

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

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

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

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

			Adjustments									
Line No.	FERC Acct. #	Description	(a) Per Books	(b) Sched H-1	(c) Sched H-5	(d) Sched H-6	(e) Sched H-7	(f) Sched H-8	(g) Sched H-9	(h) Sched H-10	(i) Sched H-11	(j) Sched H-12
1		Steam Production Operation:										
2	500	Supervision & Engineering	\$ 1,842,155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	501	Fuel	861,472	-	-	-	-	-	(828,225)	-	-	-
4	501.1	Steam Power Fuel - Gas	201,197	-	-	-	-	-	(200,869)	-	-	-
5	501.2	Steam Power Fuel - Oil	360,940	-	-	-	-	-	(102,022)	-	-	-
6	501.3	Steam Power Fuel - Coal	18,937,520	-	-	-	-	-	(16,351,171)	-	-	(717,714)
7	501.4	Steam Power Fuel - Transportation	-	-	-	-	-	-	-	-	-	-
8	502	Steam Expense	2,806,144	444,615	-	-	-	-	(1,011,946)	-	-	-
9	505	Electric Expense	1,308,594	-	-	-	-	-	-	-	-	-
10	506	Miscellaneous	894,759	-	-	-	-	-	-	-	-	-
11	507	Rent	2,405,734	-	-	-	-	-	-	655,113	-	-
12	509	Allowances	-	-	-	-	-	-	-	-	-	-
13		Total Steam Production Operation	29,618,514	444,615	-	-	-	-	(18,494,233)	655,113	-	(717,714)
14												
15		Steam Production Maintenance:										
16	510	Supervision & Engineering	1,454,714	295,658	-	-	-	-	-	-	-	-
17	511	Structures	820,283	-	-	-	-	-	-	-	-	-
18	512	Boilers	3,555,970	-	-	-	-	-	-	-	-	-
19	513	Electric Plant	787,972	-	-	-	-	-	-	-	-	-
20	514	Miscellaneous Plant	154,760	-	-	-	-	-	-	-	-	-
21		Total Steam Production Maintenance	6,773,700	295,658	-	-	-	-	-	-	-	-
22												
23		Total Steam Production Expense	36,392,214	740,273	-	-	-	-	(18,494,233)	655,113	-	(717,714)
24												
25		Other Production Operation:										
26	546	Supervision & Engineering	251,045	-	-	-	-	-	-	-	-	-
27	547	Fuel	2,623,531	-	-	-	-	-	(1,759,552)	-	-	(863,979)
28	548	Generation Expense	541,835	52,540	-	-	-	-	-	-	-	-
29	549	Miscellaneous	138,273	-	-	-	-	-	-	-	-	-
30	550	Rents	227,411	-	-	-	-	-	-	-	-	-
31		Total Other Production Operation	3,782,095	52,540	-	-	-	-	(1,759,552)	-	-	(863,979)
32												
33		Other Production Maintenance:										
34	551	Supervision & Engineering	198,959	-	-	-	-	-	-	-	-	-
35	552	Structures	7,229	-	-	-	-	-	-	-	-	-
36	553	Electric Plant	1,068,053	41,726	-	-	-	-	-	-	-	-
37	554	Miscellaneous Plant	89,367	-	-	-	-	-	-	-	-	-
38	556	System Control and Load Dispatch	1,409,474	-	(42,735)	-	-	107,964	-	-	-	(213,765)
39	557	Other Expenses	2,000	-	-	-	-	-	-	-	-	-
40		Total Other Production Maintenance	2,775,081	41,726	(42,735)	-	-	107,964	-	-	-	(213,765)
41												
42		Total Other Production Expense	6,557,176	94,266	(42,735)	-	-	107,964	(1,759,552)	-	-	(1,077,744)
43												
44		Other Power Supply:										
45	555	Purchased Power - Energy	38,497,099	-	-	-	-	-	(13,266,017)	-	-	(25,231,082)
46	555	Purchased Power - Capacity	7,192,960	-	-	-	-	-	-	-	-	-
47		Total Other Power Supply	45,690,059	-	-	-	-	-	(13,266,017)	-	-	(25,231,082)
48												
49		Total Production Expenses	88,639,450	834,539	(42,735)	-	-	107,964	(33,519,802)	655,113	-	(27,026,540)
50												
51		Transmission Operations:										
52	560	Supervision & Engineering	746,053	-	128,916	-	-	-	-	-	-	-
53	561	Load Dispatch	2,203,505	-	284,163	-	-	-	-	-	-	-

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

Line No.	FERC Acct. #	Description	(a) Per Books	Adjustments									
				(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
				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	<u>1,456,300</u>	<u>52,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,611)</u>	<u>-</u>	
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	<u>30,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(360)</u>	<u>-</u>	
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	<u>31,094,936</u>	<u>280,908</u>	<u>1,817,104</u>	<u>334,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(237,732)</u>	<u>-</u>	
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.
OPERATING AND MAINTENANCE EXPENSES
For the Pro Forma Test Year Ended September 30, 2013

Line No.	FERC Acct. #	Description	Adjustments								Sum((a)-(s)) Adjusted Total	
			(k) Sched H-13	(l) Sched H-14	(m) Sched H-15	(n) Sched H-16	(o) Sched H-17	(p) Sched H-18	(q) Sched H-19	(r) Sched H-20		(s) Sched H-21
107		Customer Service Expense:										
108	907	Supervision	-	-	-	-	-	-	-	-	-	204,020
109	908	Customer Assistance	-	-	-	-	-	-	99,223	-	-	1,310,988
110	909	Advertisement	-	-	-	-	-	-	-	-	-	12,439
111	910	Miscellaneous	-	-	-	-	-	-	-	-	-	61,173
112		Total Customer Service Expense	-	-	-	-	-	-	99,223	-	-	1,588,621
114		Total Customer Expenses	-	-	-	-	-	-	99,223	-	(215,934)	3,893,616
116		Sales Expense:										
117	912	Demonstrating and Selling Expenses	-	-	-	-	-	-	-	-	-	29,948
118	913	Advertising Expenses	-	-	-	-	-	-	-	-	-	(0)
119		Total Sales Expense	-	-	-	-	-	-	-	-	-	29,948
121		Administrative & General Expense:										
122	920	Administrative Salaries	-	-	-	(180,861)	-	-	55,856	-	-	18,994,070
123	921	Office Supplies & Expense	-	-	-	-	-	-	-	-	-	3,515,033
124	922	A&G Expense Transferred	-	-	-	-	-	-	-	-	-	(43,983)
125	923	Outside Services	318,061	-	-	-	-	-	-	-	-	3,219,807
126	924	Property Insurance	-	-	-	-	-	-	-	-	-	856,357
127	925	Injuries and Damages	-	-	-	-	-	-	-	-	-	2,569,267
128	926	Pensions & Benefits	-	-	-	-	-	-	-	-	-	711,159
129	928	Regulatory Commission	-	-	-	-	-	-	-	-	-	550,134
130	930.1	General Advertising	-	-	-	-	-	-	-	-	-	37,820
131	930.2	Miscellaneous General	-	-	-	-	-	-	-	-	-	1,270,172
132	931	Rents	-	-	-	-	-	-	-	-	-	545,039
133	935	Maintenance of General Plant	-	-	-	-	-	-	-	-	-	1,257,715
134		Total Administrative & General Expense	318,061	-	-	(180,861)	-	-	55,856	-	-	33,482,591
136		Total Operating & Maintenance Expense	\$ 318,061	\$ (401,420)	\$ 2,781,469	\$ (180,861)	\$ 324,962	\$ (3,753,186)	\$ 721,861	\$ 136,920	\$ (215,934)	\$ 79,980,969

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- Sched H-1 Wages and Salaries Adjustment
Sched H-5 Intercompany Black Hills Utility Holdings Charges
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Sched H-19 FutureTrack Workforce Development Program
Sched H-20 69 KV LIDAR Surveying Project
Sched H-21 Customer Service Model Adjustment