

**REQUEST FOR ACCOUNTING AUTHORITY ORDER**  
**ALLOWING BLACK HILLS POWER TO USE DEFERRED ACCOUNTING FOR COSTS**  
**ASSOCIATED WITH THE FUTURETRACK WORKFORCE DEVELOPMENT PROGRAM**  
**THAT DEVIATE FROM THE ASSOCIATED COSTS INCLUDED IN BASE RATES**

Black Hills Power, Inc. ("Black Hills Power" or the "Company") requests that the South Dakota Public Utilities Commission ("Commission") approve an accounting authority order permitting Black Hills Power to use deferred accounting for costs associated with the FutureTrack Workforce Development Program that deviate from the associated costs included in base rates.

- 1) Black Hills Power has requested that the Commission approve the inclusion of \$675,845 in base rates over the next eight years for the FutureTrack Workforce Development Program. Provided the Commission approves this amount, Black Hills Power proposes that any deviation from this amount be recorded in a regulatory asset.
- 2) The Company requests that it receive a yearly rate of return on the balance in the FutureTrack Workforce Development Program regulatory asset. The rate of return will be equal to the rate of return approved by the Commission in this rate case.
- 3) An annual report to the Commission will be provided to demonstrate the actual costs incurred and progress of the overall program.

- 4) The Company requests that at the end of the eight year period, the balance in the regulatory asset be amortized over the next three year period.
- 5) The Company requests that the recovery of the FutureTrack Regulatory Asset commence in year nine in the form of a tariff or rate increase to be approved by the Commission prior to year eight.

**BLACK HILLS POWER, INC.**  
**FUTURETRACK WORKFORCE DEVELOPMENT PROGRAM**  
**For the Pro Forma Test Year Ended September 30, 2013**

Line No.	FERC Acct. #	Description	Reference	Amount	Schedule N-1 Allocation	SD Amount
1		<b>Salaries and Benefit Expenses</b>				
2	502	Steam Plant Operation		\$ 61,140	DPROD	\$ 54,923
3						
4	512	Steam Plant Boilers Maintenance		82,471	DPROD	74,085
5						
6	580	Distribution Supervision		77,834	SALWAGDO	72,694
7						
8	593	Distribution Overhead Line Maintenance		345,337	OHDIST	327,569
9						
10	908	Customer Assistance		99,223	CUSTASST	95,369
11						
12	920	Administration		55,856	SALWAGES	51,205
13						
14		<b>Annual Strategic Workforce Planning Expense</b>	Sum(Ln. 2:Ln. 12)	<b><u>\$ 721,861</u></b>		<b><u>\$ 675,845</u></b>

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16 Note: The annual FutureTrack Workforce Development Program expense equals one-eighth of the total cost needed  
17 over the next eight years to cover the significant loss of employees related to the baby boomer generation retiring  
18 from the company.

