

Black Hills Power, Inc.
Cost of Service Model Description

Schedule F-3

20:10:13:71. Schedule F-3 -- Data used in computing working capital. Schedule F-3 shall show the computations, cross references, and sources from which the data used in computing claimed working capital is derived.

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
PER BOOKS - CASH WORKING CAPITAL
FOR THE TEST PERIOD ENDED SEPTEMBER 30, 2025

COST OF SERVICE STUDY
Schedule F-3
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(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Line No.	Description	Per Book Test Period Expenses	Revenue Lag	Expense Lead	Net (Lead)/Lag	Factor	CWC Req
1	Cash Working Capital (CWC) Requirement						
2	Operations & Maintenance Expenses						
3	Direct Payroll	\$ 13,334,760	36.86	14.00	22.86	6.00%	\$ 800,086
4	Coal	16,584,472	36.86	5.79	31.07	9.00%	1,492,603
5	Transmission - Direct Purchase	2,758,161	36.86	26.86	10.00	3.00%	82,745
6	Transmission - Intercompany	23,135,039	36.86	36.65	0.21	0.00%	-
7	Purchased Power - Direct Purchases	39,104,816	36.86	33.23	3.63	1.00%	391,048
8	Purchased Power- Intercompany	5,277,222	36.86	35.78	1.08	0.00%	-
9	Purchased Power - Renewable Ready	3,760,210	-	-	-	0.00%	-
10	Purchased Fuel	14,478,846	36.86	39.08	(2.22)	(1.00%)	(144,788)
11	O&M Expenses - Direct Materials	6,169,803	36.86	28.87	7.99	2.00%	123,396
12	O&M Expenses - Direct Services	30,877,176	36.86	30.17	6.69	2.00%	617,544
13	O&M Expenses - Allocated Materials	1,099,953	36.86	36.60	0.26	0.00%	-
14	O&M Expenses - Allocated Services	14,937,185	36.86	37.32	(0.46)	0.00%	-
15	O&M Expenses - Allocated Payroll	21,855,810	36.86	37.30	(0.44)	0.00%	-
16	Other O&M	1,592,824	36.86	31.07	5.79	2.00%	31,856
17	Total Operation & Maintenance Expense	\$ 194,966,278					\$ 3,394,489
18							
19	Taxes other than Income Taxes						
20	Ad Valorem Taxes	8,023,481	36.86	284.43	(247.57)	(68.00%)	(5,455,967)
21	FICA Taxes - Employer's	1,919,302	36.86	14.00	22.86	6.00%	115,158
22	Unemployment Taxes (FUTA & SUTA)	4,585	36.86	14.00	22.86	6.00%	275
23	Franchise Taxes	97,145	36.86	51.25	(14.39)	(4.00%)	(3,886)
24	Sales Taxes	10,366,778	36.86	23.09	13.77	4.00%	414,671
25	Total Taxes other than Income Taxes	\$ 20,411,291					\$ (4,929,749)
26							
27	Current Income Taxes-Federal	3,190,783	36.86	36.63	0.23	0.06%	2,054
28							
29	Total	\$ 218,568,352					\$ (1,533,206)

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY
AS ADJUSTED - CASH WORKING CAPITAL
FOR THE PRO FORMA PERIOD ENDING SEPTEMBER 30, 2026

COST OF SERVICE STUDY
Schedule F-3
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(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Line No.	Description	Adjusted Test Year Expenses	Revenue Lag	Expense Lead	Net (Lead)/Lag	Factor	CWC Req
1	Cash Working Capital (CWC) Requirement						
2	Operations & Maintenance Expenses						
3	Direct Payroll	\$ 16,237,787	36.86	14.00	22.86	6.00%	\$ 974,267
4	Coal	16,584,472	36.86	5.79	31.07	9.00%	1,492,603
5	Transmission - Direct Purchase	2,758,161	36.86	26.86	10.00	3.00%	82,745
6	Transmission - Intercompany	23,135,039	36.86	36.65	0.21	0.00%	-
7	Purchased Power - Direct Purchases	39,104,816	36.86	33.23	3.63	1.00%	391,048
8	Purchased Power- Intercompany	5,277,222	36.86	35.78	1.08	0.00%	-
9	Purchased Power - Renewable Ready	3,760,210	-	-	-	0.00%	-
10	Purchased Fuel	14,478,846	36.86	39.08	(2.22)	(1.00%)	(144,788)
11	O&M Expenses - Direct Materials	6,169,803	36.86	28.87	7.99	2.00%	123,396
12	O&M Expenses - Direct Services	30,877,176	36.86	30.17	6.69	2.00%	617,544
13	O&M Expenses - Allocated Materials	1,099,953	36.86	36.60	0.26	0.00%	-
14	O&M Expenses - Allocated Services	14,937,185	36.86	37.32	(0.46)	0.00%	-
15	O&M Expenses - Allocated Payroll	21,855,810	36.86	37.30	(0.44)	0.00%	-
16	Other O&M	10,359,464	36.86	31.07	5.79	2.00%	207,189
17	Total Operation & Maintenance Expense	\$ 206,635,945					\$ 3,744,003
18							
19	Taxes other than Income Taxes						
20	Ad Valorem Taxes	6,991,204	36.86	284.43	(247.57)	(68.00%)	(4,754,019)
21	FICA Taxes - Employer's	1,828,663	36.86	14.00	22.86	6.00%	109,720
22	Unemployment Taxes (FUTA & SUTA)	4,395	36.86	14.00	22.86	6.00%	264
23	Franchise Taxes	97,145	36.86	51.25	(14.39)	(4.00%)	(3,886)
24	Sales Taxes	10,366,778	36.86	23.09	13.77	4.00%	414,671
25	Total Taxes other than Income Taxes	\$ 19,288,184					\$ (4,233,250)
26							
27	Current Income Taxes-Federal	(11,450,236)	36.86	36.63	0.23	0.06%	(7,372)
28							
29	Total	\$ 214,473,894					\$ (496,619)