

Black Hills Power, Inc.
Cost of Service Model Description

Schedule D-8

20:10:13:62. Schedule D-8 -- Property records working papers. Schedule D-8 shall set forth a description of the continuing property records maintained by the utility, including methods and procedures used to price retirements, and a list of retirement units used by the company in pricing retirements for the past five years. Any data required by this section which has been previously submitted to the commission by the utility may be incorporated by specific reference.

Source: 2 SDR 90, effective July 7, 1976; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority:SDCL [49-34A-4](#).

Law Implemented:SDCL [49-34A-10](#), [49-34A-12](#), [49-34A-41](#).

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY POLICY OF CONTINUING PROPERTY RECORDS FOR THE PERIOD ENDING SEPTEMBER 30, 2025	COST OF SERVICE STUDY Schedule D-8
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(a)	(b)
Line No.	Policy Description
1	Power Plants:
2	Each power plant is unitized in accordance with FERC rules and regulations. A record of original cost, age and description is
3	maintained for each unit by plant location. When a unit is retired, the original installed cost of that unit is removed from the
4	records of the Company. If the unit is reusable, the salvage value is booked at average unit prices for that item.
5	
6	Transmission Plants:
7	A record exactly like the power plant record is maintained for each transmission substation. This record includes land,
8	buildings and equipment.
9	
10	A record for each transmission line is maintained. The original installed cost of units are an average of like units within the line
11	(e.g. all 65 foot poles of the same age would have the same original installed cost of this line). When a unit is retired, it is
12	handled in the same manner as described above for power plants.
13	
14	Distribution Plants:
15	The records for distribution land, buildings, substations, transformer, and meters are maintained exactly like the power plant
16	records outlined above.
17	
18	The units in the mass distribution accounts are maintained by county by year installed. The original installed cost of these units
19	is the average installed cost in the county for that year. When a unit is retired, the county is determined from property maps
20	and the installed cost based on the oldest unit in service is removed from the records of the Company. If the unit is reusable, a
21	credit is posted to the applicable work order based on the average unit prices for that item.
22	
23	General Plants:
24	Each unit of general plant is separately identified and the records are maintained exactly like the power plant records explained
25	
26	Retirement Units:
27	The Company uses retirement units that conform to FERC guidelines.