

EXHIBIT __ (LK-18)

BLACK HILLS POWER
Rapid City, South Dakota

DEPRECIATION STUDY
CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO ELECTRIC PLANT
AS OF DECEMBER 31, 2012

GANNETT FLEMING, INC. - VALUATION AND RATE DIVISION
Harrisburg, Pennsylvania

BLACK HILLS POWER

SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES AS OF DECEMBER 31, 2012

ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	ACCURUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)
STEAM PRODUCTION PLANT								
BEN FRENCH STATION								
311.00	STRUCTURES AND IMPROVEMENTS	80-R1.5 *	2,251,067.03	2,470,217	411,149	225,045	10.00	1.8
312.01	BOILER PLANT EQUIPMENT	55-S0.5 *	6,842,535.53	6,971,855	1,786,590	985,304	14.40	1.8
314.00	TURBOGENERATOR UNITS	55-S0.5 *	3,956,115.75	3,267,891	1,795,937	987,811	24.97	1.8
315.00	ACCESSORY ELECTRIC EQUIPMENT	65-R2.5 *	756,487.01	817,196	151,107	83,050	10.98	1.8
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT	45-S0 *	461,437.84	529,424	61,216	33,837	7.33	1.8
TOTAL BEN FRENCH STATION			14,267,643.16	14,056,583	4,205,999	2,315,047	16.23	1.8
NEIL SIMPSON I								
311.00	STRUCTURES AND IMPROVEMENTS	80-R1.5 *	2,263,790.00	2,055,490	502,593	275,250	12.16	1.8
312.01	BOILER PLANT EQUIPMENT	55-S0.5 *	14,327,824.99	10,348,851	5,841,591	3,210,557	22.41	1.8
314.00	TURBOGENERATOR UNITS	55-S0.5 *	3,916,967.11	2,797,900	1,628,273	896,130	22.88	1.8
315.00	ACCESSORY ELECTRIC EQUIPMENT	65-R2.5 *	1,334,432.06	622,246	885,662	484,612	36.32	1.8
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT	45-S0 *	424,995.16	434,602	45,643	25,339	5.96	1.8
TOTAL NEIL SIMPSON I			22,268,009.32	16,259,089	8,903,762	4,891,888	21.97	1.8
NEIL SIMPSON II								
311.00	STRUCTURES AND IMPROVEMENTS	80-R1.5 *	15,863,029.45	5,523,394	12,560,460	412,027	2.60	30.5
312.01	BOILER PLANT EQUIPMENT	55-S0.5 *	76,897,107.11	26,330,450	61,332,252	2,211,622	2.88	27.7
314.00	TURBOGENERATOR UNITS	55-S0.5 *	41,534,097.95	11,029,471	36,319,401	1,278,221	3.08	28.4
315.00	ACCESSORY ELECTRIC EQUIPMENT	65-R2.5 *	8,429,093.00	2,511,631	7,097,535	230,583	2.74	30.8
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT	45-S0 *	875,989.44	165,386	833,242	31,072	3.55	26.8
TOTAL NEIL SIMPSON II			143,599,316.95	45,560,332	118,142,890	4,163,525	2.90	28.4
OSAGE PLANT								
311.00	STRUCTURES AND IMPROVEMENTS	80-R1.5 *	4,233,377.67	4,422,755	741,966	406,009	9.59	1.8
312.01	BOILER PLANT EQUIPMENT	55-S0.5 *	7,454,702.13	7,272,558	1,822,179	1,005,395	13.49	1.8
314.00	TURBOGENERATOR UNITS	55-S0.5 *	4,780,167.64	4,641,657	1,190,148	656,960	13.74	1.8
315.00	ACCESSORY ELECTRIC EQUIPMENT	65-R2.5 *	1,054,887.74	1,198,790	88,173	48,528	4.60	1.8
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT	45-S0 *	455,950.73	459,478	96,782	53,529	11.74	1.8
TOTAL OSAGE PLANT			17,979,085.91	17,995,238	3,939,248	2,170,421	12.07	1.8
WY GEN 3								
311.00	STRUCTURES AND IMPROVEMENTS	80-R1.5 *	6,799,493.56	417,254	7,266,174	166,503	2.45	43.6
312.01	BOILER PLANT EQUIPMENT	55-S0.5 *	57,567,754.14	4,343,796	60,707,766	1,517,622	2.64	40.0
314.00	TURBOGENERATOR UNITS	55-S0.5 *	58,398,596.28	3,202,879	62,787,535	1,569,482	2.69	40.0
315.00	ACCESSORY ELECTRIC EQUIPMENT	65-R2.5 *	6,737,220.28	377,879	7,235,180	163,953	2.43	44.1
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT	45-S0 *	709,079.57	28,882	772,378	21,429	3.02	36.0
TOTAL WY GEN 3			130,212,143.83	8,370,690	138,769,033	3,438,989	2.64	40.4

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ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)	
WYODAK PLANT									
311.00	STRUCTURES AND IMPROVEMENTS	80-R1.5 *	(13)	9,164,989.89	7,214,391	3,142,048	125,770	1.37	25.0
312.01	BOILER PLANT EQUIPMENT	55-S0.5 *	(13)	76,887,888.24	29,347,729	57,535,585	2,378,850	3.09	24.2
313.00	ENGINES AND GENERATORS	50-S1.5 *	(13)	341,748.14	216,828	169,347	6,793	1.99	24.9
314.00	TURBOGENERATOR UNITS	55-S0.5 *	(13)	15,192,790.87	5,557,047	11,610,807	482,632	3.18	24.1
315.00	ACCESSORY ELECTRIC EQUIPMENT	65-R2.5 *	(13)	8,616,782.96	5,008,048	2,468,917	99,004	1.50	24.9
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT	45-S0 *	(13)	1,007,314.51	427,522	710,743	31,411	3.12	22.6
TOTAL WYODAK PLANT				109,211,514.61	47,771,565	75,637,447	3,124,460	2.86	24.2
TOTAL STEAM PRODUCTION PLANT				437,537,713.78	150,013,497	349,598,379	20,104,330	4.59	17.4
OTHER PRODUCTION PLANT									
BEN FRENCH CT									
341.00	STRUCTURES AND IMPROVEMENTS	55-R3 *	(13)	22,448.14	18,574	6,792	437	1.95	15.5
342.00	FUEL HOLDERS AND ACCESSORIES	50-S0.5 *	(13)	1,375,821.53	903,454	651,224	40,929	2.97	15.9
344.10	GENERATORS	45-R2 *	(13)	16,549,367.07	12,793,447	5,907,338	415,401	2.51	14.2
345.00	ACCESSORY ELECTRIC EQUIPMENT	40-S2 *	(13)	672,968.54	427,262	333,192	29,853	4.44	11.2
346.00	MISCELLANEOUS POWER PLANT EQUIPMENT	30-S1.5 *	(13)	14,717.62	12,177	4,454	569	3.87	7.8
TOTAL BEN FRENCH CT				18,635,322.90	14,154,914	6,903,000	487,189	2.61	14.2
BEN FRENCH DIESEL									
342.00	FUEL HOLDERS AND ACCESSORIES	50-S0.5 *	(22)	51,864.25	47,265	16,009	2,215	4.27	7.2
344.10	GENERATORS	45-R2 *	(22)	828,868.97	774,635	236,585	36,709	4.43	6.4
345.00	ACCESSORY ELECTRIC EQUIPMENT	40-S2 *	(22)	110,823.34	80,434	74,770	11,226	10.13	6.7
TOTAL BEN FRENCH DIESEL				991,556.56	882,334	327,364	50,150	5.06	6.5
LANGE CT									
341.00	STRUCTURES AND IMPROVEMENTS	55-R3 *	(5)	324,886.40	102,053	239,078	7,174	2.21	33.3
342.00	FUEL HOLDERS AND ACCESSORIES	50-S0.5 *	(5)	1,722,516.16	526,052	1,282,590	43,258	2.51	29.6
344.10	GENERATORS	45-R2 *	(5)	26,182,995.19	9,824,794	17,667,351	593,903	2.27	29.7
345.00	ACCESSORY ELECTRIC EQUIPMENT	40-S2 *	(5)	2,095,868.47	792,608	1,408,054	50,943	2.43	27.6
346.00	MISCELLANEOUS POWER PLANT EQUIPMENT	30-S1.5 *	(5)	16,611.59	6,306	11,136	527	3.17	21.1
TOTAL LANGE CT				30,342,877.81	11,251,813	20,608,209	695,805	2.29	29.6
NEIL SIMPSON CT									
341.00	STRUCTURES AND IMPROVEMENTS	55-R3 *	(5)	176,358.69	78,850	106,327	3,405	1.93	31.2
342.00	FUEL HOLDERS AND ACCESSORIES	50-S0.5 *	(5)	2,116,073.40	616,956	1,604,921	56,038	2.65	28.6
344.10	GENERATORS	45-R2 *	(5)	25,644,954.15	8,133,641	18,793,561	660,704	2.58	28.4
345.00	ACCESSORY ELECTRIC EQUIPMENT	40-S2 *	(5)	1,987,599.72	927,847	1,159,133	45,006	2.26	25.8
346.00	MISCELLANEOUS POWER PLANT EQUIPMENT	30-S1.5 *	(5)	51,538.76	24,278	29,838	1,316	2.55	22.7
TOTAL NEIL SIMPSON CT				29,976,524.72	9,781,572	21,693,780	766,469	2.56	28.3
TOTAL OTHER PRODUCTION PLANT				79,946,281.99	36,070,633	49,532,353	1,999,613	2.50	24.8