

# SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

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## BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application ) Application No. NG-109  
of Black Hills Nebraska Gas, )  
LLC, d/b/a Black Hills Energy, )  
Rapid City, South Dakota, ) ORDER APPROVING STIPULATION  
seeking approval of a general ) AND SETTLEMENT AGREEMENT  
rate increase. )  
)  
) Entered: January 26, 2021

BY THE COMMISSION:

On June 1, 2020, Black Hills Nebraska Gas, LLC, d/b/a Black Hills Energy ("Black Hills" or "Applicant") filed an application ("Application") with the Nebraska Public Service Commission ("Commission"), seeking a general rate increase. The Nebraska Public Advocate ("PA"), the Public Alliance for Community Energy ("ACE"), the Nebraska Municipal Power Pool ("NMPP"), and the International Brotherhood of Electrical Workers Local 244 ("IBEW") formally intervened in this docket. Heartland Natural Gas ("HNG") intervened informally.

Based upon a test year ending December 31, 2019, Black Hills sought an increase in its rates of \$17.3 million per year.<sup>1</sup> Black Hills proposed a return on equity of 10.0%, with an opportunity to earn an overall rate of return of 7.06%.<sup>2</sup> Black Hills identified primary factors necessitating an increase in rates as: (1) recovery of capital infrastructure investment by Black Hills, increasing its rate base by approximately \$322 million, and including capital addition investment throughout 2020, (2) approval of the Black Hills system safety and integrity rider ("SSIR") for 2021 capital investment, (3) renewal and statewide expansion of the SSIR mechanism, (4) statewide expansion, modification, and approval of the High Efficiency Appliance Tool ("HEAT") tariff, (5) approval of the Black Hills revenue deficiency, (6) approval of statewide consolidated rates, and (7) review of various other rate review items set forth in the Application.<sup>3</sup>

As permitted by Neb. Rev. Stat. § 66-1838(10)(b), Black Hills instituted interim rates in the amount of the requested increase, effective September 1, 2020. Any difference between the initial request and the final Commission decision on the rates is to be

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<sup>1</sup> Executive Summary of Application at vi ("Application").

<sup>2</sup> *Id.*

<sup>3</sup> Exhibit BH-ST-1, Joint Stipulation and Agreement of Settlement ("Stipulation"), at 7.

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credited back to customers in the form of a credit on customers' bills after the rate case has concluded.

The Applicant and the PA engaged in discovery. The PA, with the assistance of his consultants, conducted a review of Black Hills' filing. This review included audits of Black Hills' projects included in the 2021 SSIR application filed as part of Black Hills' Application. In addition to the review conducted by the PA, the Commission, assisted by its staff and its own consultants, conducted an independent assessment of the Application and subsequent information provided through the course of discovery.

Based upon his review, the PA proposed a revenue requirement decrease of \$1.79 million, with a return on equity of 8.97%, and an overall rate of return of 6.44%.<sup>4</sup>

Following the PA's submission of this recommendation, Black Hills and the PA engaged in settlement negotiations. These negotiations resulted in a Joint Stipulation and Agreement of Settlement, with Settlement Exhibits A through H ("Stipulation").<sup>5</sup> Black Hills and the PA filed the Stipulation with the Commission and jointly recommended approval. Further, they advised the Commission that the other intervenors to the proceeding did not object to the settlement.<sup>6</sup>

### H E A R I N G   A N D   W O R K S H O P

A hearing on this matter was held on October 28, 2020 for purposes of presenting the Stipulation. At the hearing, Douglas Law, Adam Buhrman, and Dari Dornan appeared for the Applicant. William Austin appeared in his capacity as the Public Advocate. Chris Dibbern appeared on behalf of ACE and NMPP. Sallie Dietrich, Dillon Keiffer-Johnson, and Nichole Mulcahy appeared on behalf of the Natural Gas Department of the Commission ("Department"). Numerous exhibits were entered into the record, including copies of written testimony filed on behalf of Black Hills and the PA, all responses to data requests, various work papers, and several exhibits on behalf of the Commission. A complete list of exhibits is attached to the hearing transcript.

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<sup>4</sup> See generally Direct Testimony and Exhibits of Donna Mullinax, filed Sept. 14, 2020 ("Mullinax Testimony").

<sup>5</sup> A copy of the Stipulation is attached to this Order and incorporated herein.

<sup>6</sup> Stipulation at 5.

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Robert Amdor testified on behalf of Black Hills.<sup>7</sup> Following Mr. Amdor's testimony, the PA presented a statement to the Commission. Donna Mullinax also testified on behalf of the PA. Following Ms. Mullinax's testimony, no further evidence was offered and no witnesses were called. The hearing was adjourned.

On December 15, 2020, a workshop was held in this matter for the purpose of updating the Commission as to the status of Capital Works in Progress ("CWIP") and hiring of open positions, as well as for the purpose of presenting the revised rates under the Stipulation. Black Hills presented information from company representatives regarding its hiring of additional positions, as well as a discussion regarding the HEAT Program. Black Hills submitted final numbers as of December 31, 2020 regarding its hiring in a report dated January 15, 2021 ("January Report"). A copy of the January report is attached to this order and incorporated herein. In this report, Black Hills provided updated, year-end, December 31, 2020 numbers to its final calculated expenses and rates. These adjustments are described below.

## O P I N I O N   A N D   F I N D I N G S

The State Natural Gas Regulation Act ("the Act") specifically provides authority for the PA and other parties in a general rate proceeding to enter into stipulations. Neb. Rev. Stat. § 66-1831. As required by the Act, the Commission must ensure that agreements filed in rate review proceedings are in compliance with the provisions of the Act. Neb. Rev. Stat. § 66-1838(14). Section 66-1825 of the Act sets forth specific statutory rate application review requirements, which the Commission has fully considered in this proceeding.

The Joint Stipulation and Agreement of Settlement, with Settlement Exhibits A through H ("Stipulation") reached between Black Hills and the PA is attached to this Order and incorporated herein. The Stipulation submitted to the Commission resolves the disputed issues in this proceeding. Key points of the agreement are discussed below.

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<sup>7</sup> Detailed descriptions of witness testimony are set forth below.

**Revenue Requirement and Cost of Capital**

The Stipulation initially established an annual revenue requirement for Black Hills, to be recovered through its general retail gas rates, of \$11,096,282.<sup>8</sup> This amount was adjusted through December 31, 2020 in Black Hills' January Report to the final calculation of \$10,688,337.<sup>9</sup> The capital structure for Black Hills will be 50% equity and 50% debt.<sup>10</sup> The actual cost of debt of Black Hills is calculated to be 3.91%.<sup>11</sup> The Return on Equity ("ROE") will be 9.5%.<sup>12</sup> The overall Weighted Average Cost of Capital ("WACC") is calculated to be 6.71%.<sup>13</sup>

The Commission has reviewed the calculations described above and finds them to be just and reasonable, and therefore should be adopted.

**Rate Structure**

The parties agreed that Black Hills should adopt one set of system-wide rates.<sup>14</sup> The parties further agreed that the declining block rate structure proposed by Black Hills in its Application should be adopted, with the first tier of rates adjusted to reflect the lower revenue requirement agreed to in the Stipulation.<sup>15</sup> The rate structure consists of two tiers of distribution rates, and a fixed customer charge.<sup>16</sup>

At hearing, Mr. Amdor testified that this structure will result in a smaller increase to customer bills in the winter, and higher bills in the summer, while recognizing competition from electric utilities.<sup>17</sup> He further noted that customers in the Eastern portion of the state would see more of an increase while customers in the Western portion of the state would experience

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<sup>8</sup> Stipulation at 11.

<sup>9</sup> January Report at 10. This decrease reflects a net 103 additional headcount, as well as some additional negotiation with the Public Advocate with regard to ADIT and DDIT. *Id.* at 10-11.

<sup>10</sup> Stipulation at 11-12; January Report at 11.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> Transcript at 26.

<sup>15</sup> Stipulation at 12.

<sup>16</sup> *Id.*

<sup>17</sup> Transcript at 26.

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minimal change due mainly to the SSIR mechanism currently in use in the West and not the East.<sup>18</sup>

Under the Stipulation, Black Hills will adopt one commercial class statewide. This represents a consolidation of the two commercial classes in the portions of Black Hills' territory formerly served by BH Gas Distribution. Mr. Amdor testified that the decision to have one commercial class was driven by concerns about subsidization between classes.<sup>19</sup> Mr. Amdor also noted that unlike other Black Hills jurisdictions, Black Hills Nebraska Gas has nonjurisdictional commercial customers.<sup>20</sup>

The customer charges and rates were agreed upon in the Stipulation, and finalized in the January Report as follows:<sup>21</sup>

Residential Customer Charge	\$15.45 per month
Residential Distribution Charge - Tier 1	\$.50858/therm for the first 20 therms
Residential Distribution Charge - Tier 2	\$.15000/therm over 20 therms
Commercial Customer Charge	\$28.43 per month
Commercial Distribution Charge - Tier 1	\$.50858/therm for the first 40 therms
Commercial Distribution Charge - Tier 2	\$.15000/therm over 40 therms

The Commission has reviewed the agreed-upon rate structure and finds it should be adopted. However, the Commission is concerned that declining block rate structures in general may have the potential to disproportionately impact certain types or classes of users, including low use customers. The Commission notes that Black Hills committed in the Stipulation to continue to conduct research regarding low use customers, sharing those results with the PA and the Commission and incorporating its

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<sup>18</sup> *Id.*

<sup>19</sup> *Id.* at 32-34.

<sup>20</sup> *Id.* at 33-34.

<sup>21</sup> Stipulation at 13; January Report at 15.

analysis into its rate design in its next rate review proceeding.<sup>22</sup> The Commission also notes that the adoption of one commercial class statewide may not adequately reflect the usage patterns of commercial users. The Commission expects that future rate filings will include a close analysis of the bill impacts resulting from a proposed rate structure, and a demonstration that bill impacts are not disproportionately affecting groups of customers.<sup>23</sup>

### **System Safety and Integrity Rider**

With regard to the SSIR, the parties agreed that the System Safety and Integrity Rider ("SSIR") mechanism should be renewed for a period of five years.<sup>24</sup> The parties agreed to an expansion of SSIR projects and categories, with the definitions of projects eligible for inclusion to be subject to revision and further modification in future SSIR dockets.<sup>25</sup> The parties agreed that "unless otherwise permitted by the Commission, the cost of installation or replacement of natural gas pipeline intended primarily to facilitate customer growth requirements, whether for identified or expected customers, will not be eligible for recovery under the SSIR tariff and other similar riders that permit the recovery of investment in capital investment projects that focus on customer safety."<sup>26</sup> The SSIR will also be expanded statewide, to include Rate Areas 1, 2, 3, and 5.<sup>27</sup>

At hearing, Mr. Amdor testified that the Stipulation contains some changes from the SSIR application that was originally filed in this proceeding.<sup>28</sup> Mr. Amdor stated that as a result of negotiations, some resilience projects had been eliminated for 2021 due to difficulty in identifying what portion of those projects represented growth rather than safety.<sup>29</sup> Mr. Amdor also reaffirmed Black Hills' commitment to work with the PA to narrow and refine the definitions relating to SSIR categories.<sup>30</sup> Mr. Amdor

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<sup>22</sup> Stipulation at 12.

<sup>23</sup> Neb. Rev. Stat. § 66-1825 requires that rates shall be reasonably consistent in application to a class of ratepayers and shall not unreasonably preference or disadvantage any person, and prohibits subsidization. Any future bill impact analysis should include a demonstration that the standards of Neb. Rev. Stat. § 66-1825 have been met.

<sup>24</sup> Stipulation at 15.

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

<sup>27</sup> *Id.* at 15.

<sup>28</sup> Transcript at 40-43.

<sup>29</sup> *Id.* at 41, 45.

<sup>30</sup> *Id.* at 42.

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stated that he anticipates that the SSIR language will continue to be revised in future annual SSIR review dockets.<sup>31</sup>

Mr. Austin also discussed the SSIR mechanism at hearing, noting that the existence of the SSIR allows Black Hills to avoid some regulatory lag.<sup>32</sup> Mr. Austin further commented that the SSIR was intended to encourage the utilities to invest in infrastructure and allow reasonable, prudent investments for infrastructure to be recouped in a more timely fashion and it has successfully achieved that goal.<sup>33</sup> Mr. Austin noted that the company's prudent investments would be recoverable with or without the SSIR, but the SSIR allows for a more timely recovery between rate cases.<sup>34</sup>

Mr. Austin agreed with Mr. Amdor that the settlement represented an agreement between Black Hills and the PA to continue working on criteria, definitions, and categories of projects in future SSIR dockets.<sup>35</sup> Mr. Austin also emphasized that although the agreed-upon revenue requirement is approximately \$11 million, the reset of the SSIR revenue requirement to zero as a result of this settlement creates an impact to customers of \$6.55 million rather than the full \$11 million.<sup>36</sup>

The Commission has reviewed the parties' agreement as to the SSIR and finds it is just and reasonable and should be adopted. The Commission expects, as contemplated in the agreement, that further work will be done in future SSIR dockets to ensure that all project categories are given appropriate, auditable definitions. The Commission also notes that any proposals for future SSIR modifications should include sufficient description to ensure the proposed projects are ultimately for the benefit of system safety and integrity, rather than capacity or system expansion.

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<sup>31</sup> *Id.* at 45.

<sup>32</sup> *Id.* at 132.

<sup>33</sup> *Id.* at 133.

<sup>34</sup> *Id.* at 133-134.

<sup>35</sup> *Id.* Ms. Mullinax noted that while the parties were in general agreement as to what should be included in the SSIR, there was still work to be done to create auditable definitions for categories. *Id.* at 146.

<sup>36</sup> *Id.* at 135-136; Stipulation at 11, footnote 4.

**Farm Tap Project Costs**

The parties agreed that Black Hills may include in its rate base all of its investment in the farm tap program, including amounts over the original \$4 million cap.<sup>37</sup> While the cost of the project was originally estimated to be \$4 million, the amount invested by Black Hills in the project was \$8,064,772 as of December 31, 2020.<sup>38</sup> At hearing, Mr. Amdor explained that costs ended up being more significant than originally estimated due to unforeseen issues that arose including the number and length of lines to be replaced and issues with contractors and weather.<sup>39</sup> The PA also noted that while the costs exceeded the original estimate, they were prudently incurred and for the purpose of safety.<sup>40</sup>

The Commission accepts this term of the stipulation. However, the Commission emphasizes that a party's estimated costs in a given docket are key to understanding the potential impacts on ratepayers. The settlement of this matter and the Commission's acceptance of that settlement is not a binding decision to allow full recovery of any future projects which exceed their original estimates.

The Commission also notes that a proactive approach by the utility is strongly preferred when projects exceed their original estimated costs. While the Commission understands that costs may vary between the initial planning and the actual execution of a project, the Commission expects that in the future, the utility will communicate to the Commission, and seek guidance from the Commission, regarding significant departures from project cost estimates during the pendency of the project. Future projects which exceed their original estimates will receive close scrutiny, and the onus will rest upon the company to demonstrate that costs incurred are prudent, just, and reasonable.

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<sup>37</sup> Stipulation at 17, Transcript at 61; see also Commission Dockets Nos. NG-90, NG-90.1, and NG-90.2.

<sup>38</sup> See Commission Docket No. NG-90.2. Black Hills provided a quarterly report on the progress of the farm tap project in NG-90.2 on January 15, 2021, reflecting year-end totals and the cumulative investment in the farm tap project.

<sup>39</sup> Transcript at 58-60.

<sup>40</sup> Transcript at 136-137.



**Capital Investments**

Originally, Black Hills sought to include 2020 capital investments totalling \$102 million in rate base.<sup>41</sup> The PA initially recommended disallowing \$35 million of these capital investments, reflecting the projects completed by July 1, 2020 only.<sup>42</sup> In the settlement, the parties agreed that Black Hills had provided evidence that the 2020 investments are substantially complete and will be in service by the end of 2020, and therefore should be included in rate base in an amount up to \$110 million.<sup>43</sup> The parties further agreed that Black Hills would only include the costs of actual employee positions filled as of December 31, 2020, with Black Hills agreeing to remove any positions not filled by the end of the year.<sup>44</sup>

The Commission has reviewed this term of the Stipulation and finds it to be just and reasonable.

**HEAT Program**

The Stipulation further allows Black Hills to extend the High Efficiency Appliance Tool ("HEAT") program statewide throughout all Black Hills rate areas. The Parties agreed that Black Hills would defer collection of the HEAT Surcharge in Rate Areas 1, 2, and 3 until September of 2021 when such customers would be eligible to benefit from the program.<sup>45</sup> Mr. Amdor testified that the parties agreed to add a multifamily incentive to the HEAT program to enable the program to be more competitive with the electric industry.<sup>46</sup> Black Hills presented revised tariff language at the December 15 workshop, which was then further revised after the Public Advocate raised concerns regarding what types of appliances would be covered under the program.<sup>47</sup>

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<sup>41</sup> Application at iv.

<sup>42</sup> Mullinax Testimony at 15-16.

<sup>43</sup> Stipulation at 16-17. The parties further agreed that if Black Hills invests amounts above \$110 million in 2020 for safety and integrity infrastructure projects, that amount may be recovered in future SSIR dockets. *Id.*

<sup>44</sup> *Id.* at 20. In its January Report, Black Hills reported that it had filled a total of 103 positions, although in its initial filing it had requested funding for 130 positions and had filled 98 at the time it submitted its rebuttal testimony. January Report at 10.

<sup>45</sup> Stipulation at 16.

<sup>46</sup> Transcript at 26-27.

<sup>47</sup> January Report at 9; see also January Report Exhibit 5, "HEAT Multi-Family Tariff."

Final tariff language was submitted as part of Black Hills' January Report.<sup>48</sup> Black Hills also calculated the HEAT surcharge for Rate Area Five customers to be \$.39 per month through December 31, 2021.<sup>49</sup> Black Hills will submit in November 2021 a filing recalculating the HEAT surcharge, which will then be applied across all Nebraska rate areas.<sup>50</sup>

The Commission has reviewed this term of the Stipulation and finds it to be just and reasonable.

### **Employee Incentives**

The Stipulation includes agreements that Black Hills will recover 100% of employee incentive programs and 50% of its corporate incentive plan, and will freeze recovery of the Supplemental Executive Retirement Program ("SERP") at current levels with any new SERP costs in the future to be borne by Black Hills.<sup>51</sup> The parties additionally agreed that Black Hills and ratepayers would split the cost of Directors and Officers liability insurance 50-50.<sup>52</sup>

The Commission has reviewed this term of the Stipulation and finds it to be just and reasonable.

### **Allo Project Costs**

The Stipulation includes an agreement regarding line locate costs incurred due to the Allo project in Lincoln.<sup>53</sup> At hearing, Mr. Amdor testified that Black Hills is holding \$1.526 million of costs related to the Allo project in a regulatory asset account.<sup>54</sup> These costs will be recovered from ratepayers living in the Lincoln area, where the project took place, at a rate of \$.43 per month for 36 months.<sup>55</sup>

The Commission has reviewed this term of the Stipulation and finds it to be just and reasonable.

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<sup>48</sup> January Report at 9.

<sup>49</sup> *Id.*

<sup>50</sup> *Id.*

<sup>51</sup> Stipulation at 22.

<sup>52</sup> *Id.*

<sup>53</sup> Stipulation at 24; see also Commission Docket No. NG-93.

<sup>54</sup> Transcript at 83-84.

<sup>55</sup> Stipulation at 25.

**Non-Plant ADIT**

The parties also reached an agreement regarding the treatment of non-plant accumulated deferred income tax ("ADIT") in rate base.<sup>56</sup> At hearing, Ms. Mullinax testified that she initially had some concerns regarding its inclusion in rate base.<sup>57</sup> Ms. Mullinax noted that Black Hills' request to include non-plant ADIT in rate base was a departure from past precedent. She explained that typically, non-plant items are more volatile in nature and therefore are not included in a utility's rate base.<sup>58</sup> Ms. Mullinax testified that the parties ultimately agreed that Black Hills would remove volatile non-plant ADIT items from rate base.<sup>59</sup> Ms. Mullinax recommended that non-plant ADIT items should never be included in rate base in future rate case proceedings.<sup>60</sup>

The Commission has reviewed the settlement of this issue and finds it to be just and reasonable. The Commission notes, however, that volatile items generally should not be included in rate base. The inclusion of non-plant ADIT items in rate base in future rate review proceedings will be considered a departure from Commission precedent and will require clear explanation, justification, and reasoning to depart from that precedent.

**Reasonableness of Stipulation**

Under Neb. Rev. Stat. § 66-1838(14), an agreement reached in a general rate filing shall be presumed to be in the public interest. The role of the Commission in reviewing such a settlement is to ensure there is no "clear evidence on the face of the agreement that it is contrary to the standards and provisions of the State Natural Gas Regulation Act."

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<sup>56</sup> Stipulation at 18. In its January Report, Black Hills stated that it and the PA had engaged in further negotiation on this subject and had reached "further understanding and agreement as to the proper level" of ADIT and DDIT to include in the Revenue Requirement Model. This agreement is reflected in Exhibit 1 to the January Report, "Final Revenue Requirement Model."

<sup>57</sup> Transcript at 140.

<sup>58</sup> *Id.* at 141-142, 144. "Volatile" in this context means that an item may benefit either ratepayers or the company at any given time. *Id.* at 145.

<sup>59</sup> Transcript at 143. The items removed include pension costs, retiree healthcare expenses, state investment tax credits, and miscellaneous regulatory assets/liabilities. Stipulation at 18; see also Mullinax Testimony at 21-24.

<sup>60</sup> Transcript at 145.

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At hearing, both Black Hills and the PA requested approval of the Stipulation. Mr. Amdor testified that he believed the rates set out in the settlement are just and reasonable, and represent compromise from both Black Hills and the PA.<sup>61</sup> Mr. Amdor requested that the Commission approve the settlement without modification.<sup>62</sup> Similarly, the PA stated that he believed the parties were presenting a just and reasonable settlement for both Black Hills and the ratepayers.<sup>63</sup> Mr. Austin noted that the combination of the agreed-upon return on equity and cost of debt result in a more favorable result for Nebraska ratepayers than was approved in other states.<sup>64</sup>

The Commission finds that this Stipulation is made pursuant to Nebraska law and is intended to relate only to specific matters referenced therein. No party to the Stipulation shall be deemed to have approved, accepted, agreed or consented to any ratemaking principle, any method of cost of service determination, any method of cost allocation or the resolution of any specific issue that may underlie or be implied by the provisions of the Stipulation (or the Schedules attached thereto) or be prejudiced or bound thereby in any other current or future proceeding before the Commission.

This Stipulation represents a negotiated settlement of the issues in this proceeding and does not establish binding precedent on the Commission for future rate cases. The Commission will continue to monitor programs established and reviewed in this proceeding and modifications may be made in future rate cases or other proceedings.

The role of the Commission under state law is to balance the interests of the company with the interests of the consumer.<sup>65</sup> The Commission has reviewed the Stipulation and finds that these interests are adequately balanced, and the terms set forth therein are just and reasonable and in the public interest. The Commission therefore finds that the Stipulation should be approved.

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<sup>61</sup> *Id.* at 72-74.

<sup>62</sup> *Id.* at 74.

<sup>63</sup> *Id.* at 128.

<sup>64</sup> *Id.* at 131.

<sup>65</sup> Neb. Rev. Stat. § 66-1825(3) ("The commission . . . shall give due consideration to the public need for adequate, efficient, and reasonable natural gas service and to the need of the jurisdictional utility for revenue sufficient to enable it to meet the cost of furnishing the service . . . and to earn a fair and reasonable return upon the investment in such property.").

In accordance with this Order, Black Hills shall file with the Commission at the earliest practicable date, but no later than February 26, 2021, revised tariff sheets consistent with the terms set forth in the Stipulation in this matter. These revised tariff sheets will be effective on March 1, 2021.

#### **Interim Rates and Refund Plan**

As part of this proceeding, Black Hills implemented interim rates on September 1, 2020. The difference between these rates and the final rates approved by the Commission is subject to refund.<sup>66</sup> Black Hills states in its January Report that it anticipates final rates to be implemented on March 1, 2021, and that it will refund the difference, with interest, between interim rates and final rates for the period of September 1, 2020 through February 28, 2021.<sup>67</sup>

Black Hills further requests leave to file a refund plan for this balance on April 1, 2021, in order to accurately calculate the amount of funds overcollected between September 1, 2020 and February 28, 2021.<sup>68</sup> Black Hills notes that refund plans are typically due 30 days following the date of the Commission's final order in a rate proceeding; however, in this instance, such a deadline would fall on February 26, 2021, before final rates are actually implemented. Therefore, a deadline of approximately thirty days following the implementation of final rates is more appropriate in this instance.

The Commission finds this request is reasonable. Black Hills shall therefore file with the Commission a plan to refund ratepayers the full amount overcollected between September 1, 2020 and February 28, 2021, with interest, **on or before Thursday, April 1, 2021 at 5:00 p.m. Central Time.** This plan shall include a calculation of the total amount overcollected, a narrative description detailing Black Hills' plan to refund ratepayers and the justification for Black Hills' approach to refunding ratepayers, as well as any other supporting information and exhibits necessary for the Commission's review of the refund plan.

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<sup>66</sup> Neb. Rev. Stat. § 66-1838 (10) (b).

<sup>67</sup> January Report at 19.

<sup>68</sup> *Id.*

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O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the Stipulation filed in this matter, as modified by the report filed by Black Hills on January 15, 2021, shall be approved in its entirety.

IT IS FURTHER ORDERED that Black Hills Nebraska Gas, LLC, shall file with the Commission no later than February 26, 2021 revised tariff sheets consistent with the terms set forth in the Stipulation in this matter, to be effective March 1, 2021.

IT IS FINALLY ORDERED that Black Hills Nebraska Gas, LLC, shall file with the Commission no later than Thursday, April 1, 2021 at 5:00 p.m. Central Time a plan to refund overcollected interim rates as described above.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 26th day of January, 2021.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Rod Johnson*  
*Crystal Swader*  
*Mary Keddin*  
*Tim Schram*

*Don Wooten*

Chair

ATTEST:

*Michael S. Hyl*

Executive Director