

Black Hills Power, Inc.
South Dakota
Revenue Requirement Model Description

Section D

20:10:13:54. Statement D -- Cost of Plant. Statement D shall include a statement showing in summary form the accounts of electric or gas utility plant classified by accounts 101, 102, 103, 104, 105, 106, 107, 118 as of the beginning of the 12 months of the test period, and the book additions and reductions in separate columns during the 12 months together with the book balances at the end of the 12-month period. Claimed adjustments, if any, to the book balances and the total cost of plant shall be shown in adjoining columns. All adjustments shall be fairly and clearly explained in the supporting material submitted. The material listed in §§ 20:10:13:55 to 20:10:13:63, inclusive, for electric or gas plant shall be submitted as part of statement D.

Source: 2 SDR 90, effective July 7, 1976; 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.

Statement D page 1: This Statement shows a roll forward of property records from June 30, 2011, to June 30, 2012. The roll forward includes additions, retirements, transfers, and adjustments. Additional details of this roll forward by plant account can be found on Schedule D-1 which shows the same additions, retirements, transfers, and adjustments by electric FERC account.

Statement D page 2: This Schedule shows a summary of average plant in service for rate base calculations. The amounts in column (a) represent average plant in service, and reconciles to the 12 month average calculated in Schedule D-3, part 1. Column (b) amounts are additions and expected additions to rate base that will be placed in service from July 1, 2012 to April 1, 2013. These amounts come from Schedules D-10 and H-13. Column (c) is an adjustment for the annualized electric FERC 106 account, see WP-4. Column (d) amounts are the adjusted average plant in service and include Black Hills Power (BHP) Common Use System (CUS) assets. Column (e) amounts are the transfers from BHP state jurisdiction to BHP FERC jurisdiction (BHP CUS assets). Column (f) amounts are the total average adjusted plant in service, excluding BHP CUS assets, for rate base calculations that flow into Statement N-1.

BLACK HILLS POWER, INC.
ELECTRIC PLANT IN SERVICE
For the Test Year Ended June 30, 2012

Statement D
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Line No.	FERC Acct. #	Description	Reference	Balance at June 30, 2011	Additions	Retirements	Transfers & Adjustments	Balance at June 30, 2012
1	101	Steam Production Plant	Sched. D-1 Ln. 10	\$ 398,868,576	\$ 43,734,677	\$ (12,253,515)	\$ 69	\$ 430,349,807
2	114	Plant Acquisition Adjustment	Sched. D-1 Ln. 12	4,870,308	-	-	-	4,870,308
3	101	Other Production Plant	Sched. D-1 Ln. 22	78,935,083	1,240,897	(395,600)	-	79,780,380
4		Total Production Plant		482,673,967	44,975,574	(12,649,115)	69	515,000,495
5								
6	101	Transmission Plant	Sched. D-1 Ln. 35	88,774,046	26,187,944	(1,888,667)	(613,775)	112,459,547
7	101	Distribution Plant	Sched. D-1 Ln. 51	265,134,618	26,890,612	(2,535,936)	(1,436,693)	288,052,602
8	101	General Plant	Sched. D-1 Ln. 65	42,617,584	5,334,130	(8,572,974)	(68,828)	39,309,911
9	106	Compl. Construction - Not Classified	Sched. D-1 Ln. 72	93,132,832	-	-	(70,115,883)	23,016,949
10	118	Other Utility Plant	Sched. D-1 Ln. 74	25,895,891	-	-	(811,880)	25,084,011
11								
12		Total Electric Plant in Service		998,228,937	103,388,260	(25,646,692)	(73,046,991)	1,002,923,514
13								
14	107	Construction Work in Progress	Stmt. A pg. 1 Ln. 4	9,560,061	117,478	-	-	9,677,539
15								
16		Total Electric Plant	Ln.12 + Ln.14	<u>\$ 1,007,788,998</u>	<u>\$ 103,505,738</u>	<u>\$ (25,646,692)</u>	<u>\$ (73,046,991)</u>	<u>\$ 1,012,601,053</u>

BLACK HILLS POWER, INC.
ADJUSTED AVERAGE ELECTRIC PLANT IN SERVICE
For the Test Year Ended June 30, 2012

Statement D
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Line No.	FERC Acct. #	Description	Reference	(a) Average Plant in Service	(b) Subsequent & Expected Additions & Retirements	(c) Annualized Account 101 & 106	(d) [(a)+(b)+(c)] Adjusted Plant in Service	(e) Transfer Transmission Plant in Service (Note 3)	(f) [(d)+(e)] Adjusted Plant in Service
1	101	Steam Production Plant	Sched. D-3 Ln. 10(n)	\$ 419,447,213	\$ -	\$ -	\$ 419,447,213	\$ -	\$ 419,447,213
2	114	Plant Acquisition Adjustment	Sched. D-3 Ln. 12(n)	4,870,308	-	-	4,870,308	-	4,870,308
3	101	Other Production Plant	Sched. D-3 Ln. 22(n)	79,355,703	-	-	79,355,703	-	79,355,703
4		Total Production Plant		503,673,224	-	-	503,673,224	-	503,673,224
5									
6	101	Transmission Plant	Sched. D-3 Ln. 35(n)	106,311,904	-	-	106,311,904	(102,030,480)	4,281,424
7									
8	101	Distribution Plant	Sched. D-3 Ln. 51(n)	274,454,360	-	-	274,454,360	(9,446,970)	265,007,390
9									
10	101	General Plant	Sched. D-3 Ln. 65(n)	42,374,033	446,667 (2)	-	42,820,700	(5,251,888)	37,568,812
11									
12	118,121	Other Utility Plant	Sched. D-3 Ln. 78(n)	25,941,976	-	-	25,941,976	(2,107,452)	23,834,524
13									
14		Total Electric Plant in Service		952,755,497	446,667	-	953,202,164	(118,836,790)	834,365,374
15									
16	106	Steam Production Plant	Sched. D-3 Ln. 69(n)	16,724,779	3,367,591 (1)	5,945,884 (4)	26,038,254	-	26,038,254
17	106	Other Production Plant	Sched. D-3 Ln. 70(n)	498,582	1,077,906 (1)	45,306 (4)	1,621,794	-	1,621,794
18	106	Transmission Plant	Sched. D-3 Ln. 71(n)	8,635,892	- (1)	2,708,988 (4)	11,344,880	(11,344,880)	-
19	106	Distribution Plant	Sched. D-3 Ln. 72(n)	13,651,463	4,810,927 (1)	7,921,829 (4)	26,384,219	-	26,384,219
20	106	General Plant	Sched. D-3 Ln. 73(n)	3,153,804	3,552,990 (1)	2,336,225 (4)	9,043,019	-	9,043,019
21		Total Electric Plant Not Classified		42,664,520	12,809,414	18,958,232	74,432,166	(11,344,880)	63,087,286
22									
23									
24		Total Average Plant in Service	Ln.14 + Ln.21	\$ 995,420,017	\$ 13,256,080	\$ 18,958,232	\$ 1,027,634,329	\$ (130,181,670)	\$ 897,452,659

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26 Note 1: See Schedule D-10 for additional details.

27 Note 2: See Schedule H-13 for additional details.

28 Note 3: Transfers from BHP state jurisdiction to BHP FERC jurisdiction.

29 Note 4: See WP-4 for additional details.