

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

Section H

Schedule H-10 – Generation Plant Overhaul Expenses. This Schedule provides for an adjustment for removal of generation plant overhaul expenses related to Ben French power plant and Neil Simpson I power plant. Both of these plants will be permanently retired to comply with environmental standards in March 2014. This adjustment also calculates the accrual reversal amortization calculation. The total decrease is shown as an adjustment on Line 7, and is adjusted in Statement H, column (i).

BLACK HILLS POWER, INC.
GENERATION PLANT OVERHAUL EXPENSES
For the Test Year Ended June 30, 2012

Line No.	Description	Reference	Amount
1	Ben French Overhaul Expense (Per Books)	Note 1	\$ 224,412
2			
3	Neil Simpson I Overhaul Expense (Per Books)	Note 2	99,480
4			
5	Prior Accrued Overhaul Amount Reversal	Ln. 15	104,108
6			
7	Removal of Overhaul Expense	Ln. 1 + Ln. 3	<u>\$ 428,000</u>
8			
9	Accrual Reversal Amortization Calculation:		
10			
11	Ben French Overhaul Accrual Amount (Per Books)		\$ 504,927
12	Neil Simpson I Overhaul Accrual Amount (Per Books)		<u>223,830</u>
13			728,757
14	Normalization Period - 7 Years		<u>7</u>
15	Annual Reversal Amount		<u>\$ 104,108</u>
16			

18 Note 1: Ben French power plant suspended operations on September 1, 2012. In March 2014, the plant
19 will be permanently retired to comply with environmental standards.

20 Note 2: Neil Simpson I power plant will permanently be retired to comply with environmental standards
21 in March 2014.

22 Note: Osage power plant suspended operations in 2010. There are no generation plant expenses to
23 remove, thus the reason the plant is not included above.