

**Black Hills - Colorado Electric
Transmission Cost Adjustment Calculation
For the Twelve Months Ended December 31, 2023**

	Forecasted 12/31/2023 Balance
A Increase In Net Transmission Plant - December 31, 2023 (Thirteen Month Average)	\$ 125,204,692
B Construction Work In Progress Balance At December 31, 2023	\$ 11,868,519
C Weighted Average Cost of Capital	7.03%
D Return on Transmission Plant and Transmission CWIP [(A + B) X C]	<u>\$ 9,636,247</u>
E 2022 True-Up Revenue Requirement including Ownership Cost (Over)/Under	\$ -
F Required Earnings [D + E]	<u>\$ 9,636,247</u>
G Income Tax Expense	\$ 2,220,606
H Ownership Costs Associated With Incremental Investment from 1/1/2023	\$ 2,341,602
I Adjustment for (Over)/Under Recovery For Recovery Period January 1, 2022 - December 31, 2022	\$ 679,682
J Interest Charge on Over recovery	\$ -
K Revenue Requirement [F + G + H + I + J]	\$ 14,878,136
L 2024 Sales Forecast - kWh's (January 1, 2024 to December 31, 2024)	1,788,177,760
M TCA Rider [K / L]	0.008320

Black Hills - Colorado Electric
2023 Net Plant Component of TCA
For the Twelve Months Ended December 31, 2023

Line No.	Description	Actual 12/31/2023 Balance
1	Plant In Service	\$ 140,603,193
2	Depreciation Reserve	\$ 6,636,336
3	Net Plant In Service [Line 1 - Line 2]	\$ 133,966,857
4	Accumulated Deferred Taxes	\$ 8,762,165
5	Total [Line 3 - Line 4]	\$ 125,204,692
6	2023 Weighted Average Cost of Capital	7.03%
7	Required Earnings at WACC [Line 5 x Line 6]	\$ 8,801,890
8	2023 Weighted Average Equity component	4.95%
9	Equity earnings [Line 5 x Line 8]	\$ 6,197,632
10	Income Tax Expense [(Line 9 x (1/1-.2466)) - Line 9]	\$ 2,028,334
11	Total Revenue Requirements Including Taxes [Line 7 + Line 10]	\$ 10,830,224

Line No.	Description	Actual 12/31/2023 Balance
1	CWIP	12,094,946
2	Pre-Funded AFUDC	226,427
3	Total [Line 1 - Line 2]	11,868,519
4	2023 Weighted Average Cost of Capital	7.03%
5	Required Earnings at WACC [Line 3 x Line 4]	\$ 834,357
6	2023 Weighted Average Equity component	4.95%
7	Equity earnings [Line 3 x Line 6]	587,492
8	Income Tax Expense [(Line 7 x (1/1-.2466)) - Line 7]	192,272
9	Total Revenue Requirements Including Taxes [Line 5 + Line 8]	\$ 1,026,629

**Black Hills - Colorado Electric
Construction Work In Process True-Up
For the Twelve Months Ended December 31, 2023**

		A	B	C
Line No.	Description	As Filed	Actual	True-Up*
1	Construction Work In Progress Balance At December 31, 2022	\$ 50,683,267	\$ 50,683,267	\$ -
2	Less: Pre-Funded AFUDC	\$ 2,084,076	\$ 2,084,076	\$ -
3	Total	\$ 48,599,191	\$ 48,599,191	\$ -
4	2022 Weighted Average Cost of Capital	6.78%	6.78%	
5	Required Earnings at WACC [Line 3 x Line 4]	\$ 3,295,025	\$ 3,295,025	\$ -
6	Weighted Average Equity component	4.95%	4.95%	
7	Equity earnings [Line 3 x Line 6]	2,405,660	2,405,660	\$ -
8	Income Tax Expense [(Line 7 x (1/1-0.246577)) - Line 7]	787,314	787,314	\$ -
9	Total Revenue Requirements Including Taxes [Line 5 + Line 8]	\$ 4,082,339	\$ 4,082,339	\$ -

* Column C = Column B - Column A

**Black Hills - Colorado Electric
Plant in Service True-Up From 2022 Estimate
For the Twelve Months Ended December 31, 2023**

		A	B	C
<u>Line No.</u>	<u>Description</u>	<u>As Filed</u>	<u>Actual</u>	<u>True-UP*</u>
1	Plant in Service	\$ 87,034,167	\$ 87,034,167	\$ -
2	Less: Depreciation Reserve	\$ 4,764,458	\$ 4,764,458	\$ -
3	Less: Tax Timing Difference - Accumulated Deferred Income Tax	\$ 8,067,231	\$ 8,067,231	\$ -
4	Net PIS [Line 1 - Line 2 - Line 3]	\$ 74,202,478	\$ 74,202,478	\$ -
5	Weighted Average Cost of Capital	6.78%	6.78%	
6	Required Earnings	5,030,928	5,030,928	-
7	Weighted Average Equity component	4.95%	4.95%	
8	Equity earnings [Line 4 x Line 7]	3,673,023	3,673,023	\$ -
9	Income Tax Expense [(Line 8 x (1/1-0.246577)) - Line 8]	1,202,091	1,202,091	\$ -
10	Total - Column F [Line 6 + Line 9]	\$ 6,233,019	\$ 6,233,019	\$ -

* Column C = Column B - Column A

**Black Hills - Colorado Electric
Projected KWh Sales For the Twelve Month Period
January 1, 2024 - December 31, 2024**

<u>Line No.</u>	<u>Description</u>	<u>Total</u>
1	Projected 2024 KWh (January 1 to December 31)	1,788,177,760

Line No.	Work WO Description	Forecasted Spend		
		As of Sep 30, 2023	Through Dec 31, 2023	Total Spend
1	10065006-115KV WS-Portland-CCP-CW Rebuild	\$ -	\$ 72,076	\$ 72,076
2	10079182-Canon Plant - Skala 115	\$ 2,285,192	\$ -	\$ 2,285,192
3	10079185-Hogback - Canon West 115 kV	\$ 166,082	\$ -	\$ 166,082
4	10079188-Canon Plant - Hogback 115 kV	\$ 146,447	\$ -	\$ 146,447
5	10079179-West Station-Portland 115	\$ 1,293,841	\$ -	\$ 1,293,841
6	10079193-West Station- PSCO tap 115 kV	\$ 76,310	\$ -	\$ 76,310
7	10070923-Pueblo West 115 kV sub	\$ 3,378,747	\$ 392,803	\$ 3,771,550
8	10080321-115kV Network Upgrades Turkey Creek	\$ -	\$ 1,275,773	\$ 1,275,773
9	10081351-Canon W Tx Upgr-Turkey Cr Network	\$ 2,848,536	\$ -	\$ 2,848,536
10	10081524-115kV Switch Replace Portland	\$ 22,179	\$ -	\$ 22,179
11	10081660-115kV Canon City Switches	\$ 17,948	\$ -	\$ 17,948
12	10080320-115kV Turkey Creek LGIA Sub	\$ -	\$ 4,558	\$ 4,558
13	10082214-Turkey Creek BHCE-G29 - Direct	\$ 91,232	\$ -	\$ 91,232
14	10082266-Turkey Creek BHCE-G29 - Direct	\$ 23,223	\$ -	\$ 23,223
15				
16				
17	Total Without AFUDC	10,349,736	1,745,210	12,094,946
18				
19				
20				
21	10065006-115KV WS-Portland-CCP-CW Rebuild			-
22	10079182-Canon Plant - Skala 115	49,199		49,199
23	10079185-Hogback - Canon West 115 kV	6,846		6,846
24	10079188-Canon Plant - Hogback 115 kV	4,609		4,609
25	10079179-West Station-Portland 115	15,159		15,159
26	10079193-West Station- PSCO tap 115 kV	4,009		4,009
27	10070923-Pueblo West 115 kV sub	110,114		110,114
28	10080321-115kV Network Upgrades Turkey Creek			-
29	10081351-Canon W Tx Upgr-Turkey Cr Network	33,584		33,584
30	10081524-115kV Switch Replace Portland	285		285
31	10081660-115kV Canon City Switches	370		370
32	10080320-115kV Turkey Creek LGIA Sub			-
33	10082214-Turkey Creek BHCE-G29 - Direct	1,863		1,863
34	10082266-Turkey Creek BHCE-G29 - Direct	389		389
35				
36	Total AFUDC	226,427	-	226,427
	Grand Total With AFUDC	10,576,163	1,745,210	12,321,373

**Black Hills - Colorado Electric
 Authorized Pro Forma Rate of Return
 WACC Calculation**

Actual

Line No.	Description	Percent of Total	Cost of Capital	Weighted Cost of Capital
1	Long-Term Debt	47.18%	4.41%	2.08%
2	Common Equity	52.82%	9.37%	4.95%
3		<u>100.00%</u>		<u>7.03%</u>

Authorized (Decision C16-1140)

Line No.	Description	Percent of Total	Cost of Capital	Weighted Cost of Capital
1	Long-Term Debt	47.61%	5.29%	2.52%
2	Common Equity	52.39%	9.37%	4.91%
3		<u>100.00%</u>		<u>7.43%</u>

Line No.	Description	Amount
1	Actual 2022 Collections from Tariff Sheet No. 101	\$ 9,285,452
2	Expected Collections from Third Revised Tariff Sheet No. 101 (Effective date 1/1/2022)	\$ 9,965,134
3	(Over)/Under Actual collections compared to Expected collections	\$ 679,682
4	Approved Annual Revenue Requirement	
5	Annual Revenue Requirement (Effective day 1/1/2022 - 12/31/2022) Proceeding No. 21AL-0516E	\$ 9,965,134

Line No.	Description	Amount
1	Expected Collections from Third Revised Tariff Sheet No. 101 (Effective date 1/1/2022)	9,965,134
2	Actual 2022 Collections from Tariff Sheet No. 101	9,285,452
3	(Over)/Under Actual collections compared to Expected collections (Line 1 - Line 2)	679,682
4	2022 CWIP True-Up (Appendix A Pg 4)	-
5	2022 Plant In Service True-Up (Appendix A Pg 5)	-
6	2022 Ownership Cost True-Up	-
7	(Over)/Under Revenue Requirement from Forecasted Plant Activity	-
8	Net (Over)/Under Collection from 2022 TCA Tariff [Line 3 + Line7]	679,682
9	Weighted Average Cost of Capital	4.95%
10	Interest [If line 7 is less than 0, then Line 8 x Line 9, else 0]	-

165 Black Hills - Colorado Electric
166 Plant in Service Work Paper
167 Transmission Plant in Service Activity By Project and Month
168

December 31, 2021																
Work Order	Work Order Description	Ending Balance	1	2	3	4	5	6	7	8	9	10	11	12 2022 Grand Total		
170	10067129	10067129-115kV Reblld,Boone-S.Fowler Tap	-	-	-	13,431,654	122,502	30,108	11,078	(2,168)	(42,298)	4,436	(498,701)	542	13,057,153	
171	10067128	10067128-115kV South Fowler Tap Sub	-	-	-	2,099,120	(926)	4,927	2,012	1,622	183	960	67,253	(574,440)	1,600,711	
172	10068501	10068501-Reader Replacement 115kV Relay	1,382	-	-	-	-	-	-	-	-	-	-	-	1,382	
173	10068184	10068184-Rattlesnake CCVT replacement	1,263	-	-	-	-	-	-	-	-	-	-	-	1,263	
174	10069802	10069802-115kV Canon City Bkrs 3&5	(161,974)	-	-	-	-	-	-	-	-	-	-	-	(161,974)	
175	10078567	10078567-Fiber Replacement	9,844	(1)	(567)	-	-	-	-	-	-	-	-	-	9,276	
176	10079177	10079177-Desert Cove Battery Replacement	-	-	-	-	37,653	16,937	(1,018)	1	(23)	-	-	-	53,551	
177	10067065	10067065-115 kV line 210 Improvements 2019	(4,360)	-	-	-	-	-	-	-	-	-	-	-	(4,360)	
178	10069618	10069618-DOT TAP arm replacment	(3)	-	-	-	-	-	-	-	-	-	-	-	(3)	
179	10069625	10069625-Canon City Plant-Skala repairs	(16,350)	-	-	-	-	-	-	-	-	-	-	-	(16,350)	
180	10070120	10070120-replace 3-pole	(1,537)	-	-	-	-	-	-	-	-	-	-	-	(1,537)	
181	10070764	10070764-three pole ccp-skala	(10,900)	-	-	-	-	-	-	-	-	-	-	-	(10,900)	
182	10070659	10070659-weststation-midway 3 pole	2,559	-	-	-	-	-	-	-	-	-	-	-	2,559	
183	10071978	10071978-line 210 arm replacment	-	-	(51)	1	-	-	-	-	-	-	-	-	(50)	
184	10078852	10078852-Repair NR Tap Switches	-	-	64,706	-	-	-	-	-	-	-	-	-	64,706	
185	10079246	10079246-115kV Portland-W Station Repairs	-	-	-	-	-	10,845	(104)	(13)	-	-	-	-	10,728	
186	10076741	10076741-COE 115kV Pole Treatments 2021	-	-	-	-	88,673	-	-	-	-	-	-	-	88,673	
187	10070589	10070589-115kV Arequa Gulch-Canon West LIDAR	-	-	-	-	110,149	(2,804)	(198)	-	-	-	-	-	107,146	
188	10077091	10077091-115kV Skala Tap-Portland Sub LIDAR	-	49,240	-	-	-	-	-	-	-	-	-	-	49,240	
189	10077285	10077285-115kV Canon West-Canon Plant LIDAR	-	-	25,368	(78)	-	-	-	-	-	-	-	-	25,290	
190	10077295	10077295-115kV Canon Plant-Skala Tap LIDAR	5,255	0	-	-	-	-	-	-	-	-	-	-	5,255	
191	10069789	10069789-115kV GreenHorn-Burntmill Rebuild	786	-	1,656	-	1,860	3,449	-	-	-	-	-	-	7,751	
192	10069791	10069791-115kV Burnt Mill- West Station Rblid	-	-	-	-	-	1,275,264	99,917	21,021	1,100	2,224	(85,575)	894,723	2,208,674	
193	10069790	10069790-115kV Burntmill-Pueblorereservoir Rbl	-	217	4,107	-	2,621	-	223	-	-	-	-	-	7,168	
194	10077631	10077631-Baculite Mesa DME Equipment	-	-	-	-	114,927	(476)	(1,289)	-	-	-	-	-	113,162	
195	10077632	10077632-Reader Sub DME Equipment	-	-	-	-	-	-	103,259	(3,922)	165	-	-	-	99,502	
196	10077633	10077633-Hyde Park Sub DME Equipment	-	-	-	-	59,098	2,659	(136)	-	-	-	-	-	61,620	
197	10077634	10077634-West Station DME Equipment	-	-	-	-	113,892	10,714	(1,611)	-	-	-	-	-	122,995	
198	10067881	10067881-115kV Boone Sub Terminal Add	-	-	-	788,888	(3,993)	(96)	-	-	-	5,805	(77,861)	(643)	712,100	
199	10067024	10067024-115kV Hogback Substation	-	-	-	-	-	-	-	-	-	-	2,715,893	(1,326)	2,714,567	
200	10077683	10077683-ccp-Hogback Tie	-	-	-	-	-	-	-	-	-	-	-	1,215,145	1,215,145	
201	10081378	10081378-PENROSE LAND PURCHASE	-	-	-	-	-	-	-	-	-	1,081,662	7,633	-	1,089,295	
202	10079917	10079917-115kV Fountain Valley MOAB Replace	-	-	-	-	-	-	-	-	-	-	-	197,957	197,957	
203	10081017	10081017-insulator replacement boon-lj	-	-	-	-	-	-	-	-	-	-	-	12,396	12,396	
204	10081173	10081173-115kV PSCO Junc-Tallahassee Repair	-	-	-	-	-	-	-	-	-	-	-	55,760	55,760	
205	10079308	10079308-115kV COE Pole Treatments 2022	-	-	-	-	-	-	-	-	-	-	-	159,747	159,747	
206																
207																
208	Grand Total		73,832,890	(174,035)	49,455	95,220	16,319,584	646,455	1,351,527	212,135	16,541	(35,067)	1,089,282	2,128,642	1,959,861	23,659,599
209	Monthly Ending Balance		73,832,890	73,658,855	73,708,310	73,803,530	90,123,114	90,769,569	92,121,096	92,333,230	92,349,771	92,314,704	93,403,986	95,532,628	97,492,489	
210																
211	10067129	10055994-CANON WEST REL PJ #205 HB to NPR	-	22,652,595	6,332	1,204	230	-	(1,121,127)	-	-	-	-	-	21,539,234	
212	10067128	10076411-#250 W Station-North Penrose	-	21,985,740	(229,915)	8,127	90,167	3,353	10,227	5,173	-	-	-	-	21,872,871	
213	10068501	10077683-ccp-Hogback Tie	1,235	(818)	-	-	-	-	-	-	-	-	-	-	417	
214	10068184	10081448-West Station Relay Upgrade	-	-	30,949	15,380	-	-	-	-	-	-	-	-	46,329	
215	10069802	10081735-Divestiture 951 Valley Dr Penrose	-	(48,516)	(1,249)	4	-	-	-	-	-	-	-	-	(49,762)	
216	10078567	10081985-Pueblo west tie	-	-	-	-	-	-	-	4,203,322	35,537	-	-	-	4,238,859	
217	10069791	10079181-Portland - SKALA 115 kV	-	-	-	-	-	-	-	3,672,881	(75,415)	-	-	-	3,597,466	
218	10077631	10067000-115kV N. Penrose Substation	-	3,420,567	20,283	4,083	5,168	386	(751)	-	-	-	-	-	3,449,736	
219	10077632	10067024-115kV Hogback Substation	28,145	6,253	1,560	33	887	(250)	-	-	-	-	-	-	36,629	
220																
221																
222	Grand Total		97,492,489	29,380	48,015,820	(172,041)	28,832	96,451	3,490	(1,111,652)	7,881,376	(39,878)	-	-	54,731,779	
223	Monthly Ending Balance		97,492,489	97,521,869	145,537,689	145,365,648	145,394,480	145,490,931	145,494,421	144,382,769	152,264,146	152,224,268	152,224,268	152,224,268		

13 mo avg 140,603,193