
BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY **COST OF SERVICE STUDY**
DEPRECIATION AND AMORTIZATION METHOD **Schedule E-2**
FOR THE PRO FORMA PERIOD ENDING SEPTEMBER 30, 2026

(a)	(b)
Line No.	Method Description
1 2 3 4 5 6 7	The Company's depreciation expense rates are based on a depreciation study completed by Gannett Fleming Valuation and Rate Consultants, LLC of Mechanicsburg, Pennsylvania, in October 2025. The study was performed in accordance with standard industry practice. The study was completed using Company data through June 30, 2025. Specific depreciation expense rates are calculated for each FERC property account and are applied to the adjusted test period ending balance for plant in service to calculate annual depreciation expense. See Statement J for calculation of depreciation expense for the test year based on the new rates developed by Gannett Fleming.