column b, line 17: Column b, line 9  
Column b, line 18: Column b, line 16 minus line 17  
Column b, line 19: DR 3-38  
Column b, line 20: Column b, line 18 \* 19  
Column b, line 24: DR 3-59  
Column b, line 25: Schedule H-10, pg 1  
Column b, line 26: Column b, line 24 / line 25  
Column b, line 29: DR5-16 (121,856 + 411,023) \* 52%  
Column b, line 30: DR5-16 (971,484 - Column b, line 35)  
Column b, line 31: Column b, line 29 + 30  
Column b, line 34: Column b, line 4  
Column b, line 35: \$1,070,503 (DR 3-52) / (\$127,212,931 [Col b, line 4]  
+ \$8,437,815 [RLK-1 Sch 4, Pg 1, Column b, Line 5]  
+ \$7,453,070 [RLK-1 Sch 3, Pg 1, Column b, line 6])  
Column b, line 36: Column b, line 34 \* 35

Column c, line 4: Schedule N-1, pg 3, Ref #2003  
Column c, line 9: Schedule N-1, pg 6, Ref #3097  
Column c, line 20: Schedule N-1, pg 4, Ref #2061  
Column c, line 26: Schedule N-1, pg 4, Ref #3017  
Column c, line 31: Schedule N-1, pg 4, Ref#2057  
Column c, line 36: Schedule N-1, pg 6, Ref#3103

Column e, line 4, 9, 20, 26, 31 & 36: Col b \* Col d  
Column e, line 12: Column e, line 9 / 2  
Column e, line 15: DR 3-53 (\$19,327,709 \* Alloc  
Factor 2 (91.53%))  
Column e, line 21: Sum of Column e, line 15 & 20

<u>Line</u>	<u>Description</u>	<u>Total Company Amount</u>	<u>Allocation Factor</u>	<u>South Dakota Percent</u>	<u>South Dakota Amount</u>
	(a)	(b)	(c)	(d)	(e)
1	Production Plant - Kirk				
2	Accumulated Depreciation Reserve	\$ (239,554)			
3	Amortization Period	3			
4	Depreciation Expense	<u>(79,851)</u>	12	91.53%	\$ <u>(73,088)</u>
5					
6	Accumulated Depreciation				\$ <u>(36,544)</u>

**SOURCES:**

Column b, line 2: DR 4-32  
Column b, line 4: Column b, line 2 / line 3  
Column c, line 4: Statement N-1, pg 6, Ref#3097  
Column e, line 4: col b \* col d  
Column e, line 6: Column e, line 4 / 2

Line No.	Description	Test Year Plant In Service	Less: Non-Depreciable Plant	Depreciable Avg. Plant	Functional Class Depreciation Rate	Adjusted Test Year Depreciation Expense	Actual Test Year Depreciation Expense	Depreciation Expense Difference	Remove CUS Depreciation	Total Company Depreciation Expense Adjustment	Allocation Factor	South Dakota Percent	South Dakota Depreciation Expense Adjustment	South Dakota Accumulated Depreciation Adjustment
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
1	Steam Production	\$254,786,721	\$ 333,941	\$ 254,452,780	2.80%	\$ 7,124,678	\$ 6,071,782							
2	Other Production	78,477,086	2,705	78,474,381	2.19%	1,718,589	2,703,555							
3	Total Production					8,843,267	8,775,337	\$ 67,930		\$ 67,930	12	91.53%	\$ 62,176	\$ 31,088
4	Transmission	75,930,346	2,159,768	73,770,578	2.12%	1,563,936	1,742,481	(178,545)	(140,557)	(37,988)	13	91.53%	(34,770)	(17,385)
5	Distribution	248,497,915	1,549,371	246,948,544	2.72%	6,717,000	7,484,970	(767,970)	(17,986)	(749,984)	14	93.75%	(703,135)	(351,568)
6	General	40,693,917	602,008	40,091,909	4.61%	1,848,237	1,702,509	145,728	11,416	134,312	15	89.62%	120,373	60,186
7	Other Utility Plant	4,910,414		4,910,414	18.38%	902,534	595,478	307,056		307,056	15	89.62%	275,189	137,595
8	Wyodak, Osage, and Kirk Acq. Adj.	4,870,308		4,870,308	2.00%	97,406	151,404	(53,998)		(53,998)	2	91.53%	(49,424)	(24,712)
9	TOTAL	708,166,707	4,647,793	703,518,914		19,972,380	20,452,179	(479,799)	(147,127)	(332,672)			(329,592)	(164,796)

Column b: Statement D, pg 2, column a  
Column c: Schedule D-3, pg 4 - 6, col n  
Column d: Column b - Column c  
Column e, line 1, 2, 4 - 7: Statement J, page 1, column d  
Column e, line 8: DR 3-71  
Column f: Column d \* Column e  
Column g: Schedule E-1, DR 3-34  
Column h: Column l - Column g  
Column i, line 4: CUS Ratio based of Statement N, Ref#3098 & 3098.1 (Col h, line 4 \*(\$1,509,750/(\$408,031 + \$1,509,750)))  
Column i, line 5: CUS Ratio based of Statement N, Ref#3099 Formula (Col h, line 5 \*(\$175,300/(\$7,484,970)))  
Column i, line 6: CUS Ratio based of Statement N, Ref#3100 & 3100.1 (Col h, line 6 \*(\$133,371/1,702,509))  
Column j: Column h - Column i  
Column k: Statement N-1, page 6, Ref#3097, 3098, 3099, 3100, 3100.2, & 3095  
Column m: Column j \* Column l  
Column n: Column m \* 50%

Line	Description (a)	FERC Account (b)	Total Expense (c)	BHP Ownership Percentage (d)	BHP Ownership Cost (e)	Allocation Factor (f)	South Dakota Percent (g)	South Dakota Amount (h)
1	Other O&MLabor Expenses							
2	Production Expense							
3	Fuel Handling - Operations	501	\$ 20,902	52%	\$ 10,869			
4	Ash - Operations	501	400,685	52%	208,356			
5	Total Production Expense				<u>219,225</u>	1	87.54%	\$ 191,915
6								
7	Maintenance Expense							
8	Administration - Operations	500	447,542	52%	232,722			
9	Boiler - Operations	502	391,193	52%	203,420			
10	Feedwater - Operations	502	21,826	52%	11,350			
11	Fuel Feed and Preparation - Operations	502	20,902	52%	10,869			
12	Air Pollution Abatement - Operations	502	1,396,634	52%	726,250			
13	Service Air - Operations	502	13,814	52%	7,183			
14	Service Water - Operations	502	9,208	52%	4,788			
15	Instrument and Control - Operations	502	20,902	52%	10,869			
16	Condensate - Operations	505	121,014	52%	62,927			
17	Turbine / Generator - Operations	505	83,613	52%	43,479			
18	Condensing Equipment - Operations	505	46,410	52%	24,133			
19	Service Water - Operations	505	9,208	52%	4,788			
20	Instrument and Control - Operations	505	20,902	52%	10,869			
21	Structures - Operations	506	81,131	52%	42,188			
22	Plant Lighting - Operations	506	1,843	52%	958			
23	Miscellaneous - Operations	506	13,814	52%	7,183			
24	Rents	507	1,600,000	52%	832,000			
25	Administration - Maintenance	510	327,369	52%	170,232			
26	Structures - Maintenance	511	28,551	52%	14,847			
27	Plant Lighting - Maintenance	511	3,682	52%	1,915			
28	Heating Ventilating & Air Conditioning - Maintenance	511	4,606	52%	2,395			
29	Fire Prevention - Maintenance	511	9,208	52%	4,788			
30	Boiler - Maintenance	512	92,099	52%	47,891			
31	Feedwater - Maintenance	512	46,047	52%	23,944			
32	Condensate - Maintenance	512	13,814	52%	7,183			
33	Fuel Handling - Maintenance	512	19,339	52%	10,056			
34	Fuel Feed and Preparation - Maintenance	512	78,285	52%	40,708			
35	Air Pollution Abatement - Maintenance	512	114,201	52%	59,385			
36	Waste Water Treatment - Maintenance	512	28,551	52%	14,847			
37	Service Water - Maintenance	512	7,369	52%	3,832			
38	Instrument and Control - Maintenance	512	40,522	52%	21,071			
39	Ash - Maintenance	512	63,548	52%	33,045			
40	Service Air - Maintenance	512	25,789	52%	13,410			
41	Turbine / Generator - Maintenance	513	240,377	52%	124,996			
42	Auxiliary Power - Maintenance	513	149,367	52%	77,671			
43	Condensing Equipment - Maintenance	513	35,920	52%	18,678			
44	Tools & Equipment - Maintenance	514	50,653	52%	26,340			
45	Miscellaneous - Maintenance	514	20,902	52%	10,869			
46	Total Maintenance Expense				<u>2,964,081</u>	1	87.54%	2,594,831
47								
48	Administrative & General Expense							
49	Property Insurance	924	224,260	52%	116,615	56	92.12%	107,425
50								
51	Total Other O&MLabor Expense							<u>2,894,171</u>
52								
53	Allocation to Labor		2,296,560	52%	1,194,211	1	87.54%	<u>1,045,443</u>
54	Allocation to Other O&M							<u>1,848,728</u>
55								
56	Coal/Fuel Oil/Natural Gas							
57	Steam Power Fuel - Gas	501.1	75,155	52%	39,081	1	87.54%	<u>\$ 34,212</u>

**SOURCES:**

Column b, c, d & e, lines 3-4, 8-45, 57: Schedule H-6  
Column b, c, d, & e, line 49: DR 5-31  
Column c, d, & e, line 53: E-mail from Kilpatrick to Knadle on 2/25/2010  
Column e, line 5: sum of Column e, line 4 & 5  
Column e, line 46: sum of Column e, line 8 through 45  
Column f, line 5 & 57: Statement N-1, pg 4, Ref#3005  
Column f, line 46, 53: Statement N-1, pg 4, Ref#3017  
Column f, line 49: Statement N-1, pg 4, Ref#3085  
Column h, line 5, 46, 49, 53, 57: Column e \* g  
Column h, line 51: sum of Column h, line 5, 46 & 49  
Column h, line 54: Column h, line 51 - line 53

Line	Description	Total Company Amount	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)
1	Renewable Energy Credits				
2	Test Year RECs sold	\$ 33,500			
3	Sale Price per REC	5			
4	Other Operating Revenue	167,500			
5	Wind Purchased By Retail Customers	20%			
6	REC Revenue Allocated to Retail Customers	33,500	39	90.45%	\$ 30,301
7	REC Sharing for SD Customers				90%
8	SD REC Revenue				27,271
9	Amortization Period				3
10	Other Operating Revenue Per Year				\$ 9,090
11	Other Rate Base Reduction				\$ 13,635

**SOURCES:**

Column b, line 2, 3: Correspondence Attachment 2-5.2 021110  
Column b, line 4: Column b, line 2 \* line 3  
Column b, line 5: E-mail from Kilpatrick to Knadle on 4/6/2010  
Column b, line 6: Column b, line 4 \* line 5  
Column c, line 6: Statement N-1, pg 7, Ref#5002  
Column e, line 6: Line 6, col b \* col d  
Column e, line 7: Commission Decision EL09-029  
Column e, line 8: Column e, line 6 \* line 7  
Column e, line 9: JPT-3 Sch 1, line 9, column a  
Column e, line 10: Column e, line 8 / line 9  
Column e, line 11: Column e, line 8 / 2

<u>Line</u>	<u>Description</u> (a)	<u>Total Company Amount</u> (b)	<u>Allocation Factor</u> (c)	<u>South Dakota Percent</u> (d)	<u>South Dakota Amount</u> (e)
1	Wygen III Coal Cost				
2	Coal Quantities (tons)	572,141			
3	Price per Ton	\$ 11.58			
4	Cost of Coal	6,625,393			
5	BHP % Ownership	52.00%			
6	BHP Cost of Coal	\$ 3,445,204	1	87.54%	\$ 3,016,019

**SOURCES:**

Column b, line 2: Schedule H-7, pg 2, column "Total", line 11

Column b, line 3: Docket EL10-001, E-mail from Kilpatrick to Knadle on 2/12/10, Workbook Tab "Stmt R Adj",  
2009 Price Per Ton

Column b, line 4: Column b, line 2 \* 3

Column b, line 5: Schedule D-10, Pages 1-3

Column b, line 6: Column b, line 4 \* 5

Column c, line 6: Statement N-1, pg 4, Ref#3005

Column e, line 6: Line 6, col b \* d

Line	Description	Total Company Amount	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)
1	FERC Account 561				
2	CUS Load Dispatch Labor Increase Adjustment				
3	Wage Increase Amount				\$ 208,386
4	Allocation to Transmission Expense				7.0244%
5	Transmission Wage Increase Amount				14,638
6	Allocation to FERC Account 561				46.8579%
7	FERC Account 561 Wage Increase Amount				6,859
8	Adjustment to Remove Wage Increase related to Load Dispatch				(6,859)
9	Load Dispatch Expense Included in SD Cost of Service				\$ -
10					
11	FERC Account 565				
12	BHP 2010 CUS Tariff Expense Adjustment	\$ 648,416			
13	BHP Monthly AC/DC Tie Expense (7/1/08 - 12/31/08)	1,646,400			
14	BHP Transmission Expense Reimbursement	(694,310)			
15	Total BHP FERC Account 565 Adjustment	<u>1,600,506</u>	3	91.53%	<u>\$ 1,464,945</u>

**SOURCES:**

Column b, line 12: DR 3-45, Attachment 3-45.1, pg 2  
Column b, line 13: Schedule H-11, line 27  
Column b, line 14: Schedule H-11, line 18  
Column b, line 15: Sum of Column b, line 9 through 11

Column c, line 15: Schedule N-1, pg 5, Ref#3026

Column e, line 3: JPT-3 Sch 6, col b, line 9 + JPT-3 Sch 6, col b, line 15  
Column e, line 4: Schedule H-1, pg 1, col a, line 3 / Schedule H-1, pg 1, col a, line 19 (Follows H-1, column c, line 3 allocation)  
Column e, line 5: Column e, line 3 \* line 4  
Column e, line 6: Statement H, pg 2, line 51, col a / (Statement H, pg 2, col a, line 57 - 54) - (Follows Statement H, col b, line 51 allocation)  
Column e, line 7: Column e, line 5 \* line 6  
Column e, line 8: negative Column e, line 7  
Column e, line 9: Column e, line 7 + line 8  
Column e, line 15: Line 15, column b \* column d

Line	Description	Total Company Amount	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)
1	Shared Capital Asset Fee on Facilities Not Included in Agreement				
2	Wygen III Shared Facilities	\$ 418,155			
3	Debt Ratio for BHP Wyoming	55.46%			
4	Subtotal	231,909			
5	Borrowing Rate	8.41%			
6	Debt Return	19,504			
7					
8	Wygen III Shared Facilities	418,155			
9	Equity Ratio for BHP Wyoming	44.54%			
10	Subtotal	186,246			
11	Regulatory Permitted Return	12.20%			
12	Equity Return	22,722			
13					
14	Annual Return on Wygen III Facilities	42,226			
15	Annual Depreciation on Shared Facilities	11,708			
16	Total Return and Depreciation on Shared Facilities	53,934			
17	Allocate to MDU and Other	48.00%			
18	Shared Capital Asset Fee	25,888	41	98.16%	\$ 25,412

**SOURCES:**

- Column b, line 2, 8: E-mail from Kilpatrick to Knadle on 4/6/10
- Column b, line 3, 5, 9, 11, 17: Statement I Pg 1 Note 4 (BHP-SDPUC-000374)
- Column b, line 4: Column b, line 2 \* line 3
- Column b, line 6: Column b, line 4 \* line 5
- Column b, line 10: Column b, line 8 \* line 9
- Column b, line 12: Column b, line 10 \* line 11
- Column b, line 14: Column b, line 6 + line 12
- Column b, line 15: Column b, line 2 \* RLK-1 Sch 7, column e, line 1
- Column b, line 16: Column b, line 14 + line 15
- Column b, line 18: Column b, line 16 \* line 17
- Column c, line 18: Statement N-1, pg 7, Ref#4003
- Column e, line 18: Line 18, column b \* column d



Black Hills Power Inc.  
 South Dakota - Electric  
 Cash Working Capital  
 Test Year Ended 6/30/09

Exhibit\_\_(DAJ-1)  
 Schedule 1  
 Page 1

Line	Description	South Dakota Per Books	Adjustments	Pro Forma Expense	Expense Per Day	Expense Lead Days	Expense Dollar Days
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	<b>Operation &amp; Maintenance</b>						
2	Coal/Fuel Oil/Natural Gas	\$ 13,368,256	\$ 646,564	\$ 14,014,820	\$ 38,397	22.8	\$ 875,452
3	Coal Transportation	2,189,582	261,595	2,451,177	6,716	15.6	104,770
4	Natural Gas - Other Production	2,172,542	(1,851,338)	321,204	880	36.3	31,944
5	Purchased Power and Capacity	51,589,179	(37,822,318)	13,766,861	37,717	29.8	1,123,967
6	Transmission	11,925,966	350,634	12,276,600	33,635	35.3	1,187,316
7	Labor	11,810,297	2,247,250	14,057,547	38,514	15.5	596,967
8	Vacation	2,046,432		2,046,432	5,607	138.0	773,766
9	Employee Benefits	5,231,707	(2,288,013)	2,943,694	8,065	116.6	940,379
10	Service Company Charges	13,823,957	1,138,346	14,962,303	40,993	32.1	1,315,875
11	Other O&M	8,647,681	2,769,994	11,417,675	31,281	25.0	782,025
12	Uncollectible Accounts	300,605		300,605	824	422.0	347,728
13	Wyodak Power Plant O&M	2,700,604	245,339	2,945,943	8,071	(8.0)	(64,568)
14	Total O & M	125,806,808	(34,301,947)	91,504,861	250,700		8,015,621
15	Depreciation & Amortization	17,213,812	2,864,889	20,078,701	55,010	0	-
16	Property Taxes	3,796,598	1,001,030	4,797,628	13,144	326.4	4,290,202
17	Payroll - FICA	1,522,778	150,518	1,673,296	4,584	16.5	75,636
18	Payroll - FUTA	17,151	3,262	20,413	56	47	2,632
19	Payroll - SUTA	16,774	3,236	20,010	55	47	2,585
20	S D Gross Receipts Tax	175,000	32,955	207,955	570	378.5	215,745
21	Federal Income Tax	(6,588,395)	2,618,389	(3,970,006)	(10,877)	37	(402,449)
22	Deferred Income Taxes	12,546,255	(815,857)	11,730,398	32,138	0	-
23	Investment Tax Credit	108,284	(1,633)	106,651	292	0	-
24	Interest on Long Term Debt			12,214,869	33,465	91.3	3,055,355
25	Total	\$ 154,615,065	\$ (28,445,158)	\$ 138,384,776	\$ 379,137	40.24	\$ 15,255,327.00
26	Revenue Lag Days	35.64					
27	Expense Lead Days	40.24					
28	Net Days	(4.60)					
29	Expense per Day	379,137					
30	Cash Working Capital	(1,744,030)					

**SOURCES:**

Line 14: Sum of lines 2 through 13

Line 25 (except column f): Sum of lines 15 through 24

**Column (b)**

Line 2-7, 9-11, 13, 15-23: JPT-1 Sch 2, column b, line 9 - 30

Line 8: \$2,559,000 (DR7-6) \* \$13,856,729 (JPT-1 Sch 3, col b, line 14) / \$17,327,510 (F-3, pg 1, ln 7, col a)

Line 12: \$350,478 (Statement H, pg 3, line 101, col a) \* Allocation

Factor 39 (Statement N pg 6, Ref#3075)

Line 26: Midpoint of Month (15.21), processing lag (.432 - BHP response to Staff DR 1-1, work paper 000205) and 20 days (ARSD 20:10:15:02(8) and BHP tariff.

Line 27: Column f, line 25

Line 28: Column b, line 26 less line 27

Line 29: Column e, line 25

Line 30: Column b, line 28 \* line 29

**Column (c)**

Line 2-7, 9-11, 13, 15-19, 22-23: JPT-1 Sch 2, column c, line 9-26, 29-30

Line 20: JPT-1 Sch 2, col e, line 27

Line 21: JPT-1 Sch 2, col c, line 28 + JPT-1 Sch 2, col e, line 28

**Column (d)**

Column b plus column c

line 24: RLK-1 Sch 1, col b, line 3

**Column (e)**

Column d / 365

**Column (f)**

Line 2-7, 9-11, 13, 16-17: Statement F-3, column c

Line 8: \$926,254 (DR12-3) / (\$2,559,000 (DR7-6) / 365)

Line 12: \$347,431 (average SD balance per DR12-1) / 842 (Line 12, col d)

Line 18-19, 21: Staff workpapers

Line 20: SDCL 49-1A-5

Line 24: (365/2)/2

Line 25: Line 25, column g / column e

**Column (g):**

Column e \* column f

Black Hills Power, Inc.  
 South Dakota - Electric  
 Tax Collections Available  
 Test Year Ended 6-30-09

Exhibit\_\_(DAJ-1)  
 Schedule 2  
 Page 1

Line	Item (a)	South Dakota Per Books (b)	Adjustments (c)	Pro Forma Collections (d)	Collections Per Day (e)	Collection Lead Days (f)	Available (g)
1	Employee FICA	\$ 1,611,688	\$ 150,518	\$ 1,762,206	\$ 4,828	16.5	\$ 79,662
2	Federal Withholding	2,386,945	387,109	2,774,054	7,600	16.5	125,400
3	South Dakota Sales Tax	4,602,654	882,731	5,485,385	15,028	9.99	150,130
4	Total						<u>\$ 355,192</u>

**Sources:**

**Column (b)**

line 1-3: DR 1-28

**Column (c)**

line 1: JPT-1, Schedule 2, column c, line 24

line 2: [(Col (b) line 2/JPT-1, Schedule 2, column b, line 14) \* JPT-1, Schedule 2, column c, line 14]

line 3: (JPT-1, Schedule 2, column c, line 2 + JPT-1, Schedule 2, column e, line 6) \* .04

**Column (d)**

column b + column c

**Column (e)**

column d / 365

**Column (f)**

line 1: Schedule F-3, page 1 line 52

line 2: Schedule F-3, page 1 line 53

line 3: [(365/12)/2] + 30.42 (1 month) - 35.64 (revenue lag)

**Column (g)**

column e \* column f

Line	Description	5 Year Average Tons Consumed	Price Per Ton	Average Cost	Test Year Cost	Increase/ (Decrease)	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Plant								
2	Ben French	126,768	\$ 12.27	\$ 1,555,443	\$ 1,618,869	\$ (63,426)			
3	Neil Simpson I	124,253	11.58	1,438,850	1,200,034	238,816			
4	Neil Simpson II	512,107	11.58	5,930,199	5,439,241	490,958			
5	Osage	243,822	11.58	2,823,459	2,726,723	96,736			
6	Wyodak Plant - BHP Only	388,785	11.58	4,502,130	4,385,916	116,214			
7	Total			<u>16,250,081</u>	<u>15,370,783</u>	<u>879,298</u>	1	87.54%	<u>\$ 769,760</u>

**SOURCES:**

Column b, line 2 - 6: DR 3-51, Attachment 3-51.1, column n, line 22 - 26

Column c, line 2: Docket EL10-001, E-mail from Kilpatrick to Knadle on 2/12/10, Workbook Tab "Stmt R Adj",  
2009 Price Per Ton \* 1.06 (E-mail from Kilpatrick to Knadle on 3/4/10)

Column c, line 3-6: Docket EL10-001, E-mail from Kilpatrick to Knadle on 2/12/10, Workbook Tab "Stmt R Adj",  
2009 Price Per Ton

Column d, line 2 - 6: col b \* col c

Column d, line 7: Column d, sum of lines 2 through 6

Column e, line 2 - 7: DR 3-51, Attachment 3-51.1, column c, line 1 - 5, 7

Column f: Column d minus Column e

Column g, line 7: Statement N-1, pg 4, Ref#3005

Column i, line 7: Line 7, column f \* column h

Line	Description	5 Year Average Tons Consumed	Price Per Ton	Average Cost	Coal Transport Cost	Other Fuel Oil/Gas	Total Cost	Net MWh Produced	Variable Cost
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Plant								
2	Ben French	126,768	\$ 12.27	\$ 1,555,443	\$ 1,088,364	\$ 33,165	\$ 2,676,972	137,985	\$ 19.40
3	Neil Simpson I	124,253	11.58	1,438,850	-	270,097	1,708,947	150,147	11.38
4	Osage	243,822	11.58	2,823,459	1,479,684		4,303,143	233,661	18.42
5									
6									
7									
8			5 Year Average	Projected MWh's		Marketing Cost			
9	Description	MWh's to serve	Net MWh's	Available for	Coal Cost	of Coal	Allocation	South Dakota	South Dakota
10	(a)	retail customers	Produced	Marketing	per MWh	Generation	Factor	Percent	Amount
11	Plant	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
12	Ben French	63,800	133,598	69,798	\$ 19.40	\$ 1,354,081			
13	Neil Simpson I	110,780	140,763	29,983	11.38	341,207			
14	Osage	102,082	240,198	138,116	18.42	2,544,097			
15	Total					<u>4,239,385</u>	1	87.54%	<u>\$ 3,711,265</u>

**SOURCES:**

Column b, line 2 - 6: DR 3-51, Attachment 3-51.1, column n, line 22, 23, & 25  
Column c, line 2: Docket EL10-001, E-mail from Kilpatrick to Knadle on 2/12/10, Workbook Tab "Stmt R Adj",  
2009 Price Per Ton \* 1.06 (E-mail from Kilpatrick to Knadle on 3/4/10)  
Column c, line 3-4: Docket EL10-001, E-mail from Kilpatrick to Knadle on 2/12/10, Workbook Tab "Stmt R Adj",  
2009 Price Per Ton  
Column d, line 2 - 4: col b \* col c  
Column e, line 2 - 4: W/P BHP-SDPUC-000340, column 4  
Column f, line 2 - 4: W/P BHP-SDPUC-000340, column 5  
Column g, line 2 - 4: col d + col e + col f  
Column h, line 2 - 4: W/P BHP-SDPUC-000340, column 7  
Column i, line 2 - 4: Column g / Column h

Column b, line 12 - 14: DR3-50, Attachment 3-50, column g, line 15-17  
Column c, line 12 - 14: DR3-50, Attachment 3-50, column f, line 1-3  
Column d, line 12 - 14: Column c - Column b  
Column e, line 12 - 14: Column i, line 2 - 4  
Column f, line 12 - 14: Column d \* Column e  
Column f, line 15: sum of column f, line 12 through 14  
Column g, line 15: Statement N-1, pg 4, Ref#3005  
Column i, line 15: Line 15, column f \* column h

<u>Line</u>	<u>Description</u>	<u>Total Company Amount</u>	<u>Allocation Factor</u>	<u>South Dakota Percent</u>	<u>South Dakota Amount</u>
	(a)	(b)	(c)	(d)	(e)
1	Costs Related to Generation Dispatch and Scheduling				
2	Labor	\$ 964,882			
3	Labor Overhead	686,830			
4	Materials and Supplies	516			
5	Overhead on Supplies	98			
6	Other Non-Inventory Supplies	1,898			
7	Consulting Services	308,139			
8	Meals & Entertainment	2,068			
9	Lodging	4,761			
10	Dues & Subscriptions	7,150			
11	Miscellaneous Expense	18,418			
12	Other Travel Expense	5,791			
13	Total Costs	<u>2,000,551</u>			
14	MDU and Other % Capacity	4.18%			
15	Amount to be Charged to MDU and Other	<u>\$ 83,700</u>	2	91.53%	<u>\$ (76,611)</u>

**SOURCES:**

Column b, line 2 - 12: DR 5-29, Attachment 5-29.1 Page 2

Column b, line 13: Column b, sum of lines 2 - 12

Column b, line 14: Schedule H-8, Pg 2, line 60

Column b, line 15: Column b, line 13 \* line 14

Column c, line 15: Statement N-1, page 4, Ref#3018

Column e, line 15: Line 15, col b \* col d

**BLACK HILLS POWER**  
South Dakota Retail Operations  
Flow-Through Tax Treatment for Repair Allowance  
Test Year Ended June 30, 2009

(A)	(B)
1. Repair allowance deduction - test year	\$3,482,329
2. South Dakota allocation factor (total plant in service)	<u>82.46%</u>
3. Repair allowance deduction - South Dakota	\$2,871,528
4. Federal income tax rate	<u>35%</u>
5. Deferred income tax adjustment	<u>(\$1,005,035)</u>
6. Accumulated deferred tax adjustment	<u>(\$1,005,035)</u>

Sources

Line 1: BHP's response to SDPUC Request No. 5-24

Line 2: BHP Statement N-1, page 2

**BLACK HILLS POWER**  
South Dakota Retail Operations  
BH Service Company Adjustment  
Test Year Ended June 30, 2009

(A)	(B)
<b>Costs Allocated to BHP Using Blended Ratio</b>	
1. Corporate governance	\$530,404
2. Executive management	406,520
3. Finance and Treasury	311,975
4. Financial reporting	81,831
5. Investor relations	165,815
6. Shareholder services	64,685
7. Insurance D&O	383,745
8. Corporate development	<u>70,274</u>
9. Total - allocated to BHP using blended ratio	\$2,015,249
10. Allocation adjustment ratio	<u>94.15%</u>
11. Adjusted costs allocated to BHP	<u>\$1,897,357</u>
12. Reduction in allocated costs	(\$117,892)
13. South Dakota retail factor (Factor 28)	<u>89.43%</u>
14. Adjustment to A&G expenses - SD	(\$105,431)
15. Federal income taxes @ 35%	<u>36,901</u>
16. Net income adjustment - SD	<u><u>\$68,530</u></u>

Sources:

Lines 1-8: BHP response to SDPUC Request 13-2 Attachment  
Line 10: Schedule 2, herein

**BLACK HILLS POWER**  
South Dakota Retail Operations  
Service Company Blended Ratio - Including Holding Company  
Test Year Ended June 30, 2009

	Asset Cost		Gross Margin		Payroll		Blended Ratio (I)
	Amount (B)	Ratio (C)	Amount (D)	Ratio (E)	Amount (F)	Ratio (H)	
(A)							
1. BHE (stand alone)	2,723,621	0.0822%	268,613	0.0259%	663,843	0.4585%	0.1889%
2. CLFP	381,726,956	11.5264%	68,910,488	6.6422%	7,172,783	4.9543%	7.7076%
3. BHP	844,661,891	25.5049%	119,001,699	11.4704%	25,534,661	17.6369%	18.2041%
4. EIF		0.0000%		0.0000%		0.0000%	0.0000%
5. BH Ontario		0.0000%	2,941,202	0.2835%	375,560	0.2594%	0.1810%
6. BH Idaho	58,783	0.0018%	390,433	0.0376%	792,221	0.5472%	0.1955%
7. Enserco	2,374,711	0.0717%	59,310,223	5.7168%	11,010,028	7.6047%	4.4644%
8. WRDC	107,509,472	3.2463%	56,901,434	5.4846%	8,154,315	5.6322%	4.7877%
9. BH Wyoming	158,666,874	4.7910%	28,540,020	2.7509%		0.0000%	2.5140%
10. BHEP	284,356,904	8.5863%	60,398,747	5.8217%	7,019,879	4.8486%	6.4189%
11. BHGR	227,039,948	6.8556%	35,550,377	3.4266%	1,084,073	0.7488%	3.6770%
12. BH Plateau Production	116,793,626	3.5266%	4,991,681	0.4811%	276,360	0.1909%	1.3995%
13. BH Midstream	20,228,588	0.6108%	5,405,869	0.5211%	385,248	0.2661%	0.4660%
14. BHEG		0.0000%		0.0000%		0.0000%	0.0000%
15. BHNEG	273,945,918	8.2719%	75,800,177	7.3062%	14,697,588	10.1517%	8.5766%
16. BHIAG	232,318,443	7.0150%	59,493,712	5.7345%	12,740,960	8.8002%	7.1832%
17. BHKSG	194,567,172	5.8750%	46,569,407	4.4887%	9,531,915	6.5837%	5.6491%
18. BHCOG	103,198,193	3.1161%	21,211,309	2.0445%	4,274,581	2.9525%	2.7044%
19. BHCOE	349,264,912	10.5462%	64,403,430	6.2077%	15,776,483	10.8969%	9.2169%
20. BHUHC	843,595	0.0255%		0.0000%	17,009,139	11.7483%	3.9246%
21. BHC Holding Company	11,480,118	0.3466%	327,381,912	31.5558%	8,280,500	5.7194%	12.5406%
22. Total	<u>3,311,759,525</u>	<u>100.00%</u>	<u>1,037,470,733</u>	<u>100.00%</u>	<u>144,780,137</u>	<u>100.00%</u>	<u>100.00%</u>
23. BHP factor - as filed (including BHC)							19.34%
24. BHP factor - as adjusted (including BHC)							<u>18.20%</u>
25. Ratio of adjusted BHP factor to the as-filed factor							<u>94.15%</u>

Sources:

Lines 1-20, 24: BHP response to SDPUC Request No. 13.3

Line 21: BHP response to SDPUC Request No. 13-4.1 and SDPUC Request 1.35 (Confidential)



**BLACK HILLS POWER**  
South Dakota Retail Operations  
Spread of the Increase Among Rate Classes  
Test Year Ended June 30, 2009

(A)	Total South Dakota (B)	Residential (C)	Small General Service (D)	Large General Service and Industrial (E)	Lighting (F)
1. Allocated rate base - per BHP cost study	\$393,433,409	\$148,933,462	\$136,540,376	\$102,230,322	\$5,729,224
2. Firm revenues under present rates - as filed	113,564,634	44,162,984	37,289,355	30,423,350	1,688,946
3. Staff firm revenue adjustments	65,354			65,354	
4. Adjusted firm service revenues - present rates	\$113,629,988	\$44,162,984	\$37,289,355	\$30,488,704	\$1,688,946
Percentage of total revenue - excluding LGS/I	100.000%	53.118%	44.851%		2.031%
5. BHP's revenue deficiency at equalized ROR	38,759,089	14,053,925	11,371,609	13,084,462	249,088
6. Staff revenue deficiency as % of BHP's request	56.77%	56.77%	56.77%	56.77%	56.77%
7. Staff's revenue deficiency	\$22,002,926	\$7,978,192	\$6,455,484	\$7,427,844	\$141,403
8. Firm service revenue requirement	\$135,632,914	\$52,141,176	\$43,744,839	\$37,916,548	\$1,830,349
9. Percentage increase	19.36%	18.07%	17.31%	24.36%	8.37%
10 Revenue deficiency at equal percentage increase	22,002,926	8,551,571	7,220,584	5,903,729	327,042
11 Percentage increase	19.36%	19.36%	19.36%	19.36%	19.36%
12 Half way between equal percent and COS for LGS/I**	22,002,926	8,382,982	6,797,275	6,665,788	156,881
13 Percentage increase	19.36%	18.98%	18.23%	21.86%	9.29%

\*\*\*\*\*

\*\* Other classes share deficiency in proportion to their revenues.

Black Hills Power, Inc.  
 South Dakota Electric EL09-018  
**Lobbying**  
 Adjusted Test Year Ended June 30, 2009

Exhibit \_\_\_\_\_(TLB-1)  
 Schedule 1  
 Page 1 of 1

a.	Amount
b.	
1 SD test year lobbying expenses	\$ 17,854
2 Issues lobbied	55
3 Allocated expense per issue	\$ 325
4 100% shareholder benefit issues	10
5 Adjustment	\$ (3,250)
6 SD test year lobbying expenses	\$ 17,854
7 less: 100% shareholder benefit	\$ (3,250)
8 Subtotal	\$ 14,604
9 Percent allocated to shareholders	50%
10 Adjustment	\$ (7,302)
11 TOTAL Adjustment	\$ (10,552)

Sources:

Column B lines 1 and 6: DR 1-19  
 line 2: DR 6-11 and LaBrie Baker testimony  
 line 3: line 1/line 2  
 line 4: DR 1-19  
 line 5: line 3 \* line 5  
 line 7: line 5  
 line 8: line 6 less line 7  
 line 9: DR 6-11 and LaBrie Baker testimony  
 line 10: line 8 \* line 9  
 line 11: line 5 + line 10

Black Hills Power, Inc.  
 South Dakota Electric EL09-018  
**Economic Development**  
 Adjusted Test Year Ended June 30, 2009

Exhibit \_\_\_\_\_(TLB-1)

Schedule 2

Page 1 of 1

Description	SD Econ. Dev.		Staff Adjustment
a.	b.		c.
1 Labor	35,472	\$	(35,472)
Other			
2 Greater RC Area Econ. Dev	9,045	\$	(9,045)
3 Hot Springs Area Chb Of Comm	905	\$	(905)
4 BH Badlands & lakes	905	\$	(905)
5 Governor's Office	1,357	\$	(1,357)
6 BH Comm. Economic	1,628	\$	(1,628)
7 Utility Econ Dev	538	\$	(538)
8 Spearfish Econ Dev	452	\$	(452)
9 RC area Hopitality Assoc	86	\$	(86)
10 SD Chamber & Econ.	81	\$	(81)
11 Labor/travel/meals/other	2,677	\$	(2,677)
12 Total Other	17,674	\$	(17,674)
13 TOTAL		\$	(53,146)

Sources:

Columns (b) and ©, lines 1-11: DR 1-25, 2-2, and 5-8  
 line 12: sum of lines 2-11  
 line 13: line 1 + line 12

Black Hills Power, Inc.  
 South Dakota Electric EL09-018  
**Association Dues and Donations**  
 Adjusted Test Year Ended June 30, 2009

Exhibit \_\_\_\_\_(TLB-1)

Schedule 3

Page 1 of 1

Staff

Adjustment

Description a.	SD Per Books Assoc. Dues b.	Adjustment c.
1 NCEA *	864	0
2 SD Electric Council	20,955	0
3 Other *	95	0
4 Total Associations	21,914	
5 International Soc of Arborists	112	0
6 SD Arborist Assoc.	72	0
7 Total Dues/Donations	184	
8 Edison Electric Institute	18,577	(3,715)
9 North Central Electric Assn	9,348	0
10 Platts	5,088	0
11 SD Electric Utilities Comp	52,851	0
12 Utility Shareholders of SD	33,089	(33,089)
13 Total BHSC Allocations and Direct Charges	118,953	
14 Staff Pro Forma Adjustment - South Dakota		(36,804)

\* American Society of Heating, Refrigeration, and Air Conditioning Engineers

\* National Center for Environmental Assessment

Sources: Column B: line 1 to 3: DR 5-9  
 line 4: Sum of lines 1-3  
 line 5 and 6: DR 5-9  
 line 7: Sum of lines 5-6  
 line 8 to 12: DR 5-9  
 line 13: Sum of lines 8-12  
 Column C: line 8: column b, line 8 \* 20%  
 line 12: column b, line 12  
 line 14: line 8 + line 12

Black Hills Power, Inc.  
 South Dakota Electric EL09-018

Exhibit \_\_\_\_ (TLB-1)

**Advertising**

Schedule 4

Adjusted Test Year Ended June 30, 2009

Page 1 of 1

Description	Total Company Amount	Allocation Factor	SD Percent	SD Amount
a.	b.		c.	d.
1 Advertising Account 909	\$ 8,522			
2 Percent not allowable	16%			
3 Adjustment	(\$1,364)	39	90.45%	(\$1,234)
4 Advertising Account 930.1	\$ 296,272			
5 Percent not allowable	100%			
6 Adjustment	(\$296,272)	28	89.43%	(\$264,956)
7 Total Adjustment				(\$266,190)

Sources

- Column B: Line 1: Schedule H-3 line 7, DR 1-47, 4-5, 6-9
- Line 2: DR 1-47, Email from Kilpatrick on 3/1/10
- Line 3: Line 1 x line 2
- Line 4: Schedule H-3 line 15, DR 4-5
- Line 5: Email from Kilpatrick on 3/1/10
- Line 6: Line 4 x line 5
- Column C: Line 3: Schedule N-1, page 6, reference # 3078
- Line 6: Schedule N-1, page 6, reference # 3087
- Column D: Lines 3 and 6: Schedule N-1, page 2
- Column E: Line 3: Column B, line 3 x Column C, line 3
- Line 6: Column B, line 6 x Column C, line 6
- Line 7: line 3 + line 6