

Section F

20:10:13:71. Schedule F-3 – Data Used in Computing Working Capital. Schedule F-3 shall show the computations, cross references, and sources from which the data used in computing claimed working capital is derived.

Source: 2 SDR 90, effective July 7, 1976; 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](#).

Schedule F-3 Page 1: This schedule shows the cash working capital for the test year ended September 30, 2013.

Schedule F-3 Page 2: This schedule shows the adjusted cash working capital for the test year ended September 30, 2013. The calculation of the adjusted cash working capital is based on adjusted expenses and adjusted revenues.

Schedule F-3 Lead/Lag Calculations: The Expense per Day in column (b), is calculated by dividing the per book recorded amounts in column (a) by 365 days in a year. The Expense per Day is then multiplied by the Expense Lead Days in column (c) to determine the Expense Dollar Days for column (d).

The Expense Lead Days is a calculation of the time lag between services/goods received and the payment of such costs based on a selection of invoices specific to each expense category. For example, if the invoice for services provided for the month of April was paid on May 20th, the Expense Lead Days would be 35. The 35 days is calculated by taking April's mid-service point of 15 days, since the service was for the entire month and adding the 20 days in May before the invoice was paid.

The Revenue Lag Days is a calculation of the time lag between services rendered and the receipt of revenues for such services. The components of this calculation include average: 1) service month midpoint days, 2) meter reading to billing days, and 3) billing to collection days.

The Gross Cash Working Capital Requirement on line 47 is calculated by multiplying the total Expense per Day in column (b) – Line 41 by the Net Lead/Lag Days on line 45.

The Net Cash Working Capital Requirement on line 49 is determined based on the Gross Cash Working Capital on line 47 net of the calculated cash available from tax collections on behalf of other parties, Tax Collections Available (Line 48).

BLACK HILLS POWER, INC.
PER BOOKS CASH WORKING CAPITAL CALCULATION
For the Test Year Ended September 30, 2013

Schedule F-3
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Line No.	Description	Reference	(a) Per Books	(b) [(a)/365] Expense Per Day	(c) Expense Lead Days	(d) [(b)*(c)] Expense Dollar Days
1	OPERATIONS AND MAINTENANCE					
2	Coal	Stmt. H Ln. 6(a)	\$ 18,937,520	\$ 51,884	35.2	\$ 1,826,317
3	Coal Transportation	Stmt. H Ln. 7(a)	-	-	33.6	-
4	Natural Gas - Other Production	Stmt. H Ln. 27(a)	2,623,531	7,188	41.5	298,302
5	Purchased Power and Capacity	Stmt. H Ln. 47(a)	45,690,059	125,178	33.8	4,231,016
6	Transmission	Stmt. H Ln. 56(a)	18,741,890	51,348	24.3	1,247,756
7	Net Payroll	Sched. H-1 Ln. 7	12,051,965	33,019	14.0	462,266
8	Workers Comp		17,764	49	986.6	48,343
9	Service/Holding Company Charges	Sched. H-4 Ln.19 + Sched. H-5 Ln.31(a)	32,573,625	89,243	44.6	3,980,238
10	Other O&M		20,432,687	55,980	27.0	1,511,460
11						
12	Subtotal	Sum(Ln.2:Ln.10)	151,069,042	413,889		13,605,698
13						
14	Wyodak Power Plant O&M		3,659,005	10,025	69.3	694,733
15						
16	Total O&M	Stmt. H Ln. 136(a); Ln.12 + Ln.14	154,728,047	423,914		14,300,431
17						
18	TAXES OTHER THAN INCOME TAX					
19	Property Tax	Stmt. L Ln. 14(a)	5,042,451	13,815	305.8	4,224,627
20	Unemployment - FUTA and SUTA	Stmt. L (Ln. 3(a) + Ln. 7(a))	101,101	277	75.9	21,024
21	Montana Electric Energy	Stmt. L Ln. 8(a)	15,777	43	64.6	2,778
22	Wyoming Franchise Tax	Stmt. L Ln. 9(a)	64,059	176	50.1	8,818
23	South Dakota PUC	Stmt. L Ln. 10(a)	211,595	580	394.5	228,810
24	Wyoming PSC	Stmt. L Ln. 11(a)	(5,843)	(16)	534.5	(8,552)
26	FICA	Stmt. L Ln. 2(a)	3,007,210	8,239	15	123,585
27	Total Taxes Other Than Income Tax	Sum(Ln.19:Ln.26)	8,436,350	23,114		4,601,090
28						
29	Depreciation	Stmt. J Ln. 20(f)	27,909,862	76,465		
30	Amortization	Stmt. J Ln. 22(f)	97,406	267		
31	Subtotal	Ln.29 + Ln.30	28,007,268	76,732		
32						
33	INCOME TAXES					
34	Federal	Stmt. K pg. 2 Ln. 68(a)	15,014,035	41,134	37.4	1,538,412
35	Subtotal		15,014,035	41,134		1,538,412
36						
37	INTEREST EXPENSE					
38	Long-Term Debt	Stmt. G pg. 2 Ln. 13(k)	17,735,909	48,592	91.4	4,441,309
39	Subtotal		17,735,909	48,592		4,441,309
40						
41	Grand Totals			\$ 613,486		\$ 24,881,242
42						
43	Revenue Lag Days		33.98			
44	Expense Lead Days	Ln. 41(d) / Ln.41(b)	40.56			
45	Net Days	Ln.43 - Ln.44	(6.58)			
46						
47	Gross Cash Working Capital Requirement	Ln. 41(b) * Ln. 45(a)		(4,036,738)		
48	Less: Tax Collections Available	Ln. 56(d)		(1,177,107)		
49	Net Cash Working Capital Requirement	Ln.47 + Ln.48		<u>\$ (5,213,845)</u>		
50						
51	TAX COLLECTIONS AVAILABLE					
52	FICA Taxes (Employee Contribution)		\$ 1,738,374	\$ 4,763	15	\$ 71,445
53	Federal Withholding Tax		3,395,060	9,302	15	139,530
54	South Dakota Sales and Use Tax		7,380,916	20,222	45.1	912,012
55	Wyoming Sales and Use Tax		438,163	1,200	45.1	54,120
56	Total	Sum(Ln.52:Ln.55)	<u>\$ 12,952,513</u>	<u>\$ 35,487</u>		<u>\$ 1,177,107</u>

BLACK HILLS POWER, INC.
ADJUSTED CASH WORKING CAPITAL CALCULATION
For the Pro Forma Test Year Ended September 30, 2013

Schedule F-3
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Line No.	Description	Reference	(a) Adjusted Total	(b) (a)/365 Expense Per Day	(c) Expense Lead Days	(d) (b)*(c) Expense Dollar Days
1	OPERATIONS AND MAINTENANCE					
2	Coal	Stmt. H Ln. 6(t)	\$ -	-	35.2	\$ -
3	Coal Transportation	Stmt. H Ln. 7(t)	-	-	33.6	-
4	Natural Gas - Other Production	Stmt. H Ln. 27(t)	-	-	41.5	-
5	Purchased Power and Capacity	Stmt. H Ln. 47(t)	7,192,960	19,707	33.8	666,097
6	Transmission	Stmt. H Ln. 56(t)	-	-	24.3	-
7	Net Payroll	Sched. H-1 Ln 6	13,740,709	37,646	14	527,044
8	Workers Comp		17,764	49	986.6	48,343
9	Service/Holding Company Charges	Sched. H-4 Ln. 19 + Sched. H-5 Ln. 31(b)	34,876,644	95,552	44.6	4,261,619
10	Other O&M		<u>20,493,887</u>	<u>56,148</u>	27	<u>1,515,996</u>
11						
12	Subtotal	Sum (Ln.2:Ln.10)	76,321,964	209,102		7,019,099
13						
14	Wyodak Power Plant O&M		<u>3,659,005</u>	<u>10,025</u>	69.3	<u>694,733</u>
15						
16	Total O&M	Stmt. H Ln. 136(t); Ln.12 + Ln.14	79,980,969	219,127		7,713,832
17						
18	TAXES OTHER THAN INCOME TAX					
19	Property Tax	Stmt. L Ln. 14(c)	5,042,451	13,815	305.8	4,224,627
20	Unemployment - FUTA and SUTA	Stmt. L (Ln. 3(c) + Ln. 7(c))	102,075	280	75.9	21,252
21	Montana Electric Energy	Stmt. L Ln. 8(c)	15,777	43	64.6	2,778
22	Wyoming Franchise Tax	Stmt. L Ln. 9(c)	64,059	176	50.1	8,818
23	South Dakota PUC	Stmt. L Ln. 10(c)	250,238	686	394.5	270,627
24	Wyoming PSC	Stmt. L Ln. 11(c)	-	-	534.5	-
26	FICA	Stmt. L Ln. 2(c)	3,028,493	8,297	15	124,455
27	Total Taxes Other Than Income Tax	Sum(Ln.19:Ln.26)	<u>8,503,093</u>	<u>23,297</u>		<u>4,652,557</u>
28						
29	Depreciation	Stmt. J Ln. 20(e)	31,494,618	86,287		
30	Amortization	Stmt. M Ln. 9(c)	<u>4,397,822</u>	<u>12,049</u>		
31	Subtotal	Ln.29 + Ln. 30	35,892,440	98,335		
32						
33	INCOME TAXES					
34	Federal	Stmt. K pg. 2 Ln. 68(g)	<u>19,426,935</u>	<u>53,224</u>	37.4	<u>1,990,578</u>
35	Subtotal		19,426,935	53,224		1,990,578
36						
37	INTEREST EXPENSE					
38	Long-Term Debt	Stmt. G pg. 3 Ln. 15(k)	<u>20,630,909</u>	<u>56,523</u>	91.4	<u>5,166,202</u>
39	Subtotal		20,630,909	56,523		5,166,202
40						
41	Grand Totals			450,506		19,523,169
42						
43	Revenue Lag Days		33.98			
44	Expense Lead Days	Ln. 41(d) / Ln.41(b)	<u>43.34</u>			
45	Net Days	Ln.43 - Ln.44	(9.36)			
46						
47	Gross Cash Working Capital Requirement	Ln. 41(b) * Ln. 45(a)		(4,216,736)		
48	Less: Tax Collections Available	Ln. 56(d)		<u>(1,177,107)</u>		
49	Total	Ln.47 + Ln.48		<u>\$ (5,393,843)</u>		
50						
51	CUS Adjustment	Stmt F Ln. 1		\$ (445,408)		
52	Net Cash Working Capital Requirement			<u>\$ (5,839,251)</u>		
53						
54	TAX COLLECTIONS AVAILABLE					
55	FICA Taxes (Employee Contribution)		\$ 1,738,374	\$ 4,763	15	\$ 71,445
56	Federal Withholding Tax		3,395,060	9,302	15	139,530
57	South Dakota Sales and Use Tax		7,380,916	20,222	45.1	912,012
58	Wyoming Sales and Use Tax		438,163	1,200	45.1	54,120
59	Total	Sum(Ln.55:Ln.58)	<u>\$ 12,952,513</u>	<u>\$ 35,487</u>		<u>\$ 1,177,107</u>