

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

Section H

Schedule H-6 – Employee Pension and Benefits Adjustment. This Schedule adjusts the per books benefit costs in column (a) to a pro forma benefit cost in column (b). The total increase is shown as an adjustment in column (c), and is adjusted in Statement H, column (e).

BLACK HILLS POWER, INC.
EMPLOYEE PENSION AND BENEFITS ADJUSTMENT
For the Test Year Ended June 30, 2012

| Line No. | FERC Acct. # | Description | (a) Per Books for Test Period | (b) Pro Forma Adjusted | (c) (b) - (a) Total Company Adjustment |
|-------------|-----------------|-----------------------------------|-------------------------------------|------------------------------|---|
| 1 | | Pension and Benefits Plan: | | | |
| 2 | 926 | FAS 106 Retiree Healthcare | \$ 420,952 | \$ 430,000 | \$ 9,048 |
| 3 | | | | | |
| 4 | 926 | FAS 87 Pension Plan | 2,535,114 | 2,591,000 | 55,886 |
| 5 | | | | | |
| 6 | 926 | Pooled Medical | 2,968,403 | 3,381,748 | 413,345 |
| 7 | | | | | |
| 8 | | 401K Plan: | | | |
| 9 | 926 | Employer Contribution | 1,673,877 | 1,706,378 | 32,501 |
| 10 | | | | | |
| 11 | | Total | <u>\$ 7,598,346</u> | <u>\$ 8,109,126</u> | <u>\$ 510,780</u> |