



BLACK HILLS POWER
COST OF SERVICE - TRANSMISSION FACILITIES
 For the Pro Forma Year Ended May 31, 2015

Line No.	Description	Reference	South Dakota Jurisdiction
1	Operating Revenue Required		
2	Transmission Facilities Revenue		\$ 586,133
3			
4	Operating Expenses		
5	Depreciation	Schedule B-4, line 6	105,200
5a	Assessed Filing Fee	Estimate	25,000
6	Property Taxes	Schedule B-4, line 23	56,793
7	Total Operating Expenses		<u>186,993</u>
8			
9	Operating Income Before Tax	(line 2 - line 7)	399,140
10			
11	Federal Income Tax	Schedule B-4, line 17	95,469
12			
13	Return (Operating Income)	Schedule B-4, line 14 (line 9 - line 11)	<u>\$ 303,671</u>
14			
15	Rate of Return		<u>7.93%</u>
16			
17	Rate Base		
18	Plant in Service	Schedule B-3, line 5	3,896,303
19	Less: Accumulated Depreciation	Schedule B-3, line 8	52,600
20	Less: Accumulated Deferred Income Taxes	Schedule B-3, line 18	14,319
21			
22	Total Rate Base	(line 18 - line 19 - line 20)	<u>\$ 3,829,384</u>