

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY REMOVAL OF CUS AND DC TIE O&M EXPENSES FOR THE PRO FORMA PERIOD ENDING SEPTEMBER 30, 2026				COST OF SERVICE STUDY Schedule H-28			COST OF SERVICE STUDY Schedule H-28		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Line No.	Account and Description	Per Book Test Period Stmt H, Col. (c)	Adjustments Stmt H, Col. (d) - Col. (aa)	Adjusted Amount	CUS Transmission Allocator Sched T-2, Col. (g)	CUS Allocation Rate Sched T-2, Col. (g)	DC Tie Transmission Related Amount to Remove Note (1)	CUS Transmission Related Amount to Remove Note (2)	Total Transmission Related Amounts Removed
1	Operation and Maintenance Expenses								
2	Production Expenses								
3	Steam Production - Operation								
4	500 - Supervision & Engineering	\$ 1,693,709	\$ 22,690	\$ 1,716,399	N/A	-	\$ -	\$ -	\$ -
5	501 - Fuel	21,415,913	(21,415,913)	-	N/A	-	-	-	-
6	502 - Steam Expense	1,178,810	348,482	1,527,291	N/A	-	-	-	-
7	505 - Electric Expense	656,841	127,833	784,674	N/A	-	-	-	-
8	506 - Miscellaneous	1,369,903	54,256	1,424,159	N/A	-	-	-	-
9	507 - Rents	3,815,333	324,171	4,139,504	N/A	-	-	-	-
10	Subtotal Steam Production - Operation	\$ 30,130,508	\$ (20,538,480)	\$ 9,592,028			\$ -	\$ -	\$ -
11	Steam Production - Maintenance								
13	510 - Supervision & Engineering	673,307	355,758	1,029,065	N/A	-	-	-	-
14	511 - Structures	787,737	(32,986)	754,751	N/A	-	-	-	-
15	512 - Boilers	5,120,626	2,966,242	8,086,868	N/A	-	-	-	-
16	513 - Electric Plant	1,910,637	133,699	2,044,336	N/A	-	-	-	-
17	514 - Miscellaneous Plant	139,994	(75,745)	64,249	N/A	-	-	-	-
18	Subtotal Steam Production - Maintenance	\$ 8,632,301	\$ 3,346,968	\$ 11,979,268			\$ -	\$ -	\$ -
19	Other Production - Operation								
21	546 - Operation Supervision & Engineering	986,125	44,654	1,030,779	N/A	-	-	-	-
22	547 - Fuel	16,839,397	(16,839,397)	-	N/A	-	-	-	-
23	548 - Generation Expense	1,158,287	(185,912)	972,375	N/A	-	-	-	-
24	549 - Miscellaneous	342,436	(103,778)	238,658	N/A	-	-	-	-
25	550 - Other Generation Rents	2,296,889	(1,763,037)	533,852	N/A	-	-	-	-
26	Subtotal Other Production - Operation	\$ 21,623,134	\$ (18,847,469)	\$ 2,775,664			\$ -	\$ -	\$ -
27	Other Production - Maintenance								
29	551 - Supervision & Engineering	347	76,666	77,013	N/A	-	-	-	-
30	552 - Structures	-	-	-	N/A	-	-	-	-
31	553 - Electric Plant	4,115,629	(1,841,228)	2,274,401	N/A	-	-	-	-
32	554 - Miscellaneous Plant	43,970	9,096	53,065	N/A	-	-	-	-
33	556 - System Control & Load Dispatch	1,252,558	155,250	1,407,808	N/A	-	-	-	-
34	Subtotal Other Production - Maintenance	\$ 5,412,504	\$ (1,600,216)	\$ 3,812,288			\$ -	\$ -	\$ -
35	Other Power Supply								
37	555 - Purchased Power - Energy	40,621,828	(40,621,828)	-	N/A	-	-	-	-
38	555 - Purchased Power - Renewable Ready	3,760,210	(3,760,210)	-	N/A	-	-	-	-
39	557 - Other Expenses	128	(103)	25	N/A	-	-	-	-
40	Subtotal Other Power Supply	\$ 44,382,165	\$ (44,382,140)	\$ 25			\$ -	\$ -	\$ -
41	Wind Production								
42	558 - Operations & Maintenance	490,580	443,769	934,349	N/A	-	-	-	-
44	Subtotal Wind Production	\$ 490,580	\$ 443,769	\$ 934,349			\$ -	\$ -	\$ -
45	Total Production Expense	\$ 110,671,192	\$ (81,577,570)	\$ 29,093,622			\$ -	\$ -	\$ -
46	Transmission Expenses								
47	Transmission - Operation								
49	560 - Supervision & Engineering	548,201	109,125	657,326	TP	0.86244	-	(566,903)	(566,903)
50	561 - Load Dispatch	3,586,704	164,603	3,751,307	DA	1.00000	(44,712)	(3,679,090)	(3,723,802)
51	562 - Station Equipment	384,528	41,916	426,444	TP	0.86244	(61,643)	(367,782)	(429,425)
52	563 - Overhead Lines	4,244	(2,946)	1,298	TP	0.86244	-	(1,119)	(1,119)
53	564 - Underground Lines	-	-	-	TP	0.86244	-	-	-
54	565 - Transmission of Electricity by Others	25,885,201	(25,885,201)	-	TP	0.86244	-	-	-
55	566 - Miscellaneous	799,570	356,200	1,155,770	TP	0.86244	-	(996,780)	(996,780)
56	567 - Rents	74,527	-	74,527	TP	0.86244	-	(64,275)	(64,275)
57	Subtotal Transmission - Operation	\$ 31,282,974	\$ (25,216,303)	\$ 6,066,671			\$ (106,355)	\$ (5,675,948)	\$ (5,782,303)

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59									
60	Transmission - Maintenance								
61	568 - Supervision & Engineering	-	-	-	TP	0.86244	-	-	-
62	569 - Structures	30,794	41,836	72,630	TP	0.86244	-	(62,639)	(62,639)
63	570 - Station Equipment	177,866	12,826	190,692	TP	0.86244	2,357	(164,460)	(162,104)
64	571 - Overhead Lines	96,671	105,273	201,944	TP	0.86244	-	(174,164)	(174,164)
65	572 - Underground Lines	-	-	-	TP	0.86244	-	-	-
66	575 - SPP/WEIS Administrative Costs	151,217	(151,217)	-	TP	0.86244	-	-	-
67	Subtotal Transmission - Maintenance	\$ 456,549	\$ 8,718	\$ 465,267			\$ 2,357	\$ (401,264)	\$ (398,907)
68									
69	Total Transmission Expense	\$ 31,739,523	\$ (25,207,586)	\$ 6,531,937			\$ (103,999)	\$ (6,077,212)	\$ (6,181,211)
70									
71	Distribution Expenses								
72	Distribution - Operations								
73	580 - Supervision	1,144,274	176,376	1,320,650	N/A	-	-	-	-
74	581 - Load Dispatch	578,599	35,772	614,371	N/A	-	-	-	-
75	582 - Station Equipment	620,526	120,415	740,941	N/A	-	-	-	-
76	583 - Overhead Lines	360,328	99,142	459,470	N/A	-	-	-	-
77	584 - Underground Lines	501,572	416,415	917,988	N/A	-	-	-	-
78	585 - Street Lighting	39,940	19,166	59,107	N/A	-	-	-	-
79	586 - Metering	624,470	139,955	764,424	N/A	-	-	-	-
80	587 - Customer Installations	510,868	146,072	656,940	N/A	-	-	-	-
81	588 - Miscellaneous	2,218,537	163,734	2,382,271	N/A	-	-	-	-
82	589 - Rents	9,659	-	9,659	N/A	-	-	-	-
83	Subtotal Distribution - Operation	\$ 6,608,773	\$ 1,317,048	\$ 7,925,821			\$ -	\$ -	\$ -
84									
85	Distribution - Maintenance								
86	590 - Supervision	6,647	17,420	24,067	N/A	-	-	-	-
87	591 - Structures	-	-	-	N/A	-	-	-	-
88	592 - Station Equipment	290,090	33,849	323,939	N/A	-	-	-	-
89	593 - Overhead Lines	6,135,106	470,157	6,605,263	N/A	-	-	-	-
90	594 - Underground Lines	365,041	83,440	448,481	N/A	-	-	-	-
91	595 - Transformers	89,661	19,344	109,005	N/A	-	-	-	-
92	596 - Street Lighting	22,616	5,673	28,290	N/A	-	-	-	-
93	597 - Metering	5,659	756	6,415	N/A	-	-	-	-
94	598 - Miscellaneous	503	106	609	N/A	-	-	-	-
95	Subtotal Distribution - Maintenance	\$ 6,915,322	\$ 630,747	\$ 7,546,069			\$ -	\$ -	\$ -
96									
97	Total Distribution Expense	\$ 13,524,095	\$ 1,947,794	\$ 15,471,890			\$ -	\$ -	\$ -
98									
99	Customer Accounts and Service Expenses								
100	Customer Accounts Expenses								
101	901 - Supervision	84,351	24,743	109,095	N/A	-	-	-	-
102	902 - Meter reading expenses	100,579	71,328	171,906	N/A	-	-	-	-
103	903 - Customer records and collection expenses	1,183,488	53,710	1,237,198	N/A	-	-	-	-
104	904 - Uncollectible accounts	368,159	90,169	458,328	N/A	-	-	-	-
105	905 - Miscellaneous customer accounts expenses	307,938	38,016	345,954	N/A	-	-	-	-
106	Subtotal Customer Accounts Expenses	\$ 2,044,515	\$ 277,967	\$ 2,322,481			\$ -	\$ -	\$ -
107									
108	Customer Service Expenses								
109	907 - Supervision	50,323	16,421	66,744	N/A	-	-	-	-
110	908 - Customer assistance expenses	801,422	88,780	890,202	N/A	-	-	-	-
111	909 - Informational and instructional advertising expenses	16,810	(301)	16,509	N/A	-	-	-	-
112	910 - Miscellaneous customer service and informational expenses	494	9,142	9,637	N/A	-	-	-	-
113	Subtotal Customer Service Expenses	\$ 869,049	\$ 114,042	\$ 983,091			\$ -	\$ -	\$ -
114									
115	Total Customer Accounts and Service Expenses	\$ 2,913,564	\$ 392,009	\$ 3,305,573			\$ -	\$ -	\$ -
116									
117	Sales Expenses								
118	Sales Expenses - Operation								
119	911 - Supervision	-	-	-	N/A	-	-	-	-
120	912 - Demonstrating and selling expenses	5,448	(3,532)	1,916	N/A	-	-	-	-
121	913 - Advertising expenses	75	(23)	52	N/A	-	-	-	-
122	916 - Miscellaneous sales expenses	-	-	-	N/A	-	-	-	-
123	Subtotal Sales Expenses - Operation	\$ 5,522	\$ (3,555)	\$ 1,967			\$ -	\$ -	\$ -

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124									
125	Administrative and General Expenses								
126	Administrative and General Expenses - Operation								
127	920 - Administrative and general salaries	14,161,077	3,329,126	17,490,203	W/S	0.12720	(87,508)	(2,224,736)	(2,312,244)
128	921 - Office supplies and expenses	4,212,452	86,793	4,299,244	W/S	0.12720	(21,510)	(546,860)	(568,370)
129	922 - Administrative expenses transferred - Credit	(3,392,358)	(2,285)	(3,394,643)	W/S	0.12720	16,984	431,795	448,780
130	923 - Outside services employed	3,146,787	(209,290)	2,937,497	W/S	0.12720	(14,697)	(373,647)	(388,344)
131	924 - Property insurance	1,263,812	885,836	2,149,649	W/S	0.12720	(10,755)	(273,433)	(284,188)
132	925 - Injuries and damages	3,546,722	1,571,002	5,117,724	W/S	0.12720	(25,605)	(650,969)	(676,575)
133	926 - Employee pensions and benefits	6,296,739	2,029,163	8,325,902	W/S	0.12720	(41,657)	(1,059,046)	(1,100,703)
134	928 - Regulatory commission expenses	1,155,364	(281,786)	873,578	W/S	0.12720	(4,371)	(111,118)	(115,489)
135	929 - Duplicate Charges	(729,766)	-	(729,766)	W/S	0.12720	3,651	92,825	96,477
136	930.1 - General advertising expenses	438,627	(424,777)	13,850	W/S	0.12720	(69)	(1,762)	(1,831)
137	930.2 - Miscellaneous general expenses	1,022,409	6,783	1,029,192	W/S	0.12720	(5,149)	(130,912)	(136,062)
138	931 - Rents	1,609,997	130,180	1,740,177	W/S	0.12720	(8,707)	(221,349)	(230,055)
139	Subtotal Administrative and General Expenses - Operation	\$ 32,731,863	\$ 7,120,743	\$ 39,852,606			\$ (199,393)	\$ (5,069,212)	\$ (5,268,604)
140									
141	Administrative and General Expenses - Maintenance								
142	935 - Maintenance of general plant	3,380,519	199,065	3,579,584	N/A	-	-	-	-
143	Subtotal Administrative and General Expenses - Maintenance	\$ 3,380,519	\$ 199,065	\$ 3,579,584			\$ -	\$ -	\$ -
144									
145	Total Administrative and General Expenses	\$ 36,117,904	\$ 7,316,253	\$ 43,434,158			\$ (199,393)	\$ (5,069,212)	\$ (5,268,604)
146									
147	Total Operating & Maintenance Expense	\$ 194,966,278	\$ (97,129,098)	\$ 97,837,180			\$ (303,391)	\$ (11,146,424)	\$ (11,449,815)

149 Note (1) Adjustment to remove O&M expenses related to the DC Tie as calculated on Schedule T-1.

150 Note (2) Adjustment to remove O&M expenses related to the CUS as calculated on Schedule T-2.