

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

COST OF SERVICE STUDY  
Schedule T-2

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(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	Excluded from CUS Basis Note (1)	Adjusted Basis for CUS Allocation	CUS Transmission Allocator	Allocation Rate	CUS Transmission Related Amount to Remove
1	TRANSMISSION PLANT	Sched D-1, Ln 130, Cols. (c - f)	\$ 299,442,387	\$ 1,889,479	\$ 301,331,866	\$ (4,627,612)	\$ 296,704,254	TP	0.86244	\$ (255,889,023)
2										
3	<b>TRANSMISSION PLANT</b>									
4	35001 - Transmission Land	Sched D-1, Ln 112, Cols. (c - g)			652,292	-	652,292		0%	(613,240)
5	35002 - Transmission Land Rights	Sched D-1, Ln 113, Cols. (c - g)			9,321,597	-	9,321,597		3%	(8,763,532)
6	35130 - Transmission Communication Equipment	Sched D-1, Ln 114, Cols. (c - g)			1,998,993	-	1,998,993		1%	(1,879,317)
7	35200 - Transmission Structures & Improvements	Sched D-1, Ln 115, Cols. (c - g)			1,054,062	-	1,054,062		0%	(990,958)
8	35205 - Transmission Land Improvements	Sched D-1, Ln 116, Cols. (c - g)			28,886	-	28,886		0%	(27,157)
9	35300 - Transmission Sub-Station Equipment	Sched D-1, Ln 117, Cols. (c - g)			48,846,555	-	48,846,555		18%	(45,922,211)
10	35300 - Transmission Sub-Station Equipment - CORRIEDALE	Sched D-1, Ln 118, Cols. (c - g)			-	-	-		0%	-
11	35301 - Transmission Station Equipment - GSU	Sched D-1, Ln 119, Cols. (c - g)			3,952,798	(3,952,798)	-		0%	-
12	35301 - Transmission Station Equipment - GSU - Wygen II	Sched D-1, Ln 120, Cols. (c - g)			-	-	-		0%	-
13	35301 - Transmission Station Equipment - GSU - CPGS Combined Cycle	Sched D-1, Ln 121, Cols. (c - g)			674,814	(674,814)	-		0%	-
14	35301 - Transmission Station Equipment - GSU - CPGS Simple Cycle	Sched D-1, Ln 122, Cols. (c - g)			-	-	-		0%	-
15	35301 - Transmission Station Equipment - GSU - CORRIEDALE	Sched D-1, Ln 123, Cols. (c - g)			-	-	-		0%	-
16	35400 - Transmission Poles & Fixtures	Sched D-1, Ln 124, Cols. (c - g)			466,725	-	466,725		0%	(438,783)
17	35500 - Transmission Towers & Fixtures	Sched D-1, Ln 125, Cols. (c - g)			116,394,102	-	116,394,102		43%	(109,425,825)
18	35500 - Transmission Towers & Fixtures - CORRIEDALE	Sched D-1, Ln 126, Cols. (c - g)			-	-	-		0%	-
19	35600 - Transmission Overhead Conductors	Sched D-1, Ln 127, Cols. (c - g)			93,414,000	-	93,414,000		34%	(87,821,494)
20	35600 - Transmission Overhead Conductors - CORRIEDALE	Sched D-1, Ln 128, Cols. (c - g)			-	-	-		0%	-
21	35900 - Transmission	Sched D-1, Ln 129, Cols. (c - g)			6,920	-	6,920		0%	(6,506)
22	<b>TRANSMISSION PLANT TO REMOVE</b>				\$ 276,811,744	\$ (4,627,612)	\$ 272,184,132			\$ (255,889,023)
23										
24	<b>GENERAL PLANT</b>									
25	General Plant FERC 38901 - 39602	Sched D-1, Ln (155 - 178), Cols. (c - f)	143,071,247	3,572,214	146,643,460	(73,912,394)	72,731,066	W/S	0.1272	(9,251,319)
26	General Plant FERC 39700 - 39710	Sched D-1, Ln (179 - 183), Cols. (c - f)	8,117,097	1,664,411	9,781,509	(690,320)	9,091,188	T&D	0.3424	(3,112,497)
27	General Plant FERC 39800 - 39808	Sched D-1, Ln (184 - 185), Cols. (c - f)	1,535,073	(54,864)	1,480,209	(1,142,395)	337,814	W/S	0.1272	(42,970)
28	<b>TOTAL GENERAL PLANT</b>		\$ 152,723,417	\$ 5,181,761	\$ 157,905,178	\$ (75,745,109)	\$ 82,160,069			\$ (12,406,786)
29										
30	<b>GENERAL PLANT</b>									
31	<b>General Plant FERC 38901 -39700</b>									
32	38901 - Land and Land Rights	Sched D-1, Ln 155, Cols. (c - g)			5,129,230	(5,129,230)	-		0%	-
33	39001 - Structures and Improvements	Sched D-1, Ln 156, Cols. (c - g)			82,973,974	(57,192,588)	25,781,386		36%	(3,312,785)
34	39001 - General Structures and Improvements - Common	Sched D-1, Ln 157, Cols. (c - g)			-	-	-		0%	-
35	39005 - General Land Improvements	Sched D-1, Ln 158, Cols. (c - g)			3,569,158	(3,564,090)	5,068		0%	(651)
36	39005 - General Land Improvements - Common	Sched D-1, Ln 159, Cols. (c - g)			-	-	-		0%	-
37	39051 - Structures and Improvements - Leased	Sched D-1, Ln 160, Cols. (c - g)			-	-	-		0%	-
38	39101 - Office Furniture and Equipment	Sched D-1, Ln 161, Cols. (c - g)			2,698,446	(234,636)	2,463,810		3%	(316,588)
39	39103 - Computer Hardware	Sched D-1, Ln 162, Cols. (c - g)			1,434,836	(347,805)	1,087,031		2%	(139,678)
40	39104 - Computer Software	Sched D-1, Ln 163, Cols. (c - g)			512,191	-	512,191		1%	(65,814)
41	39104 - Computer Software - Common	Sched D-1, Ln 164, Cols. (c - g)			-	-	-		0%	-
42	39107 - Ipad Hardware	Sched D-1, Ln 165, Cols. (c - g)			-	-	-		0%	-
43	39108 - Furniture & Equipment - Horizon Point	Sched D-1, Ln 166, Cols. (c - g)			7,444,045	(7,444,045)	-		0%	-
44	39201 - Transportation Equipment - Subunit	Sched D-1, Ln 167, Cols. (c - g)			688,609	-	688,609		1%	(88,483)
45	39202 - Transportation Equipment - Cars	Sched D-1, Ln 168, Cols. (c - g)			418,911	-	418,911		1%	(53,828)
46	39203 - Transportation Equipment - Light Trucks	Sched D-1, Ln 169, Cols. (c - g)			5,452,439	-	5,452,439		8%	(700,612)
47	39204 - Transportation Equipment - Medium Trucks	Sched D-1, Ln 170, Cols. (c - g)			4,891,344	-	4,891,344		7%	(628,514)
48	39205 - Transportation Equipment - Heavy Trucks	Sched D-1, Ln 171, Cols. (c - g)			15,965,708	-	15,965,708		22%	(2,051,517)
49	39206 - Transportation Equipment - Trailers	Sched D-1, Ln 172, Cols. (c - g)			5,114,571	-	5,114,571		7%	(657,198)
50	39300 - Stores Equipment	Sched D-1, Ln 173, Cols. (c - g)			203,297	-	203,297		0%	(26,123)
51	39400 - Tools, Shop and Garage Equipment	Sched D-1, Ln 174, Cols. (c - g)			3,946,553	-	3,946,553		5%	(507,113)
52	39410 - Vehicles - Tools and Shop Equipment	Sched D-1, Ln 175, Cols. (c - g)			189,644	-	189,644		0%	(24,368)
53	39500 - Laboratory Equipment	Sched D-1, Ln 176, Cols. (c - g)			671,383	-	671,383		1%	(86,270)
54	39601 - Power Operated Equipment - Short-Life	Sched D-1, Ln 177, Cols. (c - g)			1,047,402	-	1,047,402		1%	(134,586)
55	39602 - Power Operated Equipment - Long-Life	Sched D-1, Ln 178, Cols. (c - g)			3,558,024	-	3,558,024		5%	(457,189)
56					\$ 145,909,767	\$ (73,912,394)	\$ 71,997,373			\$ (9,251,319)
57	<b>General Plant FERC 39701 -39710</b>									
58	39700 - Communication Equipment	Sched D-1, Ln 179, Cols. (c - g)			1,020,884	-	1,020,884		11%	(351,406)
59	39701 - Computer Hardware	Sched D-1, Ln 180, Cols. (c - g)			3,083,452	(690,320)	2,393,132		26%	(823,757)
60	39702 - Computer Software	Sched D-1, Ln 181, Cols. (c - g)			264,161	-	264,161		3%	(90,929)
61	39703 - Communication Equipment	Sched D-1, Ln 182, Cols. (c - g)			1,987,057	-	1,987,057		22%	(683,979)
62	39710 - Communication Equipment - Towers	Sched D-1, Ln 183, Cols. (c - g)			3,377,015	-	3,377,015		37%	(1,162,426)
63					\$ 9,732,569	\$ (690,320)	\$ 9,042,249			\$ (3,112,497)
64	<b>General Plant FERC 39800 -39808</b>									
65	39800 - Miscellaneous Equipment	Sched D-1, Ln 184, Cols. (c - g)			332,307	(1,899)	330,408		100%	(42,970)
66	39808 - Miscellaneous Equipment - Horizon Point	Sched D-1, Ln 185, Cols. (c - g)			1,140,496	(1,140,496)	-		0%	-
67					\$ 1,472,803	\$ (1,142,395)	\$ 330,408			\$ (42,970)





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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	Excluded from CUS Basis Note (1)	Adjusted Basis for CUS Allocation	CUS Transmission Allocator	Allocation Rate	CUS Transmission Related Amount to Remove
			Per Book Test Year Stmt H, Col. (c)	Total Adjustments Stmt H, Col. (d) - Col. (ab)	Adjusted Total	Excluded from CUS Basis Note (2)	Adjusted Basis for CUS Allocation	CUS Transmission Allocator	Allocation Rate	CUS Transmission Related Amount to Remove
169	<b>Operating &amp; Maintenance Expenses</b>									
171	560 - Supervision & Engineering	Stmt H, Ln. 50	548,201	109,125	657,326	-	657,326	TP	0.86244	(566,903)
172	561 - Load Dispatch	Stmt H, Ln. 51	3,586,704	164,603	3,751,307	(72,216)	3,679,090	DA	1.00000	(3,679,090)
173	562 - Station Equipment	Stmt H, Ln. 52	384,528	41,916	426,444	-	426,444	TP	0.86244	(367,782)
174	563 - Overhead Lines	Stmt H, Ln. 53	4,244	(2,946)	1,298	-	1,298	TP	0.86244	(1,119)
175	564 - Underground Lines	Stmt H, Ln. 54	-	-	-	-	-	TP	0.86244	-
176	565 - Transmission of Electricity by Others	Stmt H, Ln. 55	25,885,201	(25,885,201)	-	-	-	TP	0.86244	-
177	566 - Miscellaneous	Stmt H, Ln. 56	799,570	356,200	1,155,770	-	1,155,770	TP	0.86244	(996,780)
178	567 - Rents	Stmt H, Ln. 57	74,527	-	74,527	-	74,527	TP	0.86244	(64,275)
179	568 - Supervision & Engineering	Stmt H, Ln. 61	-	-	-	-	-	TP	0.86244	-
180	569 - Structures	Stmt H, Ln. 62	30,794	41,836	72,630	-	72,630	TP	0.86244	(62,639)
181	570 - Station Equipment	Stmt H, Ln. 63	177,866	12,826	190,692	-	190,692	TP	0.86244	(164,460)
182	571 - Overhead Lines	Stmt H, Ln. 64	96,671	105,273	201,944	-	201,944	TP	0.86244	(174,164)
183	572 - Underground Lines	Stmt H, Ln. 65	-	-	-	-	-	TP	0.86244	-
184	575 - SPP/WEIS Administrative Costs	Stmt H, Ln. 66	151,217	(151,217)	-	-	-	TP	0.86244	-
185	920 - Administrative and general salaries	Stmt H, Ln. 127	14,161,077	3,329,126	17,490,203	-	17,490,203	W/S	0.12720	(2,224,736)
186	921 - Office supplies and expenses	Stmt H, Ln. 128	4,212,452	86,793	4,299,244	-	4,299,244	W/S	0.12720	(546,860)
187	922 - Administrative expenses transferred - Credit	Stmt H, Ln. 129	(3,392,358)	(2,285)	(3,394,643)	-	(3,394,643)	W/S	0.12720	431,795
188	923 - Outside services employed	Stmt H, Ln. 130	3,146,787	(209,290)	2,937,497	-	2,937,497	W/S	0.12720	(373,647)
189	924 - Property insurance	Stmt H, Ln. 131	1,263,812	885,836	2,149,649	-	2,149,649	W/S	0.12720	(273,433)
190	925 - Injuries and damages	Stmt H, Ln. 132	3,546,722	1,571,002	5,117,724	-	5,117,724	W/S	0.12720	(650,969)
191	926 - Employee pensions and benefits	Stmt H, Ln. 133	6,296,739	2,029,163	8,325,902	-	8,325,902	W/S	0.12720	(1,059,046)
192	928 - Regulatory commission expenses	Stmt H, Ln. 134	1,155,364	(281,786)	873,578	-	873,578	W/S	0.12720	(111,118)
193	929 - Duplicate Charges	Stmt H, Ln. 135	(729,766)	-	(729,766)	-	(729,766)	W/S	0.12720	92,825
194	930.1 - General advertising expenses	Stmt H, Ln. 136	438,627	(424,777)	13,850	-	13,850	W/S	0.12720	(1,762)
195	930.2 - Miscellaneous general expenses	Stmt H, Ln. 137	1,022,409	6,783	1,029,192	-	1,029,192	W/S	0.12720	(130,912)
196	931 - Rents	Stmt H, Ln. 138	1,609,997	130,180	1,740,177	-	1,740,177	W/S	0.12720	(221,349)
197										
198	<b>Total O&amp;M</b>									<b>\$ (11,146,424)</b>
199										
200	<b>Taxes Other Than Income Taxes</b>									
201	FICA Tax	Stmt L, (Ln. 2 + Ln. 3 + Ln. 4)			2,107,245	-	2,107,245	W/S	0.12720	(268,040)
202	Federal Unemployment Tax	Stmt L, (Ln. 9 + Ln. 10 + Ln. 11)			9,356	-	9,356	W/S	0.12720	(1,190)
203	State Unemployment Tax	Stmt L, (Ln. 16 + Ln. 17 + Ln. 18)			(4,291)	-	(4,291)	W/S	0.12720	546
204	Property Taxes	Stmt L, (Ln. 29 + Ln. 30 + Ln. 31)			8,630,537	-	8,630,537	GP	0.15912	(1,373,254)
205	<b>Total Taxes Other Than Income Taxes</b>				<b>10,742,847</b>	<b>-</b>	<b>10,742,847</b>			<b>(1,641,937)</b>
206										
207	(Note 1) Generator Step Up (GSU) Units and the Horizon Point Corporate Office are not included in the CUS allocation basis because they are not included in the FERC transmission formula rate.									
208	(Note 2) O&M costs in FERC account 561 are recovered through Schedule 1 rates with the exception of accounts 561.6 and 561.7 which are recovered through base rates.									