BLACK HILLS POWER, INC.
RETAIL ELECTRIC PER BOOK JURISDICTIONAL COST OF SERVICE ANALYSIS
FOR THE TEST YEAR ENDED JUNE 30, 2012

SCH NO.	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL BHP	SOUTH DAKOTA
		(a)	(b)	(c)	(d)
M	1	SUMMARY AT PRESENT RATES			
M	2				
M	3	DEVELOPMENT OF RETURN			
M	4				
M	5	OPERATING REVENUE	Stmt N Reference		
M	6	Sales of Electricity	SCH I, LN 4	154,565,316	138,472,112
M	7	Contract Revenues	SCH I, LN 5	56,617,657	50,619,748
M	8	Other Operating Revenue	SCH I, LN 15	38,965,243	14,492,540
M	9	TOTAL OPERATING REVENUE		250,148,216	203,584,400
M	10				
M	11	OPERATING EXPENSES			
M	12	Operation and Maintenance Expense	SCH H, LN 178	158,197,031	136,315,212
M	13	Depreciation Expense	SCH J, LN 27	27,569,938	22,696,010
M	14	Amortization Expense	SCH J, LN 29	97,406	88,365
M	15	Taxes Other Than Income Taxes	SCH L, LN 20	4,880,964	3,737,440
M	16	State Income Tax	SCH K, LN 10	10,261	0
M	17	Federal Income Tax	SCH K, LN 32	13,226,091	8,050,139
M	18	TOTAL OPERATING EXPENSES		203,981,691	170,887,166
M	19				
M	20	OPERATING INCOME (RETURN)		46,166,525	32,697,234
M	21				
M	22				
M	23	DEVELOPMENT OF RATE BASE			
M	24	Electric Plant in Service	SCH D-2, LN 116	995,420,017	788,110,937
M	25	Less: Accumulated Depreciation	SCH E, LN 27	346,033,623	282,351,408
M	26	Less: Amortization	SCH E, LN 29	3,034,523	2,711,805
M	27	Plus: Working Capital	SCH F, LN 9	18,970,953	14,905,732
M	28	Less: Other Rate Base Deductions	SCH F, LN 24	125,500,453	98,730,746
M	29				
M	30	TOTAL RATE BASE	SCH F, LN 27	539,822,371	419,222,711
M	31				
M	32				
M	33	RATE OF RETURN (PRESENT)		8.55%	7.80%
M	34				
M	35	INDEX RATE OF RETURN (PRESENT)		1.00	0.91
M	36				
M	37				
M	38				
M	39				
M	40				
M	41				
M	42				
M	43				
M	44				
M	45				
M	46				