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October 1, 2019

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-0078.7 – 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:

Fortieth- Revised Sheet No. 7
Canceling Thirty-ninth 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 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 2020 annual revenue requirement of the Projects that were originally included in the calculation of the Pipeline Replacement Charge (“PRC”), 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 projects were not included in the rate base calculation in the most

¹ The final Order issued by the Nebraska Public Service Commission in Docket No. NG-0084 contains the following

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	\$4.15	\$8.82	\$60.86
Proposed SSIR Charge - \$/month	\$3.65	\$7.76	\$53.54
Decrease in Proposed SSIR Charge - \$/month	\$(0.50)	\$(1.06)	\$(7.32)
Proposed Average Monthly Bill Decrease - %	-0.7%	-0.7%	-0.6%

The proposed 2020 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, 2020.

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

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:

Table 1 – This table shows the derivation of the 2020 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

provision under the Rate Moratorium and Acquisition Premium Section on page 10: “The agreement further 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 2020 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 2020. This recalculation results in an annual revenue requirement of \$811,551 proposed to be recovered through the SSIR rates for 2020 for these projects.

through 2017 SSIR projects⁴, (2) the 2018 Deferred SSIR Balance, (3) the 2018 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 2020 SSIR.

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

	Total Company Revenue Requirement
2014 Projects	\$1,088,149
2015 Projects	\$1,732,380
2016 Projects	\$1,894,689
2017 Projects	\$1,284,527

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 2020.

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 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

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 2020 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.

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 2020 reflected in this filing.

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	\$466,764
2013 Projects	\$344,787
2014 Projects	\$820,915
2015 Projects	\$1,312,820
2016 Projects	\$1,441,045
2017 Projects	\$1,001,804
Total	\$5,388,135

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 2020 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.⁷ 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.⁸ The “jurisdictional” component of the revenue requirement, as shown on this table, was determined using the cost allocation principles adopted by the Commission in 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 2018 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 2018 Deferred SSIR Balance indicates an under collection of \$11,468 for calendar year 2018. The 2018 SSIR True-up Amount indicated that the authorized revenue requirement was \$518,014 higher than the actual revenue requirement for calendar year 2018.

The actual 2018 revenue requirement was calculated including 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 2018 Deferred SSIR Balance and SSIR True-up Amount decreased the 2020 SSIR by \$27,455.

⁷ As all SSIR Projects have an in-service date of 2017, or earlier, and the Company previously provided updates for costs lagging into 2018, any further changes would be de minimis. Therefore, the current filing includes no additional changes to Total Net Project Costs since the 2018 application filed in Docket NG-0078.6, dated October 10, 2018.

⁸ 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.

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2020 SSIR – Application
October 1, 2019
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Please contact me at (402) 858-3560 if you have any questions or need additional information.

Very truly yours,

BLACK HILLS GAS DISTRIBUTION, LLC



Jason Bennett
Manager, Regulatory & Finance

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
Tyler Frost – Manager of Regulatory and Finance – Black Hills Energy
Douglas J. Law – Associate General Counsel – Black Hills Energy
Jeffrey Thomas – Regulatory & Financial Analyst – Black Hills Energy
Jill Becker – Manager State Governmental Affairs – Black Hills Energy

Exhibit 1

Final Version of Tariff Sheet

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	3.65					3.65
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 20	0.4675	0.0000	0.0399	0.0399		0.5074
Over 20	0.1338	0.0000	0.0399	0.0399		0.1737
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	7.76					7.76
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 40	0.4675	0.0000	0.0399	0.0399		0.5074
Over 40	0.1338	0.0000	0.0399	0.0399		0.1737
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	53.54					53.54
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 80	0.4675	0.0000	0.0399	0.0399		0.5074
Over 80	0.1338	0.0000	0.0399	0.0399		0.1737

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 \$0.0399 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 Sheet

SCHEDULE OF RATES AND OTHER CHARGES

Rate Schedules CGS and ACGS-NSS

Type of Charge	Non-Gas Base Rate Component	Gas Cost			Total Rate
		Base Rate Component	Surcharge Rate Component 3/	Total Gas Cost	
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	3.654 .15				3.654 .15
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>					
First 20	0.4675	0.0000	0.0399	0.0399	0.5074
Over 20	0.1338	0.0000	0.0399	0.0399	0.1737
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	7.768 .82				7.768 .82
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>					
First 40	0.4675	0.0000	0.0399	0.0399	0.5074
Over 40	0.1338	0.0000	0.0399	0.0399	0.1737
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	53.5460 .86				53.5460 .86
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>					
First 80	0.4675	0.0000	0.0399	0.0399	0.5074
Over 80	0.1338	0.0000	0.0399	0.0399	0.1737

- 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 \$0.0399 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 - Prelim
2020 - System Safety and Integrity Rider Proposed Rates
Rate Calculation**

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

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	\$ 466,764			
3	2013 PRC Projects (A)	Infrastructure System Replacement Cost Recovery Charge - LB 658	\$ 344,787			
4	2014 SSIR Projects	Calculation of SSIR Revenue Requirement	\$ 820,915			
5	2015 SSIR Projects	Calculation of SSIR Revenue Requirement	\$ 1,312,820			
6	2016 SSIR Projects	Calculation of SSIR Revenue Requirement	\$ 1,441,045			
7	2017 SSIR Projects	Calculation of SSIR Revenue Requirement	\$ 1,001,804			
8	Total Revenue Requirement for SSIR Costs	Sum Lines 2 - 7	5,388,135			
9	Prior Year SSIR Reconciliation					
10	Deferred SSIR Balance	2018 SSIR Reconciliation, Table 6	11,468			
11	SSIR True-Up Amount	2018 SSIR Reconciliation, Table 6	(518,014)			
12	Carrying Cost	2018 SSIR Reconciliation, Table 6	(27,455)			
13	Total SSIR Revenue Requirement	Sum Lines 5 - 9	4,854,134			
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	\$ 4,854,134	\$ 2,962,478	\$ 941,702	\$ 949,954
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		\$ 3.65	\$ 7.76	\$ 53.54
18	Proposed SSIR Rate Change	Line 17 - 2019 Rates Effective February 1, 2019		\$ (0.50)	\$ (1.06)	\$ (7.32)
19	Current Average Monthly Bill - \$	Table 5		\$ 71.77	\$ 146.50	\$ 1,290.29
20	Proposed Average Monthly Bill Increase - % change	Line 18 / Line19		-0.697%	-0.724%	-0.567%

(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 - Prelim
 Calculation of SSIR Revenue Requirement
 2020 System Safety and Integrity Costs - September 30, 2019

Exhibit 3
 Table 2A

1	2	3	82	83	84	85	86	87	88	89	90	91	92	93	94
Line No	[A] Description	[B] Reference	[C] January-20	[D] February-20	[E] March-20	[F] April-20	[G] May-20	[H] June-20	[I] July-20	[J] August-20	[K] September-20	[L] October-20	[M] November-20	[N] December-20	[O] Total 2020
33	2014 Projects														
34	Net Plant Balance	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	(1,060,496)	(1,084,784)	(1,109,072)	(1,133,360)	(1,157,648)	(1,181,937)	(1,206,225)	(1,230,513)	(1,254,801)	(1,279,089)	(1,303,377)	(1,327,665)	
36	Net Investments	Sum Lines 34 - 35	<u>\$ 8,654,740</u>	<u>\$ 8,630,452</u>	<u>\$ 8,606,164</u>	<u>\$ 8,581,876</u>	<u>\$ 8,557,588</u>	<u>\$ 8,533,299</u>	<u>\$ 8,509,011</u>	<u>\$ 8,484,723</u>	<u>\$ 8,460,435</u>	<u>\$ 8,436,147</u>	<u>\$ 8,411,859</u>	<u>\$ 8,387,571</u>	
37	ADIT Balances	WP-ADIT	(505,532)	(509,689)	(513,847)	(518,004)	(522,162)	(526,319)	(530,476)	(534,634)	(538,791)	(542,949)	(547,106)	(551,263)	
	Deferred Tax Liability Tax Reform		(124,678)	(124,678)	(124,678)	(124,678)	(124,678)	(124,678)	(124,678)	(124,678)	(124,678)	(124,678)	(124,678)	(124,678)	
38	Rate Base	Line 36 + Line 37	8,024,530	7,996,085	7,967,639	7,939,194	7,910,748	7,882,303	7,853,857	7,825,412	7,796,966	7,768,521	7,740,075	7,711,630	
39	Return on Rate Base														
40	Interest	Line 38 * Debt Cost Rate, Table 5	18,425	18,360	18,294	18,229	18,164	18,099	18,033	17,968	17,903	17,837	17,772	17,707	216,791
41	Net Income	Line 38 * Equity Cost Rate, Table 5	32,845	32,729	32,613	32,496	32,380	32,263	32,147	32,030	31,914	31,798	31,681	31,565	386,461
42	Taxable Income	Line 41 * Combined Tax Factor Gross-up, Table 5	45,099	44,939	44,779	44,619	44,459	44,299	44,140	43,980	43,820	43,660	43,500	43,340	530,635
43	Pre-Tax Return on Rate Base	Line 40 + Line 42	63,524	63,299	63,074	62,848	62,623	62,398	62,173	61,948	61,722	61,497	61,272	61,047	747,425
44	Investment Expenses														
45	Depreciation	WP-DEP XP	24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288	24,288	291,457
46	Property Tax Accrual	Line 36, from last Year * Property Tax Rate, Table 5	4,106	4,106	4,106	4,106	4,106	4,106	4,106	4,106	4,106	4,106	4,106	4,106	49,266
47	O&M	For future reference	-	-	-	-	-	-	-	-	-	-	-	-	-
48	2014 Projects Revenue Requirement	Sum Lines 43 - 47	<u>\$ 91,918</u>	<u>\$ 91,692</u>	<u>\$ 91,467</u>	<u>\$ 91,242</u>	<u>\$ 91,017</u>	<u>\$ 90,792</u>	<u>\$ 90,566</u>	<u>\$ 90,341</u>	<u>\$ 90,116</u>	<u>\$ 89,891</u>	<u>\$ 89,666</u>	<u>\$ 89,441</u>	<u>\$ 1,088,149</u>
49	2015 Projects														
50	Net Plant Balance	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	
51	Accumulated Depreciation	WP-DEP XP	(412,037)	(447,837)	(483,638)	(519,438)	(555,238)	(591,039)	(626,839)	(662,639)	(698,440)	(734,240)	(770,040)	(805,841)	
52	Net Investments	Sum Lines 50 - 51	<u>\$ 13,908,097</u>	<u>\$ 13,872,297</u>	<u>\$ 13,836,497</u>	<u>\$ 13,800,696</u>	<u>\$ 13,764,896</u>	<u>\$ 13,729,096</u>	<u>\$ 13,693,295</u>	<u>\$ 13,657,495</u>	<u>\$ 13,621,695</u>	<u>\$ 13,585,894</u>	<u>\$ 13,550,094</u>	<u>\$ 13,514,294</u>	
53	ADIT Balances	WP-ADIT	(649,971)	(657,380)	(664,789)	(672,197)	(679,606)	(687,015)	(694,423)	(701,832)	(709,241)	(716,649)	(724,058)	(731,467)	
	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)	
54	Rate Base	Line 52 + Line 53	13,118,617	13,075,408	13,032,199	12,988,990	12,945,781	12,902,572	12,859,363	12,816,153	12,772,944	12,729,735	12,686,526	12,643,317	
55	Return on Rate Base														
56	Interest	Line 54 * Debt Cost Rate, Table 5	30,122	30,022	29,923	29,824	29,725	29,626	29,526	29,427	29,328	29,229	29,130	29,030	354,912
57	Net Income	Line 54 * Equity Cost Rate, Table 5	53,696	53,519	53,343	53,166	52,989	52,812	52,635	52,458	52,281	52,104	51,928	51,751	632,682
58	Taxable Income	Line 57 * Combined Tax Factor Gross-up, Table 5	73,728	73,485	73,243	73,000	72,757	72,514	72,271	72,028	71,785	71,543	71,300	71,057	868,711
59	Pre-Tax Return on Rate Base	Line 56 + Line 58	103,850	103,508	103,166	102,824	102,482	102,140	101,798	101,455	101,113	100,771	100,429	100,087	1,223,622
60	Investment Expenses														
61	Depreciation	WP-DEP XP	35,800	35,800	35,800	35,800	35,800	35,800	35,800	35,800	35,800	35,800	35,800	35,800	429,604
62	Property Tax Accrual	Line 52, from last Year * Property Tax Rate, Table 5	6,596	6,596	6,596	6,596	6,596	6,596	6,596	6,596	6,596	6,596	6,596	6,596	79,152
63	O&M	For future reference	-	-	-	-	-	-	-	-	-	-	-	-	-
64	2015 Projects Revenue Requirement	Sum Lines 59 - 63	<u>\$ 146,246</u>	<u>\$ 145,904</u>	<u>\$ 145,562</u>	<u>\$ 145,220</u>	<u>\$ 144,878</u>	<u>\$ 144,536</u>	<u>\$ 144,194</u>	<u>\$ 143,852</u>	<u>\$ 143,510</u>	<u>\$ 143,168</u>	<u>\$ 142,826</u>	<u>\$ 142,484</u>	<u>\$ 1,732,380</u>

Black Hills Gas Distribution, LLC - Nebraska d/b/a/ Black Hills Energy - Prelim
 Calculation of SSIR Revenue Requirement
 2020 System Safety and Integrity Costs - September 30, 2019

Exhibit 3
 Table 2A

<u>Total Company</u>		1	2	3	82	83	84	85	86	87	88	89	90	91	92	93	94
Line No	[A] Description	[B] Reference	[C] January-20	[D] February-20	[E] March-20	[F] April-20	[G] May-20	[H] June-20	[I] July-20	[J] August-20	[K] September-20	[L] October-20	[M] November-20	[N] December-20	[O] Total 2020		
65	2016 Projects																
66	Net Plant Balance	Exhibit 4, Table 4, Line 11	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	15,706,865	15,706,865	
67	Accumulated Depreciation	WP-DEP XP	1,384,959	1,345,692	1,306,425	1,267,158	1,227,891	1,188,623	1,149,356	1,110,089	1,070,822	1,031,555	992,288	953,020			
68	Net Investments	Sum Lines 66 - 67	<u>\$ 17,091,824</u>	<u>\$ 17,052,557</u>	<u>\$ 17,013,289</u>	<u>\$ 16,974,022</u>	<u>\$ 16,934,755</u>	<u>\$ 16,895,488</u>	<u>\$ 16,856,221</u>	<u>\$ 16,816,954</u>	<u>\$ 16,777,687</u>	<u>\$ 16,738,419</u>	<u>\$ 16,699,152</u>	<u>\$ 16,659,885</u>			
69	ADIT Balances	WP-ADIT	(2,185,789)	(2,185,278)	(2,184,768)	(2,184,258)	(2,183,747)	(2,183,237)	(2,182,727)	(2,182,217)	(2,181,706)	(2,181,196)	(2,180,686)	(2,180,175)			
	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)			
70	Rate Base	Line 68 + Line 69	14,174,367	14,135,610	14,096,853	14,058,096	14,019,339	13,980,583	13,941,826	13,903,069	13,864,312	13,825,555	13,786,798	13,748,042			
71	Return on Rate Base																
72	Interest	Line 70 * Debt Cost Rate, Table 5	32,546	32,457	32,368	32,279	32,190	32,101	32,012	31,923	31,834	31,745	31,656	31,567	384,676		
73	Net Income	Line 70 * Equity Cost Rate, Table 5	58,018	57,859	57,700	57,542	57,383	57,224	57,066	56,907	56,748	56,590	56,431	56,273	685,741		
74	Taxable Income	Line 73 * Combined Tax Factor Gross-up, Table 5	79,662	79,444	79,226	79,008	78,790	78,573	78,355	78,137	77,919	77,701	77,483	77,266	941,564		
75	Pre-Tax Return on Rate Base	Line 72 + Line 74	112,207	111,901	111,594	111,287	110,980	110,673	110,367	110,060	109,753	109,446	109,139	108,832	1,326,239		
76	Investment Expenses																
77	Depreciation	WP-DEP XP	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		
78	Property Tax Accrual	Line 68, from last Year * Property Tax Rate, Table 5	8,104	8,104	8,104	8,104	8,104	8,104	8,104	8,104	8,104	8,104	8,104	8,104	97,245		
79	O&M	For future reference	-	-	-	-	-	-	-	-	-	-	-	-	-		
80	2016 Projects Revenue Requirement	Sum Lines 75 - 79	<u>\$ 159,578</u>	<u>\$ 159,271</u>	<u>\$ 158,965</u>	<u>\$ 158,658</u>	<u>\$ 158,351</u>	<u>\$ 158,044</u>	<u>\$ 157,737</u>	<u>\$ 157,431</u>	<u>\$ 157,124</u>	<u>\$ 156,817</u>	<u>\$ 156,510</u>	<u>\$ 156,203</u>	<u>\$ 1,894,689</u>		
81	2017 Projects																
82	Net Plant Balance	Exhibit 4, Table 4, Line 11	11,698,350	11,698,350	11,698,350	11,698,350	11,698,350	11,698,350	11,698,350	11,698,350	11,698,350	11,698,350	11,698,350	11,698,350	11,698,350		
83	Accumulated Depreciation	WP-DEP XP	(553,463)	(582,709)	(611,955)	(641,201)	(670,447)	(699,693)	(728,938)	(758,184)	(787,430)	(816,676)	(845,922)	(875,168)			
84	Net Investments	Sum Lines 82 - 83	<u>\$ 11,144,887</u>	<u>\$ 11,115,641</u>	<u>\$ 11,086,395</u>	<u>\$ 11,057,149</u>	<u>\$ 11,027,903</u>	<u>\$ 10,998,657</u>	<u>\$ 10,969,412</u>	<u>\$ 10,940,166</u>	<u>\$ 10,910,920</u>	<u>\$ 10,881,674</u>	<u>\$ 10,852,428</u>	<u>\$ 10,823,182</u>			
85	ADIT Balances	WP-ADIT	(1,374,531)	(1,376,126)	(1,377,722)	(1,379,317)	(1,380,912)	(1,382,508)	(1,384,103)	(1,385,698)	(1,387,294)	(1,388,889)	(1,390,485)	(1,392,080)			
	Deferred Tax Liability Tax Reform		(440,762)	(440,762)	(440,762)	(440,762)	(440,762)	(440,762)	(440,762)	(440,762)	(440,762)	(440,762)	(440,762)	(440,762)			
86	Rate Base	Line 84 + Line 85	9,329,594	9,298,752	9,267,911	9,237,070	9,206,229	9,175,388	9,144,546	9,113,705	9,082,864	9,052,023	9,021,181	8,990,340			
87	Return on Rate Base																
88	Interest	Line 86 * Debt Cost Rate, Table 5	21,422	21,351	21,280	21,209	21,138	21,068	20,997	20,926	20,855	20,784	20,714	20,643	252,386		
89	Net Income	Line 86 * Equity Cost Rate, Table 5	38,187	38,061	37,935	37,809	37,682	37,556	37,430	37,304	37,177	37,051	36,925	36,799	449,915		
90	Taxable Income	Line 89 * Combined Tax Factor Gross-up, Table 5	52,433	52,260	52,087	51,913	51,740	51,567	51,393	51,220	51,047	50,873	50,700	50,527	617,761		
91	Pre-Tax Return on Rate Base	Line 88 + Line 90	73,855	73,611	73,367	73,123	72,879	72,634	72,390	72,146	71,902	71,658	71,414	71,169	870,147		
92	Investment Expenses																
93	Depreciation	WP-DEP XP	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		
94	Property Tax Accrual	Line 84, from last Year * Property Tax Rate, Table 5	5,286	5,286	5,286	5,286	5,286	5,286	5,286	5,286	5,286	5,286	5,286	5,286	63,430		
95	O&M	For future reference	-	-	-	-	-	-	-	-	-	-	-	-	-		
96	2017 Projects Revenue Requirement	Sum Lines 91 - 95	<u>\$ 108,387</u>	<u>\$ 108,143</u>	<u>\$ 107,898</u>	<u>\$ 107,654</u>	<u>\$ 107,410</u>	<u>\$ 107,166</u>	<u>\$ 106,922</u>	<u>\$ 106,678</u>	<u>\$ 106,434</u>	<u>\$ 106,189</u>	<u>\$ 105,945</u>	<u>\$ 105,701</u>	<u>\$ 1,284,527</u>		

Black Hills Gas Distribution, LLC - Nebraska d/b/a Black Hills Energy
 Calculation of SSIR Revenue Requirement
 2020 System Safety and Integrity Costs - September 30, 2019
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Exhibit 3
 Table 2B

Line No	[A] Description	[B] Reference	[C] January-20	[D] February-20	[E] March-20	[F] April-20	[G] May-20	[H] June-20	[I] July-20	[J] August-20	[K] September-20	[L] October-20	[M] November-20	[N] December-20	[O] Total 2020
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	(1,075,037)	(1,086,765)	(1,098,493)	(1,110,221)	(1,121,948)	(1,133,676)	(1,145,404)	(1,157,131)	(1,168,859)	(1,180,587)	(1,192,315)	(1,204,042)	
4	Net Investments	Sum Lines 2 - 3	\$ 3,687,128	\$ 3,675,400	\$ 3,663,672	\$ 3,651,944	\$ 3,640,217	\$ 3,628,489	\$ 3,616,761	\$ 3,605,034	\$ 3,593,306	\$ 3,581,578	\$ 3,569,850	\$ 3,558,123	
5	ADIT Balances	WP-ADIT BAL	(293,490)	(295,047)	(296,605)	(298,162)	(299,720)	(301,278)	(302,835)	(304,393)	(305,950)	(307,508)	(309,065)	(310,623)	
6	Deferred Tax Liability Tax Reform Rate Base	Line 4 + Line 5	3,284,149	3,270,864	3,257,579	3,244,294	3,231,008	3,217,723	3,204,438	3,191,153	3,177,867	3,164,582	3,151,297	3,138,012	
7	Return on Rate Base														
8	Interest	Line 6 * Debt Cost Rate, Table 5	7,541	7,510	7,480	7,449	7,419	7,388	7,358	7,327	7,297	7,266	7,236	7,205	88,475
9	Net Income	Line 6 * Equity Cost Rate, Table 5	13,442	13,388	13,334	13,279	13,225	13,171	13,116	13,062	13,007	12,953	12,899	12,844	157,721
10	Taxable Income	Line 9 * Combined Tax Factor Gross-up, Table 5	18,457	18,383	18,308	18,233	18,159	18,084	18,009	17,935	17,860	17,785	17,711	17,636	216,560
11	Pre-Tax Return on Rate Base	Line 8 + Line 10	25,998	25,893	25,788	25,683	25,577	25,472	25,367	25,262	25,157	25,052	24,946	24,841	305,035
12	Investment Expenses														
13	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
14	Property Tax Accrual	Line 4, from last Year * Property Tax Rate, Table 5	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	20,997
15	O&M	For future reference	-	-	-	-	-	-	-	-	-	-	-	-	-
16	2012 Projects Revenue Requirement	Sum Lines 11 - 15	\$ 39,475	\$ 39,370	\$ 39,265	\$ 39,160	\$ 39,055	\$ 38,950	\$ 38,844	\$ 38,739	\$ 38,634	\$ 38,529	\$ 38,424	\$ 38,319	\$ 466,764
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	(459,477)	(467,260)	(475,044)	(482,828)	(490,611)	(498,395)	(506,178)	(513,962)	(521,746)	(529,529)	(537,313)	(545,096)	
20	Net Investments	Sum Lines 18 - 19	\$ 2,770,910	\$ 2,763,127	\$ 2,755,343	\$ 2,747,560	\$ 2,739,776	\$ 2,731,992	\$ 2,724,209	\$ 2,716,425	\$ 2,708,642	\$ 2,700,858	\$ 2,693,074	\$ 2,685,291	
21	ADIT Balances	WP-ADIT BAL	(179,642)	(180,738)	(181,834)	(182,930)	(184,026)	(185,122)	(186,218)	(187,314)	(188,410)	(189,506)	(190,601)	(191,697)	
22	Deferred Tax Liability Tax Reform Rate Base	Line 20 + Line 21	2,529,082	2,520,202	2,511,323	2,502,443	2,493,564	2,484,684	2,475,805	2,466,925	2,458,046	2,449,166	2,440,287	2,431,407	
23	Return on Rate Base														
24	Interest	Line 22 * Debt Cost Rate, Table 5	5,807	5,787	5,766	5,746	5,725	5,705	5,685	5,664	5,644	5,624	5,603	5,583	68,339
25	Net Income	Line 22 * Equity Cost Rate, Table 5	10,352	10,316	10,279	10,243	10,206	10,170	10,134	10,097	10,061	10,025	9,988	9,952	121,824
26	Taxable Income	Line 25 * Combined Tax Factor Gross-up, Table 5	14,214	14,164	14,114	14,064	14,014	13,964	13,914	13,864	13,815	13,765	13,715	13,665	167,271
27	Pre-Tax Return on Rate Base	Line 24 + Line 26	20,021	19,950	19,880	19,810	19,740	19,669	19,599	19,529	19,458	19,388	19,318	19,248	235,610
28	Investment Expenses														
29	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	93,403
30	Property Tax Accrual	Line 20, from last Year * Property Tax Rate, Table 5	1,314	1,314	1,314	1,314	1,314	1,314	1,314	1,314	1,314	1,314	1,314	1,314	15,773
31	O&M	For future reference	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Requirement	Sum Lines 27 - 31	\$ 29,119	\$ 29,049	\$ 28,978	\$ 28,908	\$ 28,838	\$ 28,767	\$ 28,697	\$ 28,627	\$ 28,556	\$ 28,486	\$ 28,416	\$ 28,346	\$ 344,787

**Black Hills Gas Distribution, LLC - Nebraska d/b/a/ Black Hills Energy - Prelim
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 2020 System Safety and Integrity Costs - September 30, 2019**

**Exhibit 3
 Table 2B**

<u>Jurisdictional</u>		1	2	3	82	83	84	85	86	87	88	89	90	91	92	93	94
Line No	[A] Description	[B] Reference	[C] January-20	[D] February-20	[E] March-20	[F] April-20	[G] May-20	[H] June-20	[I] July-20	[J] August-20	[K] September-20	[L] October-20	[M] November-20	[N] December-20	[O] Total 2020		
33	2014 Projects																
34	Net Plant Balance	Exhibit 4, Table 4, Line 23	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	WP-DEP XP	(803,257)	(821,653)	(840,049)	(858,446)	(876,842)	(895,238)	(913,635)	(932,031)	(950,427)	(968,824)	(987,220)	(1,005,616)			
36	Net Investments	Sum Lines 34 - 35	<u>\$ 6,555,285</u>	<u>\$ 6,536,889</u>	<u>\$ 6,518,492</u>	<u>\$ 6,500,096</u>	<u>\$ 6,481,700</u>	<u>\$ 6,463,303</u>	<u>\$ 6,444,907</u>	<u>\$ 6,426,511</u>	<u>\$ 6,408,114</u>	<u>\$ 6,389,718</u>	<u>\$ 6,371,322</u>	<u>\$ 6,352,925</u>			
37	ADIT Balances	WP-ADIT	(386,918)	(390,100)	(393,282)	(396,464)	(399,646)	(402,828)	(406,010)	(409,192)	(412,374)	(415,556)	(418,738)	(421,920)			
	Deferred Tax Liability Tax Reform		(124,678)	(124,678)	(124,678)	(124,678)	(124,678)	(124,678)	(124,678)	(124,678)	(124,678)	(124,678)	(124,678)	(124,678)			
38	Rate Base	Line 36 + Line 37	6,043,689	6,022,111	6,000,533	5,978,954	5,957,376	5,935,798	5,914,219	5,892,641	5,871,063	5,849,485	5,827,906	5,806,328			
39	Return on Rate Base																
40	Interest	Line 38 * Debt Cost Rate, Table 5	13,877	13,827	13,778	13,728	13,679	13,629	13,580	13,530	13,481	13,431	13,381	13,332	163,253		
41	Net Income	Line 38 * Equity Cost Rate, Table 5	24,738	24,649	24,561	24,473	24,384	24,296	24,208	24,119	24,031	23,943	23,854	23,766	291,022		
42	Taxable Income	Line 41 * Combined Tax Factor Gross-up, Table 5	33,966	33,845	33,724	33,602	33,481	33,360	33,239	33,117	32,996	32,875	32,754	32,632	399,591		
43	Pre-Tax Return on Rate Base	Line 40 + Line 42	47,843	47,672	47,502	47,331	47,160	46,989	46,818	46,647	46,477	46,306	46,135	45,964	562,844		
44	Investment Expenses																
45	Depreciation	WP-DEP XP	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396	18,396	220,756		
46	Property Tax Accrual	Line 36, from last Year * Property Tax Rate, Table 5	3,110	3,110	3,110	3,110	3,110	3,110	3,110	3,110	3,110	3,110	3,110	3,110	37,315		
47	O&M	For future reference	-	-	-	-	-	-	-	-	-	-	-	-	-		
48	2014 Projects Revenue Requirement	Sum Lines 43 - 47	<u>\$ 69,349</u>	<u>\$ 69,178</u>	<u>\$ 69,007</u>	<u>\$ 68,837</u>	<u>\$ 68,666</u>	<u>\$ 68,495</u>	<u>\$ 68,324</u>	<u>\$ 68,153</u>	<u>\$ 67,983</u>	<u>\$ 67,812</u>	<u>\$ 67,641</u>	<u>\$ 67,470</u>	<u>\$ 820,915</u>		
49	2015 Projects																
50	Net Plant Balance	Exhibit 4, Table 4, Line 23	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	WP-DEP XP	(311,888)	(339,089)	(366,290)	(393,491)	(420,692)	(447,893)	(475,094)	(502,294)	(529,495)	(556,696)	(583,897)	(611,098)			
52	Net Investments	Sum Lines 50 - 51	<u>\$ 10,568,463</u>	<u>\$ 10,541,262</u>	<u>\$ 10,514,061</u>	<u>\$ 10,486,860</u>	<u>\$ 10,459,659</u>	<u>\$ 10,432,458</u>	<u>\$ 10,405,257</u>	<u>\$ 10,378,056</u>	<u>\$ 10,350,855</u>	<u>\$ 10,323,655</u>	<u>\$ 10,296,454</u>	<u>\$ 10,269,253</u>			
53	ADIT Balances	WP-ADIT	(497,467)	(503,138)	(508,808)	(514,479)	(520,149)	(525,819)	(531,490)	(537,160)	(542,830)	(548,501)	(554,171)	(559,842)			
	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)			
54	Rate Base	Line 52 + Line 53	9,931,486	9,898,614	9,865,743	9,832,872	9,800,001	9,767,129	9,734,258	9,701,387	9,668,515	9,635,644	9,602,773	9,569,902			
55	Return on Rate Base																
56	Interest	Line 54 * Debt Cost Rate, Table 5	22,804	22,728	22,653	22,577	22,502	22,426	22,351	22,275	22,200	22,124	22,049	21,973	268,663		
57	Net Income	Line 54 * Equity Cost Rate, Table 5	40,651	40,516	40,382	40,247	40,113	39,978	39,844	39,709	39,575	39,440	39,305	39,171	478,931		
58	Taxable Income	Line 57 * Combined Tax Factor Gross-up, Table 5	55,816	55,631	55,447	55,262	55,077	54,892	54,708	54,523	54,338	54,153	53,969	53,784	657,601		
59	Pre-Tax Return on Rate Base	Line 56 + Line 58	78,620	78,360	78,099	77,839	77,579	77,319	77,059	76,798	76,538	76,278	76,018	75,757	926,263		
60	Investment Expenses																
61	Depreciation	WP-DEP XP	27,201	27,201	27,201	27,201	27,201	27,201	27,201	27,201	27,201	27,201	27,201	27,201	326,411		
62	Property Tax Accrual	Line 52, from last Year * Property Tax Rate, Table 5	5,012	5,012	5,012	5,012	5,012	5,012	5,012	5,012	5,012	5,012	5,012	5,012	60,146		
63	O&M	For future reference	-	-	-	-	-	-	-	-	-	-	-	-	-		
64	2015 Projects Revenue Requirement	Sum Lines 59 - 63	<u>\$ 110,833</u>	<u>\$ 110,573</u>	<u>\$ 110,312</u>	<u>\$ 110,052</u>	<u>\$ 109,792</u>	<u>\$ 109,532</u>	<u>\$ 109,272</u>	<u>\$ 109,011</u>	<u>\$ 108,751</u>	<u>\$ 108,491</u>	<u>\$ 108,231</u>	<u>\$ 107,970</u>	<u>\$ 1,312,820</u>		

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Exhibit 3
 Table 2B

<u>Jurisdictional</u>															
1	2	3	82	83	84	85	86	87	88	89	90	91	92	93	94
Line No	[A] Description	[B] Reference	[C] January-20	[D] February-20	[E] March-20	[F] April-20	[G] May-20	[H] June-20	[I] July-20	[J] August-20	[K] September-20	[L] October-20	[M] November-20	[N] December-20	[O] Total 2020
65	2016 Projects														
66	Net Plant Balance	Exhibit 4, Table 4, Line 23	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
67	Accumulated Depreciation	WP-DEP XP	1,040,676	1,010,445	980,214	949,993	919,752	889,521	859,290	829,059	798,829	768,598	738,367	708,136	
68	Net Investments	Sum Lines 66 - 67	<u>\$ 13,133,041</u>	<u>\$ 13,102,811</u>	<u>\$ 13,072,580</u>	<u>\$ 13,042,349</u>	<u>\$ 13,012,118</u>	<u>\$ 12,981,887</u>	<u>\$ 12,951,656</u>	<u>\$ 12,921,425</u>	<u>\$ 12,891,194</u>	<u>\$ 12,860,963</u>	<u>\$ 12,830,732</u>	<u>\$ 12,800,501</u>	
69	ADIT Balances	WP-ADIT	(1,672,934)	(1,672,543)	(1,672,153)	(1,671,762)	(1,671,371)	(1,670,981)	(1,670,590)	(1,670,200)	(1,669,809)	(1,669,418)	(1,669,028)	(1,668,637)	
	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)	
70	Rate Base	Line 68 + Line 69	10,728,439	10,698,599	10,668,759	10,638,918	10,609,078	10,579,238	10,549,397	10,519,557	10,489,717	10,459,876	10,430,036	10,400,196	
71	Return on Rate Base														
72	Interest	Line 70 * Debt Cost Rate, Table 5	24,634	24,565	24,497	24,428	24,359	24,291	24,222	24,154	24,085	24,017	23,948	23,880	291,081
73	Net Income	Line 70 * Equity Cost Rate, Table 5	43,913	43,791	43,669	43,547	43,424	43,302	43,180	43,058	42,936	42,814	42,692	42,569	518,894
74	Taxable Income	Line 73 * Combined Tax Factor Gross-up, Table 5	60,295	60,127	59,960	59,792	59,624	59,457	59,289	59,121	58,953	58,786	58,618	58,450	712,473
75	Pre-Tax Return on Rate Base	Line 72 + Line 74	84,929	84,692	84,456	84,220	83,984	83,748	83,511	83,275	83,039	82,803	82,566	82,330	1,003,553
76	Investment Expenses														
77	Depreciation	WP-DEP XP	30,231	30,231	30,231	30,231	30,231	30,231	30,231	30,231	30,231	30,231	30,231	30,231	362,771
78	Property Tax Accrual	Line 68, from last Year * Property Tax Rate, Table 5	6,227	6,227	6,227	6,227	6,227	6,227	6,227	6,227	6,227	6,227	6,227	6,227	74,721
79	O&M	For future reference	-	-	-	-	-	-	-	-	-	-	-	-	-
80	2016 Projects Revenue Requirement	Sum Lines 75 - 79	<u>\$ 121,386</u>	<u>\$ 121,150</u>	<u>\$ 120,914</u>	<u>\$ 120,678</u>	<u>\$ 120,441</u>	<u>\$ 120,205</u>	<u>\$ 119,969</u>	<u>\$ 119,733</u>	<u>\$ 119,497</u>	<u>\$ 119,260</u>	<u>\$ 119,024</u>	<u>\$ 118,788</u>	<u>\$ 1,441,045</u>
81	2017 Projects														
82	Net Plant Balance	Exhibit 4, Table 4, Line 23	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	
83	Accumulated Depreciation	WP-DEP XP	(430,048)	(452,647)	(475,246)	(497,846)	(520,445)	(543,044)	(565,644)	(588,243)	(610,842)	(633,442)	(656,041)	(678,640)	
84	Net Investments	Sum Lines 82 - 83	<u>\$ 8,609,696</u>	<u>\$ 8,587,097</u>	<u>\$ 8,564,497</u>	<u>\$ 8,541,898</u>	<u>\$ 8,519,299</u>	<u>\$ 8,496,699</u>	<u>\$ 8,474,100</u>	<u>\$ 8,451,501</u>	<u>\$ 8,428,901</u>	<u>\$ 8,406,302</u>	<u>\$ 8,383,703</u>	<u>\$ 8,361,103</u>	
85	ADIT Balances	WP-ADIT	(1,052,023)	(1,053,244)	(1,054,465)	(1,055,686)	(1,056,907)	(1,058,128)	(1,059,349)	(1,060,570)	(1,061,791)	(1,063,012)	(1,064,233)	(1,065,454)	
	Deferred Tax Liability Tax Reform		(251,410)	(251,410)	(251,410)	(251,410)	(251,410)	(251,410)	(251,410)	(251,410)	(251,410)	(251,410)	(251,410)	(251,410)	
86	Rate Base	Line 84 + Line 85	7,306,263	7,282,443	7,258,623	7,234,802	7,210,982	7,187,162	7,163,341	7,139,521	7,115,700	7,091,880	7,068,060	7,044,239	
87	Return on Rate Base														
88	Interest	Line 86 * Debt Cost Rate, Table 5	16,776	16,721	16,667	16,612	16,557	16,502	16,448	16,393	16,338	16,284	16,229	16,174	197,701
89	Net Income	Line 86 * Equity Cost Rate, Table 5	29,906	29,808	29,711	29,613	29,516	29,418	29,321	29,223	29,126	29,028	28,931	28,833	352,431
90	Taxable Income	Line 89 * Combined Tax Factor Gross-up, Table 5	41,062	40,928	40,794	40,660	40,527	40,393	40,259	40,125	39,991	39,857	39,723	39,589	483,909
91	Pre-Tax Return on Rate Base	Line 88 + Line 90	57,838	57,649	57,461	57,272	57,084	56,895	56,707	56,518	56,329	56,141	55,952	55,764	681,610
92	Investment Expenses														
93	Depreciation	WP-DEP XP	22,599	22,599	22,599	22,599	22,599	22,599	22,599	22,599	22,599	22,599	22,599	22,599	271,192
94	Property Tax Accrual	Line 84, from last Year * Property Tax Rate, Table 5	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	49,001
95	O&M	For future reference	-	-	-	-	-	-	-	-	-	-	-	-	-
96	2017 Projects Revenue Requirement	Sum Lines 91 - 95	<u>\$ 84,521</u>	<u>\$ 84,332</u>	<u>\$ 84,144</u>	<u>\$ 83,955</u>	<u>\$ 83,766</u>	<u>\$ 83,578</u>	<u>\$ 83,389</u>	<u>\$ 83,201</u>	<u>\$ 83,012</u>	<u>\$ 82,824</u>	<u>\$ 82,635</u>	<u>\$ 82,447</u>	<u>\$ 1,001,804</u>

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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	Total Net In-Service
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	-	(8,657)	-	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

Black Hills Gas Distribution, LLC - Nebraska d/b/a Black Hills Energy
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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	Total Net In-Service
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	Sydney	In Service	112,198	Nov-13	-	(1,237)	-	110,961
31	2013	1006678	500-2795 Idlewilde 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	Kearney	In Service	20,103	Aug-13	-	-	-	20,103
37	2013	1008746	Sutton Corrosion 2013	Sutton	In Service	17,391	Sep-13	-	-	-	17,391
38	2013	1007131	Meter Baricades	Holdrege	In Service	15,704	Dec-12	-	-	-	15,704
39	2013	1008671	Replace Bare Main North Bayard, NE	Alliance	In Service	13,643	May-13	-	(2,952)	-	10,691
40	2013	1009453	Belden Creek Span Replacements	Albion	In Service	13,572	Aug-13	-	(143)	-	13,429
41	2013	1007054	Install 5 blocks of 2 Inch Steel	Alliance	In Service	12,141	May-13	-	(1,808)	-	10,333
42	2013	1008888	Lyman lateral span replacement	Scotts Bluff	In Service	11,501	Jun-13	-	(173)	-	11,328
43	2013	1007326	Span Rplacement 270-1769 Sec C Holdrege	Holdrege	In Service	10,136	Nov-12	-	(118)	-	10,018
44	2013	1008670	Replace Bare Main Blk 70 & 71 Bayard, NE	Alliance	In Service	10,029	May-13	-	(1,126)	-	8,902
45	2013	1009503	Reroute Block 44 of Red Cloud NE	Kearney	In Service	9,362	Sep-13	-	(1,039)	-	8,323
46	2013	1008564	Surface Beds - Holdrege #2	Holdrege	In Service	8,067	Dec-13	-	-	-	8,067
47	2013	1007006	Replace 2 Spans , Kimball, NE	Sutton	In Service	5,228	Nov-12	-	(104)	-	5,124
48	2013	1008627	Cased Cross - Eustis to Elwood 605+77	Holdrege	In Service	4,861	Dec-13	-	(1,358)	-	3,502
49	2013	1007115	Install Anode Bed Birdwood Crossing #1	McCook	In Service	4,584	Nov-12	-	-	-	4,584
50	2013	1007116	Install Anode bed Sleepy Hollow #1	McCook	In Service	4,243	Nov-12	-	-	-	4,243
51	2013	1007118	Install Surface Anode Bed / Homestead Rd	McCook	In Service	4,113	Nov-12	-	-	-	4,113
52	2013	1006938	Install Anode Bed Birdwood Crossing #2	McCook	In Service	3,854	Nov-12	-	-	-	3,854
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	Alliance	In Service	3,475	Apr-13	-	(175)	-	3,300
55	2013	1008626	Cased Cross - Eustis to Elwood 150-49	Holdrege	In Service	3,082	Dec-13	-	(1,358)	-	1,724
56	2013	1007186	Lyman lateral lowering - SPAN	Scotts Bluff	In Service	2,721	Dec-12	-	(241)	-	2,480
57	2013	1008648	Replace Span blk 20 Bayard, NE	Alliance	In Service	1,898	May-13	-	(817)	-	1,080
58			Subtotal - 2013 Projects			4,260,143		(23,965)	(168,922)	-	4,067,256

Line No.	Project Year	Project ID or Work Order	Description	Reference	Type	Total	In-Service Date	Betterment Credit	Retirement	Future Cost	Total Net In-Service
59	2014	1008586	TOG Replacement - NW Gothenberg		In Service	1,410,191	Aug-14	(27,236)	(96,181)	-	1,286,775
60	2014	1008678	Red Cloud to Blue Hill Replacement-2		In Service	928,115	Jun-14	(46,136)	(5,932)	-	876,047
61	2014	1010843	TOG - 4701809 NW of Ragan		In Service	14,810	May-14	-	(4,488)	-	10,322
62	2014	1010579	Mitchell - surface ground		In Service	-	May-14	-	-	-	-
63	2014	1010888	TOG - 4701727 NW of Ragan		In Service	21,443	May-14	-	(279)	-	21,164
64	2014	1010670	Arapahoe #1 Mag Anode Bed		In Service	-	Aug-14	-	-	-	-
65	2014	1010672	Arapahoe #2 Mag Anode Bed		In Service	-	Aug-14	-	-	-	-
66	2014	1010809	Scottsbluff- 21st Ave Spa		In Service	107,113	Nov-14	-	(2,221)	-	104,892
67	2014	1010673	Overton #1- Install Anode Bed Bed		In Service	-	Aug-14	-	-	-	-
68	2014	1010495	Nebraska MAOP- Lindsay Project		In Service	692	Aug-14	-	-	-	692
69	2014	1011067	Oshkosh - County Rd 62 -T		In Service	22,786	Aug-14	-	(1,041)	-	21,744
70	2014	1010951	Litchfield- Install Anode Bed		In Service	-	Jun-14	-	-	-	-
71	2014	1008578	Reroute Arapahoe 240-0020 Sec B		In Service	571,140	Sep-14	-	-	-	571,140
72	2014	1010300	St. Paul to Dannebrog TOG		In Service	477,177	Sep-14	-	(11,617)	-	465,560
73	2014	1008672	Oshkosh HCA Reroute. Oshkosh, NE.		In Service	344,995	Aug-14	-	(11,420)	-	333,574
74	2014	1011296	Mitchell - main replacement		In Service	49,618	Oct-14	-	(3,159)	-	46,459
75	2014	1010404	Sidney- Rural Distribution #1		In Service	995,715	Oct-14	-	(102,012)	-	893,703
76	2014	1010539	Farnum Surface Ground bed		In Service	7,649	May-14	-	-	-	7,649
77	2014	1010562	Sutton - Cathodics		In Service	8,482	Oct-14	-	-	-	8,482
78	2014	1010408	Sidney- Illinois Street		In Service	281,520	Nov-14	-	(5,940)	-	275,580
79	2014	1011066	Nebraska MAOP- Edgar Lateral		In Service	35,652	Various	-	(6,963)	-	28,689
80	2014	1010798	Wood River - Service lateral		In Service	110,430	Nov-14	-	-	-	110,430
81	2014	1011567	Kearney Division old casings		In Service	27,520	Dec-14	-	-	-	27,520
82	2014	1011658	METER GUARDS & BARRACADES		Canceled	-	Canceled	-	-	-	-
83	2014	1011510	Sutton - Barricades		In Service	79,787	Dec-14	-	-	-	79,787
84	2014	1010499	McCook South TOG replacement		In Service	1,286,074	Jul-14	(413,588)	-	-	872,486
85	2014	1010501	Brule regulator Setting		In Service	4,010	Nov-14	-	-	-	4,010
86	2014	1010430	TOG - Gothenburg Northwest		In Service	2,096,887	Dec-14	-	(234,894)	-	1,861,993
87	2014	1011829	Holdrege Meter Baricades		In Service	29,789	Dec-14	-	-	-	29,789
88	2014	1010538	McCook Meter Barricades and Guards		In Service	196	Dec-14	-	-	-	196
89	2014	1011696	Gering - North 10th street		In Service	8,448	Dec-14	-	(95)	-	8,352
90	2014	1010767	Oshkosh - Blocks 14-19		In Service	40,759	Dec-14	-	(4,699)	-	36,060
91	2014	1010799	Red Cloud to Blue Hill Replacement-3		In Service	1,417,322	Dec-14	(73,561)	-	-	1,343,761
92	2014	1011695	Country Club Road - canal		In Service	10,623	Dec-14	-	(17)	-	10,606
93	2014	1010768	Bayard - Block 25 - Span replacement		In Service	7,736	Dec-14	-	(753)	-	6,983
94	2014	1010500	Danbury Lateral TOG Repl		In Service	376,847	Nov-14	-	(6,058)	-	370,789
95			Subtotal - 2014 Projects			10,773,526		(560,521)	(497,769)	-	9,715,236

Line No.	Project Year	Project ID or Work Order	Description	Reference	Type	In-Service Date	Betterment Credit	Retirement	Future Cost	Total Net In-Service
96	2015	015-269	Fullerton Meter Relocation	2015, K.4.a)	In Service	50,516 Jul-15	-	(10,834)	-	39,682
97	2015	015-272	St Edward Span Replacement	2015, E.4.a)	In Service	24,955 Jul-15	-	(752)	-	24,204
98	2015	014-331	Gordon - Blk 54 - 4" Span removal from road bridge	2015, E.4.b)	In Service	11,023 Aug-15	-	(462)	-	10,562
99	2015	014-409	Scottsbluff- Span replacement	2015, E.4.e)	In Service	24,748 Apr-15	-	(5,230)	-	19,518
100	2015	015-248	Kearney TOG 370-1720 (Area 8)	2015, G.4.b)	In Service	1,883,358 Jul-15	(23,639)	(97,710)	-	1,762,009
101	2015	015-279	Plainview Line Heater	2015, F.4.h)	In Service	48,444 Sep-15	-	-	-	48,444
102	2015	015-280	O'Neill #2 Line Heater Replacement	2015, F.4.i)	In Service	39,099 Sep-15	-	(8,252)	-	30,846
103	2015	014-201	Bayard - Blks 42&43/72&73 - Bare Steel Replacement	2015, A.4.g)	In Service	183,620 Aug-15	-	(11,677)	-	171,942
104	2015	015-326	Holdrege 480-1739 Anode Bed #1	2015, D.4.a)	In Service	5,997 Jun-15	-	-	-	5,997
105	2015	015-327	Holdrege 480-1739 Anode Bed #2	2015, D.4.a)	In Service	5,997 Jun-15	-	-	-	5,997
106	2015	015-328	Holdrege 480-1739 Anode Bed #3	2015, D.4.a)	In Service	6,065 Jun-15	-	-	-	6,065
107	2015	015-329	Holdrege 480-1739 Anode Bed #4	2015, D.4.a)	In Service	5,842 Jun-15	-	-	-	5,842
108	2015	015-330	Holdrege 480-2365 Anode Bed #1	2015, D.4.b)	In Service	6,005 Jun-15	-	-	-	6,005
109	2015	015-331	Holdrege 480-2365 Anode Bed #2	2015, D.4.b)	In Service	6,005 Jun-15	-	-	-	6,005
110	2015	014-615	Loomis TBS Replacement	2015, F.4.b)	In Service	66,339 Aug-15	-	(17,870)	-	48,470
111	2015	014-616	Arapahoe TBS Replacement	2015, F.4.a)	In Service	66,122 Sep-15	-	(7,578)	-	58,544
112	2015	015-249	Kearney TOG 370-1720 (Area 9)	2015, G.4.c)	In Service	1,596,771 Sep-15	(12,606)	(82,966)	-	1,501,200
113	2015	015-414	Sutton / Deshler Baremain Changeout	2015, A.4.b)	In Service	81,089 Sep-15	-	(4,854)	-	76,235
114	2015	015-412	Sutton 4 Mag Anode Beds	2015, D.4.c)-e)	In Service	23,424 Jun-15	-	-	-	23,424
115	2015	015-368	Alliance - Meter Relocation -- Blks 112/113	2015, K.4.b)	In Service	186,153 Aug-15	-	(30,805)	-	155,348
116	2015	014-435	Broadwater - Span at Broadwater Canal - Remove span on 6" Trans. to Lewell	2015, E.4.c)	In Service	56,691 Apr-15	-	(1,837)	-	54,854
117	2015	015-399	NorthPort - Span RPLC - Transmission	2015, E.4.d)	In Service	78,624 Apr-15	-	(1,953)	-	76,671
118	2015	015-253	Kearney TIGT Reg at Assumption	2015, J.4.a)	Canceled	-	-	-	-	-
119	2015	015-254	Kearney TIGT Reg at Roseland/Holstein	2015, J.4.b)	In Service	36,043 Aug-15	-	-	-	36,043
120	2015	015-255	Kearney TIGT Reg at Campbell/Bladen	2015, J.4.c)	In Service	53,946 Sep-15	-	-	-	53,946
121	2015	015-256	Kearney TIGT Reg at Upland N Feed	2015, J.4.d)	In Service	41,798 Jul-15	-	-	-	41,798
122	2015	015-257	Kearney TIGT Reg at Upland S Feed	2015, J.4.e)	In Service	37,218 Jul-15	-	-	-	37,218
123	2015	015-258	Kearney TIGT Reg at Macon	2015, J.4.f)	Canceled	-	-	-	-	-
124	2015	014-451	Mitchell - Main change out - Block 81	2015, A.4.e)	In Service	27,453 Jun-15	-	(5,950)	-	21,503
125	2015	015-250	Kearney TOG 370-8007 (Area 10)	2015, G.4.d)	In Service	1,486,196 Sep-15	(16,710)	(76,563)	-	1,392,923
126	2015	015-274	Creighton Lateral Replacement	2015, I.4.a)	In Service	338,875 Nov-15	(11,334)	-	-	327,541
127	2015	015-400	Rushville - TBS Replacement	2015, F.4.f)	In Service	107,001 Oct-15	-	(5,520)	-	101,481
128	2015	015-322	270-0030 Arapahoe to Holbrook Main Replacement	2015, B.4.a)	In Service	862,513 Nov-15	-	(74,865)	-	787,649
129	2015	015-323	Holdrege - TOG 250-1813	2015, G.4.a)	In Service	42,894 Nov-15	-	-	-	42,894
130	2015	015-290	Grant Lateral MAOP Verification	2015, I.4.b)	In Service	22,317 Nov-15	(624)	(5,861)	-	15,832
131	2015	015-289	McCook South TBS Replacement	2015, F.4.g)	In Service	128,331 Oct-15	-	-	-	128,331
132	2015	015-415	Chester TBS Replacement	2015, F.4.c)	In Service	73,566 Sep-15	-	(5,520)	-	68,046
133	2015	015-419	Waco TBS Replacement	2015, F.4.d)	In Service	146,344 Oct-15	-	(1,292)	-	145,052
134	2015	015-382	Sidney- Golf Course main replacement	2015, A.4.c)	In Service	200,621 Sep-15	-	(33,505)	-	167,115
135	2015	015-344	Scottsbluff- Bare main replacement - Block 65	2015, A.4.d)	In Service	21,722 Jul-15	-	(5,337)	-	16,384
136	2015	015-373	Scottsbluff - Bare main replacement - Blocks 64,81,96.	2015, A.4.f)	In Service	67,903 Sep-15	-	(66,344)	-	1,559
137	2015	015-580	Sutton 400-1750 (14) 50,260' of 2" steel TOG	2015, G.4.f)	In Service	1,488,294 Oct-15	-	(84,225)	-	1,404,069
138	2015	015-581	Sutton 400-1750 (15) 52,640' of 2" steel TOG	2015, G.4.g)	In Service	1,479,033 Nov-15	-	(76,715)	-	1,402,319
139	2015	015-582	Sutton 390-3308 (9) 37500' of 4" steel, and 61,000' of 2" steel TOG	2015, G.4.h)	In Service	2,997,371 Jul-15	-	(217,053)	-	2,780,317
140	2015	015-313	Albion Meter Guards & Barricades	2015, C.4.d)	In Service	69,645 Dec-15	-	(51)	-	69,593
141	2015	015-332	Holdrege Meter Guards & Barricades	2015, C.4.b)	In Service	21,243 Dec-15	-	-	-	21,243
142	2015	015-263	Kearney Meter Guards & Barricades	2015, C.4.c)	In Service	30,682 May-15	-	-	-	30,682
143	2015	015-297	McCook Division Meter Guards & Barricades	2015, C.4.f)	In Service	36,117 Dec-15	-	-	-	36,117
144	2015	015-286	Isolated Bare Steel replacement Ogallala NE	2015, A.4.a)	In Service	304,719 Nov-15	-	(46,844)	-	257,875
145	2015	015-287	Replace Crane Valves to Mueller valves, Cambridge to McCook	2015, L.4.a)	In Service	48,251 Dec-15	-	(763)	-	47,488
146	2015	015-288	McCook TOG replacement Farnum to Curtis	2015, G.4.e)	In Service	46,964 Oct-15	(1,633)	(6,237)	-	39,094
147	2015	015-507	Sutton Barricades	2015, C.4.a)	In Service	56,667 Dec-15	-	-	-	56,667
148	2015	015-512	Sutton Tallgrass Reg Projects	2015, J.4.g)-i)	In Service	494,029 Various	-	-	-	494,029
149	2015	015-421	Phillips TBS Replacement	2015, F.4.e)	In Service	135,833 Dec-15	-	(7,578)	-	128,255
150	2015	014-695	Nebraska Highway Relocation Program	2015, M)	In Service	(128) Mar-15	-	(1,496)	-	(1,624)
151	2015	015-343	Scottsbluff Division - meter gaurds / barricades	2015, C.4.e)	In Service	30,833 Dec-15	-	-	-	30,833
152			Subtotal - 2015 Projects			15,391,181	(66,546)	(1,004,500)	-	14,320,134

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
1	37401	Land	\$ -	\$ 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	1,016,291	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 %	FERC	2014 Total In-Service	2015 Total In-Service	2016 Total In-Service	2017 Total In-Service
12						
13						
14	75.73%	37401	\$ -	\$ 27,551	\$ -	\$ -
15	75.73%	37402	382,472	99,209	195,163	165,674
16	75.72%	37600	6,926,850	8,923,749	10,063,858	7,229,643
17	71.85%	37800	34,292	1,154,724	730,218	289,819
18	100.00%	38000	14,928	395,963	974,727	788,641
19	76.46%	38100	-	23,460	33,749	3,092
20	76.46%	38200	-	255,695	88,041	562,875
21	76.46%	38300	-	-	6,609	-
22						
23		Grand Total	7,358,542	10,880,351	12,092,366	9,039,744

Line No.	Total Jurisdictional by Customer Class:	
	FERC	Total
24		
25		
26	37401	\$ 27,551
27	37402	842,518
28	37600	33,144,100
29	37800	2,209,052
30	38000	2,174,259
31	38100	60,301
32	38200	906,611
33	38300	6,609
34		39,371,002

35

Line No.	Description	Reference	2019 Rates Effective February 1, 2019							
1	Capital Structure:		Ratio	Rate	Cost					
2	Debt		48.84%	5.64%	2.76%	As Approved in NG-0067				
3	Equity		51.16%	9.60%	4.91%	As Approved in NG-0067				
4	Total Cost				7.67%	As Approved in NG-0067				
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 37600				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				
16	Property Tax Rate:									
17	Assessed Value				110,996,998	From Tax				
18	Plant in Service				305,508,532	From Tax				
19	Assessment Ratio				36.33%					
20	Property Tax Paid				1,734,217	From Tax				
21	Assessed Value				110,996,998	From Tax				
22	Property Tax Ratio				1.562%					
23	Property Tax Rate				0.57%					
25	Income Tax Calc:		Eff 1/1/2018	Eff Thru 12/31/2017						
26	Combined Tax Rate		27.17%	39.15%						
27	FIT rate = current year applicable rate		21.00%	34.00%	As Approved in NG-0067					
28	SIT rate = current year applicable rate		7.81%	7.81%	As Approved in NG-0067					
30	Combined Tax Factor		37.31%	64.34%						
31	Combined Tax Factor Gross-up		1.37306	1.64339						
33	20 Year MACRS Tax Percentage Rates (Distribution Plant):									
34			W/O Bonus	With Bonus						
35	Year 1		3.75%	51.8750%	From Tax					
36	Year 2		7.219%	3.6095%	From Tax					
37	Year 3		6.677%	3.3385%	From Tax					
38	Year 4		6.177%	3.0885%	From Tax					
39	Year 5		5.713%	2.8565%	From Tax					
40	Year 6		5.285%	2.6425%	From Tax					
41	Year 7		4.890%	2.4440%	From Tax					
42	Year 8		4.522%	2.2610%	From Tax					
43	Year 9		4.462%	2.2310%	From Tax					
44	Year 10		4.460%	2.2310%	From Tax					
47	Jurisdictional Percentages:									
48	FERC Account		Jurisdiction	Non-Jurisdiction						
49	37401		75.73%	24.27%	WP-Cost Allocation					
50	37402		75.73%	24.27%	WP-Cost Allocation					
51	37600		75.72%	24.28%	WP-Cost Allocation					
52	37800		71.85%	28.15%	WP-Cost Allocation					
53	38000		100.00%	0.00%	WP-Cost Allocation					
54	38100		76.46%	23.54%	WP-Cost Allocation					
55	38200		76.46%	23.54%	WP-Cost Allocation					
56	38300		76.46%	23.54%	WP-Cost Allocation					
58	Customer Class Allocation:									
59	FERC Account		Residential	Small Commercial	Large Commercial					
61	37401		59.90%	19.33%	20.77%	WP-Cost Allocation				
62	37402		59.90%	19.33%	20.77%	WP-Cost Allocation				
63	37600		60.44%	19.43%	20.13%	WP-Cost Allocation				
64	37800		54.66%	18.41%	26.93%	WP-Cost Allocation				
65	38000		71.01%	21.23%	7.76%	WP-Cost Allocation				
66	38100		74.61%	16.51%	8.88%	WP-Cost Allocation				
67	38200		74.61%	16.51%	8.88%	WP-Cost Allocation				
68	38300		74.61%	16.51%	8.88%	WP-Cost Allocation				
70	FERC Account Allocation (from project manager study by project categories):									
71			37401	37402	37600	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%	0.00%
74	Meters		0.00%	0.00%	0.00%	0.00%	0.00%	90.00%	0.00%	10.00%

**Black Hills Gas Distribution, LLC - Nebraska d/b/a/ Black Hills Energy - Prelim
2018 SSIR Reconciliation**

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

Line No.	[A] Description	[B] Total Jurisdictional
1	2018 SSIR Reconciliation	
2	SSIR Authorized Revenue (Docket NG-0095.3)	6,231,317
3	Property Tax True-Up Adjustment	4,622
4	Actual Revenue *	6,224,471
5	Deferred SSIR Balance (Line 2 + Line 3 - Line 4)	11,468
6	SSIR Authorized Revenue Requirement	6,231,317
7	Actual SSIR Revenue Requirement	5,708,681
8	SSIR True-Up Amount (Line 7 + Line 3 - Line 6)	(518,014)
9	Carrying Cost (Line 5 + Line 8) x 5.42%	(27,455)

* Actual Revenue reflects a lump sum refund for January through June and lower rates effective July through December pursuant to the Tax Cuts and Jobs Act of 2017 (TCJA) filed in Docket No NG-0095.3.