

Line	Description	01/28/2014 Payroll	Percent of Total	Total Company Wages & Salaries Adjustment	Allocation Factor	South Dakota Percent	South Dakota Amount
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
<b>Operation and Maintenance:</b>							
<u>Production Expense</u>							
1	Account 500	\$ 19,360	4.00%	\$ 62,340	SALWAGPO	89.83%	\$ 56,000
2	Account 501	14,956	3.09%	48,158	ENEFUEL	87.64%	42,204
3	Account 502	49,582	10.25%	159,656	DPROD	89.83%	143,420
4	Account 505	17,289	3.58%	55,673	DPROD	89.83%	50,011
5	Account 506	26,127	5.40%	84,132	DPROD	89.83%	75,576
6	Account 510	42,403	8.77%	136,541	SALWAGPM	89.83%	122,655
7	Account 511	8,671	1.79%	27,922	DPROD	89.83%	25,082
8	Account 512	26,786	5.54%	86,254	DPROD	89.83%	77,482
9	Account 513	5,350	1.11%	17,226	DPROD	89.83%	15,474
10	Account 514	1,450	0.30%	4,670	DPROD	89.83%	4,195
11	Account 546	2,900	0.60%	9,339	SALWAGPO	89.83%	8,389
12	Account 548	12,144	2.51%	39,105	DPROD	89.83%	35,128
13	Account 551	1,832	0.38%	5,898	SALWAGPM	89.83%	5,298
14	Account 553	8,441	1.75%	27,182	DPROD	89.83%	24,418
15	Account 554	1,675	0.35%	5,394	DPROD	89.83%	4,845
16	Total Production Expense	\$ 238,968	49.42%	\$ 769,490			\$ 690,177
<u>Transmission Expense</u>							
17	Account 560	\$ 1,080	0.22%	\$ 3,479	SALWAGTO	90.97%	\$ 3,165
18	Account 561	1,663	0.34%	5,354	TRANPLT	90.97%	4,871
19	Account 562	4,659	0.96%	15,001	TRANPLT	90.97%	13,647
20	Account 563	759	0.16%	2,443	TRANPLT	90.97%	2,222
21	Account 566	1,893	0.39%	6,095	TRANPLT	90.97%	5,545
22	Account 570	1,836	0.38%	5,911	TRANPLT	90.97%	5,377
23	Account 571	303	0.06%	976	TRANPLT	90.97%	888
24	Total Transmission Expense	\$ 12,192	2.52%	\$ 39,259			\$ 35,715
<u>Distribution Expense</u>							
25	Account 580	\$ 19,310	3.99%	\$ 62,179	SALWAGDO	93.40%	\$ 58,072
26	Account 581	556	0.11%	1,790	DISTPLT	93.47%	1,673
27	Account 582	16,191	3.35%	52,136	PLT_362	83.50%	43,533
28	Account 583	10,336	2.14%	33,284	OHDIST	94.85%	31,571
29	Account 584	1,913	0.40%	6,161	UGDIST	97.86%	6,029
30	Account 586	12,002	2.48%	38,648	CMETERS	96.23%	37,190
31	Account 588	10,060	2.08%	32,394	DISTPLT	93.47%	30,280
32	Account 592	11,323	2.34%	36,461	PLT_362	83.50%	30,445
33	Account 593	20,929	4.33%	67,392	OHDIST	94.85%	63,925
34	Account 594	2,708	0.56%	8,721	UGDIST	97.86%	8,534
35	Account 595	1,117	0.23%	3,596	PLT_368	96.19%	3,459
36	Account 596	414	0.09%	1,333	PLT_3713	95.88%	1,278
37	Account 597	2,622	0.54%	8,443	CMETERS	96.23%	8,124
38	Account 598	2,841	0.59%	9,148	DISTPLT	93.47%	8,551
39	Total Distribution Expense	\$ 112,322	23.23%	\$ 361,686			\$ 332,664
<u>Customer Accounting Expense</u>							
40	Account 902	\$ 287	0.06%	\$ 924	CMETERDG	96.12%	\$ 888
41	Account 903	17,751	3.67%	57,159	CUSTREC	96.12%	54,939
42	Account 905	6,516	1.35%	20,982	CUSTCAM	96.12%	20,167
43	Total Customer Accounting Expense	\$ 24,554	5.08%	\$ 79,065			\$ 75,994
<u>Customer Service Expense</u>							
44	Account 907	\$ 502	0.10%	\$ 1,618	SALWAGCS	96.12%	\$ 1,555
45	Account 908	14,456	2.99%	46,550	CUSTASST	96.12%	44,742
46	Account 910	134	0.03%	432	CUSTCSM	96.12%	415
47	Total Customer Service Expense	\$ 15,093	3.12%	\$ 48,600			\$ 46,712
<u>Administrative and General Expense</u>							
48	Account 920	\$ 80,134	16.57%	\$ 258,036	SALWAGES	91.67%	\$ 236,550
49	Account 930	304	0.06%	977	SALWAGES	91.67%	896
50	Total Administrative and General Expense	\$ 80,437	16.63%	\$ 259,013			\$ 237,446
51	<b>Total Operation and Maintenance</b>	<b>\$ 483,567</b>	<b>100.00%</b>	<b>\$ 1,557,116</b>			<b>\$ 1,418,708</b>
52	FICA Tax Rate						7.65%
53	<b>Adjustment to FICA Tax</b>						<b>\$ 108,531</b>
54	Estimated Blended Tax Rate						0.35%
55	Adjustment to Unemployment Tax						\$ 4,965
56	<b>Adjustment to Federal Unemployment Tax</b>						<b>\$ 2,483</b>
57	<b>Adjustment to State Unemployment Tax</b>						<b>\$ 2,483</b>
58	<b>Rate Base Adjustment</b>			<b>\$ 85,772</b>	SALWAGES	0.916733528	<b>\$ 78,630</b>

**Sources:**

Column b, lines 1-15, 17-23, 25-28, 40-42, 44-46, 48-49: BHP Response to Staff DR 1-1, BHP SD Payroll Adjustment workpaper.xls  
Columns b, d, & g, line 16: sum of lines 1 through 15  
Columns b, d, & g, line 24: sum of lines 17 through 23  
Columns b, d, & g, line 39: sum of lines 25 through 38  
Columns b, d, & g, line 43: sum of lines 40 through 42  
Columns b, d, & g, line 47: sum of lines 44 through 46  
Columns b, d, & g, line 50: sum of lines 48 & 49  
Column b, c, & g, line 51: sum of lines 16, 24, 39, 43, 47, & 50  
Column c, lines 1-50: column b divided by column b, line 51  
Column d, lines 1-15, 17-23, 25-28, 40-42, 44-46, 48-49: column c \* column d, line 51  
Column d, line 51: BAM-3 Sch 1, page 2, column b, line 23  
Column d, line 58: BAM-3 Sch 1, page 2, column b, line 25  
Columns e & f: Schedule N-1  
Column g, lines 1-15, 17-23, 25-28, 40-42, 44-46, 48-49, 58: column d & column f  
Column g, line 52: Schedule L-1, line 3  
Column g, line 53: line 51 \* line 52  
Column g, line 54: Schedule L-1, line 10  
Column g, line 55: line 51 \* line 54  
Column g, lines 56 & 57: line 55 divided by 2

Line	Description	Amount
	(a)	(b)
<b>Operations &amp; Maintenance Adjustment</b>		
1	Union Annualized Payroll January 28, 2014 less NSC Alloc H-17	\$ 6,655,506
2	Adjust for Neil Simpson I Labor Costs	(746,475)
3	Union Annualized Payroll less Neil Simpson I Labor Costs	<u>\$ 5,909,031</u>
4	2014 Union Wage Increase Percent	3.25%
5	2014 Union Wage Increase	192,044
6	Union Payroll including 2014 Wage Increase	<u>6,101,075</u>
7	2015 Union Wage Increase Percent	3.25%
8	2015 Union Wage Increase	198,285
9	Adjusted Union Payroll	<u>\$ 6,299,360</u>
10	Non-Union Annualized Payroll January 28, 2014	5,723,730
11	2014 Non-Union Wage Increase Percent	3.25%
12	2014 Non-Union Wage Increase	186,021
13	2015 Non-Union Wage Increase Percent	3.00%
14	2015 Non-Union Wage Increase	177,293
15	Add-in 2 Customer Service Reps from test year	77,316
16	Adjusted Non-Union Payroll	<u>\$ 6,164,360</u>
17	<b>Total Adjusted Payroll</b>	<b><u>\$ 12,463,720</u></b>
18	Total Employee Additions (O&M)	\$ 797,555
19	Total Employee Eliminations	103,397
20	Net Employee Additions and Eliminations	<u>\$ 694,158</u>
21	Benefits @ 65%	451,203
22	<b>Total Employee Additions and Eliminations including Benefits</b>	<b><u>\$ 1,145,361</u></b>
23	Total Pro Forma Payroll Expense	\$ 13,609,081
24	Test Year Payroll Expense less NSC Alloc H-17	12,051,965
25	<b>Wages &amp; Salary O&amp;M Adjustment (Total Company)</b>	<b><u>\$ 1,557,116</u></b>
<b>Rate Base Adjustment</b>		
26	Total Employee Additions (Capital)	\$ 171,543
27	<b>Wages &amp; Salary Rate Base Adjustment (Total Company)</b>	<b><u>\$ 85,772</u></b>

**Sources:**

Column b, line 1: BHP Response to Staff DR 1-1, BHP SD Payroll Adjustment workpaper.xls  
Column b, line 2: Schedule H-1, line 3  
Column b, line 3: line 1 + line 2  
Column b, line 4: BHP Response to Staff DR 2-5  
Column b, line 5: line 3 \* line 4  
Column b, line 6: line 3 + line 5  
Column b, line 7: Email from Jon Thurber on 10/02/14  
Column b, line 8: line 6 \* line 7  
Column b, line 9: line 6 + line 8  
Column b, line 10: BHP Response to Staff DR 1-1, BHP SD Payroll Adjustment workpaper.xls  
Column b, line 11: BHP Response to Staff DR 4-7  
Column b, line 12: line 10 \* line 11  
Column b, line 13: BHP Supplemental Response to Staff DR 2-8, Attachment 2-8F  
Column b, line 14: (line 10 + line 12) \* line 13  
Column b, line 15: BHP Response to Staff DR 1-1, BHP SD Payroll Adjustment workpaper.xls  
Column b, line 16: sum of lines 10, 12, 14, & 15  
Column b, line 17: line 9 + line 16  
Column b, line 18: BAM-3 Sch 1, page 3, column f, line 20  
Column b, line 19: BAM-3 Sch 1, page 3, column b, line 23  
Column b, line 20: line 18 less line 19  
Column b, line 21: line 20 \* 65%  
Column b, line 22: line 20 + line 21  
Column b, line 23: line 17 + line 22  
Column b, line 24: BHP Response to Staff DR 1-1, BHP SD Payroll Adjustment workpaper.xls  
Column b, line 25: line 23 less line 24  
Column b, line 26: BAM-3 Sch 1, page 3, column g, line 20  
Column b, line 27: line 26 divided by 2

