

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY
REMOVAL OF TRANSMISSION RECOVERED UNDER DC TIE STATED RATES
FOR THE PRO FORMA PERIOD ENDING SEPTEMBER 30, 2026

COST OF SERVICE STUDY
Schedule T-1

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Line No.	Account and Description	Reference	13 Month Average Plant Balance Ending September 30, 2025	Pro Forma Adjustments	Adjusted Test Period Ending September 30, 2026	DC Tie Transmission Allocator	Allocation Rate	DC Tie Transmission Related Amount to Remove
1	GROSS PLANT IN SERVICE							
2	TRANSMISSION PLANT							
3	35001 - Transmission Land		\$ 236,040	\$ -	\$ 236,040	TP	1.00000	\$ (236,040)
4	35002 - Transmission Land Rights		127,145	-	127,145	TP	1.00000	(127,145)
5	35130 - Transmission Communication Equipment		208,112	-	208,112	TP	1.00000	(208,112)
6	35200 - Transmission Structures & Improvements		916,115	1,833	917,948	TP	1.00000	(917,948)
7	35205 - Transmission Land Improvements		4,584	22,246	26,831	TP	1.00000	(26,831)
8	35300 - Transmission Sub-Station Equipment		22,373,808	-	22,373,808	TP	1.00000	(22,373,808)
9	35400 - Transmission Poles & Fixtures		398,101	-	398,101	TP	1.00000	(398,101)
10	35600 - Transmission Overhead Conductors		232,137	-	232,137	TP	1.00000	(232,137)
11	Total Transmission Plant		\$ 24,496,043	\$ 24,080	\$ 24,520,122			\$ (24,520,122)
12								
13	GENERAL PLANT							
14	38901 - Land and Land Rights	Sched D-1, Ln 155, Cols. (c - f)	5,155,022	-	5,155,022	W/S	0.00500	(25,792)
15	39001 - Structures and Improvements	Sched D-1, Ln 156, Cols. (c - f)	82,928,008	463,193	83,391,201	W/S	0.00500	(417,227)
16	39001 - General Structures and Improvements - Common	Sched D-1, Ln 157, Cols. (c - f)	-	-	-	W/S	0.00500	-
17	39005 - General Land Improvements	Sched D-1, Ln 158, Cols. (c - f)	3,587,105	-	3,587,105	W/S	0.00500	(17,947)
18	39005 - General Land Improvements - Common	Sched D-1, Ln 159, Cols. (c - f)	-	-	-	W/S	0.00500	-
19	39051 - Structures and Improvements - Leased	Sched D-1, Ln 160, Cols. (c - f)	-	-	-	W/S	0.00500	-
20	39101 - Office Furniture and Equipment	Sched D-1, Ln 161, Cols. (c - f)	2,848,297	(136,281)	2,712,015	W/S	0.00500	(13,569)
21	39103 - Computer Hardware	Sched D-1, Ln 162, Cols. (c - f)	1,442,051	-	1,442,051	W/S	0.00500	(7,215)
22	39104 - Computer Software	Sched D-1, Ln 163, Cols. (c - f)	514,766	-	514,766	W/S	0.00500	(2,576)
23	39104 - Computer Software - Common	Sched D-1, Ln 164, Cols. (c - f)	-	-	-	W/S	0.00500	-
24	39107 - Ipad Hardware	Sched D-1, Ln 165, Cols. (c - f)	-	-	-	W/S	0.00500	-
25	39108 - Furniture & Equipment - Horizon Point	Sched D-1, Ln 166, Cols. (c - f)	7,481,477	-	7,481,477	W/S	0.00500	(37,432)
26	39201 - Transportation Equipment - Subunit	Sched D-1, Ln 167, Cols. (c - f)	683,873	8,198	692,072	W/S	0.00500	(3,463)
27	39202 - Transportation Equipment - Cars	Sched D-1, Ln 168, Cols. (c - f)	421,017	-	421,017	W/S	0.00500	(2,106)
28	39203 - Transportation Equipment - Light Trucks	Sched D-1, Ln 169, Cols. (c - f)	4,749,488	730,368	5,479,857	W/S	0.00500	(27,417)
29	39204 - Transportation Equipment - Medium Trucks	Sched D-1, Ln 170, Cols. (c - f)	4,182,192	733,748	4,915,940	W/S	0.00500	(24,596)
30	39205 - Transportation Equipment - Heavy Trucks	Sched D-1, Ln 171, Cols. (c - f)	14,874,266	1,171,724	16,045,990	W/S	0.00500	(80,282)
31	39206 - Transportation Equipment - Trailers	Sched D-1, Ln 172, Cols. (c - f)	5,074,444	65,846	5,140,289	W/S	0.00500	(25,718)
32	39300 - Stores Equipment	Sched D-1, Ln 173, Cols. (c - f)	242,785	(38,465)	204,320	W/S	0.00500	(1,022)
33	39400 - Tools, Shop and Garage Equipment	Sched D-1, Ln 174, Cols. (c - f)	3,802,129	164,269	3,966,398	W/S	0.00500	(19,845)
34	39410 - Vehicles - Tools and Shop Equipment	Sched D-1, Ln 175, Cols. (c - f)	190,598	-	190,598	W/S	0.00500	(954)
35	39500 - Laboratory Equipment	Sched D-1, Ln 176, Cols. (c - f)	740,348	(65,589)	674,759	W/S	0.00500	(3,376)
36	39601 - Power Operated Equipment - Short-Life	Sched D-1, Ln 177, Cols. (c - f)	577,467	475,202	1,052,669	W/S	0.00500	(5,267)
37	39602 - Power Operated Equipment - Long-Life	Sched D-1, Ln 178, Cols. (c - f)	3,575,916	-	3,575,916	W/S	0.00500	(17,891)
38	39700 - Communication Equipment	Sched D-1, Ln 179, Cols. (c - f)	1,026,017	-	1,026,017	W/S	0.00500	(5,133)
39	39701 - Computer Hardware	Sched D-1, Ln 180, Cols. (c - f)	1,692,143	1,406,814	3,098,957	W/S	0.00500	(15,505)
40	39702 - Computer Software	Sched D-1, Ln 181, Cols. (c - f)	-	265,490	265,490	W/S	0.00500	(1,328)
41	39703 - Communication Equipment	Sched D-1, Ln 182, Cols. (c - f)	2,004,941	(7,893)	1,997,048	W/S	0.00500	(9,992)
42	39710 - Communication Equipment - Towers	Sched D-1, Ln 183, Cols. (c - f)	3,393,996	-	3,393,996	W/S	0.00500	(16,981)
43	39800 - Miscellaneous Equipment	Sched D-1, Ln 184, Cols. (c - f)	388,842	(54,864)	333,978	W/S	0.00500	(1,671)
44	39808 - Miscellaneous Equipment - Horizon Point	Sched D-1, Ln 185, Cols. (c - f)	1,146,231	-	1,146,231	W/S	0.00500	(5,735)
45	Total General Plant		\$ 152,723,417	\$ 5,181,761	\$ 157,905,178			\$ (790,039)
46								
47	118 - BHSC Allocated Plant - Other Utility Plant (Customer)	Sched D-1, Ln 193, Cols. (c - f)	3,533,283.55	(865,370.82)	2,667,912.73	W/S	0.00500	(13,348)
48	118 - BHSC Allocated Plant - Other Utility Plant (Blended)	Sched D-1, Ln 194, Cols. (c - f)	31,903,798	2,793,421	34,697,219	W/S	0.00500	(173,599)
49	Total Other Utility Plant		\$ 35,437,081	\$ 1,928,050	\$ 37,365,132			\$ (186,947)
50								
51	Total Gross Plant Removed							\$ (25,497,108)

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(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Line No.	Account and Description	Reference	13 Month Average Plant Balance Ending September 30, 2025	Pro Forma Adjustments	Adjusted Test Period Ending September 30, 2026	DC Tie Transmission Allocator	Allocation Rate	DC Tie Transmission Related Amount to Remove
52								
53	ACCUMULATED DEPRECIATION							
54	TRANSMISSION PLANT							
55	35001 - Transmission Land		-	-	-	TP	1.00000	-
56	35002 - Transmission Land Rights		-	-	-	TP	1.00000	-
57	35130 - Transmission Communication Equipment		88,400	15,030	103,430	TP	1.00000	(103,430)
58	35200 - Transmission Structures & Improvements		386,009	18,042	404,052	TP	1.00000	(404,052)
59	35205 - Transmission Land Improvements		95	88	182	TP	1.00000	(182)
60	35300 - Transmission Sub-Station Equipment		7,726,624	480,902	8,207,526	TP	1.00000	(8,207,526)
61	35400 - Transmission Poles & Fixtures		183,626	6,370	189,995	TP	1.00000	(189,995)
62	35600 - Transmission Overhead Conductors		44,299	6,593	50,892	TP	1.00000	(50,892)
63	Total Transmission Plant		\$ 8,429,053	\$ 527,025	\$ 8,956,078			\$ (8,956,078)
64								
65	GENERAL PLANT							
66	38901 - Land and Land Rights	Stmt E, Pg 2, Ln. 155, Cols. (c - f)	-	-	-	W/S	0.00500	-
67	39001 - Structures and Improvements	Stmt E, Pg 2, Ln. 156, Cols. (c - f)	14,034,345	1,289,661	15,324,006	W/S	0.00500	(76,670)
68	39001 - General Structures and Improvements - Common	Stmt E, Pg 2, Ln. 157, Cols. (c - f)	-	-	-	W/S	0.00500	-
69	39005 - General Land Improvements	Stmt E, Pg 2, Ln. 158, Cols. (c - f)	396,578	59,905	456,483	W/S	0.00500	(2,284)
70	39005 - General Land Improvements - Common	Stmt E, Pg 2, Ln. 159, Cols. (c - f)	-	-	-	W/S	0.00500	-
71	39051 - Structures and Improvements - Leased	Stmt E, Pg 2, Ln. 160, Cols. (c - f)	104	-	104	W/S	0.00500	(1)
72	39101 - Office Furniture and Equipment	Stmt E, Pg 2, Ln. 161, Cols. (c - f)	1,755,693	2,726	1,758,419	W/S	0.00500	(8,798)
73	39103 - Computer Hardware	Stmt E, Pg 2, Ln. 162, Cols. (c - f)	(57,546)	350,851	293,305	W/S	0.00500	(1,467)
74	39104 - Computer Software	Stmt E, Pg 2, Ln. 163, Cols. (c - f)	197,705	40,615	238,320	W/S	0.00500	(1,192)
75	39104 - Computer Software - Common	Stmt E, Pg 2, Ln. 164, Cols. (c - f)	-	-	-	W/S	0.00500	-
76	39107 - Ipad Hardware	Stmt E, Pg 2, Ln. 165, Cols. (c - f)	(157,131)	-	(157,131)	W/S	0.00500	786
77	39108 - Furniture & Equipment - Horizon Point	Stmt E, Pg 2, Ln. 166, Cols. (c - f)	7,478,638	1,069,103	8,547,741	W/S	0.00500	(42,766)
78	39201 - Transportation Equipment - Subunit	Stmt E, Pg 2, Ln. 167, Cols. (c - f)	89,563	9,256	98,819	W/S	0.00500	(494)
79	39202 - Transportation Equipment - Cars	Stmt E, Pg 2, Ln. 168, Cols. (c - f)	22,821	29,303	52,124	W/S	0.00500	(261)
80	39203 - Transportation Equipment - Light Trucks	Stmt E, Pg 2, Ln. 169, Cols. (c - f)	1,362,576	49,190	1,411,765	W/S	0.00500	(7,063)
81	39204 - Transportation Equipment - Medium Trucks	Stmt E, Pg 2, Ln. 170, Cols. (c - f)	745,260	54,709	799,969	W/S	0.00500	(4,002)
82	39205 - Transportation Equipment - Heavy Trucks	Stmt E, Pg 2, Ln. 171, Cols. (c - f)	1,861,956	227,385	2,089,341	W/S	0.00500	(10,453)
83	39206 - Transportation Equipment - Trailers	Stmt E, Pg 2, Ln. 172, Cols. (c - f)	747,857	130,620	878,477	W/S	0.00500	(4,395)
84	39300 - Stores Equipment	Stmt E, Pg 2, Ln. 173, Cols. (c - f)	121,386	(27,287)	94,099	W/S	0.00500	(471)
85	39400 - Tools, Shop and Garage Equipment	Stmt E, Pg 2, Ln. 174, Cols. (c - f)	1,576,610	60,647	1,637,257	W/S	0.00500	(8,192)
86	39410 - Vehicles - Tools and Shop Equipment	Stmt E, Pg 2, Ln. 175, Cols. (c - f)	(57,559)	6,652	(50,907)	W/S	0.00500	255
87	39500 - Laboratory Equipment	Stmt E, Pg 2, Ln. 176, Cols. (c - f)	327,184	(37,286)	289,898	W/S	0.00500	(1,450)
88	39601 - Power Operated Equipment - Short-Life	Stmt E, Pg 2, Ln. 177, Cols. (c - f)	53,010	(82,739)	(29,729)	W/S	0.00500	149
89	39602 - Power Operated Equipment - Long-Life	Stmt E, Pg 2, Ln. 178, Cols. (c - f)	299,372	75,452	374,823	W/S	0.00500	(1,875)
90	39700 - Communication Equipment	Stmt E, Pg 2, Ln. 179, Cols. (c - f)	522,039	51,301	573,339	W/S	0.00500	(2,869)
91	39701 - Computer Hardware	Stmt E, Pg 2, Ln. 180, Cols. (c - f)	518,451	410,418	928,869	T&D	0.00500	(4,647)
92	39702 - Computer Software	Stmt E, Pg 2, Ln. 181, Cols. (c - f)	-	26,549	26,549	T&D	0.00500	(133)
93	39703 - Communication Equipment	Stmt E, Pg 2, Ln. 182, Cols. (c - f)	1,105,312	117,419	1,222,731	T&D	0.00500	(6,118)
94	39710 - Communication Equipment - Towers	Stmt E, Pg 2, Ln. 183, Cols. (c - f)	1,172,237	177,167	1,349,403	T&D	0.00500	(6,751)
95	39800 - Miscellaneous Equipment	Stmt E, Pg 2, Ln. 184, Cols. (c - f)	132,266	(36,793)	95,472	W/S	0.00500	(478)
96	39808 - Miscellaneous Equipment - Horizon Point	Stmt E, Pg 2, Ln. 185, Cols. (c - f)	984,265	163,796	1,148,061	W/S	0.00500	(5,744)
97	Total General Plant		\$ 35,232,989	\$ 4,218,618	\$ 39,451,608			\$ (197,386)
98								
99	119 - BHSC Allocated Plant - Other Utility Plant (Customer)	Stmt E, Pg 2, Ln. 193, Cols. (c - f)	1,870,085	(963,666)	906,419	W/S	0.00500	(4,535)
100	119 - BHSC Allocated Plant - Other Utility Plant	Stmt E, Pg 2, Ln. 194, Cols. (c - f)	10,691,492	3,559,642	14,251,134	W/S	0.00500	(71,302)
101	Total Other Utility Plant		\$ 12,561,577	\$ 2,595,976	\$ 15,157,553			\$ (75,837)
102								
103	Total Gross Accumulated Depreciation Removed							\$ (9,229,301)

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(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Line No.	Account and Description	Reference	13 Month Average Plant Balance Ending September 30, 2025	Pro Forma Adjustments	Adjusted Test Period Ending September 30, 2026	DC Tie Transmission Allocator	Allocation Rate	DC Tie Transmission Related Amount to Remove
			Per Book Test Year	Total Adjustments	Adjusted Total	DC Tie Transmission Allocator	Allocation Rate	DC Tie Transmission Related Amount to Remove
123								
124	Operating & Maintenance Expenses							
125	560 - Supervision & Engineering		-		-	TP	1.00000	-
126	561 - Load Dispatch		44,712		44,712	TP	1.00000	(44,712)
127	562 - Station Equipment		61,643		61,643	TP	1.00000	(61,643)
128	563 - Overhead Lines		-		-	TP	1.00000	-
129	564 - Underground Lines		-		-	TP	1.00000	-
130	565 - Transmission of Electricity by Others		-		-	TP	1.00000	-
131	566 - Miscellaneous		-		-	TP	1.00000	-
132	567 - Rents		-		-	TP	1.00000	-
133	568 - Supervision & Engineering		-		-	TP	1.00000	-
134	569 - Structures		-		-	TP	1.00000	-
135	570 - Station Equipment		(2,357)		(2,357)	TP	1.00000	2,357
136	571 - Overhead Lines		-		-	TP	1.00000	-
137	572 - Underground Lines		-		-	TP	1.00000	-
138	575 - SPP/WEIS Administrative Costs		-		-	TP	1.00000	-
139	920 - Administrative and general salaries	Stmt H, Ln. 127	14,161,077	3,329,126	17,490,203	W/S	0.00500	(87,508)
140	921 - Office supplies and expenses	Stmt H, Ln. 128	4,212,452	86,793	4,299,244	W/S	0.00500	(21,510)
141	922 - Administrative expenses transferred - Credit	Stmt H, Ln. 129	(3,392,358)	(2,285)	(3,394,643)	W/S	0.00500	16,984
142	923 - Outside services employed	Stmt H, Ln. 130	3,146,787	(209,290)	2,937,497	W/S	0.00500	(14,697)
143	924 - Property insurance	Stmt H, Ln. 131	1,263,812	885,836	2,149,649	W/S	0.00500	(10,755)
144	925 - Injuries and damages	Stmt H, Ln. 132	3,546,722	1,571,002	5,117,724	W/S	0.00500	(25,605)
145	926 - Employee pensions and benefits	Stmt H, Ln. 133	6,296,739	2,029,163	8,325,902	W/S	0.00500	(41,657)
146	928 - Regulatory commission expenses	Stmt H, Ln. 134	1,155,364	(281,786)	873,578	W/S	0.00500	(4,371)
147	929 - Duplicate Charges	Stmt H, Ln. 135	(729,766)	-	(729,766)	W/S	0.00500	3,651
148	930.1 - General advertising expenses	Stmt H, Ln. 136	438,627	(424,777)	13,850	W/S	0.00500	(69)
149	930.2 - Miscellaneous general expenses	Stmt H, Ln. 137	1,022,409	6,783	1,029,192	W/S	0.00500	(5,149)
150	931 - Rents	Stmt H, Ln. 138	1,609,997	130,180	1,740,177	W/S	0.00500	(8,707)
151								
152	Total O&M							<u>\$ (303,391)</u>
153								
154	Taxes Other Than Income Taxes							
155	FICA Tax	Stmt L, (Ln. 2 + Ln. 3 + Ln. 4)			2,107,245	W/S	0.00500	(10,543)
156	Federal Unemployment Tax	Stmt L, (Ln. 9 + Ln. 10 + Ln. 11)			9,356	W/S	0.00500	(47)
157	State Unemployment Tax	Stmt L, (Ln. 16 + Ln. 17 + Ln. 18)			(4,291)	W/S	0.00500	21
158	Property Taxes	Stmt L, (Ln. 29 + Ln. 30 + Ln. 31)			8,630,537	GP	0.03083	(266,079)
159	Total Taxes Other Than Income Taxes				<u>\$ 10,742,847</u>			<u>\$ (276,648)</u>