

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

Section B

20:10:13:52. Statement B -- Income Statement. Statement B shall include income statements in the form prescribed by the FERC's uniform systems of accounts for public utilities and licensees or for gas companies, 18 C.F.R. 101 (April 1, 1985), and in any other form if ordered by the commission for the test period, and the most recently available income statement, including any applicable footnotes.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 86, effective November 24, 1985; 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.

BLACK HILLS POWER, INC.
STATEMENT OF INCOME
For the Test Year Ended September 30, 2013

Statement B
Page 1 of 1

Line No.	Description	Reference	September 30, 2013 (Test Year)	For the twelve months ended September 30, 2012
1	Electric Sales	440-447	\$ 222,086,699	\$ 211,635,864
2	Other Revenue	449-456	26,851,035	34,831,722
3	Sub-Total		<u>248,937,734</u>	<u>246,467,586</u>
4				
5	Fuel	501, 547	22,984,660	26,982,168
6	Purchased Power	555	45,690,059	65,485,213
7	Production Expense (Excludes Fuel and Purchased Power)	500-557	19,964,730	22,264,636
8	Transmission Expense	560-567	22,182,983	3,626,139
9	Distribution Expense	568-598	8,615,767	7,445,126
10	Customer Accounting Expense	901-905	2,708,305	2,926,318
11	Customer Service Expense	907-910	1,456,300	1,574,356
12	Sales Expense	912-913	30,308	1,805
13	Administrative and General Expense	920-935	31,094,935	27,142,991
14	Total O&M		<u>154,728,047</u>	<u>157,448,752</u>
15				
16	Depreciation Expense	403	27,909,862	27,645,020
17	Amortization	406	97,406	
18	Taxes Other than Income	408	5,359,279	4,772,949
19	Sub-Total		<u>33,366,547</u>	<u>32,417,969</u>
20				
21	Net Operating Income	Ln.3 - Ln.14 - Ln.19	60,843,140	56,600,865
22				
23	Non-Operating Income (& Expense)	415-417, 421-426	163,922	9,245,769
24	Interest (Expense)	427-431	(22,233,936)	(26,044,684)
25	AFUDC - Debt & Equity	419, 432	3,931,226	691,429
26	Non-Operating (Expense)		<u>(18,138,788)</u>	<u>(16,107,486)</u>
27				
28	Income Before Tax	Ln.21 + Ln.26	42,704,352	40,493,379
29				
30	Federal Income Taxes	409-411	15,014,035	12,600,568
31				
32	Net Utility Income	Ln.28 - Ln.30	<u>\$ 27,690,317</u>	<u>\$ 27,892,811</u>

33 Note: The September 2013 FERC Form 3Q, Quarterly Financial Report including footnotes, was filed with the Federal Energy
34 Regulatory Commission and is the most recently filed financial statement prescribed in the FERC's uniform system of accounts.
35 Black Hills Power 10Q as of September 30, 2013, prepared on a Generally Accepted Accounting Principle basis, was filed with the
36 Securities and Exchange Commission in November 2013. Both filings are publicly available.
37