

Black Hills Power, Inc.  
Cost of Service Model Description

### **Schedule L-1**

**20:10:13:95. Schedule L-1-- Working papers for adjusted taxes.** Schedule L-1 shall show computations of adjusted taxes claimed in statement L.

**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**  
**TAXES OTHER THAN FEDERAL INCOME TAX**  
**FOR THE PRO FORMA PERIOD ENDING SEPTEMBER 30, 2026**

**COST OF SERVICE STUDY**  
**Schedule L-1**

(a)	(b)	(c)	(d)
Line No.	Description	Reference	Amount
1	<b>FICA Tax Adjustment</b>		
2	Net O&M Payroll Changes	(Sched H-5, Col. d, Ln. 149) - (Sched H-5, Col. d, Ln. 133)	\$ 2,456,768
3	FICA Tax Rate		7.65%
4	<b>Total FICA Tax Adjustment</b>	Ln. 2 x Ln. 3	<b>\$ 187,943</b>
5			
6	<b>FUTA Adjustment</b>		
7	Additional Headcount in Adjusted Test Period		8
8	FUTA Cost per Employee		42
9	<b>Total Unemployment Tax Adjustment</b>	Ln. 7 x Ln. 8	<b>\$ 336</b>
10			
11	<b>SUTA Adjustment</b>		
12	Additional Headcount in Adjusted Test Period		8
13	Taxable Earnings per Headcount		15,000
14	Total Taxable Earnings	Ln. 12 x Ln. 13	120,000
15	SUTA Rate Applied		0.12%
16	<b>Total SUTA Adjustment</b>	Ln. 14 x Ln. 15	<b>\$ 144</b>
17			
18	<b>Ad Valorem Tax Adjustment</b>		
19	Capital Additions	Sum (Sched D-1, Cols. (e & f), Ln. 197) - Sum (Sched D-1, Cols. (e & f) Ln. 195)	87,370,745
20	Ad Valorem to Gross Plant Factor		0.4351%
21	<b>Total Ad Valorem Tax Adjustment</b>	Ln. 19 x Ln. 20	<b>\$ 380,133</b>
22			
23	<b>Allocated FICA Tax Adjustment</b>		
24	Net O&M Payroll Changes	(Sched H-4, Col. d, Ln. 147) - (Sched H-4, Col. d, Ln. 133)	3,510,522
25	FICA Tax Rate		7.65%
26	<b>Total Allocated FICA Tax Adjustment</b>		<b>\$ 268,555</b>
27			
28	<b>Allocated Taxes Other Than Income</b>		
29	Out of Period Adjustment		-
30	Pro Forma Adjustment		268,555
31	<b>Adjustment to Allocated Taxes Other Than Income</b>	Ln. 35 + Ln. 36	<b>\$ 268,555</b>