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October 19, 2023

Ret. Colonel Thomas Golden
Executive Director
Nebraska Public Service Commission
1200 N Street, Suite 300
Lincoln, NE 68508

Re: *Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy*

Black Hills Energy's Response to the Report of the Nebraska Public Advocate in the matter of Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy seeking approval of its 2024 Systems Safety and Integrity Rider.

Commission Application No. NG-112.3

Dear Col. Golden:

Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy hereby submits its response to the report titled "Examination of the System Safety and Integrity Rider of Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy for the 2024 Program Year" filed by the Nebraska Public Advocate in the above-captioned proceeding on October 16, 2023.

Please contact me at (402) 221-2635 if you have any questions or need additional information.

Respectfully submitted,

/s/ Douglas J. Law

Douglas J. Law #19436
Associate General Counsel

DJL:ce
Attachments

Black Hills Energy agrees with the following findings and recommendations as set forth in the Report:

1. Adjustments to the calculation of the 2023 SSIR Rider Charge, including:
 - (a) Fixing the link to the tax rate used in the ADIT calculation;
 - (b) Use of the Residential and Commercial SSIR rate approved in NG-112.1 in the Customer Bill True-up calculation; and
 - (c) Use of the SSIR revenue requirements approved in NG-112.1 in the 2022 Revenue Requirement True-up calculation.
2. Approval of Black Hills Energy's modifications to the SSIR Tariff to allow the flexibility to swap amounts approved by SSIR category to another SSIR category as long as the projects have been reviewed and approved as part of the Application review process. Black Hills Energy will identify each swap and provide an explanation as to why the original project could not be completed and an alternate project was used.
3. Acceptance of Black Hills Energy's proposal to continue to "streamline the reconciliation process, also on a project category basis" as long as it continues to provide a comparison of forecasted versus actual costs and forecasted versus actual in-service dates for each individual project included.
4. Correction of the formatting error in the Schedule H ADIT Average Balance Account 282.2024 Consolidated Accumulated Balance to include the balance for TIMP.

Black Hills Energy agrees with the Public Advocate's final recommendations, as set forth above and in its Report and has incorporated those changes into the attached revised SSIR Model.

Tariff Sheet Revisions for SSIR Charges

BH Nebraska Gas will submit a revised Nebraska Natural Gas Tariff, Rate Schedules and Other Charges Schedule of Rates, Sheet No. 78. The revised tariff sheet will replace and supersede

the then effective BH Nebraska Gas SSIR tariff sheet that includes the current SSIR monthly charges. The revised BH Nebraska Gas SSIR Tariff Sheet No. 78, to become effective on January 1, 2024, will list the Commission-approved SSIR charges as recommended by the Company and the Public Advocate as set forth above.

	Residential	Commercial
Proposed SSIR Charge - \$/month	\$3.78	\$11.35

Conclusion

Black Hills Energy respectfully requests that the Commission approve its revised SSIR charges to become effective January 1, 2024. Black Hills Energy clarifies that it will file an SSIR tariff sheet compliance filing prior to December 31, 2023 once the Black Hills Energy SSIR tariffs are approved by the Commission. Those tariff sheets will contain the SSIR charges along with acknowledgment of any other changes approved by the Commission in this proceeding. Black Hills Energy also requests approval of the Public Advocate's recommendations, including the authority of Black Hills Energy to swap SSIR category amounts from one category to another as described more fully within the 2024 SSIR application.

Black Hills Energy looks forward to working with the Public Advocate and the Commission to address and implement the recommendations presented in the Report.

Dated: October 19, 2023.

Respectfully Submitted,

BLACK HILLS NEBRASKA GAS, LLC,
D/B/A BLACK HILLS ENERGY, Applicant.

BY: *Douglas J. Law*

Douglas Law #19436

Black Hills Energy

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing Response of Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy to the Report of the Nebraska Public Advocate was served electronically on October 19, 2023, upon the following:

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