

**BLACK HILLS POWER**  
**COST OF SERVICE - ENVIRONMENTAL IMPROVEMENTS**  
**Year Three Revenue Requirement Calculation**

Line No.	Description	Reference	South Dakota Only
1	Operating Revenue Required		
2	Environmental Improvement Revenue - Year 2		\$ 585,531
3			
4	Operating Expenses		
5	Depreciation	Schedule 4-8, line 6b	159,676
5a	Assessed Filing Fee (EL13-009)	Actual costs from EL13-009	990
6	Property Taxes	Schedule 4-8, line 23	39,362
7	Total Operating Expenses	line 5 + line 5a + line 6	<u>200,028</u>
8			
9	Operating Income Before Tax	(line 2 - line 7)	385,503
10			
11	Federal Income Tax	Schedule 4-8, line 17	97,525
12			
13	Return (Operating Income)	Schedule 4-4, line 14 or (line 9 - line 11)	<u>\$ 287,977</u>
14			
15	Rate of Return		<u>7.95%</u>
16			
17	Rate Base		
18	Plant in Service	Schedule 4-7, line 5	25,225,746
19	Less: Accumulated Depreciation	Schedule 4-7, line 8b	1,613,563
20	Less: Accumulated Deferred Income Taxes	Schedule 4-7, line 22	(307,686)
21	Less: Accumulated Deferred Adjustment	Schedule 4-7, line 25	6,523,016
22			
23	Total Rate Base	(line 18 - line 19 - line 20 - line 21)	<u>\$ 17,396,853</u>