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P: 402-221-2635

October 10, 2018

Nebraska Public Service Commission
1200 N Street
Suite 300
Lincoln, Nebraska 68508

Attn: Mr. Mike Hybl
Executive Director

Re: Black Hills Gas Distribution, LLC
Docket No. NG-0078.6 – In the matter of the application of Black Hills Gas Distribution, LLC d/b/a Black Hills Energy for an order authorizing it to decrease the Safety and Integrity Charges

Dear Mr. Hybl:

Pursuant to the Final Order entered on October 28, 2014 and the Order Modifying Order Approving Application, In Part entered on November 4, 2014 in Docket No. NG-0078 and the Final Order entered on January 26, 2016 in Docket No. NG-0084, Black Hills Gas Distribution, LLC, d/b/a Black Hills Energy, (“BHGD-NE” or the “Company”) herewith submits for filing with the Nebraska Public Service Commission (Commission) the original and one paper copy of the following tariff sheets:

Thirty-eighth Revised Sheet No. 7
Canceling Thirty-seventh Revised Sheet No. 7

By this Application, BHGD-NE is proposing to adjust the Safety and Integrity Charges applicable to all customers served under Rate Schedule CGS (Choice Gas Service) and Rate Schedule ACGS-NSS (Agricultural Choice Gas Service – Non-Seasonal Service).

The change in the rates submitted with this Application reflects a decrease in the overall Safety and Integrity Charges applicable to the referenced rate schedules to cover the incremental annual revenue requirement impact of costs incurred by BHGD-NE with respect to System Safety and Integrity Rider (“SSIR”) Projects as defined on Tariff Sheet No. 13 along with the 2019 annual revenue requirement of the Projects that were originally included in the calculation of the Pipeline Replacement Charge, but were included in the calculation of the currently effective SSIR rates pursuant to the Commission’s Order in Docket No. NG-0078.3.¹ These eligible

¹ The final Order issued by the Nebraska Public Service Commission in Docket No. NG-0084 contains the following provision under the Rate Moratorium and Acquisition Premium Section on page 10: “The agreement further

projects were not included in the rate base calculation in the most recently completed rate case for these Nebraska assets, Docket No. NG-0067 and were in service and used and useful by December 31, 2017. If approved by the Commission, the monthly Safety and Integrity Charges shall decrease as follows:

	Residential	Small Commercial	Large Commercial
Current SSIR Charge - \$/month	\$4.67	\$9.95	\$69.50
Proposed SSIR Charge - \$/month	\$4.14	\$8.81	\$60.83
Decrease in Proposed SSIR Charge - \$/month	\$(0.53)	\$(1.14)	\$(8.87)
Proposed Average Monthly Bill Decrease - %	-0.733%	-0.772%	-0.667%

The proposed 2019 SSIR has been calculated² in accordance with Tariff Sheet Nos. 11 through 15, as more fully discussed herein including the addition of the PRC projects into the calculation.³ The tariff sheets included with this Application bear a proposed effective date of February 1, 2019.

This filing includes the following exhibits:

- Exhibit 1 – Clean version of Tariff Sheet
- Exhibit 2 – Redlined version of Tariff Sheet
- Exhibit 3 – Calculation of the SSIR Charges
- Exhibit 4 – Explanation of variance greater than 10% or \$10,000 of 2017 projects.

Calculation of Safety and Integrity Charge

The calculation of the SSIR is shown on the tables that comprise Exhibit 3. A summary of the information shown on each schedule is as follows:

provides that Black Hills NE retains its rights within the System Safety Integrity Rider (“SSIR”) for eligible system safety and integrity costs, including allowing Black Hills NE the opportunity to include and collect eligible capital from the Pipeline Integrity Charge into the SSIR in the 2017 SSIR Filing. As a result, these projects will be referred to as SSIR Projects throughout this Application.

² The 2019 revenue requirement was calculated utilizing the lower federal corporate income tax rate under the Tax Cuts and Jobs Act of 2017 (TCJA) filed in Docket No NG-0095.3.

³ The PRC projects were initially filed in Docket Nos. NG-0072 and NG-0072.1 and had a combined annual revenue requirement approved in those Dockets of \$1,108,509. Consistent with the SSIR Tariff, the Company recalculated the revenue requirement associated with these projects for 2019. This recalculation results in an annual revenue requirement of \$838,753 proposed to be recovered through the SSIR rates for 2019 for these projects.

Table 1 – this table shows the derivation of the 2019 SSIR for the residential and small and large commercial customer classes. The rates are determined by dividing each customer class’s portion of (1) the jurisdictional revenue requirement attributable to 2012 through 2017 SSIR projects⁴, (2) the 2017 Deferred SSIR Balance, (3) the 2017 SSIR True-up Amount and (4) the carrying cost associated with the Deferred SSIR Balance and SSIR True-up Amount by the estimated annual number of bills used in the most recently approved rate case in Docket No. NG-0067. The rate change caused by the proposed Safety and Integrity rate is then divided by the current average monthly bill for each customer class to show the average monthly bill decrease from the proposed 2019 SSIR.

Table 2A – this table shows the calculation of the statewide revenue requirement resulting from the 2014 through 2017 SSIR Projects⁵. The statewide revenue requirement for each of the respective years is as follows:

	Statewide Revenue Requirement
2014 Projects	\$1,125,192
2015 Projects	\$1,788,822
2016 Projects	\$1,946,900
2017 Projects	\$1,325,304

The determination of the revenue requirement requires calculation of the incremental revenue required to compensate BHGD-NE and includes: (i) a return, at a percentage equal to the Company’s currently authorized weighted average cost of capital including an authorized return on equity of 9.60% grossed up for taxes, on the projected increase in the month ending net plant in-service balances associated with the Projects; (ii) the plant-related ownership costs associated with such incremental plant investment, including depreciation less any retirements, accumulated deferred income taxes (ADIT), and all taxes including income taxes and property taxes; and (iii) the projected operation and maintenance (O&M) expenses related to the Projects for 2019.

In Docket No. NG-0078.3, the Public Advocate’s Report recommended that the Company reflect the use of bonus depreciation in its SSIR Reconciliations, if applicable. Subsequently, the Company engaged in discussions with the Public Advocate related to the use of bonus depreciation and its impact to Accumulated Deferred Income Taxes and a discussion about this topic was included in the “Report to Commission on Mandatory Meeting” filed by the Company and the Public Advocate in Docket No. NG-0078.3. In

⁴ The 2012 and 2013 projects were previously collected through the PRC Charge but were transferred into the SSIR calculation and the SSIR Rate pursuant to the Commission Order in Docket No. NG-0078.3.

⁵ The Company only calculated the 2019 Jurisdictional revenue requirement for the 2012 and 2013 projects that were originally collected through the PRC Charge. The statewide revenue requirement for these projects was not necessary to determine the rates requested in this filing, so that analysis was not performed.

preparation of this filing after consultation with the Company’s tax department, it was determined that due to IRS normalization rules it would be most appropriate to reflect the use of bonus depreciation and any net operating losses that occur as a result of the Company electing the use of bonus depreciation on its tax returns. The Company elected the use of bonus depreciation in 2016 and again in 2017. Therefore, the ADIT calculation used in this filing related to the 2016 and 2017 projects reflects the election of bonus depreciation on the Company’s tax returns for those specific tax years and that impact is reflected in the revenue requirement calculation for 2019 reflected in this filing. Additionally, the election of bonus depreciation related to the 2017 SSIR Projects was also reflected in the true-up calculation related to the 2017 revenue requirement shown on Table 6 of the Application.

Table 2B – this table shows the derivation of, and the components of, the jurisdictional revenue requirement resulting from 2012 through 2017 SSIR Projects. The jurisdictional revenue requirement for each of the respective years is as follows:

	Jurisdictional Revenue Requirement
2012 Projects	\$482,990
2013 Projects	\$355,763
2014 Projects	\$849,014
2015 Projects	\$1,355,754
2016 Projects	\$1,481,234
2017 Projects	\$1,033,113
Total	\$5,557,868

By this filing, BHGD-NE is seeking to recover the jurisdictional revenue requirement from its residential and small and large commercial customer classes.⁶

⁶ Section 66-1810 of the Act exempts service provided to high volume ratepayers from the Commission’s regulatory oversight and allows for flexible regulation of service provided to agricultural and interruptible service customers that are not high-volume ratepayers. For ease of reference and understanding, BHGD-NE refers to these customers as “non-jurisdictional” because their rates are not set through the traditional ratemaking process. Under this nomenclature, “jurisdictional customers” are the members of the residential and commercial classes that do not meet the definition of high volume ratepayers.

Table 3 – this table lists the 2012 through 2017 SSIR Projects included in the 2019 SSIR calculation including projected in-service date, total project cost, estimated betterment credit, if any, and net project cost to be included in the revenue requirement calculation. The estimated total project cost for 2012 through 2017 SSIR projects net of all betterment credits as follows:

	Total Estimated Net Project Costs
2012 Projects	\$6,034,027
2013 Projects	\$4,067,256
2014 Projects	\$9,715,236
2015 Projects	\$14,320,134
2016 Projects	\$16,914,414
2017 Projects	\$10,490,800
Total	\$61,541,867

Table 4 – this table assigns the 2014 through 2017 SSIR Projects into FERC Accounts and further separates the costs to the jurisdictional customer classes.⁷ The “jurisdictional” component of the revenue requirement, as shown on this table, was determined using the cost allocation principles adopted by the Commission the most recent general rate case, Docket No. NG-0067, for these assets filed by SourceGas Distribution LLC.

Table 5 – this table shows the calculation inputs such as depreciation and tax rates and allocation percentages used for calculating the SSIR revenue requirement.

Table 6 – this table shows the reconciliation of authorized to actual 2017 SSIR costs and revenue which are defined and described in Tariff Sheet Nos. 11 through 15 as the SSIR True-Up and SSIR Deferred Balance. The 2017 Deferred SSIR Balance indicates an under collection of \$338,939 for calendar year 2017. The 2017 SSIR True-up Amount indicated that the authorized revenue requirement was \$379,894 higher than the actual revenue requirement for calendar year 2017. The actual 2017 revenue requirement was calculated by taking into account the effects of the Company’s election to take bonus depreciation in 2017 related to the eligible projects that went into service in that year and the impact that had on the ADIT calculation for that year as discussed previously in the Application. The net carrying cost of the 2017 Deferred SSIR Balance and SSIR True-up Amount decreased the 2019 SSIR by \$1,727.

⁷ The assignment of the 2012 and 2013 projects into FERC Accounts and the further separation of the costs to the jurisdictional customer classes was detailed in the filings in Docket Nos. NG-0072 and NG-0072.1. Additionally, this information is being provided in a separate electronic model being provided by the Company with this filing.

Docket No. NG-0078.4
2018 SSIR – Application
October 10, 2018
Page 6 of 6

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

BLACK HILLS GAS DISTRIBUTION, LLC



Douglas J. Law
Associate General Counsel

Enclosures

cc: Nichole Mulcahy - Director of Natural Gas Department, NPSC
Sallie Dietrich – Attorney, NPSC
William F. Austin - Nebraska Public Advocate
Donna Mullinax – Blue Ridge Consulting Services – Public Advocate
Robert J. Amdor, Director – Regulatory – Black Hills Energy
Jason Bennet – Manager of Regulatory and Finance – Black Hills Energy
Jeffrey Thomas – Regulatory Analyst – Black Hills Energy
Jill Becker – Manager State Governmental Affairs – Black Hills Energy

Exhibit 1

Final Version of Tariff Sheets

SCHEDULE OF RATES AND OTHER CHARGES

Rate Schedules CGS and ACGS-NSS

<u>Type of Charge</u>	<u>Non-Gas Base Rate Component</u>	<u>Gas Cost</u>			<u>Total Gas Cost</u>	<u>Total Rate</u>
		<u>Base Rate Component</u>	<u>Surcharge Rate Component 3/</u>			
RESIDENTIAL SERVICE – Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/, 4/	14.70					14.90
Pipeline Replacement Charge	0.00					0.00
Safety and Integrity Charge	4.14					4.14
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 20	0.4675	0.0000	0.0481	0.0481		0.5156
Over 20	0.1338	0.0000	0.0481	0.0481		0.1819
SMALL COMMERCIAL SERVICE – Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/, 4/	22.75					22.95
Pipeline Replacement Charge	0.00					0.00
Safety and Integrity Charge	8.81					8.81
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 40	0.4675	0.0000	0.0481	0.0481		0.5156
Over 40	0.1338	0.0000	0.0481	0.0481		0.1819
LARGE COMMERCIAL SERVICE – Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/, 4/	56.15					56.35
Pipeline Replacement Charge	0.00					0.00
Safety and Integrity Charge	60.83					60.83
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 80	0.4675	0.0000	0.0481	0.0481		0.5156
Over 80	0.1338	0.0000	0.0481	0.0481		0.1819

1/ Total Customer Charge is \$/month and includes a charge for the HEAT program of \$0.20.
2/ Distribution and Commodity Charges are \$/Per Therm.
3/ Rate Component Includes:
1. Contract P-0802 Charge of \$0.0481 per Therm.
4/ In addition to the Customer Charge, an Extra Construction Allowance Charge of \$20.00, \$30.00, \$40.00, or \$50.00 per month will be added to a Customer's bill for premises that avail themselves of the Extra Construction Allowance for the duration of the repayment period and will appear as a separate line item on the Customer's bill.

Exhibit 2

Red-Lined Version of Tariff Sheets

SCHEDULE OF RATES AND OTHER CHARGES

Rate Schedules CGS and ACGS-NSS

Type of Charge	Non-Gas Base Rate Component	Gas Cost			Total Gas Cost	Total Rate
		Base Rate Component	Surcharge Rate Component 3/			
RESIDENTIAL SERVICE – Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/, 4/	14.70					14.90
Pipeline Replacement Charge	0.00					0.00
Safety and Integrity Charge	<u>4.144.67</u>					<u>4.144.67</u>
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 20	0.4675	0.0000	0.0481	0.0481		0.5156
Over 20	0.1338	0.0000	0.0481	0.0481		0.1819
SMALL COMMERCIAL SERVICE – Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/, 4/	22.75					22.95
Pipeline Replacement Charge	0.00					0.00
Safety and Integrity Charge	<u>8.819.95</u>					<u>8.819.95</u>
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 40	0.4675	0.0000	0.0481	0.0481		0.5156
Over 40	0.1338	0.0000	0.0481	0.0481		0.1819
LARGE COMMERCIAL SERVICE – Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/, 4/	56.15					56.35
Pipeline Replacement Charge	0.00					0.00
Safety and Integrity Charge	<u>60.8369.50</u>					<u>60.8369.50</u>
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 80	0.4675	0.0000	0.0481	0.0481		0.5156
Over 80	0.1338	0.0000	0.0481	0.0481		0.1819

1/ Total Customer Charge is \$/month and includes a charge for the HEAT program of \$0.20.

2/ Distribution and Commodity Charges are \$/Per Therm.

3/ Rate Component Includes:

1. Contract P-0802 Charge of \$0.0481 per Therm.

4/ In addition to the Customer Charge, an Extra Construction Allowance Charge of \$20.00, \$30.00, \$40.00, or \$50.00 per month will be added to a Customer's bill for premises that avail themselves of the Extra Construction Allowance for the duration of the repayment period and will appear as a separate line item on the Customer's bill.

Exhibit 3
Calculation of the SSIR Charges

Black Hills Gas Distribution, LLC - Nebraska d/b/a Black Hills Energy
 2019 - System Safety and Integrity Rider Proposed Rates
 Rate Calculation

Line No.	[A] Description	[B] Reference	[C] Total Jurisdictional	[D] Residential	[E] Small Commercial	[F] Large Commercial
1	Revenue Requirement by Project Year					
2	2012 PRC Projects (A)	Infrastructure System Replacement Cost Recovery Charge - LB 658	\$ 482,990			
3	2013 PRC Projects (A)	Infrastructure System Replacement Cost Recovery Charge - LB 658	\$ 355,763			
4	2014 SSIR Projects	Calculation of SSIR Revenue Requirement	\$ 849,014			
5	2015 SSIR Projects	Calculation of SSIR Revenue Requirement	\$ 1,355,754			
6	2016 SSIR Projects	Calculation of SSIR Revenue Requirement	\$ 1,481,234			
7	2017 SSIR Projects	Calculation of SSIR Revenue Requirement	\$ 1,033,113			
8	Total Revenue Requirement for SSIR Costs	Sum Lines 2 - 7	5,557,868			
9	Prior Year SSIR Reconciliation					
10	Deferred SSIR Balance	2017 SSIR Reconciliation, Table 6	338,939			
11	SSIR True-Up Amount	2017 SSIR Reconciliation, Table 6	(379,894)			
12	Carrying Cost	2017 SSIR Reconciliation, Table 6	(1,724)			
13	Total SSIR Revenue Requirement	Sum Lines 5 - 9	5,515,189			
14	Customer Class Allocation	Computed, Table 4, Line 35		61.04%	19.40%	19.57%
15	Customer Class SSIR Revenue Requirement	Line 13 * Line 14	\$ 5,515,741	\$ 3,366,471	\$ 1,069,947	\$ 1,079,322
16	Annual # of bills	SSIR Calculation Inputs (NG-0067), Table 5		812,229	121,408	17,743
17	Proposed SSIR Fixed Charge Rate	Line 15 / Line 16		\$ 4.14	\$ 8.81	\$ 60.83
18	Proposed SSIR Rate Change	Line 17 - 2018 Rates Effective June 29, 2018		\$ (0.53)	\$ (1.14)	\$ (8.67)
19	Current Average Monthly Bill - \$	Table 5		\$ 72.29	\$ 147.63	\$ 1,298.93
20	Proposed Average Monthly Bill Increase - % change	Line 18 / Line 19		-0.733%	-0.772%	-0.667%

(A) Pursuant to the Order issued in Docket No. NG-0084 the Company is including the eligible capital from the Pipeline Integrity Charge into the SSIR Rate Calculation. The revenue jurisdictional requirement for these eligible projects has been updated to reflect the 2019 revenue requirement for these eligible projects. The calculation of the 2019 Jurisdictional revenue requirement for these projects is detailed in a separate electronic model being provided with the Company's filing.

Black Hills Gas Distribution, LLC - Nebraska d/b/a Black Hills Energy
Calculation of SRR Revenue Requirement
2015 System Safety and Integrity Costs - September 30, 2018
Total Company

Line No	(A) Description	(B) Reference	69	70	71	72	73	74	75	76	77	78	79	80	81
			January-19	February-19	March-19	April-19	May-19	June-19	July-19	August-19	September-19	October-19	November-19	December-19	Total 2019
33	2014 Projects														
34	Net Plant Balances	Exhibit 4, Table 4, Line 11	9,715,236	9,715,236	9,715,236	9,715,236	9,715,236	9,715,236	9,715,236	9,715,236	9,715,236	9,715,236	9,715,236	9,715,236	9,715,236
35	Accumulated Depreciation	WP-DEP XP	(789,039)	(793,327)	(817,615)	(841,903)	(866,191)	(890,479)	(914,768)	(939,056)	(963,344)	(987,632)	(1,011,920)	(1,036,208)	(1,060,496)
36	Net Investments	Sum Lines 34 - 35	\$ 8,926,197	\$ 8,921,909	\$ 8,897,621	\$ 8,873,333	\$ 8,849,045	\$ 8,824,757	\$ 8,800,468	\$ 8,776,180	\$ 8,751,892	\$ 8,727,604	\$ 8,703,316	\$ 8,679,028	\$ 8,654,740
37	ADIT Balances	WP-ADIT	(446,085)	(451,112)	(456,138)	(461,164)	(466,190)	(471,217)	(476,243)	(481,269)	(486,295)	(491,322)	(496,348)	(501,374)	(506,400)
38	Deferred Tax Liability Tax Reform Rate Base	Line 36 + Line 37	8,375,434	8,345,420	8,316,805	8,287,491	8,258,176	8,228,862	8,199,548	8,170,233	8,140,918	8,111,605	8,082,290	8,052,976	8,023,662
39	Return on Rate Base	Line 38 * Debt Cost Rate, Table 5	19,231	19,164	19,096	19,029	18,962	18,894	18,827	18,760	18,692	18,625	18,559	18,492	18,425
40	Interest	Line 38 * Equity Cost Rate, Table 5	34,262	34,162	34,062	33,962	33,862	33,762	33,662	33,562	33,462	33,362	33,262	33,162	33,062
41	Net Income		47,071	46,906	46,741	46,577	46,412	46,247	46,082	45,918	45,753	45,588	45,423	45,259	45,094
42	Taxable Income	Line 41 * Combined Tax Factor Cross-up, Table 5	66,302	66,070	65,838	65,606	65,374	65,141	64,909	64,677	64,445	64,213	63,981	63,749	63,517
43	Pre-Tax Return on Rate Base	Line 40 + Line 42	82,533	82,236	81,939	81,642	81,345	81,048	80,751	80,454	80,157	79,860	79,563	79,266	78,969
44	Investment Expenses		24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288
45	Depreciation	WP-DEP XP	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453
46	Property Tax Accrual	Line 36, from last Year * Property Tax Rate, Table 5													
47	O&M	For future reference													
48	2014 Projects Revenue Requirement	Sum Lines 43 - 47	\$ 95,042	\$ 94,810	\$ 94,578	\$ 94,346	\$ 94,114	\$ 93,882	\$ 93,650	\$ 93,418	\$ 93,186	\$ 92,954	\$ 92,722	\$ 92,490	\$ 92,258
49	2015 Projects														
50	Net Plant Balances	Exhibit 4, Table 4, Line 11	14,320,134	14,320,134	14,320,134	14,320,134	14,320,134	14,320,134	14,320,134	14,320,134	14,320,134	14,320,134	14,320,134	14,320,134	14,320,134
51	Accumulated Depreciation	WP-DEP XP	(17,967)	(18,233)	(18,500)	(18,767)	(19,034)	(19,301)	(19,568)	(19,835)	(20,102)	(20,369)	(20,636)	(20,903)	(21,170)
52	Net Investments	Sum Lines 50 - 51	\$ 14,302,167	\$ 14,291,901	\$ 14,281,634	\$ 14,271,367	\$ 14,261,100	\$ 14,250,834	\$ 14,240,567	\$ 14,230,300	\$ 14,220,034	\$ 14,209,767	\$ 14,199,500	\$ 14,189,234	\$ 14,178,967
53	ADIT Balances	WP-ADIT	(545,802)	(554,998)	(564,194)	(573,390)	(582,586)	(591,782)	(600,978)	(610,174)	(619,370)	(628,566)	(637,762)	(646,958)	(656,154)
54	Deferred Tax Liability Tax Reform Rate Base	Line 52 + Line 53	13,856,365	13,807,793	13,759,221	13,710,649	13,662,077	13,613,505	13,564,933	13,516,361	13,467,789	13,419,217	13,370,645	13,322,073	13,273,501
55	Return on Rate Base	Line 54 * Debt Cost Rate, Table 5	31,347	31,245	31,142	31,040	30,938	30,835	30,733	30,630	30,528	30,426	30,323	30,221	30,119
56	Interest	Line 54 * Equity Cost Rate, Table 5	55,881	55,699	55,516	55,333	55,151	54,968	54,785	54,603	54,421	54,238	54,056	53,873	53,690
57	Net Income		76,728	76,477	76,227	75,976	75,725	75,475	75,224	74,974	74,723	74,472	74,222	73,971	73,720
58	Taxable Income	Line 57 * Combined Tax Factor Cross-up, Table 5	108,075	107,722	107,369	107,016	106,663	106,310	105,957	105,604	105,251	104,898	104,545	104,192	103,839
59	Pre-Tax Return on Rate Base	Line 58 + Line 59	31,347	31,245	31,142	31,040	30,938	30,835	30,733	30,630	30,528	30,426	30,323	30,221	30,119
60	Investment Expenses		24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288
61	Depreciation	WP-DEP XP	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453
62	Property Tax Accrual	Line 52, from last Year * Property Tax Rate, Table 5													
63	O&M	For future reference													
64	2015 Projects Revenue Requirement	Sum Lines 59 - 63	\$ 151,010	\$ 150,657	\$ 150,304	\$ 149,951	\$ 149,598	\$ 149,245	\$ 148,892	\$ 148,539	\$ 148,186	\$ 147,833	\$ 147,480	\$ 147,127	\$ 146,774

Black Hills Gas Distribution, LLC - Nebraska d/b/a Black Hills Energy
Calculation of SSIR Revenue Requirement
2018 System Safety and Integrity Costs - September 30, 2018
Total Company

2 3

Line No Description (A) (B) Reference

65 2016 Projects

66 Net Plant Balance Exhibit 4, Table 4, Line 11

67 Accumulated Depreciation WP-DEP XP

68 Net Investments Sum Lines 66 - 67

69 ADIT Balances WP-ADIT

70 Deferred Tax Liability Tax Reform Line 68 + Line 69

71 Return on Rate Base

72 Interest Line 70 * Debt Cost Rate, Table 5

73 Net Income Line 70 * Equity Cost Rate, Table 5

74 Taxable Income Line 73 * Combined Tax Factor Gross-up, Table 5

75 Pre-Tax Return on Rate Base Line 72 + Line 74

76 Investment Expenses

77 Depreciation WP-DEP XP

78 Property Tax Accrual Line 68, from last Year * Property Tax Rate, Table 5

79 O&M For future reference

80 2016 Projects Revenue Requirement

81 2017 Projects

82 Net Plant Balance Exhibit 4, Table 4, Line 11

83 Accumulated Depreciation WP-DEP XP

84 Net Investments Sum Lines 82 - 83

85 ADIT Balances WP-ADIT

86 Deferred Tax Liability Tax Reform Line 84 + Line 85

87 Return on Rate Base

88 Interest Line 86 * Debt Cost Rate, Table 5

89 Net Income Line 86 * Equity Cost Rate, Table 5

90 Taxable Income Line 89 * Combined Tax Factor Gross-up, Table 5

91 Pre-Tax Return on Rate Base Line 88 + Line 90

92 Investment Expenses

93 Depreciation WP-DEP XP

94 Property Tax Accrual Line 84, from last Year * Property Tax Rate, Table 5

95 O&M For future reference

96 2017 Projects Revenue Requirement

Sum Lines 91 - 95

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total 2019
65	15,706,865	15,706,865	15,706,865	15,706,865	15,706,865	15,706,865	15,706,865	15,706,865	15,706,865	15,706,865	15,706,865	15,706,865	187,602,435
67	(1,856,165)	(1,816,898)	(1,771,531)	(1,736,364)	(1,699,098)	(1,659,829)	(1,620,562)	(1,581,295)	(1,542,028)	(1,502,761)	(1,463,494)	(1,424,226)	(14,948,919)
68	\$ 17,562,030	\$ 17,523,763	\$ 17,484,495	\$ 17,445,228	\$ 17,405,961	\$ 17,366,694	\$ 17,327,427	\$ 17,288,160	\$ 17,248,892	\$ 17,209,625	\$ 17,170,358	\$ 17,131,091	\$ 172,653,516
69	(2,182,837)	(2,183,152)	(2,183,467)	(2,183,781)	(2,184,096)	(2,184,411)	(2,184,725)	(2,185,040)	(2,185,355)	(2,185,670)	(2,185,984)	(2,186,299)	(21,859,299)
70	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(8,780,032)
71	14,646,524	14,608,942	14,569,361	14,529,779	14,490,197	14,450,615	14,411,033	14,371,451	14,331,869	14,292,287	14,252,705	14,213,124	142,513,124
72	33,634	33,544	33,453	33,362	33,271	33,180	33,089	32,998	32,907	32,817	32,725	32,635	397,615
73	59,956	59,796	59,634	59,472	59,310	59,148	58,986	58,824	58,662	58,500	58,338	58,176	708,807
74	82,326	82,104	81,882	81,659	81,437	81,214	80,992	80,769	80,547	80,324	80,102	79,879	973,235
75	115,961	115,648	115,334	115,021	114,708	114,394	114,081	113,768	113,454	113,141	112,828	112,514	1,370,850
76	39,267	39,267	39,267	39,267	39,267	39,267	39,267	39,267	39,267	39,267	39,267	39,267	471,206
77	8,737	8,737	8,737	8,737	8,737	8,737	8,737	8,737	8,737	8,737	8,737	8,737	104,843
80	\$ 163,965	\$ 163,652	\$ 163,338	\$ 163,025	\$ 162,712	\$ 162,398	\$ 162,085	\$ 161,772	\$ 161,458	\$ 161,145	\$ 160,832	\$ 160,518	\$ 1,946,920
81	11,688,350	11,688,350	11,688,350	11,688,350	11,688,350	11,688,350	11,688,350	11,688,350	11,688,350	11,688,350	11,688,350	11,688,350	138,260,100
82	(202,513)	(231,759)	(261,005)	(290,250)	(319,496)	(348,742)	(377,988)	(407,234)	(436,480)	(465,726)	(494,972)	(524,217)	(5,242,217)
84	\$ 11,485,837	\$ 11,456,591	\$ 11,427,345	\$ 11,398,100	\$ 11,368,854	\$ 11,339,608	\$ 11,310,362	\$ 11,281,116	\$ 11,251,870	\$ 11,222,624	\$ 11,193,378	\$ 11,164,132	\$ 111,741,132
85	(1,346,891)	(1,349,259)	(1,351,626)	(1,353,994)	(1,356,362)	(1,358,729)	(1,361,097)	(1,363,465)	(1,365,833)	(1,368,200)	(1,370,568)	(1,372,936)	(13,729,936)
86	(440,762)	(440,762)	(440,762)	(440,762)	(440,762)	(440,762)	(440,762)	(440,762)	(440,762)	(440,762)	(440,762)	(440,762)	(5,285,272)
87	9,708,164	9,676,571	9,644,977	9,613,383	9,581,790	9,550,196	9,518,603	9,486,989	9,455,376	9,423,762	9,392,148	9,360,535	104,843
88	22,291	22,216	22,146	22,073	22,001	21,928	21,855	21,783	21,710	21,638	21,565	21,492	262,701
89	39,737	39,607	39,478	39,349	39,219	39,090	38,960	38,831	38,702	38,572	38,443	38,314	466,302
90	54,561	54,383	54,206	54,028	53,850	53,673	53,495	53,317	53,140	52,962	52,784	52,607	643,007
91	76,852	76,602	76,352	76,101	75,851	75,601	75,351	75,100	74,850	74,600	74,350	74,099	905,708
92	29,246	29,246	29,246	29,246	29,246	29,246	29,246	29,246	29,246	29,246	29,246	29,246	350,950
93	5,720	5,720	5,720	5,720	5,720	5,720	5,720	5,720	5,720	5,720	5,720	5,720	68,646
96	\$ 111,818	\$ 111,568	\$ 111,318	\$ 111,068	\$ 110,817	\$ 110,567	\$ 110,317	\$ 110,067	\$ 109,816	\$ 109,565	\$ 109,316	\$ 109,066	\$ 1,325,304

Line No	(A) Description	(B) Reference	(C) January-19	(D) February-19	(E) March-19	(F) April-19	(G) May-19	(H) June-19	(I) July-19	(J) August-19	(K) September-19	(L) October-19	(M) November-19	(N) December-19	(O) Total 2019
1	2012 Projects														
2	Net Plant Balance	Workpaper	4,762,165	4,762,165	4,762,165	4,762,165	4,762,165	4,762,165	4,762,165	4,762,165	4,762,165	4,762,165	4,762,165	4,762,165	4,762,165
3	Accumulated Depreciation	WP-DEP XP	(834,305)	(846,032)	(857,760)	(869,488)	(881,216)	(892,943)	(904,671)	(916,399)	(928,127)	(939,854)	(951,582)	(963,310)	(1,063,310)
4	Net Investments	Sum Lines 2 - 3	\$ 3,627,860	\$ 3,616,132	\$ 3,904,405	\$ 3,792,677	\$ 3,780,949	\$ 3,769,222	\$ 3,757,494	\$ 3,745,766	\$ 3,734,038	\$ 3,722,311	\$ 3,710,583	\$ 3,698,855	
5	ADIT Balances	WP-ADIT BAL	(274,097)	(275,718)	(277,340)	(278,961)	(280,582)	(282,204)	(283,825)	(285,447)	(287,068)	(288,690)	(290,311)	(291,932)	(291,932)
6	Deferred Tax Liability Tax Reform		(109,488)	(109,488)	(109,488)	(109,488)	(109,488)	(109,488)	(109,488)	(109,488)	(109,488)	(109,488)	(109,488)	(109,488)	(109,488)
7	Rate Base		3,444,275	3,450,326	3,417,577	3,404,226	3,390,879	3,377,530	3,364,180	3,350,831	3,337,482	3,324,133	3,310,784	3,297,435	
8	Return on Rate Base														
9	Interest	Line 6 * Debt Cost Rate, Table 5	7,908	7,878	7,847	7,816	7,786	7,755	7,724	7,694	7,663	7,633	7,602	7,571	92,878
10	Net Income	Line 6 * Equity Cost Rate, Table 5	14,086	14,043	13,999	13,954	13,909	13,879	13,825	13,770	13,715	13,661	13,606	13,551	185,568
11	Taxable Income	Line 9 * Combined Tax Factor Gross-up, Table 5	19,357	19,282	19,207	19,132	19,057	18,982	18,907	18,832	18,757	18,682	18,607	18,532	227,335
12	Pre-Tax Return on Rate Base	Line 8 + Line 10	27,266	27,160	27,054	26,949	26,843	26,737	26,632	26,526	26,420	26,315	26,209	26,103	320,213
13	Investment Expenses														
14	Depreciation	WP-DEP XP	11,728	11,728	11,728	11,728	11,728	11,728	11,728	11,728	11,728	11,728	11,728	11,728	140,733
15	Property Tax Accrual	Line 4, from last Year * Property Tax Rate, Table 5	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	1,837	22,044
16	O&M	For future reference	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Requirement	Sum Lines 11 - 15	\$ 40,830	\$ 40,726	\$ 40,619	\$ 40,513	\$ 40,408	\$ 40,302	\$ 40,196	\$ 40,091	\$ 39,985	\$ 39,879	\$ 39,774	\$ 39,668	\$ 482,900
17	2013 Projects														
18	Net Plant Balance	Workpaper	3,230,387	3,230,387	3,230,387	3,230,387	3,230,387	3,230,387	3,230,387	3,230,387	3,230,387	3,230,387	3,230,387	3,230,387	3,230,387
19	Accumulated Depreciation	WP-DEP XP	(586,074)	(597,857)	(609,641)	(621,424)	(633,208)	(644,992)	(656,775)	(668,559)	(680,342)	(692,126)	(703,910)	(715,694)	(815,694)
20	Net Investments	Sum Lines 18 - 19	\$ 2,644,314	\$ 2,632,530	\$ 2,620,746	\$ 2,608,963	\$ 2,597,179	\$ 2,585,396	\$ 2,573,612	\$ 2,561,828	\$ 2,550,045	\$ 2,538,261	\$ 2,526,478	\$ 2,514,694	
21	ADIT Balances	WP-ADIT BAL	(163,589)	(164,968)	(166,347)	(167,726)	(169,105)	(170,484)	(171,862)	(173,241)	(174,620)	(176,000)	(177,379)	(178,758)	(178,758)
22	Deferred Tax Liability Tax Reform		(62,186)	(62,186)	(62,186)	(62,186)	(62,186)	(62,186)	(62,186)	(62,186)	(62,186)	(62,186)	(62,186)	(62,186)	(62,186)
23	Rate Base		2,636,528	2,629,386	2,622,243	2,615,101	2,607,959	2,600,816	2,593,674	2,586,532	2,579,390	2,572,248	2,565,106	2,557,964	2,537,961
24	Return on Rate Base														
25	Interest	Line 22 * Debt Cost Rate, Table 5	6,058	6,037	6,016	5,995	5,974	5,953	5,932	5,911	5,890	5,869	5,848	5,827	71,314
26	Net Income	Line 22 * Equity Cost Rate, Table 5	10,800	10,762	10,725	10,688	10,650	10,613	10,575	10,538	10,500	10,463	10,426	10,389	127,129
27	Taxable Income	Line 25 * Combined Tax Factor Gross-up, Table 5	14,829	14,777	14,726	14,675	14,623	14,572	14,521	14,469	14,418	14,366	14,315	14,264	174,555
28	Pre-Tax Return on Rate Base	Line 24 + Line 26	20,887	20,815	20,742	20,670	20,598	20,525	20,453	20,381	20,308	20,236	20,163	20,091	245,669
29	Investment Expenses														
30	Depreciation	WP-DEP XP	7,784	7,784	7,784	7,784	7,784	7,784	7,784	7,784	7,784	7,784	7,784	7,784	83,403
31	Property Tax Accrual	Line 20, from last Year * Property Tax Rate, Table 5	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	16,490
32	O&M	For future reference	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Requirement	Sum Lines 27 - 31	\$ 30,045	\$ 29,973	\$ 29,900	\$ 29,828	\$ 29,755	\$ 29,683	\$ 29,611	\$ 29,538	\$ 29,466	\$ 29,394	\$ 29,321	\$ 29,249	\$ 365,763

Black Hills Gas Distribution, LLC - Nebraska c/b/a Black Hills Energy
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Line No	Description	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]
	Reference	January-19	February-19	March-19	April-19	May-19	June-19	July-19	August-19	September-19	October-19	November-19	December-19	Total 2019		
33	2014 Projects															
34	Net Plant Balance	7,358,542	7,358,542	7,358,542	7,358,542	7,358,542	7,358,542	7,358,542	7,358,542	7,358,542	7,358,542	7,358,542	7,358,542	7,358,542	7,358,542	7,358,542
35	Accumulated Depreciation	(582,500)	(600,897)	(619,255)	(637,689)	(656,086)	(674,467)	(692,878)	(711,275)	(729,671)	(748,065)	(766,464)	(784,860)	(784,860)	(784,860)	(784,860)
36	Net Investments	\$ 6,776,041	\$ 6,757,645	\$ 6,739,249	\$ 6,720,852	\$ 6,702,456	\$ 6,684,060	\$ 6,665,663	\$ 6,647,267	\$ 6,628,871	\$ 6,610,474	\$ 6,592,078	\$ 6,573,682	\$ 6,573,682	\$ 6,573,682	\$ 6,573,682
37	ADIT Balances	(341,420)	(345,267)	(349,114)	(352,960)	(356,807)	(360,654)	(364,501)	(368,348)	(372,195)	(376,042)	(379,889)	(383,736)	(383,736)	(383,736)	(383,736)
38	Deferred Tax Liability Tax Reform	(124,078)	(124,078)	(124,078)	(124,078)	(124,078)	(124,078)	(124,078)	(124,078)	(124,078)	(124,078)	(124,078)	(124,078)	(124,078)	(124,078)	(124,078)
38	Rate Base:	6,309,844	6,287,701	6,265,457	6,243,214	6,220,971	6,198,727	6,176,484	6,154,241	6,131,998	6,109,754	6,087,511	6,065,268	6,065,268	6,065,268	6,065,268
39	Return on Rate Base															
40	Interest	14,488	14,437	14,386	14,335	14,284	14,233	14,182	14,131	14,080	14,029	13,978	13,926	13,926	13,926	13,926
41	Net Income	25,827	25,736	25,645	25,554	25,463	25,372	25,281	25,190	25,099	25,008	24,917	24,826	24,826	24,826	24,826
42	Taxable Income	35,463	35,338	35,213	35,088	34,963	34,838	34,713	34,588	34,463	34,338	34,213	34,088	34,088	34,088	34,088
43	Pre-Tax Return on Rate Base	49,951	49,775	49,599	49,423	49,247	49,070	48,894	48,718	48,542	48,366	48,190	48,014	48,014	48,014	48,014
44	Investment Expenses															
45	Depreciation	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396
46	Property Tax Accrual	3,372	3,372	3,372	3,372	3,372	3,372	3,372	3,372	3,372	3,372	3,372	3,372	3,372	3,372	3,372
47	O&M															
48	2014 Projects Revenue Requirement	\$ 71,720	\$ 71,544	\$ 71,367	\$ 71,191	\$ 71,015	\$ 70,839	\$ 70,663	\$ 70,487	\$ 70,311	\$ 70,135	\$ 69,959	\$ 69,783	\$ 69,783	\$ 69,783	\$ 69,783
49	2015 Projects															
50	Net Plant Balance	10,880,351	10,880,351	10,880,351	10,880,351	10,880,351	10,880,351	10,880,351	10,880,351	10,880,351	10,880,351	10,880,351	10,880,351	10,880,351	10,880,351	10,880,351
51	Accumulated Depreciation	14,522	(12,678)	(10,834)	(9,000)	(7,166)	(5,332)	(3,498)	(1,664)	(1,664)	(1,664)	(1,664)	(1,664)	(1,664)	(1,664)	(1,664)
52	Net Investments	\$ 10,865,829	\$ 10,857,672	\$ 10,849,515	\$ 10,841,358	\$ 10,833,201	\$ 10,825,044	\$ 10,816,887	\$ 10,808,730	\$ 10,800,573	\$ 10,792,416	\$ 10,784,259	\$ 10,776,102	\$ 10,767,945	\$ 10,767,945	\$ 10,767,945
53	ADIT Balances	(417,740)	(424,472)	(431,204)	(437,937)	(444,670)	(451,402)	(458,135)	(464,867)	(471,600)	(478,332)	(485,065)	(491,797)	(491,797)	(491,797)	(491,797)
54	Deferred Tax Liability Tax Reform	(139,510)	(139,510)	(139,510)	(139,510)	(139,510)	(139,510)	(139,510)	(139,510)	(139,510)	(139,510)	(139,510)	(139,510)	(139,510)	(139,510)	(139,510)
54	Rate Base:	10,337,624	10,303,691	10,269,757	10,235,824	10,201,890	10,167,957	10,134,024	10,100,090	10,066,157	10,032,224	10,000,000	9,967,777	9,935,554	9,903,331	9,871,108
55	Return on Rate Base															
56	Interest	23,736	23,668	23,599	23,529	23,459	23,389	23,319	23,249	23,179	23,109	23,039	22,969	22,899	22,829	22,759
57	Net Income	42,313	42,174	42,035	41,897	41,758	41,619	41,480	41,341	41,202	41,063	40,924	40,785	40,646	40,507	40,368
58	Taxable Income	58,099	57,908	57,717	57,527	57,336	57,145	56,954	56,764	56,573	56,382	56,192	56,001	55,811	55,620	55,429
59	Pre-Tax Return on Rate Base	81,835	81,566	81,298	81,029	80,760	80,492	80,223	79,955	79,686	79,417	79,149	78,880	78,611	78,342	78,073
60	Investment Expenses															
61	Depreciation	27,201	27,201	27,201	27,201	27,201	27,201	27,201	27,201	27,201	27,201	27,201	27,201	27,201	27,201	27,201
62	Property Tax Accrual	5,421	5,421	5,421	5,421	5,421	5,421	5,421	5,421	5,421	5,421	5,421	5,421	5,421	5,421	5,421
63	O&M															
64	2015 Projects Revenue Requirement	\$ 114,457	\$ 114,188	\$ 113,920	\$ 113,651	\$ 113,382	\$ 113,114	\$ 112,845	\$ 112,577	\$ 112,308	\$ 112,039	\$ 111,771	\$ 111,502	\$ 111,502	\$ 111,502	\$ 111,502

Black Hills Gas Distribution, LLC - Nebraska d/b/a Black Hills Energy
 Calculation of SSIR Revenue Requirement
 2019 System Safety and Integrity Costs - September 30, 2018
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Exhibit 3
 Table 2B

Line No	Description	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]
		2016 Projects	2017 Projects	2018 Projects	2019 Projects	2020 Projects	2021 Projects	2022 Projects	2023 Projects	2024 Projects	2025 Projects	2026 Projects	2027 Projects	2028 Projects	2029 Projects	2030 Projects
65	Net Plant Balance	12,092,366	12,092,366	12,092,366	12,092,366	12,092,366	12,092,366	12,092,366	12,092,366	12,092,366	12,092,366	12,092,366	12,092,366	12,092,366	12,092,366	12,092,366
66	Accumulated Depreciation	(1,403,447)	(1,373,216)	(1,342,985)	(1,312,754)	(1,282,523)	(1,252,292)	(1,222,061)	(1,191,831)	(1,161,600)	(1,131,369)	(1,101,138)	(1,070,907)	(1,040,676)	(1,010,445)	(980,214)
67	Net Investments	\$ 13,495,813	\$ 13,465,582	\$ 13,435,351	\$ 13,405,120	\$ 13,374,889	\$ 13,344,658	\$ 13,314,427	\$ 13,284,196	\$ 13,253,965	\$ 13,223,734	\$ 13,193,503	\$ 13,163,272	\$ 13,133,041	\$ 13,102,810	\$ 13,072,579
68	ADIT Balances	(1,870,675)	(1,870,916)	(1,871,156)	(1,871,397)	(1,871,638)	(1,871,879)	(1,872,120)	(1,872,361)	(1,872,602)	(1,872,843)	(1,873,083)	(1,873,324)	(1,873,565)	(1,873,806)	(1,874,047)
69	Deferred Tax Liability Tax Reform	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)	(731,668)
70	Rate Base	11,099,470	11,082,989	11,066,508	11,050,027	11,033,546	11,017,065	11,000,584	10,984,103	10,967,622	10,951,141	10,934,660	10,918,179	10,901,698	10,885,217	10,868,736
71	Return on Rate Base	25,472	25,402	25,332	25,262	25,192	25,122	25,052	24,982	24,912	24,842	24,772	24,702	24,632	24,562	24,492
72	Interest	45,407	45,282	45,157	45,032	44,907	44,782	44,657	44,532	44,407	44,282	44,157	44,032	43,907	43,782	43,657
73	Net Income	62,347	62,175	62,004	61,833	61,662	61,490	61,319	61,148	60,977	60,805	60,634	60,463	60,292	60,121	59,950
74	Taxable Income	87,818	87,577	87,336	87,095	86,853	86,612	86,371	86,130	85,889	85,647	85,406	85,165	84,924	84,683	84,442
75	Pre-Tax Return on Rate Base	30,231	30,231	30,231	30,231	30,231	30,231	30,231	30,231	30,231	30,231	30,231	30,231	30,231	30,231	30,231
76	Investment Expenses	6,714	6,714	6,714	6,714	6,714	6,714	6,714	6,714	6,714	6,714	6,714	6,714	6,714	6,714	6,714
77	Depreciation															
78	Property Tax Accrual															
79	O&M															
80	2016 Projects Revenue Requirement	\$ 124,763	\$ 124,522	\$ 124,280	\$ 124,039	\$ 123,798	\$ 123,557	\$ 123,316	\$ 123,074	\$ 122,833	\$ 122,592	\$ 122,351	\$ 122,110	\$ 121,869	\$ 121,628	\$ 121,387
81	2017 Projects	9,039,744	9,039,744	9,039,744	9,039,744	9,039,744	9,039,744	9,039,744	9,039,744	9,039,744	9,039,744	9,039,744	9,039,744	9,039,744	9,039,744	9,039,744
82	Net Plant Balance	(158,855)	(181,455)	(204,055)	(226,655)	(249,255)	(271,855)	(294,455)	(317,055)	(339,655)	(362,255)	(384,855)	(407,455)	(430,055)	(452,655)	(475,255)
83	Accumulated Depreciation															
84	Net Investments	\$ 8,880,888	\$ 8,858,289	\$ 8,835,690	\$ 8,813,090	\$ 8,790,491	\$ 8,767,891	\$ 8,745,292	\$ 8,722,693	\$ 8,700,093	\$ 8,677,494	\$ 8,654,895	\$ 8,632,295	\$ 8,609,696	\$ 8,587,097	\$ 8,564,498
85	ADIT Balances	(1,030,888)	(1,032,680)	(1,034,472)	(1,036,264)	(1,038,056)	(1,039,848)	(1,041,640)	(1,043,432)	(1,045,224)	(1,047,016)	(1,048,808)	(1,050,600)	(1,052,392)	(1,054,184)	(1,055,976)
86	Deferred Tax Liability Tax Reform	(253,322)	(253,322)	(253,322)	(253,322)	(253,322)	(253,322)	(253,322)	(253,322)	(253,322)	(253,322)	(253,322)	(253,322)	(253,322)	(253,322)	(253,322)
87	Rate Base	7,596,698	7,572,287	7,547,875	7,523,464	7,499,052	7,474,641	7,450,229	7,425,818	7,401,406	7,376,995	7,352,583	7,328,172	7,303,760	7,279,349	7,254,938
88	Return on Rate Base	17,443	17,367	17,291	17,215	17,139	17,063	16,987	16,911	16,835	16,759	16,683	16,607	16,531	16,455	16,379
89	Interest	31,064	30,984	30,904	30,824	30,744	30,664	30,584	30,504	30,424	30,344	30,264	30,184	30,104	30,024	29,944
90	Net Income	42,694	42,557	42,420	42,283	42,146	42,008	41,871	41,734	41,597	41,460	41,322	41,185	41,048	40,911	40,774
91	Taxable Income	60,137	59,944	59,751	59,557	59,364	59,171	58,978	58,784	58,591	58,398	58,205	58,011	57,818	57,625	57,432
92	Pre-Tax Return on Rate Base	22,599	22,599	22,599	22,599	22,599	22,599	22,599	22,599	22,599	22,599	22,599	22,599	22,599	22,599	22,599
93	Investment Expenses	4,419	4,419	4,419	4,419	4,419	4,419	4,419	4,419	4,419	4,419	4,419	4,419	4,419	4,419	4,419
94	Depreciation															
95	Property Tax Accrual															
96	O&M															
97	2017 Projects Revenue Requirement	\$ 87,156	\$ 86,962	\$ 86,768	\$ 86,576	\$ 86,383	\$ 86,189	\$ 85,995	\$ 85,803	\$ 85,610	\$ 85,416	\$ 85,223	\$ 85,030	\$ 84,837	\$ 84,644	\$ 84,451

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Line No.	Project Year	Project ID or Work Order	Description	Location	Type	Total	In-Service Date	Betterment Credit	Retirement	Future Cost	Net In-Service Total
1	2012	1006730	McCook 5# System Changeout Phase 2	McCook	In Service	1,678,668	Dec-12	-	(5,062)	-	1,673,607
2	2012	1006744	410-0140 Cedar Rapids Lateral TOG Changeout _2/	Albion	In Service	830,489	Dec-12	(177,258)	(12,098)	-	641,133
3	2012	1006745	450-0070 Osmond Lateral TOG Changeout	Albion	In Service	663,340	Dec-12	-	(12,298)	-	651,042
4	2012	1006873	Trumbull Bare Main Changeout	Sutton	In Service	183,971	Sep-12	-	(6,396)	-	177,575
5	2012	1006874	Johnson Lake Lateral TOG Changeout	Holdrege	In Service	109,496	Sep-12	-	(26,642)	-	82,854
6	2012	1006878	Lyman Lateral river bores	Scottsbluff	In Service	123,794	Oct-12	-	(18,570)	-	105,225
7	2012	1006914	390-1569 TOG Replacement - Henderson	Sutton	In Service	2,035,837	Dec-12	-	(47,353)	-	1,988,484
8	2012	1006926	Red Cloud - Blue Hill 3 mile R	Kearney	In Service	366,331	Aug-12	-	(19,243)	-	347,088
9	2012	1006979	2012 Corrosion Needs - Install ground beds	Sutton	In Service	61,560	Oct-12	-	(6,657)	-	52,903
10	2012	1006997	Replace rectifier at SCB-Gering Highway	Scottsbluff	In Service	3,207	Jun-12	-	(5,477)	-	(2,270)
11	2012	1007032	3 Anode Beds on Segment 270-0070 Arapahoe	Holdrege	In Service	12,585	May-12	-	-	-	12,585
12	2012	1007033	North Loomis Anode Bed. Section 8 6N 19W	Holdrege	In Service	4,051	Jul-12	-	-	-	4,051
13	2012	1007038	Install Surface Ground Beds Kearney Div	Kearney	In Service	19,715	Jun-12	-	-	-	19,715
14	2012	1007055	White River Bore	Alliance	In Service	30,535	Jul-12	-	(251)	-	30,284
15	2012	1007056	Remove cable span and bore drainage ditch	Alliance	In Service	26,292	Aug-12	-	(5,153)	-	21,139
16	2012	1007108	Broken Bow Creek Crossing - replace pipe	Kearney	In Service	78,367	Sep-12	-	(7,453)	-	70,914
17	2012	1007123	Barricades for meter sets	Sutton	In Service	50,480	Dec-12	-	-	-	50,480
18	2012	1007190	Lyman lateral RR crossing in Henry	Scottsbluff	In Service	35,094	Oct-12	-	(636)	-	34,458
19	2012	1007193	Main changeout in Morrill - poor coating	Scottsbluff	In Service	32,439	Sep-12	-	(7,295)	-	25,144
20	2012	1007202	Relocate distribution main in Hay Spring	Alliance	In Service	26,445	Aug-12	-	(1,757)	-	24,688
21	2012	1007425	Atkinson Lateral Regulating Station	Albion	In Service	16,755	Sep-12	-	-	-	16,755
22	2012	1007631	Replace exposed PVC pipe with PE pipe	Sutton	In Service	6,372	Jun-12	-	(198)	-	6,174
23			Subtotal - 2012 Projects			6,395,823		(177,258)	(184,538)	-	6,034,027

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Line No.	Project Year	Project ID or Work Order	Description	Location	Type	Total	In-Service Date	Betterment Credit	Retirement	Future Cost	Net In-Service Total
24	2013	1008652	Phase 3 McCook 5#, replace mains and services	McCook	In Service	1,490,125	Nov-13	-	(105,463)	-	1,384,662
25	2013	1008479	390-3770 TOG Hampton	Sutton	In Service	1,272,765	Dec-13	-	(988)	-	1,271,777
26	2013	1008584	NE - TOG Project-Seg#110-0150 - Ovid Lateral	McCook	In Service	404,681	Aug-13	-	(27,687)	-	376,995
27	2013	1008666	Replace TOG - Seg#110-0080_Lodgepole Lateral	Sidney	In Service	264,905	Jul-13	-	(354)	-	264,551
28	2013	1008568	TOG Replacement - Holdrege Cargill_2	Holdrege	In Service	196,991	Aug-13	(23,965)	(4,366)	-	168,660
29	2013	1009015	Orleans Bare Steel Replacement 2013	Holdrege	In Service	139,965	Mar-14	-	(10,063)	-	129,902
30	2013	1009522	Lower Main Blk218 - 233 - Sidney NE	Sidney	In Service	112,198	Nov-13	-	(1,237)	-	110,961
31	2013	1006678	500-2795 Idlewild TOG Changeout	Sutton	In Service	61,664	Dec-12	-	(3,877)	-	57,787
32	2013	1009066	370-0140 Replace Leaking Main	Sutton	In Service	49,312	Jul-13	-	(348)	-	48,964
33	2013	1007034	Remove Bridge Span - Johnson Lake	Holdrege	In Service	32,835	Jul-13	-	(209)	-	32,626
34	2013	1009710	Bertrand Bare Main Change Out 13	Holdrege	In Service	26,087	Oct-13	-	(152)	-	25,934
35	2013	1009925	460-2515 PVC Leak Replacement	Sutton	In Service	25,053	Nov-13	-	(2,766)	-	22,288
36	2013	1008653	Surface Ground Beds - Kearney Division	Sutton	In Service	20,103	Aug-13	-	-	-	20,103
37	2013	1008746	Sutton Corrosion 2013	Kearney	In Service	17,391	Sep-13	-	-	-	17,391
38	2013	1007131	Meter Baricades	Sutton	In Service	15,704	Dec-12	-	-	-	15,704
39	2013	1008671	Replace Bare Main North Bayard, NE	Holdrege	In Service	15,704	Dec-12	-	(2,952)	-	10,691
40	2013	1009453	Belden Creek Span Replacements	Alliance	In Service	13,643	May-13	-	-	-	13,643
41	2013	1007054	Install 5 blocks of 2 inch Steel	Albion	In Service	13,572	Aug-13	-	(143)	-	13,429
42	2013	1008888	Lyman lateral span replacement	Alliance	In Service	12,141	May-13	-	(1,808)	-	10,333
43	2013	1007326	Span Replacement 270-1769 Sec C Holdrege	Scotts Bluff	In Service	11,501	Jun-13	-	(173)	-	11,328
44	2013	1008670	Replace Bare Main Blk 70 & 71 Bayard, NE	Holdrege	In Service	10,136	Nov-12	-	(118)	-	10,018
45	2013	1009503	Reroute Block 44 of Red Cloud NE	Alliance	In Service	10,029	May-13	-	(1,126)	-	8,902
46	2013	1008564	Surface Beds - Holdrege #2	Kearney	In Service	9,362	Sep-13	-	(1,039)	-	8,323
47	2013	1007006	Replace 2 Spans , Kimball, NE	Holdrege	In Service	8,067	Dec-13	-	-	-	8,067
48	2013	1008627	Cased Cross - Eustis to Elwood 605-77	Sutton	In Service	5,228	Nov-12	-	(104)	-	5,124
49	2013	1007115	Install Anode Bed Birdwood Crossing #1	Holdrege	In Service	4,861	Dec-13	-	(1,358)	-	3,502
50	2013	1007116	Install Anode bed Sleepy Hollow #1	McCook	In Service	4,584	Nov-12	-	-	-	4,584
51	2013	1007118	Install Surface Anode Bed / Homestead Rd	McCook	In Service	4,243	Nov-12	-	-	-	4,243
52	2013	1006938	Install Anode Bed Birdwood Crossing #2	McCook	In Service	4,113	Nov-12	-	-	-	4,113
53	2013	1007117	Install Anode Bed Sleepy Hollow #2	McCook	In Service	3,854	Nov-12	-	-	-	3,854
54	2013	1008668	Remove Span blk 29 Bayard NE	McCook	In Service	3,854	Nov-12	-	-	-	3,854
55	2013	1008626	Cased Cross - Eustis to Elwood 150-49	Alliance	In Service	3,475	Apr-13	-	(175)	-	3,300
56	2013	1007196	Lyman lateral lowering - SPAN	Holdrege	In Service	3,082	Dec-13	-	(1,358)	-	1,724
57	2013	1008648	Replace Span blk 20 Bayard, NE	Scotts Bluff	In Service	2,721	Dec-12	-	(241)	-	2,480
58			Subtotal - 2013 Projects	Alliance	In Service	1,898	May-13	-	(817)	-	1,081
						4,260,143		(23,965)	(168,922)	-	4,067,256

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98	2015	015-289	Fullerton Meter Relocation	2015, K.4.a)	In Service	50,518				50,518
97	2015	015-272	SI Edward Span Replacement	2015, E.4.a)	In Service	24,955		(10,834)		14,121
98	2015	014-331	Gordon - Blk 54 - 4" Span removal from road bridge	2015, E.4.b)	In Service	11,023		(752)		10,271
99	2015	014-409	Scottsbluff - Span replacement	2015, E.4.c)	In Service	24,748		(482)		24,266
100	2015	015-248	Kearney TOG 370-1720 (Area 8)	2015, E.4.d)	In Service	1,883,358	(23,839)	(5,230)		1,854,289
101	2015	015-279	Plainview Line Heater	2015, F.4.b)	In Service	48,444		(97,710)		-49,266
102	2015	015-280	O'Neill #2 Line Heater Replacement	2015, F.4.c)	In Service	39,099		(6,252)		32,847
103	2015	014-201	Bayard - Blks 42&43/72&73 - Bare Steel Replacement	2015, A.4.d)	In Service	183,820		(11,877)		171,943
104	2015	015-328	Holdrege 480-1739 Anode Bed #1	2015, D.4.a)	In Service	5,987				5,987
105	2015	015-327	Holdrege 480-1739 Anode Bed #2	2015, D.4.a)	In Service	6,065				6,065
106	2015	015-328	Holdrege 480-1739 Anode Bed #3	2015, D.4.a)	In Service	5,842				5,842
107	2015	015-329	Holdrege 480-1739 Anode Bed #4	2015, D.4.a)	In Service	6,005				6,005
108	2015	015-330	Holdrege 480-2385 Anode Bed #1	2015, D.4.b)	In Service	6,005				6,005
109	2015	015-331	Holdrege 480-2385 Anode Bed #2	2015, D.4.b)	In Service	66,339				66,339
110	2015	014-615	Loomis TBS Replacement	2015, F.4.a)	In Service	66,122				66,122
111	2015	014-616	Arapahoe TBS Replacement	2015, F.4.a)	In Service	1,596,771				1,596,771
112	2015	015-249	Kearney TOG 370-1720 (Area 9)	2015, A.4.b)	In Service	81,089	(12,806)			68,283
113	2015	015-414	Sutton / Deshler Remain Changeout	2015, G.4.c)	In Service	23,424				23,424
114	2015	015-412	Sutton 4 Mag Anode Beds	2015, K.4.b)	In Service	186,153				186,153
115	2015	015-368	Alliance - Meter Relocation -- Blks 112/113	2015, E.4.c)	In Service	56,691				56,691
116	2015	014-435	Broadwater - Span at Broadwater Canal - Remove span on 6" Trans. to Lewell	2015, E.4.d)	In Service	1,837				1,837
117	2015	015-369	NorthPort - Span RPLC - Transmission	2015, E.4.e)	In Service	78,624				78,624
118	2015	015-253	Kearney TIGT Reg at Assumption	2015, J.4.a)	In Service					
119	2015	015-254	Kearney TIGT Reg at Roseland/Holstein	2015, J.4.a)	In Service					
120	2015	015-255	Kearney TIGT Reg at Campbell/Blackden	2015, J.4.b)	In Service	36,043				36,043
121	2015	015-256	Kearney TIGT Reg at Upland N Feed	2015, J.4.c)	In Service	53,946				53,946
122	2015	015-257	Kearney TIGT Reg at Upland S Feed	2015, J.4.d)	In Service	41,798				41,798
123	2015	015-258	Kearney TIGT Reg at Macon	2015, J.4.e)	In Service	37,218				37,218
124	2015	014-451	Michelli - Main change out - Block 81	2015, J.4.f)	In Service					
125	2015	015-250	Kearney TOG 370-5007 (Area 10)	2015, A.4.e)	In Service	27,453				27,453
126	2015	015-274	Creighton Lateral Replacement	2015, G.4.d)	In Service	1,486,196	(16,710)			1,469,486
127	2015	015-400	Rushville - TBS Replacement	2015, J.4.a)	In Service	338,875	(11,334)			327,541
128	2015	015-322	270-0030 Arapahoe to Holbrook Main Replacement	2015, F.4.f)	In Service	107,001				107,001
129	2015	015-323	Holdrege - TOG 260-1813	2015, B.4.a)	In Service	862,513				862,513
130	2015	015-290	Grant Lateral MAOP Verification	2015, G.4.a)	In Service	42,894				42,894
131	2015	015-289	McCook South TBS Replacement	2015, L.4.b)	In Service	22,317				22,317
132	2015	015-415	Chesler TBS Replacement	2015, F.4.g)	In Service	73,566				73,566
133	2015	015-419	Waco TBS Replacement	2015, F.4.g)	In Service	128,331				128,331
134	2015	015-392	Sidney - Golf Course main replacement	2015, F.4.d)	In Service	146,344				146,344
135	2015	015-344	Scottsbluff - Bare main replacement - Block 85	2015, A.4.c)	In Service	200,621				200,621
136	2015	015-373	Scottsbluff - Bare main replacement - Blocks 84 & 81, 86	2015, A.4.d)	In Service	21,722				21,722
137	2015	015-580	Sutton 400-1750 (14) 50,260' of 2" steel TOG	2015, A.4.f)	In Service	67,903				67,903
138	2015	015-581	Sutton 400-1750 (15) 52,840' of 2" steel TOG	2015, A.4.f)	In Service	1,488,294				1,488,294
139	2015	015-582	Sutton 390-3308 (9) 37,500' of 4" steel, and 61,000' of 2" steel TOG	2015, G.4.g)	In Service	1,479,033				1,479,033
140	2015	015-313	Albion Meter Guards & Barricades	2015, G.4.h)	In Service	2,987,371				2,987,371
141	2015	015-332	Holdrege Meter Guards & Barricades	2015, C.4.a)	In Service	69,645				69,645
142	2015	015-263	Kearney Meter Guards & Barricades	2015, C.4.b)	In Service	21,243				21,243
143	2015	015-297	McCook Division Meter Guards & Barricades	2015, C.4.c)	In Service	30,682				30,682
144	2015	015-286	Isolated Bare Steel replacement Ogallala NE	2015, C.4.f)	In Service	36,117				36,117
145	2015	015-287	Replace Crane Valves to Mueller valves, Cambridge to McCook	2015, A.4.a)	In Service	304,719				304,719
146	2015	015-288	McCook TOG replacement Farnum to Curtis	2015, L.4.a)	In Service	48,251				48,251
147	2015	015-507	Sutton Barricades	2015, G.4.e)	In Service	46,964				46,964
148	2015	015-512	Sutton Tallgrass Reg Projects	2015, C.4.a)	In Service	56,667				56,667
149	2015	015-421	Phillips TBS Replacement	2015, J.4.g-h)	In Service	135,833				135,833
150	2015	014-695	Nebraska Highway Relocation Program	2015, F.4.e)	In Service	494,029				494,029
151	2015	015-343	Scottsbluff Division - meter guards / barricades	2015, M)	In Service	128,255				128,255
152	2015	Subtotal - 2015 Projects		2015, C.4.e)	In Service	30,833	(66,546)	(1,004,500)		14,320,134

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153	2016	F0011010	Holdrege TOG 250-0020 Phase 1	2016, G.4.f)	In Service	2,522,542	Jan-16	(30,320)	(207,875)	-	2,284,347
154	2016	F0011037	Holdrege TOG 250-0020 Phase 2	2016, G.4.g)	In Service	2,337,207	Jan-16	(21,194)	(121,742)	-	2,194,281
155	2016	F0011120	Kearney TOG 470-0040 Replacement	2016, G.4.a)	In Service	2,591,748	Jul-16	(6,540)	(23,281)	-	2,551,947
156	2016	F0011121	Kearney Division 500-2324 (16) TOG replacement	2016, G.4.b)	In Service	1,981,066	Oct-16	(43,865)	(121,364)	-	1,796,817
157	2016	F0011123	Sutton Division 390-2555 (17) TOG replacement	2016, G.4.c)	In Service	1,346,667	Nov-18	(16,368)	(93,680)	-	1,236,620
158	2016	F0011124	Sutton Division 390-1734 (13) TOG replacement	2016, G.4.d)	In Service	1,006,147	Jul-18	(43,538)	(246,636)	-	715,972
159	2016	F0011127	Sutton TOG 390-0190	2016, G.4.e)	In Service	709,310	May-16	(3,161)	(56,348)	-	647,204
160	2016	F0011119	Benedict PVC Distribution Replacement	2016, J.4.a)	In Service	875,245	Jun-16	-	(269,759)	-	605,486
161	2016	F0011146	Glennville PVC Replacement	2016, J.4.b)	In Service	1,164,521	Oct-16	-	(241,394)	-	923,127
162	2016	F0011160	Valley Grange RDS PVC Replacement	2016, J.4.c)	In Service	47,608	Jun-16	-	(143,702)	-	(96,094)
163	2016	F0011144	SCBF_2733 Project Line	2016, J.4.d)	In Service	53,944	Jun-16	-	(246,778)	-	(192,834)
164	2016	F0011134	Albion Division 420-2763 Humphrey PVC Replacement	2016, F.4.a)	In Service	822,152	Sep-16	(76,723)	(61,679)	-	683,750
165	2016	F0011136	Chappell, NE TBS Replacement	2016, F.4.b)	In Service	137,327	Aug-16	-	(73,661)	-	63,666
166	2016	F0011135	Byron, NE TBS Replacement	2016, F.4.c)	In Service	104,756	Jun-16	-	(927)	-	104,756
167	2016	F0011138	Hazard, NE TBS Replacement	2016, F.4.d)	In Service	133,407	Sep-16	-	(71,480)	-	61,927
168	2016	F0011137	Foster, NE TBS Replacement	2016, F.4.e)	In Service	323,791	Sep-16	-	(20)	-	323,771
169	2016	F0011133	Litchfield, NE TBS Replacement	2016, F.4.f)	In Service	136,543	Jun-16	-	(73,240)	-	63,303
170	2016	F0011139	Crawford, NE TBS Replacement	2016, F.4.g)	In Service	183,641	Jun-16	-	(97,890)	-	85,750
171	2016	F0011132	Inman, NE TBS Replacement	2016, F.4.h)	In Service	155,466	Sep-16	-	(421)	-	155,068
172	2016	F0011143	Elgin Meter Relocation Project	2016, F.4.i)	In Service	68,120	Jul-18	-	-	-	68,120
173	2016	F0011147	SCBF_Alliance_BLK_112&113_Meter Relocata	2016, I.4.a)	In Service	174,892	Jun-16	-	(61,630)	-	113,262
174	2016	F0011142	Albion Meter Barricades	2016, I.4.b)	In Service	21,458	Nov-16	-	-	-	21,458
175	2016	F0011161	Holdrege Meter Barricades 2016	2016, C.4.g)	In Service	19,307	Dec-16	-	-	-	19,307
176	2016	F0011148	SCBF_Alliance Meter Barricades	2016, C.4.h)	In Service	44,139	Dec-16	-	-	-	44,139
177	2016	F0011140	Sutton-Meter Barricades	2016, C.4.i)	In Service	44,120	Dec-16	-	-	-	44,120
178	2016	F0011130	Kearney Meter Barricades	2016, C.4.j)	In Service	20,775	Apr-18	-	-	-	20,775
179	2016	F0011151	SCBF_Gering_Changeout_BLK227	2016, A.4.a)	In Service	101,720	Jul-16	-	(36,059)	-	65,661
180	2016	F0011150	SCBF_Gering_Changeout_BLK_226_225	2016, A.4.b)	In Service	45,911	Jul-16	-	(19,879)	-	26,032
181	2016	F0011152	SCBF_Gering_Changeout_County Club Rd	2016, A.4.c)	In Service	169,590	Aug-16	-	(33,997)	-	135,593
182	2016	F0011126	Skewler Flats Main Replacement BLKS 357, 356, 359	2016, A.4.d)	In Service	215,848	Jun-16	-	(132,001)	-	83,847
183	2016	F0011129	Sidney, North side Main Replacement Block #s 116 117 118 119 171 172	2016, A.4.e)	In Service	421,665	Oct-16	-	(200,933)	-	220,731
184	2016	F0011128	Sidney main replacement blocks 142N 143N 143S 144N 144S	2016, A.4.f)	In Service	108,588	May-16	-	(11,048)	-	97,520
185	2016	F2000434	015-422 Sutton 460-0160 Dasher (Dasher to Chester Mainline Replacement)	2016, B.4.a)	In Service	193,512	Jul-16	-	(201,050)	-	(7,538)
186	2016	F0011162	Holdrege Anode Beds 2016	2016, D.4.a)	In Service	42,255	Jul-16	-	-	-	42,255
187	2016	F0011131	Kearney Corrosion Projects	2016, D.4.b)	In Service	9,878	Jul-16	-	-	-	9,878
188	2016	F0011141	Sutton-Install Anode Beds	2016, D.4.c)	In Service	60,074	Sep-16	-	-	-	60,074
189	2016	F0011153	SCBF_Scottsbluff_21Ave River Crossing	2016, E.4.a)	In Service	206,870	Sep-16	-	(148)	-	206,722
190	2016	F2000645	015-681 Centerline Survey (Project was delayed until May 2017)	2016, H.4.a)	In Service	1,207,550	May-17	-	-	-	1,207,550
191	2016	F2000041	Nebraska Highway Relocation Program	2016, K	In Service	148,557	Oct-15	-	(34,855)	-	113,701
192	2016										
193			Subtotal - 2016 Projects			20,065,180		(241,719)	(2,909,047)	-	16,914,414

Black Hills Gas Distribution, LLC - Nebraska d/b/a Black Hills Energy
 2012 - 2017 SSIR Project Details
 Updated as of September 30, 2018

Exhibit 3
 Table 3
 Page 6 of 6

Line No.	Project Year	Project ID or Work Order	Description	Reference	Type	Total	In-Service Date	Retirement Credit	Retirement	Future Cost	Total Net In-Service
194	2017	10056221	Sutton 18 TOG 390-1653	2017, F.4.c)	Mains	2,155,368	Jul-17	-	(5,436)	-	2,149,932
195	2017	10056215	Kearney 12 TOG 370-0080	2017, F.4.a)	Mains	2,400,868	Jun-17	-	(54,365)	-	2,346,503
196	2017	10056216	Holdrege 7 TOG 250-1856	2017, F.4.b)	Mains	2,444,095	Nov-17	-	-	-	2,444,095
197	2017	10056218	Sutton 2 TOG 390-0180	2017, F.4.d)	Mains	1,574,470	Oct-17	-	-	-	1,574,470
198	2017	10056186	Holdrege 13 PVC 220-2280 (Holen Line- Bertrand 4 miles west)	2017, H.4.a)	Mains & Services	452,468	Jun-17	(122,619)	(6,070)	-	323,762
199	2017	10056201	Sutton 16 PVC 460-2507 (Exeter 2 miles south)	2017, H.4.b)	Mains & Services	879,835	May-17	-	(155,223)	-	724,611
200	2017	10056203	Gordon TBS Relocation and Replacement	2017, E.4.a)	Reg Station	113,165	Sep-17	-	(2,687)	-	110,478
201	2017	10056214	Bloomfield At-Risk Meters (15 Total)	2017, G.4.a)	Meters	58,209	Sep-17	-	-	-	58,209
202	2017	10056224	Crofton At-Risk Meters (21 Total)	2017, G.4.b)	Meters	136,438	Aug-17	-	-	-	136,438
203	2017	10056227	Wausa At-Risk Meters (4 Total)	2017, G.4.c)	Meters	14,578	Apr-17	-	(45,499)	-	(30,921)
204	2017	10056171	Alliance Meter relocation (45 Total)	2017, G.4.d)	Meters	228,943	Sep-17	-	-	-	228,943
205	2017	10056211	Allison - Meter Bypasses	2017, C.4.c)	Installations	33,163	Dec-17	-	-	-	33,163
206	2017	10056212	Holdrege - Meter Bypasses	2017, C.4.c)	Installations	32,249	Dec-17	-	-	-	32,249
207	2017	10056210	Kearney - Meter Bypasses	2017, C.4.a)	Installations	15,292	Sep-17	-	-	-	15,292
208	2017	10056209	Axtell Bare Main Replacement - Blocks 16, 17, & 18	2017, C.4.b)	Installations	89,161	Sep-17	-	-	-	89,161
209	2017	10056206	Alliance - Poorly coated/low CP transmission pipe	2017, B.4.a)	Mains	223,369	May-17	-	(17,714)	-	205,655
210	2017	10056228	Holdrege - Install 1 Rectifier & 1 Anode Bed	2017, D.4.a)	Mains	28,674	Aug-17	-	-	-	28,674
211	2017	10056220	Kearney - Install Anode Beds @ 8 locations	2017, D.4.b)	Mains	5,822	Aug-17	-	-	-	5,822
212	2017	10056223	Sutton - Install Anode Beds @ 2 locations	2017, D.4.c)	Mains	4,721	Aug-17	-	-	-	4,721
213	2017	10056223	Sutton - Install Anode Beds @ 10 locations	2017, D.4.d)	Mains	19,441	Aug-17	-	-	-	19,441
214	2017	Unassigned	Nebraska Highway Relocation Program	2017.1	Mains	-	Dec-17	-	-	-	-
215			Subtotal - 2017 Projects			10,610,410		(122,616)	(296,984)	-	10,490,800

Line No.	Projects by FERC Account- Total Company:					
	FERC	2014 Total In-Service	2015 Total In-Service	2016 Total In-Service	2017 Total In-Service	2017 Total In-Service
1	37401	\$ -	\$ 36,383	\$ -	\$ -	\$ -
2	37402	Land Rights	505,077	131,011	257,724	218,782
3	37600	Mains	9,147,506	11,784,583	13,290,196	9,547,370
4	37800	Reg Station	47,726	1,607,102	1,016,281	403,359
5	38000	Services	14,928	395,963	974,727	788,641
6	38100	Meters	-	30,682	44,139	4,044
7	38200	Installations	-	334,410	115,144	736,154
8	38300	House Regulators	-	-	8,644	-
9						
10						
11	Grand Total	9,715,236	14,320,134	15,706,865	11,698,350	

Line No.	Projects by FERC Account- Total Jurisdictional:					
	JUR %	2014 Total In-Service	2015 Total In-Service	2016 Total In-Service	2017 Total In-Service	2017 Total In-Service
12	75.73%	\$ -	\$ 27,551	\$ -	\$ -	\$ -
13	75.73%	37401	382,472	99,209	195,163	165,674
14	75.72%	37600	6,926,850	8,923,749	10,063,858	7,229,643
15	71.85%	37800	34,292	1,154,724	730,218	289,819
16	100.00%	38000	14,928	395,963	974,727	788,641
17	76.46%	38100	-	23,460	33,749	3,092
18	76.46%	38200	-	255,695	88,041	562,875
19	76.46%	38300	-	-	6,609	-
20						
21						
22						
23	Grand Total	7,358,542	10,880,351	12,092,366	9,039,744	

Total Jurisdictional by Customer Class:	
FERC	Total
37401	\$ 27,551
37402	842,518
37600	33,144,100
37800	2,209,052
38000	2,174,259
38100	60,301
38200	906,611
38300	6,609
	<u>39,371,002</u>

35

Line No.	Description	Ratio	Rate	Cost	Reference						
1	Capital Structure:										
2	Debt	48.84%	5.64%	2.76%	As Approved in NG-0067						
3	Equity	51.18%	9.60%	4.91%	As Approved in NG-0067						
4	Total Cost			7.67%	As Approved in NG-0067						
5											
6	Depreciation Rate:										
7	FERC Account 37401			3.00%	As Approved in NG-0067						
8	FERC Account 37402			3.00%	As Approved in NG-0067						
9	FERC Account 37800			3.00%	As Approved in NG-0067						
10	FERC Account 37800			3.00%	As Approved in NG-0067						
11	FERC Account 38000			3.00%	As Approved in NG-0067						
12	FERC Account 38100			3.00%	As Approved in NG-0067						
13	FERC Account 38200			3.00%	As Approved in NG-0067						
14	FERC Account 38300			3.00%	As Approved in NG-0067						
15											
16	Property Tax Rate:			2018							
17	Assessed Value			108,624,139	From Tax						
18	Plant In Service			265,267,998	From Tax						
19	Assessment Ratio			38.08%							
20	Property Tax Paid			1,699,057	From Tax						
21	Assessed Value			108,624,139	From Tax						
22	Property Tax Ratio			1.564%							
23	Property Tax Rate			0.60%							
24											
25	Income Tax Calc:										
26	Combined Tax Rate			27.17%	39.15%						
27	FIT rate = current year applicable rate			21.00%	34.00%						
28	SIT rate = current year applicable rate			7.81%	7.81%						
29											
30	Combined Tax Factor			37.31%	64.34%						
31	Combined Tax Factor Gross-up			1.37308	1.64338						
32											
33	20 Year MACRS Tax Percentage Rates (Distribution Plant):										
34				W/O Bonus	With Bonus						
35	Year 1			3.75%	51.8750%						
36	Year 2			7.210%	3.6085%						
37	Year 3			6.077%	3.3385%						
38	Year 4			6.177%	3.0885%						
39	Year 5			5.713%	2.8585%						
40	Year 6			5.285%	2.6425%						
41	Year 7			4.890%	2.4440%						
42	Year 8			4.522%	2.2810%						
43	Year 9			4.482%	2.2310%						
44	Year 10			4.460%	2.2310%						
45											
46											
47	Jurisdictional Percentages:										
48	FERC Account			Jurisdiction	Non-Jurisdiction						
49	37401			75.73%	24.27%						
50	37402			75.73%	24.27%						
51	37800			75.72%	24.28%						
52	37800			71.85%	28.15%						
53	38000			100.00%	0.00%						
54	38100			76.46%	23.54%						
55	38200			76.46%	23.54%						
56	38300			76.46%	23.54%						
57											
58	Customer Class Allocation:										
59				Residential	Small Commercial	Large Commercial					
60	FERC Account										
61	37401			59.90%	19.33%	20.77%					
62	37402			59.90%	19.33%	20.77%					
63	37800			60.44%	19.43%	20.13%					
64	37800			54.86%	18.41%	26.93%					
65	38000			71.01%	21.23%	7.76%					
66	38100			74.61%	16.51%	8.88%					
67	38200			74.61%	16.51%	8.88%					
68	38300			74.61%	16.51%	8.88%					
69											
70	FERC Account Allocation (from project manager study by project categories):										
71				37401	37402	37800	37800	38000	38100	38200	38300
72	Project Type										
73	Installations			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
74	Mains			0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	
	Meters			0.00%	0.00%	0.00%	0.00%	0.00%	90.00%	0.00%	10.00%

2018 Rates Effective June 29, 2018

	Residential	Small Commercial	Large Commercial
Annual # of bills (A)	812,229	121,408	17,743
Average Monthly Bill - \$	67.62	137.88	1,229.43
Current SSIR Charge - \$ (B)	4.67	9.95	98.50
Current Avg. Monthly Bill - \$	72.29	147.63	1,296.93
Previous SSIR Charge - \$ (C)	5.11	10.89	78.04

(A) As Approved in NG-0067
(B) Currently approved Charges after tax reform (8/29/18)
(C) Previously approved Charges before tax reform

**Black Hills Gas Distribution, LLC - Nebraska d/b/a Black Hills Energy
2017 SSIR Reconciliation**

**Exhibit 3
Table 6
Page 1 of 1**

Line No.	[A] Description	[B] Total Jurisdictional
1	2017 SSIR Reconciliation	
2	SSIR Authorized Revenue	6,548,995
3	Actual Revenue	6,210,056
4	Deferred SSIR Balance (Line 2 - Line 3)	<u>338,939</u>
5	SSIR Authorized Revenue Requirement	6,548,995
6	Actual SSIR Revenue Requirement	6,169,101
7	SSIR True-Up Amount (Line 6 - Line 5)	<u>(379,894)</u>
8	Carrying Cost (Line 4 + Line 7) x 4.21%	(1,724)

Exhibit 4
Variance Explanations

Black Hills Gas Distribution, LLC - Nebraska d/b/a Black Hills Energy
2017 SSIR Variance Report

2017 Projects	Project ID	Original In-Service Date	Revised In-Service Date	Sum of Original Net Additions to In-Service	Revised Net Additions to Service (a)	Variance	Explanation (b)
Sutton 16 TOG 390-1653	10056221	Aug-17	Jul-17	2,637,483	2,150,182	(487,301) (c)	
Kearney 12 TOG 370-0060	10056215	Aug-17	Jun-17	2,516,553	2,342,617	(173,936) (c)	
Holdrege 7 TOG 250-1856	10056216	Dec-17	Nov-17	2,546,429	2,446,608	(99,821) (c)	
Sutton 2 TOG 390-0180	10056219	Oct-17	Oct-17	1,651,406	1,577,755	(73,652) (c)	
Holdrege 13 PVC 220-2260 (Holen Line- Bertrand 4 miles west)	10056188	Sep-17	Jun-17	243,352	321,727	78,375	Cost increase was primarily due to additional loading costs. Higher than estimated material costs and some unanticipated internal labor costs also attributed to the overage
Sutton 16 PVC 460-2507 (Exeter 2 miles south)	10056201	Aug-17	May-17	888,268	725,712	(162,556) (c)	
Gordon TBS Relocation and Replacement	10056203	Nov-17	Sep-17	208,270	121,122	(87,148) (c)	
Bloomfield At-Risk Meters (15 Total)	10056214	Sep-17	Sep-17	60,161	59,475	(686) (c)	
Crofton At-Risk Meters (21 Total)	10056224	Sep-17	Aug-17	83,850	139,295	55,444	Cost increase was primarily due to additional loading costs. Higher than estimated material costs and some unanticipated internal labor costs also attributed to the overage
Wausa At-Risk Meters (4 Total)	10056227	Sep-17	Apr-17	26,243	(30,406)	(56,648) (c)	
Alliance Meter relocation (45 Total)	10056171	Sep-17	Sep-17	217,350	233,065	15,715	Cost increase was primarily due to additional loading costs. Higher than estimated material costs and some unanticipated internal labor costs also attributed to the overage
Albon - Meter Barricades	10056211	Dec-17	Dec-17	40,500	33,183	(7,317) (c)	
Holdrege - Meter Barricades	10056212	Dec-17	Dec-17	33,750	32,249	(1,501) (c)	
Kearney - Meter Barricades	10056210	Dec-17	Sep-17	17,010	15,292	(1,718) (c)	
Axtell Bare Main Replacement - Blocks 16, 17, & 18	10056209	Oct-17	Sep-17	72,963	89,300	16,336	Cost increase was primarily due to additional loading costs. Higher than estimated material costs and some unanticipated internal labor costs also attributed to the overage
Alliance - Poorly coated/low CP transmission pipe	10056206	Jul-17	May-17	516,191	208,172	(308,020) (c)	
Holdrege - Install 1 Rectifier & 1 Anode Bed	10056228	Oct-17	Aug-17	20,531	28,674	8,143	Cost increase was primarily due to additional loading costs. Higher than estimated material costs and some unanticipated internal labor costs also attributed to the overage
Kearney - Install Anode Beds @ 6 locations	10056220	Oct-17	Aug-17	9,785	5,822	(3,963) (c)	
Scottsbluff - Install Anode Beds @ 2 locations	10056222	Oct-17	Aug-17	3,262	4,721	1,459	Cost increase was primarily due to additional loading costs. Higher than estimated material costs and some unanticipated internal labor costs also attributed to the overage
Sutton - Install Anode Beds @ 10 locations	10056223	Oct-17	Aug-17	16,308	19,441	3,133	Cost increase was primarily due to additional loading costs. Higher than estimated material costs and some unanticipated internal labor costs also attributed to the overage
Nebraska Highway Relocation Program	Unassigned	Dec-17	Dec-17	-	-	-	
Total				11,809,656	10,524,007	(1,285,658)	

Notes
 (a) Includes FERC Accounts 106 and 101 for gas plant which have been completed and placed in service.
 (b) Variance explanation provided for projects with variances greater than 10% or \$10,000.
 (c) Lower actual construction costs were incurred compared to estimates due to lower contractor costs, change in scope reducing costs, other project cost efficiencies, etc.