

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

Section H

20:10:13:80. Statement H -- Operation and Maintenance Expense. Statement H shall show the electric or gas operation and maintenance expenses according to each account of the FERC's uniform systems of accounts for public utilities and licensees or for gas companies. The expenses shall be shown under appropriate columnar headings as follows, with subtotals for each functional classification:

- (1) Operation and maintenance expense as booked, for the test period and the total for the test period;
- (2) Claimed adjustments, if any, to expenses as booked;
- (3) Total adjusted operation and maintenance expenses claimed.

Detailed explanations of the adjustments, if any, and the manner of their determination shall be supplied, specifying the month or months during which the adjustments would be applicable. Information required in §§ 20:10:13:81 to 20:10:13:84, inclusive, shall be submitted as part of statement H.

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.

A summary of the Schedule H schedules/adjustments descriptions are listed below:

1. Wages and Salaries Adjustment
2. Purchased Power Detail Listing
3. Listed Expense Accounts
4. Intercompany Black Hills Service Company Charges
5. Intercompany Black Hills Utility Holdings Charges
6. Employee Pension and Benefits Adjustment
7. Bad Debt Adjustment
8. Generation Dispatch and Scheduling Cost Detail
9. Energy Cost Adjustment Expense Elimination
10. Neil Simpson Complex Shared Facilities Adjustment
11. Removal of Unallowed Advertising Expense
12. Power Marketing Expense Adjustment
13. Outside Consulting Related to Rate Case
14. Vegetation Management Adjustment
15. CPGS Operations and Maintenance Adjustment

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16. Ben French - Severance Expense Adjustment
17. Neil Simpson Complex – Common Steam Allocation
18. Ben French, Osage, and Neil Simpson I O&M Elimination Adjustment
19. FutureTrack Workforce Development Program
20. 69 kV LIDAR Surveying Project
21. Customer Service Model Adjustment

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20:10:13:81. Schedule H-1 -- Adjustments to Operating and Maintenance Expenses.

Schedule H-1 shall show the 12 months of actual test period experience and the claimed adjustments thereto, if any, by functional classifications. It shall also show the separate amounts for labor and other charges included in the operation and maintenance expenses for each functional classification per books and as adjusted. If operation and maintenance expenses as presented per the books reflect any special accrual or equalization accounting entries for internal purposes, the effect thereof shall be fully disclosed and explained. Any amounts not currently payable, except depreciation charged through clearing accounts included in operation and maintenance expenses, shall be fully explained.

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.

This Schedule shows the wages and salaries adjustment, including union and non-union wage increases, removal of Neil Simpson I labor costs and employee additions.

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20:10:13:82. Schedule H-2 -- Cost of Power and Gas. Schedule H-2 shall show the total annual cost of power or gas purchased for the 12 months test period of actual experience, the claimed adjustments, if any, and the total adjusted cost for the test period detailed by contract or rate schedule designation. If any of the prices are effective subject to refund, there shall be shown by contract and by commission docket number for the test period, the rate and the amount paid subject to refund.

If the utility purchases and sells power under exchange or pooling agreements, the method of recording on books, total gross receipts and deliveries exchanged, total gross dollar amounts involved for such receipts and deliveries and details of such exchanges shall be submitted.

If the utility records any amount on its own books in a given month during the 12-month test period which applies to power or gas purchases or sales for a previous month or other period, a schedule indicating the months involved, the payment and volumes and the months to which such transactions are applicable, shall be submitted.

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-10, 49-34A-12, 49-34A-41.

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20:10:13:83. Schedule H-3 -- Working Papers for Listed Expense Accounts. With respect to the following listed expense accounts, schedule H-3 shall be furnished as designated for the 12 months of the test period and for claimed adjustments. This schedule shall include analytical details which will clearly disclose for each account a classification of principal charges and credits with all minor items grouped; particulars of supporting computations and accounting bases; a description of the services and related dollar amounts for which liability is incurred or accrued; and the name of the firm or individual rendering such services for these accounts where applicable:

(1) Accounts 909, 913, and 930, advertising expenses. For each category of advertising expense required to be filed pursuant to § 20:10:23:02 the utility shall submit a list of all advertisements claimed and filed pursuant to § 20:10:23:03, indicating the categorization of each advertisement. Representative samples of each category shall also be included.

(2) Account 922, administration expenses transferred -- credit;

(3) Account 926, employee pensions and benefits;

(4) Account 928, regulatory commission expenses;

(5) Account 929, duplicate charges -- credit;

(6) Account 930, miscellaneous general expenses.

Source: 2 SDR 90, effective July 7, 1976; 5 SDR 1, effective July 25, 1978; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL 49-34A-4.

Law Implemented: SDCL 49-34A-10, 49-34A-12, 49-34A-41.

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20:10:13:84. Schedule H-4 -- Working Papers for Interdepartmental Transactions.

If the expense accounts contain charges or credits from associated companies or nonutility departments of the utility, schedule H-4 shall be submitted for each such associated company or nonutility department showing the following:

- (1) The amount of the charges or credits during the test period;
- (2) The FERC account classification or classifications charged or credited;
- (3) Descriptions of the specific services performed for or by the associated company or nonutility department;
- (4) Complete particulars as to the bases used in determining the amounts of the charges or credits.

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-10, 49-34A-12, 49-34A-41.

This Schedule shows amounts charges by Black Hills Service Company to Black Hills Power for the twelve months ending September 30, 2013.

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Schedule H-5 – Intercompany Transactions Adjustment. This Schedule shows amounts charges by Black Hills Utility Holdings to Black Hills Power for the twelve months ending September 30, 2013, along with the pro forma adjustment. The total increase is shown as an adjustment in column (c), and is adjusted in Statement H, column (c).

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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 (d).

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Schedule H-7 – Bad Debt Adjustment. This Schedule represents the calculation to normalize bad debt expense using a three year historical period. Once calculated, the average rate is applied to the adjusted revenue amount to determine the expected bad debt expense. The decrease to bad debt expense is adjusted in Statement H, column (e).

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Schedule H-8 – Generation Dispatch and Scheduling Cost Detail. This Schedule shows the calculation of generation dispatch and scheduling costs. Lines 2 – 10 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 61 and is multiplied by line 10 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 73, and is adjusted in Statement H, column (f).

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Schedule H-9 – Energy Cost Adjustment Expense Elimination. This Schedule removes all the costs that are collected through the Energy Cost Adjustment from the test year. This decrease is adjusted in Statement H, column (g).

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Schedule H-10 – Neil Simpson Complex Shared Facilities Adjustment. This Schedule compares Black Hills Power's per books expenses for the Neil Simpson Complex Shared Facilities to the pro forma expenses based on pooled expensed net capacity allocators. The difference is shown on line 23 and adjusted in Statement H, column (h).

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Schedule H-11 – Removal of Unallowed Advertising Expense. This Schedule summarizes the advertising costs by FERC account that have been removed from the test year. The total decrease is shown as an adjustment on Line 14, and is adjusted in Statement H, column (i).

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Schedule H-12 – Power Marketing Expense Adjustment. This schedule adjusts expenses related to Power Marketing. The total decrease is shown as an adjustment on Line 12, and is adjusted in Statement H, column (j).

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Schedule H-13 – Outside Consulting Related to Rate Case. This Schedule is a listing of expected rate case expenditures. One-third of the total amount, plus the annual amortization established in Docket EL12-061, is going to an expense, as an adjustment on Statement H, column (k) and the remaining unamortized amount is taken to line 10 on Statement D page 2, column (b) and included as rate base.

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Schedule H-14 – Vegetation Management Adjustment. This Schedule adjusts the test year costs related to vegetation management to the amount approved in the Stipulation in Docket EL12-061. The decrease is adjusted in Statement H, column (I).

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Schedule H-15 – CPGS Operations and Maintenance Adjustment. This Schedule provides a listing by FERC account of projected expenses to operate and maintain CPGS during a normal year. The total expense is shown on line 14 and is adjusted in Statement H, column (m).

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Schedule H-16 – Ben French - Severance Expense Adjustment. This Schedule provides for the removal of severance payments for Ben French plant employees in the test year. The adjustment is on Statement H, column (n).

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Schedule H-17 – Neil Simpson Complex – Common Steam Allocation. This Schedule shows the calculation of costs related to Neil Simpson Complex Common Steam Facilities. Lines 1 – 9 show the total amount for the pro forma test year. Total costs are then allocated based on power plant capacity. The percent of capacity that is related to Black Hills Power is on line 27 and is multiplied by line 9 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 33, and is adjusted in Statement H, column (o).

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Schedule H-18 – Ben French, Osage, and Neil Simpson I O&M Elimination Adjustment. This Schedule provides for the removal of operating and maintenance expenses related to discontinuance of operations at the Ben French, Osage, and Neil Simpson I power plants. The adjustment is on Statement H, column (p).

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Schedule H-19 – FutureTrack Workforce Development Program. This Schedule reflects the annual expenses by FERC account associated with the FutureTrack Workforce Development Program. The adjustment is on Statement H, column (q).

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Schedule H-20 – 69 kV LIDAR Surveying Project. This Schedule adjusts for Black Hills Power's LIDAR surveying project on its 69 kV transmission system. The amortized amount on line 6 is adjusted on Statement H, column (r) and the unamortized amount on line 11 is included in Other Rate Base Reductions in Statement M, column (b).

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Schedule H-21 – Customer Service Model Adjustment. This Schedule reflects the cost reductions as a result of Black Hills Power's customer service model changes. The total decrease is adjusted in Statement H, column (s).



BLACK HILLS POWER, INC.
OPERATING AND MAINTENANCE EXPENSES
For the Pro Forma Test Year Ended September 30, 2013

Line No.	FERC Acct. #	Description	Per Books	Adjustments								
				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
				Sched H-1	Sched H-5	Sched H-6	Sched H-7	Sched H-8	Sched H-9	Sched H-10	Sched H-11	Sched H-12
107		Customer Service Expense:										
108	907	Supervision	204,020	-	-	-	-	-	-	-	-	-
109	908	Customer Assistance	1,169,153	52,709	-	-	-	-	-	-	(10,097)	-
110	909	Advertisement	12,439	-	-	-	-	-	-	-	-	-
111	910	Miscellaneous	70,687	-	-	-	-	-	-	-	(9,514)	-
112		Total Customer Service Expense	1,456,300	52,709	-	-	-	-	-	-	(19,611)	-
113												
114		Total Customer Expenses	4,164,605	138,458	(250,952)	-	(20,937)	-	-	-	(20,848)	-
115												
116		Sales Expense:										
117	912	Demonstrating and Selling Expenses	30,262	-	-	-	-	-	-	-	(314)	-
118	913	Advertising Expenses	46	-	-	-	-	-	-	-	(46)	-
119		Total Sales Expense	30,308	-	-	-	-	-	-	-	(360)	-
120												
121		Administrative & General Expense:										
122	920	Administrative Salaries	17,764,852	280,908	1,073,315	-	-	-	-	-	-	-
123	921	Office Supplies & Expense	3,390,683	-	144,943	-	-	-	-	-	(20,593)	-
124	922	A&G Expense Transferred	(43,983)	-	-	-	-	-	-	-	-	-
125	923	Outside Services	2,478,226	-	424,111	-	-	-	-	-	(591)	-
126	924	Property Insurance	797,583	-	58,774	-	-	-	-	-	-	-
127	925	Injuries and Damages	2,599,153	-	(29,886)	-	-	-	-	-	-	-
128	926	Pensions & Benefits	214,670	-	162,170	334,319	-	-	-	-	-	-
129	928	Regulatory Commission	550,134	-	-	-	-	-	-	-	-	-
130	930.1	General Advertising	253,269	-	-	-	-	-	-	-	(215,449)	-
131	930.2	Miscellaneous General	1,244,344	-	26,927	-	-	-	-	-	(1,099)	-
132	931	Rents	562,807	-	(17,768)	-	-	-	-	-	-	-
133	935	Maintenance of General Plant	1,283,197	-	(25,482)	-	-	-	-	-	-	-
134		Total Administrative & General Expense	31,094,936	280,908	1,817,104	334,319	-	-	-	-	(237,732)	-
135												
136		Total Operating & Maintenance Expense	\$ 154,728,047	\$ 1,688,744	\$ 2,303,019	\$ 334,319	\$ (20,937)	\$ 107,964	\$ (51,252,370)	\$ 655,113	\$ (258,940)	\$ (28,035,862)
137												
138												
139												
140				Sched H-1	Wages and Salaries Adjustment							
141				Sched H-5	Intercompany Black Hills Utility Holdings Charges							
142				Sched H-6	Employee Pension and Benefits Adjustment							
143				Sched H-7	Bad Debt Adjustment							
144				Sched H-8	Generation Dispatch and Scheduling Cost Detail							
145				Sched H-9	Energy Cost Adjustment Expense Elimination							
146				Sched H-10	Neil Simpson Complex Shared Facilities Adjustment							
147				Sched H-11	Removal of Unallowed Advertising Expense							
148				Sched H-12	Power Marketing Expense Adjustment							
149				Sched H-13	Outside Consulting Related to Rate Case							
150				Sched H-14	Vegetation Management Adjustment							
151				Sched H-15	CPGS O&M Adjustment							
152				Sched H-16	Ben French - Severance Expense Adjustment							
153				Sched H-17	Neil Simpson Complex Common Steam Allocation							
154				Sched H-18	Ben French, Osage, and Neil Simpson I Elimination Adjustment							
155				Sched H-19	FutureTrack Workforce Development Program							
156				Sched H-20	69 kV LIDAR Surveying Project							
157				Sched H-21	Customer Service Model Adjustment							

BLACK HILLS POWER, INC.
WAGES AND SALARIES ADJUSTMENT
For the Pro Forma Test Year Ended September 30, 2013

Line No.	Description	Reference	Amount
1	Wages and Salaries Adjustment		
2	January 28, 2014 Annualized Payroll		\$ 12,456,552
3	Adjust for Neil Simpson I Labor Costs		(746,475)
4	Wage Increases		620,092
5	Employee Additions\Eliminations		<u>1,410,540</u>
6	Total Pro Forma Payroll Expense	Sum(Ln. 2: Ln. 5)	13,740,709
7	Test Year Payroll Expense		<u>12,051,965</u>
8	Adjustment	Ln. 6 - Ln. 7	<u>1,688,744</u>

BLACK HILLS POWER, INC.
PURCHASED POWER DETAIL LISTING
For the Test Year Ended September 30, 2013

Schedule H-2
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Line No.	Purchased From	MWh	(a) Demand Charges	(b) Energy Charges	(c) (a) + (b) Total Costs
1	PacifiCorp - Colstrip Variable and Fixed Costs	323,855	7,329,844	6,245,600	13,575,444
2	PacifiCorp	239,876	-	5,323,422	5,323,422
3	Avista Water Power	2,400	-	44,680	44,680
4	Basin Electric	285,211	-	6,632,314	6,632,314
5	Black Hills/Basin Electric	434	-	21,506	21,506
6	Bonneville Power Administration	987	-	32,195	32,195
7	BP Energy Company	400	-	12,000	12,000
8	Burbank, City of	1,400	-	15,650	15,650
9	Cargill	64,059	-	2,006,564	2,006,564
10	Cheyenne Light Fuel & Power	139,768	-	3,791,292	3,791,292
11	Cheyenne Light Fuel & Power Wind Energy	101,459	-	5,085,247	5,085,247
12	Colorado Springs Utilities	11,584	-	433,791	433,791
13	Coral Power	6,891	-	170,937	170,937
14	Eagle Energy	12,600	-	285,130	285,130
15	El Paso Electric	101	-	3,841	3,841
16	Holy Cross	-	-	1,800	1,800
17	Idaho Power	10	-	250	250
18	Macquarie Energy LLC	200	-	3,400	3,400
19	Midwest ISO	-	-	3,618	3,618
20	Missouri River Energy Service	3,361	-	80,949	80,949
21	Morgan Stanley Capital Group	19,075	-	395,220	395,220
22	Municipal Energy Agency of Nebraska	6,173	-	203,512	203,512
23	Nevada Power	48	-	1,680	1,680
24	Northwestern Energy	1,865	-	39,585	39,585
25	Platte River Power Authority	70,751	-	1,623,097	1,623,097
26	Portland General Elec Company	1,115	-	41,650	41,650
27	PowerEx	90	-	4,295	4,295
28	PPL EnergyPlus	64,916	-	1,813,880	1,813,880
29	PPM/Iberdrola Renewable	14,200	-	275,600	275,600
30	Public Service of New Mexico	1,483	-	52,150	52,150
31	Puget Sound Energy	1,725	-	39,855	39,855
32	Rainbow Energy Marketing	803	-	15,729	15,729
33	Rocky Mountain Reserve Group	2,290	-	106,798	106,798
34	Salt River Project	1,078	-	40,841	40,841
35	Seattle City Light	400	-	3,200	3,200
36	Spearfish, (City of)	22,828	-	343,007	343,007
37	The Energy Authority	10,662	-	426,760	426,760
38	Tenaska Power	11,340	-	407,044	407,044
39	TranAlta Energy	1,600	-	30,550	30,550
40	Tri State Generation and Transmission	16,939	-	527,260	527,260
41	Tucson Electric	1,242	-	44,800	44,800
42	WAPA - Colorado River Storage Project	43,825	(136,884)	274,107	137,223
43	WAPA - Loveland Area Project	1,090	-	580,563	580,563
44	WAPA - Upper Great Plains Region	21,802	-	603,698	603,698
45	WAPA - WACM Loveland WACMM1	24,622	-	156,594	156,594
46	Xcel Energy - Public Service Co. of Colorado	12,233	-	412,577	412,577
47	Customer Generation	-	-	1,388	1,388
48	Interchange	-	-	(162,526)	(162,526)
49	Total	<u>1,548,791</u>	<u>\$ 7,192,960</u>	<u>\$ 38,497,100</u>	<u>\$ 45,690,060</u>

BLACK HILLS POWER, INC.
LISTED EXPENSE ACCOUNTS
For the Test Year Ended September 30, 2013

Schedule H-3
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Line No.	Description of Accounts	Reference	Per Books Amount
1	Federal Energy Regulatory Commission Account No. 909 (Note 1)		
2			
3	Informational Advertising		\$ 12,047
4	Miscellaneous Advertisement		392
5	TOTAL	Ln.3 + Ln.4	<u>\$ 12,439</u>
6			
7			
8	Federal Energy Regulatory Commission Account No. 913 (Note 1)		
9			
10	Sales Advertising Expenses		\$ 46
11	TOTAL		<u>\$ 46</u>
12			
13			
14	Federal Energy Regulatory Commission Account No. 922		
15			
16	Administrative Costs- Allocated (Note 2)		\$ (43,983)
17	TOTAL		<u>\$ (43,983)</u>
18			
19			
20	Federal Energy Regulatory Commission Account No. 926		
21			
22	401K		\$ 2,830,607
23	Pension		4,409,452
25	Educational Reimbursement		45,202
26	Relocation		47,541
27	Retirement Benefits		607,030
28	Benefits- Allocated (Note 3)		(7,754,702)
29	Consulting Fees		29,540
30	TOTAL	Sum (Ln.22:Ln.29)	<u>\$ 214,670</u>

33 Note 1: Disallowed advertising expenses are eliminated at Schedule H-11.
34 Note 2: BHP portion of BHUH employees' administrative time related to capital work orders.
35 Note 3: Includes benefits allocated from Black Hills Service Company as well as Black Hills Utility Holdings.
36 Also includes benefits reclassified to capital work orders as well as operating and maintenance accounts.

BLACK HILLS POWER, INC.
LISTED EXPENSE ACCOUNTS
For the Test Year Ended September 30, 2013

Line No.	Description of Accounts	Reference	Per Books Amount
1	Federal Energy Regulatory Commission Account No. 928		
2			
3	South Dakota		\$ 78,799
4	Wyoming		50,194
5	FERC Fees		421,141
7	TOTAL	Sum (Ln.3:Ln.5)	<u>\$ 550,134</u>
8			
9	Federal Energy Regulatory Commission Account No. 929		
10			
11	None		
12			
13	Federal Energy Regulatory Commission Account No. 930 (Note 1)		
14			
15	General Advertising		\$ 253,269
16	Benefits and Labor		1,169
18	Safety and Medical Supplies		1,377
19	Office Supplies and Expenses		4,270
20	Dues and Membership Fees		155,335
21	Travel		14,709
22	Training		3,996
23	Outside Services		680,397
24	Financing Charges		381,859
25	Permits and Miscellaneous		1,232
26	TOTAL	Sum (Ln.15:Ln.25)	<u>\$ 1,497,613</u>
27			
28	Note 1: Disallowed advertising expenses are eliminated at Schedule H-11.		

BLACK HILLS POWER, INC.
BLACK HILLS CORPORATION/BLACK HILLS SERVICE COMPANY - INTERCOMPANY CHARGES
For the Test Year Ended September 30, 2013

Line No.	FERC Acct.	Description	Per Books
1	920	Administrative and General Salaries	11,860,034
2			
3	921	Office Supplies and Expenses	2,199,768
4			
5	923	Outside Services	2,083,251
6			
7	924	Property Insurance	825,513
8			
9	925	Injuries and Damages	1,539,387
10			
11	926	Employee Pensions and Benefits	20,402
12			
13	930.2	Miscellaneous General Expense	697,959
14			
15	931	Rents	451,661
16			
17	935	Maintenance of General Plant	<u>739,298</u>
18			
19		Total	<u><u>20,417,273</u></u>

20
21
22
23 Note 1: These expenses are a combination of direct and indirect charges to Black Hills Power
24 from Black Hills Service Company without any additional fees. All costs are charged to Black
25 Hills Power as the costs are incurred by the Service Company. The allocation methods for
26 indirect charges are described in the Cost Allocation Manual.

BLACK HILLS POWER, INC.

Schedule H-5

BLACK HILLS CORPORATION/BLACK HILLS UTILITY HOLDINGS - INTERCOMPANY CHARGES **Page 1 of 1**

For the Pro Forma Test Year Ended September 30, 2013

Line No.	FERC Acct. #	Description	(a) Per Books	(b) Pro Forma Adjusted (Note 1)	(c) (b) - (a) Increase/ (Decrease)
1	556	System Control and Load Dispatch	65,558	22,823	(42,735)
2					
3	560	Transmission Supervision & Operations	519,947	648,863	128,916
4					
5	561	Load Dispatch	2,239,777	2,523,940	284,163
6					
7	581	Distribution Load Dispatch	784,063	1,128,787	344,724
8					
9	593	Dist Maintenance of Overhead Lines	52,976	74,775	21,799
10					
11	903	Customer Records and Collection Expenses	1,308,084	1,057,132	(250,952)
12					
13	920	Administrative Salaries	5,208,683	6,281,998	1,073,315
14					
15	921	Office Supplies and Expense	932,149	1,077,092	144,943
16					
17	923	Outside Services	270,757	694,868	424,111
18					
19	924	Property Insurance	1,632	60,406	58,774
20					
21	925	Injuries and Damages	151,833	121,947	(29,886)
22					
23	926	Pension and Benefits	(122,603)	39,567	162,170
24					
25	930.2	Miscellaneous General	136,599	163,526	26,927
26					
27	931	Rents	97,250	79,482	(17,768)
28					
29	935	Maintenance of General Plant	509,647	484,165	(25,482)
30					
31		Total	<u>12,156,352</u>	<u>14,459,371</u>	<u>2,303,019</u>

34 Note 1: These expenses are a combination of direct and indirect charges to Black Hills Power from Black Hills Utility Holding
35 Company without any additional fees. All costs are charged to Black Hills Power as the costs are incurred by the Holding Company.
36 The allocation methods for indirect charges are described in the Cost Allocation Manual.

BLACK HILLS POWER, INC.
EMPLOYEE PENSION AND BENEFITS ADJUSTMENT
For the Pro Forma Test Year Ended September 30, 2013

Schedule H-6
Page 1 of 1

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	\$ 296,896	\$ 128,000	\$ (168,896)
3					
4	926	FAS 87 Pension Plan (Note 1)	2,844,759	2,336,305	(508,454)
5					
6	926	FAS 87 Pension Plan - PBGC Premium	24,499	133,000	108,501
7					
8	926	Pooled Medical	2,995,874	3,457,902	462,028
9					
10		401K Plan:			
11	926	Employer Contribution	1,652,991	2,094,131	441,140
12					
13		Total	<u>\$ 7,815,019</u>	<u>\$ 8,149,338</u>	<u>\$ 334,319</u>

Note 1 Pro forma FAS 87 pension expense reflects the most recent 5 year average of actual costs.

BLACK HILLS POWER, INC.
BAD DEBT ADJUSTMENT
For the Pro Forma Test Year Ended September 30, 2013

Line No.	Description	Reference	Amount
1	2011 Net Write Offs		\$ 439,580
2	2012 Net Write Offs		310,597
3	2013 Net Write Offs		333,183
4	Total 2011-2013 Net Write Offs		<u>1,083,360</u>
5			
6	Average Net Write Offs	Ln. 4 / 3 years	361,120
7			
8	Average Billed Revenue (2011-2013)		160,215,281
9			
10	Average Effective Uncollectible Rate (3 year average)	Ln. 6 / Ln. 8	0.2254%
11			
12	Adjusted Revenue	Note 1	186,312,275
13			
14	Net Write Off Calculated	Ln. 10 * Ln. 12	419,942
15			
16	BHP per books	Stmt. H Ln. 103(a)	<u>440,879</u>
17			
18	FERC Acct 904 Adjustment	Ln. 14 - Ln. 16	<u>\$ (20,937)</u>
19			
20	Note 1: Stmt I Pg 1 Ln 6(a) + Stmt I Pg 1 Ln 6(b) + Stmt I Pg 4 Ln 7(c) + Stmt M Ln 2(d)		

BLACK HILLS POWER, INC.
Generation Dispatch and Scheduling Cost Detail
For the Pro Forma Test Year Ended September 30, 2013

Schedule H-8
Page 1 of 2

Line No.	Description	Reference	Total Cost
1	Costs Related to Generation Dispatch and Scheduling	Note (1)	
2	Labor		\$ 1,708,529
3	Labor Overhead		1,415,039
4	Office and Facility Expenses		8,489
5	IT Costs		22,778
6	Outside Services		415,611
7	Promo and Advertising		3,000
8	Travel and Training		121,305
9	Subscriptions		5,963
10	Total Costs Related to Generation Dispatch and Scheduling		<u>3,700,714</u>
11			
12	Power Plant Capacity - Black Hills Power (MW)		
13	Ben French	Note (3)	-
14	Ben French Diesels		10.00
15	Ben French CT's		100.00
16	Lange CT		40.00
17	Neil Simpson I	Note (3)	-
18	Neil Simpson II		91.00
19	Neil Simpson CT		40.00
20	Osage	Note (3)	-
21	Colstrip Long-Term Purchase		50.00
22	Happy Jack Long - Term Purchase		15.00
23	Silver Sage Long-Term Purchase		20.00
24	Wygen III 52%		57.20
25	Wyodak 20%		72.40
26	CPGS Combined Cycle		55.00
27	Total Power Plant Capacity - Black Hills Power (MW)		<u>550.60</u>
28			
29	Power Plant Capacity - Cheyenne Light (MW)		
30	Wygen II		95.00
31	Wygen I (Purchase Power Agreement)		60.00
32	CT II (Purchase Power Agreement)	Note (4)	-
33	Happy Jack Long-Term Purchase		15.00
34	Silver Sage Long-Term Purchase		10.00
35	CPGS Combined Cycle		40.00
36	CPGS Simple Cycle		37.00
37	Total Power Plant Capacity - Cheyenne Light (MW)		<u>257.00</u>
38			
39	Power Plant Capacity - Black Hills/Colorado Electric Utility		
40	WN Clark #1 & #2	Note (3)	-
41	Pueblo Diesels		10.00
42	Pueblo NG #5		9.30
43	Pueblo NG #6		18.80
44	Rocky Ford Diesels		10.00
45	Airport Diesels		10.00
46	Pueblo Airport Generation Station		380.00
47	Other Long- Term Purchase		5.00
48	BRW Phase I		14.50
49	BRW Phase I - AltaGas		14.50

BLACK HILLS POWER, INC.
Generation Dispatch and Scheduling Cost Detail
For the Pro Forma Test Year Ended September 30, 2013

Schedule H-8
Page 2 of 2

Line No.	Description	Reference	Total Cost
50			-
51	Total Power Plant Capacity - Black Hills/Colorado Electric Utility (MW)		472.10
52			
53	Power Plant Capacity - MDU, City of Gillette, and Other		
54	Wygen III 48%		52.80
55	Wygen I		5.00
56	CTII - COG	Note (4)	40.00
57	Total Power Plant Capacity - MDU, City of Gillette, and Other (MW)		97.80
58			
59	Total Capacity to be Managed	Note (2)	1,377.50
60			
61	Black Hills Power Percent of Capacity		39.97%
62			
63	Cheyenne Light Percent of Capacity		18.66%
64			
65	Black Hills/Colorado Electric Utility		34.27%
66			
67	MDU, City of Gillette, and Other Percent of Capacity		7.10%
68			
69	Amount to be Charged to Black Hills Power		\$ 1,479,211
70			
71	Amount per Book - Black Hills Power		1,371,247
72			
73	Adjustment - Black Hills Power		<u>\$ 107,964</u>
74			
75	Note (1) Total generation dispatch and scheduling costs are the pro forma costs for the Black Hills Power		
76	Generation Dispatch and Scheduling department.		
77	Note (2) Costs from Black Hills Power Generation Dispatch and Scheduling are allocated based on the		
78	generation asset's load ratio.		
79	Note (3) Ben French, Neil Simpson I, Osage, and WN Clark 1 & 2 will be retired before CPGS goes into		
80	service. Therefore, the plant capacity is not included in the allocation.		
81	Note (4) The CTII PPA will expire August 2014, and the City of Gillette has entered into an agreement to		
82	purchase CT II from Black Hills Corporation.		

BLACK HILLS POWER, INC.
ENERGY COST ADJUSTMENT EXPENSE ELIMINATION
For the Pro Forma Test Year Ended September 30, 2013

Schedule H-9
Page 1 of 1

Line No.	Description	Reference	Amount
1	Account 555- Purchase Power- Energy		
2			
3	Per Books September 30, 2013	Stmt. H pg.1 Ln. 45(a)	\$ 38,497,099
4			
5	Power Marketing Purchase Power Expense	Sched. H-12 Ln. 6	(25,231,082)
6			
7	Purchase Power - Adjustment	Ln. 3 + Ln. 5	<u>13,266,017</u>
8			
9			
10	<hr/>		
11	Account 547- Other Fuel		
12			
13	Per Books September 30, 2013	Stmt. H pg.1 Ln. 27(a)	\$ 2,623,531
14			
15	Power Marketing Other Fuel Expense	Sched. H-12 Ln. 4	(863,979)
16			
17	Other Fuel - Adjustment	Ln. 13 + Ln. 15	<u>1,759,552</u>
18			
19			
20	<hr/>		
21	Account 501- Steam Power Fuel		
22			
23	Per Books September 30, 2013	Stmt. H pg.1 Lns. 3-7(a)	\$ 20,361,129
24			
25	Neil Simpson I, Osage, Ben French Coal Expense	Sched. H-18 Lns. 3-7	(2,161,128)
26	Power Marketing Coal Expense	Sched. H-12 Ln. 2	(717,714)
27			
28	Steam Power Fuel - Adjustment	Ln. 23 + Ln. 25 + Ln. 26	<u>17,482,287</u>
29			
30			
31	<hr/>		
32	Account 565- Transmission		
33			
34	Per Books September 30, 2013	Stmt. H pg.1 Lns. 3-7(a)	\$ 18,741,890
35			
36	Power Marketing Transmission Expense	Sched. H-12 Ln. 2	(1,009,322)
37			
38	Steam Power Fuel - Adjustment	Ln. 34 + Ln. 36	<u>17,732,568</u>
39			
40			
41	<hr/>		
42	Reagent Costs		
43			
44	Per Books:		
45	Lime Purchases/Freight		\$ 782,068
46	Chemical Purchases/Ammonia		209,878
47	Mercury Sorbent		20,000
48			
49	Reagent Costs - Adjustment	Ln. 45 + Ln. 46 + Ln. 47	<u>1,011,946</u>

BLACK HILLS POWER, INC.
Neil Simpson Complex Shared Facilities Adjustment
For the Pro Forma Test Year Ended September 30, 2013

Schedule H-10
Page 1 of 1

Line No.	Description	Reference	Amounts
1	Black Hills Power's Share of Allocated Costs:		
2			
3	Per Books - Shared Facilities Costs (FERC Account 507 - Production Rent)		\$ 1,463,778
4			
5	2013 Budget:		
6	Pool 1 - Shared by all plants	Line 29 x Line 42	718,969
7	Pool 2 - Neil Simpson II and Wygen I	Line 30 x Line 43	310,945
8	Pool 3 - Wygen II and III	Line 31 x Line 44	792,194
9	Pool 4 - Wygen I, II and III and Neil Simpson II	Line 32 x Line 45	240,249
10	Pool 5 - Combustion Turbine I and II, and Wygen I, II and III	Line 33 x Line 46	17,517
11	Pool 6 - Combustion Turbine I and II	Line 34 x Line 47	16,896
12	Pool 7 - Wygen I, II, and III	Line 35 x Line 48	22,121
13	Total		<u>\$ 2,118,891</u>
14			
15	Shared Facilities O&M Expense Adjustment (Statement H Line 8 (k))	Line 13 - Line 3	<u>\$ 655,113</u>
16			
17	Black Hills Power's Share of Allocated Revenues:		
18			
19	Per Books - Shared Facilities Revenue (FERC Account 454 - Rent from Electric Property)		\$ 1,920,304
20			
21	Budget	Line 60	2,895,848
22			
23	Shared Facilities Revenue Adjustment (Statement I Page 1 Line 14 (b))	Line 21 - Line 19	<u>\$ 975,544</u>
24			
25			
26	Gillette Energy Complex Shared Facilities - Budget Detail		
27			
28	<u>Gillette Energy Complex Facility Pool Descriptions:</u>		<u>Costs</u>
29	Pool 1 - All plants shared facilities and water systems		\$ 1,393,003
30	Pool 2 - Neil Simpson II and Wygen I		621,890
31	Pool 3 - Wygen II and III		1,476,362
32	Pool 4 - Wygen I, II and III and Neil Simpson II		462,479
33	Pool 5 - Combustion Turbine I and II, and Wygen I, II and III		43,792
34	Pool 6 - Combustion Turbine I and II		33,792
35	Pool 7 - Wygen I, II, & III		59,325
36	Total Costs		<u>\$ 4,090,643</u>
37			
38		(a)	(b)
39			(c)
40			(a) x (b) = (c)
41	<u>Gillette Energy Complex Facility - Cost Allocators (Note 1):</u>	<u>Pool</u>	<u>BHP</u>
42	Pool 1 - Shared by all plants (Note 1)	Net Capacity	Net Capacity
43	Pool 2 - Neil Simpson II and Wygen I	465	240
44	Pool 3 - Shared by Wygen II and III Plants	180	90
45	Pool 4 - Shared by Wygen and Neil Simpson Plants (Note 1)	205	110
46	Pool 5 - Combustion Turbine and Wygen Plants	385	200
47	Pool 6 - Combustion Turbine I and II	375	150
48	Pool 7 - Wygen I, II, & III	80	40
49		295	110
50	<u>Gillette Energy Complex Shared Facilities - Annual Revenue Requirement:</u>	<u>Reference</u>	<u>BHP</u>
51	Facilities		12,161,636
52	Fuel Handling		4,857,388
53	Water Systems		4,048,296
54	Chemical Systems		1,492,296
55	Air Systems		819,069
56			<u>23,378,685</u>
57			
58	Rate of Return	Note 2	1,982,512
59	Depreciation		913,336
60	Calculated Revenue Requirement on Shared Assets	Line 58 + Line 59	<u>2,895,848</u>
61			
62			
63	Note 1: Neil Simpson 1 will be retired March 21, 2014. Therefore, the plant capacity is not included in the allocation.		
64	Note 2: Line 56 * ROR established in Shared Facilities Agreement.		

BLACK HILLS POWER, INC.
REMOVAL OF UNALLOWED ADVERTISING EXPENSE
For the Pro Forma Test Year Ended September 30, 2013

Schedule H-11
Page 1 of 1

Line No.	FERC Acct. #	Description	Reference	Amount
1		Elimination of Advertising Expense		
2				
3	901	Supervision		963
4	903	Customer Records and Collection Expenses		274
5	908	Customer Assistance		10,097
6	909	Advertisement		3,577
7	910	Miscellaneous		9,514
8	912	Demonstrating and Selling Expenses		314
9	913	Advertising Expenses		46
10	921	Office Supplies & Expense		20,593
11	923	Outside Services		591
12	930.1	General Advertising		215,449
13	930.2	Miscellaneous General		1,099
14		Total Advertising Expense to be Eliminated	Sum (Ln.3:Ln.13)	<u>\$ 262,517</u>

BLACK HILLS POWER, INC.
POWER MARKETING EXPENSE ADJUSTMENT
For the Test Year Ended September 30, 2013

Schedule H-12
Page 1 of 1

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u>
1	Power Marketing Operating Expense		
2	Coal Expense		\$ 717,714
3			
4	Other Fuel Expense		863,979
5			
6	Purchased Power Expense		25,231,082
7			
8	Transmission Expense		1,009,322
9			
10	Labor - Bonus		<u>213,765</u>
11			
12	Total Power Marketing Operating Expenses	Sum (Ln.2:Ln.10)	<u>\$ 28,035,862</u>

BLACK HILLS POWER, INC.
OUTSIDE CONSULTING RELATED TO RATE CASE
For the Pro Forma Test Year Ended September 30, 2013

Schedule H-13
Page 1 of 1

Line No.	Description	Reference	Amount
1	Estimated Current Rate Case Expense		
2	Depreciation Consultant		\$ 50,000
3	Capital Structure\Rate of Return Consultant		50,000
4	Class Cost of Service Consultant		20,000
5	Other Consulting		30,000
6	Legal		250,000
7	Supplies and Other		15,000
8	SD Filing Fee		250,000
9	Total Rate Case Expense	Sum (Ln.1:Ln.8)	<u>665,000</u>
10			
11	Docket EL12-061 Total Rate Case Expense		
12	Consulting		\$ 30,482
13	Legal		188,122
14	Supplies and Other		333
15	South Dakota PUC Filing Fee		122,821
16	Total Rate Case Costs	Sum (Ln.12:Ln.15)	<u>341,758</u>
17	Rate Case Costs Currently Recovered in Rates	PJS-1, Sch 2, Ln. 5	<u>188,643</u>
18	Residual EL12-061 Rate Case Costs	Ln. 16 - Ln. 17	<u>153,115</u>
19			
20	Docket EL12-062 Total Phase-In Case Expense		
21	Consulting		\$ 27,385
22	Legal		87,616
23	Supplies and Other		333
24	South Dakota PUC Filing Fee		68,430
25	Total Phase-In Case Costs	Sum (Ln.21:Ln.24)	<u>183,764</u>
26	Phase-In Case Costs Currently Recovered in Rates	PJS-1, Sch 2, Ln. 10	<u>73,170</u>
27	Residual EL12-062 Rate Case Costs	Ln. 25 - Ln. 26	<u>110,594</u>
28			
29	Total Current and Residual Rate Case Costs	Ln. 9 + Ln. 18 + Ln. 27	928,709
30	Amortization Period (years)		<u>3</u>
31	Annual Rate Case Expense Amortization	Ln. 29 / Ln. 30	<u>309,570</u>
32			
33	Regulatory Asset Associated with Current Case	Ln. 29 - Ln. 31	<u>619,139</u>
34			
35	Rate Case Expense Adjustment		
36	Annual Amortization Established in EL12-061	PJS-1, Sch 2, Ln. 13	87,271
37	Proposed Annual Amortization in Current Case	Ln. 31	309,570
38	Total Annual Rate Case Expense	Ln. 36 + Ln. 37	<u>396,841</u>
39	Test Year Rate Case Expense		78,780
40	Adjustment to Test Year	Ln. 38 - Ln. 39	<u>318,061</u>
41			
42	Rate Base Adjustment for Unamortized Rate Case Expense		
43	EL12-061 Rate Base Adjustment	PJS-1, Sch 2, Ln. 16	130,907
44	Regulatory Asset Associated with Current Case	Ln. 33	619,139
45	Adjustment to Test Year	Ln. 43 + Ln. 44	<u>750,046</u>

BLACK HILLS POWER, INC.
VEGETATION MANAGEMENT ADJUSTMENT
For the Test Year Ended September 30, 2013

Line No.	Description	Reference	Amount
1	Distribution Maintenance: Overhead Lines		
2	Stipulated South Dakota Vegetation Management Expense	Note 1	\$ 1,741,509
3	SD Jurisdictional Allocation	Stmt N	<u>94.898%</u>
4	Stipulated Total Company Vegetation Management Expense	Ln. 2 / Ln. 3	<u>1,835,138</u>
5	Test Year Total Company Vegetation Management Expense		<u>2,236,558</u>
6	Adjustment		<u>(401,420)</u>
7			
8	Note (1) See settlement stipulation in Docket EL12-061, page 6, item 4.(2).		

BLACK HILLS POWER, INC.
CPGS Operations and Maintenance Adjustment
For the Pro Forma Test Year Ended September 30, 2013

Schedule H-15
Page 1 of 1

Line No.	FERC Account No.	Description	Combined Cycle Unit
1		Other Production Operation	
2	546	Supervision & Engineering	\$ 94,391
3	548	Generation Expense	84,368
4	549	Miscellaneous	1,010,918
5		Total Other Production Operation	<u>\$ 1,189,677</u>
6			
7		Other Production Maintenance	
8	551	Supervision & Engineering	\$ 6,490
9	552	Structures	89,492
10	553	Electric Plant	1,010,662
11	554	Miscellaneous Plant	485,148
12		Total Other Production Maintenance	<u>\$ 1,591,792</u>
13			
14		Total Production Expense	<u>\$ 2,781,469</u>

BLACK HILLS POWER, INC.
BEN FRENCH - SEVERANCE EXPENSE ADJUSTMENT
For the Pro Forma Test Year Ended September 30, 2013

Line No.	FERC Acct. #	Description	Reference	Amount
1		Severance Expense		
2	920	Administrative & General - Administrative Salaries		\$ 180,861
3				
4		Total Severance Expense to be Eliminated	Ln. 2 + Ln. 3	<u>\$ 180,861</u>

BLACK HILLS POWER, INC.
Neil Simpson Complex - Common Steam Allocation
For the Pro Forma Test Year Ended September 30, 2013

Schedule H-17
Page 1 of 1

Line No.	Description	Reference	Total Cost
1	Costs Related to Neil Simpson Complex Common Steam Facilities		
2	Labor and Benefits		\$ 2,586,086
3	Materials		648,144
4	Outside Services		1,041,642
5	Travel		146,269
6	Common Utilities		225,000
7	Office Expenses		77,509
8	Other		38,764
9	Total Costs Related to Neil Simpson Complex Common Steam Facilities		<u>\$ 4,763,414</u>
10			
11	Gillette Complex Steam Power Plant Capacity - Black Hills Power (MW)		
12	Neil Simpson II		91.00
13	Wygen III 52%		57.20
14	Total Steam Power Plant Capacity - Black Hills Power (MW)		<u>148.20</u>
15			
16	Gillette Complex Steam Power Plant Capacity - Cheyenne Light (MW)		
17	Wygen II		95.00
18	Total Power Plant Capacity - Cheyenne Light (MW)		<u>95.00</u>
19			
20	Gillette Complex Steam Power Plant Capacity - MDU, City of Gillette, and Other		
21	Wygen III 48%		52.80
22	Wygen I		85.00
23	Total Power Plant Capacity - MDU, City of Gillette, and Other (MW)		<u>137.80</u>
24			
25	Total Capacity to be Managed (Note 1)	Ln 14 + 18 + 23	381.00
26			
27	Black Hills Power Percent of Capacity	Ln 14 / Ln 25	38.90%
28	Cheyenne Light Percent of Capacity	Ln 18 / Ln 25	24.93%
29	MDU, City of Gillette, and Other Percent of Capacity	Ln 23 / Ln 25	36.17%
30			
31	Amount to be Charged to Black Hills Power	Ln 9 * Ln 27	\$ 1,852,968
32	Amount per Book - Black Hills Power		1,528,006
33	Adjustment - Black Hills Power	Ln 31 - Ln 32	<u>\$ 324,962</u>
34			
35	Note (1) Costs from the Neil Simpson Complex - Steam Common Facilities are allocated based on capacity.		
36			

BLACK HILLS POWER, INC.
Ben French, Osage, and Neil Simpson I O&M Elimination Adjustment
For the Pro Forma Test Year Ended September 30, 2013

Schedule H-18
Page 1 of 1

Line No.	FERC Account	Description	Ben French	Osage	Note (2) Neil Simpson I	Total
1		Steam Production Operation				
2	500	Supervision & Engineering	\$ 1,949	\$ 180	\$ 85,849	\$ 87,978
3	501	Fuel Handling / Other	2,970	-	30,277	33,247
4	501.1	Steam Power Fuel - Oil	121	-	258,797	258,918
5	501.2	Steam Power Fuel - Gas	328	-	-	328
6	501.3	Steam Power Fuel - Coal	(15,119)	21,806	1,861,948	1,868,635
7	501.4	Steam Power Fuel - Transportation	-	-	-	-
8	502	Steam Expense	6,298	150	180,319	186,767
9	505	Electric Expense	10,900	150	130,929	141,979
10	506	Miscellaneous	6,793	2,285	101,101	110,179
11	507	Rent (Note 1)	-	-	1,942	1,942
12		Total Steam Production Operation	<u>\$ 14,240</u>	<u>\$ 24,571</u>	<u>\$ 2,651,162</u>	<u>\$ 2,689,973</u>
13						
14		Steam Production Maintenance				
15	510	Supervision & Engineering	\$ 32,847	\$ 27,729	\$ 202,712	\$ 263,288
16	511	Structures	9,795	201	51,631	61,627
17	512	Boilers	1,256	635	531,057	532,948
18	513	Electric Plant	27,330	1,858	152,899	182,087
19	514	Miscellaneous Plant	13,247	596	9,420	23,263
20		Total Steam Production Maintenance	<u>\$ 84,475</u>	<u>\$ 31,019</u>	<u>\$ 947,719</u>	<u>\$ 1,063,213</u>
21						
22		Total Steam Production Expense	<u>\$ 98,715</u>	<u>\$ 55,590</u>	<u>\$ 3,598,881</u>	<u>\$ 3,753,186</u>

24 Note (1) BHP shared facility cost allocation adjustment on Schedule H-10 removes Neil Simpson from capacity.

25 Note (2) Neil Simpson I labor costs are removed in Schedule H-1.

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
1		Salaries and Benefit Expenses		
2	502	Steam Plant Operation		\$ 61,140
3				
4	512	Steam Plant Boilers Maintenance		82,471
5				
6	580	Distribution Supervision		77,834
7				
8	593	Distribution Overhead Line Maintenance		345,337
9				
10	908	Customer Assistance		99,223
11				
12	920	Administration		55,856
13				
14		Annual Strategic Workforce Planning Expense	Sum(Ln. 2:Ln. 12)	<u><u>\$ 721,861</u></u>
15				

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.

BLACK HILLS POWER, INC.
69 kV LIDAR Surveying Project
For the Pro Forma Test Year Ended September 30, 2013

Line No.	Description	Reference	Amount
1	69 KV LIDAR Surveying Expense		
2	Total Project Cost		\$ 798,000
3	69 kV Joint Ownership Contribution		<u>113,400</u>
4	Total BHP Cost	Ln. 2 - Ln. 3	<u>684,600</u>
5	LIDAR Annualization Period		5
6	Annual LIDAR Expense	Ln. 4 / Ln. 5	<u><u>136,920</u></u>
7			
8	Unamortized LIDAR Expense		
9	Total BHP Project Cost	Ln 4	\$ 684,600
10	Annual LIDAR Expense	Ln 6	<u>136,920</u>
11	Unamortized LIDAR Expense	Ln 9 - Ln 10	<u><u>547,680</u></u>

BLACK HILLS POWER, INC.
CUSTOMER SERVICE MODEL ADJUSTMENT
For the Pro Forma Test Year Ended September 30, 2013

Schedule H-21
Page 1 of 1

Line No.	Description	Reference	Amount
1	Facility Expense Elimination		
2	Belle Fourche Office:		
3	Office Rent		\$ 9,000
4	Janitorial Service		2,955
5	Postage		1,460
6	Rug Cleaning Service		1,334
7	Utilities		891
8	Snow Removal		514
9	Total Belle Fourche Facility Expense	Sum(Ln. 3: Ln. 8)	<u>16,154</u>
10			
11	Newell Office:		
12	Rug Cleaning Service		\$ 1,866
13	Utilities		793
14	Lawn Care/Snow Removal		261
15	PO Box Lease		80
16	Total Newell Facility Expense	Sum(Ln. 12:Ln. 15)	<u>3,000</u>
17			
18	Total Facility Cost	Ln. 9 + Ln. 16	<u><u>19,154</u></u>
19			
20	Employee Expense Elimination		
21	Customer Service Representative - Newell		\$ 39,122
22	Customer Service Representative - Custer		38,658
23	Customer Service Representative - Spearfish		38,658
24	Total Salary Costs	Sum(Ln. 21:Ln. 23)	<u>116,438</u>
25	Benefit Loading Percentage		69%
26	Total Benefit Costs	Ln. 24 * Ln. 25	<u>80,342</u>
27			
28	Total Employee Expense Cost	Ln. 24 + Ln. 26	<u><u>196,780</u></u>
29			
30	Total Customer Service Model Adjustment		<u><u>215,934</u></u>