

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY	COST OF SERVICE STUDY
PER BOOKS - CASH WORKING CAPITAL	Schedule F-3
FOR THE TEST PERIOD ENDED SEPTEMBER 30, 2025	Page 1 of 2

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Line No.	Description	Per Book Base Period Expenses	Revenue Lag	Expense Lead	Net (Lead)/Lag	Factor	CWC Req
1	Cash Working Capital (CWC) Requirement						
2	Operations & Maintenance Expenses						
3	Direct Payroll	\$ 13,334,760	36.86	14.00	22.86	6.00%	\$ 800,086
4	Coal	16,584,472	36.86	5.79	31.07	9.00%	1,492,603
5	Transmission - Direct Purchase	2,758,161	36.86	26.86	10.00	3.00%	82,745
6	Transmission - Intercompany	23,135,039	36.86	36.65	0.21	0.00%	-
7	Purchased Power - Direct Purchases	39,104,816	36.86	33.23	3.63	1.00%	391,048
8	Purchased Power- Intercompany	5,277,222	36.86	35.78	1.08	0.00%	-
9	Purchased Power - Renewable Ready	3,760,210	-	-	-	0.00%	-
10	Purchased Fuel	14,478,846	36.86	39.08	(2.22)	(1.00%)	(144,788)
11	O&M Expenses - Direct Materials	6,169,803	36.86	28.87	7.99	2.00%	123,396
12	O&M Expenses - Direct Services	30,877,176	36.86	30.17	6.69	2.00%	617,544
13	O&M Expenses - Allocated Materials	1,099,953	36.86	36.60	0.26	0.00%	-
14	O&M Expenses - Allocated Services	14,937,185	36.86	37.32	(0.46)	0.00%	-
15	O&M Expenses - Allocated Payroll	21,855,810	36.86	37.30	(0.44)	0.00%	-
16	Other O&M	1,592,824	36.86	29.90	6.96	2.00%	31,856
17	Total Operation & Maintenance Expense	\$ 194,966,278					\$ 3,394,489
18							
19	Taxes other than Income Taxes						
20	Ad Valorem Taxes	8,023,481	36.86	284.43	(247.57)	(68.00%)	(5,455,967)
21	FICA Taxes - Employer's	1,919,302	36.86	14.00	22.86	6.00%	115,158
22	Unemployment Taxes (FUTA & SUTA)	4,585	36.86	14.00	22.86	6.00%	275
23	City Franchise Taxes	97,145	36.86	51.25	(14.39)	(4.00%)	(3,886)
24	Sales Taxes	10,366,778	36.86	23.09	13.77	4.00%	414,671
25	Total Taxes other than Income Taxes	\$ 20,411,291					\$ (4,929,749)
26							
27	Current Income Taxes-Federal	3,190,783	36.86	36.63	0.23	0.06%	2,054
28							
29	Total	\$ 218,568,352					\$ (1,533,206)

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY
AS ADJUSTED - CASH WORKING CAPITAL
FOR THE PRO FORMA PERIOD ENDING SEPTEMBER 30, 2026

COST OF SERVICE STUDY

Schedule F-3

Page 2 of 2

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Line No.	Description	Per Book Base Period Expenses	Revenue Lag	Expense Lead	Net (Lead)/Lag	Factor	CWC Req
1	Cash Working Capital (CWC) Requirement						
2	Operations & Maintenance Expenses						
3	Direct Payroll	\$ 16,237,787	36.86	14.00	22.86	6.00%	\$ 974,267
4	Coal	16,584,472	36.86	5.79	31.07	9.00%	1,492,603
5	Transmission - Direct Purchase	2,758,161	36.86	26.86	10.00	3.00%	82,745
6	Transmission - Intercompany	23,135,039	36.86	36.65	0.21	0.00%	-
7	Purchased Power - Direct Purchases	39,104,816	36.86	33.23	3.63	1.00%	391,048
8	Purchased Power- Intercompany	5,277,222	36.86	35.78	1.08	0.00%	-
9	Purchased Power - Renewable Ready	3,760,210	-	-	-	0.00%	-
10	Purchased Fuel	14,478,846	36.86	39.08	(2.22)	(1.00%)	(144,788)
11	O&M Expenses - Direct Materials	6,169,803	36.86	28.87	7.99	2.00%	123,396
12	O&M Expenses - Direct Services	30,877,176	36.86	30.17	6.69	2.00%	617,544
13	O&M Expenses - Allocated Materials	1,099,953	36.86	36.60	0.26	0.00%	-
14	O&M Expenses - Allocated Services	14,937,185	36.86	37.32	(0.46)	0.00%	-
15	O&M Expenses - Allocated Payroll	21,855,810	36.86	37.30	(0.44)	0.00%	-
16	Other O&M	10,359,465	36.86	29.90	6.96	2.00%	207,189
17	Total Operation & Maintenance Expense	\$ 206,635,945					\$ 3,744,003
18							
19	Taxes other than Income Taxes						
20	Ad Valorem Taxes	6,991,204	36.86	284.43	(247.57)	(68.00%)	(4,754,019)
21	FICA Taxes - Employer's	1,828,663	36.86	14.00	22.86	6.00%	109,720
22	Unemployment Taxes (FUTA & SUTA)	4,395	36.86	14.00	22.86	6.00%	264
23	City Franchise Taxes	97,145	36.86	51.25	(14.39)	(4.00%)	(3,886)
24	Sales Taxes	10,366,778	36.86	23.09	13.77	4.00%	414,671
25	Total Taxes other than Income Taxes	\$ 19,288,184					\$ (4,233,250)
26							
27	Current Income Taxes-Federal	(11,450,236)	36.86	36.63	0.23	0.06%	(7,372)
28							
29	Total	\$ 214,473,894					\$ (496,619)

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY **COST OF SERVICE STUDY**
CASH WORKING CAPITAL - REVENUE LAG **Schedule F-3 WP 1**
FOR THE BASE YEAR ENDED SEPTEMBER 30, 2025

(a)	(b)	(c)	(d)	(e)	(f)
Line No.	Description	Billing Period Midpoint	Days to Invoice	Invoice to Payment	Total Revenue Lag Days
1	Revenue Lag	15.18	1.58	20.10	<u><u>36.86</u></u>

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY
CASH WORKING CAPITAL - PAYROLL & PAYROLL TAXES EXPENSE LEAD
FOR THE BASE YEAR ENDED SEPTEMBER 30, 2025

COST OF SERVICE STUDY
Schedule F-3 WP 2

(a)	(b)	(c)	(d)	(e) = (d) - 1	(f) = (1 + (c) - (b)) ÷ 2	(g) = (b) + (f)	(h) = (e) - (g)
Line No.	Period Begin	Period End	Pay Date	Funds Transfer Out of Account	Midpoint	Midpoint Date	Lead Days
1	09/02/24	09/15/24	09/24/24	09/23/24	7.0	09/09/24	14.00
2	09/16/24	09/29/24	10/08/24	10/07/24	7.0	09/23/24	14.00
3	09/30/24	10/13/24	10/22/24	10/21/24	7.0	10/07/24	14.00
4	10/14/24	10/27/24	11/05/24	11/04/24	7.0	10/21/24	14.00
5	10/28/24	11/10/24	11/19/24	11/18/24	7.0	11/04/24	14.00
6	11/11/24	11/24/24	12/03/24	12/02/24	7.0	11/18/24	14.00
7	11/25/24	12/08/24	12/17/24	12/16/24	7.0	12/02/24	14.00
8	12/09/24	12/22/24	12/31/24	12/30/24	7.0	12/16/24	14.00
9	12/23/24	01/05/25	01/14/25	01/13/25	7.0	12/30/24	14.00
10	01/06/25	01/19/25	01/28/25	01/27/25	7.0	01/13/25	14.00
11	01/20/25	02/02/25	02/11/25	02/10/25	7.0	01/27/25	14.00
12	02/03/25	02/16/25	02/25/25	02/24/25	7.0	02/10/25	14.00
13	02/17/25	03/02/25	03/11/25	03/10/25	7.0	02/24/25	14.00
14	03/03/25	03/16/25	03/25/25	03/24/25	7.0	03/10/25	14.00
15	03/17/25	03/30/25	04/08/25	04/07/25	7.0	03/24/25	14.00
16	03/31/25	04/13/25	04/22/25	04/21/25	7.0	04/07/25	14.00
17	04/14/25	04/27/25	05/06/25	05/05/25	7.0	04/21/25	14.00
18	04/28/25	05/11/25	05/20/25	05/19/25	7.0	05/05/25	14.00
19	05/12/25	05/25/25	06/03/25	06/02/25	7.0	05/19/25	14.00
20	05/26/25	06/08/25	06/17/25	06/16/25	7.0	06/02/25	14.00
21	06/09/25	06/22/25	07/01/25	06/30/25	7.0	06/16/25	14.00
22	06/23/25	07/06/25	07/15/25	07/14/25	7.0	06/30/25	14.00
23	07/07/25	07/20/25	07/29/25	07/28/25	7.0	07/14/25	14.00
24	07/21/25	08/03/25	08/12/25	08/11/25	7.0	07/28/25	14.00
25	08/04/25	08/17/25	08/26/25	08/25/25	7.0	08/11/25	14.00
26	08/18/25	08/31/25	09/09/25	09/08/25	7.0	08/25/25	14.00
27	09/01/25	09/14/25	09/23/25	09/22/25	7.0	09/08/25	14.00
28	09/15/25	09/28/25	10/07/25	10/06/25	7.0	09/22/25	14.00
29							
Average Payroll, FICA / FED W/H Expense Lead							14.00

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY	COST OF SERVICE STUDY
CASH WORKING CAPITAL - COAL EXPENSE LEAD	Schedule F-3 WP 3
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2025	

(a)	(b)	(c)	(d)	(e)	(f)	(g) = (f - e)	(h)	(i) = (h ÷ h13)	(j) = (i x g)
Line No.	Description	Period Begin	Period End	Midpoint of Service	Average Pay Date	Lead Days	Amount Expensed	% of Total Payment	Weighted Average Lead/(Lag) Days
1	Purchased Coal	10/1/2024	10/31/2024	10/16/2024	10/18/2024	2.00	1,147,770	6.92%	0.14
2	Purchased Coal	11/1/2024	11/30/2024	11/15/2024	11/22/2024	6.50	2,089,590	12.60%	0.82
3	Purchased Coal	12/1/2024	12/31/2024	12/16/2024	12/20/2024	4.00	1,590,899	9.59%	0.38
4	Purchased Coal	1/1/2025	1/31/2025	1/16/2025	1/21/2025	5.00	1,808,574	10.91%	0.55
5	Purchased Coal	2/1/2025	2/28/2025	2/14/2025	2/21/2025	6.50	1,575,188	9.50%	0.62
6	Purchased Coal	3/1/2025	3/31/2025	3/16/2025	3/19/2025	3.00	1,205,505	7.27%	0.22
7	Purchased Coal	4/1/2025	4/30/2025	4/15/2025	4/23/2025	7.50	1,034,686	6.24%	0.47
8	Purchased Coal	5/1/2025	5/31/2025	5/16/2025	5/23/2025	7.00	1,209,695	7.29%	0.51
9	Purchased Coal	6/1/2025	6/30/2025	6/15/2025	6/23/2025	7.50	1,233,331	7.44%	0.56
10	Purchased Coal	7/1/2025	7/31/2025	7/16/2025	7/23/2025	7.00	1,521,836	9.18%	0.64
11	Purchased Coal	8/1/2025	8/31/2025	8/16/2025	8/22/2025	6.00	1,481,741	8.93%	0.54
12	Purchased Coal	9/1/2025	9/30/2025	9/15/2025	9/24/2025	8.50	685,657	4.13%	0.35
13					Purchased Coal Expense Lead		16,584,472	Total lead days	5.79

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY
CASH WORKING CAPITAL - DIRECT TRANSMISSION EXPENSE LEAD
FOR THE BASE YEAR ENDED SEPTEMBER 30, 2025

COST OF SERVICE STUDY
Schedule F-3 WP 4

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (g ÷ g13)	(i) = (f x h)
Line No.	Description	Period Begin	Period End	Midpoint of Service	Lead Days	Amount Expensed	% of Annual Expense	Weighted Average Lead/Lag Days
1	Direct - Transmission Expense	10/1/2024	10/31/2024	10/16/2024	33.97	314,410	11.40%	3.87
2	Direct - Transmission Expense	11/1/2024	11/30/2024	11/15/2024	31.09	235,203	8.53%	2.65
3	Direct - Transmission Expense	12/1/2024	12/31/2024	12/16/2024	21.73	249,493	9.05%	1.97
4	Direct - Transmission Expense	1/1/2025	1/31/2025	1/16/2025	26.98	221,781	8.04%	2.17
5	Direct - Transmission Expense	2/1/2025	2/28/2025	2/14/2025	24.66	232,542	8.43%	2.08
6	Direct - Transmission Expense	3/1/2025	3/31/2025	3/16/2025	29.20	229,123	8.31%	2.43
7	Direct - Transmission Expense	4/1/2025	4/30/2025	4/15/2025	26.26	218,988	7.94%	2.08
8	Direct - Transmission Expense	5/1/2025	5/31/2025	5/16/2025	24.74	189,888	6.88%	1.70
9	Direct - Transmission Expense	6/1/2025	6/30/2025	6/15/2025	28.45	204,314	7.41%	2.11
10	Direct - Transmission Expense	7/1/2025	7/31/2025	7/16/2025	28.25	211,634	7.67%	2.17
11	Direct - Transmission Expense	8/1/2025	8/31/2025	8/16/2025	24.94	230,192	8.35%	2.08
12	Direct - Transmission Expense	9/1/2025	9/30/2025	9/15/2025	19.35	220,593	8.00%	1.55
13				Total Direct Transmission Expense		2,758,161	Total lead days	26.86

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY
CASH WORKING CAPITAL - INTERCOMPANY TRANSMISSION EXPENSE LEAD
FOR THE BASE YEAR ENDED SEPTEMBER 30, 2025

COST OF SERVICE STUDY
Schedule F-3 WP 5

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (g ÷ g13)	(i) = (f x h)
Line No.	Description	Period Begin	Period End	Midpoint of Service	Lead Days	Amount Expensed	% of Annual Expense	Weighted Average Lead/Lag Days
1	Intercompany - Transmission Expense	10/1/2024	10/31/2024	10/16/2024	37.00	2,308,485	9.98%	3.69
2	Intercompany - Transmission Expense	11/1/2024	11/30/2024	11/15/2024	34.50	2,018,191	8.72%	3.01
3	Intercompany - Transmission Expense	12/1/2024	12/31/2024	12/16/2024	36.00	1,433,911	6.20%	2.23
4	Intercompany - Transmission Expense	1/1/2025	1/31/2025	1/16/2025	36.00	2,127,348	9.20%	3.31
5	Intercompany - Transmission Expense	2/1/2025	2/28/2025	2/14/2025	32.50	1,857,602	8.03%	2.61
6	Intercompany - Transmission Expense	3/1/2025	3/31/2025	3/16/2025	38.00	2,052,779	8.87%	3.37
7	Intercompany - Transmission Expense	4/1/2025	4/30/2025	4/15/2025	37.50	1,898,047	8.20%	3.08
8	Intercompany - Transmission Expense	5/1/2025	5/31/2025	5/16/2025	38.00	2,138,631	9.24%	3.51
9	Intercompany - Transmission Expense	6/1/2025	6/30/2025	6/15/2025	37.50	1,271,782	5.50%	2.06
10	Intercompany - Transmission Expense	7/1/2025	7/31/2025	7/16/2025	37.00	2,191,809	9.47%	3.51
11	Intercompany - Transmission Expense	8/1/2025	8/31/2025	8/16/2025	39.00	2,002,840	8.66%	3.38
12	Intercompany - Transmission Expense	9/1/2025	9/30/2025	9/15/2025	36.50	1,833,614	7.93%	2.89
13				Total Intercompany Transmission Expense		23,135,039	Total lead days	36.65

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY
CASH WORKING CAPITAL - DIRECT PURCHASED POWER EXPENSE LEAD
FOR THE BASE PERIOD ENDED SEPTEMBER 30, 2025

COST OF SERVICE STUDY
Schedule F-3 WP 6

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (g ÷ g13)	(i) = (f x h)	
Line No.	Description	Period Begin	Period End	Midpoint of Service	Lead Days	Amount Expensed	% of Annual Expense	Weighted Average Lead/Lag Days	
1	Direct - Purchased Power	10/1/2024	10/31/2024	10/16/2024	30.25	1,337,692	3.42%	1.03	
2	Direct - Purchased Power	11/1/2024	11/30/2024	11/15/2024	29.97	1,459,683	3.73%	1.12	
3	Direct - Purchased Power	12/1/2024	12/31/2024	12/16/2024	31.51	1,798,114	4.60%	1.45	
4	Direct - Purchased Power	1/1/2025	1/31/2025	1/16/2025	29.13	2,081,213	5.32%	1.55	
5	Direct - Purchased Power	2/1/2025	2/28/2025	2/14/2025	30.95	3,437,953	8.79%	2.72	
6	Direct - Purchased Power	3/1/2025	3/31/2025	3/16/2025	28.61	4,208,280	10.76%	3.08	
7	Direct - Purchased Power	4/1/2025	4/30/2025	4/15/2025	41.36	2,208,872	5.65%	2.34	
8	Direct - Purchased Power	5/1/2025	5/31/2025	5/16/2025	39.22	1,721,599	4.40%	1.73	
9	Direct - Purchased Power	6/1/2025	6/30/2025	6/15/2025	32.88	3,716,962	9.51%	3.13	
10	Direct - Purchased Power	7/1/2025	7/31/2025	7/16/2025	35.75	7,293,960	18.65%	6.67	
11	Direct - Purchased Power	8/1/2025	8/31/2025	8/16/2025	32.82	6,002,003	15.35%	5.04	
12	Direct - Purchased Power	9/1/2025	9/30/2025	9/15/2025	34.45	3,838,484	9.82%	3.38	
13						Total Direct Purchased Power Expense	39,104,816	Total lead days	33.23

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY**COST OF SERVICE STUDY****CASH WORKING CAPITAL - INTERCOMPANY PURCHASED POWER EXPENSE LEAD****Schedule F-3 WP 7****FOR THE BASE PERIOD ENDED SEPTEMBER 30, 2025**

(a)	(b)	(c)	(d)	(e)	(f)	(g) = (f - e)	(h)	(i) = (h ÷ h13)	(j) = (i x g)
Line No.	Description	Period Begin	Period End	Midpoint of Service	Settlement Date	Lead Days	Amount Expensed	% of Annual Expense	Weighted Average Lead/Lag Days
1	Intercompany - Purchased Power	10/1/2024	10/31/2024	10/16/2024	11/22/2024	37.00	343,670	6.51%	2.41
2	Intercompany - Purchased Power	11/1/2024	11/30/2024	11/15/2024	12/20/2024	34.50	586,151	11.11%	3.83
3	Intercompany - Purchased Power	12/1/2024	12/31/2024	12/16/2024	1/17/2025	32.00	697,584	13.22%	4.23
4	Intercompany - Purchased Power	1/1/2025	1/31/2025	1/16/2025	2/21/2025	36.00	643,258	12.19%	4.39
5	Intercompany - Purchased Power	2/1/2025	2/28/2025	2/14/2025	3/19/2025	32.50	565,521	10.72%	3.48
6	Intercompany - Purchased Power	3/1/2025	3/31/2025	3/16/2025	4/23/2025	38.00	589,646	11.17%	4.25
7	Intercompany - Purchased Power	4/1/2025	4/30/2025	4/15/2025	5/23/2025	37.50	454,093	8.60%	3.23
8	Intercompany - Purchased Power	5/1/2025	5/31/2025	5/16/2025	6/23/2025	38.00	415,381	7.87%	2.99
9	Intercompany - Purchased Power	6/1/2025	6/30/2025	6/15/2025	7/23/2025	37.50	243,272	4.61%	1.73
10	Intercompany - Purchased Power	7/1/2025	7/31/2025	7/16/2025	8/22/2025	37.00	244,165	4.63%	1.71
11	Intercompany - Purchased Power	8/1/2025	8/31/2025	8/16/2025	9/24/2025	39.00	248,885	4.72%	1.84
12	Intercompany - Purchased Power	9/1/2025	9/30/2025	9/15/2025	10/22/2025	36.50	245,595	4.65%	1.70
13									
							5,277,222	Total lead days	35.78

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY**COST OF SERVICE STUDY****CASH WORKING CAPITAL - RENEWABLE READY PURCHASED POWER EXPENSE LEAD****Schedule F-3 WP 8****FOR THE BASE PERIOD ENDED SEPTEMBER 30, 2025**

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (g ÷ g13)	(i) = (f x h)
Line No.	Description	Period Begin	Period End	Midpoint of Service	Lead Days Note (1)	Amount Expensed	% of Annual Expense	Weighted Average Lead/Lag Days
1	Renewable Ready - Purchased Power	10/1/2024	10/31/2024	10/16/2024	-	274,330	7.30%	-
2	Renewable Ready - Purchased Power	11/1/2024	11/30/2024	11/15/2024	-	352,710	9.38%	-
3	Renewable Ready - Purchased Power	12/1/2024	12/31/2024	12/16/2024	-	411,912	10.95%	-
4	Renewable Ready - Purchased Power	1/1/2025	1/31/2025	1/16/2025	-	406,909	10.82%	-
5	Renewable Ready - Purchased Power	2/1/2025	2/28/2025	2/14/2025	-	351,042	9.34%	-
6	Renewable Ready - Purchased Power	3/1/2025	3/31/2025	3/16/2025	-	374,390	9.96%	-
7	Renewable Ready - Purchased Power	4/1/2025	4/30/2025	4/15/2025	-	312,686	8.32%	-
8	Renewable Ready - Purchased Power	5/1/2025	5/31/2025	5/16/2025	-	298,511	7.94%	-
9	Renewable Ready - Purchased Power	6/1/2025	6/30/2025	6/15/2025	-	246,831	6.56%	-
10	Renewable Ready - Purchased Power	7/1/2025	7/31/2025	7/16/2025	-	264,119	7.02%	-
11	Renewable Ready - Purchased Power	8/1/2025	8/31/2025	8/16/2025	-	242,989	6.46%	-
12	Renewable Ready - Purchased Power	9/1/2025	9/30/2025	9/15/2025	-	223,781	5.95%	-
13				Total Renewable Ready Expense		3,760,210	Total lead days	-

14

15 Note (1) Renewable Ready revenue is removed from the COSS and a Renewable Ready credit is given to customers on Statement I. Therefore, the lead days are

16 set to 0, but the expense is still included as its own line item so as to not skew the Other O&M Expenses line item on the Lead-Lag Study.

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY
CASH WORKING CAPITAL - O&M EXPENSES EXPENSE LEAD
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2025

COST OF SERVICE STUDY
Schedule F-3 WP 10

(a)	(b)	(c)	(d)	(e)	(f)	(g) = (f - e)	(h) = (d ÷ d13, d29, d45, d61, d77)	(i) = (g x h)
Line No.	Description	Period	Expense	Midpoint of Service	Settlement Date	Total Lead Days	% of Annual Expense	Weighted Average Lead/Lag Days
65	Allocated Payroll	October-24	1,621,347	10/15/2024	11/22/2024	38.00	7.42%	2.82
66	Allocated Payroll	November-24	1,843,262	11/15/2024	12/20/2024	35.00	8.43%	2.95
67	Allocated Payroll	December-24	1,432,579	12/15/2024	1/21/2025	37.00	6.55%	2.43
68	Allocated Payroll	January-25	2,083,023	1/15/2025	2/21/2025	37.00	9.53%	3.53
69	Allocated Payroll	February-25	1,954,513	2/15/2025	3/19/2025	32.00	8.94%	2.86
70	Allocated Payroll	March-25	1,725,080	3/15/2025	4/23/2025	39.00	7.89%	3.08
71	Allocated Payroll	April-25	1,787,110	4/15/2025	5/23/2025	38.00	8.18%	3.11
72	Allocated Payroll	May-25	1,898,621	5/15/2025	6/23/2025	39.00	8.69%	3.39
73	Allocated Payroll	June-25	1,772,401	6/15/2025	7/23/2025	38.00	8.11%	3.08
74	Allocated Payroll	July-25	1,962,415	7/15/2025	8/22/2025	38.00	8.98%	3.41
75	Allocated Payroll	August-25	1,858,595	8/15/2025	9/24/2025	40.00	8.50%	3.40
76	Allocated Payroll	September-25	1,916,864	9/15/2025	10/22/2025	37.00	8.77%	3.25
77			<u>21,855,810</u>				100.00%	37.30
78								
79	TOTAL		<u><u>74,939,927</u></u>				O&M Allocated Payroll Expense Lead	<u><u>37.30</u></u>

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY
CASH WORKING CAPITAL - SALES TAX EXPENSE LEAD
FOR THE BASE PERIOD ENDED SEPTEMBER 30, 2025

COST OF SERVICE STUDY
Schedule F-3 WP 11

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (g ÷ g13)	(i) = (f x h)
Line No.	Description	Period Begin	Period End	Midpoint of Service	Lead Days	Payment Amount	% of Annual Expense	Weighted Average Lead/Lag Days
1	Sales & Use Tax Expense	10/1/2024	10/31/2024	10/16/2024	21.00	805,359	7.77%	1.63
2	Sales & Use Tax Expense	11/1/2024	11/30/2024	11/15/2024	20.44	745,398	7.19%	1.47
3	Sales & Use Tax Expense	12/1/2024	12/31/2024	12/16/2024	23.00	901,274	8.69%	2.00
4	Sales & Use Tax Expense	1/1/2025	1/31/2025	1/16/2025	26.00	974,246	9.40%	2.44
5	Sales & Use Tax Expense	2/1/2025	2/28/2025	2/14/2025	21.50	981,454	9.47%	2.04
6	Sales & Use Tax Expense	3/1/2025	3/31/2025	3/16/2025	23.00	878,237	8.47%	1.95
7	Sales & Use Tax Expense	4/1/2025	4/30/2025	4/15/2025	22.50	766,242	7.39%	1.66
8	Sales & Use Tax Expense	5/1/2025	5/31/2025	5/16/2025	21.20	746,175	7.20%	1.53
9	Sales & Use Tax Expense	6/1/2025	6/30/2025	6/15/2025	30.31	757,266	7.30%	2.21
10	Sales & Use Tax Expense	7/1/2025	7/31/2025	7/16/2025	27.05	919,318	8.87%	2.40
11	Sales & Use Tax Expense	8/1/2025	8/31/2025	8/16/2025	19.93	988,003	9.53%	1.90
12	Sales & Use Tax Expense	9/1/2025	9/30/2025	9/15/2025	21.39	903,806	8.72%	1.86
13				Total Sales & Use Tax Expense		10,366,778	Total lead days	23.09

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY
CASH WORKING CAPITAL - FEDERAL INCOME TAX EXPENSE LEAD
FOR THE BASE YEAR ENDED SEPTEMBER 30, 2025

COST OF SERVICE STUDY
Schedule F-3 WP 12

(a)	(b)	(c)	(d)	(e)	(f)	(g) = (f - e)	(h)	(i) = (g x h)
Line No.	Description	Period Begin	Period End	Midpoint of Service	Statutory Payment Date	Lead Days	% of Annual Expense	Weighted Average Lead/Lag Days
1	Federal Income Tax Expense	1/1/2024	12/31/2024	7/1/2024	12/15/2024	166.50	25.00%	41.63
2	Federal Income Tax Expense	1/1/2025	12/31/2025	7/2/2025	4/15/2025	(78.00)	25.00%	(19.50)
3	Federal Income Tax Expense	1/1/2025	12/31/2025	7/2/2025	6/15/2025	(17.00)	25.00%	(4.25)
4	Federal Income Tax Expense	1/1/2025	12/31/2025	7/2/2025	9/15/2025	75.00	25.00%	18.75
5							Total Lead Days	36.63

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY
CASH WORKING CAPITAL - PROPERTY TAX EXPENSE LEAD
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2025

COST OF SERVICE STUDY
Schedule F-3 WP 13

(a)	(b)	(c)	(d)	(e)	(f)	(g) = (f - e)	(h)	(i) = (h ÷ h8)	(j) = (i x g)
Line No.	Description (Note 1)	Period Begin	Period End	Midpoint of Service	Payment Date	Lead Days	Payment Amount	% of Annual Expense	Weighted Average Lead/Lag Days
1	Property Tax Expense - Montana	1/1/2024	6/30/2024	3/31/2024	11/16/2024	229.50	241,913	4.03%	9.24
2	Property Tax Expense - Montana	7/1/2024	12/31/2024	9/30/2024	5/15/2025	226.50	241,913	4.03%	9.12
3	Property Tax Expense - Nebraska	1/1/2024	6/30/2024	3/31/2024	4/23/2025	387.50	70,653	1.18%	4.56
4	Property Tax Expense - Nebraska	7/1/2024	12/31/2024	9/30/2024	8/19/2025	322.50	70,653	1.18%	3.79
5	Property Tax Expense - South Dakota	1/1/2024	6/30/2024	3/31/2024	4/23/2025	387.50	2,436,837	40.57%	157.22
6	Property Tax Expense - Wyoming	1/1/2024	6/30/2024	3/31/2024	10/18/2024	200.50	1,471,997	24.51%	49.14
7	Property Tax Expense - Wyoming	7/1/2024	12/31/2024	9/30/2024	4/28/2025	209.50	1,471,997	24.51%	51.35
8					Total Property Tax Expense		6,005,962	Total lead days	284.43
9									
10	Note (1) - Property tax payments in 2024 for Nebraska and South Dakota were distributed early (8/28/2024) due to timing but will revert to an October payment date moving forward.								
11	Note (2) The tax payments made in 2025 are for tax assessments based on 2024 data. The South Dakota and Nebraska payments are made 1 year behind, and the Wyoming and Montana are								
12	made 1/2 year behind.								

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY
CASH WORKING CAPITAL - FRANCHISE TAX EXPENSE LEAD
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2025

COST OF SERVICE STUDY
Schedule F-3 WP 14

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j) = (i - h)	(k)	(l) = (k ÷ k9)	(m) = (j x l)
Line No.	City	Ordinance No.	Period (Yrs)	Payment Frequency	Period Begin	Period End	Midpoint of Service	Payment Date	Lead Days	Payment Amount	% of Total Payment	Weighted Avg Lead Days
1	City of Newcastle	Franchise-53789	25	Quarterly	7/1/2024	9/30/2024	8/15/2024	10/7/2024	52.50	19,335	19.90%	10.45
2	City of Newcastle	Franchise-53789	25	Quarterly	10/1/2024	12/31/2024	11/15/2024	1/8/2025	53.50	19,298	19.86%	10.63
3	City of Newcastle	Franchise-53789	25	Quarterly	1/1/2025	3/31/2025	2/14/2025	4/2/2025	46.50	24,123	24.83%	11.55
4	City of Newcastle	Franchise-53789	25	Quarterly	4/1/2025	6/30/2025	5/16/2025	7/9/2025	54.00	17,841	18.37%	9.92
5	City of Upton	Franchise-53787	25	Quarterly	7/1/2024	9/30/2024	8/15/2024	10/7/2024	52.50	3,954	4.07%	2.14
6	City of Upton	Franchise-53787	25	Quarterly	10/1/2024	12/31/2024	11/15/2024	1/8/2025	53.50	3,696	3.80%	2.04
7	City of Upton	Franchise-53787	25	Quarterly	1/1/2025	3/31/2025	2/14/2025	4/2/2025	46.50	5,332	5.49%	2.55
8	City of Upton	Franchise-53787	25	Quarterly	4/1/2025	6/30/2025	5/16/2025	7/9/2025	54.00	3,566	3.67%	1.98
9	Total Franchise Tax Expense									97,145	Expense Lead Days	51.25

BLACK HILLS POWER, INC., d/b/a BLACK HILLS ENERGY	COST OF SERVICE STUDY
CASH WORKING CAPITAL - OTHER O&M EXPENSE LEAD	Schedule F-3 WP 15
FOR THE BASE PERIOD ENDED DECEMBER 31, 2023	

(a)	(b)	(c)	(d)
Line No.	Description	Per Book Expenses	Expense Lead
1	Operations & Maintenance Expense		
2	Direct Payroll	13,334,760	14.00
3	Coal	16,584,472	5.79
4	Transmission - Direct Purchase	2,758,161	26.86
5	Transmission - Intercompany	23,135,039	36.65
6	Purchased Power - Direct Purchases	39,104,816	33.23
7	Purchased Power- Intercompany	5,277,222	35.78
8	Purchased Power - Renewable Ready	3,760,210	-
9	Purchased Fuel	14,478,846	39.08
10	O&M Expenses - Direct Materials	6,169,803	28.87
11	O&M Expenses - Direct Services	30,877,176	30.17
12	O&M Expenses - Allocated Materials	1,099,953	36.60
13	O&M Expenses - Allocated Services	14,937,185	37.32
14	O&M Expenses - Allocated Payroll	21,855,810	37.30
15	Other O&M (Total O&M Expense less rest of section)	1,592,824	29.90
16	Total Operation & Maintenance Expense	194,966,278	