

Black Hills Power, Inc.
South Dakota
Cost of Service Model Description

Section B

20:10:13:52. Statement B -- Income statements. Statement B shall include income statements in the form prescribed by the FERC's uniform systems of accounts for public utilities and licensees or for gas companies, 18 C.F.R. 101 (April 1, 1985), and in any other form if ordered by the commission for the test period, and the most recently available income statement, including any applicable footnotes.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 86, effective November 24, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL [49-34A-4](#).

Law Implemented:SDCL [49-34A-7](#), [49-34A-10](#), [49-34A-12](#), [49-34A-41](#).

BLACK HILLS POWER, INC.
STATEMENT OF INCOME

Statement B
Page 1 of 1

Line No.	Description	Reference	12 Month Ended	
			JUNE 30, 2008	JUNE 30, 2009
1	Electric Sales		\$ 209,497,423	\$ 195,526,448
2	Other Revenue		12,829,178	22,556,264
3	Sub-Total		<u>222,326,601</u>	<u>218,082,712</u>
4				
5	Fuel		23,782,462	23,705,503
6	Purchased Power		78,655,658	77,788,566
7	Production Expense (Excludes Fuel)		17,370,988	18,533,236
8	Transmission Expense		1,602,709	1,886,605
9	Distribution Expense		5,394,089	5,963,614
10	Customer Accounting Expense		2,596,464	2,470,046
11	Customer Service Expense		943,173	1,014,377
12	Computer Services Expense		-	-
13	Administrative & General Expense		20,170,256	24,920,187
14	Total O&M		<u>150,515,799</u>	<u>156,282,134</u>
15				
16	Depreciation & Amortization		20,955,242	20,452,179
17	Taxes Other than Income		5,883,049	6,812,520
18	Sub-Total		<u>26,838,291</u>	<u>27,264,699</u>
19				
20	Net Operating Income	Ln.3 - Ln.14 - Ln.18	44,972,511	34,535,879
21				
22	Non-Operating Income (& Expense)		46,164	475,133
23	Interest (Expense)		(11,488,845)	(13,538,819)
24	AFUDC - Debt & Equity		2,254,178	8,659,326
25	Non-Operating (Expense)		<u>(9,188,503)</u>	<u>(4,404,360)</u>
26				
27	Income Before Tax	Ln.20 + Ln.25	35,784,008	30,131,519
28				
29	Federal Income Taxes		<u>11,641,792</u>	<u>8,130,008</u>
30				
31	Net Utility Income	Ln.27 - Ln.29	<u>\$ 24,142,216</u>	<u>\$ 22,001,511</u>
32				
33				
34	NOTE: June 30, 2009 is the most recent public information available.			

Black Hills Power, Inc.
South Dakota
Cost of Service Model Description

Section C

20:10:13:53. Statement C -- Earned surplus statements. Statement C shall include earned surplus statements for the test period showing debits and credits according to descriptive captions, the balance as of the beginning and the end of the test period and the most recently available earned surplus statement, including any applicable footnotes.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 86, effective November 24, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL [49-34A-4](#).

Law Implemented:SDCL [49-34A-10](#), [49-34A-12](#), [49-34A-41](#).

BLACK HILLS POWER, INC.
RETAINED EARNINGS STATEMENT

Statement C
Page 1 of 1

Line No.	Description	Reference	12 Month Ended	
			JUNE 30, 2008	JUNE 30, 2009
1	Balance at Beginning of Period		\$ 157,389,968	\$ 181,532,184
2	Net Income	Stmt B Ln.31	24,142,216	22,001,511
3	Dividends from Subsidiary		-	-
4	Cumulative Effect of Accounting Adjustment		-	(183,609)
5	Total Before Deductions		<u>181,532,184</u>	<u>203,350,086</u>
6				
7	Dividends Paid/Declared and Other			
8	Preferred Dividends		-	-
9	Acquired Related Company Equity		-	-
10	Common Stock Dividends		-	-
11	Total Dividends		<u>-</u>	<u>-</u>
12				
13	Balance at End of Period	Ln.5 + Ln.11	<u><u>\$ 181,532,184</u></u>	<u><u>\$ 203,350,086</u></u>
14				
15				
16	NOTE: June 30, 2009 is the most recent public information available.			