

Black Hills Power
Coal Life Extension Option

Line No		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
1	Capital Cost	28,475,000	27,175,828	25,530,927	23,940,043	22,398,990	20,904,181	19,452,027	18,039,439	16,663,328
2										
3	Other Rate Base Reduction/(Increase)	(124,578)	221,151	167,134	117,303	71,059	28,404	(11,162)	(47,639)	(53,618)
4	Rate Base Amount (line 1-3)	28,599,578	26,954,677	25,363,793	23,822,740	22,327,931	20,875,777	19,463,189	18,087,078	16,716,946
5										
6	Interest Expense	889,561	838,398	788,915	740,983	694,488	649,320	605,383	562,580	519,964
7	Return on Equity	1,561,537	1,471,725	1,384,863	1,300,722	1,219,105	1,139,817	1,062,690	987,554	912,745
8										
9	Annual O&M Amount	-	-	-	-	-	-	-	-	-
10										
11	Fuel Costs	-	-	-	-	-	-	-	-	-
12										
13	Depreciation Expense	1,423,750	1,423,750	1,423,750	1,423,750	1,423,750	1,423,750	1,423,750	1,423,750	1,423,750
14										
15	Property Tax Expense	142,998	134,773	126,819	119,114	111,640	104,379	97,316	90,435	83,585
16										
17	Fed/State Income Tax Expense	840,888	792,524	745,749	700,439	656,488	613,792	572,259	531,798	491,513
18										
19	Total Revenue Req (lines 6 - 17)	4,858,734	4,661,171	4,470,096	4,285,006	4,105,471	3,931,058	3,761,398	3,596,118	3,431,557
20	Average Revenue Req	3,199,357								
21	Projected Output (MWh's)	528,228	528,228	528,228	528,228	528,228	528,228	528,228	528,228	528,228
22										
23	Cost per MWh (Busbar)	\$ 9.20	\$ 8.82	\$ 8.46	\$ 8.11	\$ 7.77	\$ 7.44	\$ 7.12	\$ 6.81	\$ 6.50

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Line No		Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18
1	Capital Cost	15,293,196	13,923,164	12,553,033	11,183,001	9,812,869	8,442,838	7,072,706	5,702,674	4,332,542
2										
3	Other Rate Base Reduction/(Increase)	(53,718)	(53,618)	(53,718)	(53,618)	(53,718)	(53,618)	(53,718)	(53,618)	(53,718)
4	Rate Base Amount (line 1-3)	15,346,914	13,976,783	12,606,751	11,236,619	9,866,588	8,496,456	7,126,424	5,756,292	4,386,261
5										
6	Interest Expense	477,350	434,734	392,120	349,504	306,890	264,274	221,660	179,044	136,430
7	Return on Equity	837,942	763,132	688,329	613,519	538,716	463,906	389,103	314,294	239,490
8										
9	Annual O&M Amount	-	-	-	-	-	-	-	-	-
10										
11	Fuel Costs	-	-	-	-	-	-	-	-	-
12										
13	Depreciation Expense	1,423,750	1,423,750	1,423,750	1,423,750	1,423,750	1,423,750	1,423,750	1,423,750	1,423,750
14										
15	Property Tax Expense	76,735	69,884	63,034	56,183	49,333	42,482	35,632	28,781	21,931
16										
17	Fed/State Income Tax Expense	451,232	410,947	370,665	330,380	290,098	249,814	209,532	169,247	128,965
18										
19	Total Revenue Req (lines 6 - 17)	3,267,008	3,102,447	2,937,898	2,773,337	2,608,787	2,444,226	2,279,677	2,115,116	1,950,567
20	Average Revenue Req									
21	Projected Output (MWh's)	528,228	528,228	528,228	528,228	528,228	528,228	528,228	528,228	528,228
22										
23	Cost per MWh (Busbar)	\$ 6.18	\$ 5.87	\$ 5.56	\$ 5.25	\$ 4.94	\$ 4.63	\$ 4.32	\$ 4.00	\$ 3.69

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Line No	Year 19	Year 20	Year 21
1 Capital Cost	2,962,511	1,592,379	222,347
2			
3 Other Rate Base Reduction/(Increase)	(53,618)	(53,718)	222,347
4 Rate Base Amount (line 1-3)	3,016,129	1,646,097	0
5			
6 Interest Expense	93,814	51,200	0
7 Return on Equity	164,681	89,877	0
8			
9 Annual O&M Amount	-	-	
10			
11 Fuel Costs	-	-	
12			
13 Depreciation Expense	1,423,750	1,423,750	
14			
15 Property Tax Expense	15,081	8,230	0
16			
17 Fed/State Income Tax Expense	88,681	48,399	0
18			
19 Total Revenue Req (lines 6 - 17)	1,786,005	1,621,456	0
20 Average Revenue Req			
21 Projected Output (MWh's)	528,228	528,228	528,228
22			
23 Cost per MWh (Busbar)	\$ 3.38	\$ 3.07	\$ 0.00