

Black Hills Power, Inc.
South Dakota
Revenue Requirement Model Description

Schedule I-1 – This schedule lists the present and proposed revenues and rates by rate class.

Schedule I-2 – This schedule adjusts for the PIPR Rider Revenue.

BLACK HILLS POWER, INC.
South Dakota PIPR Rider Revenue
For the Pro Forma Test Year Ended September 30, 2013

Line No.	Description	Reference	(a) October-13	(b) November-13	(c) December-13	(d) January-14	(e) February-14	(f) March-14	(g) April-14	(h) May-14	(i) June-14	(j) July-14	(k) August-14	(l) September-14	
1	CPGS Rider Revenue Requirement Calculation - October 2013 through September 2014														
2															
3	Forecasted Monthly Construction Costs		\$ 6,198,714	\$ 4,892,269	6,056,450	4,288,920	3,146,758	3,278,425	3,262,999	3,331,653	2,703,298	2,076,666	1,725,180	2,685,132	
4	Forecasted Monthly Cumulative Construction Costs		58,526,580	63,418,849	69,475,299	73,764,219	76,910,977	80,189,402	83,452,401	86,784,054	89,487,352	91,564,018	93,289,198	95,974,330	
5	Jurisdictional Allocation		91.53%	91.53%	91.53%	91.53%	91.53%	91.53%	91.53%	91.53%	91.53%	91.53%	91.53%	91.53%	
6	WY Forecasted Monthly Cumulative Construction Costs	(Ln. 4 x Ln. 5)	53,569,379	58,047,272	63,590,741	67,516,390	70,396,617	73,397,360	76,383,983	79,433,445	81,907,773	83,808,546	85,387,603	87,845,304	
7	CPGS Rider Rate of Return - Forecasted	Ln. 27	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	
8	CPGS Monthly Return on Costs	(Ln. 6 * Ln. 7 / 12)	245,526	266,050	291,458	309,450	322,651	336,405	350,093	364,070	375,411	384,123	391,360	402,624	
9	CPGS Rider Equity Return	Ln. 26	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	
10	CPGS Monthly Rider Return on Equity	(Ln. 6 * Ln. 9 / 12)	206,689	223,966	245,354	260,501	271,614	283,191	294,715	306,481	316,027	323,361	329,454	338,936	
11	Federal Tax Gross-up Factor	1 / (1 - .35)	1.53846	1.53846	1.53846	1.53846	1.53846	1.53846	1.53846	1.53846	1.53846	1.53846	1.53846	1.53846	
12	Equity Return Tax Gross-up	Ln. 10 * Ln. 11	317,983	344,563	377,467	400,770	417,867	435,678	453,407	471,509	486,195	497,478	506,852	521,439	
13	Monthly Revenue Requirement	Ln. 8 + Ln. 12 - Ln.	356,820	386,647	423,571	449,719	468,904	488,892	508,785	529,098	545,579	558,240	568,758	585,127	
14															
15	Forecasted Annual CPGR Rider Revenue	Note 1	6,688,325												
16	Test Year CPGR Rider Revenue		1,936,387												
17	Revenue Adjustment	Ln. 15 - Ln. 16	4,751,938												
18															
19	Note (1) Sum of line 13, columns (h) through column (l) * 12/5. Annualized the last five months of PIPR revenue.														