

**Black Hills Power**  
**Fuel and Purchase Power Adjustment Example**  
**For Rates Effective on October 1, 2014**

**Exhibit CJK-1**

Line No.	FERC Acct. #	Description	(1) Rate Case Reference	(2) Amounts Included in Base Rates	(3) Amounts Included in the FPPA Filing in April 2015
1	501	Fuel and Fuel Handling	Stmt H; Ins 3-7	\$ -	\$ 9,000,000 (a)
2	502	Reagent Costs (Lime; Ammonia; Mercury Sorbent)	Stmt H; In 8	-	1,200,000 (a)
3	555	Purchase Power	Stmt H; In 45	-	5,800,000 (a)
4	547	Fuel - Other Plant (Delivered Natural Gas Cost)	Stmt H; In 27	-	3,000,000 (a)
5		Power Marketing Operating Income	Stmt I pg 1; In 9 & Sched H-12	-	(750,000) (b)
6		Annual System FPP Costs that would be reported on Section No 3C, Sheet 12, Line 1			18,250,000
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8	408	Property Taxes	Stmt P pg 1; In 19	4,049,818	500,000 (c)
9	447	Sales for Resale (Long-Term Wholesale Contracts)	Stmt P pg 1; In 27	19,288,845	700,000 (d)
10		Incremental South Dakota Jurisdictional Costs reported on Section 3C, Sheet 12, Line 10			1,200,000
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12	Note (a)	These amounts represent 100% of those costs passed through to customers in the April 2015 filing from October 1, 2014 through March 31, 2015.			
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14	Note (b)	This amount represents 65% of the total Power Marketing Operating Income from October 1, 2014 through March 31, 2015.			
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16	Note (c)	This amount will represent the difference from the amount included in base rates to the actual amount from October 1, 2014 through March 31, 2015 (prorated for the six month time period).			
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18	Note (d)	This amount will represent the difference from the amount included in base rates to the actual amount from October 1, 2014 through March 31, 2015 (prorated for the six month time period). A positive amount here would represent lower revenue as compared to the amount in base rates and a negative amount here would represent higher revenue as compared to the amount in base rates. Long-Term Wholesale contracts are defined as one year or longer.			
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24	<b>Overall Note:</b>	The amounts listed in Column (3) are for illustration purposes only.			