

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

Section H

Schedule H-8 – Generation Dispatch and Scheduling Cost Detail. This Schedule shows the calculation of generation dispatch and scheduling costs. Lines 2 – 12 show the total amount related to generation dispatch and scheduling for the pro forma test year. Total generation dispatch costs are then allocated based on a power plant capacity. The percent of capacity that is related to Black Hills Power is on line 56 and is multiplied by line 12 to determine the amount of expense for Black Hills Power. This amount is compared to the amount recorded during the test year, and the difference is shown on line 62, and is adjusted in Statement H, column (g).

BLACK HILLS POWER, INC.
GENERATION DISPATCH AND SCHEDULING COST DETAIL
For the Pro Forma Test Year Ended June 30, 2012

Schedule H-8
Page 1 of 2

Line No.	Description	Reference	Amount
1	Costs Related to Generation Dispatch and Scheduling	Note 1	
2	Labor		\$ 1,342,931
3	Labor Overhead		1,183,160
4	Office Expense		5,955
5	Air Transport		43,150
6	Lodging		34,650
7	Software and Dues		399,020
8	Meals & Entertainment		22,270
9	Dues & Subscriptions		5,025
10	Miscellaneous Exp		5,000
11	Other Travel Expenses		11,350
12	Total Costs Related to Generation Dispatch and Scheduling	Sum (Ln.2:Ln.11)	<u>\$ 3,052,511</u>
13			
14	Power Plant Capacity - Black Hills Power (MW)	Note 2	
15	Ben French		25.00
16	Ben French Diesels		10.00
17	Ben French CT's		100.00
18	Lange CT		40.00
19	Neil Simpson I		21.80
20	Neil Simpson II		91.00
21	Neil Simpson CT		40.00
22	Osage		34.50
23	Colstrip Long-Term Purchase		50.00
24	Happy Jack Long-Term Purchase		15.00
25	Silver Sage Long-Term Purchase		20.00
26	Wygen III 52%		57.20
27	Wyodak 20%		72.40
28	Total Power Plant Capacity - Black Hills Power (MW)	Sum (Ln.15:Ln.27)	<u>576.90</u>
29			
30	Power Plant Capacity - Cheyenne Light (MW)	Note 2	
31	Wygen II		95.00
32	Wygen I (Purchase Power Agreement)		60.00
33	CT II (Purchase Power Agreement)		40.00
34	Happy Jack Long-Term Purchase		15.00
35	Silver Sage Long-Term Purchase		10.00
36	Total Power Plant Capacity - Cheyenne Light (MW)	Sum (Ln.31:Ln.35)	<u>220.00</u>

BLACK HILLS POWER, INC.
GENERATION DISPATCH AND SCHEDULING COST DETAIL
For the Pro Forma Test Year Ended June 30, 2012

Schedule H-8
Page 2 of 2

Line No.	Description	Reference	Amount
37	Power Plant Capacity - Black Hills/Colorado Electric	Note 2	
38	WN Clark #1 & #2		41.10
39	Pueblo Diesels		10.00
40	Pueblo NG #5		9.30
41	Pueblo NG #6		18.80
42	Rocky Ford Diesels		10.00
43	Airport Diesels		10.00
44	Pueblo Airport Generation Station		380.00
45	Other Long-Term Purchase		5.00
46	Total Power Plant Capacity - Black Hills/Colorado Electric (MW)	Sum (Ln.38:Ln.45)	<u>484.20</u>
47			
48	Power Plant Capacity - MDU, City of Gillette & Other	Note 2	
49	Wygen III 48%		52.80
50	Wygen I		5.00
51	Long-Term Supply		28.70
52	Total Power Plant Capacity - MDU, City of Gillette & Other (MW)	Sum (Ln.49:Ln.51)	<u>86.50</u>
53			
54	Total Capacity to be Managed	Ln.28 + Ln.36 + Ln.46 + Ln.52	1,367.60
55			
56	Black Hills Power Percent of Capacity	Ln.28 / Ln.54	42.18%
57			
58	Amount to be Charged to Black Hills Power	Ln.12 * Ln.56	<u>\$ 1,287,653</u>
59			
60	Black Hills Power - Per Books		\$ 1,340,254
61			
62	Black Hills Power - Adjustment	Ln.58 - Ln.60	<u>\$ (52,601)</u>
63			
62	Note 1: Total generation dispatch and scheduling costs are the pro forma costs for the Black Hills Power Generation Dispatch and Scheduling department.		
63	Note 2: Costs from Black Hills Power Generation Dispatch and Scheduling are allocated based on the generation asset's load ratio.		
62			