BUILDING A WORLD OF DIFFERENCE®

BLACK HILLS POWER, INC.

Report on
Depreciation Accrual Rates

Electric Utility Property
Through December 31, 2008

September 18, 2009

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September 18, 2009

Ms. Marne Miller
Director - Central Services
Black Hills Corporation
P.O. Box 1400
625 Ninth Street
Rapid City, SD 57709

Dear Ms. Miller:

We are enclosing our Report on Depreciation Accrual Rates for the electric utility property of Black Hills Power, Inc. (BHP). The findings, conclusions, and recommendations that we present in the report are representative of plant activity through December 31, 2008. In the report, we have provided discussions relative to depreciation accounting, the processes utilized and historical information relied upon, the determination of appropriate depreciation expense rates, as well as a review of the adequacy of current depreciation reserves. The Executive Summary of the report summarizes our major findings and recommendations.

We appreciate the opportunity to be of service in this matter and wish to thank BHP and their staff for their cooperation and assistance provided in the completion of the report.

Very Truly Yours,

BLACK & VEATCH CORPORATION

L. W. Loos
Director, Enterprise Management Solutions

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DISCLAIMER

Subject to the limitations set forth herein, this report was prepared for BHP by Black & Veatch Corporation ("B&V") and is based on information not within the control of B&V. B&V has not been requested to make an independent analysis, to verify the information provided to us, or to render an independent judgment of the validity of the information provided by others. As such, B&V cannot, and does not, guarantee the accuracy thereof to the extent that such information, data, or opinions are based on information provided by others.

1.0 EXECUTIVE SUMMARY

This report describes the analyses conducted and the results obtained for the depreciation expense rates and accumulated provision for depreciation of the electric utility property of Black Hills Power, Inc. (BHP). This report is based on plant activity through December 31, 2008, with recognition given to known or planned changes since that date. We consider the rates developed and recommended herein to be reasonable and appropriate for prospective use. We recommend, however, that depreciation rates be reviewed at a minimum of once every five years. We previously analyzed the depreciation rates of the company in 2006. Current BHP depreciation rates are based on the remaining life rates we recommended in that 2006 report.

Plant in service and accumulated depreciation as of December 31, 2008 for the classes of plant are summarized below:

Table 1-1
Plant in Service and Accumulated Reserve
As of December 31, 2008

Line No.	[A] Description	[B] Plant in Service	[C] Accumulated Reserve
		$	$
1	Production Plant	333,751,374	168,424,399
2	Transmission Plant	70,469,637	25,333,132
3	Distribution Plant	249,651,598	81,960,628
4	General Plant	40,949,064	19,013,751
5	Total Plant in Service at 12/31/08	694,821,673	294,731,910
6	Pro Forma Adjustment to Plant in Service		
7	Wygen III [(1)]	128,440,000	-
8	Pro Forma Plant in Service	823,261,673	294,731,910

Notes:
(1) BHP's 52% share of Wygen III will be in service in 2010.

We base our recommended depreciation accrual rates on application of the remaining life depreciation method. This method is premised on recovery of plant investment in generally equal amounts over the remaining service life of plant facilities. This method recognizes changes that have occurred or are occurring, with respect to changes in investment level and life characteristics of individual property units.

For unit property, specifically production plant, we develop remaining life depreciation expense rates based on the prospective life span (retirement date) of each generating unit. The prospective retirement dates we use in this report were provided by BHP. Consistent with the remaining life concept and the prospective retirement date used, we include allowance for interim additions and retirements of individual pieces of property, as well as an adjustment for net salvage (gross salvage less cost of removal). The remaining life rates and the resulting change in depreciation expense for unit property accounts are shown in Table 5-1 and summarized in Table 1-2.

For mass property, specifically transmission, distribution, and general plant, the basis for our recommended accrual rates begins with the development of appropriate average service lives (ASL) and Iowa curves for each plant account using the actuarial analysis method. After developing our recommended ASL and Iowa

curve, we adjust for net salvage to develop a whole life depreciation rate. As a final step, we consider depreciation reserve deficiency or excess and adjust the whole life rates to remaining life rates. Recommended depreciation rates for unit and mass property are summarized by function in Table 1-2 below and presented in detail in Table 1-3 at the end of this Executive Summary.

Table 1-2
Recommended Changes in Depreciation Rates and Expense

Line No.	Description	[A] Current Composite Accrual Rate	[B] Composite Recommended Accrual Rate	[C] Change in Depreciation Expense
		%	%	$
1	Production Plant	2.84%	2.66%	(608,995)
2	Transmission Plant	2.40%	2.12%	(185,801)
3	Distribution Plant	3.04%	2.72%	(786,829)
4	General Plant	6.53%	4.61%	(774,197)
5	Total Plant in Service at 12/31/08	3.11%	2.76%	(2,355,821)
6	Pro Forma Adjustments			
7	Wygen III		2.72%	3,493,568
8	Total Change Including Pro Forma Balances		2.75%	1,137,747

As indicated in the above table, application of the recommended remaining life depreciation rates results in a $2.36 million decrease in annual depreciation expense when applied to total depreciable assets as of December 31, 2008. When applied to pro forma balances including the addition of the Wygen III generating station, total depreciation expense increases by about $1.14 million. The overall decrease in depreciation expense is primarily attributable to the following factors:

1. Other Production Plant (combustion turbine based generation) retirement dates have generally been extended by BHP. Application of recommended production plant depreciation rates reduces the depreciation expense by approximately $609,000.
2. There is a general trend of longer service lives for transmission and distribution accounts. This combined with the remaining life adjustment reduces depreciation expense by about $973,000.
3. The results of our analysis of general plant accounts resulted in a mix of longer and shorter services lives. However, the larger accounts (based on plant in service) generally showed a need for longer service lives, which accounts for the overall decrease in depreciation expense of $774,000.

The scope of this report includes:

1. A discussion of the practice of depreciation accounting (Section 3).
2. The types of information examined in our analysis and the methods applied (Section 4).
3. The results of the analyses conducted pertaining to the production plant (Section 5).
4. The results of the mass property analyses conducted of BHP's transmission, distribution, and general plant (Section 6).
5. The recommended depreciation rates (Section 7).

Table 1-3
Recommended Depreciation Rates

Line No.	[A] FERC Acct	[B] Description	[C] Current Depreciation Rate	[D] Recommended Depreciation Rate	[E] Change in Depreciation Expense
			%	%	$
1		**Production Plant**			
2		Steam Production Plant			
3	310	Land and Land Rights	0.00%	0.00%	-
4	311-316	Osage	1.53%	2.59%	189,540
5	311-316	Ben French	2.21%	3.62%	188,693
6	311-316	Wyodak	2.87%	3.04%	132,710
7	311-316	Neil Simpson I	3.35%	3.49%	26,590
8	311-316	Neil Simpson II	2.54%	2.49%	(58,580)
9		Total Steam Production	2.61%	2.80%	478,953
10		Other Production Plant			
11	340	Land and Land Rights	0.00%	0.00%	-
12	341-346	Lange CT	3.97%	2.39%	(477,715)
13	341-346	Neil Simpson I CT	3.91%	2.51%	(407,746)
14	341-346	Ben French CT's	2.43%	1.38%	(202,487)
15		Total Other Production	3.57%	2.19%	(1,087,948)
16		**Total Production Plant**	2.84%	2.66%	(608,995)
17		**Transmission Plant**			
18	350	Land and Land Rights	0.00%	0.00%	-
19	352	Structures and Improvements	2.39%	1.95%	(6,901)
20	353	Station Equipment	2.66%	1.71%	(321,582)
21	354	Towers and Fixtures	2.04%	1.42%	(2,776)
22	355	Poles and Fixtures	2.22%	3.12%	128,194
23	356	Overhead Conductors and Devices	2.04%	2.15%	19,030
24	359	Roads and Trails	1.95%	2.23%	19
25	106	Completed Construction not Classified	2.32%	2.12%	(1,785)
26		**Total Transmission Plant**	2.40%	2.12%	(185,801)
27		**Distribution Plant**			
28	360	Land and Land Rights	0.00%	0.00%	-
29	361	Structures and Improvements	3.28%	3.29%	25
30	362	Station Equipment	2.85%	2.35%	(257,652)
31	364	Poles, Towers and Fixtures	3.27%	3.07%	(109,884)
32	365	Overhead Conductors and Devices	3.14%	2.27%	(282,703)
33	366	Underground Conduit	2.64%	1.83%	(9,812)
34	367	Underground Conducters and Devices	3.00%	3.40%	142,904
35	368	Line Transformers	3.02%	2.21%	(240,229)
36	369	Services	2.77%	2.73%	(9,146)
37	370	Meters	2.85%	3.27%	33,168
38	371	Installations on Customer Premises	4.14%	3.08%	(17,629)
39	373	Street Lighting and Signal Systems	4.34%	3.61%	(11,069)
40	106	Completed Construction not Classified	3.02%	2.72%	(24,803)
41		**Total Distribution Plant**	3.04%	2.72%	(786,829)
42		**General Plant**			
43	389	Land and Land Rights	0.00%	0.00%	-
44	390	Structures and Improvements	4.73%	2.52%	(231,334)
45	391	Office Furniture and Equipment	10.56%		(101,929)
	391.1	Office Furniture and Equipment		4.40%	-
	391.3	Computer Equipment		12.67%	-
46	392	Transportation Equipment	9.06%	3.89%	(266,054)
47	393	Stores Equipment	4.23%	5.82%	4,646
48	394	Tools, Shop and Garage Equipment	4.23%	2.54%	(82,015)
49	395	Laboratory Equipment	3.06%	1.52%	(9,350)
50	396	Power Operated Equipment	4.23%	2.72%	(4,783)
51	397	Communication Equipment	4.39%	3.84%	(41,967)
52	398	Miscellaneous Equipment	5.81%	2.75%	(10,574)
53	106	Completed Construction not Classified	6.63%	4.61%	(30,837)
54		**Total General Plant**	6.53%	4.61%	(774,197)
55		**Total Plant in Service @ 12/31/08**	3.11%	2.76%	(2,355,821)
56		**Pro Forma Adjustment**			
57		Steam Production Plant			
58	311-316	Wygen III	n/a	2.72%	3,493,568
59		**Pro Forma Plant in Service**	**3.11%**	2.75%	**1,137,747**

2.0 INTRODUCTION

In this report, we present the results of our analysis of the depreciation expense requirements for the electric utility property of Black Hills Power, Inc (BHP). We primarily base our analysis on plant activity through December 31, 2008. Implications of certain known and measurable changes that have occurred or are anticipated to occur subsequent to December 31, 2008 are incorporated in our analyses as appropriate.

Currently, with the exception of the production function, BHP accrues depreciation expense and accumulates reserve by Federal Energy Regulatory Commission (FERC) account. Within the production function, BHP accumulates reserve and calculates depreciation expense for each generating facility. In this report, annual depreciation accrual rates are calculated by individual FERC account and for each generating facility using the whole life method. These whole life rates are subsequently adjusted to remaining life rates.

In Section 3.0, we briefly discuss the practice of depreciation accounting. In Section 4.0, we discuss the type of information examined in our analysis and the methods applied in analyzing the information. The results of the analyses performed are discussed in Sections 5.0 and 6.0. These discussions include a determination of depreciation accrual rates for unit property accounts (Section 5.0), whole life depreciation accrual rates for mass property accounts (Section 6.1), and our analysis of the adequacy of current depreciation reserve amounts and remaining life rates for mass property (Section 6.2).

2.1 Existing Plant in Service and Depreciation Rates

In Table 2-1 we show the plant in service and existing depreciation rates for production, transmission, distribution, and general plant. BHP has approximately $10.7 million booked to Account 106 – Completed Construction Not Classified. We show these amounts by function in Table 2-1. The investment reported in Account 106 is about 1.5% of the existing plant in service.

For transmission, distribution, and general plant, BHP reports Depreciation Reserve of $126.3 million as of December 31, 2008 (Table 2-1, Column D).

In Column D of Table 2-1, we show that BHP has accumulated reserve applicable to production plant of $168.4 million.

To the extent that the depreciation accrual rates recommended in this report are different from the rates currently used, the change results generally from one or more of the following factors:

- Additional information regarding the history of the plant account (retirement history).
- Changes in life characteristics due to changes in equipment and/or manufacturing methods included in the plant.
- Changes in the anticipated retirement date of production plants and estimated cost of retirement (cost of removal/net salvage).

Table 2-1
Depreciable Plant in Service, Depreciation Reserve, and Existing Rates

Line No.	[A] Description	[B] FERC Acct	[C] Plant in Service At 12/31/2008	[D] Depreciation Reserve At 12/31/2008	[E] Existing Depreciation Rate
			$	$	%
1	**Production Plant**				
2	Steam Production Plant				
3	Land and Land Rights	310	333,941	-	0.00%
4	Kirk	311-316	-	239,554	0.00%
5	Osage	311-316	17,918,001	17,357,768	1.53%
6	Ben French	311-316	13,360,210	13,050,958	2.21%
7	Wyodak	311-316	79,050,217	50,672,287	2.87%
8	Neil Simpson I	311-316	18,913,575	16,151,840	3.35%
9	Neil Simpson II	311-316	125,534,971	38,724,257	2.54%
10	Total Steam Production		255,110,915	136,196,664	
11	Other Production Plant				
12	Land and Land Rights	340	2,705	-	0.00%
13	Lange CT	341-346	30,183,503	8,369,716	3.97%
14	Neil Simpson CT	341-346	29,130,532	9,850,982	3.91%
15	Ben French Other Production	341-346	19,323,720	14,007,037	2.43%
16	Total Other Production		78,640,459	32,227,735	
17	**Total Production Plant**		**333,751,374**	**168,424,399**	
18	**Transmission Plant**				
19	Land and Land Rights	350	2,159,768	-	0.00%
20	Structures and Improvements	352	1,568,466	535,697	2.39%
21	Station Equipment	353	33,850,757	12,876,640	2.66%
22	Towers and Fixtures	354	447,677	167,538	2.04%
23	Poles and Fixtures	355	14,243,734	5,280,479	2.22%
24	Overhead Conductors and Devices	356	17,300,024	6,398,076	2.04%
25	Roads and Trails	359	6,920	2,570	1.95%
26	Completed Construction not Classified	106	892,291	72,132	2.32%
27	Total Transmission Plant		70,469,637	25,333,132	
28	**Distribution Plant**				
29	Land and Land Rights	360	1,624,794	(21,552)	0.00%
30	Structures and Improvements	361	254,825	115,258	3.28%
31	Station Equipment	362	51,530,410	19,833,698	2.85%
32	Poles, Towers and Fixtures	364	54,941,936	18,370,367	3.27%
33	Overhead Conductors and Devices	365	32,494,569	12,187,100	3.14%
34	Underground Conduit	366	1,211,297	346,988	2.64%
35	Underground Conducters and Devices	367	35,726,003	10,339,823	3.00%
36	Line Transformers	368	29,657,925	10,400,878	3.02%
37	Services	369	22,865,627	7,357,128	2.77%
38	Meters	370	7,897,105	1,259,837	2.85%
39	Installations on Customer Premises	371	1,663,075	626,129	4.14%
40	Street Lighting and Signal Systems	373	1,516,328	611,471	4.34%
41	Completed Construction not Classified	106	8,267,701	533,504	3.02%
42	Total Distribution Plant		249,651,598	81,960,628	
43	**General Plant**				
44	Land and Land Rights	389	602,008	-	0.00%
45	Structures and Improvements	390	10,467,603	5,598,384	4.73%
46	Office Furniture and Equipment	391	9,161,820	6,086,841	10.56%
47	Transportation Equipment	392	5,146,117	2,771,584	9.06%
48	Stores Equipment	393	292,210	152,865	4.23%
49	Tools, Shop and Garage Equipment	394	4,852,946	2,429,345	4.23%
50	Laboratory Equipment	395	607,146	283,317	3.06%
51	Power Operated Equipment	396	316,735	131,158	4.23%
52	Communication Equipment	397	7,630,343	895,944	4.39%
53	Miscellaneous Equipment	398	345,552	179,498	5.81%
54	Completed Construction not Classified	106	1,526,583	484,814	6.63%
55	Total General Plant		40,949,064	19,013,751	
56	**Total Plant in Service**		**694,821,673**	**294,731,910**	

3.0 DEPRECIATION ACCOUNTING

The FERC Uniform System of Accounts defines depreciation as:

> "The loss in service value[1] not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes that are known to be in current operation and against which the system is not protected by insurance. Among the causes considered are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities."

Depreciation accounting provides a method whereby charges for the loss in service value are made against current income derived from operating the system. By properly charging depreciation, the total cost of utility property is appropriately distributed over the useful life in such a way as to equitably allocate cost to the period during which service is provided through the use and consumption of such property. For the purpose of this report, we use the term "total cost" to mean the original investment cost (gross plant), less salvage value (if any), plus cost of removal (if any).

3.1 Annual Depreciation Expense

Annual depreciation expense represents the annual charge against income associated with the loss of service value of utility property. Historically, utilities have relied on a number of methods to identify the appropriate level of depreciation expense. Some of these methods include:

- A direct apportionment by management;
- A percentage of revenues;
- An amount equal to the original cost investment retired during the year;
- A charge per unit of delivery (kWh, kW, etc.); and
- A percentage of the investment in depreciable property.

Prior to 1965, BHP employed the percentage of revenue method for determining the annual depreciation expense. The expense was calculated by applying a fixed percentage to revenues from sales, less maintenance expenses. The annual percentage varied from 15 to 17-1/2 percent during the years 1941 to 1964. After 1964, BHP began charging depreciation by applying a percentage to depreciable property. This rate yields an annual depreciation expense that is intended to amortize the total cost (original investment, plus cost of removal, less salvage) over the life (or remaining life) of the property in generally equal amounts.

3.2 Depreciation Reserve

Depreciation reserve is a balance sheet item that reflects the accumulation of annual depreciation activities and associated retirement accounting. Under the FERC System of Accounts, depreciation reserve is shown on the balance sheet as "Accumulated Provision for Depreciation."

The depreciation expense charged against income is credited to (accumulated in) depreciation reserve. For utility properties, FERC provides that upon retirement of an asset, the utility reduces (debits) depreciation reserve by the original cost of the asset retired, increases (credits) reserve by any benefits derived from the sale of assets removed (salvage), and reduces (debits) reserve by the costs attributable to removal. As such, the use of appropriate depreciation rates corresponding to the service life of utility properties will result in accruals to the depreciation reserve which equal the total investment ultimately retired, as adjusted for salvage and cost of removal.

[1] For the purposes of this report, we use the term "loss in service value" in the accounting sense where value represents the original cost of facilities.

For the purpose of this report, we have included consideration of net salvage (gross salvage less cost of removal) where appropriate. More specifically, for the depreciation rates recommended for unit and mass property accounts, we have provided allowance for net salvage based on industry trends and our experience with similar property. For the mass property accounts, we have also used as a reference, the historical salvage, cost of removal and retirement experience of BHP.

4.0 HISTORICAL INFORMATION

Depreciation expense rates are intended to recover the net investment (total cost) in utility property over its useful life. In this regard, depreciation rates typically consist of three components. These components, which are further defined below, include: (i) service life of the property; (ii) total cost to be recovered; and (iii) reserve deficiency.

Normally, the determination of average service life is largely dependent on analyses of detailed utility records. Such records generally provide information regarding additions and retirements by transaction year (year added or retired) and vintage (year originally installed) for each account. We adjust average service life based on historical experience to reflect expectations over the remaining service life based on our experience, judgment, and those conditions anticipated to occur.

We develop average service lives by account. We first separate accounts into two groups: mass property and unit property. Mass property represents relatively homogeneous property units that tend to be retired individually. Meters, conduit, conductor, services, and line transformers are examples of mass property. Conversely, unit property represents a more heterogeneous property group, which by the nature of their interconnected or integrated operations, tends (in large part) to be retired simultaneously, as a group. We normally consider power generation facilities for electric utilities as unit property. Generally, utilities maintain detailed unit property data by physical location. Utilities typically maintain mass property data on an aggregate level. For unit property accounts, we typically define service life based on planned retirement dates.[2]

For unit property, we normally develop a history of investment activity by account for each location or site. This life history reflects gross additions, retirements, surviving property, and account balances. Based on the estimated life (planned retirement date) for each unit property (generating station), we typically forecast plant investment activity (interim additions, retirements, and account balances) at the account level for each year that units within such an account are forecast to remain in service. We then calculate a remaining life, straight line depreciation accrual rate by dividing the unrecovered gross investment by the sum of the annual depreciable plant balances over the remaining life of the unit property. Unrecovered investment represents gross additions over the entire life of the unit less the depreciation reserve balance. Gross additions include both historical and forecast additions to unit properties throughout the entire lifespan of such properties. We also include allowance for cost of removal and salvage in gross investment.

For mass property, we initially define service lives and Iowa curves by account based on actuarial analysis (retirement or survivor curve analysis) or semi-actuarial analysis (simulated plant balance). These analyses rely on historical plant activity (retirements). Specifically, using a least squares technique, actual survivor stub curves representing the percent of original placements surviving at various ages are developed. We compare these stub curves to general survivor curves to identify the average service life which best fits historical experience. By comparing the results produced with results using other curve shapes, we determine the curve shape and average service life which best predicts historical experience. We use the average service life we developed as a principal determinant of the reasonable average service life applicable to each account. In addition to our analysis of historical experience, we consider our experience in the industry, practices of other utilities, and basic information regarding expected life characteristics of the property. Results derived from the application of these methodologies are then evaluated in connection with other available information such as: (i) past, present and anticipated economic conditions; (ii) recent industry trends; and (iii) engineering experience and judgment.

We further discuss these techniques, including a summary of the information required and the information provided by BHP in the following.

[2] BHP provided estimated retirement dates for each production unit.

4.1 Black Hills Power Data

The property records of BHP are kept in accordance with the Uniform System of Accounts as prescribed by the FERC. We rely on these records as the basis for the information used for our analysis. The investment in unit property accounts (steam production and other power production plant) is maintained within PowerPlant, a comprehensive Project – Asset software system. PowerPlant's Asset System contains a fully functional CPR (Continuing Property Record) ledger.

4.1.1 Mass Property Data

The investment in mass property accounts (transmission, distribution and general plant) is maintained within PowerPlant. PowerPlant's Asset System contains a fully functional CPR (Continuing Property Record) ledger. . BHP's Continuing Property Record (CPR) provides additions and retirement data in detail by vintage since 1950. Thus, we are able to perform actuarial studies as a basis to determine the experienced mortality characteristics for each FERC account.

Salvage history since 1970 is reported by function. Removal costs are charged to construction work orders and allocated to major functional plant groups on the basis of investment retired. Salvage and Cost of Removal (COR) data by account for the transaction years 1997 through 2008 were used to develop reasonable gross salvage, COR and net salvage allowances for the mass property accounts.

4.1.2 Planned Retirements (Unit Property Accounts)

For BHP's unit property, BHP provided the data needed to develop an investment history. A life history of gross additions, retirements, surviving property, and account balances by year since 1989 was provided for the analysis. Based on the estimated retirement date that BHP provided for the various units, we forecast plant investment activity (interim additions, retirements, and plant balances) for each year that we expect the property to remain in service. In the event that other reasonably anticipated planned additions and retirements are required in order for the property to reach the retirement date, we consider implications of such additions and retirements as well.

Based on the data described above, we calculate remaining life, straight line depreciation accrual rates by dividing the investment to be recovered (original investment, plus interim additions, plus cost of removal, less gross salvage less depreciation reserve) by the sum of the forecast annual depreciable balances over the remaining life of the unit property accounts. Forecast annual depreciable balances are based on the existing plant balances reported at December 31, 2008 plus forecast additions and retirements as adjusted for net salvage. Our recommended depreciation rates for unit property accounts are discussed in Section 5.0.

To accurately determine the composite depreciation accrual rate for the generating units, it is important to understand the retirement date and investment in each generating unit. BHP maintains historical data that includes additions, retirements, transfers, and net salvage by FERC account. This data provides sufficient information to evaluate interim additions, retirements, and salvage on an aggregate level for the steam and other production accounts for the period ending December 31, 2008. We supplement this information with BHP's Continuing Property Record data as a means to identify additions and retirements specific to generating units to determine approximate investment by generating unit.

5.0 UNIT PROPERTY ANALYSIS

Table 5-1 summarizes the recommended remaining life depreciation rates for BHP's generating stations. We also show plant investment as of December 31, 2008, existing depreciation accrual rates, and the resulting change in annual depreciation expense by generating unit. The whole life accrual rate is defined as the rate which, when applied to the annual depreciable balances, will result in recovery of the original cost of gross additions over the entire life of the property. Adjustments to the whole life rates are made to reflect estimated salvage value and cost of removal. With the remaining life method, undepreciated investment plus forecast additions, cost of removal and salvage is recovered over the remaining life (of depreciable plant balances) of the property.

The annual accrual rates we develop will, if applied annually to unit property account balances over the remaining life of the various properties, recover BHP's investment, including consideration of the impact of net salvage. The principal forecasts, for which assumptions are made, that we rely on in the analyses include:

- The retirement date (life span) of the individual facilities.
- The level of interim additions and retirements.
- The level of major plant additions, upgrades, and improvements required for the individual units to reach the planned retirement date.
- The net salvage values associated with interim and final retirements.

We analyzed the investment history by account for steam production and other production plant through December 31, 2008. The life history reflects gross additions, retirements, surviving property and account balances. Based on the planned retirement date, we forecast plant investment activity (interim additions, retirements, and balances) for each year that we forecast the generating plant will remain in service. BHP provided us the data regarding the life span of unit property.

We calculate a remaining life, straight line depreciation accrual rate by dividing the gross investment (plant investment as of December 31, 2008 plus forecast interim additions less net salvage and accumulated depreciation) by the sum of the annual depreciable plant balances over the remaining life of the unit. Annual depreciable balances are based on plant balances as of December 31, 2008 plus forecast additions and retirements. Our recommended remaining life depreciation rate calculations are shown in the Appendix and are summarized in Table 5-1. For the total existing production plant, the composite proposed remaining life rate is 2.66 percent and the change in annual depreciation expense based on depreciable plant in service as of December 31, 2008 (as adjusted for known and measurable changes) is a decrease of about $609,000 as shown in Table 5-1.

Table 5-1
Unit Property Analysis

Line No.	[A] FERC Acct	[B] Description	[C] Plant Investment As of 12/31/2008	[D] Current Remaining Life Accrual Rate	[E] Indicated Whole Life Accrual Rate	[F] Recommended Remaining Life Accrual Rate	[G] Change in Depreciation Expense
			$	%	%	%	$
1		**Production Plant**					([F] - [D]) * [C]
2		Steam Production Plant					
3	310	Land and Land Rights	333,941	0.00%		0.00%	-
4	311-316	Osage	17,918,001	1.53%	2.69%	2.59%	189,540
5	311-316	Ben French	13,360,210	2.21%	3.49%	3.62%	188,693
6	311-316	Wyodak	79,050,217	2.87%	3.35%	3.04%	132,710
7	311-316	Neil Simpson I	18,913,575	3.35%	3.55%	3.49%	26,590
8	311-316	Neil Simpson II	125,534,971	2.54%	2.79%	2.49%	(58,580)
9		Total Steam Production	255,110,915	*2.61%*	*3.05%*	*2.80%*	478,953
10		Other Production Plant					
11	340	Land and Land Rights	2,705	0.00%		0.00%	-
12	341-346	Lange CT	30,183,503	3.97%	2.06%	2.39%	(477,715)
13	341-346	Neil Simpson I CT	29,130,532	3.91%	2.71%	2.51%	(407,746)
14	341-346	Ben French CT's	19,323,720	2.43%	1.84%	1.38%	(202,487)
15		Total Other Production	78,640,459	*3.57%*	*2.25%*	*2.19%*	(1,087,948)
16		**Total Production Plant**	**333,751,374**	**2.84%**	**2.87%**	**2.66%**	**(608,995)**
17		**Pro Forma Adjustment**					
18		Wygen III (in Service 2010)	128,440,000	n/a		2.72%	3,493,568
19		**Pro Forma Production Plant**	**462,191,374**	**2.84%**		**2.68%**	**2,884,573**

5.1 Steam Production Plant

The steam electric generating stations owned by BHP as of December 31, 2008 include one unit at Ben French Station, two units at the Neil Simpson Station, three units at the Osage Plant and a 20 percent share of the 335 MW (net plant capacity) Wyodak Unit 1. Wygen III is currently under construction and is scheduled to be placed in service in 2010. BHP owns a 52 percent share of the 110 MW coal plant.

Table 5-2 summarizes the nameplate rating, year of installation, and forecast retirement date for each unit as provided by BHP.

Table 5-2
Steam Production Plant Data

Line No.	[A] Steam Production Plant	[B] Nameplate Rating	[C] Date Installed	[D] Estimated Retirement	[E] Estimated Service Life
		kW			years
1	Ben French Steam	25,000	1960	2023	63
2	Osage #1 Steam	11,500	1948	2013	65
3	Osage #2 Steam	11,500	1950	2013	63
4	Osage #3 Steam	11,500	1952	2013	61
5	Neil Simpson #1 Steam	21,760	1969	2023	54
6	Neil Simpson #2 Steam	91,000	1995	2045	50
7	Wyodak #1 Steam (1)	72,400	1978	2030	52
8	Wygen III Steam (2)	57,200	2010	2055	45

(1) BHP's 20 percent share.
(2) BHP's 52 percent share.

Ben French Station. This station located in Rapid City has one steam generating unit with a maximum net capability of 21,600 kW. The age of this station at the end of 2008 was 48 years and the remaining life is estimated to be 15 years based on the forecast retirement of the unit in 2023. The Ben French station will have major capital additions of $1.9 million in 2011 and $2.1 million in 2016. Other than these major capital additions, nominal levels of interim additions and interim retirements are expected to be made over the remaining life of the station. The Appendix summarizes the derivation of whole life rates and remaining life rates (with and without cost of removal) applicable to the Ben French Station. A whole life accrual rate of 3.49 percent and a remaining life accrual rate of 3.62 percent (with cost of removal) are shown in Table 5-1. The accumulated depreciation reserve for the Ben French Plant is $13,050,958 compared to the plant balance of $13,360,210 as of December 31, 2008.

Neil Simpson Station. This generating station is located at the Wyodak coal mine site at Wyodak, Wyoming. This mine was acquired by BHP in 1954 from the Wyodak Coal Company, a subsidiary of the Homestake Mining Company.

Neil Simpson Unit 1 was placed in service in 1969 and has a nameplate rating of 21,760 kW. This unit features an air-cooled condenser which permits plant operation with a minimum amount of water. The age of Neil Simpson Unit 1 at the end of 2008 was 39 years and the remaining life is estimated to be 15 years based on the forecast retirement of the unit in 2023. The Neil Simpson Unit 1 will have major capital additions of $2.1 million in 2009 and $2.6 million in 2017. Other than these major capital additions, nominal levels of interim additions and interim retirements are expected to be made over the remaining life of the station. Based on the unit property methodology, the whole life accrual rate for Neil Simpson Unit 1 is 3.55 percent and the remaining life rate (with cost of removal) is 3.49 percent as shown in Table 5-1. The accumulated depreciation reserve for the Neil Simpson I is $16,151,840 compared to the plant balance of $18,913,575 for the period ending December 31, 2008. The analysis showing the development of these rates is shown in the Appendix.

Neil Simpson Unit 2 was placed in service in 1995 and has a nameplate rating of 91,000 kW. The age of Neil Simpson Unit 2 at the end of 2008 was 13 years and the remaining life is estimated to be 37 years based on

the forecast retirement of the unit in 2045. There will be major capital additions of $1.6 million in 2012, with recurring capital costs every seven years escalated at a 2.5 percent annual inflation rate through 2040. Other than these major capital additions, nominal levels of interim additions and interim retirements are expected to be made over the remaining life of the station. Based on the unit property methodology, the whole life accrual rate for Neil Simpson Unit 2 is 2.79 percent and the remaining life rate (with cost of removal) is 2.49 percent as shown in Table 5-1. The accumulated depreciation reserve for the plant is $38,724,257 compared to the plant balance of $125,534,971 as of December 31, 2008. The analysis showing the development of these rates is shown in the Appendix.

Osage Plant. The Osage Plant units were placed in service between 1948 through 1952. The steam production facilities at this location include two 10,150 kW (net plant capability) generating units originally owned by BHP and one 10,150 kW generating unit acquired from Rushmore REA Co-op in early 1992. At the end of 2008, the age of the units ranged from 56 to 60 years and the remaining life of all three is estimated to be 5 years based on the forecast retirement of the plant in 2013.

Based on the unit property methodology, the whole life accrual rate for Osage Plant is 2.69 percent and the remaining life rate (with cost of removal) is 2.59 percent as shown in Table 5-1. The accumulated depreciation reserve is $17,357,768 compared to the plant balance of $17,918,001 as of December 31, 2008. The analysis showing the development of these rates is shown in the Appendix.

Wyodak Plant. The Wyodak Plant is located adjacent to the Neil Simpson Station in Wyodak, Wyoming and was placed in service in 1978. From 1978 through 1990, this plant was jointly leased by BHP and Pacific Power & Light Company. At the end of 1990, BHP and Pacific Power acquired the plant from the leaseholders. BHP receives a 20 percent of the plant capacity of 335 MW. At the end of 2008, the age of the facility was 30 years and the remaining life is estimated to be 22 years based on the forecast retirement of the unit in 2030.

The plant will have major capital additions amounting to $4.8 million in 2011. Also, there will be major capital costs of $2.5 million in 2016, with recurring capital costs every five years escalated at a 2.5 percent annual inflation rate over the remaining life of the plant. Other than these major capital additions, nominal levels of interim additions and interim retirements are expected to be made over the remaining life of the station. Based on the unit property methodology, the whole life accrual rate for Wyodak Plant is 3.35 percent and the remaining life rate (with cost of removal) is 3.04 percent as shown in Table 5-1. The accumulated depreciation reserve is $50,672,287 compared to the plant balance of $79,050,217 as of December 31, 2008. The analysis showing the development of these rates is shown in the Appendix.

Kirk Plant. The Kirk Plant was acquired from Homestake Mining Company in 1954 and retired by Black Hills in October 2000. Since the Kirk Plant has already been retired, it is not included in our analysis. As of December 31, 2008, the retired Kirk plant has zero plant in service, but $239,554 remaining in depreciation reserve. It is our understanding that the remaining depreciation reserve in the Kirk plant is to cover any residual retirement costs and will be written off if none materialize.

5.2 Other Production Plant

The other electric generating stations owned by BHP as of December 31, 2008 include the Ben French combustion turbines and diesel driven generator sets, the Neil Simpson Unit 1 combustion turbine and the Lange combustion turbine. BHP forecasts 50 and 48 year service lives for the Neil Simpson and Lange combustion turbines, respectively. The Ben French combustion turbines and diesel generation units are estimated to be retired by 2030. These forecast retirement dates result in services lives considerably greater than those we normally use for this type equipment. However, when considering BHP's aggressive capital maintenance schedules and limited use of these facilities, we find the estimates to be reasonable.

Table 5-3 summarizes the nameplate rating, year of installation, and forecast retirement date for each unit as provided by BHP.

Table 5-3
Other Production Plant Data

Line No.	[A] Other Production Plant	[B] Nameplate Rating	[C] Date Installed	[D] Estimated Retirement	[E] Estimated Service Life
		kW			years
1	BF - Diesel #1	2,000	1965	2020	55
2	BF - Diesel #2	2,000	1965	2020	55
3	BF - Diesel #3	2,000	1965	2020	55
4	BF - Diesel #4	2,000	1965	2020	55
5	BF - Diesel #5	2,000	1965	2020	55
6	BF - Combustion Turbine #1	25,000	1977	2030	53
7	BF - Combustion Turbine #2	25,000	1977	2030	53
8	BF - Combustion Turbine #3	25,000	1978	2030	52
9	BF - Combustion Turbine #4	25,000	1979	2030	51
10	Neil Simpson CT #1	40,000	2000	2050	50
11	Lange CT #1	40,000	2002	2050	48

Ben French Combustion Turbines. The four combustion turbines were installed in the period 1977 through 1979. At the end of 2008, the age of the facility ranged from 29 to 31 years and the remaining life is estimated to be 22 years based on the forecast retirement of all units in 2030. This is an 11 year life extension compared to our previous study.

Based on the unit property methodology, the whole life accrual rate for Ben French CTs is 1.84 percent and the remaining life rate (with cost of removal) is 1.38 percent as shown in Table 5-1. This is a significant decrease from the existing rate of 2.43% due to the retirement date being extended 11 years since our previous study. The accumulated depreciation for the plant is $14,007,037 compared to the plant balance of $19,323,720 for the period ending December 31, 2008. The analysis showing the development of these rates is shown in the Appendix.

Neil Simpson Unit 1 Combustion Turbine. This combustion turbine was installed in 2000. At the end of 2008, the age of the facility was 8 years and the remaining life was estimated to be 42 years based on the forecast retirement of the unit in 2050. This is a 20 year life extension compared to our previous study.

In 2009, a hot gas path replacement will take place at a capital cost of approximately $1.8 million, with recurring capital costs every seven years escalated at a 2.5 percent annual inflation rate through 2030. Other than these major capital additions, nominal levels of interim additions and interim retirements are expected to be made over the remaining life of the station. Based on the unit property methodology, the whole life accrual rate for Neil Simpson Unit 1 CT is 2.71 percent and the remaining life rate (with cost of removal) is 2.51 percent as shown in Table 5-1. This is a significant decrease from the existing rate of 3.91% due to the retirement date being extended 20 years from our previous study. The accumulated depreciation reserve is $9,850,982 compared to the plant balance of $29,130,532 as of December 31, 2008. The analysis showing the development of these rates is shown in the Appendix.

Lange Combustion Turbine. This combustion turbine was installed in 2002. At the end of 2008, the age of the facility was 6 years and the remaining life was estimated to be 42 years based on the forecast retirement of the unit in 2050. This represents an 18 year increase in the life from the previous retirement year of 2032.

In 2013, the Lange CT will have major capital additions of approximately $2.2 million, with recurring capital costs every seven years escalated at a 2.5 percent annual inflation rate over the remaining life of the unit (through 2041). Other than these major capital additions, nominal levels of interim additions and interim retirements are expected to be made over the remaining life of the station. Based on the unit property methodology, the whole life accrual rate for Lange CT is 2.06 percent and the remaining life rate (with cost of removal) is 2.39 percent. This is a significant decrease from the existing rate of 3.97% due to the retirement date being extended 18 years since our previous study. The accumulated depreciation reserve is $8,369,716 compared to the plant balance of $30,183,503 as of December 31, 2008. The analysis showing the development of these rates is shown in the Appendix.

5.3 Wygen III Depreciation Rate

BHP is constructing the Wygen III Project at its Wyodak Energy Complex outside Gillette, Wyoming. Wygen III is expected to be completed in spring of 2010 at a cost of $247 million and will provide power to BHP for 45 years. BHP has a 52 percent ownership stake in the plant and its share of plant in service is $128.4 million. Wygen III is nominally rated as a 110 MW baseload power station and the fourth plant of a proven economical and efficient design constructed by BHC. Neil Simpson II, Wygen I, and Wygen II are sister plants located at the Wyodak Energy Complex. Wygen III is designed with the latest available emissions control technology to meet Wyoming's strict air quality standards.

BHP asked that we recommend depreciation rates for its investment in Wygen III. In 2007 we developed the depreciation rate for Wygen II, which is owned and operated by the Black Hills Corporation (BHC) subsidiary Cheyenne Light, Fuel & Power (CLFP). The deprecation rate for Wygen II was generally modeled after BHP's Neil Simpson II unit. To develop an accrual rate for Wygen III, we generally follow the template used in for the Wygen II depreciation rate and recommend the same applied rate of 2.72%. Both rates are premised on a 45 year service life. The annual accrual rates we develop will, if applied annually to unit property account balances over the life of the plant, recover BHP's investment in Wygen III, including consideration of the impact of net salvage. The principal forecasts, for which we make assumptions include:

- The retirement date (life span) of the generating station,
- The level of interim additions and retirements,
- The level of major plant additions, upgrades, and improvements required for the plant to reach the planned retirement date,
- The net salvage values associated with interim and final retirements.

We base our recommended depreciation rates for unit property on the remaining life depreciation expense rate method. For a new plant coming on line such as Wygen III, the remaining life rate equals the whole life rate since the remaining life is the full service life and no adjustment is needed for accumulated depreciation reserve. Based on the fact that Wygen III will be completed by spring 2010 and will have a 45-year service life, we forecast plant investment activity (interim additions, retirements, and balances) for each year that we forecast the generating plant would remain in service.

In the Appendix, we show our depreciation analysis for Wygen III. We calculate a whole life, straight line depreciation accrual rate by dividing the gross investment (plant investment in 2010 plus forecast interim additions less net salvage) by the sum of the forecast annual depreciable plant balances over the life of the unit. Annual depreciable balances are based on plant balances in 2010 plus forecast additions and retirements. Our recommended whole life depreciation rate calculations presented in the Appendix are summarized in Table 5-4. The calculated whole life depreciation rate for Wygen III is 2.72 percent.

Table 5-4
Wygen III Depreciation Rate

Account	Description	Projected Investment (1) 2010$	Depreciation Rate
310	Land	0	0.00%
311	Structure & Improvements	5,837,329	2.77%
312	Boiler Plant Equipment	66,704,214	2.90%
313	Engines & Engine Driven Generators	0	0.00%
314	Turbo Generator Equipment	49,459,211	2.50%
315	Accessory Electric Equipment	6,379,598	2.50%
316	Misc Power Equipment	59,649	5.72%
	Total	128,440,000	2.72%

(1) BHP's 52% ownership share

6.0 MASS PROPERTY ANALYSIS

There are two fundamental approaches (methods) used to develop depreciation rates. These are the whole life approach and the remaining life approach. The basic equation used to determine a whole life depreciation rate is as follows:

$$\text{Whole Life Rate} = \frac{1 - \text{Salvage Ratio}}{\text{Average Service Life}}$$

As evident from the above, this equation consists of two elements. The first element reflects recovery of the initial investment (1/ASL). The second element (-SR/ASL) reflects credit for net salvage. As we previously indicated, the purpose of considering net salvage in determining the accrual rate is to credit salvage and recover cost of removal over the life of the property.

An underlying assumption of the whole life method is that for mass property accounts, as property is retired and new property is installed, the average service life of the group does not change significantly. The whole life method is predicated on homogeneity of the property units included in the group. For mass property accounts that have significant retirement history, where vintage retirement history is available, and where we consider life characteristics in the future to be similar to those observed in the past, we use an actuarial analysis as the principal basis to estimate average service life.

Conversely, the basic equation used to determine a remaining life depreciation rate is as follows:

$$\text{Remaining Life Rate} = \frac{1 - \text{Salvage Ratio} - \text{Reserve Ratio}}{\text{Estimated Average Remaining Life}}$$

As demonstrated above, the whole life and remaining life equations are comparable. The only difference is, as the names imply, that under the whole life approach, investment is recovered equally over the entire life. With the remaining life method, undepreciated investment is recovered over the remaining life. So long as no change in life or other characteristics occur, the whole life and remaining life depreciation rates will be the same. Typically, as we do here in Section 6.2, an adjustment to whole life depreciation rates to reflect the amortization of reserve deficiency converts the whole life rate to a remaining life rate.

The traditional approach for incorporating allowances for net salvage is to compare annual net salvage (gross salvage minus cost of removal) to the original cost of the plant retired during that year. Typically this approach involves activity over a representative historical period, preferably at least 10 years. The traditional approach assumes that the ratio of net salvage dollars to the original cost dollars of the retirements is representative of the allowance that will ultimately apply to all plant in service over the life of the asset. In a whole life depreciation calculation, this allowance (ratio) is deducted before dividing by the average service life.

6.1 Whole Life Analysis for Mass Property

In Table 6-1, we summarize our recommended average service lives (ASL), Iowa curves, and net salvage ratios we use to calculate our indicated whole life depreciation rates applicable to mass property accounts. For mass property accounts (transmission, distribution, and general plant), we develop average service lives based on retirement (actuarial) analyses. We base our recommended net salvage ratios on BHP history, previous experience with similar systems, and judgment.

In this section, we summarize BHP's existing remaining life rates and indicated whole life depreciation rates. To determine the average service life (ASL), we rely on retirement analyses for transmission, distribution and general plant.

BHP provided us with salvage and cost of removal data by plant account for the years 1997 through 2008. We analyzed the data, and developed average gross salvage, cost of removal and net salvage for distribution, transmission and general plant accounts. Our recommended gross salvage, cost of removal, and net salvage adjustments are based on BHP's 12 years of data, our experience, and professional judgment.

Table 6-1 shows the development of our indicated whole life rates using our recommended average service lives, Iowa curves, and net salvage adjustment.

6.1.1 Transmission Plant

Transmission plant facilities consist of 11 transmission substations and 447 pole miles of transmission circuits, plus 47 miles jointly owned with Basin Electric. Transmission voltage is 230 kV. In 2004 and 2005, transmission investment associated with 47 kV and 69 kV lines was reclassified to distribution plant. Historically, the primary cause for retirement of transmission plant has been obsolescence resulting from voltage upgrading. Other factors such as deterioration of wood poles and core wire oxidation of steel reinforced aluminum conductor affect historical retirements. Based on the review of the results of our actuarial analyses, along with consideration of the average age of retired properties and engineering judgment, we developed indicated service lives for transmission plant. The net salvage ratios are based on BHP data, our experience and professional judgment. A listing of average service lives and net salvage ratios for each plant account is shown in Table 6-1.

The actuarial analysis indicated a few changes in the whole life rates as compared to the existing rates. As shown in Table 6-1, actuarial analyses suggest that the average service lives for Structures and Improvements (Account 352), Station Equipment (Account 353), Towers and Fixtures (Account 354), and Roads and Trails (Account 359) increased from 3 to 5 years, while Poles and Fixtures (Account 355) and Overhead Conductors and Devices (Account 356) stayed the same as compared to our 2006 report. An analysis of the historical salvage and cost of removal data indicates that, in general, the transmission function has a negative net salvage (cost of removal exceeds salvage value). Net salvage ratios for transmission plant have remained primarily the same as existing rates, with the one change being Overhead Conductor and Devices (Account 356) changing from -15% to -10% (Table 6-1, Column K). As shown in Table 6-1, the indicated composite whole life rate for transmission plant is 2.18%.

6.1.2 Distribution Plant

BHP's distribution plant consists of substations, overhead and underground lines, transformers, services, meters, and lighting facilities. A listing of average service lives, Iowa curves, and net salvage ratios we use for each plant account is shown in Table 6-1.

Much like our actuarial analysis of transmission plant, some changes were identified for distribution plant accrual rates. As shown in Table 6-1, the actuarial analysis suggests that Structures and Improvements (Account 361), Underground Conductors and Devices (Account 367), and Meters (Account 370) decrease ASL by 2 to 5 years. Of the remaining 8 distribution accounts, the actuarial analysis indicates 7 show the need for longer average service lives. The specific changes are shown below:

- Station Equipment (Account 362) increases from 35 to 37 years,
- Poles, Towers and Fixtures (Account 364) increases from 40 to 44 years,
- Overhead Conductor and Devices (Account 365) increases from 40 to 45 years,
- Underground Conduit (Account 366) increases from 40 to 45 years,
- Line Transformers (Account 368) increases from 33 to 34 years,
- Services (Account 369) increases from 40 to 45 years,
- Installations (Account 371) increases from 25 to 30 years.

Based on our analysis of BHP's history of gross salvage and cost of removal, as well as our experience we recommend changes in net salvage ratios for 5 distribution accounts, as summarized below:

- Poles, Towers and Fixtures (Account 364) changes from -25% to -30%,
- Overhead Conductor and Devices (Account 365) changes from -20% to -10%,
- Line Transformers (Account 368) changes from 5% to 10%,
- Services (Account 369) changes from -5% to -25%,
- Installations (Account 371) changes from 0% to -10%.

As shown in Table 6-1, the indicated composite whole life rate for distribution plant is 2.79%

6.1.3 General Plant

General plant consists of facilities and equipment which are used to support all functional activities. A listing of the average service lives and net salvage ratios for each plant account is shown in Table 6-1.

Based on the results of our actuarial analysis, four general plant accounts indicated the need for longer services lives and four indicate a reduction in ASL. Specific recommended changes are shown below:

- Structures and Improvements (Account 390) increases from 30 to 33 years
- Office Furniture and Equipment (Account 391) increases from 10 to 13 years
- Transportation Equipment (Account 392) increases from 10 to 12 years
- Tools, Shop, and Garage Equipment (Account 394) decreases from 30 to 25 years
- Laboratory Equipment (Account 395) decreases from 50 to 45 years
- Power Operated Equipment (Account 396) decreases from 30 to 25 years
- Communication Equipment (Account 397) decreases from 30 to 25 years
- Miscellaneous Equipment (Account 398) increases from 20 to 27 years

For Account 391, Office Furniture and Equipment, we recommend dividing the account into two distinct subaccounts with different depreciation rates. The combination of office furniture and computer and associated software results in a mix of assets with considerably difference life characteristics. Based on our experience, we estimate a service life for Computer Equipment of not more than 7.5 years. When we combine that 7.5 year life with the 13 year service life indicated by our actuarial analysis for the combined account a 21.6 year service life for Office Furniture and Equipment is indicated. We maintain the same 5% net salvage ratio for both new subaccounts, which results in whole life rates of 4.40% for Office Furniture and Equipment and 12.67% for Computer Equipment.

We recommend changes to net salvage ratios for 3 accounts. The net salvage ratio for Transportation Equipment (Account 392) changes from 20% to 15%, changes from 5% to 0% for Stores Equipment (Account 393), and changes from 5% to 0% for Miscellaneous Equipment (Account 398). As shown in Table 6-1, the indicated composite whole life rate for general plant accounts is 5.37%

6.2 Depreciation Reserve Analysis

As a final step in the development of our recommended depreciation rates, we account for any reserve deficiency or excess by converting the rates from whole life to remaining life rates. As we described previously in Section 6.0, the formula for calculating remaining life depreciation rates is:

$$\text{Remaining Life Rate} = \frac{1 - \text{Salvage Ratio} - \text{Reserve Ratio}}{\text{Estimated Average Remaining Life}}$$

We show our development of remaining life rates in Table 6-2. The key factors that differentiate a remaining life calculation and a whole life rate calculation are the inclusion of the existing reserve ratio and using the remaining life (in years) as the divisor instead of the average service life. We calculate the existing reserve ratio in Column E of Table 6-2. Our recommended net salvage ratio is shown in Column N. The remaining

life shown in Column O represents the probable life based on the average age of existing plant and the Iowa curve type and ASL. The calculated remaining life rates are shown in Column P of Table 6-2.

Overall, our recommended remaining life rates are lower on a composite basis than existing rates for transmission, distribution, and general plant assets. For transmission accounts, the composite rate decreases from 2.32% to 2.12%. This results in an estimated decrease in depreciation expense[3] of $186,000. The composite rate for distribution accounts decreases from 3.02% to 2.72%, which results in an estimated decrease in depreciation expense[5] of $787,000. For general plant accounts, the composite rate decreases from 6.43% to 4.61%, a decrease of $774,000 in annual depreciation expense[5]. We attribute these decreases to two main factors: first, we find a general trend of longer service lives compared to the previous study, and second, a as a result of the longer service lives, the theoretical reserve ratio, all other factors equal, will generally be lower than the existing reserve ratio. To account for the existing reserve ration being higher than theoretical, the remaining life calculation effectively lowers the applied rate.

Our recommended remaining life rates are summarized in Table 6-2, Column P. The composite remaining life rate for all accounts is 2.82%, which is a decrease from the previous composite rate of 3.27%. The estimated annual effect on depreciation expense is a decrease of $1.7 million, as shown in Column Q.

[3] Based on December 31, 2008 plant balances

Table 6-1
Summary of Mass Property Analysis

Line No.	FERC Acct	Description	Plant in Service At 12/31/2008	Existing Rem. Life Rates	Existing Adjustment for Net Salvage	Existing Whole Life ASL in Current Rates	Recommended Iowa Curve	Recommended Average Service Life	Recommended Gross Salvage	Recommended Cost of Removal	Recommended Net Salvage	Equivalent Whole Life Rates
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]
			$								[I] - [J]	(1 - [K]) / [H]
1		**Transmission Plant**										
2	350	Land and Land Rights	2,159,768	0.00%	0%				0%	0%	0%	0.00%
3	352	Structures and Improvements	1,568,466	2.39%	-10%	45	S4	48	0%	10%	-10%	2.29%
4	353	Station Equipment	33,850,757	2.66%	5%	35	S0	40	10%	5%	5%	2.38%
5	354	Towers and Fixtures	447,677	2.04%	-15%	55	R1.5	60	5%	20%	-15%	1.92%
6	355	Poles and Fixtures	14,243,734	2.22%	-25%	55	S4	55	15%	40%	-25%	2.27%
7	356	Overhead Conductors and Devices	17,300,024	2.04%	-15%	55	R4	55	30%	40%	-10%	2.00%
8	359	Roads and Trails	6,920	1.95%	0%	50	S6	53	0%	0%	0%	1.89%
9	106	Completed Construction not Classified	892,291	2.32%								2.18%
10		Total Transmission Plant	70,469,637	*2.32%*								*2.18%*
11		**Distribution Plant**										
12	360	Land and Land Rights	1,624,794	0.00%	0%				0%	0%	0%	0.00%
13	361	Structures and Improvements	254,825	3.28%	-10%	35	S0	33	0%	10%	-10%	3.33%
14	362	Station Equipment	51,530,410	2.85%	5%	35	R3	37	15%	10%	5%	2.57%
15	364	Poles, Towers and Fixtures	54,941,936	3.27%	-25%	40	R2.5	44	20%	50%	-30%	2.95%
16	365	Overhead Conductors and Devices	32,494,569	3.14%	-20%	40	R1.5	45	30%	40%	-10%	2.44%
17	366	Underground Conduit	1,211,297	2.64%	0%	40		45	0%	0%	0%	2.22%
18	367	Underground Conducters and Devices	35,726,003	3.00%	0%	35	S2	30	5%	5%	0%	3.33%
19	368	Line Transformers	29,657,925	3.02%	5%	33	S0.5	34	10%	0%	10%	2.65%
20	369	Services	22,865,627	2.77%	-5%	40	R4	45	25%	50%	-25%	2.78%
21	370	Meters	7,897,105	2.85%	5%	35	L2	32	15%	10%	5%	2.97%
22	371	Installations on Customer Premises	1,663,075	4.14%	0%	25	L0	30	20%	30%	-10%	3.67%
23	373	Street Lighting and Signal Systems	1,516,328	4.34%	-5%	25	L0	25	20%	25%	-5%	4.20%
24	106	Completed Construction not Classified	8,267,701	3.02%								2.79%
25		Total Distribution Plant	249,651,598	*3.02%*								*2.79%*
26		**General Plant**										
27	389	Land and Land Rights	602,008	0.00%	0%				0%	0%	0%	0.00%
28	390	Structures and Improvements	10,467,603	4.73%	-10%	30	L1	33	0%	10%	-10%	3.33%
29	391	Office Furniture and Equipment	9,161,820	10.56%	5%	10	O4	13				
30	391.1	Office Furniture and Equipment	3,570,058					21.6	10%	5%	5%	4.40%
31	391.3	Computer/Software Equipment	5,591,762					7.5	10%	5%	5%	12.67%
32	392	Transportation Equipment	5,146,117	9.06%	20%	10	R1	12	15%	0%	15%	7.08%
33	393	Stores Equipment	292,210	4.23%	5%	30		30	10%	10%	0%	3.33%
34	394	Tools, Shop and Garage Equipment	4,852,946	4.23%	5%	30	L1.5	25	5%	0%	5%	3.80%
35	395	Laboratory Equipment	607,146	3.06%	0%	50	L1	45	0%	0%	0%	2.22%
36	396	Power Operated Equipment	316,735	4.23%	5%	30	S5	25	5%	0%	5%	3.80%
37	397	Communication Equipment	7,630,343	4.39%	0%	30	L2	25	0%	0%	0%	4.00%
38	398	Miscellaneous Equipment	345,552	5.81%	5%	20	L1	27	0%	0%	0%	3.70%
39	106	Completed Construction not Classified	1,526,583	6.63%								5.37%
40		Total General Plant	40,949,064	*6.43%*								*5.37%*
41		**Total Mass Property**	**361,070,299**	**3.27%**								**2.97%**

Table 6-2
Calculation of Remaining Life Rates

Line No.	[A] FERC Acct	[B] Description	[C] Plant in Service At 12/31/2008 $	[D] Depreciation Reserve At 12/31/2008 $	[E] Reserve Ratio [D] / [C]	[F] Average Age years	[G] Existing Rem. Life Rates	[H] Existing Adjustment for Net Salvage	[I] Existing Whole Life ASL in Current Rates	[J] Recommended Iowa Curve	[K] Recommended Average Service Life	[L] Recommended Gross Salvage	[M] Recommended Cost of Removal	[N] Recommended Net Salvage [L] - [M]	[O] Remaining Life Based on Curve years	[P] Indicated Remaining Life Rate with COR (1-[N]-[E])/[O]	[Q] Indicated Change in Depr Exp ([P] - [G])*[C]	[R] Indicated Remaining Life Rate w/o COR (1-[L]-[E])/[O]
1		**Transmission Plant**																
2	350	Land and Land Rights	2,159,768	-	0.0%		0.00%	0%				0%	0%	0%		0.00%		0.00%
3	352	Structures and Improvements	1,568,466	535,697	34.2%	9.1	2.39%	-10%	45	S4	48	0%	10%	-10%	38.9	1.95%	(6,901)	1.69%
4	353	Station Equipment	33,850,757	12,876,640	38.0%	8.8	2.66%	5%	35	S0	40	10%	5%	5%	33.4	1.71%	(321,582)	1.56%
5	354	Towers and Fixtures	447,677	167,538	37.4%	6.7	2.04%	-15%	55	R1.5	60	5%	20%	-15%	54.7	1.42%	(2,776)	1.05%
6	355	Poles and Fixtures	14,243,734	5,280,479	37.1%	26.9	2.22%	-25%	55	S4	55	15%	40%	-25%	28.2	3.12%	128,194	1.70%
7	356	Overhead Conductors and Devices	17,300,024	6,398,076	37.0%	21.7	2.04%	-15%	55	R4	55	30%	40%	-10%	33.9	2.15%	19,030	0.97%
8	359	Roads and Trails	6,920	2,570	37.1%	24.8	1.95%	0%	50	S6	53	0%	0%	0%	28.2	2.23%	19	2.23%
9	106	Completed Construction not Classified	892,291	72,132	8.1%		2.32%									2.12%	(1,785)	
10		Total Transmission Plant	70,469,637	25,333,132	*35.9%*		*2.32%*									*2.12%*	(185,801)	*1.38%*
11		**Distribution Plant**																
12	360	Land and Land Rights	1,624,794	(21,552)	-1.3%		0.00%	0%				0%	0%	0%		0.00%		0.00%
13	361	Structures and Improvements	254,825	115,258	45.2%	21.1	3.28%	-10%	35	S0	33	0%	10%	-10%	19.7	3.29%	25	2.78%
14	362	Station Equipment	51,530,410	19,833,698	38.5%	14.3	2.85%	5%	35	R3	37	15%	10%	5%	24.0	2.35%	(257,652)	1.94%
15	364	Poles, Towers and Fixtures	54,941,936	18,370,367	33.4%	14.3	3.27%	-25%	40	R2.5	44	20%	50%	-30%	31.5	3.07%	(109,884)	1.48%
16	365	Overhead Conductors and Devices	32,494,569	12,187,100	37.5%	17.6	3.14%	-20%	40	R1.5	45	30%	40%	-10%	31.9	2.27%	(282,703)	1.02%
17	366	Underground Conduit	1,211,297	346,988	28.6%	6.0	2.64%	0%	40		45	0%	0%	0%	*39.0*	1.83%	(9,812)	1.83%
18	367	Underground Conducters and Devices	35,726,003	10,339,823	28.9%	9.7	3.00%	0%	35	S2	30	5%	5%	0%	20.9	3.40%	142,904	3.16%
19	368	Line Transformers	29,657,925	10,400,878	35.1%	11.9	3.02%	5%	33	S0.5	34	10%	0%	10%	24.9	2.21%	(240,229)	2.21%
20	369	Services	22,865,627	7,357,128	32.2%	11.5	2.77%	-5%	40	R4	45	25%	50%	-25%	34.0	2.73%	(9,146)	1.26%
21	370	Meters	7,897,105	1,259,837	16.0%	8.6	2.85%	5%	35	L2	32	15%	10%	5%	24.2	3.27%	33,168	2.85%
22	371	Installations on Customer Premises	1,663,075	626,129	37.6%	12.8	4.14%	0%	25	L0	30	20%	30%	-10%	23.5	3.08%	(17,629)	1.80%
23	373	Street Lighting and Signal Systems	1,516,328	611,471	40.3%	15.8	4.34%	-5%	25	L0	25	20%	25%	-5%	17.9	3.61%	(11,069)	2.22%
24	106	Completed Construction not Classified	8,267,701	533,504	6.5%		3.02%									2.72%	(24,803)	
25		Total Distribution Plant	249,651,598	81,960,628	*32.8%*		*3.02%*									*2.72%*	(786,829)	*1.82%*
26		**General Plant**																
27	389	Land and Land Rights	602,008	-	0.0%		0.00%	0%				0%	0%	0%		0.00%		0.00%
28	390	Structures and Improvements	10,467,603	5,598,384	53.5%	16.2	4.73%	-10%	30	L1	33	0%	10%	-10%	22.4	2.52%	(231,334)	2.08%
29	391	Office Furniture and Equipment	*9,161,820*	*6,086,841*	66.4%	9.2	10.56%	5%	10	O4	13	0%	0%	0%	15.5			
30	391.1	Office Furniture and Equipment	3,570,058	1,274,510	35.7%						21.6	10%	5%	5%		4.40%	(219,916)	4.17%
31	391.3	Computer/Software Equipment	5,591,762	4,812,330	86.1%						7.5	10%	5%	5%		12.67%	117,986	12.00%
32	392	Transportation Equipment	5,146,117	2,771,584	53.9%	5.9	9.06%	20%	10	R1	12	15%	0%	15%	8.0	3.89%	(266,054)	3.89%
33	393	Stores Equipment	292,210	152,865	52.3%	21.8	4.23%	5%	30		30	10%	10%	0%	*8.2*	5.82%	4,646	4.60%
34	394	Tools, Shop and Garage Equipment	4,852,946	2,429,345	50.1%	9.8	4.23%	5%	30	L1.5	25	5%	0%	5%	17.7	2.54%	(82,015)	2.54%
35	395	Laboratory Equipment	607,146	283,317	46.7%	12.4	3.06%	0%	50	L1	45	0%	0%	0%	35.2	1.52%	(9,350)	1.52%
36	396	Power Operated Equipment	316,735	131,158	41.4%	5.3	4.23%	5%	30	S5	25	5%	0%	5%	19.7	2.72%	(4,783)	2.72%
37	397	Communication Equipment	7,630,343	895,944	11.7%	2.1	4.39%	0%	30	L2	25	0%	0%	0%	23.0	3.84%	(41,967)	3.84%
38	398	Miscellaneous Equipment	345,552	179,498	51.9%	16.8	5.81%	5%	20	L1	27	0%	0%	0%	17.5	2.75%	(10,574)	2.75%
39	106	Completed Construction not Classified	1,526,583	484,814	31.8%		6.63%									4.61%	(30,837)	
40		Total General Plant	40,949,064	19,013,751	*46.4%*		*6.43%*									*4.61%*	(774,197)	4.14%
41		**Total**	**361,070,299**	**126,307,511**	**35.0%**		**3.27%**									**2.82%**	**(1,746,827)**	**1.99%**

7.0 RECOMMENDED DEPRECIATION RATES

We summarize our recommended depreciation rates for unit property and mass property in Table 7-1

7.1 Unit Property Depreciation Rates

Our recommended composite depreciation rate for Steam Production Plant is 2.80%, a 7% increase from the existing rate of 2.61%. This increase is primarily due to the effect of the remaining life adjustment and the impact of major capital additions. For Other Production Plant, the composite rate decreases 39% to 2.19%. This reduction is primarily due to 18 to 20 year life extensions at the Neil Simpson CT and Lange CT facilities. For all generation facilities, the composite rate decreases from 2.84% to 2.66%, resulting in an estimated decrease in depreciation expense of $609,000.

By including Wygen III, with depreciation rate of 2.72%, the composite rate for all unit property increases to 2.68%. When including the estimated depreciation expense for Wygen III, the total increase in depreciation expense for unit property is $2.88 million.

7.2 Mass Property Depreciation Rates

For transmission accounts, the composite rate decreases from 2.40% to 2.12%. This results in an estimated decrease in depreciation expense of $186,000. The composite rate for distribution accounts decreases from 3.04% to 2.72%, which results in an estimated decrease in depreciation expense of $787,000. For general plant accounts, the composite rate decreases from 6.53% to 4.61%, a decrease of $774,000 in depreciation expense. We attribute these decreases to two main factors: first, we find a general trend of longer service lives compared to the previous study, and second, the longer service lives, all other factors equal, results in a theoretical reserve ratio lower than the existing reserve ratio. To account for the existing reserve ration being higher than theoretical, the remaining life calculation effectively lowers the applied rate.

The composite rate for all mass property accounts is 2.82%, which is a 14% decrease from the current composite rate of 3.27%. The estimated impact on depreciation expense for mass property accounts is a decrease of $1.75 million.

7.3 Summary

Overall, our recommended depreciation rates are 11% lower than existing, based on plant balances at December 31, 2008. The overall impact is a decrease in annual depreciation expense of $2.36 million. The depreciation expense for the Wygen III generating unit will however generate an additional $3.49 million in annual depreciation expense, bringing the overall change in depreciation expense to an increase of $1.14 million.

Table 7-1
Recommended Depreciation Rates

Line No.	[A] Description	[B] FERC Acct	[C] Plant in Service At 12/31/2008	[D] Existing Depreciation Rate	[E] Existing Depreciation Expense (1)	[F] Recommended Depreciation Rate (2)	[G] Recommended Depreciation Expense (1)	[H] Change in Expense
			$	%	$	%	$	$
1	**Production Plant**							
2	Steam Production Plant							
3	Land and Land Rights	310	333,941	0.00%	-	0.00%	-	-
4	Osage	311-316	17,918,001	1.53%	274,145	2.59%	463,686	189,540
5	Ben French	311-316	13,360,210	2.21%	295,261	3.62%	483,953	188,693
6	Wyodak	311-316	79,050,217	2.87%	2,268,741	3.04%	2,401,452	132,710
7	Neil Simpson I	311-316	18,913,575	3.35%	633,605	3.49%	660,195	26,590
8	Neil Simpson II	311-316	125,534,971	2.54%	3,188,588	2.49%	3,130,008	(58,580)
9	Total Steam Production		255,110,915	*2.61%*	6,660,340	*2.80%*	7,139,293	478,953
10	Other Production Plant							
11	Land and Land Rights	340	2,705	0.00%	-	0.00%	-	-
12	Lange CT	341-346	30,183,503	3.97%	1,198,285	2.39%	720,570	(477,715)
13	Neil Simpson CT	341-346	29,130,532	3.91%	1,139,004	2.51%	731,258	(407,746)
14	Ben French Other Production	341-346	19,323,720	2.43%	469,566	1.38%	267,079	(202,487)
15	Total Other Production		78,640,459	*3.57%*	2,806,855	*2.19%*	1,718,908	(1,087,948)
16	**Total Production Plant**		**333,751,374**	2.84%	**9,467,196**	2.66%	**8,858,201**	**(608,995)**
17	**Transmission Plant**							
18	Land and Land Rights	350	2,159,768	0.00%	-	0.00%	-	-
19	Structures and Improvements	352	1,568,466	2.39%	37,486	1.95%	30,585	(6,901)
20	Station Equipment	353	33,850,757	2.66%	900,430	1.71%	578,848	(321,582)
21	Towers and Fixtures	354	447,677	2.04%	9,133	1.42%	6,357	(2,776)
22	Poles and Fixtures	355	14,243,734	2.22%	316,211	3.12%	444,404	128,194
23	Overhead Conductors and Devices	356	17,300,024	2.04%	352,920	2.15%	371,951	19,030
24	Roads and Trails	359	6,920	1.95%	135	2.23%	154	19
25	Completed Construction not Classified	106	892,291	2.32%	20,701	2.12%	18,917	(1,785)
26	Total Transmission Plant		70,469,637	*2.40%*	1,637,017	*2.12%*	1,451,216	(185,801)
27	**Distribution Plant**							
28	Land and Land Rights	360	1,624,794	0.00%	-	0.00%	-	-
29	Structures and Improvements	361	254,825	3.28%	8,358	3.29%	8,384	25
30	Station Equipment	362	51,530,410	2.85%	1,468,617	2.35%	1,210,965	(257,652)
31	Poles, Towers and Fixtures	364	54,941,936	3.27%	1,796,601	3.07%	1,686,717	(109,884)
32	Overhead Conductors and Devices	365	32,494,569	3.14%	1,020,329	2.27%	737,627	(282,703)
33	Underground Conduit	366	1,211,297	2.64%	31,978	1.83%	22,167	(9,812)
34	Underground Conducters and Devices	367	35,726,003	3.00%	1,071,780	3.40%	1,214,684	142,904
35	Line Transformers	368	29,657,925	3.02%	895,669	2.21%	655,440	(240,229)
36	Services	369	22,865,627	2.77%	633,378	2.73%	624,232	(9,146)
37	Meters	370	7,897,105	2.85%	225,068	3.27%	258,235	33,168
38	Installations on Customer Premises	371	1,663,075	4.14%	68,851	3.08%	51,223	(17,629)
39	Street Lighting and Signal Systems	373	1,516,328	4.34%	65,809	3.61%	54,739	(11,069)
40	Completed Construction not Classified	106	8,267,701	3.02%	249,685	2.72%	224,881	(24,803)
41	Total Distribution Plant		249,651,598	*3.04%*	7,536,123	*2.72%*	6,749,294	(786,829)
42	**General Plant**							
43	Land and Land Rights	389	602,008	0.00%	-	0.00%	-	-
44	Structures and Improvements	390	10,467,603	4.73%	495,118	2.52%	263,784	(231,334)
45	Office Furniture and Equipment	391	9,161,820	10.56%	967,488	9.45%	865,559	(101,929)
46	Office Furniture and Equipment	391.1				4.40%	-	-
47	Computer Equipment	391.3				12.67%	-	-
48	Transportation Equipment	392	5,146,117	9.06%	466,238	3.89%	200,184	(266,054)
49	Stores Equipment	393	292,210	4.23%	12,360	5.82%	17,007	4,646
50	Tools, Shop and Garage Equipment	394	4,852,946	4.23%	205,280	2.54%	123,265	(82,015)
51	Laboratory Equipment	395	607,146	3.06%	18,579	1.52%	9,229	(9,350)
52	Power Operated Equipment	396	316,735	4.23%	13,398	2.72%	8,615	(4,783)
53	Communication Equipment	397	7,630,343	4.39%	334,972	3.84%	293,005	(41,967)
54	Miscellaneous Equipment	398	345,552	5.81%	20,077	2.75%	9,503	(10,574)
55	Completed Construction not Classified	106	1,526,583	6.63%	101,212	4.61%	70,375	(30,837)
56	Total General Plant		40,949,064	*6.53%*	2,634,722	*4.61%*	1,860,525	(774,197)
57	**Total Plant in Service at 12/31/08**		**694,821,673**	3.11%	**21,275,057**	2.76%	**18,919,236**	**(2,355,821)**
58	**Pro Forma Adjustment**							
59	Steam Production Plant							
60	Wygen III (in Service 2010)	311-316	128,440,000	n/a	-	2.72%	3,493,568	3,493,568
61	**Pro Forma Plant in Service**		**823,261,673**	3.11%	**21,275,057**	2.75%	**22,412,804**	**1,137,747**

Notes:
(1) Based on December 31, 2008 Balances
(2) Reference: Table 5-1, Column E for Production Plant / Table 6-2, Column P for Mass Property Accounts

APPENDIX
UNIT PROPERTY ANALYSIS

Unit Property Analysis

The unit property analysis for each plant is presented in the following sections. The analysis for each plant is done by account on a whole life basis, including recognition of interim and forecast additions and retirements and final net salvage. The remaining life portion of these analyses are summarized by plant and adjusted to reflect accumulated depreciation to determine a forecast remaining life balance. Accumulated depreciation is maintained by BHP on a total plant basis and not by individual account. The recommended remaining life rates with COR and without COR are determined on each plant summary page. The remaining life results in this Appendix are carried forward to Table 5-1 in the body of the report.

Summary by Plant
Black Hills Power
Osage Facility

Account	Description	Direct Investment 2008$	Depreciation Rate	
310	Land			
311	Structure & Improvements	4,392,152	3.16%	
312	Boiler Plant Equipment	7,298,517	2.57%	
313	Engines & Engine Driven Generators			
314	Turbo Generator Equipment	4,616,858	2.56%	
315	Accessory Electric Equipment	1,054,888	2.23%	
316	Misc Power Equipment	452,022	2.56%	
	Total	17,814,438	2.69%	whole life weighted average rate

Remaining Life Depreciation Rate Calculation

Per Books Balance 12/31/08	17,918,001
Forecast Interim Additions	396,337
Forecast Gross Salvage Value	901,939
Forecast Less Cost of Removal	1,803,878
Forecast Net Salvage Value	(901,939)
Forecast Total to be Recovered with COR	19,216,276
Forecast Total to be Recovered w/o COR	17,412,399
Accumulated Depreciation (2008 EOY)	(17,357,768)
Forecast Remaining Life Balance with COR	1,858,508
Forecast Remaining Life Balance w/o COR	54,631
Forecast Plant Balances	71,817,516
Remaining Life Rate with COR	2.59%
Remaining Life Rate w/o COR	0.08%

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Osage Plant

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1953
Retirement Date	2013
Service Life, Yrs	60

2008

Historical and Forecast Plant Additions & Balances

Account: 311 Structures & Improvements

Initial Plant Balance 0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1953	60					2,046,367		2,046,367	-		2,046,367		2,046,367
2	1954	59				107,853	26,060	6,246	26,060	6,246		2,066,181		2,066,181
3	1955	58					26,313	6,307	26,313	6,307		2,086,187		2,086,187
4	1956	57					26,568	6,368	26,568	6,368		2,106,387		2,106,387
5	1957	56					26,825	6,429	26,825	6,429		2,126,783		2,126,783
6	1958	55				1,823	27,085	6,492	27,085	6,492		2,147,375		2,147,375
7	1959	54					27,347	6,555	27,347	6,555		2,168,168		2,168,168
8	1960	53					27,612	6,618	27,612	6,618		2,189,161		2,189,161
9	1961	52					27,879	6,682	27,879	6,682		2,210,358		2,210,358
10	1962	51				432	28,149	6,747	28,149	6,747		2,231,760		2,231,760
11	1963	50					28,421	6,812	28,421	6,812		2,253,369		2,253,369
12	1964	49					28,697	6,878	28,697	6,878		2,275,188		2,275,188
13	1965	48					28,974	6,945	28,974	6,945		2,297,217		2,297,217
14	1966	47				1,657	29,255	7,012	29,255	7,012		2,319,461		2,319,461
15	1967	46					29,538	7,080	29,538	7,080		2,341,919		2,341,919
16	1968	45					29,824	7,148	29,824	7,148		2,364,595		2,364,595
17	1969	44					30,113	7,218	30,113	7,218		2,387,490		2,387,490
18	1970	43				2,521	30,405	7,287	30,405	7,287		2,410,608		2,410,608
19	1971	42					30,699	7,358	30,699	7,358		2,433,948		2,433,948
20	1972	41				5,973	30,996	7,429	30,996	7,429		2,457,515		2,457,515
21	1973	40					31,296	7,501	31,296	7,501		2,481,311		2,481,311
22	1974	39					31,599	7,574	31,599	7,574		2,505,336		2,505,336
23	1975	38					31,905	7,647	31,905	7,647		2,529,594		2,529,594
24	1976	37					32,214	7,721	32,214	7,721		2,554,088		2,554,088
25	1977	36					32,526	7,796	32,526	7,796		2,578,818		2,578,818
26	1978	35				1,313	32,841	7,871	32,841	7,871		2,603,787		2,603,787
27	1979	34					33,159	7,948	33,159	7,948		2,628,999		2,628,999
28	1980	33				459,599	33,480	8,025	33,480	8,025		2,654,455		2,654,455
29	1981	32					33,804	8,102	33,804	8,102		2,680,157		2,680,157
30	1982	31					34,132	8,181	34,132	8,181		2,706,107		2,706,107
31	1983	30				6,667	34,462	8,260	34,462	8,260		2,732,310		2,732,310
32	1984	29					34,796	8,340	34,796	8,340		2,758,766		2,758,766
33	1985	28				79,664	35,133	8,421	35,133	8,421		2,785,478		2,785,478
34	1986	27					35,473	8,502	35,473	8,502		2,812,448		2,812,448
35	1987	26					35,816	8,585	35,816	8,585		2,839,680		2,839,680
36	1988	25				87,422	36,163	8,668	36,163	8,668		2,867,176		2,867,176
37	1989	24	2,867,176	46,652									2,913,828	2,913,828
38	1990	23		103,313	2,194						(33,244)		2,981,703	2,981,703
39	1991	22		37,851	12,666	18,717							3,006,888	3,006,888
40	1992	21		147,740	39,067								3,115,561	3,115,561
41	1993	20		501,546	22,370				501,546	22,370			3,594,737	3,594,737
42	1994	19		1,337,983	29,747				1,337,983	29,747			4,902,973	4,902,973
43	1995	18		73,372					73,372	-			4,976,345	4,976,345
44	1996	17		7,898	9,057				7,898	9,057			4,975,185	4,975,185
45	1997	16			521,670				-	521,670			4,453,515	4,453,515
46	1998	15		4,369	136,832				4,369	136,832			4,321,052	4,321,052
47	1999	14							-	-			4,321,052	4,321,052
48	2000	13							-	-			4,321,052	4,321,052
49	2001	12							-	-			4,321,052	4,321,052
50	2002	11							-	-			4,321,052	4,321,052
51	2003	10							-	-			4,321,052	4,321,052
52	2004	9							-	-			4,321,052	4,321,052
53	2005	8							-	-			4,321,052	4,321,052
54	2006	7							-	-	(57,372)		4,263,680	4,263,680
55	2007	6		128,368					128,368	-	104		4,392,152	4,392,152
56	2008	5							-	-			4,392,152	4,392,152
57	Total		$ 2,867,176	$ 2,389,091	$ 773,603	$ 773,642	$ 3,125,928	$ 258,753	$ 5,179,464	$ 978,429	$ (90,512)	$ 87,638,547	$ 82,537,134	$ 170,175,681
	Major Additions/Retirements													
	1997				$ 521,670									
	1994			$ 1,337,983										
	Routine Activity			$ 1,051,108	$ 251,933									
58	Historical Interim Activity			1.27%	0.31%									
59	Forecast Interim Activity			0.50%	0.31%									
60	2009	4							21,961	13,406				4,400,706
61	2010	3							22,004	13,433				4,409,277
62	2011	2							22,046	13,459				4,417,865
63	2012	1							22,089	13,485				4,426,469
64	2013	0									(4,426,469)			-
									$ 5,267,564	$ 1,032,211				$ 187,829,999

Whole Life Depreciation Rate Calculation

Historical Additions	5,179,464
Forecast Additions	88,100
Total Additions	5,267,564
Gross Salvage Value	221,323
Less Cost of Removal	442,647
Net Salvage Value	(221,323)
Total to be Recovered	5,488,888
Forecast Plant Balances	187,829,999
Whole Life Accrual Rate	2.92%
Cost of Removal Accrual Rate	0.24%
Whole Life Accrual Rate (Excluding Cost of Removal)	3.16%
Depreciable Service Life, years	34.2

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	4,392,152
Forecast Additions	88,100
Gross Salvage Value	221,323
Less Cost of Removal	442,647
Net Salvage Value	(221,323)
Forecast Plant Balances	17,654,318

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Osage Plant

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1953
Retirement Date	2013
Service Life, Yrs	60
Initial Plant Balance	0

2008

Historical and Forecast Plant Additions & Balances

Account: 312 Boiler Plant Equipment

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1953	60					3,705,569		3,705,569	-		3,705,569		3,705,569
2	1954	59				71,775	40,796	9,692	40,796	9,692		3,736,673		3,736,673
3	1955	58					41,138	9,774	41,138	9,774		3,768,037		3,768,037
4	1956	57					41,483	9,856	41,483	9,856		3,799,665		3,799,665
5	1957	56					41,832	9,938	41,832	9,938		3,831,558		3,831,558
6	1958	55				762	42,183	10,022	42,183	10,022		3,863,719		3,863,719
7	1959	54					42,537	10,106	42,537	10,106		3,896,149		3,896,149
8	1960	53					42,894	10,191	42,894	10,191		3,928,852		3,928,852
9	1961	52					43,254	10,276	43,254	10,276		3,961,830		3,961,830
10	1962	51					43,617	10,363	43,617	10,363		3,995,084		3,995,084
11	1963	50					43,983	10,450	43,983	10,450		4,028,617		4,028,617
12	1964	49					44,352	10,537	44,352	10,537		4,062,432		4,062,432
13	1965	48					44,725	10,626	44,725	10,626		4,096,531		4,096,531
14	1966	47					45,100	10,715	45,100	10,715		4,130,916		4,130,916
15	1967	46					45,478	10,805	45,478	10,805		4,165,590		4,165,590
16	1968	45					45,860	10,896	45,860	10,896		4,200,554		4,200,554
17	1969	44					46,245	10,987	46,245	10,987		4,235,812		4,235,812
18	1970	43				12,642	46,633	11,079	46,633	11,079		4,271,366		4,271,366
19	1971	42					47,025	11,172	47,025	11,172		4,307,219		4,307,219
20	1972	41					47,419	11,266	47,419	11,266		4,343,372		4,343,372
21	1973	40					47,817	11,361	47,817	11,361		4,379,829		4,379,829
22	1974	39					48,219	11,456	48,219	11,456		4,416,592		4,416,592
23	1975	38					48,624	11,552	48,624	11,552		4,453,663		4,453,663
24	1976	37					49,032	11,649	49,032	11,649		4,491,045		4,491,045
25	1977	36				2,200	49,443	11,747	49,443	11,747		4,528,742		4,528,742
26	1978	35					49,858	11,845	49,858	11,845		4,566,755		4,566,755
27	1979	34				15,634	50,277	11,945	50,277	11,945		4,605,086		4,605,086
28	1980	33				2,000	50,699	12,045	50,699	12,045		4,643,740		4,643,740
29	1981	32				2,000	51,124	12,146	51,124	12,146		4,682,718		4,682,718
30	1982	31				105,538	51,553	12,248	51,553	12,248		4,722,023		4,722,023
31	1983	30					51,986	12,351	51,986	12,351		4,761,658		4,761,658
32	1984	29				20,365	52,422	12,455	52,422	12,455		4,801,626		4,801,626
33	1985	28					52,862	12,559	52,862	12,559		4,841,929		4,841,929
34	1986	27				2,304	53,306	12,665	53,306	12,665		4,882,571		4,882,571
35	1987	26					53,754	12,771	53,754	12,771		4,923,553		4,923,553
36	1988	25				35,014	54,205	12,878	54,205	12,878		4,964,880		4,964,880
37	1989	24	4,964,880	34,880									4,999,760	4,999,760
38	1990	23		156,910							(20,459)		5,136,211	5,136,211
39	1991	22		47,052	25,267	4,058							5,157,997	5,157,997
40	1992	21		841,359	53,757								5,945,599	5,945,599
41	1993	20		1,183,608	39,065	79,448			1,183,608	39,065			7,090,142	7,090,142
42	1994	19							-	-			7,090,142	7,090,142
43	1995	18		31,356	7,500				31,356	7,500			7,113,998	7,113,998
44	1996	17		26,378	106,337				26,378	106,337			7,034,040	7,034,040
45	1997	16		55,404	9,642				55,404	9,642	211		7,080,013	7,080,013
46	1998	15							-	-			7,080,013	7,080,013
47	1999	14		24,743	8,500				24,743	8,500			7,096,256	7,096,256
48	2000	13							-	-			7,096,256	7,096,256
49	2001	12							-	-			7,096,256	7,096,256
50	2002	11		31,181	56,248				31,181	56,248			7,071,189	7,071,189
51	2003	10							-	-			7,071,189	7,071,189
52	2004	9		71,202	4,784				71,202	4,784			7,137,607	7,137,607
53	2005	8		25,951	7,626				25,951	7,626			7,155,932	7,155,932
54	2006	7							-	-	35,344		7,191,275	7,191,275
55	2007	6		142,490	35,014				142,490	35,014	(234)		7,298,517	7,298,517
56	2008	5							-	-			7,298,517	7,298,517
57	Total		$ 4,964,880	$ 2,672,515	$ 353,740	$ 353,740	$ 5,357,305	$ 392,425	$ 6,949,619	$ 667,141	$ 14,862	$154,995,955	$ 135,240,911	$ 290,236,866
	Major Additions/Retirements													
	1993			$ 1,183,608										
	Routine Activity			$ 1,488,907	$ 353,740									
58	Historical Interim Activity			1.10%	0.26%									
59	Forecast Interim Activity			0.50%	0.26%									
60	2009	4							36,493	19,090				7,315,920
61	2010	3							36,580	19,136				7,333,364
62	2011	2							36,667	19,181				7,350,849
63	2012	1							36,754	19,227				7,368,376
64	2013	0									(7,368,376)			-
									$ 7,096,112	$ 743,775				$ 319,605,374

Whole Life Depreciation Rate Calculation

Historical Additions	6,949,619
Forecast Additions	146,493
Total Additions	7,096,112
Gross Salvage Value	368,419
Less Cost of Removal	736,838
Net Salvage Value	(368,419)
Total to be Recovered	7,464,531
Forecast Plant Balances	319,605,374
Whole Life Accrual Rate	2.34%
Cost of Removal Accrual Rate	0.23%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.57%
Depreciable Service Life, years	42.8

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	7,298,517
Forecast Additions	146,493
Gross Salvage Value	368,419
Less Cost of Removal	736,838
Net Salvage Value	(368,419)
Forecast Plant Balances	29,368,509

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Osage Plant

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1953
Retirement Date	2013
Service Life, Yrs	60

2008

Historical and Forecast Plant Additions & Balances

Account: 314 Turbogenerator Equipment

Initial Plant Balance 0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year					
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Transfers and Adjustments	Adjustments	Per Books	Simulated
1	1953	60					2,661,025		2,661,025	-		2,661,025		2,661,025
2	1954	59				66,690	18,400	4,552	18,400	4,552		2,674,872		2,674,872
3	1955	58					18,495	4,576	18,495	4,576		2,688,791		2,688,791
4	1956	57					18,592	4,600	18,592	4,600		2,702,783		2,702,783
5	1957	56					18,688	4,624	18,688	4,624		2,716,848		2,716,848
6	1958	55					18,786	4,648	18,786	4,648		2,730,985		2,730,985
7	1959	54					18,883	4,672	18,883	4,672		2,745,197		2,745,197
8	1960	53					18,982	4,696	18,982	4,696		2,759,482		2,759,482
9	1961	52					19,080	4,721	19,080	4,721		2,773,841		2,773,841
10	1962	51					19,180	4,745	19,180	4,745		2,788,276		2,788,276
11	1963	50					19,280	4,770	19,280	4,770		2,802,785		2,802,785
12	1964	49					19,380	4,795	19,380	4,795		2,817,370		2,817,370
13	1965	48					19,481	4,820	19,481	4,820		2,832,031		2,832,031
14	1966	47					19,582	4,845	19,582	4,845		2,846,768		2,846,768
15	1967	46					19,684	4,870	19,684	4,870		2,861,582		2,861,582
16	1968	45					19,786	4,896	19,786	4,896		2,876,473		2,876,473
17	1969	44					19,889	4,921	19,889	4,921		2,891,441		2,891,441
18	1970	43					19,993	4,947	19,993	4,947		2,906,487		2,906,487
19	1971	42					20,097	4,972	20,097	4,972		2,921,612		2,921,612
20	1972	41					20,202	4,998	20,202	4,998		2,936,815		2,936,815
21	1973	40					20,307	5,024	20,307	5,024		2,952,098		2,952,098
22	1974	39					20,412	5,050	20,412	5,050		2,967,460		2,967,460
23	1975	38					20,519	5,077	20,519	5,077		2,982,901		2,982,901
24	1976	37					20,625	5,103	20,625	5,103		2,998,424		2,998,424
25	1977	36					20,733	5,130	20,733	5,130		3,014,027		3,014,027
26	1978	35					20,841	5,156	20,841	5,156		3,029,711		3,029,711
27	1979	34				43,235	20,949	5,183	20,949	5,183		3,045,477		3,045,477
28	1980	33					21,058	5,210	21,058	5,210		3,061,324		3,061,324
29	1981	32					21,168	5,237	21,168	5,237		3,077,255		3,077,255
30	1982	31					21,278	5,265	21,278	5,265		3,093,268		3,093,268
31	1983	30					21,388	5,292	21,388	5,292		3,109,364		3,109,364
32	1984	29				3,758	21,500	5,319	21,500	5,319		3,125,545		3,125,545
33	1985	28				4,843	21,612	5,347	21,612	5,347		3,141,809		3,141,809
34	1986	27				707	21,724	5,375	21,724	5,375		3,158,158		3,158,158
35	1987	26					21,837	5,403	21,837	5,403		3,174,593		3,174,593
36	1988	25					21,951	5,431	21,951	5,431		3,191,112		3,191,112
37	1989	24	3,191,112	112,899	21,617	500							3,282,394	3,282,394
38	1990	23		211,355	21,617						33,244		3,505,375	3,505,375
39	1991	22			26,799								3,478,576	3,478,576
40	1992	21		195,001	45,891	5,500							3,627,686	3,627,686
41	1993	20		747,773		1,701			747,773	-			4,375,458	4,375,458
42	1994	19							-	-			4,375,458	4,375,458
43	1995	18							-	-			4,375,458	4,375,458
44	1996	17							-	-			4,375,458	4,375,458
45	1997	16		32,618	7,929	17,285			32,618	7,929			4,400,147	4,400,147
46	1998	15							-	-			4,400,147	4,400,147
47	1999	14							-	-			4,400,147	4,400,147
48	2000	13							-	-			4,400,147	4,400,147
49	2001	12		11,637					11,637	-			4,411,785	4,411,785
50	2002	11							-	-			4,411,785	4,411,785
51	2003	10							-	-			4,411,785	4,411,785
52	2004	9							-	-			4,411,785	4,411,785
53	2005	8		8,524	3,081				8,524	3,081			4,417,227	4,417,227
54	2006	7		10,627					10,627	-	(107,873)		4,319,981	4,319,981
55	2007	6		237	17,285				237	17,285	20		4,302,953	4,302,953
56	2008	5		313,906					313,906	-			4,616,858	4,616,858
57	Total		$ 3,191,112	$ 1,644,575	$ 144,220	$ 144,219	$ 3,365,384	$ 174,272	$ 4,490,705	$ 202,567	$ (74,610)	$105,057,990	$ 84,300,612	$ 189,358,601

Major Additions/Retirements

1993	$ 747,773		
2008	$ 313,906		
Routine Activity	$ 582,897	$ 144,220	
58 Historical Interim Activity	0.69%	0.17%	
59 Forecast Interim Activity	0.69%	0.17%	

60	2009	4							31,923	7,898				4,640,883
61	2010	3							32,089	7,940				4,665,033
62	2011	2							32,256	7,981				4,689,309
63	2012	1							32,424	8,022				4,713,711
64	2013	0									(4,713,711)			-
									$ 4,619,398	$ 234,408				$ 208,067,537

Whole Life Depreciation Rate Calculation

Historical Additions	4,490,705
Forecast Additions	128,693
Total Additions	4,619,398
Gross Salvage Value	235,686
Less Cost of Removal	471,371
Net Salvage Value	(235,686)
Total to be Recovered	4,855,084
Forecast Plant Balances	208,067,537
Whole Life Accrual Rate	2.33%
Cost of Removal Accrual Rate	0.23%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.56%
Depreciable Service Life, years	42.9

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	4,616,858
Forecast Additions	128,693
Gross Salvage Value	235,686
Less Cost of Removal	471,371
Net Salvage Value	(235,686)
Forecast Plant Balances	18,708,936

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Osage Plant

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1953
Retirement Date	2013
Service Life, Yrs	60

2008

Historical and Forecast Plant Additions & Balances

Account: 315 Accessory Electric Equipment

Initial Plant Balance 0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year			EOY Plant Balance		
			Transaction Year			Vintage Year					Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1953	60					348,629		348,629	-		348,629		348,629
2	1954	59					1,215	453	1,215	453		349,391		349,391
3	1955	58					1,218	454	1,218	454		350,155		350,155
4	1956	57					1,221	455	1,221	455		350,920		350,920
5	1957	56					1,223	456	1,223	456		351,687		351,687
6	1958	55					1,226	457	1,226	457		352,456		352,456
7	1959	54					1,229	458	1,229	458		353,226		353,226
8	1960	53					1,232	459	1,232	459		353,998		353,998
9	1961	52					1,234	460	1,234	460		354,772		354,772
10	1962	51					1,237	461	1,237	461		355,548		355,548
11	1963	50					1,240	462	1,240	462		356,325		356,325
12	1964	49					1,242	463	1,242	463		357,104		357,104
13	1965	48					1,245	464	1,245	464		357,884		357,884
14	1966	47					1,248	465	1,248	465		358,667		358,667
15	1967	46					1,250	466	1,250	466		359,450		359,450
16	1968	45					1,253	468	1,253	468		360,236		360,236
17	1969	44					1,256	469	1,256	469		361,024		361,024
18	1970	43					1,259	470	1,259	470		361,813		361,813
19	1971	42					1,261	471	1,261	471		362,604		362,604
20	1972	41					1,264	472	1,264	472		363,396		363,396
21	1973	40					1,267	473	1,267	473		364,191		364,191
22	1974	39					1,270	474	1,270	474		364,987		364,987
23	1975	38					1,273	475	1,273	475		365,784		365,784
24	1976	37					1,275	476	1,275	476		366,584		366,584
25	1977	36					1,278	477	1,278	477		367,385		367,385
26	1978	35					1,281	478	1,281	478		368,188		368,188
27	1979	34					1,284	479	1,284	479		368,993		368,993
28	1980	33					1,286	480	1,286	480		369,800		369,800
29	1981	32					1,289	481	1,289	481		370,608		370,608
30	1982	31					1,292	482	1,292	482		371,418		371,418
31	1983	30					1,295	483	1,295	483		372,230		372,230
32	1984	29					1,298	484	1,298	484		373,044		373,044
33	1985	28					1,301	485	1,301	485		373,859		373,859
34	1986	27					1,303	486	1,303	486		374,676		374,676
35	1987	26					1,306	487	1,306	487		375,495		375,495
36	1988	25					1,309	488	1,309	488		376,316		376,316
37	1989	24	376,316						-	-			376,316	376,316
38	1990	23							-	-			376,316	376,316
39	1991	22							-	-			376,316	376,316
40	1992	21		5,676					5,676	-			381,992	381,992
41	1993	20		108,772					108,772	-			490,763	490,763
42	1994	19							-	-			490,763	490,763
43	1995	18							-	-			490,763	490,763
44	1996	17		10,760					10,760	-			501,524	501,524
45	1997	16							-	-			501,524	501,524
46	1998	15		20,127		19,982			20,127	-	359,680		881,330	881,330
47	1999	14							-	-	162,486		1,043,817	1,043,817
48	2000	13							-	-			1,043,817	1,043,817
49	2001	12							-	-			1,043,817	1,043,817
50	2002	11		6,817					6,817	-	1,649		1,052,282	1,052,282
51	2003	10							-	-			1,052,282	1,052,282
52	2004	9							-	-	167		1,052,450	1,052,450
53	2005	8		10,184		19,982			10,184	19,982			1,042,652	1,042,652
54	2006	7							-	-	12,236		1,054,888	1,054,888
55	2007	6							-	-			1,054,888	1,054,888
56	2008	5							-	-			1,054,888	1,054,888
57	Total		$ 376,316	$ 162,336	$ 19,982	$ 19,982	$ 392,790	$ 16,474	$ 555,126	$ 36,456	$ 536,218	$ 13,042,842	$ 15,363,388	$ 28,406,230
	Major Additions/Retirements													
	1993			$ 108,772										
	Routine Activity			$ 53,564	$ 19,982									
58	Historical Interim Activity			0.35%	0.13%									
59	Forecast Interim Activity			0.35%	0.13%									
60	2009	4							3,678	1,372				1,057,194
61	2010	3							3,686	1,375				1,059,504
62	2011	2							3,694	1,378				1,061,820
63	2012	1							3,702	1,381				1,064,141
64	2013	0									(1,064,141)			-
									$ 569,886	$ 41,962				$ 32,648,890

Whole Life Depreciation Rate Calculation

Historical Additions	555,126
Forecast Additions	14,760
Total Additions	569,886
Gross Salvage Value	53,207
Less Cost of Removal	106,414
Net Salvage Value	(53,207)
Total to be Recovered	623,093
Forecast Plant Balances	32,648,890
Whole Life Accrual Rate	1.91%
Cost of Removal Accrual Rate	0.33%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.23%
Depreciable Service Life, years	52.4

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	1,054,888
Forecast Additions	14,760
Gross Salvage Value	53,207
Less Cost of Removal	106,414
Net Salvage Value	(53,207)
Forecast Plant Balances	4,242,660

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Osage Plant

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1953
Retirement Date	2013
Service Life, Yrs	60

2008

Historical and Forecast Plant Additions & Balances

Account: 316 Miscellaneous Power Equipment

Initial Plant Balance 0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year			EOY Plant Balance		
			Transaction Year			Vintage Year					Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1953	60					132,992		132,992	-		132,992		132,992
2	1954	59				39,210	2,462	308	2,462	308		135,146		135,146
3	1955	58					2,502	313	2,502	313		137,335		137,335
4	1956	57					2,542	318	2,542	318		139,559		139,559
5	1957	56					2,583	323	2,583	323		141,819		141,819
6	1958	55					2,625	328	2,625	328		144,116		144,116
7	1959	54					2,668	334	2,668	334		146,449		146,449
8	1960	53					2,711	339	2,711	339		148,821		148,821
9	1961	52					2,755	345	2,755	345		151,231		151,231
10	1962	51					2,799	350	2,799	350		153,680		153,680
11	1963	50					2,845	356	2,845	356		156,169		156,169
12	1964	49					2,891	362	2,891	362		158,698		158,698
13	1965	48					2,937	367	2,937	367		161,268		161,268
14	1966	47					2,985	373	2,985	373		163,880		163,880
15	1967	46					3,033	379	3,033	379		166,534		166,534
16	1968	45					3,083	386	3,083	386		169,231		169,231
17	1969	44					3,132	392	3,132	392		171,972		171,972
18	1970	43					3,183	398	3,183	398		174,757		174,757
19	1971	42				438	3,235	405	3,235	405		177,587		177,587
20	1972	41					3,287	411	3,287	411		180,463		180,463
21	1973	40				300	3,340	418	3,340	418		183,385		183,385
22	1974	39					3,394	425	3,394	425		186,355		186,355
23	1975	38					3,449	431	3,449	431		189,373		189,373
24	1976	37					3,505	438	3,505	438		192,440		192,440
25	1977	36				133	3,562	446	3,562	446		195,556		195,556
26	1978	35				950	3,620	453	3,620	453		198,723		198,723
27	1979	34				1,850	3,678	460	3,678	460		201,942		201,942
28	1980	33				3,043	3,738	468	3,738	468		205,212		205,212
29	1981	32					3,798	475	3,798	475		208,535		208,535
30	1982	31					3,860	483	3,860	483		211,912		211,912
31	1983	30					3,922	491	3,922	491		215,344		215,344
32	1984	29					3,986	499	3,986	499		218,832		218,832
33	1985	28				511	4,051	507	4,051	507		222,376		222,376
34	1986	27					4,116	515	4,116	515		225,977		225,977
35	1987	26					4,183	523	4,183	523		229,637		229,637
36	1988	25				6,495	4,251	532	4,251	532		233,355		233,355
37	1989	24	233,355	16,456									249,811	249,811
38	1990	23		22,924	36,023								236,712	236,712
39	1991	22		10,097	3,058						96,488		340,239	340,239
40	1992	21		12,911									353,150	353,150
41	1993	20		14,373					14,373	-			367,523	367,523
42	1994	19		5,898					5,898	-			373,421	373,421
43	1995	18		4,964					4,964	-			378,386	378,386
44	1996	17							-	-	101,391		479,777	479,777
45	1997	16			7,352				-	7,352			472,425	472,425
46	1998	15		7,941		3,033			7,941	-			480,366	480,366
47	1999	14		947					947	-			481,313	481,313
48	2000	13		1,825					1,825	-	5,729		488,868	488,868
49	2001	12		3,738					3,738	-			492,605	492,605
50	2002	11		22,539					22,539	-			515,144	515,144
51	2003	10							-	-			515,144	515,144
52	2004	9		6,297	6,495				6,297	6,495			514,946	514,946
53	2005	8		2,502					2,502	-			517,449	517,449
54	2006	7		21,870					21,870	-	(88,392)		450,927	450,927
55	2007	6		4,128	3,033				4,128	3,033			452,022	452,022
56	2008	5							-	-			452,022	452,022
57	Total		$ 233,355	$ 159,411	$ 55,961	$ 55,961	$ 247,703	$ 14,347	$ 344,726	$ 31,227	$ 115,217	$ 6,430,662	$ 8,612,253	$ 15,042,915
	Major Additions/Retirements													
	1990				$ 36,023									
	Routine Activity			$ 159,411	$ 19,938									
58	Historical Interim Activity			1.85%	0.23%									
59	Forecast Interim Activity			1.00%	0.23%									
60	2009	4							4,520	1,046				455,496
61	2010	3							4,555	1,055				458,996
62	2011	2							4,590	1,063				462,524
63	2012	1							4,625	1,071				466,078
64	2013	0									(466,078)			-
									$ 363,016	$ 35,462				$ 16,886,009

Whole Life Depreciation Rate Calculation

Historical Additions	344,726
Forecast Additions	18,290
Total Additions	363,016
Gross Salvage Value	23,304
Less Cost of Removal	46,608
Net Salvage Value	(23,304)
Total to be Recovered	386,320
Forecast Plant Balances	16,886,009
Whole Life Accrual Rate	2.29%
Cost of Removal Accrual Rate	0.28%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.56%
Depreciable Service Life, years	43.7

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	452,022
Forecast Additions	18,290
Gross Salvage Value	23,304
Less Cost of Removal	46,608
Net Salvage Value	(23,304)
Forecast Plant Balances	1,843,094

Summary by Plant
Black Hills Power
Ben French Facility

Account	Description	Direct Investment 2008$	Depreciation Rate
310	Land		
311	Structure & Improvements	2,119,670	2.68%
312	Boiler Plant Equipment	6,403,948	3.90%
313	Engines & Engine Driven Generators	0	0.00%
314	Turbo Generator Equipment	3,105,937	3.46%
315	Accessory Electric Equipment	747,759	2.24%
316	Misc Power Equipment	459,835	3.78%
	Total	12,837,149	3.49% whole life weighted average rate

Remaining Life Depreciation Rate Calculation

Per Books Balance 12/31/08	13,360,210
Forecast Interim Additions	7,221,185
Forecast Gross Salvage Value	966,460
Forecast Less Cost of Removal	1,932,919
Forecast Net Salvage Value	(966,460)
Forecast Total to be Recovered with COR	21,547,854
Forecast Total to be Recovered w/o COR	19,614,935
Accumulated Depreciation (2008 EOY)	(13,050,958)
Forecast Remaining Life Balance with COR	8,496,897
Forecast Remaining Life Balance w/o COR	6,563,977
Forecast Plant Balances	234,568,689
Remaining Life Rate with COR	3.62%
Remaining Life Rate w/o COR	2.80%

Black Hills Power

Unit Property Depreciation Rate Analysis
Unit Property: Steam Production, Ben French Plant

Historical and Forecast Plant Additions & Balances
Account: 311 Structures & Improvements

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1960
Retirement Date	2023
Service Life, Yrs	63
Initial Plant Balance	0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year			EOY Plant Balance		
			Transaction Year			Vintage Year					Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1960	63					1,645,152		1,645,152	-		1,645,152		1,645,152
2	1961	62					18,125	7,282	18,125	7,282		1,655,995		1,655,995
3	1962	61				110,466	18,245	7,330	18,245	7,330		1,666,911		1,666,911
4	1963	60					18,365	7,378	18,365	7,378		1,677,898		1,677,898
5	1964	59					18,486	7,426	18,486	7,426		1,688,957		1,688,957
6	1965	58					18,608	7,475	18,608	7,475		1,700,090		1,700,090
7	1966	57					18,731	7,525	18,731	7,525		1,711,296		1,711,296
8	1967	56					18,854	7,574	18,854	7,574		1,722,576		1,722,576
9	1968	55					18,978	7,624	18,978	7,624		1,733,930		1,733,930
10	1969	54					19,103	7,674	19,103	7,674		1,745,359		1,745,359
11	1970	53					19,229	7,725	19,229	7,725		1,756,863		1,756,863
12	1971	52				567	19,356	7,776	19,356	7,776		1,768,443		1,768,443
13	1972	51					19,484	7,827	19,484	7,827		1,780,099		1,780,099
14	1973	50					19,612	7,879	19,612	7,879		1,791,832		1,791,832
15	1974	49					19,741	7,931	19,741	7,931		1,803,643		1,803,643
16	1975	48					19,871	7,983	19,871	7,983		1,815,531		1,815,531
17	1976	47					20,002	8,036	20,002	8,036		1,827,498		1,827,498
18	1977	46					20,134	8,089	20,134	8,089		1,839,544		1,839,544
19	1978	45					20,267	8,142	20,267	8,142		1,851,669		1,851,669
20	1979	44					20,401	8,196	20,401	8,196		1,863,874		1,863,874
21	1980	43				16,059	20,535	8,250	20,535	8,250		1,876,159		1,876,159
22	1981	42				7,135	20,670	8,304	20,670	8,304		1,888,526		1,888,526
23	1982	41				3,853	20,807	8,359	20,807	8,359		1,900,974		1,900,974
24	1983	40					20,944	8,414	20,944	8,414		1,913,504		1,913,504
25	1984	39					21,082	8,469	21,082	8,469		1,926,116		1,926,116
26	1985	38					21,221	8,525	21,221	8,525		1,938,812		1,938,812
27	1986	37				3,566	21,361	8,581	21,361	8,581		1,951,591		1,951,591
28	1987	36					21,501	8,638	21,501	8,638		1,964,455		1,964,455
29	1988	35				39,280	21,643	8,695	21,643	8,695		1,977,403		1,977,403
30	1989	34	1,977,403	9,156	567				9,156	567			1,985,992	1,985,992
31	1990	33		3,453	34,000				3,453	34,000			1,955,445	1,955,445
32	1991	32		57,884	18,022				57,884	18,022			1,995,307	1,995,307
33	1992	31		32,045	3,018				32,045	3,018			2,024,334	2,024,334
34	1993	30		42,529	64,172				42,529	64,172			2,002,691	2,002,691
35	1994	29		60,359					60,359	-			2,063,050	2,063,050
36	1995	28		4,810					4,810	-			2,067,860	2,067,860
37	1996	27		78,597	1,265				78,597	1,265			2,145,193	2,145,193
38	1997	26							-	-	(135,790)		2,009,403	2,009,403
39	1998	25							-	-			2,009,403	2,009,403
40	1999	24							-	-			2,009,403	2,009,403
41	2000	23							-	-			2,009,403	2,009,403
42	2001	22							-	-			2,009,403	2,009,403
43	2002	21		25,330	16,750				25,330	16,750			2,017,982	2,017,982
44	2003	20		12,030					12,030	-			2,030,013	2,030,013
45	2004	19		100,652	43,133				100,652	43,133			2,087,532	2,087,532
46	2005	18		8,946					8,946	-			2,096,478	2,096,478
47	2006	17		14,576					14,576	-	8,617		2,119,670	2,119,670
48	2007	16							-	-			2,119,670	2,119,670
49	2008	15							-	-			2,119,670	2,119,670
50	Total		$ 1,977,403	$ 450,368	$ 180,927	$ 180,926	$ 2,200,508	$ 223,105	$ 2,650,876	$ 404,032	$ (127,173)	$ 52,384,699	$ 40,877,900	$ 93,262,599
	Major Additions/Retirements													
	Routine Activity			$ 450,368										
51	Historical Interim Activity			1.10%	0.44%									
52	Forecast Interim Activity			1.10%	0.44%									
53	2009	14							23,353	9,382				2,133,642
54	2010	13							23,507	9,444				2,147,705
55	2011	12							23,662	9,506				2,161,862
56	2012	11							23,818	9,568				2,176,111
57	2013	10							23,975	9,632				2,190,455
58	2014	9							24,133	9,695				2,204,893
59	2015	8							24,292	9,759				2,219,426
60	2016	7							24,452	9,823				2,234,055
61	2017	6							24,613	9,888				2,248,780
62	2018	5							24,776	9,953				2,263,603
63	2019	4							24,939	10,019				2,278,523
64	2020	3							25,103	10,085				2,293,541
65	2021	2							25,269	10,151				2,308,659
66	2022	1							25,435	10,218				2,323,876
67	2023	0									(2,323,876)			-
			$ 1,977,403	$ 450,368	$ 180,927	$ 180,926	$ 2,200,508	$ 223,105	$ 2,992,205	$ 541,155	$ (2,451,049)			$ 124,447,729

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Whole Life Depreciation Rate Calculation

Historical Additions	2,650,876
Forecast Additions	341,329
Total Additions	2,992,205
Gross Salvage Value	116,194
Less Cost of Removal	232,388
Net Salvage Value	(116,194)
Total to be Recovered	3,108,398
Forecast Plant Balances	124,447,729
Whole Life Accrual Rate	2.50%
Cost of Removal Accrual Rate	0.19%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.68%
Depreciable Service Life, years	40.0

Remaining Life Depreciation Rate Calculation

Account Balance - 12/31/08	2,119,670
Forecast Additions	341,329
Gross Salvage Value	116,194
Less Cost of Removal	232,388
Net Salvage Value	(116,194)
Forecast Plant Balances	31,185,130

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Ben French Plant

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1960
Retirement Date	2023
Service Life, Yrs	63

2008

Historical and Forecast Plant Additions & Balances

Account: 312 Boiler Plant Equipment

Initial Plant Balance 0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year			EOY Plant Balance		
			Transaction Year											
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Vintage Year Retirements	Additions	Retirements	Additions	Retirements	Transfers and Adjustments	Adjustments	Per Books	Simulated
1	1960	63				2,500	3,820,187		3,820,187	-		3,820,187		3,820,187
2	1961	62					52,984	12,641	52,984	12,641		3,860,530		3,860,530
3	1962	61				39,889	53,544	12,774	53,544	12,774		3,901,299		3,901,299
4	1963	60					54,109	12,909	54,109	12,909		3,942,499		3,942,499
5	1964	59					54,681	13,046	54,681	13,046		3,984,134		3,984,134
6	1965	58					55,258	13,183	55,258	13,183		4,026,209		4,026,209
7	1966	57					55,842	13,323	55,842	13,323		4,068,728		4,068,728
8	1967	56					56,431	13,463	56,431	13,463		4,111,696		4,111,696
9	1968	55					57,027	13,605	57,027	13,605		4,155,118		4,155,118
10	1969	54					57,630	13,749	57,630	13,749		4,198,999		4,198,999
11	1970	53					58,238	13,894	58,238	13,894		4,243,343		4,243,343
12	1971	52					58,853	14,041	58,853	14,041		4,288,155		4,288,155
13	1972	51					59,475	14,189	59,475	14,189		4,333,440		4,333,440
14	1973	50					60,103	14,339	60,103	14,339		4,379,204		4,379,204
15	1974	49					60,738	14,491	60,738	14,491		4,425,451		4,425,451
16	1975	48					61,379	14,644	61,379	14,644		4,472,186		4,472,186
17	1976	47					62,027	14,798	62,027	14,798		4,519,415		4,519,415
18	1977	46					62,682	14,955	62,682	14,955		4,567,142		4,567,142
19	1978	45					63,344	15,113	63,344	15,113		4,615,374		4,615,374
20	1979	44				6,000	64,013	15,272	64,013	15,272		4,664,115		4,664,115
21	1980	43				98,487	64,689	15,433	64,689	15,433		4,713,371		4,713,371
22	1981	42				32,549	65,372	15,596	65,372	15,596		4,763,147		4,763,147
23	1982	41				12,941	66,063	15,761	66,063	15,761		4,813,448		4,813,448
24	1983	40					66,760	15,928	66,760	15,928		4,864,281		4,864,281
25	1984	39					67,465	16,096	67,465	16,096		4,915,651		4,915,651
26	1985	38					68,178	16,266	68,178	16,266		4,967,563		4,967,563
27	1986	37					68,898	16,437	68,898	16,437		5,020,023		5,020,023
28	1987	36					69,625	16,611	69,625	16,611		5,073,037		5,073,037
29	1988	35				72,919	70,361	16,787	70,361	16,787		5,126,612		5,126,612
30	1989	34	5,126,612	37,022		29,189			37,022	-			5,163,634	5,163,634
31	1990	33		52,835	9,353				52,835	9,353			5,207,115	5,207,115
32	1991	32		15,092					15,092	-			5,222,208	5,222,208
33	1992	31		148,634	133,732	41,778			148,634	133,732	4,701		5,241,811	5,241,811
34	1993	30		21,689					21,689	-			5,263,500	5,263,500
35	1994	29		35,582	2,092				35,582	2,092			5,296,989	5,296,989
36	1995	28		129,310	7,100	35,265			129,310	7,100			5,419,199	5,419,199
37	1996	27							-	-			5,419,199	5,419,199
38	1997	26		11,134					11,134	-	74,036		5,504,369	5,504,369
39	1998	25		57,570					57,570	-			5,561,939	5,561,939
40	1999	24		26,381	8,000				26,381	8,000			5,580,320	5,580,320
41	2000	23		271,830	28,500				271,830	28,500	(79,802)		5,743,848	5,743,848
42	2001	22							-	-			5,743,848	5,743,848
43	2002	21		19,484					19,484	-			5,763,332	5,763,332
44	2003	20							-	-			5,763,332	5,763,332
45	2004	19		89,039	41,778				89,039	41,778			5,810,593	5,810,593
46	2005	18		22,792	3,588				22,792	3,588			5,829,796	5,829,796
47	2006	17		230,602	72,919				230,602	72,919	92,704		6,080,183	6,080,183
48	2007	16		205,698	29,189				205,698	29,189			6,256,691	6,256,691
49	2008	15		182,522	35,265				182,522	35,265			6,403,948	6,403,948
50	Total		$ 5,126,612	$ 1,557,214	$ 371,517	$ 371,517	$ 5,535,956	$ 409,345	$ 7,093,171	$ 780,861	$ 91,639	$ 128,834,355	$ 112,275,853	$ 241,110,208

Major Additions/Retirements

	Routine Activity			$ 1,557,214										
51	Historical Interim Activity			1.39%	0.33%									
52	Forecast Interim Activity			1.39%	0.33%									
53	2009	14							88,820	21,190				6,471,577
54	2010	13							89,758	21,414				6,539,921
55	2011	12							1,990,706	21,640				8,508,986
56	2012	11							118,016	28,156				8,598,846
57	2013	10							119,262	28,453				8,689,655
58	2014	9							120,522	28,754				8,781,422
59	2015	8							121,794	29,057				8,874,159
60	2016	7							2,272,757	29,364				11,117,552
61	2017	6							154,195	36,788				11,234,959
62	2018	5							155,824	37,176				11,353,607
63	2019	4							157,469	37,569				11,473,508
64	2020	3							159,132	37,965				11,594,674
65	2021	2							160,813	38,366				11,717,121
66	2022	1							162,511	38,772				11,840,860
67	2023	0									(11,840,860)			-
									$ 12,964,749	$ 1,215,527				$ 377,907,055

Whole Life Depreciation Rate Calculation

Historical Additions	7,093,171
Forecast Additions	5,871,578
Total Additions	12,964,749
Gross Salvage Value	592,043
Less Cost of Removal	1,184,086
Net Salvage Value	(592,043)
Total to be Recovered	13,556,792
Forecast Plant Balances	377,907,055
Whole Life Accrual Rate	3.59%
Cost of Removal Accrual Rate	0.31%
Whole Life Accrual Rate (Excluding Cost of Removal)	3.90%
Depreciable Service Life, years	27.9

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	6,403,948
Forecast Additions	5,871,578
Gross Salvage Value	592,043
Less Cost of Removal	1,184,086
Net Salvage Value	(592,043)
Forecast Plant Balances	136,796,847

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Ben French Plant

Historical and Forecast Plant Additions & Balances

Account: 314 Turbogenerator Equipment

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1960
Retirement Date	2023
Service Life, Yrs	63
Initial Plant Balance	0

2008

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1960	63					1,247,946		1,247,946	-		1,247,946		1,247,946
2	1961	62					19,893	2,399	19,893	2,399		1,265,440		1,265,440
3	1962	61				43,500	20,172	2,432	20,172	2,432		1,283,180		1,283,180
4	1963	60					20,455	2,466	20,455	2,466		1,301,168		1,301,168
5	1964	59					20,741	2,501	20,741	2,501		1,319,409		1,319,409
6	1965	58					21,032	2,536	21,032	2,536		1,337,905		1,337,905
7	1966	57					21,327	2,572	21,327	2,572		1,356,660		1,356,660
8	1967	56					21,626	2,608	21,626	2,608		1,375,679		1,375,679
9	1968	55					21,929	2,644	21,929	2,644		1,394,964		1,394,964
10	1969	54					22,237	2,681	22,237	2,681		1,414,519		1,414,519
11	1970	53					22,548	2,719	22,548	2,719		1,434,348		1,434,348
12	1971	52					22,864	2,757	22,864	2,757		1,454,456		1,454,456
13	1972	51					23,185	2,796	23,185	2,796		1,474,845		1,474,845
14	1973	50					23,510	2,835	23,510	2,835		1,495,520		1,495,520
15	1974	49					23,840	2,875	23,840	2,875		1,516,485		1,516,485
16	1975	48					24,174	2,915	24,174	2,915		1,537,744		1,537,744
17	1976	47					24,513	2,956	24,513	2,956		1,559,301		1,559,301
18	1977	46					24,856	2,997	24,856	2,997		1,581,160		1,581,160
19	1978	45					25,205	3,039	25,205	3,039		1,603,325		1,603,325
20	1979	44					25,558	3,082	25,558	3,082		1,625,802		1,625,802
21	1980	43					25,916	3,125	25,916	3,125		1,648,593		1,648,593
22	1981	42					26,280	3,169	26,280	3,169		1,671,704		1,671,704
23	1982	41					26,648	3,213	26,648	3,213		1,695,139		1,695,139
24	1983	40					27,022	3,258	27,022	3,258		1,718,902		1,718,902
25	1984	39					27,400	3,304	27,400	3,304		1,742,998		1,742,998
26	1985	38					27,784	3,350	27,784	3,350		1,767,433		1,767,433
27	1986	37					28,174	3,397	28,174	3,397		1,792,209		1,792,209
28	1987	36					28,569	3,445	28,569	3,445		1,817,334		1,817,334
29	1988	35					28,969	3,493	28,969	3,493		1,842,810		1,842,810
30	1989	34	1,842,810			131,971			-	-			1,842,810	1,842,810
31	1990	33		3,255					3,255	-			1,846,064	1,846,064
32	1991	32		32,399	5,000				32,399	5,000			1,873,463	1,873,463
33	1992	31		124,888	20,000				124,888	20,000			1,978,351	1,978,351
34	1993	30		98,838	17,500				98,838	17,500			2,059,689	2,059,689
35	1994	29		47,259	1,000				47,259	1,000			2,105,948	2,105,948
36	1995	28		8,910					8,910	-			2,114,858	2,114,858
37	1996	27							-	-			2,114,858	2,114,858
38	1997	26							-	-			2,114,858	2,114,858
39	1998	25							-	-			2,114,858	2,114,858
40	1999	24							-	-			2,114,858	2,114,858
41	2000	23							-	-			2,114,858	2,114,858
42	2001	22							-	-			2,114,858	2,114,858
43	2002	21		269,232					269,232	-			2,384,090	2,384,090
44	2003	20							-	-			2,384,090	2,384,090
45	2004	19							-	-			2,384,090	2,384,090
46	2005	18							-	-			2,384,090	2,384,090
47	2006	17							-	-			2,384,090	2,384,090
48	2007	16		116,549	41,066	41,066			116,549	41,066			2,459,572	2,459,572
49	2008	15		778,336	131,971				778,336	131,971			3,105,937	3,105,937
50	Total		$ 1,842,810	$ 1,479,664	$ 216,537	$ 216,537	$ 1,924,374	$ 81,564	$ 3,404,038	$ 298,101	$ -	$ 44,276,978	$ 43,996,286	$ 88,273,263
	Major Additions/Retirements													
	2008			$ 778,336	$ 131,971									
	Routine Activity			$ 701,329	$ 84,566									
51	Historical Interim Activity			1.59%	0.19%									
52	Forecast Interim Activity			1.59%	0.19%									
53	2009	14							49,511	5,970				3,149,477
54	2010	13							50,205	6,054				3,193,628
55	2011	12							50,908	6,139				3,238,398
56	2012	11							51,622	6,225				3,283,796
57	2013	10							52,346	6,312				3,329,830
58	2014	9							53,080	6,400				3,376,509
59	2015	8							53,824	6,490				3,423,843
60	2016	7							54,578	6,581				3,471,840
61	2017	6							55,343	6,673				3,520,510
62	2018	5							56,119	6,767				3,569,862
63	2019	4							56,906	6,862				3,619,906
64	2020	3							57,704	6,958				3,670,652
65	2021	2							58,513	7,055				3,722,109
66	2022	1							59,333	7,154				3,774,287
67	2023	0									(3,774,287)			-
									$ 4,164,028	$ 389,741				$ 136,617,911

Whole Life Depreciation Rate Calculation

Historical Additions	3,404,038
Forecast Additions	759,990
Total Additions	4,164,028
Gross Salvage Value	188,714
Less Cost of Removal	377,429
Net Salvage Value	(188,714)
Total to be Recovered	4,352,743
Forecast Plant Balances	136,617,911
Whole Life Accrual Rate	3.19%
Cost of Removal Accrual Rate	0.28%
Whole Life Accrual Rate (Excluding Cost of Removal)	3.46%
Depreciable Service Life, years	28.9

Remaining Life Depreciation Rate Calculation

Account Balance - 12/31/08	3,105,937
Forecast Additions	759,990
Gross Salvage Value	188,714
Less Cost of Removal	377,429
Net Salvage Value	(188,714)
Forecast Plant Balances	48,344,648

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Ben French Plant

Historical and Forecast Plant Additions & Balances

Account: 315 Accessory Electric Equipment

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1960
Retirement Date	2023
Service Life, Yrs	63
Initial Plant Balance	0

2008

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1960	63				899	423,745		423,745	-		423,745		423,745
2	1961	62					4,111	1,054	4,111	1,054		426,802		426,802
3	1962	61				1,750	4,141	1,061	4,141	1,061		429,882		429,882
4	1963	60					4,171	1,069	4,171	1,069		432,983		432,983
5	1964	59					4,201	1,077	4,201	1,077		436,107		436,107
6	1965	58					4,231	1,085	4,231	1,085		439,254		439,254
7	1966	57				21,673	4,262	1,092	4,262	1,092		442,423		442,423
8	1967	56					4,292	1,100	4,292	1,100		445,615		445,615
9	1968	55					4,323	1,108	4,323	1,108		448,831		448,831
10	1969	54					4,355	1,116	4,355	1,116		452,069		452,069
11	1970	53					4,386	1,124	4,386	1,124		455,331		455,331
12	1971	52					4,418	1,132	4,418	1,132		458,616		458,616
13	1972	51					4,449	1,141	4,449	1,141		461,925		461,925
14	1973	50					4,482	1,149	4,482	1,149		465,258		465,258
15	1974	49					4,514	1,157	4,514	1,157		468,615		468,615
16	1975	48					4,547	1,165	4,547	1,165		471,996		471,996
17	1976	47					4,579	1,174	4,579	1,174		475,401		475,401
18	1977	46					4,612	1,182	4,612	1,182		478,831		478,831
19	1978	45					4,646	1,191	4,646	1,191		482,286		482,286
20	1979	44					4,679	1,199	4,679	1,199		485,766		485,766
21	1980	43					4,713	1,208	4,713	1,208		489,271		489,271
22	1981	42					4,747	1,217	4,747	1,217		492,801		492,801
23	1982	41					4,781	1,226	4,781	1,226		496,356		496,356
24	1983	40					4,816	1,234	4,816	1,234		499,937		499,937
25	1984	39				20,735	4,850	1,243	4,850	1,243		503,545		503,545
26	1985	38					4,885	1,252	4,885	1,252		507,178		507,178
27	1986	37					4,921	1,261	4,921	1,261		510,837		510,837
28	1987	36					4,956	1,270	4,956	1,270		514,523		514,523
29	1988	35					4,992	1,280	4,992	1,280		518,235		518,235
30	1989	34	518,235	28,699					28,699	-			546,934	546,934
31	1990	33							-	-			546,934	546,934
32	1991	32		5,697					5,697	-			552,632	552,632
33	1992	31		13,820	607				13,820	607			565,846	565,846
34	1993	30		22,436	1,143				22,436	1,143			587,139	587,139
35	1994	29							-	-			587,139	587,139
36	1995	28							-	-			587,139	587,139
37	1996	27			899				-	899			586,240	586,240
38	1997	26		1,230					1,230	-			587,470	587,470
39	1998	25							-	-	743,409		1,330,879	1,330,879
40	1999	24							-	-			1,330,879	1,330,879
41	2000	23							-	-			1,330,879	1,330,879
42	2001	22							-	-			1,330,879	1,330,879
43	2002	21							-	-			1,330,879	1,330,879
44	2003	20							-	-			1,330,879	1,330,879
45	2004	19		71,417	20,735				71,417	20,735			1,381,561	1,381,561
46	2005	18							-	-			1,381,561	1,381,561
47	2006	17							-	-	(644,605)		736,956	736,956
48	2007	16							-	-			736,956	736,956
49	2008	15		32,476	21,673				32,476	21,673			747,759	747,759
50	Total		$ 518,235	$ 175,777	$ 45,057	$ 45,057	$ 550,804	$ 32,569	$ 726,581	$ 77,626	$ 98,804	$ 13,614,418	$ 18,117,538	$ 31,731,956

Major Additions/Retirements

	Routine Activity	$ 175,777	$ 45,057	
51	Historical Interim Activity	0.97%	0.25%	
52	Forecast Interim Activity	0.97%	0.25%	
53	2009	14	7,255	1,860	753,154
54	2010	13	7,307	1,873	758,588
55	2011	12	7,360	1,887	764,061
56	2012	11	7,413	1,900	769,574
57	2013	10	7,466	1,914	775,127
58	2014	9	7,520	1,928	780,719
59	2015	8	7,575	1,942	786,352
60	2016	7	7,629	1,956	792,026
61	2017	6	7,684	1,970	797,740
62	2018	5	7,740	1,984	803,496
63	2019	4	7,796	1,998	809,293
64	2020	3	7,852	2,013	815,133
65	2021	2	7,908	2,027	821,014
66	2022	1	7,965	2,042	826,937
67	2023	0			(826,937)	-
			$ 833,051	$ 104,918		$ 42,785,171

Whole Life Depreciation Rate Calculation

Historical Additions	726,581
Forecast Additions	106,470
Total Additions	833,051
Gross Salvage Value	41,347
Less Cost of Removal	82,694
Net Salvage Value	(41,347)
Total to be Recovered	874,398
Forecast Plant Balances	42,785,171
Whole Life Accrual Rate	2.04%
Cost of Removal Accrual Rate	0.19%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.24%
Depreciable Service Life, years	44.7

Remaining Life Depreciation Rate Calculation

Account Balance - 12/31/08	747,759
Forecast Additions	106,470
Gross Salvage Value	41,347
Less Cost of Removal	82,694
Net Salvage Value	(41,347)
Forecast Plant Balances	11,053,215

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Unit Property: Steam Production, Ben French Plant

Historical and Forecast Plant Additions & Balances

Account: 316 Miscellaneous Plant Equipment

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1960
Retirement Date	2023
Service Life, Yrs	63
Initial Plant Balance	0

2008

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year						Adjusted Transaction Year					
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Vintage Year Retirements	Additions	Retirements	Additions	Retirements	Transfers and Adjustments	Adjustments	Per Books	Simulated
1	1960	63				59	213,392		213,392	-		213,392		213,392
2	1961	62					4,271	1,157	4,271	1,157		216,506		216,506
3	1962	61				31,846	4,333	1,174	4,333	1,174		219,666		219,666
4	1963	60					4,397	1,191	4,397	1,191		222,871		222,871
5	1964	59					4,461	1,208	4,461	1,208		226,123		226,123
6	1965	58					4,526	1,226	4,526	1,226		229,423		229,423
7	1966	57				30,000	4,592	1,244	4,592	1,244		232,771		232,771
8	1967	56					4,659	1,262	4,659	1,262		236,168		236,168
9	1968	55					4,727	1,281	4,727	1,281		239,614		239,614
10	1969	54					4,796	1,299	4,796	1,299		243,111		243,111
11	1970	53					4,866	1,318	4,866	1,318		246,659		246,659
12	1971	52					4,937	1,337	4,937	1,337		250,258		250,258
13	1972	51					5,009	1,357	5,009	1,357		253,910		253,910
14	1973	50				938	5,082	1,377	5,082	1,377		257,616		257,616
15	1974	49					5,156	1,397	5,156	1,397		261,375		261,375
16	1975	48					5,231	1,417	5,231	1,417		265,189		265,189
17	1976	47					5,308	1,438	5,308	1,438		269,059		269,059
18	1977	46				151,200	5,385	1,459	5,385	1,459		272,986		272,986
19	1978	45				76,500	5,464	1,480	5,464	1,480		276,969		276,969
20	1979	44				76,500	5,544	1,502	5,544	1,502		281,011		281,011
21	1980	43					5,625	1,524	5,625	1,524		285,112		285,112
22	1981	42				4,612	5,707	1,546	5,707	1,546		289,273		289,273
23	1982	41					5,790	1,569	5,790	1,569		293,494		293,494
24	1983	40					5,874	1,591	5,874	1,591		297,777		297,777
25	1984	39					5,960	1,615	5,960	1,615		302,122		302,122
26	1985	38					6,047	1,638	6,047	1,638		306,531		306,531
27	1986	37				1,834	6,135	1,662	6,135	1,662		311,004		311,004
28	1987	36				1,833	6,225	1,686	6,225	1,686		315,543		315,543
29	1988	35				1,382	6,316	1,711	6,316	1,711		320,148		320,148
30	1989	34	320,148	26,516	6,360	6,826			26,516	6,360			340,304	340,304
31	1990	33		6,715	338,812				6,715	338,812			8,207	8,207
32	1991	32		10,455	1,834				10,455	1,834	334,200		351,028	351,028
33	1992	31		126,790					126,790	-			477,818	477,818
34	1993	30		7,732					7,732	-			485,550	485,550
35	1994	29		28,290		1,696			28,290	-			513,840	513,840
36	1995	28		3,987	1,652				3,987	1,652			516,174	516,174
37	1996	27		3,905	997				3,905	997	(101,391)		417,691	417,691
38	1997	26		8,305					8,305	-			425,997	425,997
39	1998	25		599					599	-			426,595	426,595
40	1999	24		2,617					2,617	-			429,212	429,212
41	2000	23		2,078					2,078	-	13,145		444,435	444,435
42	2001	22		9,155					9,155	-			453,590	453,590
43	2002	21		32,468	27,363				32,468	27,363			458,695	458,695
44	2003	20		9,665					9,665	-			468,360	468,360
45	2004	19		6,287					6,287	-			474,647	474,647
46	2005	18							-	-			474,647	474,647
47	2006	17		12,556	1,382				12,556	1,382	(19,159)		466,661	466,661
48	2007	16							-	-			466,661	466,661
49	2008	15			6,826				-	6,826			459,835	459,835
50	Total		$ 320,148	$ 298,120	$ 385,226	$ 385,226	$ 359,815	$ 39,667	$ 657,934	$ 424,893	$ 226,794	$ 7,635,683	$ 8,559,947	$ 16,195,631
	Major Additions/Retirements													
	1990				$ 338,812									
	1992			$ 126,790										
	Routine Activity			$ 171,330	$ 46,414									
51	Historical Interim Activity			2.00%	0.54%									
52	Forecast Interim Activity			2.00%	0.54%									
53	2009	14							9,204	2,493				466,545
54	2010	13							9,338	2,530				473,354
55	2011	12							9,474	2,567				480,261
56	2012	11							9,613	2,604				487,270
57	2013	10							9,753	2,642				494,380
58	2014	9							9,895	2,681				501,595
59	2015	8							10,040	2,720				508,915
60	2016	7							10,186	2,759				516,341
61	2017	6							10,335	2,800				523,876
62	2018	5							10,486	2,841				531,521
63	2019	4							10,639	2,882				539,278
64	2020	3							10,794	2,924				547,147
65	2021	2							10,951	2,967				555,132
66	2022	1							11,111	3,010				563,233
67	2023	0									(563,233)			-
									$ 799,751	$ 463,313				$ 23,384,480

Whole Life Depreciation Rate Calculation

Historical Additions	657,934
Forecast Additions	141,817
Total Additions	799,751
Gross Salvage Value	28,162
Less Cost of Removal	56,323
Net Salvage Value	(28,162)
Total to be Recovered	827,913
Forecast Plant Balances	23,384,480
Whole Life Accrual Rate	3.54%
Cost of Removal Accrual Rate	0.24%
Whole Life Accrual Rate (Excluding Cost of Removal)	3.78%
Depreciable Service Life, years	28.2

Remaining Life Depreciation Rate Calculation

Account Balance - 12/31/08	459,835
Forecast Additions	141,817
Gross Salvage Value	28,162
Less Cost of Removal	56,323
Net Salvage Value	(28,162)
Forecast Plant Balances	7,188,849

Summary by Plant
Black Hills Power
Wyodak Facility

Account	Description	Direct Investment 2008$	Depreciation Rate	
310	Land			
311	Structure & Improvements	9,039,917	3.58%	
312	Boiler Plant Equipment	51,154,925	3.22%	
313	Engines & Engine Driven Generators	249,991	4.79%	
314	Turbo Generator Equipment	11,199,149	3.42%	
315	Accessory Electric Equipment	6,213,171	3.35%	
316	Misc Power Equipment	892,134	7.21%	
	Total	78,749,286	3.35%	whole life weighted average rate

Remaining Life Depreciation Rate Calculation

Per Books Balance 12/31/08	79,050,217
Forecast Interim Additions	23,744,384
Forecast Gross Salvage Value	4,987,227
Forecast Less Cost of Removal	10,469,954
Forecast Net Salvage Value	(5,482,728)
Forecast Total to be Recovered with COR	108,277,328
Forecast Total to be Recovered w/o COR	97,807,374
Accumulated Depreciation (2008 EOY)	(50,672,287)
Forecast Remaining Life Balance with COR	57,605,041
Forecast Remaining Life Balance w/o COR	47,135,087
Forecast Plant Balances	1,896,224,299
Remaining Life Rate with COR	3.04%
Remaining Life Rate w/o COR	2.49%

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Wyodak Plant

Historical and Forecast Plant Additions & Balances

Account: 311 Structures & Improvements

Gross Salvage	5%
Cost of Removal	15%
Net Salvage	-10%
Install Date	1978
Retirement Date	2030
Service Life, Yrs	52
Initial Plant Balance	9,057

2008

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1978	52					8,669		8,669	-		8,669		8,669
2	1979	51					48	10	48	10		8,707		8,707
3	1980	50					48	10	48	10		8,745		8,745
4	1981	49					48	10	48	10		8,783		8,783
5	1982	48					48	10	48	10		8,822		8,822
6	1983	47					49	10	49	10		8,861		8,861
7	1984	46					49	10	49	10		8,899		8,899
8	1985	45					49	10	49	10		8,938		8,938
9	1986	44					49	10	49	10		8,978		8,978
10	1987	43					50	10	50	10		9,017		9,017
11	1988	42					50	10	50	10		9,057		9,057
12	1989	41	9,057						-	-			9,057	9,057
13	1990	40							-	-			9,057	9,057
14	1991	39		8,346,974		156,948			8,346,974	-			8,356,031	8,356,031
15	1992	38		135,082		22,339			135,082	-			8,491,113	8,491,113
16	1993	37							-	-			8,491,113	8,491,113
17	1994	36		111,144					111,144	-			8,602,257	8,602,257
18	1995	35							-	-			8,602,257	8,602,257
19	1996	34		178,075	22,339				178,075	22,339			8,757,992	8,757,992
20	1997	33							-	-			8,757,992	8,757,992
21	1998	32							-	-			8,757,992	8,757,992
22	1999	31		211,509	74,467				211,509	74,467			8,895,035	8,895,035
23	2000	30							-	-			8,895,035	8,895,035
24	2001	29							-	-			8,895,035	8,895,035
25	2002	28							-	-			8,895,035	8,895,035
26	2003	27		31,636					31,636	-			8,926,670	8,926,670
27	2004	26		41,920					41,920	-			8,968,590	8,968,590
28	2005	25		26,267					26,267	-			8,994,857	8,994,857
29	2006	24		138,834					138,834	-	(5,922)		9,127,769	9,127,769
30	2007	23			82,482				-	82,482	(5,370)		9,039,917	9,039,917
31	2008	22							-	-			9,039,917	9,039,917
32	Total		$ 9,057	$ 9,221,440	$ 179,288	$ 179,287	$ -	$ -	$ 9,221,440	$ 179,288	$ (11,292)	$ -	$ 158,512,720	$ 158,512,720

Major Additions/Retirements

	1991		$ 8,346,974		
	Routine Activity		$ 874,466		
33	Historical Interim Activity		0.55%	0.11%	
34	Forecast Interim Activity		0.55%	0.11%	

35	2009	21							49,870	10,225				9,079,563
36	2010	20							50,089	10,270				9,119,382
37	2011	19							50,309	10,315				9,159,377
38	2012	18							50,529	10,360				9,199,546
39	2013	17							50,751	10,405				9,239,892
40	2014	16							50,974	10,451				9,280,415
41	2015	15							51,197	10,497				9,321,115
42	2016	14							51,422	10,543				9,361,994
43	2017	13							51,647	10,589				9,403,052
44	2018	12							51,874	10,635				9,444,291
45	2019	11							52,101	10,682				9,485,710
46	2020	10							52,330	10,729				9,527,311
47	2021	9							52,559	10,776				9,569,094
48	2022	8							52,790	10,823				9,611,061
49	2023	7							53,021	10,871				9,653,211
50	2024	6							53,254	10,918				9,695,547
51	2025	5							53,487	10,966				9,738,068
52	2026	4							53,722	11,014				9,780,775
53	2027	3							53,958	11,063				9,823,670
54	2028	2							54,194	11,111				9,866,753
55	2029	1							54,432	11,160				9,910,025
56	2030	0									(9,910,025)			-
									$ 10,315,950	$ 403,690				$ 357,782,571

Whole Life Depreciation Rate Calculation

Historical Additions	9,221,440
Forecast Additions	1,094,510
Total Additions	10,315,950
Gross Salvage Value	495,501
Less Cost of Removal	1,486,504
Net Salvage Value	(991,003)
Total to be Recovered	11,306,953
Forecast Plant Balances	357,782,571
Whole Life Accrual Rate	3.16%
Cost of Removal Accrual Rate	0.42%
Whole Life Accrual Rate (Excluding Cost of Removal)	3.58%
Depreciable Service Life, years	31.6

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	9,039,917
Forecast Additions	1,094,510
Gross Salvage Value	495,501
Less Cost of Removal	1,486,504
Net Salvage Value	(991,003)
Forecast Plant Balances	199,269,851

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Wyodak Plant

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1978
Retirement Date	2030
Service Life, Yrs	52

2008

Historical and Forecast Plant Additions & Balances

Account: 312 Boiler Plant Equipment Initial Plant Balance 16,022,256

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year			EOY Plant Balance		
			Transaction Year			Vintage Year					Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1978	52					15,548,879		15,548,879	-		15,548,879		15,548,879
2	1979	51					71,751	25,050	71,751	25,050		15,595,581		15,595,581
3	1980	50					71,967	25,125	71,967	25,125		15,642,422		15,642,422
4	1981	49					72,183	25,201	72,183	25,201		15,689,405		15,689,405
5	1982	48					72,400	25,276	72,400	25,276		15,736,528		15,736,528
6	1983	47					72,617	25,352	72,617	25,352		15,783,793		15,783,793
7	1984	46					72,835	25,429	72,835	25,429		15,831,200		15,831,200
8	1985	45					73,054	25,505	73,054	25,505		15,878,750		15,878,750
9	1986	44					73,274	25,581	73,274	25,581		15,926,442		15,926,442
10	1987	43					73,494	25,658	73,494	25,658		15,974,277		15,974,277
11	1988	42					73,714	25,735	73,714	25,735		16,022,256		16,022,256
12	1989	41	16,022,256	12,327,586		2,667,481			12,327,586	-			28,349,842	28,349,842
13	1990	40							-	-			28,349,842	28,349,842
14	1991	39		29,761,701		239,460			29,761,701	-			58,111,543	58,111,543
15	1992	38		636,467		35,917			636,467	-			58,748,010	58,748,010
16	1993	37							-	-			58,748,010	58,748,010
17	1994	36		124,541		67,236			124,541	-			58,872,551	58,872,551
18	1995	35		170,532	30,000				170,532	30,000			59,013,082	59,013,082
19	1996	34		1,258,258	626,066	8,901			1,258,258	626,066			59,645,274	59,645,274
20	1997	33							-	-			59,645,274	59,645,274
21	1998	32							-	-			59,645,274	59,645,274
22	1999	31		236,168	890,477				236,168	890,477			58,990,965	58,990,965
23	2000	30							-	-			58,990,965	58,990,965
24	2001	29			227,562				-	227,562			58,763,403	58,763,403
25	2002	28							-	-			58,763,403	58,763,403
26	2003	27		1,281,183					1,281,183	-			60,044,586	60,044,586
27	2004	26		358,678					358,678	-			60,403,263	60,403,263
28	2005	25		215,319					215,319	-			60,618,582	60,618,582
29	2006	24		178,430					178,430	-	(7,601,244)		53,195,768	53,195,768
30	2007	23		622,039	2,654,859				622,039	2,654,859	(8,024)		51,154,925	51,154,925
31	2008	22							-	-			51,154,925	51,154,925
32	Total		$ 16,022,256	$ 47,170,900	$ 4,428,964	$ 3,018,994	$ -	$ -	$ 47,170,900	$ 4,428,964	$ (7,609,268)	$ -	$ 1,101,209,488	$ 1,101,209,488
	Major Additions/Retirements													
	1989			$ 12,327,586										
	1991			$ 29,761,701										
	2007				$ 2,654,859									
	Routine Activity			$ 5,081,613	$ 1,774,105									
33	Historical Interim Activity			0.46%	0.16%									
34	Forecast Interim Activity			0.46%	0.16%									
35	2009	21							236,058	82,413				51,308,570
36	2010	20							236,767	82,661				51,462,676
37	2011	19							5,037,478	82,909				56,417,246
38	2012	18							260,342	90,891				56,586,696
39	2013	17							261,124	91,164				56,756,655
40	2014	16							261,908	91,438				56,927,125
41	2015	15							262,694	91,713				57,098,107
42	2016	14							2,807,483	91,988				59,813,603
43	2017	13							276,014	96,363				59,993,254
44	2018	12							276,843	96,652				60,173,446
45	2019	11							277,675	96,943				60,354,178
46	2020	10							278,509	97,234				60,535,453
47	2021	9							3,157,647	97,526				63,595,575
48	2022	8							293,467	102,456				63,786,585
49	2023	7							294,348	102,763				63,978,170
50	2024	6							295,232	103,072				64,170,330
51	2025	5							296,119	103,382				64,363,067
52	2026	4							3,553,543	103,692				67,812,918
53	2027	3							312,928	109,250				68,016,596
54	2028	2							313,868	109,578				68,220,885
55	2029	1							314,810	109,907				68,425,788
56	2030	0									(68,425,788)			-
									$ 66,475,758	$ 6,462,958				$ 2,381,006,411

Whole Life Depreciation Rate Calculation

Historical Additions	47,170,900
Forecast Additions	19,304,858
Total Additions	66,475,758
Gross Salvage Value	3,421,289
Less Cost of Removal	6,842,579
Net Salvage Value	(3,421,289)
Total to be Recovered	69,897,047
Forecast Plant Balances	2,381,006,411
Whole Life Accrual Rate	2.94%
Cost of Removal Accrual Rate	0.29%
Whole Life Accrual Rate (Excluding Cost of Removal)	3.22%
Depreciable Service Life, years	34.1

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	51,154,925
Forecast Additions	19,304,858
Gross Salvage Value	3,421,289
Less Cost of Removal	6,842,579
Net Salvage Value	(3,421,289)
Forecast Plant Balances	1,279,796,923

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Wyodak Plant

Historical and Forecast Plant Additions & Balances

Account: 313 Engine and Engine Driven Generators

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1978
Retirement Date	2030
Service Life, Yrs	52
Initial Plant Balance	0

2008

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year			EOY Plant Balance		
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Vintage Year Retirements	Additions	Retirements	Additions	Retirements	Transfers and Adjustments	Adjustments	Per Books	Simulated
1	1978	52					-		-	-		-		-
2	1979	51					-	-	-	-		-		-
3	1980	50					-	-	-	-		-		-
4	1981	49					-	-	-	-		-		-
5	1982	48					-	-	-	-		-		-
6	1983	47					-	-	-	-		-		-
7	1984	46					-	-	-	-		-		-
8	1985	45					-	-	-	-		-		-
9	1986	44					-	-	-	-		-		-
10	1987	43					-	-	-	-		-		-
11	1988	42					-	-	-	-		-		-
12	1989	41	0						-	-			-	-
13	1990	40							-	-			-	-
14	1991	39							-	-			-	-
15	1992	38							-	-			-	-
16	1993	37							-	-			-	-
17	1994	36							-	-			-	-
18	1995	35							-	-			-	-
19	1996	34							-	-			-	-
20	1997	33							-	-			-	-
21	1998	32							-	-			-	-
22	1999	31							-	-			-	-
23	2000	30							-	-			-	-
24	2001	29							-	-			-	-
25	2002	28		232,960					232,960	-			232,960	232,960
26	2003	27		7,427					7,427	-			240,387	240,387
27	2004	26		19,645					19,645	-			260,032	260,032
28	2005	25							-	-	(10,041)		249,991	249,991
29	2006	24							-	-			249,991	249,991
30	2007	23							-	-			249,991	249,991
31	2008	22							-	-			249,991	249,991
32	Total		$ -	$ 260,032	$ -	$ -	$ -	$ -	$ 260,032	$ -	$ (10,041)	$ -	$ 1,733,340	$ 1,733,340

Major Additions/Retirements

	2002		$ 232,960	
	Routine Activity		$ 27,072	
33	Historical Interim Activity		1.56%	0.00%
34	Forecast Interim Activity		1.00%	0.00%

35	2009	21							2,500	-				252,490
36	2010	20							2,525	-				255,015
37	2011	19							2,550	-				257,565
38	2012	18							2,576	-				260,141
39	2013	17							2,601	-				262,743
40	2014	16							2,627	-				265,370
41	2015	15							2,654	-				268,024
42	2016	14							2,680	-				270,704
43	2017	13							2,707	-				273,411
44	2018	12							2,734	-				276,145
45	2019	11							2,761	-				278,906
46	2020	10							2,789	-				281,696
47	2021	9							2,817	-				284,513
48	2022	8							2,845	-				287,358
49	2023	7							2,874	-				290,231
50	2024	6							2,902	-				293,134
51	2025	5							2,931	-				296,065
52	2026	4							2,961	-				299,026
53	2027	3							2,990	-				302,016
54	2028	2							3,020	-				305,036
55	2029	1							3,050	-				308,086
56	2030	0									(308,086)			-
									$ 318,127	$ -				$ 7,601,014

Whole Life Depreciation Rate Calculation

Historical Additions	260,032
Forecast Additions	58,096
Total Additions	318,127
Gross Salvage Value	15,404
Less Cost of Removal	30,809
Net Salvage Value	(15,404)
Total to be Recovered	333,532
Forecast Plant Balances	7,601,014
Whole Life Accrual Rate	4.39%
Cost of Removal Accrual Rate	0.41%
Whole Life Accrual Rate (Excluding Cost of Removal)	4.79%
Depreciable Service Life, years	22.8

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	249,991
Forecast Additions	58,096
Gross Salvage Value	15,404
Less Cost of Removal	30,809
Net Salvage Value	(15,404)
Forecast Plant Balances	5,867,674

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Wyodak Plant

Historical and Forecast Plant Additions & Balances

Account: 314 Turbogenerator Equipment

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1978
Retirement Date	2030
Service Life, Yrs	52
Initial Plant Balance	7,179

2008

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
	Vintage	Vintage	Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Year	Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
	1971					1,828								
1	1978	52					7,061		7,061	-		7,061		7,061
2	1979	51					15	3	15	3		7,073		7,073
3	1980	50					15	3	15	3		7,084		7,084
4	1981	49					15	3	15	3		7,096		7,096
5	1982	48					15	3	15	3		7,108		7,108
6	1983	47					15	3	15	3		7,120		7,120
7	1984	46					15	3	15	3		7,132		7,132
8	1985	45					15	3	15	3		7,143		7,143
9	1986	44					15	3	15	3		7,155		7,155
10	1987	43					15	3	15	3		7,167		7,167
11	1988	42					15	3	15	3		7,179		7,179
12	1989	41	7,179	7,179					7,179	-			14,358	14,358
13	1990	40							-	-			14,358	14,358
14	1991	39		9,214,295		711,034			9,214,295	-			9,228,654	9,228,654
15	1992	38		299,654					299,654	-			9,528,308	9,528,308
16	1993	37							-	-			9,528,308	9,528,308
17	1994	36			2,103	2,103			-	2,103			9,526,205	9,526,205
18	1995	35		6,610	1,828	2,963			6,610	1,828			9,530,987	9,530,987
19	1996	34		543,893	204,140				543,893	204,140			9,870,739	9,870,739
20	1997	33							-	-			9,870,739	9,870,739
21	1998	32							-	-			9,870,739	9,870,739
22	1999	31			73,635				-	73,635	(10,906)		9,786,199	9,786,199
23	2000	30							-	-			9,786,199	9,786,199
24	2001	29							-	-			9,786,199	9,786,199
25	2002	28							-	-			9,786,199	9,786,199
26	2003	27		56,390					56,390	-			9,842,588	9,842,588
27	2004	26		5,883					5,883	-			9,848,472	9,848,472
28	2005	25		1,127					1,127	-			9,849,598	9,849,598
29	2006	24		1,975,529					1,975,529	-	(96,843)		11,728,285	11,728,285
30	2007	23			436,222				-	436,222	(92,914)		11,199,149	11,199,149
31	2008	22							-	-			11,199,149	11,199,149
32	Total		$ 7,179	$ 12,110,560	$ 717,928	$ 717,928	$ -	$ -	$ 12,110,560	$ 717,928	$ (200,663)	$ -	$ 179,795,433	$ 179,795,433
	Major Additions/Retirements													
	1991			$ 9,214,295										
	1996			$ 543,893	$ 204,140									
	2006			$ 1,975,529	$ 436,222									
	Routine Activity			$ 376,843	$ 77,566									
33	Historical Interim Activity			0.21%	0.04%									
34	Forecast Interim Activity			0.21%	0.04%									
35	2009	21							23,473	4,831				11,217,790
36	2010	20							23,512	4,839				11,236,463
37	2011	19							23,551	4,848				11,255,166
38	2012	18							23,590	4,856				11,273,901
39	2013	17							23,630	4,864				11,292,667
40	2014	16							23,669	4,872				11,311,464
41	2015	15							23,708	4,880				11,330,292
42	2016	14							23,748	4,888				11,349,152
43	2017	13							23,787	4,896				11,368,043
44	2018	12							23,827	4,904				11,386,966
45	2019	11							23,867	4,912				11,405,920
46	2020	10							23,906	4,921				11,424,905
47	2021	9							23,946	4,929				11,443,923
48	2022	8							23,986	4,937				11,462,972
49	2023	7							24,026	4,945				11,482,052
50	2024	6							24,066	4,953				11,501,164
51	2025	5							24,106	4,962				11,520,309
52	2026	4							24,146	4,970				11,539,485
53	2027	3							24,186	4,978				11,558,693
54	2028	2							24,226	4,987				11,577,933
55	2029	1							24,267	4,995				11,597,205
56	2030	0									(11,597,205)			-
									$ 12,611,783	$ 821,095				$ 419,331,895

Whole Life Depreciation Rate Calculation

Historical Additions	12,110,560
Forecast Additions	501,223
Total Additions	12,611,783
Gross Salvage Value	579,860
Less Cost of Removal	1,159,720
Net Salvage Value	(579,860)
Total to be Recovered	13,191,643
Forecast Plant Balances	419,331,895
Whole Life Accrual Rate	3.15%
Cost of Removal Accrual Rate	0.28%
Whole Life Accrual Rate (Excluding Cost of Removal)	3.42%
Depreciable Service Life, years	31.8

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	11,199,149
Forecast Additions	501,223
Gross Salvage Value	579,860
Less Cost of Removal	1,159,720
Net Salvage Value	(579,860)
Forecast Plant Balances	239,536,462

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Wyodak Plant

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1978
Retirement Date	2030
Service Life, Yrs	52

2008

Historical and Forecast Plant Additions & Balances

Account: 315 Accessorry Electric Equipment

Initial Plant Balance 0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year			EOY Plant Balance		
			Transaction Year			Vintage Year					Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1978	52					-		-	-		-		-
2	1979	51					-	-	-	-		-		-
3	1980	50					-	-	-	-		-		-
4	1981	49					-	-	-	-		-		-
5	1982	48					-	-	-	-		-		-
6	1983	47					-	-	-	-		-		-
7	1984	46					-	-	-	-		-		-
8	1985	45					-	-	-	-		-		-
9	1986	44					-	-	-	-		-		-
10	1987	43					-	-	-	-		-		-
11	1988	42					-	-	-	-		-		-
12	1989	41	0						-	-			-	-
13	1990	40							-	-			-	-
14	1991	39		5,733,052		249,639			5,733,052	-			5,733,052	5,733,052
15	1992	38							-	-			5,733,052	5,733,052
16	1993	37							-	-			5,733,052	5,733,052
17	1994	36		8,595		5,988			8,595	-			5,741,647	5,741,647
18	1995	35							-	-			5,741,647	5,741,647
19	1996	34		296,346	208,756				296,346	208,756			5,829,237	5,829,237
20	1997	33							-	-			5,829,237	5,829,237
21	1998	32							-	-	99,024		5,928,261	5,928,261
22	1999	31		288,579	1,649				288,579	1,649			6,215,192	6,215,192
23	2000	30							-	-			6,215,192	6,215,192
24	2001	29							-	-			6,215,192	6,215,192
25	2002	28							-	-			6,215,192	6,215,192
26	2003	27		6,803					6,803	-			6,221,995	6,221,995
27	2004	26							-	-			6,221,995	6,221,995
28	2005	25							-	-			6,221,995	6,221,995
29	2006	24							-	-			6,221,995	6,221,995
30	2007	23		36,398	45,222				36,398	45,222			6,213,171	6,213,171
31	2008	22							-	-			6,213,171	6,213,171
32	Total		$ -	$ 6,369,774	$ 255,627	$ 255,627	$ -	$ -	$ 6,369,774	$ 255,627	$ 99,024	$ -	$ 108,444,277	$ 108,444,277
	Major Additions/Retirements													
	1991			$ 5,733,052										
	Routine Activity			$ 636,722	$ 255,627									
33	Historical Interim Activity			0.59%	0.24%									
34	Forecast Interim Activity			0.59%	0.24%									
35	2009	21							36,480	14,646				6,235,006
36	2010	20							36,608	14,697				6,256,917
37	2011	19							36,737	14,749				6,278,905
38	2012	18							36,866	14,801				6,300,970
39	2013	17							36,996	14,853				6,323,113
40	2014	16							37,126	14,905				6,345,334
41	2015	15							37,256	14,957				6,367,632
42	2016	14							37,387	15,010				6,390,010
43	2017	13							37,518	15,063				6,412,465
44	2018	12							37,650	15,116				6,435,000
45	2019	11							37,783	15,169				6,457,614
46	2020	10							37,915	15,222				6,480,307
47	2021	9							38,049	15,275				6,503,080
48	2022	8							38,182	15,329				6,525,933
49	2023	7							38,316	15,383				6,548,867
50	2024	6							38,451	15,437				6,571,881
51	2025	5							38,586	15,491				6,594,976
52	2026	4							38,722	15,546				6,618,152
53	2027	3							38,858	15,600				6,641,409
54	2028	2							38,994	15,655				6,664,749
55	2029	1							39,132	15,710				6,688,170
56	2030	0									(6,688,170)			-
									$ 7,163,387	$ 574,241				$ 244,084,766

Whole Life Depreciation Rate Calculation

Historical Additions	6,369,774
Forecast Additions	793,613
Total Additions	7,163,387
Gross Salvage Value	334,408
Less Cost of Removal	668,817
Net Salvage Value	(334,408)
Total to be Recovered	7,497,795
Forecast Plant Balances	244,084,766
Whole Life Accrual Rate	3.07%
Cost of Removal Accrual Rate	0.27%
Whole Life Accrual Rate (Excluding Cost of Removal)	3.35%
Depreciable Service Life, years	32.6

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	6,213,171
Forecast Additions	793,613
Gross Salvage Value	334,408
Less Cost of Removal	668,817
Net Salvage Value	(334,408)
Forecast Plant Balances	135,640,489

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Wyodak Plant

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1978
Retirement Date	2030
Service Life, Yrs	52

2008

Historical and Forecast Plant Additions & Balances

Account: 316 Miscellaneous Plant Equipment

Initial Plant Balance 21,473

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year		Transfers and	EOY Plant Balance		
	Vintage	Vintage	Transaction Year			Vintage Year								
Line	Year	Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1978	52					12,423		12,423	-		12,423		12,423
2	1979	51					724	25	724	25		13,122		13,122
3	1980	50					765	26	765	26		13,860		13,860
4	1981	49					808	28	808	28		14,639		14,639
5	1982	48					853	30	853	30		15,463		15,463
6	1983	47					901	31	901	31		16,333		16,333
7	1984	46					952	33	952	33		17,251		17,251
8	1985	45					1,005	35	1,005	35		18,222		18,222
9	1986	44					1,062	37	1,062	37		19,247		19,247
10	1987	43					1,121	39	1,121	39		20,329		20,329
11	1988	42					1,184	41	1,184	41		21,473		21,473
12	1989	41	21,473						-	-			21,473	21,473
13	1990	40							-	-			21,473	21,473
14	1991	39		344,033		118,037			344,033	-			365,506	365,506
15	1992	38		29,448					29,448	-			394,954	394,954
16	1993	37							-	-			394,954	394,954
17	1994	36		120,135					120,135	-			515,089	515,089
18	1995	35		9,686					9,686	-			524,776	524,776
19	1996	34		136,897	22,551				136,897	22,551			639,121	639,121
20	1997	33							-	-			639,121	639,121
21	1998	32							-	-			639,121	639,121
22	1999	31		1,231					1,231	-	(16,820)		623,532	623,532
23	2000	30							-	-			623,532	623,532
24	2001	29							-	-			623,532	623,532
25	2002	28							-	-			623,532	623,532
26	2003	27		12,656					12,656	-			636,188	636,188
27	2004	26		2,079					2,079	-			638,267	638,267
28	2005	25		16,471					16,471	-	10,041		664,779	664,779
29	2006	24		142,622					142,622	-			807,402	807,402
30	2007	23		180,218	95,486				180,218	95,486			892,134	892,134
31	2008	22							-	-			892,134	892,134
32	Total		$ 21,473	$ 995,477	$ 118,037	$ 118,037	$ -	$ -	$ 995,477	$ 118,037	$ (6,779)	$ -	$ 11,180,620	$ 11,180,620
	Major Additions/Retirements													
	2007				$ 95,486									
	1991			$ 344,033										
	Routine Activity			$ 651,444	$ 22,551									
33	Historical Interim Activity			5.83%	0.20%									
34	Forecast Interim Activity			5.83%	0.20%									
35	2009	21							51,981	1,799				942,315
36	2010	20							54,904	1,901				995,319
37	2011	19							57,993	2,008				1,051,304
38	2012	18							61,255	2,120				1,110,438
39	2013	17							64,700	2,240				1,172,898
40	2014	16							68,339	2,366				1,238,872
41	2015	15							72,183	2,499				1,308,557
42	2016	14							76,244	2,639				1,382,161
43	2017	13							80,532	2,788				1,459,906
44	2018	12							85,062	2,945				1,542,023
45	2019	11							89,847	3,110				1,628,760
46	2020	10							94,900	3,285				1,720,375
47	2021	9							100,238	3,470				1,817,144
48	2022	8							105,877	3,665				1,919,355
49	2023	7							111,832	3,871				2,027,316
50	2024	6							118,123	4,089				2,141,349
51	2025	5							124,767	4,319				2,261,797
52	2026	4							131,785	4,562				2,389,020
53	2027	3							139,197	4,819				2,523,399
54	2028	2							147,027	5,090				2,665,336
55	2029	1							155,297	5,376				2,815,257
56	2030	0									(2,815,257)			-
									$ 2,987,561	$ 186,998				$ 47,293,520

Whole Life Depreciation Rate Calculation

Historical Additions	995,477
Forecast Additions	1,992,084
Total Additions	2,987,561
Gross Salvage Value	140,763
Less Cost of Removal	281,526
Net Salvage Value	(140,763)
Total to be Recovered	3,128,324
Forecast Plant Balances	47,293,520
Whole Life Accrual Rate	6.61%
Cost of Removal Accrual Rate	0.60%
Whole Life Accrual Rate (Excluding Cost of Removal)	7.21%
Depreciable Service Life, years	15.1

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	892,134
Forecast Additions	1,992,084
Gross Salvage Value	140,763
Less Cost of Removal	281,526
Net Salvage Value	(140,763)
Forecast Plant Balances	36,112,900

Summary by Plant
Black Hills Power
Neil Simpson I Facility

Account	Description	Direct Investment 2008$	Depreciation Rate
310	Land	0	0.00%
311	Structure & Improvements	2,139,727	3.23%
312	Boiler Plant Equipment	12,718,813	3.92%
313	Engines & Engine Driven Generators		
314	Turbo Generator Equipment	2,866,457	2.42%
315	Accessory Electric Equipment	744,885	2.87%
316	Misc Power Equipment	429,468	2.83%
	Total	18,899,349	3.55% whole life weighted average rate

Remaining Life Depreciation Rate Calculation

Per Books Balance 12/31/08	18,913,575
Forecast Interim Additions	7,260,936
Forecast Gross Salvage Value	1,278,309
Forecast Less Cost of Removal	2,556,618
Forecast Net Salvage Value	(1,278,309)
Forecast Total to be Recovered with COR	27,452,820
Forecast Total to be Recovered w/o COR	24,896,202
Accumulated Depreciation (2008 EOY)	(16,151,840)
Forecast Remaining Life Balance with COR	11,300,980
Forecast Remaining Life Balance w/o COR	8,744,362
Forecast Plant Balances	323,756,007
Remaining Life Rate with COR	3.49%
Remaining Life Rate w/o COR	2.70%

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Neil Simpson 1 Plant

Historical and Forecast Plant Additions & Balances

Account: 311 Structures & Improvements

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1969
Retirement Date	2023
Service Life, Yrs	54
Initial Plant Balance	0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year			EOY Plant Balance		
			Transaction Year			Vintage Year					Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1954	69				16,928								
2	1955	68												
3	1956	67												
4	1957	66												
5	1958	65				10,142								
6	1959	64												
7	1960	63												
8	1961	62												
9	1962	61												
10	1963	60												
11	1964	59												
12	1965	58												
13	1966	57				2,050								
14	1967	56												
15	1968	55												
16	1969	54					1,311,253		1,311,253	-		1,311,253		1,311,253
17	1970	53				19,214	17,943	3,616	17,943	3,616		1,325,580		1,325,580
18	1971	52					18,139	3,655	18,139	3,655		1,340,063		1,340,063
19	1972	51				14,872	18,337	3,695	18,337	3,695		1,354,705		1,354,705
20	1973	50				373	18,537	3,736	18,537	3,736		1,369,507		1,369,507
21	1974	49					18,740	3,776	18,740	3,776		1,384,470		1,384,470
22	1975	48					18,944	3,818	18,944	3,818		1,399,597		1,399,597
23	1976	47					19,151	3,859	19,151	3,859		1,414,889		1,414,889
24	1977	46				1,259	19,361	3,901	19,361	3,901		1,430,348		1,430,348
25	1978	45				691	19,572	3,944	19,572	3,944		1,445,976		1,445,976
26	1979	44				6,709	19,786	3,987	19,786	3,987		1,461,775		1,461,775
27	1980	43					20,002	4,031	20,002	4,031		1,477,747		1,477,747
28	1981	42				5,801	20,221	4,075	20,221	4,075		1,493,893		1,493,893
29	1982	41				23,127	20,442	4,119	20,442	4,119		1,510,215		1,510,215
30	1983	40					20,665	4,164	20,665	4,164		1,526,716		1,526,716
31	1984	39					20,891	4,210	20,891	4,210		1,543,397		1,543,397
32	1985	38					21,119	4,256	21,119	4,256		1,560,260		1,560,260
33	1986	37					21,350	4,302	21,350	4,302		1,577,308		1,577,308
34	1987	36					21,583	4,349	21,583	4,349		1,594,542		1,594,542
35	1988	35					21,819	4,397	21,819	4,397		1,611,964		1,611,964
36	1989	34	1,611,964	6,594		9,028			6,594	-			1,618,558	1,618,558
37	1990	33		91,834					91,834	-			1,710,393	1,710,393
38	1991	32			3,146				-	3,146			1,707,247	1,707,247
39	1992	31		55,001					55,001	-			1,762,248	1,762,248
40	1993	30		27,973	3,057				27,973	3,057			1,787,163	1,787,163
41	1994	29		31,830	8,401				31,830	8,401			1,810,593	1,810,593
42	1995	28		41,913	29,836				41,913	29,836			1,822,669	1,822,669
43	1996	27		236,456					236,456	-			2,059,126	2,059,126
44	1997	26							-	-			2,059,126	2,059,126
45	1998	25		11,112					11,112	-			2,070,238	2,070,238
46	1999	24		136,167					136,167	-			2,206,405	2,206,405
47	2000	23			56,726				-	56,726	29,316		2,178,995	2,178,995
48	2001	22							-	-			2,178,995	2,178,995
49	2002	21							-	-			2,178,995	2,178,995
50	2003	20							-	-			2,178,995	2,178,995
51	2004	19							-	-			2,178,995	2,178,995
52	2005	18							-	-			2,178,995	2,178,995
53	2006	17			9,028				-	9,028	(174,827)		1,995,140	1,995,140
54	2007	16		144,402					144,402	-	185		2,139,727	2,139,727
55	2008	15							-	-			2,139,727	2,139,727
56	Total		$ 1,611,964	$ 783,282	$ 110,193	$ 110,193	$ 1,687,855	$ 75,891	$ 2,471,137	$ 186,084	$ (145,326)	$ 29,134,208	$ 39,962,331	$ 69,096,539
	Major Additions/Retirements													
	1996			$ 236,456										
	Routine Activity			$ 546,826										
57	Historical Interim Activity			1.37%	0.28%									
58	Forecast Interim Activity			1.37%	0.28%									
59	2009	14							29,279	5,900				2,163,106
60	2010	13							29,599	5,965				2,186,740
61	2011	12							29,922	6,030				2,210,633
62	2012	11							30,249	6,096				2,234,786
63	2013	10							30,580	6,162				2,259,204
64	2014	9							30,914	6,230				2,283,888
65	2015	8							31,252	6,298				2,308,842
66	2016	7							31,593	6,366				2,334,069
67	2017	6							31,938	6,436				2,359,571
68	2018	5							32,287	6,506				2,385,352
69	2019	4							32,640	6,577				2,411,415
70	2020	3							32,997	6,649				2,437,762
71	2021	2							33,357	6,722				2,464,397
72	2022	1							33,722	6,795				2,491,323
73	2023	0									(2,491,323)			-
									$ 2,911,466	$ 274,817				$ 101,627,627

Whole Life Depreciation Rate Calculation

Historical Additions	2,471,137
Forecast Additions	440,329
Total Additions	2,911,466
Gross Salvage Value	124,566
Less Cost of Removal	249,132
Net Salvage Value	(124,566)
Total to be Recovered	3,036,032
Forecast Plant Balances	101,627,627
Whole Life Accrual Rate	2.99%
Cost of Removal Accrual Rate	0.25%
Whole Life Accrual Rate (Excluding Cost of Removal)	3.23%
Depreciable Service Life, years	33.5

Remaining Life Depreciation Rate Calculatio

Account Balance 12/31/08	2,139,727
Forecast Additions	440,329
Gross Salvage Value	124,566
Less Cost of Removal	249,132
Net Salvage Value	(124,566)
Forecast Plant Balances	32,531,088

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Neil Simpson 1 Plant

Historical and Forecast Plant Additions & Balances

Account: 312 Boiler Plant Equipment

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1969
Retirement Date	2023
Service Life, Yrs	54
Initial Plant Balance	0

2008

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1954	69												
2	1955	68												
3	1956	67												
4	1957	66												
5	1958	65												
6	1959	64												
7	1960	63												
8	1961	62												
9	1962	61												
10	1963	60												
11	1964	59												
12	1965	58												
13	1966	57												
14	1967	56												
15	1968	55												
16	1969	54					6,188,859		6,188,859	-		6,188,859		6,188,859
17	1970	53				361,655	49,227	12,069	49,227	12,069		6,226,018		6,226,018
18	1971	52				39,933	49,523	12,142	49,523	12,142		6,263,399		6,263,399
19	1972	51					49,820	12,214	49,820	12,214		6,301,005		6,301,005
20	1973	50					50,119	12,288	50,119	12,288		6,338,837		6,338,837
21	1974	49				10,678	50,420	12,362	50,420	12,362		6,376,895		6,376,895
22	1975	48					50,723	12,436	50,723	12,436		6,415,183		6,415,183
23	1976	47					51,028	12,510	51,028	12,510		6,453,700		6,453,700
24	1977	46					51,334	12,586	51,334	12,586		6,492,448		6,492,448
25	1978	45					51,642	12,661	51,642	12,661		6,531,429		6,531,429
26	1979	44					51,952	12,737	51,952	12,737		6,570,644		6,570,644
27	1980	43					52,264	12,814	52,264	12,814		6,610,095		6,610,095
28	1981	42				50,000	52,578	12,891	52,578	12,891		6,649,782		6,649,782
29	1982	41				3,000	52,894	12,968	52,894	12,968		6,689,708		6,689,708
30	1983	40					53,211	13,046	53,211	13,046		6,729,873		6,729,873
31	1984	39				8,307	53,531	13,124	53,531	13,124		6,770,280		6,770,280
32	1985	38				23,675	53,852	13,203	53,852	13,203		6,810,929		6,810,929
33	1986	37				5,610	54,175	13,282	54,175	13,282		6,851,822		6,851,822
34	1987	36				31,963	54,501	13,362	54,501	13,362		6,892,961		6,892,961
35	1988	35				59,541	54,828	13,442	54,828	13,442		6,934,347		6,934,347
36	1989	34	6,934,347	289,654	10,000	192,406			289,654	10,000			7,214,000	7,214,000
37	1990	33		36,670					36,670	-			7,250,671	7,250,671
38	1991	32		11,235	40,260				11,235	40,260			7,221,646	7,221,646
39	1992	31		5,042,694	357,921	13,700			5,042,694	357,921	(4,701)		11,901,718	11,901,718
40	1993	30		50,000	28,548				50,000	28,548			11,923,171	11,923,171
41	1994	29							-	-			11,923,171	11,923,171
42	1995	28		6,691	2,500				6,691	2,500			11,927,362	11,927,362
43	1996	27		7,142					7,142	-			11,934,504	11,934,504
44	1997	26							-	-			11,934,504	11,934,504
45	1998	25		327,253	48,781				327,253	48,781			12,212,977	12,212,977
46	1999	24		28,250	20,000				28,250	20,000			12,221,227	12,221,227
47	2000	23		296,577	46,139	7,499			296,577	46,139			12,471,665	12,471,665
48	2001	22		11,755					11,755	-			12,483,420	12,483,420
49	2002	21		11,477	8,824				11,477	8,824			12,486,074	12,486,074
50	2003	20		60,439	16,789				60,439	16,789			12,529,723	12,529,723
51	2004	19		177,055	56,758				177,055	56,758			12,650,020	12,650,020
52	2005	18		7,608					7,608	-			12,657,628	12,657,628
53	2006	17		104,038	83,697				104,038	83,697	(282,577)		12,395,393	12,395,393
54	2007	16		409,796	87,750				409,796	87,750	1,375		12,718,813	12,718,813
55	2008	15							-	-			12,718,813	12,718,813
56	Total		$ 6,934,347	$ 6,878,335	$ 807,965	$ 807,965	$ 7,176,483	$ 242,136	$ 14,054,817	$ 1,050,101	$ (285,903)	$ 131,098,213	$ 230,776,500	$ 361,874,713
	Major Additions/Retirements													
	1992			$ 5,042,694	$ 357,921									
	Routine Activity			$ 1,835,640	$ 450,044									
57	Historical Interim Activity			0.80%	0.20%									
58	Forecast Interim Activity			0.80%	0.20%									
59	2009	14							2,201,168	24,803				14,895,178
60	2010	13							118,479	29,048				14,984,609
61	2011	12							119,190	29,222				15,074,578
62	2012	11							119,906	29,397				15,165,086
63	2013	10							120,626	29,574				15,256,139
64	2014	9							121,350	29,751				15,347,737
65	2015	8							122,079	29,930				15,439,886
66	2016	7							122,812	30,110				15,532,588
67	2017	6							2,682,195	30,291				18,184,493
68	2018	5							144,643	35,462				18,293,673
69	2019	4							145,511	35,675				18,403,510
70	2020	3							146,385	35,889				18,514,006
71	2021	2							147,264	36,105				18,625,165
72	2022	1							148,148	36,322				18,736,991
73	2023	0									(18,736,991)			-
									$ 20,514,574	$ 1,491,680				$ 594,328,352

Whole Life Depreciation Rate Calculation

Historical Additions	14,054,817
Forecast Additions	6,459,757
Total Additions	20,514,574
Gross Salvage Value	936,850
Less Cost of Removal	1,873,699
Net Salvage Value	(936,850)
Total to be Recovered	21,451,424
Forecast Plant Balances	594,328,352
Whole Life Accrual Rate	3.61%
Cost of Removal Accrual Rate	0.32%
Whole Life Accrual Rate (Excluding Cost of Removal)	3.92%
Depreciable Service Life, years	27.7

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	12,718,813
Forecast Additions	6,459,757
Gross Salvage Value	936,850
Less Cost of Removal	1,873,699
Net Salvage Value	(936,850)
Forecast Plant Balances	232,453,639

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Neil Simpson 1 Plant

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1969
Retirement Date	2023
Service Life, Yrs	54
Initial Plant Balance	0

2008

Historical and Forecast Plant Additions & Balances

Account: 314 Turbogenerator Equipment

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1954	69												
2	1955	68												
3	1956	67												
4	1957	66												
5	1958	65												
6	1959	64												
7	1960	63												
8	1961	62												
9	1962	61												
10	1963	60												
11	1964	59												
12	1965	58												
13	1966	57												
14	1967	56												
15	1968	55												
16	1969	54					2,516,254		2,516,254	-		2,516,254		2,516,254
17	1970	53				16,262	11,272	861	11,272	861		2,526,665		2,526,665
18	1971	52				3,000	11,319	864	11,319	864		2,537,120		2,537,120
19	1972	51					11,366	868	11,366	868		2,547,618		2,547,618
20	1973	50					11,413	871	11,413	871		2,558,159		2,558,159
21	1974	49					11,460	875	11,460	875		2,568,744		2,568,744
22	1975	48					11,507	879	11,507	879		2,579,373		2,579,373
23	1976	47					11,555	882	11,555	882		2,590,046		2,590,046
24	1977	46					11,603	886	11,603	886		2,600,762		2,600,762
25	1978	45					11,651	889	11,651	889		2,611,524		2,611,524
26	1979	44					11,699	893	11,699	893		2,622,329		2,622,329
27	1980	43					11,747	897	11,747	897		2,633,180		2,633,180
28	1981	42					11,796	901	11,796	901		2,644,075		2,644,075
29	1982	41					11,845	904	11,845	904		2,655,015		2,655,015
30	1983	40					11,894	908	11,894	908		2,666,001		2,666,001
31	1984	39					11,943	912	11,943	912		2,677,032		2,677,032
32	1985	38					11,992	916	11,992	916		2,688,109		2,688,109
33	1986	37					12,042	919	12,042	919		2,699,232		2,699,232
34	1987	36					12,092	923	12,092	923		2,710,400		2,710,400
35	1988	35				159,525	12,142	927	12,142	927		2,721,615		2,721,615
36	1989	34	2,721,615	19,946					19,946	-			2,741,561	2,741,561
37	1990	33							-	-			2,741,561	2,741,561
38	1991	32		86,929	14,289				86,929	14,289			2,814,201	2,814,201
39	1992	31							-	-			2,814,201	2,814,201
40	1993	30		21,734	3,000				21,734	3,000			2,832,935	2,832,935
41	1994	29							-	-			2,832,935	2,832,935
42	1995	28							-	-			2,832,935	2,832,935
43	1996	27							-	-			2,832,935	2,832,935
44	1997	26							-	-			2,832,935	2,832,935
45	1998	25							-	-			2,832,935	2,832,935
46	1999	24							-	-			2,832,935	2,832,935
47	2000	23							-	-			2,832,935	2,832,935
48	2001	22		4,100					4,100	-			2,837,035	2,837,035
49	2002	21		81,398	159,525				81,398	159,525			2,758,908	2,758,908
50	2003	20							-	-			2,758,908	2,758,908
51	2004	19		38,189	1,973				38,189	1,973			2,795,124	2,795,124
52	2005	18							-	-			2,795,124	2,795,124
53	2006	17							-	-	71,333		2,866,457	2,866,457
54	2007	16							-	-			2,866,457	2,866,457
55	2008	15							-	-			2,866,457	2,866,457
56	Total		$ 2,721,615	$ 252,295	$ 178,787	$ 178,787	$ 2,738,590	$ 16,975	$ 2,990,885	$ 195,761	$ 71,333	$ 52,353,254	$ 56,319,477	$ 108,672,731
	Major Additions/Retirements													
	2002				$ 159,525									
	Routine Activity			$ 252,295	$ 19,262									
57	Historical Interim Activity			0.45%	0.03%									
58	Forecast Interim Activity			0.45%	0.03%									
59	2009	14							12,841	980				2,878,317
60	2010	13							12,894	984				2,890,227
61	2011	12							12,947	988				2,902,186
62	2012	11							13,001	993				2,914,194
63	2013	10							13,055	997				2,926,252
64	2014	9							13,109	1,001				2,938,360
65	2015	8							13,163	1,005				2,950,518
66	2016	7							13,217	1,009				2,962,727
67	2017	6							13,272	1,013				2,974,986
68	2018	5							13,327	1,017				2,987,295
69	2019	4							13,382	1,022				2,999,656
70	2020	3							13,438	1,026				3,012,067
71	2021	2							13,493	1,030				3,024,531
72	2022	1							13,549	1,034				3,037,045
73	2023	0									(3,037,045)			-
									$ 3,175,574	$ 209,862				$ 150,071,092

Whole Life Depreciation Rate Calculation

Historical Additions	2,990,885
Forecast Additions	184,689
Total Additions	3,175,574
Gross Salvage Value	151,852
Less Cost of Removal	303,705
Net Salvage Value	(151,852)
Total to be Recovered	3,327,426
Forecast Plant Balances	150,071,092
Whole Life Accrual Rate	2.22%
Cost of Removal Accrual Rate	0.20%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.42%
Depreciable Service Life, years	41.3

Remaining Life Depreciation Rate Calculation

Account Balance - 12/31/08	2,866,457
Forecast Additions	184,689
Gross Salvage Value	151,852
Less Cost of Removal	303,705
Net Salvage Value	(151,852)
Forecast Plant Balances	41,398,361

Black Hills Power
Unit Property Depreciation Rate Analysis
Unit Property: Steam Production, Neil Simpson 1 Plant

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1969
Retirement Date	2023
Service Life, Yrs	54

2008

Historical and Forecast Plant Additions & Balances
Account: 315 Accessory Electric Equipment

Initial Plant Balance 0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1954	69				710								
2	1955	68												
3	1956	67												
4	1957	66												
5	1958	65												
6	1959	64												
7	1960	63												
8	1961	62												
9	1962	61												
10	1963	60												
11	1964	59												
12	1965	58												
13	1966	57				858								
14	1967	56												
15	1968	55												
16	1969	54					533,278		533,278	-		533,278		533,278
17	1970	53				39,960	5,402	2,451	5,402	2,451		536,229		536,229
18	1971	52					5,431	2,465	5,431	2,465		539,196		539,196
19	1972	51					5,462	2,478	5,462	2,478		542,179		542,179
20	1973	50					5,492	2,492	5,492	2,492		545,179		545,179
21	1974	49					5,522	2,506	5,522	2,506		548,195		548,195
22	1975	48					5,553	2,520	5,553	2,520		551,228		551,228
23	1976	47					5,583	2,534	5,583	2,534		554,278		554,278
24	1977	46					5,614	2,548	5,614	2,548		557,345		557,345
25	1978	45					5,645	2,562	5,645	2,562		560,428		560,428
26	1979	44					5,677	2,576	5,677	2,576		563,529		563,529
27	1980	43					5,708	2,590	5,708	2,590		566,647		566,647
28	1981	42					5,740	2,604	5,740	2,604		569,782		569,782
29	1982	41					5,771	2,619	5,771	2,619		572,935		572,935
30	1983	40				16,950	5,803	2,633	5,803	2,633		576,105		576,105
31	1984	39					5,835	2,648	5,835	2,648		579,292		579,292
32	1985	38					5,868	2,663	5,868	2,663		582,497		582,497
33	1986	37					5,900	2,677	5,900	2,677		585,720		585,720
34	1987	36					5,933	2,692	5,933	2,692		588,961		588,961
35	1988	35					5,966	2,707	5,966	2,707		592,219		592,219
36	1989	34	592,219	9,579					9,579	-			601,798	601,798
37	1990	33							-	-			601,798	601,798
38	1991	32		5,696	8,916				5,696	8,916			598,578	598,578
39	1992	31		1,892					1,892	-	(9,579)		590,891	590,891
40	1993	30							-	-			590,891	590,891
41	1994	29							-	-			590,891	590,891
42	1995	28							-	-			590,891	590,891
43	1996	27							-	-			590,891	590,891
44	1997	26							-	-			590,891	590,891
45	1998	25		72,341	31,044				72,341	31,044			632,188	632,188
46	1999	24							-	-			632,188	632,188
47	2000	23							-	-			632,188	632,188
48	2001	22							-	-			632,188	632,188
49	2002	21		39,365	18,518				39,365	18,518			653,035	653,035
50	2003	20							-	-			653,035	653,035
51	2004	19							-	-			653,035	653,035
52	2005	18							-	-			653,035	653,035
53	2006	17							-	-	91,849		744,885	744,885
54	2007	16							-	-			744,885	744,885
55	2008	15							-	-			744,885	744,885
56	Total		$ 592,219	$ 128,873	$ 58,478	$ 58,478	$ 641,183	$ 48,964	$ 770,056	$ 107,442	$ 82,270	$ 11,245,221	$ 12,723,066	$ 23,968,287
	Major Additions/Retirements													
	Routine Activity			$ 128,873										
57	Historical Interim Activity			1.01%	0.46%									
58	Forecast Interim Activity			1.01%	0.46%									
59	2009	14							7,545	3,424				749,006
60	2010	13							7,587	3,443				753,150
61	2011	12							7,629	3,462				757,317
62	2012	11							7,671	3,481				761,507
63	2013	10							7,713	3,500				765,720
64	2014	9							7,756	3,519				769,957
65	2015	8							7,799	3,539				774,217
66	2016	7							7,842	3,558				778,501
67	2017	6							7,885	3,578				782,808
68	2018	5							7,929	3,598				787,139
69	2019	4							7,973	3,618				791,494
70	2020	3							8,017	3,638				795,873
71	2021	2							8,061	3,658				800,277
72	2022	1							8,106	3,678				804,705
73	2023	0									(804,705)			-
									$ 879,570	$ 157,135				$ 34,839,958

Whole Life Depreciation Rate Calculation

Historical Additions	770,056
Forecast Additions	109,514
Total Additions	879,570
Gross Salvage Value	40,235
Less Cost of Removal	80,470
Net Salvage Value	(40,235)
Total to be Recovered	919,805
Forecast Plant Balances	34,839,958
Whole Life Accrual Rate	2.64%
Cost of Removal Accrual Rate	0.23%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.87%
Depreciable Service Life, years	34.8

Remaining Life Depreciation Rate Calculation

Account Balance - 12/31/08	744,885
Forecast Additions	109,514
Gross Salvage Value	40,235
Less Cost of Removal	80,470
Net Salvage Value	(40,235)
Forecast Plant Balances	10,871,672

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Neil Simpson 1 Plant

Historical and Forecast Plant Additions & Balances

Account: 316 Miscellaneous Plant Equipment

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1969
Retirement Date	2023
Service Life, Yrs	54
Initial Plant Balance	0

2008

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year			EOY Plant Balance		
			Transaction Year			Vintage Year					Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1954	69												
2	1955	68												
3	1956	67												
4	1957	66												
5	1958	65												
6	1959	64												
7	1960	63												
8	1961	62												
9	1962	61												
10	1963	60												
11	1964	59												
12	1965	58												
13	1966	57												
14	1967	56												
15	1968	55												
16	1969	54					300,112		300,112	-		300,112		300,112
17	1970	53				64,347	3,108	-	3,108	-		303,220		303,220
18	1971	52					3,141	-	3,141	-		306,361		306,361
19	1972	51					3,173	-	3,173	-		309,534		309,534
20	1973	50					3,206	-	3,206	-		312,740		312,740
21	1974	49					3,239	-	3,239	-		315,979		315,979
22	1975	48					3,273	-	3,273	-		319,252		319,252
23	1976	47					3,307	-	3,307	-		322,559		322,559
24	1977	46					3,341	-	3,341	-		325,900		325,900
25	1978	45					3,376	-	3,376	-		329,275		329,275
26	1979	44					3,411	-	3,411	-		332,686		332,686
27	1980	43					3,446	-	3,446	-		336,132		336,132
28	1981	42					3,482	-	3,482	-		339,613		339,613
29	1982	41					3,518	-	3,518	-		343,131		343,131
30	1983	40					3,554	-	3,554	-		346,685		346,685
31	1984	39					3,591	-	3,591	-		350,276		350,276
32	1985	38					3,628	-	3,628	-		353,904		353,904
33	1986	37					3,666	-	3,666	-		357,569		357,569
34	1987	36					3,704	-	3,704	-		361,273		361,273
35	1988	35					3,742	-	3,742	-		365,015		365,015
36	1989	34	365,015	17,009					17,009	-			382,024	382,024
37	1990	33		6,448	64,347				6,448	64,347			324,125	324,125
38	1991	32		4,170					4,170	-			328,295	328,295
39	1992	31		12,917					12,917	-			341,211	341,211
40	1993	30							-	-			341,211	341,211
41	1994	29		25,487					25,487	-			366,699	366,699
42	1995	28							-	-			366,699	366,699
43	1996	27		5,371					5,371	-			372,070	372,070
44	1997	26		399					399	-			372,469	372,469
45	1998	25		2,297					2,297	-			374,765	374,765
46	1999	24							-	-			374,765	374,765
47	2000	23							-	-			374,765	374,765
48	2001	22							-	-			374,765	374,765
49	2002	21							-	-			374,765	374,765
50	2003	20		2,729					2,729	-			377,494	377,494
51	2004	19		763					763	-			378,257	378,257
52	2005	18							-	-			378,257	378,257
53	2006	17							-	-	51,210		429,468	429,468
54	2007	16							-	-			429,468	429,468
55	2008	15							-	-			429,468	429,468
56	Total		$ 365,015	$ 77,590	$ 64,347	$ 64,347	$ 365,015	$ -	$ 442,604	$ 64,347	$ 51,210	$ 6,631,213	$ 7,491,039	$ 14,122,252
	Major Additions/Retirements													
	1990				$ 64,347									
	Routine Activity			$ 77,590	$ -									
57	Historical Interim Activity			1.04%	0.00%									
58	Forecast Interim Activity			1.04%	0.00%									
59	2009	14							4,448	-				433,916
60	2010	13							4,494	-				438,410
61	2011	12							4,541	-				442,951
62	2012	11							4,588	-				447,539
63	2013	10							4,635	-				452,175
64	2014	9							4,683	-				456,858
65	2015	8							4,732	-				461,590
66	2016	7							4,781	-				466,371
67	2017	6							4,831	-				471,202
68	2018	5							4,881	-				476,082
69	2019	4							4,931	-				481,013
70	2020	3							4,982	-				485,995
71	2021	2							5,034	-				491,029
72	2022	1							5,086	-				496,115
73	2023	0									(496,115)			-
									$ 509,252	$ 64,347				$ 20,623,499

Whole Life Depreciation Rate Calculation

Historical Additions	442,604
Forecast Additions	66,647
Total Additions	509,252
Gross Salvage Value	24,806
Less Cost of Removal	49,612
Net Salvage Value	(24,806)
Total to be Recovered	534,058
Forecast Plant Balances	20,623,499
Whole Life Accrual Rate	2.59%
Cost of Removal Accrual Rate	0.24%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.83%
Depreciable Service Life, years	38.6

Remaining Life Depreciation Rate Calculation

Account Balance - 12/31/08	429,468
Forecast Additions	66,647
Gross Salvage Value	24,806
Less Cost of Removal	49,612
Net Salvage Value	(24,806)
Forecast Plant Balances	6,501,247

Summary by Plant
Black Hills Power
Neil Simpson 2 Facility

Account	Description	Direct Investment 2008$	Depreciation Rate
310	Land		
311	Structure & Improvements	13,248,871	2.73%
312	Boiler Plant Equipment	75,551,337	2.87%
313	Engines & Engine Driven Generators		
314	Turbo Generator Equipment	29,102,926	2.59%
315	Accessory Electric Equipment	6,272,379	2.58%
316	Misc Power Equipment	479,676	7.23%
	Total	124,655,189	2.79% whole life weighted average rate

Remaining Life Depreciation Rate Calculation

Per Books Balance 12/31/08	125,534,971
Forecast Interim Additions	29,159,701
Forecast Gross Salvage Value	7,637,352
Forecast Less Cost of Removal	15,274,704
Forecast Net Salvage Value	(7,637,352)
Forecast Total to be Recovered with COR	162,332,024
Forecast Total to be Recovered w/o COR	147,057,320
Accumulated Depreciation (2008 EOY)	(38,724,257)
Forecast Remaining Life Balance with COR	123,607,767
Forecast Remaining Life Balance w/o COR	108,333,063
Forecast Plant Balances	4,957,526,249
Remaining Life Rate with COR	2.49%
Remaining Life Rate w/o COR	2.19%

Black Hills Power Company

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Neil Simpson 2 Plant

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1998
Retirement Date	2045
Service Life, Yrs	47

2008

Historical and Forecast Plant Additions & Balances

Account: 311 Structures & Improvements

Initial Plant Balance 0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
41	1998	47		11,540,435		17,822			11,540,435	-			11,540,435	11,540,435
42	1999	46		322,184					322,184	-	624,511		12,487,130	12,487,130
43	2000	45		87,340					87,340	-			12,574,470	12,574,470
44	2001	44							-	-			12,574,470	12,574,470
45	2002	43		5,484					5,484	-			12,579,954	12,579,954
46	2003	42		22,835					22,835	-			12,602,789	12,602,789
47	2004	41		338,036					338,036	-			12,940,825	12,940,825
48	2005	40							-	-			12,940,825	12,940,825
49	2006	39		84,446					84,446	-	165,739		13,191,009	13,191,009
50	2007	38		76,060	17,822				76,060	17,822	(376)		13,248,871	13,248,871
51	2008	37							-	-			13,248,871	13,248,871
52	Total		$ -	$ 12,476,819	$ 17,822	$ 17,822	$ -	$ -	$ 12,476,819	$ 17,822	$ 789,874	$ -	$ 139,929,647	$ 139,929,647
	Major Additions/Retirements													
	1998			$ 11,540,435										
	Routine Activity			$ 936,383										
53	Historical Interim Activity			0.67%	0.01%									
54	Forecast Interim Activity			0.67%	0.01%									
55	2009	36							88,659	1,687				13,335,842
56	2010	35							89,241	1,699				13,423,385
57	2011	34							89,827	1,710				13,511,502
58	2012	33							90,416	1,721				13,600,197
59	2013	32							91,010	1,732				13,689,475
60	2014	31							91,607	1,744				13,779,339
61	2015	30							92,209	1,755				13,869,793
62	2016	29							92,814	1,767				13,960,840
63	2017	28							93,423	1,778				14,052,486
64	2018	27							94,037	1,790				14,144,732
65	2019	26							94,654	1,802				14,237,585
66	2020	25							95,275	1,813				14,331,047
67	2021	24							95,901	1,825				14,425,122
68	2022	23							96,530	1,837				14,519,815
69	2023	22							97,164	1,849				14,615,130
70	2024	21							97,802	1,861				14,711,070
71	2025	20							98,444	1,874				14,807,640
72	2026	19							99,090	1,886				14,904,844
73	2027	18							99,740	1,898				15,002,686
74	2028	17							100,395	1,911				15,101,171
75	2029	16							101,054	1,923				15,200,302
76	2030	15							101,718	1,936				15,300,083
77	2031	14							102,385	1,949				15,400,520
78	2032	13							103,057	1,962				15,501,616
79	2033	12							103,734	1,974				15,603,375
80	2034	11							104,415	1,987				15,705,803
81	2035	10							105,100	2,000				15,808,903
82	2036	9							105,790	2,014				15,912,680
83	2037	8							106,485	2,027				16,017,137
84	2038	7							107,184	2,040				16,122,281
85	2039	6							107,887	2,053				16,228,115
86	2040	5							108,596	2,067				16,334,644
87	2041	4							109,308	2,080				16,441,872
88	2042	3							110,026	2,094				16,549,803
89	2043	2							110,748	2,108				16,658,444
90	2044	1							111,475	2,122				16,767,797
91	2045	0									(16,767,797)			-
									$ 16,064,021	$ 86,098				$ 679,506,724

Whole Life Depreciation Rate Calculation

Historical Additions	12,476,819
Forecast Additions	3,587,202
Total Additions	16,064,021
Gross Salvage Value	838,390
Less Cost of Removal	1,676,780
Net Salvage Value	(838,390)
Total to be Recovered	16,902,411
Forecast Plant Balances	679,506,724
Whole Life Accrual Rate	2.49%
Cost of Removal Accrual Rate	0.25%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.73%
Depreciable Service Life, years	40.2

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	13,248,871
Forecast Additions	3,587,202
Gross Salvage Value	838,390
Less Cost of Removal	1,676,780
Net Salvage Value	(838,390)
Forecast Plant Balances	539,577,076

Black Hills Power Company

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Neil Simpson 2 Plant

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1998
Retirement Date	2045
Service Life, Yrs	47

2008

Historical and Forecast Plant Additions & Balances

Account: 312 Boiler Plant Equipment

Initial Plant Balance 0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year			EOY Plant Balance		
			Transaction Year											
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Vintage Year Retirements	Additions	Retirements	Additions	Retirements	Transfers and Adjustments	Adjustments	Per Books	Simulated
13	1970	75				6,013	-	-	-	-		-		-
14	1971	74					-	-	-	-		-		-
15	1972	73					-	-	-	-		-		-
16	1973	72					-	-	-	-		-		-
17	1974	71					-	-	-	-		-		-
18	1975	70					-	-	-	-		-		-
19	1976	69					-	-	-	-		-		-
20	1977	68					-	-	-	-		-		-
21	1978	67					-	-	-	-		-		-
22	1979	66					-	-	-	-		-		-
23	1980	65					-	-	-	-		-		-
24	1981	64					-	-	-	-		-		-
25	1982	63					-	-	-	-		-		-
26	1983	62					-	-	-	-		-		-
27	1984	61					-	-	-	-		-		-
28	1985	60					-	-	-	-		-		-
29	1986	59					-	-	-	-		-		-
30	1987	58					-	-	-	-		-		-
31	1988	57				6,533	-	-	-	-		-		-
32	1989	56											-	-
33	1990	55											-	-
34	1991	54											-	-
35	1992	53											-	-
36	1993	52							-	-			-	-
37	1994	51							-	-			-	-
38	1995	50							-	-			-	-
39	1996	49							-	-			-	-
40	1997	48		28,341					28,341	-			28,341	28,341
41	1998	47		74,009,175	6,533	1,658,776			74,009,175	6,533			74,030,983	74,030,983
42	1999	46		869,214	30,316				869,214	30,316	(467,515)		74,402,366	74,402,366
43	2000	45		587,861	31,013				587,861	31,013			74,959,214	74,959,214
44	2001	44		105,595	112,000				105,595	112,000			74,952,809	74,952,809
45	2002	43		135,029	3,344				135,029	3,344			75,084,494	75,084,494
46	2003	42		77,435					77,435	-			75,161,928	75,161,928
47	2004	41		380,167	50,000				380,167	50,000			75,492,095	75,492,095
48	2005	40		16,469	8,484				16,469	8,484			75,500,080	75,500,080
49	2006	39							-	-	183,186		75,683,266	75,683,266
50	2007	38		1,293,706	1,429,632				1,293,706	1,429,632	3,997		75,551,337	75,551,337
51	2008	37							-	-			75,551,337	75,551,337
52	Total		$ -	$ 77,502,991	$ 1,671,322	$ 1,671,322	$ -	$ -	$ 77,502,991	$ 1,671,322	$ (280,332)	$ -	$ 826,398,249	$ 826,398,249
	Major Additions/Retirements													
	1998			$ 74,037,516										
	2007			$ 1,293,706	$ 1,429,632									
	Routine Activity			$ 2,171,769	$ 241,690									
53	Historical Interim Activity			0.26%	0.03%									
54	Forecast Interim Activity			0.26%	0.03%									
55	2009	36							198,548	22,096				75,727,789
56	2010	35							199,012	22,148				75,904,654
57	2011	34							199,477	22,199				76,081,931
58	2012	33							1,775,881	22,251				77,835,561
59	2013	32							204,551	22,764				78,017,348
60	2014	31							205,029	22,817				78,199,560
61	2015	30							205,508	22,870				78,382,198
62	2016	29							205,988	22,924				78,565,262
63	2017	28							206,469	22,977				78,748,753
64	2018	27							206,951	23,031				78,932,673
65	2019	26							2,080,730	23,085				80,990,318
66	2020	25							212,842	23,687				81,179,473
67	2021	24							213,339	23,742				81,369,071
68	2022	23							213,837	23,797				81,559,111
69	2023	22							214,337	23,853				81,749,594
70	2024	21							214,837	23,909				81,940,523
71	2025	20							215,339	23,965				82,131,898
72	2026	19							2,442,601	24,020				84,550,478
73	2027	18							222,198	24,728				84,747,948
74	2028	17							222,717	24,786				84,945,880
75	2029	16							223,237	24,843				85,144,274
76	2030	15							223,759	24,901				85,343,131
77	2031	14							224,281	24,960				85,542,452
78	2032	13							224,805	25,018				85,742,239
79	2033	12							2,872,247	25,076				88,589,410
80	2034	11							232,812	25,909				88,796,313
81	2035	10							233,356	25,970				89,003,700
82	2036	9							233,901	26,030				89,211,570
83	2037	8							234,447	26,091				89,419,927
84	2038	7							234,995	26,152				89,628,770
85	2039	6							235,544	26,213				89,838,101
86	2040	5							3,382,446	26,274				93,194,272
87	2041	4							244,914	27,256				93,411,930
88	2042	3							245,486	27,319				93,630,097
89	2043	2							246,059	27,383				93,848,773
90	2044	1							246,634	27,447				94,067,959
91	2045	0									(94,067,959)			-
									$ 96,902,106	$ 2,553,814				$ 3,862,371,189

Whole Life Depreciation Rate Calculation

Historical Additions	77,502,991
Forecast Additions	19,399,115
Total Additions	96,902,106
Gross Salvage Value	4,703,398
Less Cost of Removal	9,406,796
Net Salvage Value	(4,703,398)
Total to be Recovered	101,605,504
Forecast Plant Balances	3,862,371,189
Whole Life Accrual Rate	2.63%
Cost of Removal Accrual Rate	0.24%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.87%
Depreciable Service Life, years	38.0

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	75,551,337
Forecast Additions	19,399,115
Gross Salvage Value	4,703,398
Less Cost of Removal	9,406,796
Net Salvage Value	(4,703,398)
Forecast Plant Balances	3,035,972,939

Black Hills Power Company
Unit Property Depreciation Rate Analysis
Unit Property: Steam Production, Neil Simpson 2 Plant

Gross Salvage	5%	
Cost of Removal	10%	
Net Salvage	-5%	
Install Date	1998	2008
Retirement Date	2045	
Service Life, Yrs	47	
Initial Plant Balance	0	

Historical and Forecast Plant Additions & Balances
Account: 314 Turbogenerator Equipment

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
41	1998	47		27,051,645		192,000			27,051,645	-			27,051,645	27,051,645
42	1999	46							-	-	(77,928)		26,973,718	26,973,718
43	2000	45		37,085					37,085	-			27,010,803	27,010,803
44	2001	44		3,265					3,265	-			27,014,068	27,014,068
45	2002	43		1,713,883					1,713,883	-			28,727,951	28,727,951
46	2003	42		121,566					121,566	-			28,849,517	28,849,517
47	2004	41		76,317					76,317	-			28,925,834	28,925,834
48	2005	40							-	-			28,925,834	28,925,834
49	2006	39		285,377	192,000				285,377	192,000	7,967		29,027,178	29,027,178
50	2007	38		75,749					75,749	-			29,102,926	29,102,926
51	2008	37							-	-			29,102,926	29,102,926
52	Total		$ -	$ 29,364,887	$ 192,000	$ 192,000	$ -	$ -	$ 29,364,887	$ 192,000	$ (69,961)	$ -	$ 310,712,400	$ 310,712,400
	Major Additions/Retirements													
	1998			$ 27,051,645										
	2002			$ 1,713,883										
	Routine Activity			$ 599,359	$ 192,000									
53	Historical Interim Activity			0.19%	0.06%									
54	Forecast Interim Activity			0.19%	0.00%									
55	2009	36							56,139	-				29,159,066
56	2010	35							56,247	-				29,215,313
57	2011	34							56,356	-				29,271,669
58	2012	33							56,465	-				29,328,133
59	2013	32							56,574	-				29,384,707
60	2014	31							56,683	-				29,441,390
61	2015	30							56,792	-				29,498,181
62	2016	29							56,902	-				29,555,083
63	2017	28							57,011	-				29,612,094
64	2018	27							57,121	-				29,669,216
65	2019	26							57,231	-				29,726,447
66	2020	25							57,342	-				29,783,789
67	2021	24							57,452	-				29,841,241
68	2022	23							57,563	-				29,898,805
69	2023	22							57,674	-				29,956,479
70	2024	21							57,786	-				30,014,264
71	2025	20							57,897	-				30,072,162
72	2026	19							58,009	-				30,130,170
73	2027	18							58,121	-				30,188,291
74	2028	17							58,233	-				30,246,524
75	2029	16							58,345	-				30,304,869
76	2030	15							58,458	-				30,363,326
77	2031	14							58,570	-				30,421,897
78	2032	13							58,683	-				30,480,580
79	2033	12							58,797	-				30,539,377
80	2034	11							58,910	-				30,598,286
81	2035	10							59,024	-				30,657,310
82	2036	9							59,137	-				30,716,448
83	2037	8							59,252	-				30,775,699
84	2038	7							59,366	-				30,835,065
85	2039	6							59,480	-				30,894,545
86	2040	5							59,595	-				30,954,140
87	2041	4							59,710	-				31,013,850
88	2042	3							59,825	-				31,073,676
89	2043	2							59,941	-				31,133,616
90	2044	1							60,056	-				31,193,672
91	2045	0									(31,193,672)			-
									$ 31,455,633	$ 192,000				$ 1,396,661,779

Whole Life Depreciation Rate Calculation

Historical Additions	29,364,887
Forecast Additions	2,090,746
Total Additions	31,455,633
Gross Salvage Value	1,559,684
Less Cost of Removal	3,119,367
Net Salvage Value	(1,559,684)
Total to be Recovered	33,015,317
Forecast Plant Balances	1,396,661,779
Whole Life Accrual Rate	2.36%
Cost of Removal Accrual Rate	0.22%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.59%
Depreciable Service Life, years	42.3

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	29,102,926
Forecast Additions	2,090,746
Gross Salvage Value	1,559,684
Less Cost of Removal	3,119,367
Net Salvage Value	(1,559,684)
Forecast Plant Balances	1,085,949,379

Black Hills Power Company

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Neil Simpson 2 Plant

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1998
Retirement Date	2045
Service Life, Yrs	47
Initial Plant Balance	0

2008

Historical and Forecast Plant Additions & Balances

Account: 315 Accessory Electric Equipment

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year					
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Transfers and Adjustments	Adjustments	Per Books	Simulated
41	1998	47		6,135,296					6,135,296	-			6,135,296	6,135,296
42	1999	46		11,151					11,151	-			6,146,447	6,146,447
43	2000	45							-	-			6,146,447	6,146,447
44	2001	44							-	-			6,146,447	6,146,447
45	2002	43							-	-			6,146,447	6,146,447
46	2003	42							-	-			6,146,447	6,146,447
47	2004	41		139,183					139,183	-			6,285,630	6,285,630
48	2005	40							-	-			6,285,630	6,285,630
49	2006	39							-	-	(13,251)		6,272,379	6,272,379
50	2007	38							-	-			6,272,379	6,272,379
51	2008	37							-	-			6,272,379	6,272,379
52	Total		$ -	$ 6,285,630	$ -	$ -	$ -	$ -	$ 6,285,630	$ -	$ (13,251)	$ -	$ 68,255,930	$ 68,255,930
	Major Additions/Retirements													
	1998			$ 6,135,296										
	Routine Activity			$ 150,334										
53	Historical Interim Activity			0.22%	0.00%									
54	Forecast Interim Activity			0.22%	0.00%									
55	2009	36							13,815	-				6,286,194
56	2010	35							13,845	-				6,300,039
57	2011	34							13,876	-				6,313,915
58	2012	33							13,906	-				6,327,822
59	2013	32							13,937	-				6,341,759
60	2014	31							13,968	-				6,355,727
61	2015	30							13,999	-				6,369,725
62	2016	29							14,029	-				6,383,755
63	2017	28							14,060	-				6,397,815
64	2018	27							14,091	-				6,411,906
65	2019	26							14,122	-				6,426,028
66	2020	25							14,153	-				6,440,182
67	2021	24							14,185	-				6,454,366
68	2022	23							14,216	-				6,468,582
69	2023	22							14,247	-				6,482,829
70	2024	21							14,278	-				6,497,108
71	2025	20							14,310	-				6,511,418
72	2026	19							14,341	-				6,525,759
73	2027	18							14,373	-				6,540,132
74	2028	17							14,405	-				6,554,537
75	2029	16							14,436	-				6,568,973
76	2030	15							14,468	-				6,583,441
77	2031	14							14,500	-				6,597,941
78	2032	13							14,532	-				6,612,473
79	2033	12							14,564	-				6,627,037
80	2034	11							14,596	-				6,641,634
81	2035	10							14,628	-				6,656,262
82	2036	9							14,660	-				6,670,922
83	2037	8							14,693	-				6,685,615
84	2038	7							14,725	-				6,700,340
85	2039	6							14,758	-				6,715,098
86	2040	5							14,790	-				6,729,888
87	2041	4							14,823	-				6,744,710
88	2042	3							14,855	-				6,759,566
89	2043	2							14,888	-				6,774,454
90	2044	1							14,921	-				6,789,374
91	2045	0									(6,789,374)			-
									$ 6,802,626	$ -				$ 303,503,255

Whole Life Depreciation Rate Calculation

Historical Additions	6,285,630
Forecast Additions	516,995
Total Additions	6,802,626
Gross Salvage Value	339,469
Less Cost of Removal	678,937
Net Salvage Value	(339,469)
Total to be Recovered	7,142,094
Forecast Plant Balances	303,503,255
Whole Life Accrual Rate	2.35%
Cost of Removal Accrual Rate	0.22%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.58%
Depreciable Service Life, years	42.5

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	6,272,379
Forecast Additions	516,995
Gross Salvage Value	339,469
Less Cost of Removal	678,937
Net Salvage Value	(339,469)
Forecast Plant Balances	235,247,325

Black Hills Power Company

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Neil Simpson 2 Plant

Historical and Forecast Plant Additions & Balances

Account: 316 Miscellaneous Power Equipment

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	1998
Retirement Date	2045
Service Life, Yrs	47
Initial Plant Balance	0

2008

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
41	1998	47		279,045					279,045	-			279,045	279,045
42	1999	46		6,941					6,941	-	(79,068)		206,917	206,917
43	2000	45		13,614					13,614	-	38,764		259,296	259,296
44	2001	44		43,205					43,205	-			302,500	302,500
45	2002	43		7,852					7,852	-			310,352	310,352
46	2003	42		35,386					35,386	-			345,739	345,739
47	2004	41		21,531					21,531	-			367,270	367,270
48	2005	40		69,107					69,107	-			436,377	436,377
49	2006	39		25,198	7,978	7,978			25,198	7,978	5,965		459,562	459,562
50	2007	38							-	-			459,562	459,562
51	2008	37		20,114					20,114	-			479,676	479,676
52	Total		$ -	$ 521,993	$ 7,978	$ 7,978	$ -	$ -	$ 521,993	$ 7,978	$ (34,340)	$ -	$ 3,906,296	$ 3,906,296
	Major Additions/Retirements													
	1998			$ 279,045										
	Routine Activity			$ 242,948										
53	Historical Interim Activity			6.22%	0.20%									
54	Forecast Interim Activity			6.22%	0.20%									
55	2009	36							29,833	980				508,529
56	2010	35							31,627	1,039				539,118
57	2011	34							33,530	1,101				571,547
58	2012	33							35,547	1,167				605,927
59	2013	32							37,685	1,237				642,374
60	2014	31							39,952	1,312				681,014
61	2015	30							42,355	1,391				721,978
62	2016	29							44,903	1,474				765,407
63	2017	28							47,604	1,563				811,447
64	2018	27							50,467	1,657				860,257
65	2019	26							53,503	1,757				912,003
66	2020	25							56,721	1,863				966,862
67	2021	24							60,133	1,975				1,025,020
68	2022	23							63,750	2,093				1,086,677
69	2023	22							67,585	2,219				1,152,043
70	2024	21							71,650	2,353				1,221,340
71	2025	20							75,960	2,494				1,294,806
72	2026	19							80,529	2,644				1,372,691
73	2027	18							85,373	2,803				1,455,261
74	2028	17							90,508	2,972				1,542,797
75	2029	16							95,953	3,151				1,635,599
76	2030	15							101,724	3,340				1,733,983
77	2031	14							107,843	3,541				1,838,285
78	2032	13							114,330	3,754				1,948,862
79	2033	12							121,207	3,980				2,066,089
80	2034	11							128,498	4,219				2,190,368
81	2035	10							136,228	4,473				2,322,122
82	2036	9							144,422	4,742				2,461,802
83	2037	8							153,109	5,028				2,609,884
84	2038	7							162,319	5,330				2,766,873
85	2039	6							172,083	5,651				2,933,306
86	2040	5							182,434	5,990				3,109,749
87	2041	4							193,408	6,351				3,296,806
88	2042	3							205,042	6,733				3,495,115
89	2043	2							217,375	7,138				3,705,352
90	2044	1							230,451	7,567				3,928,236
91	2045	0									(3,928,236)			-
									$ 4,087,636	$ 125,060				$ 64,685,826

Whole Life Depreciation Rate Calculation

Historical Additions	521,993
Forecast Additions	3,565,643
Total Additions	4,087,636
Gross Salvage Value	196,412
Less Cost of Removal	392,824
Net Salvage Value	(196,412)
Total to be Recovered	4,284,047
Forecast Plant Balances	64,685,826
Whole Life Accrual Rate	6.62%
Cost of Removal Accrual Rate	0.61%
Whole Life Accrual Rate (Excluding Cost of Removal)	7.23%
Depreciable Service Life, years	15.1

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	479,676
Forecast Additions	3,565,643
Gross Salvage Value	196,412
Less Cost of Removal	392,824
Net Salvage Value	(196,412)
Forecast Plant Balances	60,779,529

Summary by Plant
Black Hills Power
Lange CT Facility

Account	Description	Direct Investment 2008$	Depreciation Rate
341	Structure & Improvements	244,231	1.96%
342	Fuel Holders, Producers & Accessories	1,738,544	3.96%
343	Prime Movers		
344	Generators	26,038,901	1.94%
345	Accessory Electric Equipment	2,100,134	1.96%
346	Misc Plant Equipment	16,612	1.98%
	Total	30,138,422	2.06% whole life weighted average rate

Remaining Life Depreciation Rate Calculation

Per Books Balance @ 12/31/08	30,183,503
Forecast Interim Additions	16,498,012
Forecast Gross Salvage Value	4,206,009
Forecast Less Cost of Removal	3,297,292
Forecast Net Salvage Value	908,717
Forecast Total to be Recovered with COR	45,772,797
Forecast Total to be Recovered w/o COR	42,475,506
Accumulated Depreciation (2008 EOY)	(8,369,716)
Forecast Remaining Life Balance with COR	37,403,081
Forecast Remaining Life Balance w/o COR	34,105,790
Forecast Plant Balances	1,566,753,479
Remaining Life Rate with COR	2.39%
Remaining Life Rate w/o COR	2.18%

Black Hills Power

Unit Property Depreciation Rate Analysis
Unit Property: Other Production, Lange Plant

Gross Salvage	8%
Cost of Removal	10%
Net Salvage	-2%
Install Date	2002
Retirement Date	2050
Service Life, Yrs	48
Initial Plant Balance	0

Historical and Forecast Plant Additions & Balances
Account: 341 Structures & Improvements

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
				Transaction Year					Adjusted Transaction Year					
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Vintage Year Retirements	Additions	Retirements	Additions	Retirements	Transfers and Adjustments	Adjustments	Per Books	Simulated
1	2002	48							-	-			-	-
2	2003	47		219,851					219,851	-			219,851	219,851
3	2004	46		24,380					24,380	-			244,231	244,231
4	2005	45							-	-			244,231	244,231
5	2006	44							-	-			244,231	244,231
6	2007	43							-	-			244,231	244,231
7	2008	42							-	-			244,231	244,231
8	Total		$ -	$ 244,231	$ -	$ -	$ -	$ -	$ 244,231	$ -	$ -	$ -	$ 1,441,004	$ 1,441,004
	Major Additions/Retirements													
	2003			$ 219,851										
	Routine Activity			$ 24,380										
9	Historical Interim Activity			1.69%	0.00%									
10	Forecast Interim Activity			0.00%	0.00%									
11	2009	41							-	-				244,231
12	2010	40							-	-				244,231
13	2011	39							-	-				244,231
14	2012	38							-	-				244,231
15	2013	37							-	-				244,231
16	2014	36							-	-				244,231
17	2015	35							-	-				244,231
18	2016	34							-	-				244,231
19	2017	33							-	-				244,231
20	2018	32							-	-				244,231
21	2019	31							-	-				244,231
22	2020	30							-	-				244,231
23	2021	29							-	-				244,231
24	2022	28							-	-				244,231
25	2023	27							-	-				244,231
26	2024	26							-	-				244,231
27	2025	25							-	-				244,231
28	2026	24							-	-				244,231
29	2027	23							-	-				244,231
30	2028	22							-	-				244,231
31	2029	21							-	-				244,231
32	2030	20							-	-				244,231
33	2031	19							-	-				244,231
34	2032	18							-	-				244,231
35	2033	17							-	-				244,231
36	2034	16							-	-				244,231
37	2035	15							-	-				244,231
38	2036	14							-	-				244,231
39	2037	13							-	-				244,231
40	2038	12							-	-				244,231
41	2039	11							-	-				244,231
42	2040	10							-	-				244,231
43	2041	9							-	-				244,231
44	2042	8							-	-				244,231
45	2043	7							-	-				244,231
46	2044	6							-	-				244,231
47	2045	5							-	-				244,231
48	2046	4							-	-				244,231
49	2047	3							-	-				244,231
50	2048	2							-	-				244,231
51	2049	1							-	-				244,231
52	2050	0								-	(244,231)			-
									$ 244,231	$ -				$ 11,454,456

Whole Life Depreciation Rate Calculation

Historical Additions	244,231
Forecast Additions	-
Total Additions	244,231
Gross Salvage Value	19,538
Less Cost of Removal	24,423
Net Salvage Value	(4,885)
Total to be Recovered	249,115
Forecast Plant Balances	11,454,456
Whole Life Accrual Rate	2.17%
Cost of Removal Accrual Rate	0.21%
Whole Life Accrual Rate (Excluding Cost of Removal)	1.96%
Depreciable Service Life, years	46.0

Remaining Life Depreciation Rate Calculatio

Account Balance 12/31/08	244,231
Forecast Additions	-
Gross Salvage Value	19,538
Less Cost of Removal	24,423
Net Salvage Value	(4,885)
Forecast Plant Balances	10,013,453

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Other Production, Lange Plant

Historical and Forecast Plant Additions & Balances

Account: 342 Fuel Holders, Producers & Accessories

Gross Salvage	8%
Cost of Removal	10%
Net Salvage	-2%
Install Date	2002
Retirement Date	2050
Service Life, Yrs	48
Initial Plant Balance	0

2008

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year			EOY Plant Balance		
			Transaction Year			Vintage Year					Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	2002	48							-	-			-	-
2	2003	47		1,738,544					1,738,544	-			1,738,544	1,738,544
3	2004	46							-	-			1,738,544	1,738,544
4	2005	45							-	-			1,738,544	1,738,544
5	2006	44							-	-			1,738,544	1,738,544
6	2007	43							-	-			1,738,544	1,738,544
7	2008	42							-	-			1,738,544	1,738,544
8	Total		$ -	$ 1,738,544	$ -	$ -	$ -	$ -	$ 1,738,544	$ -	$ -	$ -	$ 10,431,266	$ 10,431,266
	Major Additions/Retirements													
	2003			$ 1,738,544										
	Routine Activity			$ -										
9	Historical Interim Activity			0.00%	0.00%									
10	Forecast Interim Activity			0.00%	0.00%									
11	2009	41							-	-				1,738,544
12	2010	40							-	-				1,738,544
13	2011	39							-	-				1,738,544
14	2012	38							-	-				1,738,544
15	2013	37							2,171,729	-				3,910,273
16	2014	36							-	-				3,910,273
17	2015	35							-	-				3,910,273
18	2016	34							-	-				3,910,273
19	2017	33							-	-				3,910,273
20	2018	32							-	-				3,910,273
21	2019	31							-	-				3,910,273
22	2020	30							2,581,503	-				6,491,776
23	2021	29							-	-				6,491,776
24	2022	28							-	-				6,491,776
25	2023	27							-	-				6,491,776
26	2024	26							-	-				6,491,776
27	2025	25							-	-				6,491,776
28	2026	24							-	-				6,491,776
29	2027	23							3,068,596	-				9,560,372
30	2028	22							-	-				9,560,372
31	2029	21							-	-				9,560,372
32	2030	20							-	-				9,560,372
33	2031	19							-	-				9,560,372
34	2032	18							-	-				9,560,372
35	2033	17							-	-				9,560,372
36	2034	16							3,647,596	-				13,207,968
37	2035	15							-	-				13,207,968
38	2036	14							-	-				13,207,968
39	2037	13							-	-				13,207,968
40	2038	12							-	-				13,207,968
41	2039	11							-	-				13,207,968
42	2040	10							-	-				13,207,968
43	2041	9							4,335,846	-				17,543,814
44	2042	8							-	-				17,543,814
45	2043	7							-	-				17,543,814
46	2044	6							-	-				17,543,814
47	2045	5							-	-				17,543,814
48	2046	4							-	-				17,543,814
49	2047	3							-	-				17,543,814
50	2048	2							-	-				17,543,814
51	2049	1							-	-				17,543,814
52	2050	0									(17,543,814)			-
									$ 17,543,814	$ -				$ 407,472,505

Whole Life Depreciation Rate Calculation

Historical Additions	1,738,544
Forecast Additions	15,805,270
Total Additions	17,543,814
Gross Salvage Value	1,403,505
Less Cost of Removal	1,754,381
Net Salvage Value	(350,876)
Total to be Recovered	17,894,691
Forecast Plant Balances	407,472,505
Whole Life Accrual Rate	4.39%
Cost of Removal Accrual Rate	0.43%
Whole Life Accrual Rate (Excluding Cost of Removal)	3.96%
Depreciable Service Life, years	22.8

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	1,738,544
Forecast Additions	15,805,270
Gross Salvage Value	1,403,505
Less Cost of Removal	1,754,381
Net Salvage Value	(350,876)
Forecast Plant Balances	397,041,239

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Other Production, Lange Plant

Gross Salvage	10%
Cost of Removal	5%
Net Salvage	5%
Install Date	2002
Retirement Date	2050
Service Life, Yrs	48
Initial Plant Balance	0

2008

Historical and Forecast Plant Additions & Balances

Account: 344 Generators

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	2002	48							-	-			-	-
2	2003	47		25,997,285					25,997,285	-			25,997,285	25,997,285
3	2004	46		10,225					10,225	-			26,007,510	26,007,510
4	2005	45							-	-			26,007,510	26,007,510
5	2006	44							-	-			26,007,510	26,007,510
6	2007	43		55,005	23,614				55,005	23,614			26,038,901	26,038,901
7	2008	42							-	-			26,038,901	26,038,901
8	Total		$ -	$ 26,062,515	$ 23,614	$ -	$ -	$ -	$ 26,062,515	$ 23,614	$ -	$ -	$ 156,097,616	$ 156,097,616
	Major Additions/Retirements													
	2003			$ 25,997,285										
	Routine Activity			$ 65,230										
9	Historical Interim Activity			0.04%	0.02%									
10	Forecast Interim Activity			0.04%	0.02%									
11	2009	41							10,881	3,939				26,045,843
12	2010	40							10,884	3,940				26,052,786
13	2011	39							10,887	3,941				26,059,732
14	2012	38							10,890	3,942				26,066,680
15	2013	37							10,893	3,943				26,073,629
16	2014	36							10,896	3,944				26,080,580
17	2015	35							10,898	3,945				26,087,533
18	2016	34							10,901	3,946				26,094,488
19	2017	33							10,904	3,947				26,101,445
20	2018	32							10,907	3,949				26,108,404
21	2019	31							10,910	3,950				26,115,364
22	2020	30							10,913	3,951				26,122,327
23	2021	29							10,916	3,952				26,129,291
24	2022	28							10,919	3,953				26,136,257
25	2023	27							10,922	3,954				26,143,225
26	2024	26							10,925	3,955				26,150,195
27	2025	25							10,928	3,956				26,157,166
28	2026	24							10,930	3,957				26,164,140
29	2027	23							10,933	3,958				26,171,115
30	2028	22							10,936	3,959				26,178,092
31	2029	21							10,939	3,960				26,185,072
32	2030	20							10,942	3,961				26,192,053
33	2031	19							10,945	3,962				26,199,035
34	2032	18							10,948	3,963				26,206,020
35	2033	17							10,951	3,964				26,213,007
36	2034	16							10,954	3,965				26,219,995
37	2035	15							10,957	3,966				26,226,985
38	2036	14							10,960	3,968				26,233,977
39	2037	13							10,963	3,969				26,240,971
40	2038	12							10,966	3,970				26,247,967
41	2039	11							10,968	3,971				26,254,965
42	2040	10							10,971	3,972				26,261,964
43	2041	9							10,974	3,973				26,268,966
44	2042	8							10,977	3,974				26,275,969
45	2043	7							10,980	3,975				26,282,974
46	2044	6							10,983	3,976				26,289,981
47	2045	5							10,986	3,977				26,296,990
48	2046	4							10,989	3,978				26,304,001
49	2047	3							10,992	3,979				26,311,014
50	2048	2							10,995	3,980				26,318,028
51	2049	1							10,998	3,981				26,325,045
52	2050	0									(26,136,257)			-
									$ 26,511,026	$ 185,981				$ 1,229,690,890

Whole Life Depreciation Rate Calculation

Historical Additions	26,062,515
Forecast Additions	448,511
Total Additions	26,511,026
Gross Salvage Value	2,613,626
Less Cost of Removal	1,306,813
Net Salvage Value	1,306,813
Total to be Recovered	25,204,213
Forecast Plant Balances	1,229,690,890
Whole Life Accrual Rate	2.05%
Cost of Removal Accrual Rate	0.11%
Whole Life Accrual Rate (Excluding Cost of Removal)	1.94%
Depreciable Service Life, years	51.5

Remaining Life Depreciation Rate Calculation

Account Balance - 12/31/08	26,038,901
Forecast Additions	448,511
Gross Salvage Value	2,613,626
Less Cost of Removal	1,306,813
Net Salvage Value	1,306,813
Forecast Plant Balances	1,073,593,274

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Other Production, Lange Plant

Gross Salvage	8%
Cost of Removal	10%
Net Salvage	-2%
Install Date	2002
Retirement Date	2050
Service Life, Yrs	48

2008

Historical and Forecast Plant Additions & Balances

Account: 345 Accessory Electric Equipment

Initial Plant Balance 0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	2002	48							-	-			-	-
2	2003	47		2,100,134					2,100,134	-			2,100,134	2,100,134
3	2004	46							-	-			2,100,134	2,100,134
4	2005	45							-	-			2,100,134	2,100,134
5	2006	44							-	-			2,100,134	2,100,134
6	2007	43							-	-			2,100,134	2,100,134
7	2008	42							-	-			2,100,134	2,100,134
8	Total		$ -	$ 2,100,134	$ -	$ -	$ -	$ -	$ 2,100,134	$ -	$ -	$ -	$ 12,600,807	$ 12,600,807
	Major Additions/Retirements													
	2003			$ 2,100,134										
	Routine Activity			$ -										
9	Historical Interim Activity			0.00%	0.00%									
10	Forecast Interim Activity			0.00%	0.00%									
11	2009	41							-	-				2,100,134
12	2010	40							-	-				2,100,134
13	2011	39							-	-				2,100,134
14	2012	38							-	-				2,100,134
15	2013	37							-	-				2,100,134
16	2014	36							-	-				2,100,134
17	2015	35							-	-				2,100,134
18	2016	34							-	-				2,100,134
19	2017	33							-	-				2,100,134
20	2018	32							-	-				2,100,134
21	2019	31							-	-				2,100,134
22	2020	30							-	-				2,100,134
23	2021	29							-	-				2,100,134
24	2022	28							-	-				2,100,134
25	2023	27							-	-				2,100,134
26	2024	26							-	-				2,100,134
27	2025	25							-	-				2,100,134
28	2026	24							-	-				2,100,134
29	2027	23							-	-				2,100,134
30	2028	22							-	-				2,100,134
31	2029	21							-	-				2,100,134
32	2030	20							-	-				2,100,134
33	2031	19							-	-				2,100,134
34	2032	18							-	-				2,100,134
35	2033	17							-	-				2,100,134
36	2034	16							-	-				2,100,134
37	2035	15							-	-				2,100,134
38	2036	14							-	-				2,100,134
39	2037	13							-	-				2,100,134
40	2038	12							-	-				2,100,134
41	2039	11							-	-				2,100,134
42	2040	10							-	-				2,100,134
43	2041	9							-	-				2,100,134
44	2042	8							-	-				2,100,134
45	2043	7							-	-				2,100,134
46	2044	6							-	-				2,100,134
47	2045	5							-	-				2,100,134
48	2046	4							-	-				2,100,134
49	2047	3							-	-				2,100,134
50	2048	2							-	-				2,100,134
51	2049	1							-	-				2,100,134
52	2050	0									(2,100,134)			-
									$ 2,100,134	$ -				$ 98,706,320

Whole Life Depreciation Rate Calculation

Historical Additions	2,100,134
Forecast Additions	-
Total Additions	2,100,134
Gross Salvage Value	168,011
Less Cost of Removal	210,013
Net Salvage Value	(42,003)
Total to be Recovered	2,142,137
Forecast Plant Balances	98,706,320
Whole Life Accrual Rate	2.17%
Cost of Removal Accrual Rate	0.21%
Whole Life Accrual Rate (Excluding Cost of Removal)	1.96%
Depreciable Service Life, years	51.1

Remaining Life Depreciation Rate Calculatio

Account Balance - 12/31/08	2,100,134
Forecast Additions	-
Gross Salvage Value	168,011
Less Cost of Removal	210,013
Net Salvage Value	(42,003)
Forecast Plant Balances	86,105,513

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Other Production, Lange Plant

Gross Salvage	8%
Cost of Removal	10%
Net Salvage	-2%
Install Date	2002
Retirement Date	2050
Service Life, Yrs	48

2008

Historical and Forecast Plant Additions & Balances

Account: 346 Miscellaneous Plant Equipment

Initial Plant Balance 0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	2002	48							-	-			-	-
2	2003	47		7,927					7,927	-			7,927	7,927
3	2004	46		8,685					8,685	-			16,612	16,612
4	2005	45							-	-			16,612	16,612
5	2006	44							-	-			16,612	16,612
6	2007	43							-	-			16,612	16,612
7	2008	42							-	-			16,612	16,612
8	Total		$ -	$ 16,612	$ -	$ -	$ -	$ -	$ 16,612	$ -	$ -	$ -	$ 90,985	$ 90,985
	Major Additions/Retirements													
	2003 and 2004			$ 16,612										
	Routine Activity			$ -										
9	Historical Interim Activity			0.00%	0.00%									
10	Forecast Interim Activity			0.00%	0.00%									
11	2009	41							-	-				16,612
12	2010	40							-	-				16,612
13	2011	39							-	-				16,612
14	2012	38							-	-				16,612
15	2013	37							-	-				16,612
16	2014	36							-	-				16,612
17	2015	35							-	-				16,612
18	2016	34							-	-				16,612
19	2017	33							-	-				16,612
20	2018	32							-	-				16,612
21	2019	31							-	-				16,612
22	2020	30							-	-				16,612
23	2021	29							-	-				16,612
24	2022	28							-	-				16,612
25	2023	27							-	-				16,612
26	2024	26							-	-				16,612
27	2025	25							-	-				16,612
28	2026	24							-	-				16,612
29	2027	23							-	-				16,612
30	2028	22							-	-				16,612
31	2029	21							-	-				16,612
32	2030	20							-	-				16,612
33	2031	19							-	-				16,612
34	2032	18							-	-				16,612
35	2033	17							-	-				16,612
36	2034	16							-	-				16,612
37	2035	15							-	-				16,612
38	2036	14							-	-				16,612
39	2037	13							-	-				16,612
40	2038	12							-	-				16,612
41	2039	11							-	-				16,612
42	2040	10							-	-				16,612
43	2041	9							-	-				16,612
44	2042	8							-	-				16,612
45	2043	7							-	-				16,612
46	2044	6							-	-				16,612
47	2045	5							-	-				16,612
48	2046	4							-	-				16,612
49	2047	3							-	-				16,612
50	2048	2							-	-				16,612
51	2049	1							-	-				16,612
52	2050	0									(16,612)			-
									$ 16,612	$ -				$ 772,060

Whole Life Depreciation Rate Calculation

Historical Additions	16,612
Forecast Additions	-
Total Additions	16,612
Gross Salvage Value	1,329
Less Cost of Removal	1,661
Net Salvage Value	(332)
Total to be Recovered	16,944
Forecast Plant Balances	772,060
Whole Life Accrual Rate	2.19%
Cost of Removal Accrual Rate	0.22%
Whole Life Accrual Rate (Excluding Cost of Removal)	1.98%
Depreciable Service Life, years	45.6

Remaining Life Depreciation Rate Calculatio

Account Balance - 12/31/08	16,612
Forecast Additions	-
Gross Salvage Value	1,329
Less Cost of Removal	1,661
Net Salvage Value	(332)
Forecast Plant Balances	681,075

Summary by Plant
Black Hills Power
Neil Simpson CT Facility

Account	Description	Direct Investment 2008$	Depreciation Rate
341	Structures & Improvements	168,200	2.99%
342	Fuel Holders, Producers & Accessories	2,097,317	8.31%
343	Prime Movers		
344	Generators	24,290,109	2.25%
345	Accessory Electric Equipment	1,981,194	2.35%
346	Misc Power Equipment	51,539	4.97%
	Total	28,588,359	2.71% whole life weighted average rate

Remaining Life Depreciation Rate Calculation

Per Books Balance 12/31/08	29,130,532
Forecast Interim Additions	21,399,564
Forecast Gross Salvage Value	4,466,845
Forecast Less Cost of Removal	3,568,411
Forecast Net Salvage Value	898,433
Forecast Total to be Recovered with COR	49,631,663
Forecast Total to be Recovered w/o COR	46,063,251
Accumulated Depreciation (2008 EOY)	(9,850,982)
Forecast Remaining Life Balance with COR	39,780,680
Forecast Remaining Life Balance w/o COR	36,212,269
Forecast Plant Balances	1,584,710,507
Remaining Life Rate with COR	2.51%
Remaining Life Rate w/o COR	2.29%

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Other Production, Neil Simpson Plant

Historical and Forecast Plant Additions & Balances

Account: 341 Structures & Improvements

Gross Salvage	8%
Cost of Removal	10%
Net Salvage	-2%
Install Date	2000
Retirement Date	2050
Service Life, Yrs	50
Initial Plant Balance	0

2008

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	2000	50							-	-			-	-
2	2001	49		152,735					152,735	-			152,735	152,735
3	2002	48							-	-			152,735	152,735
4	2003	47							-	-			152,735	152,735
5	2004	46		15,465					15,465	-			168,200	168,200
6	2005	45							-	-			168,200	168,200
7	2006	44							-	-			168,200	168,200
8	2007	43							-	-			168,200	168,200
9	2008	42							-	-			168,200	168,200
10	Total		$ -	$ 168,200	$ -	$ -	$ -	$ -	$ 168,200	$ -	$ -	$ -	$ 1,299,206	$ 1,299,206
	Major Additions/Retirements													
	2001			$ 152,735										
	Routine Activity			$ 15,465										
11	Historical Interim Activity			1.19%	0.00%									
12	Forecast Interim Activity			1.19%	0.00%									
13	2009	41							2,002	-				170,202
14	2010	40							2,026	-				172,229
15	2011	39							2,050	-				174,279
16	2012	38							2,075	-				176,353
17	2013	37							2,099	-				178,453
18	2014	36							2,124	-				180,577
19	2015	35							2,150	-				182,726
20	2016	34							2,175	-				184,901
21	2017	33							2,201	-				187,102
22	2018	32							2,227	-				189,330
23	2019	31							2,254	-				191,583
24	2020	30							2,281	-				193,864
25	2021	29							2,308	-				196,172
26	2022	28							2,335	-				198,507
27	2023	27							2,363	-				200,870
28	2024	26							2,391	-				203,261
29	2025	25							2,420	-				205,681
30	2026	24							2,448	-				208,129
31	2027	23							2,478	-				210,606
32	2028	22							2,507	-				213,113
33	2029	21							2,537	-				215,650
34	2030	20							2,567	-				218,217
35	2031	19							2,598	-				220,815
36	2032	18							2,629	-				223,443
37	2033	17							2,660	-				226,103
38	2034	16							2,691	-				228,795
39	2035	15							2,724	-				231,518
40	2036	14							2,756	-				234,274
41	2037	13							2,789	-				237,063
42	2038	12							2,822	-				239,885
43	2039	11							2,856	-				242,740
44	2040	10							2,890	-				245,630
45	2041	9							2,924	-				248,554
46	2042	8							2,959	-				251,513
47	2043	7							2,994	-				254,506
48	2044	6							3,030	-				257,536
49	2045	5							3,066	-				260,602
50	2046	4							3,102	-				263,704
51	2047	3							3,139	-				266,843
52	2048	2							3,176	-				270,019
53	2049	1							3,214	-				273,234
54	2050	0									(273,234)			-
									$ 273,234	$ -				$ 10,227,789

Whole Life Depreciation Rate Calculation

Historical Additions	168,200
Forecast Additions	105,033
Total Additions	273,234
Gross Salvage Value	21,859
Less Cost of Removal	27,323
Net Salvage Value	(5,465)
Total to be Recovered	278,698
Forecast Plant Balances	10,227,789
Whole Life Accrual Rate	2.72%
Cost of Removal Accrual Rate	0.27%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.99%
Depreciable Service Life, years	36.7

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	168,200
Forecast Additions	105,033
Gross Salvage Value	21,859
Less Cost of Removal	27,323
Net Salvage Value	(5,465)
Forecast Plant Balances	8,928,583

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Other Production, Neil Simpson Plant

Gross Salvage	8%
Cost of Removal	10%
Net Salvage	-2%
Install Date	2000
Retirement Date	2050
Service Life, Yrs	50

2008

Historical and Forecast Plant Additions & Balances

Account: 342 Fuel Holders, Producers & Accessories

Initial Plant Balance 0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	2000	50							-	-			-	-
2	2001	49		838,521					838,521	-			838,521	838,521
3	2002	48							-	-			838,521	838,521
4	2003	47							-	-			838,521	838,521
5	2004	46							-	-			838,521	838,521
6	2005	45							-	-			838,521	838,521
7	2006	44		1,258,796					1,258,796	-			2,097,317	2,097,317
8	2007	43							-	-			2,097,317	2,097,317
9	2008	42							-	-			2,097,317	2,097,317
10	Total		$ -	$ 2,097,317	$ -	$ -	$ -	$ -	$ 2,097,317	$ -	$ -	$ -	$ 10,484,559	$ 10,484,559
	Major Additions/Retirements													
	2001			$ 838,521										
	Routine Activity			$ 1,258,796										
	Routine Additions			$ -										
11	Historical Interim Activity			0.00%	0.00%									
12	Forecast Interim Activity			0.00%	0.00%									
13	2009	41							1,827,000	-				3,924,317
14	2010	40							-	-				3,924,317
15	2011	39							-	-				3,924,317
16	2012	38							-	-				3,924,317
17	2013	37							-	-				3,924,317
18	2014	36							-	-				3,924,317
19	2015	35							-	-				3,924,317
20	2016	34							2,171,729	-				6,096,046
21	2017	33							-	-				6,096,046
22	2018	32							-	-				6,096,046
23	2019	31							-	-				6,096,046
24	2020	30							-	-				6,096,046
25	2021	29							-	-				6,096,046
26	2022	28							-	-				6,096,046
27	2023	27							2,581,503	-				8,677,549
28	2024	26							-	-				8,677,549
29	2025	25							-	-				8,677,549
30	2026	24							-	-				8,677,549
31	2027	23							-	-				8,677,549
32	2028	22							-	-				8,677,549
33	2029	21							-	-				8,677,549
34	2030	20							3,068,596	-				11,746,145
35	2031	19							-	-				11,746,145
36	2032	18							-	-				11,746,145
37	2033	17							-	-				11,746,145
38	2034	16							-	-				11,746,145
39	2035	15							-	-				11,746,145
40	2036	14							-	-				11,746,145
41	2037	13							3,647,596	-				15,393,741
42	2038	12							-	-				15,393,741
43	2039	11							-	-				15,393,741
44	2040	10							-	-				15,393,741
45	2041	9							-	-				15,393,741
46	2042	8							-	-				15,393,741
47	2043	7							-	-				15,393,741
48	2044	6							4,335,846	-				19,729,587
49	2045	5							-	-				19,729,587
50	2046	4							-	-				19,729,587
51	2047	3							-	-				19,729,587
52	2048	2							-	-				19,729,587
53	2049	1							-	-				19,729,587
54	2050	0									(19,729,587)			-
									$ 19,729,587	$ -				$ 449,726,675

Whole Life Depreciation Rate Calculation

Historical Additions	2,097,317
Forecast Additions	17,632,270
Total Additions	19,729,587
Gross Salvage Value	1,578,367
Less Cost of Removal	1,972,959
Net Salvage Value	15,659,311
Total to be Recovered	35,388,898
	-
Forecast Plant Balances	449,726,675
Whole Life Accrual Rate	7.87%
Cost of Removal Accrual Rate	0.44%
Whole Life Accrual Rate (Excluding Cost of Removal)	8.31%
Depreciable Service Life, years	12.7

Remaining Life Depreciation I	**2,097,317**
Account Balance 12/31/08	2,097,317
Forecast Additions	17,632,270
Gross Salvage Value	1,578,367
Less Cost of Removal	1,972,959
Net Salvage Value	(394,592)
	439,242,117
Forecast Plant Balances	439,242,117

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Other Production, Neil Simpson Plant

Historical and Forecast Plant Additions & Balances

Account: 344 Generators

Gross Salvage	10%
Cost of Removal	5%
Net Salvage	5%
Install Date	2000
Retirement Date	2050
Service Life, Yrs	50
Initial Plant Balance	0

2008

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	2000	50							-	-			-	-
2	2001	49		23,815,629					23,815,629	-			23,815,629	23,815,629
3	2002	48		280,438					280,438	-			24,096,067	24,096,067
4	2003	47							-	-			24,096,067	24,096,067
5	2004	46							-	-			24,096,067	24,096,067
6	2005	45							-	-			24,096,067	24,096,067
7	2006	44							-	-			24,096,067	24,096,067
8	2007	43		63,394	160,003				63,394	160,003			23,999,458	23,999,458
9	2008	42		290,651					290,651	-			24,290,109	24,290,109
10	Total		$ -	$ 24,450,112	$ 160,003	$ -	$ -	$ -	$ 24,450,112	$ 160,003	$ -	$ -	$ 192,585,529	$ 192,585,529
	Major Additions/Retirements													
	2001			$ 23,815,629										
	Routine Activity			$ 634,483										
11	Historical Interim Activity			0.33%	0.08%									
12	Forecast Interim Activity			0.33%	0.08%									
13	2009	41							80,025	20,181				24,349,953
14	2010	40							80,222	20,230				24,409,945
15	2011	39							80,420	20,280				24,470,085
16	2012	38							80,618	20,330				24,530,372
17	2013	37							80,817	20,380				24,590,809
18	2014	36							81,016	20,430				24,651,394
19	2015	35							81,215	20,481				24,712,129
20	2016	34							81,415	20,531				24,773,013
21	2017	33							81,616	20,582				24,834,047
22	2018	32							81,817	20,633				24,895,231
23	2019	31							82,019	20,683				24,956,567
24	2020	30							82,221	20,734				25,018,053
25	2021	29							82,423	20,785				25,079,691
26	2022	28							82,626	20,837				25,141,481
27	2023	27							82,830	20,888				25,203,423
28	2024	26							83,034	20,939				25,265,517
29	2025	25							83,239	20,991				25,327,765
30	2026	24							83,444	21,043				25,390,166
31	2027	23							83,649	21,095				25,452,720
32	2028	22							83,855	21,147				25,515,429
33	2029	21							84,062	21,199				25,578,292
34	2030	20							84,269	21,251				25,641,310
35	2031	19							84,477	21,303				25,704,484
36	2032	18							84,685	21,356				25,767,813
37	2033	17							84,893	21,408				25,831,298
38	2034	16							85,103	21,461				25,894,939
39	2035	15							85,312	21,514				25,958,738
40	2036	14							85,522	21,567				26,022,693
41	2037	13							85,733	21,620				26,086,806
42	2038	12							85,944	21,673				26,151,077
43	2039	11							86,156	21,727				26,215,507
44	2040	10							86,368	21,780				26,280,095
45	2041	9							86,581	21,834				26,344,842
46	2042	8							86,794	21,888				26,409,749
47	2043	7							87,008	21,942				26,474,815
48	2044	6							87,223	21,996				26,540,042
49	2045	5							87,438	22,050				26,605,430
50	2046	4							87,653	22,104				26,670,979
51	2047	3							87,869	22,159				26,736,689
52	2048	2							88,085	22,213				26,802,561
53	2049	1							88,302	22,268				26,868,595
54	2050	0									(26,868,595)			-
									$ 27,898,110	$ 1,029,514				$1,241,740,070

Whole Life Depreciation Rate Calculation

Historical Additions	24,450,112
Forecast Additions	3,447,998
Total Additions	27,898,110
Gross Salvage Value	2,686,860
Less Cost of Removal	1,343,430
Net Salvage Value	1,343,430
Total to be Recovered	26,554,680
Forecast Plant Balances	1,241,740,070
Whole Life Accrual Rate	2.14%
Cost of Removal Accrual Rate	0.11%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.25%
Depreciable Service Life, years	46.8

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	24,290,109
Forecast Additions	3,447,998
Gross Salvage Value	2,686,860
Less Cost of Removal	1,343,430
Net Salvage Value	1,343,430
Forecast Plant Balances	1,049,154,542

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Other Production, Neil Simpson Plant

Historical and Forecast Plant Additions & Balances

Account: 345 Accessory Electric Equipment

Gross Salvage	8%
Cost of Removal	10%
Net Salvage	-2%
Install Date	2000
Retirement Date	2050
Service Life, Yrs	50
Initial Plant Balance	0

2008

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	2000	50							-	-			-	-
2	2001	49		1,961,964					1,961,964	-			1,961,964	1,961,964
3	2002	48		19,230					19,230	-			1,981,194	1,981,194
4	2003	47							-	-			1,981,194	1,981,194
5	2004	46							-	-			1,981,194	1,981,194
6	2005	45							-	-			1,981,194	1,981,194
7	2006	44							-	-			1,981,194	1,981,194
8	2007	43							-	-			1,981,194	1,981,194
9	2008	42							-	-			1,981,194	1,981,194
10	Total		$ -	$ 1,981,194	$ -	$ -	$ -	$ -	$ 1,981,194	$ -	$ -	$ -	$ 15,830,321	$ 15,830,321
	Major Additions/Retirements													
	2001			$ 1,961,964										
	Routine Activity			$ 19,230										
11	Historical Interim Activity			0.12%	0.00%									
12	Forecast Interim Activity			0.12%	0.00%									
13	2009	41							2,407	-				1,983,600
14	2010	40							2,410	-				1,986,010
15	2011	39							2,412	-				1,988,422
16	2012	38							2,415	-				1,990,838
17	2013	37							2,418	-				1,993,256
18	2014	36							2,421	-				1,995,677
19	2015	35							2,424	-				1,998,102
20	2016	34							2,427	-				2,000,529
21	2017	33							2,430	-				2,002,959
22	2018	32							2,433	-				2,005,392
23	2019	31							2,436	-				2,007,828
24	2020	30							2,439	-				2,010,267
25	2021	29							2,442	-				2,012,709
26	2022	28							2,445	-				2,015,154
27	2023	27							2,448	-				2,017,601
28	2024	26							2,451	-				2,020,052
29	2025	25							2,454	-				2,022,506
30	2026	24							2,457	-				2,024,963
31	2027	23							2,460	-				2,027,423
32	2028	22							2,463	-				2,029,885
33	2029	21							2,466	-				2,032,351
34	2030	20							2,469	-				2,034,820
35	2031	19							2,472	-				2,037,292
36	2032	18							2,475	-				2,039,766
37	2033	17							2,478	-				2,042,244
38	2034	16							2,481	-				2,044,725
39	2035	15							2,484	-				2,047,209
40	2036	14							2,487	-				2,049,696
41	2037	13							2,490	-				2,052,185
42	2038	12							2,493	-				2,054,678
43	2039	11							2,496	-				2,057,174
44	2040	10							2,499	-				2,059,673
45	2041	9							2,502	-				2,062,175
46	2042	8							2,505	-				2,064,680
47	2043	7							2,508	-				2,067,188
48	2044	6							2,511	-				2,069,699
49	2045	5							2,514	-				2,072,213
50	2046	4							2,517	-				2,074,730
51	2047	3							2,520	-				2,077,250
52	2048	2							2,523	-				2,079,774
53	2049	1							2,526	-				2,082,300
54	2050	0									(2,082,300)			-
									$ 2,082,300	$ -				$ 99,165,316

Whole Life Depreciation Rate Calculation

Historical Additions	1,981,194
Forecast Additions	101,106
Total Additions	2,082,300
Gross Salvage Value	166,584
Less Cost of Removal	208,230
Net Salvage Value	(41,646)
Total to be Recovered	2,123,946
Forecast Plant Balances	99,165,316
Whole Life Accrual Rate	2.14%
Cost of Removal Accrual Rate	0.21%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.35%
Depreciable Service Life, years	46.7

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	1,981,194
Forecast Additions	101,106
Gross Salvage Value	166,584
Less Cost of Removal	208,230
Net Salvage Value	(41,646)
Forecast Plant Balances	83,334,995

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Other Production, Neil Simpson Plant

Historical and Forecast Plant Additions & Balances

Account: 342 Misc Plant Equipment

Gross Salvage	8%
Cost of Removal	10%
Net Salvage	-2%
Install Date	2000
Retirement Date	2050
Service Life, Yrs	50
Initial Plant Balance	0

2008

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year		Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	2000	50							-	-			-	-
2	2001	49		40,635		36,672			40,635	-			40,635	40,635
3	2002	48		4,777					4,777	-			45,412	45,412
4	2003	47		6,643					6,643	-			52,056	52,056
5	2004	46							-	-			52,056	52,056
6	2005	45							-	-			52,056	52,056
7	2006	44							-	-			52,056	52,056
8	2007	43		36,155	36,672				36,155	36,672			51,539	51,539
9	2008	42							-	-			51,539	51,539
10	Total		$ -	$ 88,210	$ 36,672	$ 36,672	$ -	$ -	$ 88,210	$ 36,672	$ -	$ -	$ 397,347	$ 397,347
	Major Additions/Retirements													
	2001 and 2007			$ 76,790	$ 36,672									
	Routine Activity			$ 11,420	$ -									
11	Historical Interim Activity			2.87%	0.00%									
12	Forecast Interim Activity			2.87%	0.00%									
13	2009	41							1,481	-				53,020
14	2010	40							1,524	-				54,544
15	2011	39							1,568	-				56,112
16	2012	38							1,613	-				57,724
17	2013	37							1,659	-				59,383
18	2014	36							1,707	-				61,090
19	2015	35							1,756	-				62,846
20	2016	34							1,806	-				64,652
21	2017	33							1,858	-				66,510
22	2018	32							1,912	-				68,422
23	2019	31							1,967	-				70,388
24	2020	30							2,023	-				72,411
25	2021	29							2,081	-				74,492
26	2022	28							2,141	-				76,633
27	2023	27							2,203	-				78,836
28	2024	26							2,266	-				81,102
29	2025	25							2,331	-				83,433
30	2026	24							2,398	-				85,831
31	2027	23							2,467	-				88,297
32	2028	22							2,538	-				90,835
33	2029	21							2,611	-				93,446
34	2030	20							2,686	-				96,132
35	2031	19							2,763	-				98,895
36	2032	18							2,842	-				101,737
37	2033	17							2,924	-				104,661
38	2034	16							3,008	-				107,669
39	2035	15							3,095	-				110,763
40	2036	14							3,183	-				113,947
41	2037	13							3,275	-				117,222
42	2038	12							3,369	-				120,591
43	2039	11							3,466	-				124,057
44	2040	10							3,566	-				127,622
45	2041	9							3,668	-				131,290
46	2042	8							3,773	-				135,064
47	2043	7							3,882	-				138,945
48	2044	6							3,993	-				142,939
49	2045	5							4,108	-				147,047
50	2046	4							4,226	-				151,273
51	2047	3							4,348	-				155,621
52	2048	2							4,473	-				160,094
53	2049	1							4,601	-				164,695
54	2050	0									(164,695)			-
									$ 201,367	$ 36,672				$ 4,447,618

Whole Life Depreciation Rate Calculation

Historical Additions	88,210
Forecast Additions	113,156
Total Additions	201,367
Gross Salvage Value	13,176
Less Cost of Removal	16,470
Net Salvage Value	(3,294)
Total to be Recovered	204,661
Forecast Plant Balances	4,447,618
Whole Life Accrual Rate	4.60%
Cost of Removal Accrual Rate	0.37%
Whole Life Accrual Rate (Excluding Cost of Removal)	4.97%
Depreciable Service Life, years	21.7

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	51,539
Forecast Additions	113,156
Gross Salvage Value	13,176
Less Cost of Removal	16,470
Net Salvage Value	(3,294)
Forecast Plant Balances	4,050,271

Summary by Plant
Black Hills Power
Ben French CT Facility

Account	Description	Direct Investment 2008$	Depreciation Rate
341	Structures & Improvements	22,448	1.57%
342	Fuel Holders, Producers & Accessories	1,156,298	2.81%
343	Prime Movers		
344	Generators	17,086,809	1.74%
345	Accessory Electric Equipment	743,302	2.62%
346	Misc Power Equipment	14,718	1.57%
	Total	19,023,575	1.84% whole life weighted average rate

Remaining Life Depreciation Rate Calculation

Per Books Balance 12/31/08	19,323,720
Forecast Interim Additions	1,146,934
Forecast Gross Salvage Value	1,932,856
Forecast Less Cost of Removal	1,106,072
Forecast Net Salvage Value	826,784
Forecast Total to be Recovered with COR	19,643,870
Forecast Total to be Recovered w/o COR	18,537,798
Accumulated Depreciation (2008 EOY)	(14,007,037)
Forecast Remaining Life Balance with COR	5,636,833
Forecast Remaining Life Balance w/o COR	4,530,761
Forecast Plant Balances	407,836,266
Remaining Life Rate with COR	1.38%
Remaining Life Rate w/o COR	1.11%

Black Hills Power

Unit Property Depreciation Rate Analysis
Unit Property: Other Production, Ben French CT Plant

Historical and Forecast Plant Additions & Balances
Account: 341 Structures & Improvements

Gross Salvage	8%
Cost of Removal	10%
Net Salvage	-2%
Install Date	1965
Retirement Date	2030
Service Life, Yrs	65
Initial Plant Balance	0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year			EOY Plant Balance		
			Transaction Year			Vintage Year					Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1965	65					22,448		22,448	-		22,448		22,448
2	1966	64					-	-	-	-		22,448		22,448
3	1967	63					-	-	-	-		22,448		22,448
4	1968	62					-	-	-	-		22,448		22,448
5	1969	61					-	-	-	-		22,448		22,448
6	1970	60					-	-	-	-		22,448		22,448
7	1971	59					-	-	-	-		22,448		22,448
8	1972	58					-	-	-	-		22,448		22,448
9	1973	57					-	-	-	-		22,448		22,448
10	1974	56					-	-	-	-		22,448		22,448
11	1975	55					-	-	-	-		22,448		22,448
12	1976	54					-	-	-	-		22,448		22,448
13	1977	53					-	-	-	-		22,448		22,448
14	1978	52					-	-	-	-		22,448		22,448
15	1979	51					-	-	-	-		22,448		22,448
16	1980	50					-	-	-	-		22,448		22,448
17	1981	49					-	-	-	-		22,448		22,448
18	1982	48					-	-	-	-		22,448		22,448
19	1983	47					-	-	-	-		22,448		22,448
20	1984	46					-	-	-	-		22,448		22,448
21	1985	45					-	-	-	-		22,448		22,448
22	1986	44					-	-	-	-		22,448		22,448
23	1987	43					-	-	-	-		22,448		22,448
24	1988	42					-	-	-	-		22,448		22,448
25	1989	41	22,448						-	-			22,448	22,448
26	1990	40							-	-			22,448	22,448
27	1991	39							-	-			22,448	22,448
28	1992	38							-	-			22,448	22,448
29	1993	37							-	-			22,448	22,448
30	1994	36							-	-			22,448	22,448
31	1995	35							-	-			22,448	22,448
32	1996	34							-	-			22,448	22,448
33	1997	33							-	-			22,448	22,448
34	1998	32							-	-			22,448	22,448
35	1999	31							-	-			22,448	22,448
36	2000	30							-	-			22,448	22,448
37	2001	29							-	-			22,448	22,448
38	2002	28							-	-			22,448	22,448
39	2003	27							-	-			22,448	22,448
40	2004	26							-	-			22,448	22,448
41	2005	25							-	-			22,448	22,448
42	2006	24							-	-			22,448	22,448
43	2007	23							-	-			22,448	22,448
44	2008	22							-	-			22,448	22,448
45	Total		$ 22,448	$ -	$ -	$ -	$ 22,448	$ -	$ 22,448	$ -	$ -	$ 538,755	$ 448,963	$ 987,718
	Major Additions/Retirements													
				$ -	$ -									
	Routine Activity			$ -	$ -									
46	Historical Interim Activity			0.00%	0.00%									
47	Forecast Interim Activity			0.00%	0.00%									
48	2009	21							-	-				22,448
49	2010	20							-	-				22,448
50	2011	19							-	-				22,448
51	2012	18							-	-				22,448
52	2013	17							-	-				22,448
53	2014	16							-	-				22,448
54	2015	15							-	-				22,448
55	2016	14							-	-				22,448
56	2017	13							-	-				22,448
57	2018	12							-	-				22,448
58	2019	11							-	-				22,448
59	2020	10							-	-				22,448
60	2021	9							-	-				22,448
61	2022	8							-	-				22,448
62	2023	7							-	-				22,448
63	2024	6							-	-				22,448
64	2025	5							-	-				22,448
65	2026	4							-	-				22,448
66	2027	3							-	-				22,448
67	2028	2							-	-				22,448
68	2029	1							-	-				22,448
69	2030	0									(22,448)			-
									$ 22,448	$ -				$ 1,459,129

Whole Life Depreciation Rate Calculation

Historical Additions	22,448
Forecast Additions	-
Total Additions	22,448
Gross Salvage Value	1,796
Less Cost of Removal	2,245
Net Salvage Value	(449)
Total to be Recovered	22,897
Forecast Plant Balances	1,459,129
Whole Life Accrual Rate	1.57%
Cost of Removal Accrual Rate	0.15%
Whole Life Accrual Rate (Excluding Cost of Removal)	1.42%
Depreciable Service Life, years	63.7

Remaining Life Depreciation Rate Calculatio

Account Balance 12/31/08	22,448
Forecast Additions	-
Gross Salvage Value	1,796
Less Cost of Removal	2,245
Net Salvage Value	(449)
Forecast Plant Balances	471,411

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Other Production, Ben French Plant

Gross Salvage	8%
Cost of Removal	10%
Net Salvage	-2%
Install Date	1965
Retirement Date	2030
Service Life, Yrs	65

2008

Historical and Forecast Plant Additions & Balances

Account: 342 Fuel Holders, Producers & Accessories

Initial Plant Balance 0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year			EOY Plant Balance		
			Transaction Year			Vintage Year					Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1965	65					600,612		600,612	-		600,612		600,612
2	1966	64					8,973	696	8,973	696		608,890		608,890
3	1967	63					9,096	705	9,096	705		617,281		617,281
4	1968	62					9,222	715	9,222	715		625,788		625,788
5	1969	61					9,349	725	9,349	725		634,412		634,412
6	1970	60					9,478	735	9,478	735		643,155		643,155
7	1971	59					9,608	745	9,608	745		652,018		652,018
8	1972	58					9,741	755	9,741	755		661,004		661,004
9	1973	57					9,875	765	9,875	765		670,113		670,113
10	1974	56					10,011	776	10,011	776		679,348		679,348
11	1975	55					10,149	787	10,149	787		688,710		688,710
12	1976	54				25,000	10,289	798	10,289	798		698,202		698,202
13	1977	53					10,431	809	10,431	809		707,824		707,824
14	1978	52				1,068	10,574	820	10,574	820		717,578		717,578
15	1979	51				355,724	10,720	831	10,720	831		727,467		727,467
16	1980	50					10,868	842	10,868	842		737,493		737,493
17	1981	49					11,018	854	11,018	854		747,656		747,656
18	1982	48					11,169	866	11,169	866		757,960		757,960
19	1983	47					11,323	878	11,323	878		768,405		768,405
20	1984	46					11,479	890	11,479	890		778,995		778,995
21	1985	45					11,638	902	11,638	902		789,730		789,730
22	1986	44					11,798	915	11,798	915		800,614		800,614
23	1987	43					11,961	927	11,961	927		811,647		811,647
24	1988	42					12,125	940	12,125	940		822,833		822,833
25	1989	41	822,833						-	-			822,833	822,833
26	1990	40							-	-			822,833	822,833
27	1991	39							-	-			822,833	822,833
28	1992	38		91,568	25,000				91,568	25,000			889,401	889,401
29	1993	37		434,216					434,216	-			1,323,617	1,323,617
30	1994	36			1,068				-	1,068			1,322,549	1,322,549
31	1995	35							-	-			1,322,549	1,322,549
32	1996	34		43,348					43,348	-			1,365,897	1,365,897
33	1997	33		25,981	355,724				25,981	355,724	61,755		1,097,908	1,097,908
34	1998	32							-	-			1,097,908	1,097,908
35	1999	31							-	-			1,097,908	1,097,908
36	2000	30		58,390					58,390	-			1,156,298	1,156,298
37	2001	29							-	-			1,156,298	1,156,298
38	2002	28							-	-			1,156,298	1,156,298
39	2003	27							-	-			1,156,298	1,156,298
40	2004	26							-	-			1,156,298	1,156,298
41	2005	25							-	-			1,156,298	1,156,298
42	2006	24							-	-			1,156,298	1,156,298
43	2007	23		116,995					116,995	-			1,273,293	1,273,293
44	2008	22							-	-			1,156,298	1,156,298
45	Total		$ 822,833	$ 770,498	$ 381,793	$ 381,793	$ 841,507	$ 18,674	$ 1,612,005	$ 400,466	$ 61,755	$ 16,947,735	$ 22,509,910	$ 39,457,644
	Major Additions/Retirements													
	1993			$ 434,216										
	1997				$ 355,724									
	Routine Activity			$ 336,282	$ 26,068									
46	Historical Interim Activity			1.49%	0.12%									
47	Forecast Interim Activity			1.49%	0.12%									
48	2009	21							17,274	1,339				1,172,233
49	2010	20							17,512	1,358				1,188,388
50	2011	19							17,754	1,376				1,204,765
51	2012	18							17,998	1,395				1,221,368
52	2013	17							18,246	1,414				1,238,200
53	2014	16							18,498	1,434				1,255,264
54	2015	15							18,753	22				1,273,995
55	2016	14							19,033	1,475				1,291,552
56	2017	13							19,295	1,496				1,309,352
57	2018	12							19,561	1,516				1,327,396
58	2019	11							19,830	1,537				1,345,689
59	2020	10							20,104	1,558				1,364,234
60	2021	9							20,381	1,580				1,383,035
61	2022	8							20,662	1,602				1,402,095
62	2023	7							20,946	1,624				1,421,417
63	2024	6							21,235	1,646				1,441,006
64	2025	5							21,528	1,669				1,460,865
65	2026	4							21,824	1,692				1,480,998
66	2027	3							22,125	1,715				1,501,407
67	2028	2							22,430	1,739				1,522,099
68	2029	1							22,739	1,763				1,543,075
69	2030	0									(1,543,075)			-
									$ 2,029,731	$ 431,416				$ 67,806,079

Whole Life Depreciation Rate Calculation

Historical Additions	1,612,005
Forecast Additions	417,727
Total Additions	2,029,731
Gross Salvage Value	123,446
Less Cost of Removal	154,307
Net Salvage Value	(30,861)
Total to be Recovered	2,060,593
Forecast Plant Balances	67,806,079
Whole Life Accrual Rate	3.04%
Cost of Removal Accrual Rate	0.23%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.81%
Depreciable Service Life, years	32.9

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	1,156,298
Forecast Additions	417,727
Gross Salvage Value	123,446
Less Cost of Removal	154,307
Net Salvage Value	(30,861)
Forecast Plant Balances	28,348,435

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Other Production, Ben French Plant

Gross Salvage	10%
Cost of Removal	5%
Net Salvage	5%
Install Date	1965
Retirement Date	2030
Service Life, Yrs	65

2008

Historical and Forecast Plant Additions & Balances

Account: 344 Generators Initial Plant Balance 0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year			EOY Plant Balance		
			Transaction Year			Vintage Year								
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Transfers and Adjustments	Adjustments	Per Books	Simulated
1	1965	65					15,520,600		15,520,600	-		15,520,600		15,520,600
2	1966	64				79,337	31,041	15,521	31,041	15,521		15,536,121		15,536,121
3	1967	63					31,072	15,536	31,072	15,536		15,551,657		15,551,657
4	1968	62					31,103	15,552	31,103	15,552		15,567,209		15,567,209
5	1969	61					31,134	15,567	31,134	15,567		15,582,776		15,582,776
6	1970	60					31,166	15,583	31,166	15,583		15,598,359		15,598,359
7	1971	59					31,197	15,598	31,197	15,598		15,613,957		15,613,957
8	1972	58					31,228	15,614	31,228	15,614		15,629,571		15,629,571
9	1973	57					31,259	15,630	31,259	15,630		15,645,201		15,645,201
10	1974	56					31,290	15,645	31,290	15,645		15,660,846		15,660,846
11	1975	55					31,322	15,661	31,322	15,661		15,676,507		15,676,507
12	1976	54					31,353	15,677	31,353	15,677		15,692,183		15,692,183
13	1977	53				673,529	31,384	15,692	31,384	15,692		15,707,875		15,707,875
14	1978	52				47,321	31,416	15,708	31,416	15,708		15,723,583		15,723,583
15	1979	51				47,321	31,447	15,724	31,447	15,724		15,739,307		15,739,307
16	1980	50					31,479	15,739	31,479	15,739		15,755,046		15,755,046
17	1981	49					31,510	15,755	31,510	15,755		15,770,801		15,770,801
18	1982	48					31,542	15,771	31,542	15,771		15,786,572		15,786,572
19	1983	47					31,573	15,787	31,573	15,787		15,802,359		15,802,359
20	1984	46					31,605	15,802	31,605	15,802		15,818,161		15,818,161
21	1985	45					31,636	15,818	31,636	15,818		15,833,979		15,833,979
22	1986	44					31,668	15,834	31,668	15,834		15,849,813		15,849,813
23	1987	43					31,700	15,850	31,700	15,850		15,865,663		15,865,663
24	1988	42					31,731	15,866	31,731	15,866		15,881,529		15,881,529
25	1989	41	15,006,487			217,004			-	-			15,006,487	15,006,487
26	1990	40							-	-			15,006,487	15,006,487
27	1991	39		18,862	220,008				18,862	220,008			14,805,342	14,805,342
28	1992	38		43,461	9,500				43,461	9,500			14,839,303	14,839,303
29	1993	37		1,334,256	290,000				1,334,256	290,000			15,883,559	15,883,559
30	1994	36			2,000				-	2,000			15,881,559	15,881,559
31	1995	35							-	-			15,881,559	15,881,559
32	1996	34							-	-			15,881,559	15,881,559
33	1997	33		43,032	24,000				43,032	24,000	61,755		15,962,346	15,962,346
34	1998	32							-	-			15,962,346	15,962,346
35	1999	31							-	-			15,962,346	15,962,346
36	2000	30		1,393,832	290,000				1,393,832	290,000			17,066,178	17,066,178
37	2001	29							-	-			17,066,178	17,066,178
38	2002	28		32,631	12,000				32,631	12,000			17,086,809	17,086,809
39	2003	27							-	-			17,086,809	17,086,809
40	2004	26							-	-			17,086,809	17,086,809
41	2005	25							-	-			17,086,809	17,086,809
42	2006	24							-	-			17,086,809	17,086,809
43	2007	23		450,813	217,004				450,813	217,004	(21)		17,320,597	17,320,597
44	2008	22							-	-			17,086,809	17,086,809
45	Total		$ 15,006,487	$ 3,316,888	$ 1,064,512	$ 1,064,512	$ 16,242,457	$ 360,928	$ 19,559,345	$ 1,425,440	$ 61,734	$ 376,809,675	$ 325,046,699	$ 701,856,374
	Major Additions/Retirements													
	1993			$ 1,334,256										
	1997			$ 1,393,832										
	Routine Activity			$ 588,800	$ 1,064,512									
46	Historical Interim Activity			0.18%	0.33%									
47	Forecast Interim Activity			0.20%	0.10%									
48	2009	21							34,174	17,087				17,103,896
49	2010	20							34,208	17,104				17,121,000
50	2011	19							34,242	17,121				17,138,121
51	2012	18							34,276	17,138				17,155,259
52	2013	17							34,311	17,155				17,172,414
53	2014	16							34,345	17,172				17,189,587
54	2015	15							34,379	34				17,223,932
55	2016	14							34,448	17,224				17,241,156
56	2017	13							34,482	17,241				17,258,397
57	2018	12							34,517	17,258				17,275,655
58	2019	11							34,551	17,276				17,292,931
59	2020	10							34,586	17,293				17,310,224
60	2021	9							34,620	17,310				17,327,534
61	2022	8							34,655	17,328				17,344,861
62	2023	7							34,690	17,345				17,362,206
63	2024	6							34,724	17,362				17,379,569
64	2025	5							34,759	17,380				17,396,948
65	2026	4							34,794	17,397				17,414,345
66	2027	3							34,829	17,414				17,431,759
67	2028	2							34,864	17,432				17,449,191
68	2029	1							34,898	17,449				17,466,640
69	2030	0									(17,466,640)			-
									$ 20,284,696	$ 1,770,961				$ 1,064,911,999

Whole Life Depreciation Rate Calculation

Historical Additions	19,559,345
Forecast Additions	725,352
Total Additions	20,284,696
Gross Salvage Value	1,746,664
Less Cost of Removal	873,332
Net Salvage Value	873,332
Total to be Recovered	19,411,364
Forecast Plant Balances	1,064,911,999
Whole Life Accrual Rate	1.82%
Cost of Removal Accrual Rate	0.08%
Whole Life Accrual Rate (Excluding Cost of Removal)	1.74%
Depreciable Service Life, years	54.9

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	17,086,809
Forecast Additions	725,352
Gross Salvage Value	1,746,664
Less Cost of Removal	873,332
Net Salvage Value	873,332
Forecast Plant Balances	363,055,625

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Other Production, Ben French Plant

Gross Salvage	8%
Cost of Removal	10%
Net Salvage	-2%
Install Date	1965
Retirement Date	2030
Service Life, Yrs	65

2008

Historical and Forecast Plant Additions & Balances

Account: 345 Accessory Electric Equipment

Initial Plant Balance 0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year					EOY Plant Balance		
			Transaction Year			Vintage Year			Adjusted Transaction Year					
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Transfers and Adjustments	Adjustments	Per Books	Simulated
1	1965	65					87,379		87,379	-		87,379		87,379
2	1966	64				4,000	22	-	22	-		87,400		87,400
3	1967	63					22	-	22	-		87,422		87,422
4	1968	62					22	-	22	-		87,443		87,443
5	1969	61					22	-	22	-		87,465		87,465
6	1970	60					22	-	22	-		87,486		87,486
7	1971	59					22	-	22	-		87,508		87,508
8	1972	58					22	-	22	-		87,529		87,529
9	1973	57					22	-	22	-		87,551		87,551
10	1974	56					22	-	22	-		87,572		87,572
11	1975	55					22	-	22	-		87,594		87,594
12	1976	54					22	-	22	-		87,616		87,616
13	1977	53					22	-	22	-		87,637		87,637
14	1978	52					22	-	22	-		87,659		87,659
15	1979	51					22	-	22	-		87,680		87,680
16	1980	50					22	-	22	-		87,702		87,702
17	1981	49					22	-	22	-		87,724		87,724
18	1982	48					22	-	22	-		87,745		87,745
19	1983	47				9,501	22	-	22	-		87,767		87,767
20	1984	46					22	-	22	-		87,789		87,789
21	1985	45					22	-	22	-		87,810		87,810
22	1986	44					22	-	22	-		87,832		87,832
23	1987	43					22	-	22	-		87,853		87,853
24	1988	42					22	-	22	-		87,875		87,875
25	1989	41	84,926						-	-			84,926	84,926
26	1990	40							-	-			84,926	84,926
27	1991	39							-	-			84,926	84,926
28	1992	38							-	-			84,926	84,926
29	1993	37							-	-			84,926	84,926
30	1994	36		52,758	13,501				52,758	13,501			124,183	124,183
31	1995	35							-	-			124,183	124,183
32	1996	34		2,243					2,243	-			126,426	126,426
33	1997	33							-	-			126,426	126,426
34	1998	32							-	-	616,876		743,302	743,302
35	1999	31							-	-			743,302	743,302
36	2000	30							-	-			743,302	743,302
37	2001	29							-	-			743,302	743,302
38	2002	28							-	-			743,302	743,302
39	2003	27							-	-			743,302	743,302
40	2004	26							-	-			743,302	743,302
41	2005	25							-	-			743,302	743,302
42	2006	24							-	-			743,302	743,302
43	2007	23							-	-			743,302	743,302
44	2008	22							-	-			743,302	743,302
45	Total		$ 84,926	$ 55,001	$ 13,501	$ 13,501	$ 87,875	$ -	$ 142,876	$ 13,501	$ 616,876	$ 2,103,038	$ 9,102,174	$ 11,205,212
	Major Additions/Retirements													
	1994			$ 52,758										
	1997				$ -									
	Routine Activity			$ 2,243	$ 13,501									
46	Historical Interim Activity			0.02%	0.15%									
47	Forecast Interim Activity			0.02%	0.00%									
48	2009	21							183	-				743,485
49	2010	20							183	-				743,669
50	2011	19							183	-				743,852
51	2012	18							183	-				744,035
52	2013	17							183	-				744,218
53	2014	16							183	-				744,402
54	2015	15							183	-				744,585
55	2016	14							183	-				744,769
56	2017	13							184	-				744,952
57	2018	12							184	-				745,136
58	2019	11							184	-				745,319
59	2020	10							184	-				745,503
60	2021	9							184	-				745,687
61	2022	8							184	-				745,871
62	2023	7							184	-				746,054
63	2024	6							184	-				746,238
64	2025	5							184	-				746,422
65	2026	4							184	-				746,606
66	2027	3							184	-				746,790
67	2028	2							184	-				746,974
68	2029	1							184	-				747,158
69	2030	0									(747,158)			-
									$ 146,732	$ 13,501				$ 26,856,937

Whole Life Depreciation Rate Calculation

Historical Additions	759,752
Forecast Additions	3,856
Total Additions	763,608
Gross Salvage Value	59,773
Less Cost of Removal	74,716
Net Salvage Value	(14,943)
Total to be Recovered	778,551
Forecast Plant Balances	26,856,937
Whole Life Accrual Rate	2.90%
Cost of Removal Accrual Rate	0.28%
Whole Life Accrual Rate (Excluding Cost of Removal)	2.62%
Depreciable Service Life, years	34.5

Remaining Life Depreciation Rate Calculation

Account Balance 12/31/08	743,302
Forecast Additions	3,856
Gross Salvage Value	59,773
Less Cost of Removal	74,716
Net Salvage Value	(14,943)
Forecast Plant Balances	15,651,725

Black Hills Power

Unit Property Depreciation Rate Analysis
Unit Property: Other Production, Ben French CT Plant

Historical and Forecast Plant Additions & Balances
Account: 346 Misc Power Equipment

Gross Salvage	8%
Cost of Removal	10%
Net Salvage	-2%
Install Date	1965
Retirement Date	2030
Service Life, Yrs	65
Initial Plant Balance	0

	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
			Reported Per Books				Adjustments to Transaction Year		Adjusted Transaction Year			EOY Plant Balance		
			Transaction Year			Vintage Year					Transfers and			
Line	Vintage Year	Vintage Age	Beg Balance	Additions	Retirements	Retirements	Additions	Retirements	Additions	Retirements	Adjustments	Adjustments	Per Books	Simulated
1	1965	65					14,718		14,718	-		14,718		14,718
2	1966	64					-	-	-	-		14,718		14,718
3	1967	63					-	-	-	-		14,718		14,718
4	1968	62					-	-	-	-		14,718		14,718
5	1969	61					-	-	-	-		14,718		14,718
6	1970	60					-	-	-	-		14,718		14,718
7	1971	59					-	-	-	-		14,718		14,718
8	1972	58					-	-	-	-		14,718		14,718
9	1973	57					-	-	-	-		14,718		14,718
10	1974	56					-	-	-	-		14,718		14,718
11	1975	55					-	-	-	-		14,718		14,718
12	1976	54					-	-	-	-		14,718		14,718
13	1977	53					-	-	-	-		14,718		14,718
14	1978	52					-	-	-	-		14,718		14,718
15	1979	51					-	-	-	-		14,718		14,718
16	1980	50					-	-	-	-		14,718		14,718
17	1981	49					-	-	-	-		14,718		14,718
18	1982	48					-	-	-	-		14,718		14,718
19	1983	47					-	-	-	-		14,718		14,718
20	1984	46					-	-	-	-		14,718		14,718
21	1985	45					-	-	-	-		14,718		14,718
22	1986	44					-	-	-	-		14,718		14,718
23	1987	43					-	-	-	-		14,718		14,718
24	1988	42					-	-	-	-		14,718		14,718
25	1989	41	14,718						-	-			14,718	14,718
26	1990	40							-	-			14,718	14,718
27	1991	39							-	-			14,718	14,718
28	1992	38							-	-			14,718	14,718
29	1993	37							-	-			14,718	14,718
30	1994	36							-	-			14,718	14,718
31	1995	35							-	-			14,718	14,718
32	1996	34							-	-			14,718	14,718
33	1997	33							-	-			14,718	14,718
34	1998	32							-	-			14,718	14,718
35	1999	31							-	-			14,718	14,718
36	2000	30							-	-			14,718	14,718
37	2001	29							-	-			14,718	14,718
38	2002	28							-	-			14,718	14,718
39	2003	27							-	-			14,718	14,718
40	2004	26							-	-			14,718	14,718
41	2005	25							-	-			14,718	14,718
42	2006	24							-	-			14,718	14,718
43	2007	23							-	-			14,718	14,718
44	2008	22							-	-			14,718	14,718
45	Total		$ 14,718	$ -	$ -	$ -	$ 14,718	$ -	$ 14,718	$ -	$ -	$ 353,223	$ 294,352	$ 647,575
	Major Additions/Retirements													
				$ -	$ -									
	Routine Activity			$ -	$ -									
46	Historical Interim Activity			0.00%	0.00%									
47	Forecast Interim Activity			0.00%	0.00%									
48	2009	21							-	-				14,718
49	2010	20							-	-				14,718
50	2011	19							-	-				14,718
51	2012	18							-	-				14,718
52	2013	17							-	-				14,718
53	2014	16							-	-				14,718
54	2015	15							-	-				14,718
55	2016	14							-	-				14,718
56	2017	13							-	-				14,718
57	2018	12							-	-				14,718
58	2019	11							-	-				14,718
59	2020	10							-	-				14,718
60	2021	9							-	-				14,718
61	2022	8							-	-				14,718
62	2023	7							-	-				14,718
63	2024	6							-	-				14,718
64	2025	5							-	-				14,718
65	2026	4							-	-				14,718
66	2027	3							-	-				14,718
67	2028	2							-	-				14,718
68	2029	1							-	-				14,718
69	2030	0									(14,718)			-
									$ 14,718	$ -				$ 956,645

Whole Life Depreciation Rate Calculation

Historical Additions	14,718
Forecast Additions	-
Total Additions	14,718
Gross Salvage Value	1,177
Less Cost of Removal	1,472
Net Salvage Value	(294)
Total to be Recovered	15,012
Forecast Plant Balances	956,645
Whole Life Accrual Rate	1.57%
Cost of Removal Accrual Rate	0.15%
Whole Life Accrual Rate (Excluding Cost of Removal)	1.42%
Depreciable Service Life, years	63.7

Remaining Life Depreciation Rate Calculatio

Account Balance 12/31/08	14,718
Forecast Additions	-
Gross Salvage Value	1,177
Less Cost of Removal	1,472
Net Salvage Value	(294)
Forecast Plant Balances	309,070

Black Hills Power
Wygen III Depreciation Rate

Forecast Inservice Date:	2010
Forecast Retirement Date:	2055
Forecast Service Life (years):	45

Account	Description	Projected Investment 2010$	Black Hills Power 52% Ownership	Depreciation Rate	
310	Land	-	-	0.00%	
311	Structure & Improvements	11,225,632	5,837,329	2.77%	
312	Boiler Plant Equipment	128,277,334	66,704,214	2.90%	
313	Engines & Engine Driven Generators	-	-	0.00%	
314	Turbo Generator Equipment	95,113,867	49,459,211	2.50%	
315	Accessory Electric Equipment	12,268,457	6,379,598	2.50%	
316	Misc Power Equipment	114,710	59,649	5.72%	
	Total	247,000,000	128,440,000	2.72%	whole life weighted average

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Wygen III Plant

Modeled on Wygen II Depreciation Rate Assumptions

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	2010
Retirement Date	2055
Service Life, Yrs	45

Historical and Forecast Plant Additions & Balances

Account: 311 Structures & Improvements

Projected Initial Plant Balance 5,837,329

	[A]	[B]	[C]	[D]	[E]	[F]
	Vintage	Vintage	Interim		Final	EOY Plant
Line	Year	Age	Additions	Retirements	Retirements	Balance
			$	$	$	$
1	Forecast Interim Activity		0.80%	0.00%		
2	2010	45	-	-		5,837,329
3	2011	44	46,699	-		5,884,027
4	2012	43	47,072	-		5,931,099
5	2013	42	47,449	-		5,978,548
6	2014	41	47,828	-		6,026,377
7	2015	40	48,211	-		6,074,588
8	2016	39	48,597	-		6,123,184
9	2017	38	48,985	-		6,172,170
10	2018	37	49,377	-		6,221,547
11	2019	36	49,772	-		6,271,320
12	2020	35	50,171	-		6,321,490
13	2021	34	50,572	-		6,372,062
14	2022	33	50,976	-		6,423,039
15	2023	32	51,384	-		6,474,423
16	2024	31	51,795	-		6,526,218
17	2025	30	52,210	-		6,578,428
18	2026	29	52,627	-		6,631,055
19	2027	28	53,048	-		6,684,104
20	2028	27	53,473	-		6,737,577
21	2029	26	53,901	-		6,791,477
22	2030	25	54,332	-		6,845,809
23	2031	24	54,766	-		6,900,576
24	2032	23	55,205	-		6,955,780
25	2033	22	55,646	-		7,011,426
26	2034	21	56,091	-		7,067,518
27	2035	20	56,540	-		7,124,058
28	2036	19	56,992	-		7,181,050
29	2037	18	57,448	-		7,238,499
30	2038	17	57,908	-		7,296,407
31	2039	16	58,371	-		7,354,778
32	2040	15	58,838	-		7,413,616
33	2041	14	59,309	-		7,472,925
34	2042	13	59,783	-		7,532,709
35	2043	12	60,262	-		7,592,970
36	2044	11	60,744	-		7,653,714
37	2045	10	61,230	-		7,714,944
38	2046	9	61,720	-		7,776,663
39	2047	8	62,213	-		7,838,877
40	2048	7	62,711	-		7,901,588
41	2049	6	63,213	-		7,964,800
42	2050	5	63,718	-		8,028,519
43	2051	4	64,228	-		8,092,747
44	2052	3	64,742	-		8,157,489
45	2053	2	65,260	-		8,222,749
46	2054	1	65,782	-		8,288,531
47	2055	0	-	-	8,288,531	-
			2,451,202	-	$ 8,288,531	314,688,805

Whole Life Depreciation Rate Calculation

Initial Balance	5,837,329
Interim Additions	2,451,202
Gross Salvage Value	414,427
Less Cost of Removal	828,853
Net Salvage Value	(414,427)
Total to be Recovered	8,702,957
Forecast Plant Balances	314,688,805
Gross Accrual Rate	2.50%
Cost of Removal Accrual Rate	0.26%
Whole Life Accrual Rate	2.77%
Whole Life Service Life, years	36.2

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Wygen III Plant

Modeled on Wygen II Depreciation Rate Assumptions

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	2010
Retirement Date	2055
Service Life, Yrs	45

Historical and Forecast Plant Additions & Balances

Account: 312 Boiler Plant Equipment

Projected Initial Plant Balance 66,704,214

	[A]	[B]	[C]	[D]	[E]	[F]
	Vintage	Vintage	Interim		Final	EOY Plant
Line	Year	Age	Additions	Retirements	Retirements	Balance
			$	$	$	$
1	Forecast Interim Activity		0.50%	0.05%		
2	2010	45	-	-		66,704,214
3	2011	44	333,521	33,352		67,004,383
4	2012	43	335,022	33,502		67,305,902
5	2013	42	336,530	33,653		67,608,779
6	2014	41	338,044	33,804		67,913,018
7	2015	40	339,565	33,957		68,218,627
8	2016	39	341,093	34,109		68,525,611
9	2017	38	342,628	34,263		68,833,976
10	2018	37	2,753,636	34,417		71,553,195
11	2019	36	357,766	35,777		71,875,184
12	2020	35	359,376	35,938		72,198,623
13	2021	34	360,993	36,099		72,523,516
14	2022	33	362,618	36,262		72,849,872
15	2023	32	364,249	36,425		73,177,697
16	2024	31	365,888	36,589		73,506,996
17	2025	30	3,231,633	36,753		76,701,876
18	2026	29	383,509	38,351		77,047,034
19	2027	28	385,235	38,524		77,393,746
20	2028	27	386,969	38,697		77,742,018
21	2029	26	388,710	38,871		78,091,857
22	2030	25	390,459	39,046		78,443,270
23	2031	24	392,216	39,222		78,796,265
24	2032	23	3,798,493	39,398		82,555,360
25	2033	22	412,777	41,278		82,926,859
26	2034	21	414,634	41,463		83,300,030
27	2035	20	416,500	41,650		83,674,880
28	2036	19	418,374	41,837		84,051,417
29	2037	18	420,257	42,026		84,429,649
30	2038	17	422,148	42,215		84,809,582
31	2039	16	4,470,943	42,405		89,238,120
32	2040	15	446,191	44,619		89,639,692
33	2041	14	448,198	44,820		90,043,070
34	2042	13	450,215	45,022		90,448,264
35	2043	12	452,241	45,224		90,855,281
36	2044	11	454,276	45,428		91,264,130
37	2045	10	456,321	45,632		91,674,819
38	2046	9	5,268,861	45,837		96,897,842
39	2047	8	484,489	48,449		97,333,883
40	2048	7	486,669	48,667		97,771,885
41	2049	6	488,859	48,886		98,211,859
42	2050	5	491,059	49,106		98,653,812
43	2051	4	493,269	49,327		99,097,754
44	2052	3	495,489	49,549		99,543,694
45	2053	2	497,718	49,772		99,991,641
46	2054	1	499,958	49,996		100,441,603
47	2055	0	-	50,221	100,391,382	-
			35,537,604	1,850,435	$ 100,391,382	3,700,870,786

Whole Life Depreciation Rate Calculation

Initial Balance	66,704,214
Interim Additions	35,537,604
Gross Salvage Value	5,019,569
Less Cost of Removal	10,039,138
Net Salvage Value	(5,019,569)
Total to be Recovered	107,261,387
Forecast Plant Balances	3,700,870,786
Gross Accrual Rate	2.63%
Cost of Removal Accrual Rate	0.27%
Whole Life Accrual Rate	2.90%
Whole Life Service Life, years	34.5

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Wygen III Plant

Modeled on Wygen II Depreciation Rate Assumptions

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	2010
Retirement Date	2055
Service Life, Yrs	45

Historical and Forecast Plant Additions & Balances

Account: 314 Turbogenerator Equipment

Projected Initial Plant Balance 49,459,211

	[A]	[B]	[C]	[D]	[E]	[F]
	Vintage	Vintage	Interim		Final	EOY Plant
Line	Year	Age	Additions	Retirements	Retirements	Balance
			$	$	$	$
1	Forecast Interim Activity		0.30%	0.03%		
2	2010	45	-	-		49,459,211
3	2011	44	148,378	14,838		49,592,751
4	2012	43	148,778	14,878		49,726,651
5	2013	42	149,180	14,918		49,860,913
6	2014	41	149,583	14,958		49,995,538
7	2015	40	149,987	14,999		50,130,526
8	2016	39	150,392	15,039		50,265,878
9	2017	38	150,798	15,080		50,401,596
10	2018	37	151,205	15,120		50,537,680
11	2019	36	151,613	15,161		50,674,132
12	2020	35	152,022	15,202		50,810,952
13	2021	34	152,433	15,243		50,948,142
14	2022	33	152,844	15,284		51,085,702
15	2023	32	153,257	15,326		51,223,633
16	2024	31	153,671	15,367		51,361,937
17	2025	30	154,086	15,409		51,500,614
18	2026	29	154,502	15,450		51,639,666
19	2027	28	154,919	15,492		51,779,093
20	2028	27	155,337	15,534		51,918,896
21	2029	26	155,757	15,576		52,059,077
22	2030	25	156,177	15,618		52,199,637
23	2031	24	156,599	15,660		52,340,576
24	2032	23	157,022	15,702		52,481,895
25	2033	22	157,446	15,745		52,623,597
26	2034	21	157,871	15,787		52,765,680
27	2035	20	158,297	15,830		52,908,148
28	2036	19	158,724	15,872		53,051,000
29	2037	18	159,153	15,915		53,194,237
30	2038	17	159,583	15,958		53,337,862
31	2039	16	160,014	16,001		53,481,874
32	2040	15	160,446	16,045		53,626,275
33	2041	14	160,879	16,088		53,771,066
34	2042	13	161,313	16,131		53,916,248
35	2043	12	161,749	16,175		54,061,822
36	2044	11	162,185	16,219		54,207,789
37	2045	10	162,623	16,262		54,354,150
38	2046	9	163,062	16,306		54,500,906
39	2047	8	163,503	16,350		54,648,058
40	2048	7	163,944	16,394		54,795,608
41	2049	6	164,387	16,439		54,943,556
42	2050	5	164,831	16,483		55,091,904
43	2051	4	165,276	16,528		55,240,652
44	2052	3	165,722	16,572		55,389,802
45	2053	2	166,169	16,617		55,539,354
46	2054	1	166,618	16,662		55,689,310
47	2055	0	-	16,707	55,672,604	-
			6,922,333	708,940	$ 55,672,604	2,363,133,589

Whole Life Depreciation Rate Calculation

Initial Balance	49,459,211
Interim Additions	6,922,333
Gross Salvage Value	2,783,630
Less Cost of Removal	5,567,260
Net Salvage Value	(2,783,630)
Total to be Recovered	59,165,174
Forecast Plant Balances	2,363,133,589
Gross Accrual Rate	2.27%
Cost of Removal Accrual Rate	0.24%
Whole Life Accrual Rate	2.50%
Whole Life Service Life, years	39.9

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Wygen III Plant

Modeled on Wygen II Depreciation Rate Assumptions

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	2010
Retirement Date	2055
Service Life, Yrs	45

Historical and Forecast Plant Additions & Balances

Account: 315 Accessory Electric Equipment

Projected Initial Plant Balance 6,379,598

	[A]	[B]	[C]	[D]	[E]	[F]
	Vintage	Vintage	Interim		Final	EOY Plant
Line	Year	Age	Additions	Retirements	Retirements	Balance
			$	$	$	$
1	Forecast Interim Activity		0.30%	0.03%		
2	2010	42	-	-		6,379,598
3	2008	44	19,139	1,914		6,396,823
4	2009	43	19,190	1,919		6,414,094
5	2010	42	19,242	1,924		6,431,412
6	2011	41	19,294	1,929		6,448,777
7	2012	40	19,346	1,935		6,466,189
8	2013	39	19,399	1,940		6,483,647
9	2014	38	19,451	1,945		6,501,153
10	2015	37	19,503	1,950		6,518,706
11	2016	36	19,556	1,956		6,536,307
12	2017	35	19,609	1,961		6,553,955
13	2018	34	19,662	1,966		6,571,650
14	2019	33	19,715	1,971		6,589,394
15	2020	32	19,768	1,977		6,607,185
16	2021	31	19,822	1,982		6,625,025
17	2022	30	19,875	1,988		6,642,912
18	2023	29	19,929	1,993		6,660,848
19	2024	28	19,983	1,998		6,678,832
20	2025	27	20,036	2,004		6,696,865
21	2026	26	20,091	2,009		6,714,947
22	2027	25	20,145	2,014		6,733,077
23	2028	24	20,199	2,020		6,751,256
24	2029	23	20,254	2,025		6,769,485
25	2030	22	20,308	2,031		6,787,762
26	2031	21	20,363	2,036		6,806,089
27	2032	20	20,418	2,042		6,824,466
28	2033	19	20,473	2,047		6,842,892
29	2034	18	20,529	2,053		6,861,368
30	2035	17	20,584	2,058		6,879,893
31	2036	16	20,640	2,064		6,898,469
32	2037	15	20,695	2,070		6,917,095
33	2038	14	20,751	2,075		6,935,771
34	2039	13	20,807	2,081		6,954,498
35	2040	12	20,863	2,086		6,973,275
36	2041	11	20,920	2,092		6,992,103
37	2042	10	20,976	2,098		7,010,981
38	2043	9	21,033	2,103		7,029,911
39	2044	8	21,090	2,109		7,048,892
40	2045	7	21,147	2,115		7,067,924
41	2046	6	21,204	2,120		7,087,007
42	2047	5	21,261	2,126		7,106,142
43	2048	4	21,318	2,132		7,125,329
44	2049	3	21,376	2,138		7,144,567
45	2050	2	21,434	2,143		7,163,857
46	2051	1	21,492	2,149		7,183,200
47	2052	0	-	2,155	7,181,045	-
			892,891	91,444	$ 7,181,045	304,813,627

Whole Life Depreciation Rate Calculation

Initial Balance	6,379,598
Interim Additions	892,891
Gross Salvage Value	359,052
Less Cost of Removal	718,104
Net Salvage Value	(359,052)
Total to be Recovered	7,631,541
Forecast Plant Balances	304,813,627
Gross Accrual Rate	2.27%
Cost of Removal Accrual Rate	0.24%
Whole Life Accrual Rate	2.50%
Whole Life Service Life, years	39.9

Black Hills Power

Unit Property Depreciation Rate Analysis

Unit Property: Steam Production, Wygen III Plant

Modeled on Wygen II Depreciation Rate Assumptions

Gross Salvage	5%
Cost of Removal	10%
Net Salvage	-5%
Install Date	2010
Retirement Date	2055
Service Life, Yrs	45

Historical and Forecast Plant Additions & Balances

Account: 316 Miscellaneous Plant Equipment

Projected Initial Plant Balance 59,649

	[A]	[B]	[C]	[D]	[E]	[F]
	Vintage	Vintage	Interim		Final	EOY Plant
Line	Year	Age	Additions	Retirements	Retirements	Balance
			$	$	$	$
1	Forecast Interim Activity		5.00%	0.50%		
2	2009	45	-	-		59,649
2	2010	44	2,982	298		62,333
3	2011	43	3,117	312		65,138
4	2012	42	3,257	326		68,070
5	2013	41	3,403	340		71,133
6	2014	40	3,557	356		74,334
7	2015	39	3,717	372		77,679
8	2016	38	3,884	388		81,174
9	2017	37	4,059	406		84,827
10	2018	36	4,241	424		88,644
11	2019	35	4,432	443		92,633
12	2020	34	4,632	463		96,802
13	2021	33	4,840	484		101,158
14	2022	32	5,058	506		105,710
15	2023	31	5,286	529		110,467
16	2024	30	5,523	552		115,438
17	2025	29	5,772	577		120,633
18	2026	28	6,032	603		126,061
19	2027	27	6,303	630		131,734
20	2028	26	6,587	659		137,662
21	2029	25	6,883	688		143,857
22	2030	24	7,193	719		150,330
23	2031	23	7,517	752		157,095
24	2032	22	7,855	785		164,165
25	2033	21	8,208	821		171,552
26	2034	20	8,578	858		179,272
27	2035	19	8,964	896		187,339
28	2036	18	9,367	937		195,769
29	2037	17	9,788	979		204,579
30	2038	16	10,229	1,023		213,785
31	2039	15	10,689	1,069		223,405
32	2040	14	11,170	1,117		233,458
33	2041	13	11,673	1,167		243,964
34	2042	12	12,198	1,220		254,942
35	2043	11	12,747	1,275		266,415
36	2044	10	13,321	1,332		278,404
37	2045	9	13,920	1,392		290,932
38	2046	8	14,547	1,455		304,024
39	2047	7	15,201	1,520		317,705
40	2048	6	15,885	1,589		332,001
41	2049	5	16,600	1,660		346,941
42	2050	4	17,347	1,735		362,554
43	2051	3	18,128	1,813		378,869
44	2052	2	18,943	1,894		395,918
45	2053	1	19,796	1,980		413,734
46	2054	0	-	2,069	411,666	-
			393,428	41,411	$ 411,666	8,282,289

Whole Life Depreciation Rate Calculation

Initial Balance	59,649
Interim Additions	393,428
Gross Salvage Value	20,583
Less Cost of Removal	41,167
Net Salvage Value	(20,583)
Total to be Recovered	473,660
Forecast Plant Balances	8,282,289
Gross Accrual Rate	5.22%
Cost of Removal Accrual Rate	0.50%
Whole Life Accrual Rate	5.72%
Whole Life Service Life, years	17.5