

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

Section H

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).

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

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>
14					
15	Note 1	Pro forma FAS 87 pension expense reflects the most recent 5 year average of actual costs.			