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BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF BLACK HILLS NEBRASKA GAS,)
LLC, D/B/A BLACK HILLS ENERGY, RAPID) APPLICATION NO. NG-109
CITY, SOUTH DAKOTA, SEEKING)
APPROVAL OF A GENERAL RATE)
INCREASE)**

**JOINT STIPULATION AND AGREEMENT OF SETTLEMENT
BETWEEN BLACK HILLS NEBRASKA GAS, LLC D/B/A BLACK HILLS
ENERGY AND THE PUBLIC ADVOCATE OF NEBRASKA**

October 28, 2020

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SETTLEMENT EXHIBITS

Settlement Exhibits	Exhibit Purpose	File Reference
Exhibit A	Settlement Revenue Requirement	BH- PA Settlement Revenue Requirement Schedule
Exhibit B	Settlement Class Cost of Service Study	Settlement - BH Nebraska Consolidated CCOSS
Exhibit C	Settlement Fully Cost-Based and Proposed Rate Design	Settlement Exhibit TJS-7
Exhibit D	Settlement Bill Impacts – Existing Rates, Proposed Rates and Alternate Rates	Settlement Section 1, Schedule B2
Exhibit E	Settlement Functionalization and Classification of Rate Base and Cost of Service	Settlement Section 4, Exhibit A
Exhibit F	Settlement Allocation of Rate Base and Cost of Service	Settlement Section 4, Exhibit B
Exhibit G	Settlement Revenue Proof	Settlement Exhibit DNH-7
Exhibit H	Settlement Depreciation Rates	Settlement Exhibit WWD-2

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JOINT STIPULATION AND AGREEMENT OF SETTLEMENT

Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy (“BH Nebraska Gas” or “Company”) and the Nebraska Public Advocate (“Public Advocate”) hereby submit this Joint Stipulation and Agreement of Settlement (“Settlement”) for approval by the Commission. BH Nebraska Gas and the Public Advocate are each a “Party” and collectively referred to as “Parties.” This Settlement resolves all issues set for hearing in the above-captioned proceeding in a fair and reasonable manner and is in the public interest. The Parties understanding that all intervenors in this docket support or do not oppose the terms and conditions of this Settlement.

Resolution of all of the issues in the above-captioned proceeding is a compromise of the positions of the Parties, and is based on the record in this case in its entirety, including the Application, Pre-Filed Direct Testimony, Pre-filed Rebuttal Testimony, data responses, and exhibits filed by BH Nebraska Gas, and the Pre-Filed Answer Testimony, data responses, and exhibits of the Public Advocate. The Parties believe the resolution presented in this Settlement is in the public interest, and the Parties support and defend the terms.

NOW THEREFORE, the Parties stipulate and agree to the following, and respectfully request that the Nebraska Public Service Commission (“Commission”) approve the Settlement,

which results in final rates, terms, and conditions of service consistent with the State Natural Gas Regulation Act, Commission regulations, and prior Commission orders.

I. INTRODUCTION

BH Nebraska Gas is the resulting entity following the consolidation of two legacy Black Hills gas utilities in Nebraska. On October 29, 2019, the Commission issued its *Order* approving the consolidation of Black Hills/Nebraska Gas Utility Company, LLC d/b/a Black Hills Energy (“BH Gas Utility”) and Black Hills Gas Distribution, LLC d/b/a Black Hills Energy (“BH Gas Distribution”) effective January 1, 2020 in Commission Application No. NG-100.¹

The BH Nebraska Gas service area is divided into five rate areas: (1) Rate Area One represents towns adjacent to the Omaha Metropolitan area, (2) Rate Area Two represents the City of Lincoln and nearby communities, (3) Rate Area Three represents the remaining 94 communities in the former BH Gas Utility service territory; (4) Rate Area Four represents non-jurisdictional transportation customers served under the High Volume Contracts or Interruptible Customers, and (5) Rate Area Five represents all of the former BH Gas Distribution communities. A copy of the existing rate areas is included within the Tariff of BH Nebraska Gas.

BH Gas Utility’s last general rate filing under Neb. Rev. Stat. § 66-1838 in Nebraska was in 2009.² BH Gas Distribution’s last general rate filing under Neb. Rev. Stat. § 66-1838 was in 2011.³ This Rate Review Application is the first general rate filing for the consolidated BH

¹ In the Matter of the Joint Application of Black Hills Gas Distribution, LLC, and Black Hills/Nebraska Gas Utility Company, LLC, Rapid City, South Dakota, seeking approval to consolidate the Nebraska tariffs, assets, liabilities, and operations of the two companies, and to rename the consolidated entity Black Hills Nebraska Gas, LLC. *Commission Application No. NG-109 (Oct. 29, 2019)*

² Black Hills/Nebraska Gas Utility Company, LLC d/b/a Black Hills Energy’s rate review was docketed as *Commission Application No. NG-0061*.

³ SourceGas Distribution, LLC’s rate review was docketed as *Commission Application No. NG-0067*.

Nebraska Gas. In addition to the prior rate review proceedings, the Commission has approved Pipeline Replacement Charges under *Neb. Rev. Stats. §§ 66-1864 et seq.* and the BH Gas Distribution System Safety and Integrity Rider (“SSIR”) mechanism.

BH Nebraska Gas filed a rate review application (“Application”) subject to review by the Public Advocate and approval of the Commission in the above-captioned proceeding addressing the following items: (1) recovery of capital infrastructure investment by BH Nebraska Gas, including capital addition investment throughout 2020, (2) approval of the BH Nebraska Gas 2021 SSIR capital investment, (3) renewal and statewide expansion of the SSIR mechanism, (4) statewide expansion, modification, and approval of the High Efficiency Appliance Tool (“HEAT”) tariff, (5) approval of the BH Nebraska Gas revenue deficiency, (6) approval of statewide consolidated rates, and (7) review of various other rate review items set forth in the Application.

II. PROCEDURAL BACKGROUND

1. On June 1, 2020, BH Nebraska Gas filed its Application. The Commission accepted the Application under Commission Application No. NG-109, issued public notice, and established July 6, 2020 as the deadline for Intervenors to file Petitions to Intervene in the proceeding. BH Nebraska Gas sought approval of an increase in retail gas rates in the amount of \$17,295,841.
2. On June 1, 2020, BH Nebraska Gas filed a Motion for Protective Order, and on June 8, 2020, the Commission issued a Protective Order for this proceeding.
3. On June 10, 2020, a Protest was filed by the Nebraska Public Advocate. On June 29, 2020, the Public Alliance for Community Energy (“ACE”) and the Nebraska Municipal Power Pool (“NMPP”) filed petitions for formal intervention.

4. On June 29, 2020, the Commission issued its Order Granting Intervention of Public Advocate and Setting Planning Conference.
5. On July 3, 2020, the International Brotherhood of Electrical Workers Local 244 (“IBEW”) also filed a motion to intervene.
6. On July 8, 2020, the Commission held a Planning Conference.
7. On July 9, 2020, BH Nebraska Gas filed a motion objecting to the intervention of IBEW.
8. On July 10, 2020, the Commission issued its Order Granting Interventions for the ACE, NMPP, and IBEW.
9. On July 13, 2020, the Commission issued its Order Setting Procedural Schedule and Notice of Hearing and its Amended Order Setting Procedural Schedule and Notice of Hearing, which established various deadlines and scheduled hearing dates of October 26-30, 2020.
10. On July 17, 2020, the Public Advocate filed a Response to the Motion of BH Nebraska Gas for an Interim Rate Surcharge.
11. On July 22, 2020, Heartland Natural Gas (“HNG”) filed a Petition for Informal Intervention.
12. On July 23, 2020, the Commission issued its Order Granting Informal Intervention for HNG.
13. On July 28, 2020, the Commission issued an Order Denying Motion For An Interim Rate Surcharge.
14. On August 5, 2020, the Commission issued an Order Setting Town Hall Meetings to occur September 22, 23, and 24th.
15. On August 11, 2020, the Commission issued an Order Revising Dates of Town Hall Meetings.

16. On September 14, 2020, the Public Advocate filed Answer Testimony and Exhibits in the above-captioned proceeding.
17. On September 14, 2020, HNG filed Answer Testimony.
18. On September 23, 2020, the Commission issued an Order Changing Hearing Location and Revised Notice of Hearing.
19. During the week of September 21-26, the Commission held three separate town hall meetings that were available and open to the general public, the purpose of which was to familiarize the public with the particulars of the Application and procedure for review of the same, and to receive comments and to answer questions from the public.
20. On October 2, 2020, HNG filed a Motion to withdraw this testimony. By Order dated, October 6, 2020, the Commission issued an order granting withdrawal of the HNG testimony.
21. On October 8, 2020, the Commission issued an Order Releasing List of Disputed Issues and Seeking Comment.
22. On October 13, 2020, BH Nebraska Gas filed its rebuttal testimony and exhibits.
23. During the period of October 13th and October 28th, the Public Advocate and BH Nebraska Gas engaged in settlement discussions.
24. On October 22, 2020, the Commission held a Prehearing Conference.
25. On October 22, 2020, the Parties submitted their respective witness and Hearing Exhibit lists to the Commission. In addition, the Parties informed the Commission that the Public Advocate and BH Nebraska Gas had reached full agreement on the disputed issues raised in this proceeding.

26. On October 22, 2020, the Commission issued an Order Postponing Hearing and Revised Notice of Hearing to establish new hearing date to commence on Wednesday, October 28, 2020 at 1:00 pm.
27. On October 23, 2020, the Commission issued an Order Revising Procedural Schedule to reflect new procedural dates and deadlines in consideration of the settlement agreement reached between the Parties.

III. STIPULATIONS

28. During the first three weeks of October, 2020, the Parties have engaged in discussions seeking resolution of the disputed issues in this proceeding. The Parties have previously responded to hundreds of data requests as served by each Party, and thereafter have responded, exchanged multiple settlement offers, and met on several occasions to review their respective positions. After these extensive exchanges and discussions, the Parties have reached an agreement in principle to settle all disputed issues of fact and law.
29. The Parties understand and agree that the proposals, positions, and adjustments made or obtained in this Settlement, whether express or implied, are made or obtained only through the spirit of compromise. The Parties have entered into this Settlement in order to avoid the burden, expense, delays, and uncertainties of further litigation with respect to the disputed issues. This Settlement has been executed as a compromise of all disputed claims, and the execution of the Settlement does not constitute an admission or concession on the merits of those claims on the part of either Party. By this Settlement, the Parties resolve all issues raised in this proceeding, including the revenue requirement, return on equity, capital structure, performance pay, revenue allocation and rate design, the effective date of BH Nebraska Gas' rates, and other terms specifically identified herein.

30. To that end, the Parties set forth below the various agreements of the Parties upon all uncontested and contested issues within this proceeding. Those settled issues are as follows:

31. **Revenue Requirement – As Adjusted.**

The Parties agree that the revenue deficiency for BH Nebraska Gas to be recovered through its general retail gas rates is \$11,096,282⁴, subject to further adjustment for further BH Nebraska updates to its actual 2020 Capital Additions investment and Open Positions in December 2020, and any other necessary corrections. This increase is the result of the incorporation of all agreements on adjustments in this proceeding into the BH Nebraska Gas Revenue Requirement schedule provided in Exhibit A of this Settlement.

32. **Revenue Requirement – Model.**

The Parties agree that the BH Nebraska Gas Revenue Requirement Model is accurate and complete and will be used to apply the Commission-approved final revenue requirements adjustments. An updated Revenue Requirement Model will be prepared and provided to the Commission prior to the Commission's December 10, 2020 Technical Conference. A final Revenue requirement model will be submitted on or before January 15, 2021.

33. **Cost of Capital.**

The Parties agree that the capital structure for BH Nebraska Gas should be 50% equity and 50% debt. The Parties agree that the actual cost of debt of BH Nebraska Gas is 3.91%. The Parties agree on a Return on Equity ("ROE") of 9.5%. The Parties agree that the overall Weighted Average Cost of Capital ("WACC") is calculated to be 6.71%.

⁴ Because of the reset of the existing SSIR revenue requirement of approximately \$4.85 million to zero, the impact on customers will be \$11.1 million - \$4.85 million, or \$6.55 million.

Revenue Deficiency	Capital Structure	ROE	Actual Cost of Debt	Weighted Cost of Capital
\$11.1 million	50% Equity/50% Debt	9.5%	3.91%	6.71%

34. **Class Cost of Service – Model.**

The Parties agree that the BH Nebraska Gas Settlement Class Cost of Service Study (“CCOSS”) will be used to apply the Commission-approved final revenue requirement adjustments. A copy of the Settlement Class Cost of Service Study is attached as Exhibit B of this Settlement.

35. **Rate Design.**

The Parties agree to the rate structure proposed by BH Nebraska Gas. The Parties agree that one set of system-wide rates is appropriate. The Parties agree that difference in the rate design positions of the Public Advocate and Company is primarily related to the significant difference between the Company’s and the Public Advocate’s proposed revenue requirement. The Parties agree that the agreed upon revenue requirement reduces the first block of the proposed rates. In addition, the Parties agree that the Company’s original proposed customer charges and second tier block rate will remain as proposed by BH Nebraska Gas.

The Parties agree that the rate design and rate structure should recognize competition from electric utilities. The Parties agree that BH Nebraska Gas must conduct additional research on low use customers and shall present that research to the Public Advocate and the Commission through the ongoing Commission No. NG-101.1 proceeding. In addition, BH Nebraska Gas agrees to incorporate the impact and analysis of that research as part of its rate design during the next rate review application. The Parties agree to the consolidation of the BH Gas Distribution commercial

customer class and rates. The Parties agree that the Settlement rate design produces rates that are just and reasonable.

The Parties agree to the “BH Nebraska Gas Settled” rates and design column shown below:

	BH Gas Utility Current	BH Gas Distribution Current	BH Nebraska Gas Settled
Residential Customer Charge	\$13.50 per Month	\$14.70 per Month	\$15.45 per Month
Commercial Customer Charge	\$18.50 per Month	\$22.75 per Month	\$28.60 per Month
Large Commercial Customer Charge	NA	\$56.15 per Month	N/A
Residential Distribution Charge Tier 1	\$.19500/Therm	\$.4675/Therm First 20 Therms	\$.51415/Therm First 20 Therms
Residential Distribution Charge Tier 2	N/A	\$.1338/Therm Over 20 Therms	\$.15000/Therm Over 20 Therms
Small Commercial Distribution Charge Tier 1	\$.17245/Therm	\$.4675/Therm First 40 Therms	\$.51415 /Therm First 40 Therms
Small Commercial Distribution Charge Tier 2	N/A	\$.1338/Therm Over 40 Therms	\$.1500/Therm Over 40 Therms
Large Commercial Distribution Charge Tier 1	N/A	\$.4675/Therm First 80 Therms	N/A
Large Commercial Distribution Charge Tier 2	N/A	\$.1338/Therm Over 80 Therms	N/A

The Parties agree that the *pro forma* billing determinants as detailed in Mr. Hyatt’s testimony should be used for calculating the Settlement Revenue Requirement. A copy of the Settlement Rate Design is attached as Exhibit C of this Settlement.⁵

36. **Customer Bill Impact.**

A copy of the Settlement Customer Bill Impact schedules is attached as Exhibit D. The Parties agree that the overall increase in revenue, cost allocation, and rate design result in the following Customer Bill Impact to average customers. The amounts compare the existing rates to the Settlement rates as follows:

Average Residential Customer Bill Impacts – Applying Settled Rates

BH Gas Utility Residential Winter	BH Gas Distribution Residential Winter	BH Gas Utility Residential Summer	BH Gas Distribution Residential Summer
\$3.90/mo. increase	\$(1.05)/mo. increase	\$7.55/mo. increase	\$(2.36)/mo. decrease
5%/mo. Higher	1% Lower	27%/mo. Higher	6% Lower

Average Small Commercial Customer Bill Impacts– Applying Settled Rates

BH Gas Utility Small Commercial Winter	BH Gas Distribution Small Commercial Winter	BH Gas Utility Small Commercial Summer	BH Gas Distribution Small Commercial Summer
\$9.97/mo. increase	\$8.30/mo. increase	\$19.65/mo. increase	\$1.31/mo. increase
3%/mo. Higher	2% Higher	18%/mo. Higher	1% Higher

Average Large Commercial Customer Bill Impacts– Applying Settled Rates

BH Gas Utility Large Commercial Winter	BH Gas Distribution Large Commercial Winter	BH Gas Utility Large Commercial Summer	BH Gas Distribution Large Commercial Summer
\$(39.29)/mo. decrease	\$(48.69)/mo. decrease	\$3.03/mo. increase	\$(79.23)/mo. decrease
2%/mo. Lower	3% Lower	1%/mo. Higher	13% Lower

⁵ In addition to the other settlement exhibits, Settlement Exhibit E provides the Settlement Functionalization and Classification of Rate Base and Cost of Service, Settlement Exhibit F provides the Settlement Allocation of Rate Base and Cost of Service, and Settlement Exhibit G provides the Settlement Revenue Proof. These exhibits are consistent with the file format provided by BH Nebraska Gas as part of its Application and revised in its Rebuttal Testimony by Mr. Sullivan and Mr. Hyatt.

37. **SSIR Renewal, Modification, and Statewide Expansion.**

The Parties agree that (1) the System Safety and Integrity Rider (“SSIR”) mechanism should be renewed for a period of five years, (2) the SSIR mechanism is expanded to cover safety infrastructure projects throughout all of the BH Nebraska Gas rate areas, (3) the Parties will continue to work collaboratively prior to the December 10th Technical Conference and continue collaborating prior to BH Nebraska Gas filing its 2022 SSIR application on drafting tariff language, SSIR application and audit requirements, and supporting SSIR projects based on measurable criteria that improve safety and mitigate risk, (4) modify the SSIR’s definition of eligible projects, categories, and criteria as will be agreed upon between the Parties subject to further agreed-upon refinement of the SSIR requirements over the next month and continue the collaboration prior to BH Nebraska Gas filing its 2022 SSIR Application, and (5) unless otherwise permitted by the Commission, the cost of installation or replacement of natural gas pipeline intended primarily to facilitate customer growth requirements, whether for identified or expected customers, will not be eligible for recovery under the SSIR tariff and other similar riders that permit the recovery of investment in capital investment projects that focus on customer safety.

The Parties agree that BH Nebraska Gas may include within the 2021 SSIR Projects the cost of those projects identified in Hearing Exhibit No. BH-JB- 2 (Mr. Bennett’s Direct Testimony Exhibit No. JLB-5 -2021 SSIR Application), with the exception of the four reliability pipeline looping projects identified by the Public Advocate in the Answer testimony of Charles Fijnvandraat. The Parties agree that the cost of the Data Integrity Improvement Program (“DIIP”) may be recovered through the SSIR Charge.

The Parties agree to develop mutually acceptable criteria to more accurately define shallow pipe and obsolete pipe replacements and to establish a defensible basis and measurable criteria to

demonstrate which, if any, reliability projects should be SSIR eligible. The Parties commit to finalizing the necessary criteria prior to the filing of the BH Nebraska Gas 2022 SSIR Application.

38. **High Efficiency Appliance Tool (HEAT).**

The Parties agree to extend the HEAT mechanism throughout all BH Nebraska Gas rate areas. BH Nebraska Gas agrees to defer collection of HEAT Surcharge until September 2021 for Rate Areas One, Two and Three, and to refund the surcharge revenue charged during the interim refund period to Rate Areas One, Two, and Three, but to surcharge the Rate Area Five customers for the under-collected HEAT Surcharge. The Parties agree that to avoid impact on Rate Area Five customers due to the under-collection of the HEAT charge, BH Nebraska Gas will net the under-collection of the HEAT charge during the interim rate period against the interim rate refund to address over and under collection of HEAT during the refund period and going forward.

The Parties agree that BH Nebraska Gas may modify the eligibility tariff requirements to include multi-family dwellings, and that the approved \$1 million HEAT incentives may be split equally between single family dwelling and the multi-family dwellings.

Prior to December 31, 2020, the Parties agree to work collaboratively on tariff language, reviewing relevant studies on the application of the HEAT surcharge so that the terms of that program can be implemented by September of 2021.

39. **Rate Base - 2020 Capital Additions.**

The Parties agree that BH Nebraska Gas may include up to \$110 million of 2020 Capital Additions investment in its rate base calculation subject to verification of the level of investment in projects placed into service by BH Nebraska Gas by December 31, 2020. The Parties agree that prior to the Commission's December 10, 2020 Technical Conference, BH Nebraska Gas will provide an update of its investment in 2020 Capital Additions projects placed in service through

November 30th. In addition, BH Nebraska Gas agrees to provide a final update of its 2020 Capital Additions investment by January 15, 2021. The 2020 Capital Additions investment of \$110 million is reflected in the Settlement revenue requirement model, CCOSS study and base rates.

Any BH Nebraska Gas 2020 Capital Additions investment amounts above \$110 million that would otherwise qualify for recovery pursuant to Neb. Rev. Stat. § 66-1817 that are solely related to safety and integrity infrastructure projects may be added to and the cost recovered through the BH Nebraska Gas 2021 or 2022 SSIR mechanism. BH Nebraska Gas will identify and verify the eligible 2020 Capital Additions investment for Capital Additions project placed in service above \$110 million under a compliance filing to be made on or before January 15, 2021. The associated depreciation expense, accumulated depreciation and accumulated deferred income taxes reflected in rate base will be updated to reflect the actual plant in service as updated in the compliance filing.

40. **Rate Base - Farm Tap Capital Investment.**

The Parties agree that BH Nebraska Gas may include all of its investment in the farm tap replacement program (i.e., amount above \$4 million) in its rate base calculation.⁶ The Public Advocate no longer recommends disallowance of the costs above the \$4 million surcharge limit established in Commission Application No. NG-90. The Parties agree that no revenue credits are

⁶ *In the Matter of Black Hills/Nebraska Gas Utility, LLC, d/b/a Black Hills Energy, Papillion, seeking approval for a Farm Tap Safety Proposal and Associated Tariffs. Commission Application No. NG-90. See also Commission Applications Nos. 90.1 and 90.2.*

due to customers. Any remaining future farm tap costs must be presented for recovery through a future SSIR mechanism.

41. **Rate Base – Excess Deferred Federal Income Tax (“EDFIT”) One-Time Bill Credit.**

The Parties agree that BH Nebraska Gas shall discharge the net excess deferred tax regulatory liability for all unprotected classes and unrefunded ARAM credits net of the recovery of protected Net Operating Loss (“NOL”) deficient deferred income tax (“DDIT”) regulatory asset through a one-time bill credit. As such, the Parties agree the amounts will be removed from rate base thereby eliminating any earnings on the balance.

42. **Rate Base – Non-Plant Deficient Deferred Income Tax (“DDIT”).**

The Parties agree that BH Nebraska Gas will amortize the recovery of the non-plant unprotected DDIT regulatory asset balance over a 20-year period. Additionally, the Parties agree the balance will be removed from rate base thereby eliminating any earnings on the balance.

43. **Rate Base – Accumulated Deferred Income Taxes (“ADIT”).**

The Parties agree that BH Nebraska Gas will remove from rate base both the federal and state non-plant ADIT reserves associated with certain cost-of-service expenses that are deemed volatile in nature such as pension costs, retiree healthcare expenses, state investment tax credits and miscellaneous regulatory assets/liabilities.

For the ADIT reserves identified for removal from Rate Base, BH Nebraska Gas agrees that (1) those ADIT amounts will not be included in rate base, (2) BH Nebraska Gas will not earn a return on the balance, and (3) the terms of the settlement concerning ADIT shall not constitute a precedent for future filings.

44. **Protected Net Operating Loss (“NOL”) and Excess Deferred Federal Income Tax (“EDFIT”) and Average Rate Assumption Method (“ARAM”).**

The Parties agree that the Public Advocate’s proposed adjustment to reduce the one-time bill credit by the Protected NOL DDIT and give a credit for the ARAM using a 5-year average and reflect the annual Protected EDFIT credits (subject to ARAM) in the test year income tax computation is appropriate. The Parties agree to set the test year level of credits at \$736,833 based on BH Nebraska Gas’ ARAM records⁷. The Parties further agree that an associated pro forma adjustment to the EDFIT regulatory liability in rate base for the same amount is appropriate to reflect the partial satisfaction of the liability because of the ARAM credits set forth in this proceeding. The Parties also agree to remove the Public Advocate’s adjustment related to the EDFIT gross-up and, instead, reflect the appropriate related deferred tax asset on the EDFIT.

45. **Cash Working Capital (“CWC”) and Bad Debt Updates.**

The Parties agree that the Public Advocate’s proposed adjustment to cash working capital and bad debt as set forth in the pre-filed testimony of Ms. Mullinax are appropriate. The Parties further agree that BH Nebraska Gas must calculate the impact on cash working capital and bad debt as a component of each individual adjustment calculated within the Company’s integrated revenue requirement model.

⁷ This amount is presented grossed-up for taxes. The amount of ARAM credit (i.e. reduction to tax expense) is \$536,636. This adjustment reduces the revenue requirement by \$736,833.

46. **Tariff Provisions and Miscellaneous Fee Revenues.**

The Parties agree that (1) the Public Advocate's adjustment to fee revenues, as corrected, is \$389,426. The Parties agree that Reconnection Charge revenues and Diversion fees are appropriate and are included within the \$389,426 of the revenue requirement model.⁸

47. **Depreciation Rates.**

The Parties agree that (1) the Public Advocate's adjustment to depreciation rates is appropriate, and (2) the correct depreciation expense to reflect in the revenue requirement model is \$24,089,585 (Statement J, Line 25) after correcting the financial impact related to depreciation for vehicles.⁹ The parties agree that depreciation expense will be updated to reflect the final plant in service balances after the compliance filing to be made on or before January 15, 2021.

48. **Direct and Service Company Labor Costs.**

The parties agree BH Nebraska Gas may include actual positions filled as of December 31, 2020 subject to verification of those positions on or before January 15, 2021. The Parties also agree that two positions (BH Nebraska Gas Director of Operations and BH Nebraska Gas Supervisor) may be included even if not filled by December 31, 2020. The revenue requirement model currently includes the BH Nebraska Gas proposed direct labor costs, including amounts proposed to be removed by the Public Advocate and the BH Nebraska Gas proposed Service Company labor costs, including amounts proposed to be removed by the Public Advocate.

⁸ Please note that at bottom of page 17, the weather norm adjustment of approximately \$65,000 is included. However, the BH Nebraska Gas revenue requirement model has all three adjustments within the same calculation. Accordingly, the jurisdictional portion of all three adjustments is the \$428,146.

⁹ Please note that \$1,984,103 is the net jurisdictional only decrease of the two different depreciation adjustments (i.e., correct vehicles formula and acceptance of the Public Advocate's set of depreciation rates provided in the testimony of Mr. Dunkel and attached hereto as Exhibit H.)

49. **Benefit Costs and FICA Tax Calculations.**

The Parties agree the benefit costs should be excluded from the FICA tax calculation. The Parties agree that FICA tax calculations should be based on the average FICA tax rate from 2019 to reflect the non-taxed items related to Social Security Taxable Limits, Life Insurance over \$50,000, and contributions for health, dental, health savings accounts, and flexible spending accounts. BH Nebraska Gas has updated its payroll tax calculation to reflect the actual hires and revised the FICA tax rate used. The Parties agree that BH Nebraska Gas must perform this calculation again if the headcount changes with the January 15, 2021 final headcount adjustment.

50. **Service Company 2021 CAM.**

The Parties agree that the revenue requirements model should be updated to reflect the actual allocators to be applied under the Black Hills Service Company (“BH Service Company”) Cost Allocation Manual (“CAM”). The attached revenue requirement does not currently contain the updated BH Service Company 2021 CAM allocation allocators. Those CAM updates will be made to the revenue requirement model prior to the December 10, 2020 Technical Conference.

51. **Annual Incentive Plan Costs (“AIP”).**

The Parties agree that BH Nebraska Gas may recover its proposed employee compensation AIP costs, and that no cost sharing is required for AIP costs.

52. **Short Term Incentive Plan Costs (“STIP”).**

The Parties agree that BH Nebraska Gas may recover its proposed employee compensation STIP costs, and that no cost sharing is required for STIP costs.

53. **Long-Term Incentive Plan Costs (“LTIP”).**

The Parties agree that BH Nebraska Gas may recover 50% of its LTIP costs. The revenue requirement incorporates a jurisdictional-only reduction of \$232,605 related to employee LTIP costs.

54. **Supplemental Executive Retirement Plan (“SERP”).**

The Parties agree that SERP costs for retired executives are appropriate for recovery under the revenue requirement model. However, the Parties further agree to freeze recovery of SERP costs in future rate review applications at the level of recovery agreed to in this proceeding. Any new SERP costs above the current level of SERP funding will be borne by BH Nebraska Gas.

55. **Directors and Officers Insurance (“D&O”).**

The Parties agree to a 50% sharing of D&O costs. The revenue requirement model reflects a reduction of \$67,625 in cost related to D&O insurance costs.

56. **Advertising, Dues, and ALLO Line Location Costs.**

The Parties agree that BH Nebraska Gas should reduce the revenue requirement model to exclude advertising (\$35,818), dues (\$27,537) and ALLO line location costs (\$130,021) erroneously included in the application. The revenue requirement model reflects a reduction of in cost related to those items.¹⁰

¹⁰ These are the jurisdictional-only amounts, as shown on Exhibit A.

57. **Cost of Debt Interest Rate Synchronization.**

The Parties agree that the Public Advocate’s recommended adjustment to reflect the Black Hills Corporation’s June debt issuance and the resulting impact of cost of debt for BH Nebraska Gas is appropriate. The revenue requirement model incorporates a debt cost of 3.91%.

58. **Rate Case Expenses.**

The Parties agree that BH Nebraska Gas should recover its actual prudently incurred rate case expenses without a limit or cap at \$750,000. The level of rate case expenses is still anticipated to be around \$750,000. Rate case expenses will be recovered over a three-year amortization period using a regulatory expense rider.

59. **Gas Storage Costs.**

The Parties agree that recovery of natural gas storage costs should be moved from rate base and recovered through the Gas Cost Adjustment rider as proposed by BH Nebraska Gas.

60. **Rate Consolidation Full Time Equivalent (“FTE”) Efficiencies.**

The Parties agree that the revenue requirement model should reflect reduction of three FTEs as a result of statewide rate uniformity. BH Nebraska Gas incorporates the impact of this agreement and included a reduction of its labor costs.¹¹

61. **Weather Normalization.**

The Parties agree that BH Nebraska Gas had an error in the alignment of data in the work paper file named “Exhibits_WPs_Billing Determinants.xls” used to calculate therms and revenues. BH Nebraska Gas agreed to correct the weather data. The Parties agree that the revenue

¹¹ The jurisdictional-only amount of \$225,000 will be included in the revenue requirement.

requirement model should use the results from the calculations performed in the billing determinants work papers results. The revenue requirement model incorporates a total reduction of \$64,547 to revenue.

62. **Annual Price Option (“APO”).**

The Parties agree that the Annual Price Option program is only available in Rate Areas One, Two, and Three Rate Areas Five. Rate Area Five shall not be charged for the APO program.

63. **Choice Gas Program.**

The Parties agree that the Choice Gas Program will not be changed in this proceeding except for rate applicable under the Choice Gas Program rate schedules.

64. **SourceGas Transaction Severance Accounting Order Amortization.**

The Parties agree that the severance cost of \$850,705 approved for recovery through a surcharge in Commission Application No. NG-0084 are appropriate to be recovered over a 48-month period as proposed by BH Nebraska Gas. The Parties will collaborate on a fair allocation of costs between rate areas and customer classes and present that methodology at the December 10, 2020 Technical Conference.

65. **ALLO Accounting Order Amortization.**

The Parties agree that the line locating cost approved for recovery through a surcharge in Commission Application No. NG-0093 are appropriate to be recovered over a 36-month period as proposed by BH Nebraska Gas as shown in the table below. The Parties will collaborate on a fair allocation of costs between rate areas and customer classes and present that methodology at the December 10, 2020 Technical Conference.

66. **Rate Case and Other Surcharges**

The Parties agree that BH Nebraska Gas has authority Pursuant to § 66-1841 of the Act to collect its regulatory costs, including the Commission’s assessment through a surcharge mechanism. Specifically, the Parties agree that the Commission should approve the BH Nebraska Gas customer surcharges or recovery of the amortized amounts set forth in the tariff or revenue requirement as summarized in the table below:

Commission Proceeding	Surcharge Name	Total	Amortization or Surcharge Amount	Length of Surcharge
NG-0084	Severance	\$850,705	\$850,705	48 months
NG-0093	ALLO Locate Costs	\$1,526,000	\$0.43	36 months
NG-0095	Tax Cut Jobs Act	\$2,948,208	\$10.23 Credit	One Time
NG-109	Rate Review Expense	\$750,000	\$.07	36 months
NG-109	HEAT	\$371,144	\$0.39	Continuing monthly
NG-109	2021 SSIR Charge	\$2,305,649	\$0.62 Residential \$1.24 Commercial	Continuing monthly
NG-109	Gas in Storage Through Rate Areas One, Two and Three GCA		Varies	Continuing monthly

The Parties will update the surcharge amounts based on the actual customer count as part of the December 10, 2020 Technical Conference.

67. **Uncontested Issues.**

The Parties agree that the Commission should approve all uncontested proposals of BH Nebraska Gas as provided within its rate application, supporting testimony, and proposed tariffs.

IV. EFFECTIVE DATE

68. This Settlement shall become effective upon mutual execution of the Parties as set forth below. However, the terms of the Settlement are subject to Commission approval of the Settlement without condition or modification by a final Commission Order.

V. RESERVATIONS

69. This Settlement is submitted pursuant to the requirements set forth in the State Natural Gas Regulation Act, the Commission's Rules and Regulations, and prior applicable Commission orders. The Parties agree that, unless this Settlement becomes effective as provided herein, this Settlement and any and all discussions related hereto shall be privileged and shall not be admissible as evidence or in any way used, described or discussed in any future proceeding.

70. The Parties understand and agree that this Settlement represents a negotiated settlement of the issues in this proceeding, settled in a manner that is not contrary to the public interest. Neither BH Nebraska Gas, the Public Advocate, nor any other party shall be deemed to have approved, accepted, agreed or otherwise consented to any accounting principle, ratemaking principle or cost of service determination underlying or supposed to underlie any of the rates provided for herein. The provisions of this Settlement are for purposes of settlement only and shall have no precedential effect.

71. The Parties further understand and agree that the provisions of this Settlement related only to the specific matters referred to in this Settlement and no party or person waives any claim or right which it otherwise may have with respect to any matters not expressly provided for

in this Settlement. Nothing in this Settlement shall preclude BH Nebraska Gas from filing changes to its Natural Gas Tariff on file with the Commission which are not inconsistent with its specific obligations under this Settlement.

72. This Settlement is not severable. Each provision of the Settlement is dependent upon all other provisions of the Settlement. The Parties further reserve the right to withdraw their support for this Settlement if the Commission modifies the Settlement in any manner which is materially adverse to the Party withdrawing its support; and, further, the Parties reserve the right to contest any such Commission order modifying the Settlement in a manner which is materially adverse the Party contesting such Commission order.

VI. SETTLEMENT EXECUTION, DATE, AND AUTHORIZED PARTIES

73. The Parties agree that the execution of this Settlement by each Party possesses the requisite power and authority to conduct business and to execute, deliver, and perform the Settlement. Each Party further warrants that the individuals who sign this Settlement have the legal power, right, and authority to enter into this Settlement and to bind each respective party.

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VII. SETTLEMENT EXHIBITS

Settlement Exhibits	Exhibit Purpose	File Reference
Exhibit A	Settlement Revenue Requirement	BH- PA Settlement Revenue Requirement Schedule
Exhibit B	Settlement Class Cost of Service Study	Settlement - BH Nebraska Consolidated CCOSS
Exhibit C	Settlement Fully Cost-Based and Proposed Rate Design	Settlement Exhibit TJS-7
Exhibit D	Settlement Bill Impacts – Existing Rates, Proposed Rates and Alternate Rates	Settlement Section 1, Schedule B2
Exhibit E	Settlement Functionalization and Classification of Rate Base and Cost of Service	Settlement Section 4, Exhibit A
Exhibit F	Settlement Allocation of Rate Base and Cost of Service	Settlement Section 4, Exhibit B
Exhibit G	Settlement Revenue Proof	Settlement Exhibit DNH-7
Exhibit H	Settlement Depreciation Rates	Settlement Exhibit WWD-2

Dated: October 28, 2020

**BLACK HILLS NEBRASKA GAS, LLC
D/B/A BLACK HILLS ENERGY**

By:  _____

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and

THE PUBLIC ADVOCATE OF NEBRASKA

By:  _____

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Respectfully submitted this 28th day of October.

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Attorney for the Public Advocate of Nebraska

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of October, 2020, the foregoing **STIPULATION AND AGREEMENT OF SETTLEMENT** by Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy was served electronically on the following at the email address shown below:

<u>Nebraska Public Advocate</u>	<u>Nebraska Public Advocate</u>
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/s/ Douglas J. Law

Douglas J. Law #19436

Exhibit A - Settlement Revenue Requirement 10-27-2020**Summary of Adjustments to Revenue Requirement**

Line No.	Adjustment Description	Schedule	Total Company	Jurisdictional
1	Revenue Deficiency from Exhibit No. MCC-2	Statement M	11,733,365	17,295,841
2	Revenue Adjustments (WN, Misc. Service Fees, and Late Pmt Fees)	Stmt I, Sched I-3	(453,997)	(428,146)
3	Remove Benefits from FICA Tax Calculation	Sched H-4	1,252	1,091
4	Depreciation Expense Formula Correction	Stmt J	41,115	37,320
5	Advertising Expense Formula Correction	Sched H-2	(34,133)	(35,818)
6	Dues Expense Adjustment	Sched H-2	(31,596)	(27,537)
7	Interest Synchronization - Cost of Debt	Stmt G, Sched G-1	(582,887)	(501,034)
8	Line Locate Expense (Remove ALLO costs recorded in 2019)	Sched H-1, Sched H-11	(148,233)	(130,021)
9	Labor Costs updated (Direct Labor)	Sched H-4	(56,690)	(48,928)
10	BHSC Costs (Headcount update)	Sched H-6	(598,592)	(521,680)
11	NOL Adjustment Update	Sched M-1	15,986	13,802
12	Revenue Deficiency from Exhibit No. MCC-9	Statement M	9,885,591	15,654,890
13	Remove 50% of D&O insurance costs	Sched H-2	(77,595)	(67,625)
14	Allow ARAM to reduce Tax Expense and remove Protected NOL DDFIT	Stmt K & Sched M-1	(932,813)	(828,533)
15	Remove Open Positions from Direct Labor (Through Sept - To be Updated at time of Tech conf.)	Sched H-4 & L-1	-	-
16	Remove Open Positions BHSC Labor (Through Sept - To be Updated at time of Tech conf.)	Sched H-6 & L-1	(273,475)	(238,337)
17	Remove 50% of LTIP	Sched H-6	(266,899)	(232,605)
18	Remove \$225K for Consolidation	Sched H-6	(225,596)	(196,609)
19	Change Depreciation rates to match PA proposal	Sched J-1	(2,344,407)	(2,021,423)
20	ROE to 9.5%	Statement G	(1,730,307)	(1,483,093)
21	Compromise on the Non-Plant ADIT issue	Sched M-1	(674,722)	(582,505)
22	Amortize the Non-Plant DDFIT over 20 Years	Statement K	109,104	93,721
23	Update Plant additions to reflect projected Spend as of 12/31/2020	Sched D-2	1,015,248	998,401
24	NOL Adjustment Update	Sched M-1	-	-
25				
26	Revenue Requirement For Settlement		4,484,129	11,096,282

Black Hills Nebraska Gas, LLC
FUNCTIONAL ALLOCATORS
WEIGHTING FACTORS STUDY RESULTS

	Distribution	Transmission
Mains	87.25%	12.75%

		Distribution		Transmission	
	Capacity	Commodity	Customer	Capacity	Commodity
Mains	41.8%	6.3%	51.9%	50.0%	50.0%

Black Hills Nebraska Gas, LLC
 FUNCTIONAL CLASSIFICATION OF RATE BASE AND COST OF SERVICE
 FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	
Line No.	Acct. No.	Description	Total Nebraska	Supply	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Jurisdictional Direct	Non-Juris Direct	Non-Juris Supply	Allocation Basis or Reference
					Demand	Commodity	Demand	Commodity	Customer							
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1		<u>Summary</u>														
2		Rate Base	584,659,957	1,282,220	23,110,724	23,113,885	127,659,776	32,123,346	140,426,226	116,606,810	106,765,241	27,421,681	(17,475,604)	1,335,565	2,290,085	Table 2 Line 82
3		Rate of Return	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	
4		Total Cost of Service														
5		Operation & Maintenance Expenses	73,661,097	0	2,421,202	2,423,568	12,203,785	4,372,003	12,014,953	13,064,509	10,840,552	15,727,512	0	269,784	323,229	Table 3 Line 84
6		Depreciation Expenses	21,685,113	0	782,116	782,253	4,343,116	1,110,942	4,757,869	3,993,714	3,641,071	2,149,557	0	45,116	79,360	Table 4 Line 8
7		Taxes Other Than Income Taxes	7,094,738	0	259,267	259,370	1,393,959	393,581	1,486,986	1,336,361	1,186,674	730,860	0	19,241	28,439	Table 4 Line 15
8		Return	39,230,683	86,037	1,550,730	1,550,942	8,565,971	2,155,477	9,422,600	7,824,317	7,163,948	1,839,995	(1,172,613)	89,616	153,665	Line 2 x Line 3
9		Income Taxes	9,856,445	21,616	389,610	389,664	2,152,143	541,549	2,367,365	1,965,807	1,799,894	462,286	(294,611)	22,516	38,607	Rate Base
10		Other Operating Revenues	(5,667,963)	0	(178,296)	(178,436)	(910,021)	(302,738)	(921,151)	(939,903)	(797,020)	(891,979)	(508,107)	(18,075)	(22,237)	Table 4 Line 21
11		Total Cost of Service	145,860,114	107,653	5,224,629	5,227,360	27,748,952	8,270,813	29,128,621	27,244,806	23,835,119	20,018,231	(1,975,331)	428,198	601,063	Sum of Lines 5 thru 10

Black Hills Nebraska Gas, LLC
FUNCTIONAL CLASSIFICATION OF RATE BASE
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Line No.	Acct. No.	Description	Total Nebraska	Supply	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Jurisdictional Direct	Non-Juris Direct	Non-Juris Supply	Allocation Basis or Reference
					Demand	Commodity	Demand	Commodity	Customer							
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1		<u>Gas Plant in Service</u>														
2		Intangible Plant														
3	301	Intangibles Organization	256	0	9	9	43	15	42	46	38	52	0	1	1	Supervised O&M
4	302	Intangibles Franchises & Consents	121,062	0	4,024	4,028	20,281	7,268	19,964	21,715	18,017	24,779	0	449	537	Supervised O&M
5	303	Intangibles Miscellaneous	742,881	0	24,694	24,718	124,449	44,602	122,505	133,253	110,556	152,053	0	2,753	3,298	Supervised O&M
6	303.01	Intangibles Miscellaneous - Easements	500,000	0	16,620	16,637	83,761	30,019	82,453	89,686	74,411	102,340	0	1,853	2,219	Supervised O&M
7		Total Intangible Plant	1,364,199	0	45,347	45,391	228,535	81,905	224,963	244,701	203,022	279,225	0	5,056	6,056	Sum of Lines 3 thru 6
8		Transmission Plant														
9	365.03	Right-of-Way	170,272	0	64,365	64,365	0	0	0	0	0	0	0	41,542	0	50 % Demand, 50 % Commodity, Direct
10	366.01	Structures and Improvements	8,174	0	3,013	3,013	0	0	0	0	0	0	0	2,147	0	50 % Demand, 50 % Commodity, Direct
11	367	Mains	5,361,147	0	2,288,350	2,288,350	0	0	0	0	0	0	0	784,446	0	50 % Demand, 50 % Commodity, Direct
12	369.03	Meas. & Reg. Sta. Equip.	624,132	0	296,199	296,199	0	0	0	0	0	0	0	31,733	0	50 % Demand, 50 % Commodity, Direct
13		Total Transmission Plant	6,163,725	0	2,651,928	2,651,928	0	0	0	0	0	0	0	859,868	0	Sum of Lines 9 thru 12
14		Distribution Plant														
15	374.01	Land	608,494	0	36,709	36,709	251,203	251,203	0	0	0	0	0	2	32,667	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm
16	374.02	Land Rights (Non-Depreciable)	1,693,104	0	107,935	107,935	738,616	738,616	0	0	0	0	0	0	0	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm
17	374.03	Land Rights - Right of Way (Depreciable)	6,797,136	0	433,317	433,317	2,965,250	2,965,250	0	0	0	0	0	0	0	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm
18	375.01	Structures and Improvements	3,462,087	0	208,462	208,462	1,426,537	1,426,537	0	0	0	0	0	0	192,087	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm
19	375.2	Structures and Improvements - Other	12,119	0	773	773	5,287	5,287	0	0	0	0	0	0	0	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm
20	376	Mains	444,565,702	0	28,184,454	28,184,454	161,239,390	24,301,631	200,199,147	0	0	0	0	628,260	1,828,367	12.75% T, 50-50; 87.25% D, 41.8 Dem, 6.3 Comm, 51.9 Cust
21	378	Meas. & Reg. Sta. Equip. - General	25,439,136	0	1,526,605	1,526,605	10,446,768	10,446,768	0	0	0	0	0	551,079	941,311	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm
22	379	Measuring & Regulating Station Equip.- City Gate Check S	5,022,045	0	320,155	320,155	2,190,867	2,190,867	0	0	0	0	0	0	0	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm
23	380	Services	159,737,815	0	0	0	0	0	0	159,737,815	0	0	0	0	0	Direct - Services
24	381	Meters	46,888,274	0	0	0	0	0	0	0	46,888,274	0	0	0	0	Direct - Meters and Regulators
25	382.01	Meter Installations	12,370,833	0	0	0	0	0	0	0	12,370,833	0	0	0	0	Direct - Meters and Regulators
26	383	House Regulators	75,357,179	0	0	0	0	0	0	0	75,357,179	0	0	0	0	Direct - Meters and Regulators
27	384.01	House regulator installations	1,557,090	0	0	0	0	0	0	0	1,557,090	0	0	0	0	Direct - Meters and Regulators
28	385	Industrial Measuring & Regulating Station Equipment	12,527,682	0	0	0	0	0	0	0	12,527,682	0	0	0	0	Direct - Meters and Regulators
29	386	Other Property on Customers' Premises	35,279	0	0	0	0	0	0	35,279	0	0	0	0	0	Direct - Services
30	387	Other Equipment	407,725	0	0	0	170,429	25,687	211,609	0	0	0	0	0	0	41.8 % Dem, 6.3 % Comm, 51.9 % Cust
31		Total Distribution Plant	796,481,698	0	30,818,411	30,818,411	179,434,349	42,351,847	200,410,756	159,773,094	148,701,058	0	0	1,179,341	2,994,432	Sum of Lines 15 thru 30
32		General Plant														
33	389.01	Land	6,105,837	0	202,963	203,161	1,022,867	366,586	1,006,883	1,095,222	908,677	1,249,744	0	22,629	27,103	Supervised O&M
34	389.02	Land Rights - Right of Way	1,428,871	0	47,497	47,543	239,368	85,788	235,628	256,301	212,646	292,462	0	5,296	6,343	Supervised O&M
35	390.01	Structures and Improvements	44,604,435	0	1,482,685	1,484,136	7,472,260	2,677,992	7,355,495	8,000,831	6,638,081	9,129,648	0	165,313	197,995	Supervised O&M
36	390.51	Leasehold Improvements	93,091	0	3,094	3,097	15,595	5,589	15,351	16,698	13,854	19,054	0	345	413	Supervised O&M
37	391.01	Office Machines	507,771	0	16,879	16,895	85,063	30,486	83,734	91,080	75,567	103,931	0	1,882	2,254	Supervised O&M
38	391.02	Office Furniture	0	0	0	0	0	0	0	0	0	0	0	0	0	Supervised O&M
39	391.03	Computer Hardware	639,902	0	21,271	21,292	107,198	38,419	105,523	114,781	95,231	130,975	0	2,372	2,840	Supervised O&M
40	391.04	Software	723,581	0	24,052	24,076	121,216	43,443	119,322	129,791	107,684	148,103	0	2,682	3,212	Supervised O&M
41	391.05	System Development	0	0	0	0	0	0	0	0	0	0	0	0	0	Supervised O&M
42	391.07	iPad Hardware	611,479	0	20,326	20,346	102,437	36,712	100,836	109,683	91,001	125,158	0	2,266	2,714	Supervised O&M
43	392.01	Transportation Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	Supervised O&M
44	392.02	Cars	2,919,325	0	97,041	97,136	489,054	175,272	481,411	523,648	434,457	597,528	0	10,820	12,959	Supervised O&M
45	392.03	Light Trucks	20,011,029	0	665,832	665,832	3,352,304	1,201,436	3,299,919	3,589,438	2,978,063	4,095,863	0	74,165	88,827	Supervised O&M
46	392.04	Medium Trucks	1,425,881	0	47,397	47,444	238,868	85,608	235,135	255,764	212,201	291,850	0	5,285	6,329	Supervised O&M
47	392.05	Heavy Trucks	3,262,358	0	108,443	108,549	546,519	195,868	537,979	585,179	485,508	667,740	0	12,091	14,481	Supervised O&M
48	392.06	Trailers	1,027,858	0	34,167	34,200	172,190	61,711	169,499	184,370	152,967	210,382	0	3,809	4,563	Supervised O&M
49	393	Stores Equipment	28,178	0	937	938	4,720	1,692	4,647	5,054	4,193	5,767	0	104	125	Supervised O&M
50	394	Tools, Shop, and Garage Equipment	14,026,733	0	466,259	466,715	2,349,798	842,147	2,313,079	2,516,017	2,087,474	2,870,995	0	51,986	62,263	Supervised O&M
51	395	Laboratory Equipment	88,803	0	2,952	2,955	14,876	5,332	14,644	15,929	13,216	18,176	0	329	394	Supervised O&M
52	396	Power Operated Equipment	5,497,464	0	182,740	182,919	920,951	330,061	906,559	986,096	818,139	1,125,222	0	20,375	24,403	Supervised O&M
53	397	Communication Equipment	846,080	0	28,124	28,152	141,738	50,798	139,523	151,764	125,915	173,176	0	3,136	3,756	Supervised O&M
54	398	Miscellaneous Equipment	177,568	0	5,902	5,908	29,747	10,661	29,282	31,851	26,426	36,345	0	658	788	Supervised O&M
55	399	Other Tangible Property	0	0	0	0	0	0	0	0	0	0	0	0	0	Supervised O&M
56		Total General Plant	104,026,243	0	3,457,910	3,461,294	17,426,768	6,245,600	17,154,450	18,659,498	15,481,300	21,292,119	0	385,542	461,763	
57	118	Other Utility Plant Customer Allocation	12,965,644								12,965,644					Customer Accounting
58	118	Other Utility Plant Blended Allocation	15,939,074	0	529,827	530,345	2,670,158	956,961	2,628,433	2,859,039	2,372,070	3,262,414	0	59,073	70,752	Supervised O&M
59		Total Corporate Shared Assets	28,904,717	0	529,827	530,345	2,670,158	956,961	2,628,433	2,859,039	2,372,070	16,228,057	0	59,073	70,752	
60		Total General Plant	132,930,960	0	3,987,737	3,991,639	20,096,926	7,202,561	19,782,883	21,518,537	17,853,370	37,520,176	0	444,615	532,515	Sum of Lines 56 and 59

61

Total Plant in Service

936,940,582

0

37,503,423

37,507,369

199,759,810

49,636,313

220,418,603

181,536,331

166,757,450

37,799,401

0

2,488,880

3,533,002

Sum of Lines 7,13, 31 and 60

Black Hills Nebraska Gas, LLC
 FUNCTIONAL CLASSIFICATION OF RATE BASE
 FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	
Line No.	Acct. No.	Description	Total Nebraska	Supply	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Jurisdictional Direct	Non-Juris Direct	Non-Juris Supply	Allocation Basis or Reference
					Demand	Commodity	Demand	Commodity	Customer							
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
62		<u>Accumulated Depreciation</u>														
63		Intangible	(1,052,018)	0	(34,970)	(35,004)	(176,237)	(63,162)	(173,483)	(188,704)	(156,562)	(215,327)	0	(3,899)	(4,670)	Intangible Plant
64		Transmission	(4,310,806)	0	(1,854,714)	(1,854,714)	0	0	0	0	0	0	0	(601,377)	0	Transmission Plant
65		Distribution	(265,816,114)	0	(10,285,271)	(10,285,271)	(59,884,039)	(14,134,416)	(66,884,661)	(53,322,334)	(49,627,176)	0	0	(393,591)	(999,355)	Distribution Plant
66		General	(17,439,179)	0	(523,150)	(523,662)	(2,636,511)	(944,902)	(2,595,311)	(2,823,011)	(2,342,179)	(4,922,262)	0	(58,329)	(69,860)	General Plant
67		Other Utility Plant Customer Allocation	625,656									625,656				Customer
68		Other Utility Plant Blended Allocation	(438,078)	0	(14,562)	(14,576)	(73,388)	(26,302)	(72,241)	(78,579)	(65,195)	(89,666)	0	(1,624)	(1,945)	Supervised O&M
69		Total Accumulated Depreciation	(288,430,540)	0	(12,712,668)	(12,713,228)	(62,770,175)	(15,168,781)	(69,725,697)	(56,412,628)	(52,191,113)	(4,601,600)	0	(1,058,820)	(1,075,830)	Sum of Lines 63 thru 68
70		Net Plant	648,510,042	0	24,790,755	24,794,141	136,989,635	34,467,532	150,692,906	125,123,703	114,566,337	33,197,801	0	1,430,060	2,457,172	Line 61 - Line 69
71		<u>Other Rate Base Items</u>														
72		Cash Working Capital														
73		Gas Purchases	1,282,220	1,282,220	0	0	0	0	0	0	0	0	0	0	0	Direct - Supply
74		Property Taxes	(3,838,073)	0	(146,719)	(146,739)	(810,745)	(203,989)	(891,845)	(740,519)	(678,037)	(196,474)	0	(8,464)	(14,542)	Net Plant
75		Other	370,969	0	12,331	12,343	62,146	22,273	61,175	66,542	55,208	75,930	0	1,375	1,647	Supervised O&M
76		Materials & Supplies	5,048,023	0	202,060	202,081	1,076,260	267,429	1,187,565	978,077	898,451	203,655	0	13,410	19,035	Plant in Service
77		Prepayments	394,283	0	15,072	15,074	83,287	20,956	91,619	76,073	69,654	20,184	0	869	1,494	Net Plant
78		Customer Deposits	(3,518,846)	0	0	0	0	0	0	0	0	(3,518,846)	0	0	0	Customer Accounts
79		Accumulated Deferred Income Taxes	(46,113,059)	0	(1,762,775)	(1,763,016)	(9,740,807)	(2,450,854)	(10,715,194)	(8,897,066)	(8,146,372)	(2,360,568)	0	(101,686)	(174,720)	Net Plant
80		Excess/Deficient Deferred Income Taxes (Jurisdictional Or	(17,475,604)	0	0	0	0	0	0	0	0	0	(17,475,604)	0	0	Jurisdictional Direct
81		Total Other Rate Base Items	(63,850,086)	1,282,220	(1,680,031)	(1,680,256)	(9,329,858)	(2,344,185)	(10,266,680)	(8,516,893)	(7,801,096)	(5,776,120)	(17,475,604)	(94,496)	(167,087)	Sum of Lines 72 thru 80
82		Total Rate Base	584,659,957	1,282,220	23,110,724	23,113,885	127,659,776	32,123,346	140,426,226	116,606,810	106,765,241	27,421,681	(17,475,604)	1,335,565	2,290,085	Line 70 + Line 81

Black Hills Nebraska Gas, LLC
FUNCTIONAL CLASSIFICATION OF OPERATION AND MAINTENANCE EXPENSES
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	
Line No.	Acct. No.	Description	Total Nebraska	Supply	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Jurisdictional Direct	Non-Juris Direct	Non-Juris Supply	Allocation Basis or Reference
					Demand	Commodity	Demand	Commodity	Customer							
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1		<u>O & M Expenses</u>														
2		Transmission Expenses														
3		Operation														
4	850	Operation Supervision & Engineering	203,734	0	86,962	86,962	0	0	0	0	0	0	0	29,810	0	Account 856
5	851	System Control & Load Dispatching	1,208	0	0	1,208	0	0	0	0	0	0	0	0	0	Transmission Commodity
6	852	Communication System Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 370
7	853	Compressor Labor & Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 368
8	856	Mains Expense	63,035	0	26,906	26,906	0	0	0	0	0	0	0	9,223	0	Account 367
9	857	Measuring & Regulating Station Expenses	12,316	0	5,257	5,257	0	0	0	0	0	0	0	1,802	0	Account 369
10	859	Other Expenses	65,887	0	28,123	28,123	0	0	0	0	0	0	0	9,641	0	Account 856
11	860	Rents	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 856
12		Total Operation	346,180	0	147,248	148,456	0	0	0	0	0	0	0	50,476	0	Sum of Lines 4 thru 11
13		Maintenance														
14	861	Supervision & Engineering	17,505	0	7,472	7,472	0	0	0	0	0	0	0	2,561	0	Account 863
15	862	Structures & Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 366
16	863	Mains	3,328	0	1,421	1,421	0	0	0	0	0	0	0	487	0	Account 367
17	864	Compressor Station Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 368
18	865	Measuring & Regulating Station Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 862
19	866	Communication Equipment	142	0	61	61	0	0	0	0	0	0	0	21	0	Accounts 882 thru 865 and Account 867
20	867	Other Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	Accounts 367 thru 369
21		Total Maintenance	20,975	0	8,953	8,953	0	0	0	0	0	0	0	3,069	0	Line 14 + Line 16
22		Total Transmission Expenses	367,155	0	156,200	157,409	0	0	0	0	0	0	0	53,545	0	Line 12 + Line 21
23		Distribution Expenses														
24		Operation														
25	870	Supervision & Engineering	4,138,102	0	157,233	157,233	907,108	266,365	936,980	988,183	693,422	0	0	10,370	21,207	Accounts 871 - 880
26	871	Load Dispatching	830	0	0	0	0	830	0	0	0	0	0	0	0	Direct - Distribution Commodity
27	872	Compressor Station Expenses	147	0	0	0	74	74	0	0	0	0	0	0	0	50% Dist. Demand, 50% Dist. Commodity
28	874	Mains & Services	7,332,304	0	341,975	341,975	1,956,395	294,863	2,429,112	1,938,175	0	0	0	7,623	22,184	Accounts 376 and 380
29	875	Meas. & Reg. Sta. Equip. - General	1,233,234	0	86,250	86,250	494,309	494,309	0	0	0	0	0	27,577	44,540	Accounts 369 and 378
30	876	Meas. & Reg. Sta. Equip. - Ind.	24,470	0	0	0	0	0	0	0	24,470	0	0	0	0	Account 385
31	877	Meas. & Reg. Sta. Equip. - CG	203,562	0	14,237	14,237	81,593	81,593	0	0	0	0	0	4,552	7,352	Accounts 369 and 378
32	878	Meters & House Regulators	1,768,449	0	0	0	0	0	0	0	1,768,449	0	0	0	0	Direct - Meters and Regulators
33	879	Customer Installation Expenses	1,262,751	0	0	0	0	0	0	1,262,751	0	0	0	0	0	Direct - Services
34	880	Other Expenses	9,866,527	0	381,767	381,767	2,222,768	524,639	2,482,616	1,979,211	1,842,055	0	0	14,609	37,094	Distribution Plant
35	881	Rents	36,574	0	1,415	1,415	8,239	1,945	9,203	7,337	6,828	0	0	54	138	Distribution Plant
36		Total Operation	25,866,951	0	982,877	982,877	5,670,486	1,664,618	5,857,911	6,175,658	4,335,224	0	0	64,785	132,515	Sum of Lines 25 thru 35
37		Maintenance														
38	885	Supervision & Engineering	203	0	6	6	36	24	18	32	77	0	0	1	2	Accounts 886 - 894
39	886	Structures & Improvements	302	0	18	18	124	124	0	0	0	0	0	0	17	Accounts 366 and 375
40	887	Mains	530,091	0	33,607	33,607	192,258	28,977	238,713	0	0	0	0	749	2,180	Account 376
41	888	Main. Of Compressor Sta. Eq.	7,871	0	0	0	3,935	3,935	0	0	0	0	0	0	0	50% Dist. Demand, 50% Dist. Commodity
42	889	Meas. & Reg. Sta. Eq. - Gen.	308,246	0	21,558	21,558	123,552	123,552	0	0	0	0	0	6,893	11,133	Accounts 369 and 378
43	890	Meas. & Reg. Sta. Eq. - Ind.	84,913	0	0	0	0	0	0	0	84,913	0	0	0	0	Account 385
44	891	Meas. & Reg. Sta. Eq. - City Gate	515,090	0	36,024	36,024	206,460	206,460	0	0	0	0	0	11,518	18,603	Accounts 369 and 378
45	892	Services	464,107	0	0	0	0	0	0	464,107	0	0	0	0	0	Direct - Services
46	893	Meters & House Regulators	1,086,360	0	0	0	0	0	0	1,086,360	0	0	0	0	0	Direct - Meters and Regulators
47	894	Other Equipment	149,638	0	5,790	5,790	33,711	7,957	37,652	30,017	27,937	0	0	222	563	Distribution Plant
48		Total Maintenance	3,146,820	0	97,003	97,003	560,077	371,029	276,383	494,156	1,199,287	0	0	19,383	32,497	Sum of Lines 38 thru 47
49		Total Distribution	29,013,771	0	1,079,881	1,079,881	6,230,563	2,035,647	6,134,294	6,669,813	5,534,512	0	0	84,168	165,012	Line 36 + Line 48

Black Hills Nebraska Gas, LLC
FUNCTIONAL CLASSIFICATION OF OPERATION AND MAINTENANCE EXPENSES
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	
Line No.	Acct. No.	Description	Total Nebraska	Supply	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Jurisdictional Direct	Non-Juris Direct	Non-Juris Supply	Allocation Basis or Reference
					Demand	Commodity	Demand	Commodity	Customer							
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
50		Customer Accounts Expenses														
51	901	Supervision	258,796	0	0	0	0	0	0	0	258,796	0	0	0	0	Direct - Customer Accounts
52	902	Meter Reading Expenses	727,115	0	0	0	0	0	0	0	727,115	0	0	0	0	Direct - Customer Accounts
53	903	Customer Records & Collection	6,057,533	0	0	0	0	0	0	0	6,057,533	0	0	0	0	Direct - Customer Accounts
54	904	Uncollectible Accounts	667,002	0	0	0	0	0	0	0	667,002	0	0	0	0	Direct - Customer Accounts
55	905	Miscellaneous	166,377	0	0	0	0	0	0	0	166,377	0	0	0	0	Direct - Customer Accounts
56		Total Customer Accounts Expenses	7,876,824	0	0	0	0	0	0	0	7,876,824	0	0	0	0	Sum of Lines 51 thru 55
57		Customer Service & Inform. Exp.														
58	907	Supervision	103,105	0	0	0	34,368	0	0	0	68,737	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
59	908	Customer Assistance Expenses	132,578	0	0	0	44,193	0	0	0	88,385	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
60	909	Information & Instruction Exp.	664	0	0	0	221	0	0	0	442	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
61	910	Miscellaneous	3,811	0	0	0	1,270	0	0	0	2,541	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
62		Total Cust. Service & Inf. Exp.	240,157	0	0	0	80,052	0	0	0	160,105	0	0	0	0	Sum of Lines 58 thru 61
63		Sales Expenses														
64	911	Supervision	0	0	0	0	0	0	0	0	0	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
65	912	Demonstrating & Selling Exp.	346,749	0	0	0	115,583	0	0	0	231,166	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
66	913	Advertising Expenses	1,737	0	0	0	579	0	0	0	1,158	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
67	916	Miscellaneous	327	0	0	0	109	0	0	0	218	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
68		Total Sales Expenses	348,813	0	0	0	116,271	0	0	0	232,542	0	0	0	0	Sum of Lines 64 thru 67
69		Administrative & General Expenses														
70		Operation														
71	920	A & G Salaries	12,207,655	0	405,792	406,189	2,045,061	732,932	2,013,104	2,189,723	1,816,757	2,498,666	0	45,244	54,189	Supervised O&M
72	921	Office Supplies & Expenses	4,284,866	0	142,432	142,572	717,813	257,258	706,596	768,589	637,678	877,027	0	15,881	19,020	Supervised O&M
73	922	Transfers	(3,248,589)	0	(107,986)	(108,091)	(544,213)	(195,041)	(535,709)	(582,709)	(483,459)	(664,922)	0	(12,040)	(14,420)	Supervised O&M
74	923	Outside Services Employed	3,033,051	0	100,821	100,920	508,105	182,100	500,165	544,047	451,382	620,806	0	11,241	13,463	Supervised O&M
75	924	Property Insurance	31,815	0	1,216	1,216	6,720	1,691	7,393	6,138	5,620	1,629	0	70	121	Net Plant
76	925	Injuries & Damages	1,450,262	0	48,208	48,255	242,952	87,072	239,156	260,138	215,830	296,840	0	5,375	6,438	Supervised O&M
77	926	Employee Pensions & Benefits	11,740,918	0	390,277	390,659	1,966,871	704,909	1,936,136	2,106,004	1,747,296	2,403,134	0	43,514	52,117	Supervised O&M
78	929	Duplicate Charges - Credit	(1,270)	0	(42)	(42)	(213)	(76)	(209)	(228)	(189)	(260)	0	(5)	(6)	Supervised O&M
79	930.1	General Advertising Expenses	(3,507)	0	(117)	(117)	(587)	(211)	(578)	(629)	(522)	(718)	0	(13)	(16)	Supervised O&M
80	930.2	Miscellaneous General Expenses	1,448,977	0	48,165	48,212	242,737	86,995	238,944	259,907	215,638	296,577	0	5,370	6,432	Supervised O&M
81	931	Rents	3,163,053	0	105,142	105,245	529,884	189,906	521,603	567,366	470,729	647,415	0	11,723	14,040	Supervised O&M
82	932	Maintenance of General Plant	1,707,146	0	51,212	51,262	258,092	92,498	254,059	276,349	229,279	481,847	0	5,710	6,839	General Plant
83		Total A & G Expenses	35,814,376	0	1,185,120	1,186,279	5,973,221	2,140,032	5,880,659	6,394,696	5,306,041	7,458,041	0	132,070	158,217	Sum of Lines 71 thru 82
84		Total Operation & Maintenance	73,661,097	0	2,421,202	2,423,568	12,203,785	4,372,003	12,014,953	13,064,509	10,840,552	15,727,512	0	269,784	323,229	Sum of Lines 22, 49, 56, 62, 68 and 83
85		Supervised O & M before General	37,143,144	0	1,234,666	1,235,874	6,222,324	2,230,026	6,125,091	6,662,477	5,527,684	7,602,469	0	137,660	164,875	Sum of Lines 22,49,56,62,68, Less 11, 35 and 54

Black Hills Nebraska Gas, LLC
 FUNCTIONAL CLASSIFICATION OF OTHER COST OF SERVICE COMPONENTS
 FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	
Line No.	Acct. No.	Description	Total Nebraska	Supply	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Jurisdictional Direct	Non-Juris Direct	Non-Juris Supply	Allocation Basis or Reference
					Demand	Commodity	Demand	Commodity	Customer							
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1		<u>Depreciation Expense</u>														
2		Intangible	75,057	0	2,495	2,497	12,574	4,506	12,377	13,463	11,170	15,363	0	278	333	Intangible Plant
3		Transmission	40,586	0	17,462	17,462	0	0	0	0	0	0	0	5,662	0	Transmission Plant
4		Distribution	16,164,555	0	625,458	625,458	3,641,611	859,529	4,067,326	3,242,587	3,017,880	0	0	23,935	60,772	Distribution Plant
5		General	2,449,921	0	73,494	73,566	370,387	132,743	364,599	396,587	329,038	691,498	0	8,194	9,814	General Plant
6		Other Utility Plant - Customer	1,053,498	0	0	0	0	0	0	0	0	1,053,498	0	0	0	Customer Accounts
7		Other Utility Plant - Blended Ratio	1,901,496	0	63,207	63,269	318,544	114,163	313,566	341,077	282,983	389,199	0	7,047	8,441	Supervised O&M
8		Total Depreciation Expense	21,685,113	0	782,116	782,253	4,343,116	1,110,942	4,757,869	3,993,714	3,641,071	2,149,557	0	45,116	79,360	Sum of Lines 2 thru 5
9		<u>Taxes Other Than Income Taxes</u>														
10		Ad Valorem Taxes	4,699,302	0	179,641	179,666	992,669	249,762	1,091,967	906,685	830,183	240,561	0	10,363	17,805	Net Plant
11		Payroll Taxes	2,462,243	0	81,847	81,927	412,482	147,830	406,036	441,660	366,434	503,973	0	9,126	10,930	Supervised O&M
12		Unemployment - Federal	23,120	0	769	769	3,873	1,388	3,813	4,147	3,441	4,732	0	86	103	Supervised O&M
13		Unemployment - State	28,766	0	956	957	4,819	1,727	4,744	5,160	4,281	5,888	0	107	128	Supervised O&M
14		Miscellaneous	(118,693)	0	(3,945)	(3,949)	(19,884)	(7,126)	(19,573)	(21,290)	(17,664)	(24,294)	0	(440)	(527)	Supervised O&M
15		Total Taxes Other than Income Taxes	7,094,738	0	259,267	259,370	1,393,959	393,581	1,486,986	1,336,361	1,186,674	730,860	0	19,241	28,439	Sum of Lines 10 thru 14
16		<u>Other Operating Revenues</u>														
17	487	Forfeited Discounts	508,107	0	0	0	0	0	0	0	0	0	508,107	0	0	Direct to Residential Class
18	488	Misc. Service Revenues	3,507,226	0	116,583	116,697	587,540	210,569	578,359	629,102	521,949	717,860	0	12,998	15,568	Supervised O&M
19	493	Rents from Gas Property	998,810	0	39,980	39,984	212,951	52,914	234,974	193,524	177,769	40,295	0	2,653	3,766	Plant in Service
20	495	Other Gas Revenue	653,820	0	21,733	21,755	109,530	39,254	107,818	117,278	97,302	133,824	0	2,423	2,902	Supervised O&M
21		Total Other Operating Revenues	5,667,963	0	178,296	178,436	910,021	302,738	921,151	939,903	797,020	891,979	508,107	18,075	22,237	Sum of Lines 17 thru 20

Black Hills Nebraska Gas, LLC
RATE OF RETURN UNDER CURRENT AND PROPOSED RATES
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Revised Section 4, Exhibit B
Table 1 of 5
Page 1 of 2

	[A]	[B]	[C]	[D]	[E]
Line Number	Description	Total Nebraska \$	Residential Service \$	Commercial Service \$	Total Jurisdictional \$
1	<u>Return Under Existing Rates</u>				
2	Rate Base	584,659,957	362,056,050	140,596,373	502,652,422
3	Sales Revenues	271,160,973	158,847,713	85,737,077	244,584,790
4	Sales Revenues Excluding Gas Cost	141,376,629	83,073,977	32,290,785	115,364,762
5	Net Cost of Service	145,860,114	92,457,437	34,003,606	126,461,044
6	Revenue Deficiency		9,383,460	1,712,822	11,096,282
7	Percent		5.91%	2.00%	4.54%
8	Proposed Increase (Decrease)		9,382,519	1,713,077	11,095,596
9	Percent		5.91%	2.00%	4.54%
10	Incremental Taxes at 27.17%		2,549,230	465,443	3,014,673
11	Incremental Return		6,833,289	1,247,634	8,080,922
12	Return Under Proposed Rates		24,293,275	9,434,202	33,727,478
13	Rate of Return Under Proposed Rates		6.71%	6.71%	6.71%
14	Return Under Current Rates		17,459,987	8,186,569	25,646,555
15	Rate of Return Under Current Rates		4.82%	5.82%	5.10%

Black Hills Nebraska Gas, LLC
RATE OF RETURN UNDER CURRENT AND PROPOSED
FOR THE PRO FORMA PERIOD ENDED DECEMBER

Settlement Section 4, Exhibit B
Table 1 of 5
Page 2 of 2

Line Number	Description	[A]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	Basis of Allocation or Reference
		Non-Jurisdictional Customer Classes (View as Aggregate)							Total Non-Jurisdictional		
		Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply			
		\$	\$	\$	\$	\$	\$	\$	\$		
1	<u>Return Under Existing Rates</u>										
2	Rate Base	29,529,083	3,497,396	3,108,850	36,588,760	5,168,645	1,813,751	2,301,048	82,007,534	Total Rate Base	
3	Sales Revenues	12,736,866	1,738,166	2,001,591	6,544,677	1,217,239	1,792,232	545,411	26,576,183	Section 3, Exhibit C, Line 76	
4	Sales Revenues Excluding Gas Cost	12,736,866	1,738,166	1,437,275	6,544,677	1,217,239	1,792,232	545,411	26,011,867	Section 3, Exhibit C, Line 72	
5	Net Cost of Service	7,105,018	806,275	760,918	8,397,626	1,176,038	547,951	605,243	19,399,070	Total Cost of Service	
6	Revenue Deficiency										Line 5 - Line 4
7	Percent										Line 6 / Line 3
8	Proposed Increase (Decrease)										Exhibit DNH-10, Page 3, Line 77
9	Percent										
10	Incremental Taxes at										Line 8 x Incremental Taxes at 27.17%
11	Incremental Return										Line 8 - Line 10
12	Return Under Proposed Rates										Line 11 + Line 14
13	Rate of Return Under Proposed Rates										Line 12 / Line 2
14	Return Under Current Rates										Sec 4, Exh A, Table 1, Line 3 x Line 2 - Line 6 x (1-L)
15	Rate of Return Under Current Rates										Line 14 / Line 2

Black Hills Nebraska Gas, LLC
ALLOCATION OF COST OF SERVICE
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Revised Section 4, Exhibit B
Table 2 of 5
Page 1 of 2

	[A]	[B]	[C]	[D]	[E]
Line Number	Description	Total Nebraska \$	Residential Service \$	Commercial Service \$	Total Jurisdictional \$
1	<u>Total Cost of Service</u>				
2	Supply	107,653	62,853	44,332	107,185
3	Transmission				
4	Demand	5,224,629	2,341,422	1,588,933	3,930,355
5	Commodity	<u>5,227,360</u>	<u>1,659,401</u>	<u>1,174,245</u>	<u>2,833,647</u>
6	Total Transmission	10,451,989	4,000,823	2,763,178	6,764,002
7	Distribution				
8	Demand	27,748,952	13,415,898	9,104,280	22,520,177
9	Commodity	8,270,813	3,062,050	2,166,804	5,228,854
10	Customer	<u>29,128,621</u>	<u>21,581,965</u>	<u>5,468,633</u>	<u>27,050,598</u>
11	Total Transmission	65,148,387	38,059,912	16,739,717	54,799,629
12	Services	27,244,806	21,589,440	5,470,527	27,059,967
13	Meters and Regulators	23,835,119	14,350,288	6,363,360	20,713,648
14	Customer Accounting	20,018,231	15,959,057	3,032,887	18,991,944
15	Jurisdictional Direct				
16	Excess/Deficient Deferred Income Taxes (Jurisdictional Only)	(1,467,224)	(1,056,828)	(410,396)	(1,467,224)
17	Forfeited Discounts	<u>(508,107)</u>	<u>(508,107)</u>	<u>-</u>	<u>(508,107)</u>
18	Total Jurisdictional Direct	(1,975,331)	(1,564,936)	(410,396)	(1,975,331)
19	Non-Jurisdictional Direct				
20	Negotiated - Direct	428,198	-	-	-
21	Negotiated - Supply	<u>601,063</u>	<u>-</u>	<u>-</u>	<u>-</u>
22	Total Non-Jurisdictional Direct	1,029,261	-	-	-
23	Total Cost of Service	145,860,114	92,457,437	34,003,606	126,461,044

Black Hills Nebraska Gas, LLC
ALLOCATION OF COST OF SERVICE
FOR THE PRO FORMA PERIOD ENDED DECEMBER

Settlement Section 4, Exhibit B
Table 2 of 5
Page 2 of 2

Line Number	Description	[A]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	Basis of Allocation or Reference
		Non-Jurisdictional Customer Classes (View as Aggregate)							Total Non-Jurisdictional		
		Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply			
		\$	\$	\$	\$	\$	\$	\$			
1	<u>Total Cost of Service</u>										
2	Supply	-	-	468	-	-	-	-	468	Cost of Gas	
3	Transmission										
4	Demand	125,872	61,643	28,144	696,899	381,717	-	-	1,294,274	Winter Period Peak Demand - Transmission	
5	Commodity	381,391	104,022	85,275	1,077,826	745,200	-	-	2,393,714	Commodity - Transmission	
6	Total Transmission	507,262	165,665	113,419	1,774,725	1,126,917	-	-	3,687,988	Line 4 + Line 5	
7	Distribution										
8	Demand	721,221	353,201	161,258	3,993,095	-	-	-	5,228,775	Winter Period Peak Demand - Distribution	
9	Commodity	703,770	191,950	157,356	1,988,884	-	-	-	3,041,960	Commodity - Distribution	
10	Customer	1,865,055	23,044	60,269	129,655	-	-	-	2,078,023	Customer - Distribution	
11	Total Transmission	3,290,046	568,194	378,883	6,111,634	-	-	-	10,348,758	Sum of Line 8 through Line 10	
12	Services	-	16,466	60,290	108,083	-	-	-	184,839	Services	
13	Meters and Regulators	2,480,226	43,779	133,581	323,288	37,885	101,028	1,684	3,121,470	Meters & Regulators	
14	Customer Accounting	827,483	12,172	74,278	79,896	11,235	18,726	2,497	1,026,286	Customer Accounts	
15	Jurisdictional Direct										
16	Excess/Deficient Deferred Income Taxes (Juris									Jurisdictional Direct	
17	Forfeited Discounts	-	-	-	-	-	-	-	-	Direct - Residential	
18	Total Jurisdictional Direct	-	-	-	-	-	-	-	-	Sum of Line 16 through Line 17	
19	Non-Jurisdictional Direct										
20	Negotiated - Direct						428,198		428,198	Direct	
21	Negotiated - Supply	-	-	-	-	-	-	601,063	601,063	Direct	
22	Total Non-Jurisdictional Direct	-	-	-	-	-	428,198	601,063	1,029,261	Direct	
23	Total Cost of Service	7,105,018	806,275	760,918	8,397,626	1,176,038	547,951	605,243	19,399,070	Sum of Lines 2, 3, 7, 12, 13, 14, 15, 17 and 18	

Black Hills Nebraska Gas, LLC
ALLOCATION OF RATE BASE
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Settlement Section 4, Exhibit B
Table 3 of 5
Page 1 of 2

	[A]	[B]	[C]	[D]	[E]
Line Number	Description	Total Nebraska \$	Residential Service \$	Commercial Service \$	Total Jurisdictional \$
1	<u>Rate Base</u>				
2	Supply	1,282,220	748,616	528,029	1,276,645
3	Transmission				
4	Demand	23,110,724	10,357,092	7,028,517	17,385,608
5	Commodity	<u>23,113,885</u>	<u>7,337,395</u>	<u>5,192,175</u>	<u>12,529,571</u>
6	Total Transmission	46,224,609	17,694,487	12,220,692	29,915,179
7	Distribution				
8	Demand	127,659,776	61,720,187	41,884,476	103,604,662
9	Commodity	32,123,346	11,892,818	8,415,738	20,308,556
10	Customer	<u>140,426,226</u>	<u>104,044,536</u>	<u>26,363,744</u>	<u>130,408,280</u>
11	Total Transmission	300,209,349	177,657,541	76,663,957	254,321,498
12	Services	116,606,810	92,402,042	23,413,664	115,815,705
13	Meters and Regulators	106,765,241	64,279,605	28,503,557	92,783,161
14	Customer Accounts	27,421,681	21,861,281	4,154,557	26,015,838
15	Excess/Deficient Deferred Income Taxes (Jurisdictional Only)	(17,475,604)	(12,587,522)	(4,888,083)	(17,475,604)
16	Non-Jurisdictional Direct				
17	Negotiated - Direct	1,335,565	-	-	-
18	Negotiated - Supply	<u>2,290,085</u>	-	-	-
19	Total Non-Jurisdictional Direct	3,625,650	-	-	-
20	Total Rate Base	584,659,957	362,056,050	140,596,373	502,652,422

Black Hills Nebraska Gas, LLC
ALLOCATION OF RATE BASE
FOR THE PRO FORMA PERIOD ENDED DECEMBER

Settlement Section 4, Exhibit B
Table 3 of 5
Page 2 of 2

Line Number	Description	[A]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	Basis of Allocation or Reference
		Non-Jurisdictional Customer Classes (View as Aggregate)							Total Non-Jurisdictional		
		Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply			
		\$	\$	\$	\$	\$	\$	\$			
1	<u>Rate Base</u>										
2	Supply	-	-	5,575	-	-	-	-	5,575	Cost of Gas	
3	Transmission										
4	Demand	556,784	272,671	124,491	3,082,675	1,688,495	-	-	5,725,116	Winter Period Peak Demand - Transmission	
5	Commodity	1,686,400	459,957	377,061	4,765,837	3,295,059	-	-	10,584,314	Commodity - Transmission	
6	Total Transmission	2,243,184	732,628	501,553	7,848,512	4,983,554	-	-	16,309,431	Line 4 + Line 5	
7	Distribution										
8	Demand	3,317,998	1,624,909	741,870	18,370,338	-	-	-	24,055,114	Winter Period Peak Demand - Distribution	
9	Commodity	2,733,401	745,521	611,160	7,724,708	-	-	-	11,814,790	Commodity - Distribution	
10	Customer	8,991,247	111,093	290,552	625,053	-	-	-	10,017,946	Customer - Distribution	
11	Total Transmission	15,042,646	2,481,524	1,643,582	26,720,099	-	-	-	45,887,850	Sum of Line 8 through Line 10	
12	Services	-	70,473	258,040	462,592	-	-	-	791,105	Services	
13	Meters and Regulators	11,109,739	196,099	598,352	1,448,113	169,701	452,535	7,542	13,982,080	Meters & Regulators	
14	Customer Accounts	1,133,516	16,673	101,749	109,444	15,391	25,651	3,420	1,405,843	Customer Accounts	
15	Excess/Deficient Deferred Income Taxes (Jurisdic									Rate Base	
16	Non-Jurisdictional Direct										
17	Negotiated - Direct	-	-	-	-	-	1,335,565	-	1,335,565	Direct	
18	Negotiated - Supply	-	-	-	-	-	-	2,290,085	2,290,085	Direct	
19	Total Non-Jurisdictional Direct	-	-	-	-	-	1,335,565	2,290,085	3,625,650	Line 17 + Line 18	
20	Total Rate Base	29,529,083	3,497,396	3,108,850	36,588,760	5,168,645	1,813,751	2,301,048	82,007,534	Sum of Lines 2, 3, 7, 12, 13, 14, 15 and 19	

	[A]	[B]	[C]	[D]	[E]
Line Number	Description	Total Nebraska	Residential Service	Commercial Service	Total Jurisdictional
1	<u>Allocation Bases</u>				
2	Cost of Gas				
3	Annual Gas Purchases	129,784,345	75,773,737	53,446,292	129,220,029
4	Allocation Factor	100.0000%	58.3843%	41.1808%	99.5652%
5	Winter Period Peak Demand - Transmission Load Factor		23.39%	24.39%	
6	Peak Day - therms/Day	4,662,809	2,089,642	1,418,070	3,507,712
7	Allocation Factor	100.0000%	44.8151%	30.4124%	75.2274%
8	Winter Period Peak Demand - Distribution				
9	Peak Day - therms/Day	4,322,139	2,089,642	1,418,070	3,507,712
10	Allocation Factor	100.0000%	48.3474%	32.8095%	81.1569%
11	Commodity - Transmission				
12	Annual Throughput - therms	561,986,694	178,400,064	126,241,584	304,641,647
13	Allocation Factor	100.0000%	31.7445%	22.4634%	54.2080%
14	Commodity - Distribution				
15	Annual Throughput - therms	481,871,244	178,400,064	126,241,584	304,641,647
16	Allocation Factor	100.0000%	37.0224%	26.1982%	63.2205%
17	Customer - Distribution				
18	Average Number of Customers	297,338	255,678	32,393	288,071
19	Weighting Factor		1.00	2.00	
20	Weighted Number of Customers	345,082	255,678	64,786	320,464
21	Distribution - Customer Cost Allocator	100.0000%	74.0920%	18.7741%	92.8660%
22	Services				
23	Average Number of Customers	297,338	255,678	32,393	288,071
24	Weighting Factor		1.00	2.00	
25	Weighted Number of Customers	322,653	255,678	64,786	320,464
26	Services Cost Allocator	100.0000%	79.2424%	20.0792%	99.3216%
27	Meters & Regulators				
28	Average Number of Customers	297,338	255,678	32,393	288,071
29	Weighting Factor		1.00	3.50	
30	Weighted Number of Customers	424,669	255,678	113,376	369,054
31	Meters & Regulators Cost Allocator	100.0000%	60.2065%	26.6974%	86.9039%
32	Customer Accounts				
33	Average Number of Customers	297,338	255,678	32,393	288,071
34	Weighting Factor		1.00	1.50	
35	Weighted Number of Customers	320,710	255,678	48,590	304,268
36	Customer Accounts Cost Allocator	100.0000%	79.7226%	15.1506%	94.8732%
37	Annual Use per Customer - Therms		698	3,897	

Black Hills Nebraska Gas, LLC
 CLASS ALLOCATION BASIS
 FOR THE PRO FORMA PERIOD ENDED DECEMBER

Settlement Section 4, Exhibit B
 Table 4 of 5
 Page 2 of 2

Line Number	[A] Description	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
		Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply	Total Non-Jurisdictional	Basis of Allocation or Reference
1	<u>Allocation Bases</u>									
2	Cost of Gas									
3	Annual Gas Purchases	-	-	564,316	-	-	-	-	564,316	Section 3, Exhibit C, Line 38
4	Allocation Factor	0.0000%	0.0000%	0.4348%	0.0000%	0.0000%	0.0000%	0.0000%	0.4348%	Line 3 / Column B, Line 3
5	Winter Period Peak Demand - Transmission	100.00%	55.69%	100.00%	51.04%	64.43%	-	-		Load Factor Study
6	Peak Day - therms/Day	112,336	55,014	25,117	621,959	340,670	-	-	1,155,097	Line 12 / 365 / Line 5
7	Allocation Factor	2.4092%	1.1798%	0.5387%	13.3387%	7.3061%	0.0000%	0.0000%	24.7726%	Line 6 / Column B, Line 6
8	Winter Period Peak Demand - Distribution									
9	Peak Day - therms/Day	112,336	55,014	25,117	621,959		-		814,427	Line 6
10	Allocation Factor	2.5991%	1.2728%	0.5811%	14.3901%	0.0000%	0.0000%	0.0000%	18.8431%	Line 9 / Column B, Line 9
11	Commodity - Transmission									
12	Annual Throughput - therms	41,002,809	11,183,303	9,167,802	115,875,683	80,115,450			257,345,047	Section 3, Exhibit C, Line 13
13	Allocation Factor	7.2960%	1.9900%	1.6313%	20.6189%	14.2558%	0.0000%	0.0000%	45.7920%	Line 12 / Column B, Line 12
14	Commodity - Distribution									
15	Annual Throughput - therms	41,002,809	11,183,303	9,167,802	115,875,683				177,229,597	Line 12
16	Allocation Factor	8.5091%	2.3208%	1.9025%	24.0470%	0.0000%	0.0000%	0.0000%	36.7795%	Line 15 / Column B, Line 15
17	Customer - Distribution									
18	Average Number of Customers	8,838	39	238	128	9	15	2	9,267	Section 3, Exhibit C, Line 6
19	Weighting Factor	2.5	7	3	12					Exhibit TJS-2, Schedule 2-4
20	Weighted Number of Customers	22,095	273	714	1,536			-	24,618	Line 18 x Line 19
21	Distribution - Customer Cost Allocator	6.4028%	0.0791%	0.2069%	0.4451%	0.0000%	0.0000%	0.0000%	7.1340%	Line 20 / Column B, Line 20
22	Services									
23	Average Number of Customers	8,838	39	238	128	9	15	2	9,267	Section 3, Exhibit C, Line 6
24	Weighting Factor		5	3	10					Exhibit TJS-2, Schedule 2-4
25	Weighted Number of Customers	-	195	714	1,280			-	2,189	Line 23 x Line 24
26	Services Cost Allocator	0.0000%	0.0604%	0.2213%	0.3967%	0.0000%	0.0000%	0.0000%	0.6784%	Line 25 / Column B, Line 25
27	Meters & Regulators									
28	Average Number of Customers	8,838	39	238	128	9	15	2	9,267	Line 23
29	Weighting Factor	5	20	10	45	75	120	15		Exhibit TJS-2, Schedule 2-5
30	Weighted Number of Customers	44,190	780	2,380	5,760	675	1,800	30	55,615	Line 28 x Line 29
31	Meters & Regulators Cost Allocator	10.4058%	0.1837%	0.5604%	1.3564%	0.1589%	0.4239%	0.0071%	13.0961%	Line 30 / Column B, Line 30
32	Customer Accounts									
33	Average Number of Customers	8,838	39	238	128	9	15	2	9,267	Line 23
34	Weighting Factor	1.50	5.00	5.00	10.00	20.00	20.00	20.00		Exhibit TJS-2
35	Weighted Number of Customers	13,257	195	1,190	1,280	180	300	40	16,442	Line 33 x Line 34
36	Customer Accounts Cost Allocator	4.1336%	0.0608%	0.3711%	0.3991%	0.0561%	0.0935%	0.0125%	5.1268%	Line 35 / Column B, Line 35
37	Annual Use per Customer - Therms	4,639	286,751	38,520	905,279	8,901,717	16,140,743	-		Line 12 / Line 23

	[A]	[B]	[C]	[D]	[E]
Line Number	Description	Total Nebraska	Residential Service	Commercial Service	Total Jurisdictional
1	Supply - Commodity - \$		62,853	44,332	107,185
2	\$/Therm		0.00352	0.00351	0.00352
3	Transmission - Demand - \$		2,341,422	1,588,933	3,930,355
4	\$/Therm		0.01312	0.01259	0.01290
5	Transmission - Commodity - \$		1,659,401	1,174,245	2,833,647
6	\$/Therm		0.00930	0.00930	0.00930
7	Distribution - Demand - \$		13,415,898	9,104,280	22,520,177
8	\$/Therm		0.07520	0.07212	0.07392
9	Distribution - Commodity - \$		3,062,050	2,166,804	5,228,854
10	\$/Therm		0.01716	0.01716	0.01716
11	Distribution - Customer - \$		21,581,965	5,468,633	27,050,598
12	\$/Month		7.03	14.07	243.26
13	Customer Specific Distribution - \$				
14	Services		21,589,440	5,470,527	27,059,967
15	\$/Month		7.04	14.07	7.83
16	Meters and Regulators		14,350,288	6,363,360	20,713,648
17	\$/Month		4.68	16.37	5.99
18	Customer Accounting		15,959,057	3,032,887	18,991,944
19	\$/Month		5.20	7.80	5.49
20	Jurisdictional Direct		(1,564,936)	(410,396)	(1,975,331)
21	\$/Month		(0.51)	(1.06)	(0.57)
22	Total Cost of Service - \$		92,457,437	34,003,606	126,461,044
23	Customer Related - \$		71,915,814	19,925,012	91,840,826
24	\$/month/customer		23.44	51.26	262.00
25	Demand Related - \$		15,757,320	10,693,213	26,450,532
26	\$/Therm		0.0883	0.0847	0.0868
27	Commodity Related - \$		4,784,303	3,385,382	8,169,685
28	\$/Therm		0.0300	0.0300	0.0300

[A]	[F]
Line Number	Description Basis of Allocation or Reference
1	Supply - Commodity - \$
2	\$/Therm Table 2, Line 2 Line 1 / Table 4, Line 12 x 10
3	Transmission - Demand - \$
4	\$/Therm Table 2, Line 4 Line 3 / Table 4, Line 12
5	Transmission - Commodity - \$
6	\$/Therm Table 2, Line 5 Line 5 / Table 4, Line 12
7	Distribution - Demand - \$
8	\$/Therm Table 2, Line 8 Line 7 / Table 4, Line 12
9	Distribution - Commodity - \$
10	\$/Therm Table 2, Line 9 + Line 20 Line 9 / Table 4, Line 12
11	Distribution - Customer - \$
12	\$/Month Table 2, Line 10 Line 11 / Section 3, Exhibit C, Line 5
13	Customer Specific Distribution - \$
14	Services Table 2, Line 12
15	\$/Month Line 14 / Table 4, Line 33 / 12
16	Meters and Regulators Table 2, Line 13
17	\$/Month Line 16 / Table 4, Line 33 / 12
18	Customer Accounting Table 2, Line 14
19	\$/Month Line 18 / Table 4, Line 33 / 12
20	Jurisdictional Direct Table 2, Line 18
21	\$/Month Line 20 / Table 4, Line 33 / 12
22	Total Cost of Service - \$ Sum of Lines 1, 3, 5, 7, 9, 11, 14, 16, 18, and 20
23	Customer Related - \$ Sum of Lines 11, 14, 16, 18, and 20
24	\$/month/customer Sum of Lines 12, 15, 17, 19, and 21
25	Demand Related - \$ Line 3 + Line 7
26	\$/Therm Line 4 + Line 8
27	Commodity Related - \$ Line 1 + Line 5 and Line 9
28	\$/Therm Line 2 + Line 6 and Line 10

Black Hills Nebraska Gas, LLC
RATE BASE AND COST OF SERVICE BY CUSTOMER CLASS
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

[A]	[B]	[C]	[D]	[E]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[O]	[P]	
Line No.	Acct. No.	Description	Total Nebraska	Residential	Commercial	Total Jurisdictional	Non-Jurisdictional Customer Classes (View as Aggregate)						Total Non-Jurisdictional	
							Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct		Negotiated Supply
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1		<u>Summary</u>												
2		Rate Base	584,659,957	362,056,050	140,596,373	502,652,422	29,529,083	3,497,396	3,108,850	36,588,760	5,168,645	1,813,751	2,301,048	82,007,534
3		Rate of Return	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	
4		Total Cost of Service												
5		Operation & Maintenance Expenses	73,661,097	47,693,090	16,586,047	64,279,137	3,471,820	380,470	379,560	3,945,257	548,452	330,445	325,957	9,381,960
6		Depreciation Expenses	21,685,113	13,705,666	5,122,474	18,828,140	1,055,703	120,030	110,413	1,252,729	175,652	62,560	79,885	2,856,973
7		Taxes Other Than Income Taxes	7,094,738	4,476,000	1,672,614	6,148,614	343,793	39,705	36,613	414,231	58,214	24,954	28,614	946,124
8		Return	39,230,683	24,293,961	9,434,017	33,727,978	1,981,401	234,675	208,604	2,455,106	346,816	121,703	154,400	5,502,706
9		Income Taxes	9,856,445	6,103,694	2,370,233	8,473,927	497,814	58,961	52,410	616,829	87,135	30,577	38,792	1,382,518
10		Other Operating Revenues	(5,667,963)	(3,814,974)	(1,181,778)	(4,996,752)	(245,514)	(27,567)	(26,682)	(286,525)	(40,231)	(22,288)	(22,404)	(671,211)
11		Total Cost of Service	145,860,114	92,457,437	34,003,606	126,461,044	7,105,018	806,275	760,918	8,397,626	1,176,038	547,951	605,243	19,399,070

Black Hills Nebraska Gas, LLC
RATE BASE AND COST OF SERVICE BY CUSTOMER CLASS
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Line No.	Acct. No.	Description	[A]	[B]	[C]	[D]	[E]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[O]	[P]
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
								Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply		
1		<u>Gas Plant in Service</u>														
2		Intangible Plant														
3	301	Intangibles Organization	256	165	58	223	12	1	1	14	2	1	1		33	
4	302	Intangibles Franchises & Consents	121,062	78,179	27,359	105,539	5,714	632	626	6,552	911	548	542		15,524	
5	303	Intangibles Miscellaneous	742,881	479,736	167,886	647,622	35,061	3,875	3,840	40,205	5,589	3,364	3,324		95,259	
6	303.01	Intangibles Miscellaneous - Easements	500,000	322,889	112,997	435,885	23,598	2,608	2,585	27,060	3,762	2,264	2,237		64,115	
7		Total Intangible Plant	1,364,199	880,969	308,300	1,189,269	64,386	7,117	7,052	73,830	10,263	6,178	6,105		174,930	
8		Transmission Plant														
9	365.03	Right-of-Way	170,272	49,278	34,034	83,311	6,247	2,040	1,397	21,857	13,878	41,542	-		86,961	
10	366.01	Structures and Improvements	8,174	2,307	1,593	3,900	292	96	65	1,023	650	2,147	-		4,273	
11	367	Mains	5,361,147	1,751,952	1,209,984	2,961,936	222,090	72,536	49,657	777,070	493,411	784,446	-		2,399,211	
12	369.03	Meas. & Reg. Sta. Equip.	624,132	226,769	156,618	383,387	28,747	9,389	6,428	100,582	63,866	31,733	-		240,745	
13		Total Transmission Plant	6,163,725	2,030,306	1,402,228	3,432,535	257,376	84,061	57,547	900,533	571,805	859,868	-		2,731,190	
14		Distribution Plant														
15	374.01	Land	608,494	242,556	167,639	410,195	31,467	10,191	7,036	109,021	7,915	2	32,667		198,298	
16	374.02	Land Rights (Non-Depreciable)	1,693,104	713,190	492,912	1,206,102	92,522	29,965	20,687	320,555	23,273	-	-		487,002	
17	374.03	Land Rights - Right of Way (Depreciable)	6,797,136	2,863,173	1,978,845	4,842,018	371,440	120,296	83,050	1,286,901	93,431	-	-		1,955,118	
18	375.01	Structures and Improvements	3,462,087	1,377,430	951,992	2,329,422	178,694	57,873	39,954	619,109	44,948	-	192,087		1,132,665	
19	375.2	Structures and Improvements - Other	12,119	5,105	3,528	8,633	662	214	148	2,295	167	-	-		3,486	
20	376	Mains	444,565,702	256,861,466	111,756,675	368,618,141	21,812,382	3,668,093	2,425,187	39,508,177	6,077,094	628,260	1,828,367		75,947,561	
21	378	Meas. & Reg. Sta. Equip. - General	25,439,136	10,087,143	6,971,597	17,058,740	1,308,606	423,811	292,591	4,533,834	329,165	551,079	941,311		8,380,396	
22	379	Measuring & Regulating Station Equip.- City Gate C	5,022,045	2,115,448	1,462,064	3,577,512	274,437	88,880	61,361	950,823	69,031	-	-		1,444,533	
23	380	Services	159,737,815	126,580,088	32,074,005	158,654,093	-	96,540	353,484	633,698	-	-	-		1,083,722	
24	381	Meters	46,888,274	28,229,784	12,517,956	40,747,740	4,879,083	86,121	262,779	635,970	74,528	198,741	3,312		6,140,534	
25	382.01	Meter Installations	12,370,833	7,448,044	3,302,692	10,750,737	1,287,280	22,722	69,331	167,792	19,663	52,435	874		1,620,096	
26	383	House Regulators	75,357,179	45,369,913	20,118,417	65,488,330	7,841,490	138,411	422,330	1,022,109	119,778	319,409	5,323		9,868,850	
27	384.01	House regulator installations	1,557,090	937,469	415,703	1,353,172	162,027	2,860	8,727	21,120	2,475	6,600	110		203,918	
28	385	Industrial Measuring & Regulating Station Equipment	12,527,682	7,542,478	3,344,567	10,887,045	1,303,601	23,010	70,210	169,919	19,912	53,100	885		1,640,637	
29	386	Other Property on Customers' Premises	35,279	27,956	7,084	35,040	-	21	78	140	-	-	-		239	
30	387	Other Equipment	407,725	248,693	102,374	351,067	20,164	2,933	1,917	31,644	-	-	-		56,658	
31		Total Distribution Plant	796,481,698	490,649,936	195,668,050	686,317,986	39,563,855	4,771,940	4,118,869	50,013,105	6,881,381	1,809,625	3,004,937		110,163,712	
32		General Plant														
33	389.01	Land	6,105,837	3,943,010	1,379,881	5,322,891	288,175	31,852	31,563	330,446	45,937	27,650	27,323		782,946	
34	389.02	Land Rights - Right of Way	1,428,871	922,732	322,916	1,245,648	67,438	7,454	7,386	77,330	10,750	6,471	6,394		183,223	
35	390.01	Structures and Improvements	44,604,435	28,804,529	10,080,322	38,884,851	2,105,178	232,686	230,573	2,413,979	335,576	201,989	199,603		5,719,585	
36	390.51	Leasehold Improvements	93,091	60,116	21,038	81,154	4,394	486	481	5,038	700	422	417		11,937	
37	391.01	Office Machines	507,771	327,907	114,753	442,660	23,965	2,649	2,625	27,480	3,820	2,299	2,272		65,111	
38	391.02	Office Furniture	-	-	-	-	-	-	-	-	-	-	-		-	
39	391.03	Computer Hardware	639,902	413,234	144,614	557,848	30,201	3,338	3,308	34,631	4,814	2,898	2,864		82,054	
40	391.04	Software	723,581	467,272	163,525	630,797	34,151	3,775	3,740	39,160	5,444	3,277	3,238		92,784	
41	391.05	System Development	-	-	-	-	-	-	-	-	-	-	-		-	
42	391.07	Ipad Hardware	611,479	394,879	138,190	533,069	28,860	3,190	3,161	33,093	4,600	2,769	2,736		78,409	
43	392.01	Transportation Equipment	-	-	-	-	-	-	-	-	-	-	-		-	
44	392.02	Cars	2,919,325	1,885,234	659,749	2,544,983	137,782	15,229	15,091	157,993	21,963	13,220	13,064		374,342	
45	392.03	Light Trucks	20,011,029	12,922,667	4,522,367	17,445,034	944,453	104,391	103,443	1,082,991	150,551	90,619	89,548		2,565,995	
46	392.04	Medium Trucks	1,425,881	920,801	322,240	1,243,041	67,297	7,438	7,371	77,168	10,727	6,457	6,381		182,839	
47	392.05	Heavy Trucks	3,262,358	2,106,757	737,273	2,844,029	153,972	17,019	16,864	176,558	24,544	14,773	14,599		418,329	
48	392.06	Trailers	1,027,858	663,767	232,289	896,056	48,511	5,313	5,313	55,627	7,733	4,655	4,600		131,801	
49	393	Stores Equipment	28,178	18,196	6,368	24,564	1,330	147	146	1,525	212	128	126		3,613	
50	394	Tools, Shop, and Garage Equipment	14,026,733	9,058,145	3,169,954	12,228,099	662,014	73,173	72,508	759,123	105,529	63,519	62,769		1,798,635	
51	395	Laboratory Equipment	88,803	57,347	20,069	77,415	4,191	463	459	4,806	668	402	397		11,387	
52	396	Power Operated Equipment	5,497,464	3,550,137	1,242,392	4,792,529	259,462	28,678	28,418	297,521	41,360	24,895	24,601		704,935	
53	397	Communication Equipment	846,080	546,379	191,209	737,588	39,932	4,414	4,374	45,790	6,365	3,831	3,786		108,492	
54	398	Miscellaneous Equipment	177,568	114,669	40,129	154,798	8,381	926	918	9,610	1,336	804	795		22,769	
55	399	Other Tangible Property	-	-	-	-	-	-	-	-	-	-	-		-	
56		Total General Plant	104,026,243	67,177,779	23,509,277	90,687,056	4,909,685	542,670	537,742	5,629,870	782,630	471,078	465,512		13,339,187	

57	118	Other Utility Plant Customer Allocation	12,965,644	10,336,550	1,964,376	12,300,926	535,954	7,883	48,109	51,748	7,277	12,128	1,617	664,717
58	118	Other Utility Plant Blended Allocation	15,939,074	10,293,091	3,602,130	13,895,221	752,270	83,149	82,394	862,618	119,916	72,179	71,327	2,043,852
59		Total Corporate Shared Assets	28,904,717	20,629,641	5,566,507	26,196,148	1,288,224	91,032	130,503	914,366	127,193	84,308	72,944	2,708,570
60		Total General Plant	132,930,960	87,807,419	29,075,784	116,883,204	6,197,909	633,702	668,245	6,544,236	909,823	555,386	538,456	16,047,757
61		Total Plant in Service	936,940,582	581,368,630	226,454,363	807,822,994	46,083,526	5,496,819	4,851,713	57,531,704	8,373,272	3,231,057	3,549,497	129,117,588

Black Hills Nebraska Gas, LLC
RATE BASE AND COST OF SERVICE BY CUSTOMER CLASS
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Line No.	Acct. No.	[A] Description	[C] Total Nebraska \$	[D] Residential Service \$	[E] Commercial Service \$	[G] Total Jurisdictional \$	[H]-[L] Non-Jurisdictional Customer Classes (View as Aggregate)						[O] Negotiated Supply \$	[P] Total Non-Jurisdictional \$
							[H] Agricultural \$	[I] Maximum Rate \$	[J] Interruptible Sales \$	[K] Negotiated Distribution \$	[L] Negotiated Transmission \$	[M] Negotiated Direct \$		
62		<u>Accumulated Depreciation</u>												
63		Intangible	(1,052,018)	(679,369)	(237,749)	(917,118)	(49,652)	(5,488)	(5,438)	(56,935)	(7,915)	(4,764)	(4,708)	(134,899)
64		Transmission	(4,310,806)	(1,419,962)	(980,695)	(2,400,658)	(180,005)	(58,791)	(40,247)	(629,818)	(399,911)	(601,377)	-	(1,910,149)
65		Distribution	(265,816,114)	(163,748,470)	(65,301,841)	(229,050,311)	(13,203,957)	(1,592,577)	(1,374,623)	(16,691,268)	(2,296,578)	(603,941)	(1,002,861)	(36,765,804)
66		General	(17,439,179)	(11,519,433)	(3,814,445)	(15,333,878)	(813,102)	(83,135)	(87,667)	(858,537)	(119,359)	(72,861)	(70,640)	(2,105,301)
67		Other Utility Plant Customer Allocation	625,656	498,789	94,791	593,580	25,862	380	2,322	2,497	351	585	78	32,076
68		Other Utility Plant Blended Allocation	(438,078)	(282,901)	(99,003)	(381,904)	(20,676)	(2,285)	(2,265)	(23,709)	(3,296)	(1,984)	(1,960)	(56,174)
69		Total Accumulated Depreciation	(288,430,540)	(177,151,346)	(70,338,942)	(247,490,288)	(14,241,529)	(1,741,896)	(1,507,918)	(18,257,768)	(2,826,707)	(1,284,341)	(1,080,091)	(40,940,251)
70		Net Plant	648,510,042	404,217,284	156,115,421	560,332,705	31,841,997	3,754,923	3,343,795	39,273,935	5,546,565	1,946,715	2,469,406	88,177,337
71		<u>Other Rate Base Items</u>												
72		Cash Working Capital												
73		Gas Purchases	1,282,220	748,616	528,029	1,276,645	-	-	5,575	-	-	-	-	5,575
74		Property Taxes	(3,838,073)	(2,392,277)	(923,937)	(3,316,214)	(188,450)	(22,223)	(19,790)	(232,435)	(32,826)	(11,521)	(14,615)	(521,859)
75		Other	370,969	239,564	83,837	323,400	17,508	1,935	1,918	20,077	2,791	1,680	1,660	47,569
76		Materials & Supplies	5,048,023	3,132,282	1,220,085	4,352,367	248,288	29,616	26,140	309,968	45,113	17,408	19,124	695,656
77		Prepayments	394,283	245,757	94,916	340,673	19,359	2,283	2,033	23,878	3,372	1,184	1,501	53,610
78		Customer Deposits	(3,518,846)	(2,805,316)	(533,127)	(3,338,443)	(145,457)	(2,140)	(13,057)	(14,044)	(1,975)	(3,292)	(439)	(180,403)
79		Accumulated Deferred Income Taxes	(46,113,059)	(28,742,339)	(11,100,768)	(39,843,107)	(2,264,162)	(266,998)	(237,764)	(2,792,619)	(394,395)	(138,423)	(175,590)	(6,269,952)
80		Excess/Deficient Deferred Income Taxes (Jurisdictional)	(17,475,604)	(12,587,522)	(4,888,083)	(17,475,604)	-	-	-	-	-	-	-	-
81		Total Other Rate Base Items	(63,850,086)	(42,161,234)	(15,519,049)	(57,680,283)	(2,312,914)	(257,527)	(234,945)	(2,685,175)	(377,920)	(132,965)	(168,358)	(6,169,803)
82		Total Rate Base	584,659,957	362,056,050	140,596,373	502,652,422	29,529,083	3,497,396	3,108,850	36,588,760	5,168,645	1,813,751	2,301,048	82,007,534

Black Hills Nebraska Gas, LLC
 RATE BASE AND COST OF SERVICE BY CUSTOMER CLASS
 FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Line No.	Acct. No.	Description	[A]	[B]	[C]	[D]	[E]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[O]	[P]
			Total Nebraska	Residential Service	Commercial Service	Total Jurisdictional	Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply	Total Non-Jurisdictional		
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1		<u>Q & M Expenses</u>														
2		Transmission Expenses														
3		Operation														
4	850	Operation Supervision & Engineering	203,734	66,578	45,982	112,559	8,440	2,757	1,887	29,530	18,751	29,810	-	-	-	91,175
5	851	System Control & Load Dispatching	1,208	384	271	655	88	24	20	249	172	-	-	-	-	553
6	852	Communication System Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	853	Compressor Labor & Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	856	Mains Expense	63,035	20,599	14,227	34,826	2,611	853	584	9,137	5,801	9,223	-	-	-	28,209
9	857	Measuring & Regulating Station Expenses	12,316	4,025	2,780	6,804	510	167	114	1,785	1,133	1,802	-	-	-	5,511
10	859	Other Expenses	65,887	21,531	14,870	36,401	2,729	891	610	9,550	6,064	9,641	-	-	-	29,486
11	860	Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12		Total Operation	346,180	113,116	78,130	191,245	14,379	4,692	3,215	50,251	31,922	50,476	-	-	-	154,934
13		Maintenance														
14	861	Supervision & Engineering	17,505	5,720	3,951	9,671	725	237	162	2,537	1,611	2,561	-	-	-	7,834
15	862	Structures & Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	863	Mains	3,328	1,088	751	1,839	138	45	31	482	306	487	-	-	-	1,489
17	864	Compressor Station Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	865	Measuring & Regulating Station Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	866	Communication Equipment	142	46	32	78	6	2	1	21	13	21	-	-	-	63
20	867	Other Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21		Total Maintenance	20,975	6,854	4,734	11,588	869	284	194	3,040	1,930	3,069	-	-	-	9,387
22		Total Transmission Expenses	367,155	119,970	82,864	202,834	15,248	4,975	3,409	53,291	33,852	53,545	-	-	-	164,321
23		Distribution Expenses														
24		Operation														
25	870	Supervision & Engineering	4,138,102	2,552,327	1,009,992	3,562,319	193,651	25,324	21,763	265,475	35,005	13,309	21,256	-	-	575,783
26	871	Load Dispatching	830	307	217	525	71	19	16	200	-	-	-	-	-	305
27	872	Compressor Station Expenses	147	63	44	106	8	3	2	28	-	-	-	-	-	41
28	874	Mains & Services	7,332,304	4,652,480	1,745,167	6,397,647	264,660	45,678	33,715	487,061	73,736	7,623	22,184	-	-	934,657
29	875	Meas. & Reg. Sta. Equip. - General	1,233,234	488,023	337,285	825,308	63,279	20,498	14,149	219,286	18,597	27,577	44,540	-	-	407,926
30	876	Meas. & Reg. Sta. Equip. - Ind.	24,470	14,733	6,533	21,266	2,546	45	137	332	39	104	2	-	-	3,205
31	877	Meas. & Reg. Sta. Equip. - CG	203,562	80,555	55,674	136,228	10,445	3,383	2,335	36,196	3,070	4,552	7,352	-	-	67,334
32	878	Meters & House Regulators	1,768,449	1,064,721	472,130	1,536,851	184,021	3,248	9,911	23,986	2,811	7,496	125	-	-	231,598
33	879	Customer Installation Expenses	1,262,751	1,000,634	253,550	1,254,184	-	763	2,794	5,009	-	-	-	-	-	8,567
34	880	Other Expenses	9,866,527	6,077,994	2,423,865	8,501,859	490,103	59,113	51,023	619,544	85,244	22,417	37,224	-	-	1,364,668
35	881	Rents	36,574	22,530	8,985	31,515	1,817	219	189	2,297	316	83	138	-	-	5,059
36		Total Operation	25,866,951	15,954,367	6,313,442	22,267,809	1,210,601	158,294	136,034	1,659,415	218,817	83,161	132,821	-	-	3,599,143
37		Maintenance														
38	885	Supervision & Engineering	203	116	52	168	13	1	1	14	1	2	2	-	-	35
39	886	Structures & Improvements	302	120	83	203	16	5	3	54	4	0	17	-	-	99
40	887	Mains	530,091	306,276	133,256	439,532	26,009	4,374	2,892	47,109	7,246	749	2,180	-	-	90,558
41	888	Main. Of Compressor Sta. Eq.	7,871	3,360	2,322	5,682	437	141	98	1,513	-	-	-	-	-	2,189
42	889	Meas. & Reg. Sta. Eq. - Gen.	308,246	121,981	84,304	206,285	15,817	5,123	3,536	54,810	4,648	6,893	11,133	-	-	101,961
43	890	Meas. & Reg. Sta. Eq. - Ind.	84,913	51,123	22,669	73,792	8,836	156	476	1,152	135	360	6	-	-	11,120
44	891	Meas. & Reg. Sta. Eq. - City Gate	515,090	203,835	140,875	344,710	26,430	8,561	5,910	91,590	7,767	11,518	18,603	-	-	170,380
45	892	Services	464,107	367,769	93,189	460,958	-	280	1,027	1,841	-	-	-	-	-	3,149
46	893	Meters & House Regulators	1,086,360	654,060	290,030	944,090	113,044	1,995	6,088	14,735	1,727	4,605	77	-	-	142,271
47	894	Other Equipment	149,638	92,180	36,761	128,941	7,433	897	774	9,396	1,293	340	565	-	-	20,697
48		Total Maintenance	3,146,820	1,800,819	803,542	2,604,361	198,034	21,535	20,805	222,214	22,822	24,466	32,582	-	-	542,459
49		Total Distribution	29,013,771	17,755,187	7,116,984	24,872,170	1,408,634	179,828	156,839	1,881,629	241,639	107,627	165,403	-	-	4,141,601

Black Hills Nebraska Gas, LLC
**RATE BASE AND COST OF SERVICE BY CUSTOMER CLASS
 FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020**

Line No.	Acct. No.	Description	[A]	[B]	[C]	[D]	[E]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[O]	[P]
			Total Nebraska	Residential Service	Commercial Service	Total Jurisdictional	Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply	Total Non-Jurisdictional		
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
50		Customer Accounts Expenses														
51	901	Supervision	258,796	206,319	39,209	245,528	10,698	157	960	1,033	145	242	32			13,268
52	902	Meter Reading Expenses	727,115	579,675	110,163	689,838	30,056	442	2,698	2,902	408	680	91			37,277
53	903	Customer Records & Collection	6,057,533	4,829,224	917,754	5,746,978	250,397	3,683	22,477	24,177	3,400	5,666	756			310,555
54	904	Uncollectible Accounts	667,002	531,752	101,055	632,807	27,572	406	2,475	2,662	374	624	83			34,196
55	905	Miscellaneous	166,377	132,640	25,207	157,847	6,877	101	617	664	93	156	21			8,530
56		Total Customer Accounts Expenses	7,876,824	6,279,610	1,193,388	7,472,998	325,600	4,789	29,227	31,438	4,421	7,368	982			403,826
57		Customer Service & Inform. Exp.														
58	907	Supervision	103,105	67,523	19,418	86,941	5,766	839	909	8,539	39	64	9			16,165
59	908	Customer Assistance Expenses	132,578	86,824	24,969	111,793	7,414	1,079	1,169	10,980	50	83	11			20,785
60	909	Information & Instruction Exp.	664	435	125	560	37	5	6	55	0	0	0			104
61	910	Miscellaneous	3,811	2,496	718	3,213	213	31	34	316	1	2	0			597
62		Total Cust. Service & Inf. Exp.	240,157	157,277	45,229	202,506	13,430	1,955	2,117	19,889	90	150	20			37,651
63		Sales Expenses														
64	911	Supervision	-	-	-	-	-	-	-	-	-	-	-			-
65	912	Demonstrating & Selling Exp.	346,749	227,083	65,304	292,387	19,391	2,823	3,057	28,717	130	216	29			54,362
66	913	Advertising Expenses	1,737	1,138	327	1,465	97	14	15	144	1	1	0			272
67	916	Miscellaneous	327	214	62	276	18	3	3	27	0	0	0			51
68		Total Sales Expenses	348,813	228,435	65,693	294,128	19,506	2,840	3,075	28,888	131	218	29			54,686
69		Administrative & General Expenses														
70		Operation														
71	920	A & G Salaries	12,207,655	7,883,425	2,758,853	10,642,279	576,160	63,683	63,105	660,675	91,843	55,282	54,629			1,565,376
72	921	Office Supplies & Expenses	4,284,866	2,767,069	968,353	3,735,421	202,231	22,353	22,150	231,896	32,237	19,404	19,175			549,444
73	922	Transfers	(3,248,589)	(2,097,865)	(734,161)	(2,832,025)	(153,322)	(16,947)	(16,793)	(175,813)	(24,440)	(14,711)	(14,537)			(416,563)
74	923	Outside Services Employed	3,033,051	1,958,675	685,450	2,644,125	143,150	15,822	15,679	164,148	22,819	13,735	13,573			388,925
75	924	Property Insurance	31,815	19,830	7,659	27,489	1,562	184	164	1,927	272	96	121			4,326
76	925	Injuries & Damages	1,450,262	936,546	327,750	1,264,297	68,447	7,566	7,497	78,488	10,911	6,567	6,490			185,966
77	926	Employee Pensions & Benefits	11,740,918	7,582,017	2,653,374	10,235,391	554,131	61,248	60,692	635,415	88,331	53,168	52,540			1,505,527
78	929	Duplicate Charges - Credit	(1,270)	(820)	(287)	(1,107)	(60)	(7)	(7)	(69)	(10)	(6)	(6)			(163)
79	930.1	General Advertising Expenses	(3,507)	(2,265)	(793)	(3,057)	(166)	(18)	(18)	(190)	(26)	(16)	(16)			(450)
80	930.2	Miscellaneous General Expenses	1,448,977	935,716	327,460	1,263,176	68,387	7,559	7,490	78,418	10,901	6,562	6,484			185,801
81	931	Rents	3,163,053	2,042,628	714,830	2,757,458	149,285	16,501	16,351	171,184	23,797	14,324	14,154			405,595
82	932	Maintenance of General Plant	1,707,146	1,127,654	373,401	1,501,055	79,596	8,138	8,582	84,043	11,684	7,132	6,915			206,091
83		Total A & G Expenses	35,814,376	23,152,611	8,081,890	31,234,501	1,689,402	186,082	184,892	1,930,122	268,319	161,537	159,522			4,579,875
84		Total Operation & Maintenance	73,661,097	47,693,090	16,586,047	64,279,137	3,471,820	380,470	379,560	3,945,257	548,452	330,445	325,957			9,381,960
85		Supervised O & M before General	37,143,144	23,986,197	8,394,117	32,380,314	1,755,030	193,763	192,004	2,010,176	279,442	168,201	166,214			4,762,830

Black Hills Nebraska Gas, LLC
RATE BASE AND COST OF SERVICE BY CUSTOMER CLASS
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

[A]	[B]	[C]	[D]	[E]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[O]	[P]	
Line No.	Acct. No.	Description	Total Nebraska	Residential Service	Commercial Service	Total Jurisdictional	Non-Jurisdictional Customer Classes (View as Aggregate)						Total Non-Jurisdictional	
							Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct		Negotiated Supply
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1		<u>Depreciation Expense</u>												
2		Intangible	75,057	48,470	16,962	65,433	3,542	392	388	4,062	565	340	336	9,624
3		Transmission	40,586	13,369	9,233	22,602	1,695	554	379	5,930	3,765	5,662	-	17,984
4		Distribution	16,164,555	9,957,715	3,971,073	13,928,788	802,946	96,846	83,592	1,015,013	139,657	36,726	60,985	2,235,767
5		General	2,449,921	1,618,293	535,868	2,154,161	114,228	11,679	12,316	120,610	16,768	10,236	9,924	295,761
6		Other Utility Plant - Customer	1,053,498	839,876	159,612	999,487	43,548	641	3,909	4,205	591	985	131	54,010
7		Other Utility Plant - Blended Ratio	1,901,496	1,227,943	429,726	1,657,669	89,744	9,919	9,829	102,908	14,306	8,611	8,509	243,827
8		Total Depreciation Expense	21,685,113	13,705,666	5,122,474	18,828,140	1,055,703	120,030	110,413	1,252,729	175,652	62,560	79,885	2,856,973
9		<u>Taxes Other Than Income Taxes</u>												
10		Ad Valorem Taxes	4,699,302	2,929,082	1,131,260	4,060,342	230,737	27,209	24,230	284,591	40,192	14,106	17,894	638,960
11		Payroll Taxes	2,462,243	1,590,060	556,451	2,146,512	116,209	12,845	12,728	133,256	18,524	11,150	11,018	315,731
12		Unemployment - Federal	23,120	14,931	5,225	20,156	1,091	121	120	1,251	174	105	103	2,965
13		Unemployment - State	28,766	18,576	6,501	25,077	1,358	150	149	1,557	216	130	129	3,689
14		Miscellaneous	(118,693)	(76,649)	(26,824)	(103,473)	(5,602)	(619)	(614)	(6,424)	(893)	(537)	(531)	(15,220)
15		Total Taxes Other than Income Taxes	7,094,738	4,476,000	1,672,614	6,148,614	343,793	39,705	36,613	414,231	58,214	24,954	28,614	946,124
16		<u>Other Operating Revenues</u>												
17	487	Forfeited Discounts	508,107	508,107	-	508,107	-	-	-	-	-	-	-	-
18	488	Misc. Service Revenues	3,507,226	2,264,887	792,611	3,057,498	165,529	18,296	18,130	189,810	26,386	15,882	15,695	449,728
19	493	Rents from Gas Property	998,810	619,758	241,408	861,166	49,127	5,860	5,172	61,331	8,926	3,444	3,784	137,644
20	495	Other Gas Revenue	653,820	422,222	147,759	569,981	30,858	3,411	3,380	35,385	4,919	2,961	2,926	83,839
21		Total Other Operating Revenues	5,667,963	3,814,974	1,181,778	4,996,752	245,514	27,567	26,682	286,525	40,231	22,288	22,404	671,211

Black Hills Nebraska Gas, LLC
FULLY COST BASED AND PROPOSED RATES
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Settlement
Exhibit TJS-7

	A	B	C	D
Line No.	Description		Residential	Commercial
1	<u>1. Customer Related Costs - \$/bill</u>			
2	Distribution - Customer		7.03	14.07
3	Services		7.04	14.07
4	Meters & Regulators		4.68	16.37
5	Customer Accounting		5.20	7.80
6	Jurisdiction Direct		-0.51	-1.06
7	Total		23.44	51.26
8				
9	<u>2. Cost of Service</u>			
10	Customer Charge	\$/Month	\$23.00	\$51.00
11				
12	Therm Threshold		20 Therms	40 Therms
13	Distribution Charge Tier 1	\$/Therm	0.12270	0.11232
14				
15	Therm Threshold		>20 Therms	> 40 Therms
16	Distribution Charge Tier 2	\$/Therm	0.12270	0.11232
17				
18	<u>3. Proposed Rates</u>			
19	Customer Charge	\$/Month	\$15.45	\$28.60
20				
21	Therm Threshold		20 Therms	40 Therms
22	Distribution Charge Tier 1	\$/Therm	0.51415	0.51415
23				
24	Therm Threshold		>20 Therms	> 40 Therms
25	Distribution Charge Tier 2	\$/Therm	0.15000	0.15000
26				
27	<u>4. Alternate Rates</u>			
28	Customer Charge	\$/Month	\$21.41	\$38.76
29	Volumetric Charge	\$/Therm	0.1500	0.1500

**BLACK HILLS NEBRASKA GAS, LLC
REVENUE UNDER COST-BASE RATE DESIGN
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020**

	A	B	C	D
Line No.	Description	Total Sales	Residential	Commercial
1	<u>1. Number of Bills</u>			
2	Base Year	3,409,659	3,068,136	341,523
3	Energy Options	47,190	0	47,190
4	Total	3,456,849	3,068,136	388,713
5				
6	<u>2. Total Volumes - Therms</u>			
7	Therm Threshold		20 Therms	40 Therms
8	Tier 1	61,085,314	50,236,949	10,848,365
9	Therm Threshold		>20 Therms	>40 Therms
10	Tier 2	243,556,333	128,163,114	115,393,219
11	Total	304,641,647	178,400,064	126,241,584
12				
13	<u>3. Base Year Revenues Under Current Rates</u>			
14	Cost of Gas - \$	129,220,029	75,773,737	53,446,292
15	Volumetric Charge - \$	57,752,622	36,208,212	21,544,410
16	Monthly Charge - \$	57,612,140	46,865,765	10,746,374
17	Total - \$	244,584,790	158,847,713	85,737,077
18				
19	<u>5. Current Base Rate Structure</u>			
20	% Fixed	49.94%	56.41%	33.28%
21	% Variable	50.06%	43.59%	66.72%

**BLACK HILLS NEBRASKA GAS, LLC
REVENUE UNDER COST-BASE RATE DESIGN
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020**

	A	B	C	D
Line No.	Description	Total Sales	Residential	Commercial
22	<u>6. Cost of Service Rates</u>			
23	Cost of Gas - \$/Therm		0.4247	0.4234
24	Volumetric Charge - \$/Therm			
25	Distribution Charge Tier 1		0.1227	0.1123
26	Distribution Charge Tier 2		0.1227	0.1123
27	Customer Charge - \$/Month		\$23.00	\$51.00
28				
29	<u>7. Revenues Under Cost of Service Rates</u>			
30	Cost of Gas - \$	129,220,029	75,773,737	53,446,292
31	Volumetric Charge - \$/			
32			20 Therms	40 Therms
33	Distribution Charge Tier 1	7,382,562	6,164,074	1,218,488
34			>20 Therms	> 40 Therms
35	Distribution Charge Tier 2	28,686,580	15,725,614	12,960,966
36				
37	Customer Charge - \$	90,391,491	70,567,128	19,824,363
38				
39	Total - \$	255,680,662	168,230,552	87,450,110
40				
41	<u>8. Cost of Service Base Rate Structure</u>			
42	% Fixed	71.48%	76.32%	58.30%
43	% Variable	28.52%	23.68%	41.70%
44				
45	<u>9. Difference (Cost of Service - Current)</u>			
46	Cost of Gas - \$	0	0	0
47	Volumetric Charge - \$	(21,683,479)	(14,318,524)	(7,364,956)
48	Customer Charge - \$	32,779,351	23,701,363	9,077,989

49 Total - \$

11,095,872

9,382,839

1,713,033

**BLACK HILLS NEBRASKA GAS, LLC
REVENUE UNDER COST-BASE RATE DESIGN
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020**

	A	B	C	D
Line No.	Description	Total Sales	Residential	Commercial
50	<u>10. Proposed Rates</u>			
51	Cost of Gas - \$/Therm		0.4247	0.4234
52	Volumetric Charge - \$/Therm			
53	Distribution Charge Tier 1		0.5142	0.5142
54	Distribution Charge Tier 2		0.1500	0.1500
55	Customer Charge - \$/Month		\$15.45	\$28.60
56				
57	<u>11. Revenues Under Proposed Rates</u>			
58	Cost of Gas - \$	129,220,029	75,773,737	53,446,292
59	Volumetric Charge - \$/			
60			20 Therms	40 Therms
61	Distribution Charge Tier 1	31,407,014	25,829,327	5,577,687
62			>20 Therms	> 40 Therms
63	Distribution Charge Tier 2	36,533,450	19,224,467	17,308,983
64				
65	Customer Charge - \$	58,519,893	47,402,701	11,117,192
66				
67	Total - \$	255,680,386	168,230,232	87,450,154
68				
69	<u>12. Base Rate Structure</u>			
70	% Fixed	46.28%	51.27%	32.69%
71	% Variable	53.72%	48.73%	67.31%
72				
73	<u>13. Difference (Proposed - Current)</u>			
74	Cost of Gas - \$	0	0	0
75	Volumetric Charge - \$	10,187,842	8,845,583	1,342,259
76	Customer Charge - \$	907,753	536,936	370,818

77 Total - \$

11,095,596

9,382,519

1,713,077

**BLACK HILLS NEBRASKA GAS, LLC
REVENUE UNDER COST-BASE RATE DESIGN
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020**

	A	B	C	D
Line No.	Description	Total Sales	Residential	Commercial
78	<u>14. Alternate Rates</u>			
79	Cost of Gas - \$/Therm		0.42474	0.42337
80	Volumetric Charge - \$/Therm			
81	All Therms		0.15000	0.15000
82	Customer Charge - \$/Month		\$21.41	\$38.76
83				
84	<u>15. Revenues Under Proposed Rates</u>			
85	Cost of Gas - \$	129,220,029	75,773,737	53,446,292
86	Volumetric Charge - \$/			
87	All Therms	45,696,247	26,760,010	18,936,238
88				
89	Customer Charge - \$	80,755,308	65,688,792	15,066,516
90				
91	Total - \$	255,671,583	168,222,538	87,449,046
92				
93	<u>16. Base Rate Structure</u>			
94	% Fixed	63.86%	71.05%	44.31%
95	% Variable	36.14%	28.95%	55.69%
96				
97	<u>17. Difference (Alternate - Current)</u>			
98	Cost of Gas - \$	0	0	0
99	Volumetric Charge - \$	(12,056,375)	(9,448,202)	(2,608,173)
100	Customer Charge - \$	23,143,168	18,823,026	4,320,142
101	Total - \$	11,086,793	9,374,825	1,711,969

	A	B	C	D	E	F	G	H	I	J	K	L	M
		BH Gas Utility		BH Gas Distribution		BH Gas Utility				BH Gas Distribution			
		Residential		Residential		Small Commercial		(Large Commercial)		Small Commercial		Large Commercial	
Line No.	Description	Typical Winter Bill	Typical Summer Bill										
1	1. Typical Monthly Usage	104	23	104	23	582	151	2,776	891	582	151	2,776	891
2	Therm Threshold	20 Therms		20 Therms		40 Therms		80 Therms		40 Therms		80 Therms	
3	Tier 1 Therms	20	20	20	20	40	40	80	80	40	40	80	80
4													
5	Therm Threshold	>20 Therms		>20 Therms		>40 Therms		>80 Therms		>40 Therms		>80 Therms	
6	Tier 2 Therms	84	3	84	3	542	111	2,696	811	542	111	2,696	811
7													
8	2. Current Rates												
9	Cost of Gas - Weighted Average \$/Therm	0.42474	0.42474	0.42474	0.42474	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337
10													
11	Volumetric Charge - \$/Therm	0.19500	0.19500			0.17245	0.17245	0.17245	0.17245				
12													
13	Therm Threshold			20 Therms						40 Therms		80 Therms	
14	Distribution Charge Tier 1			0.46750	0.46750					0.46750	0.46750	0.46750	0.46750
15													
16	Therm Threshold			>20 Therms						>40 Therms		>80 Therms	
17	Distribution Charge Tier 2			0.13380	0.13380					0.13380	0.13380	0.13380	0.13380
18													
19	Monthly Charge -\$/Month												
20	Heat Program -\$/Month			0.30	0.30					0.30	0.30	0.30	0.30
21	NPSC Charge -\$/Month	0.15	0.15	0.14	0.14	0.15	0.15	0.15	0.15	0.14	0.14	0.14	0.14
22	Pipeline Integrity (PRC) -\$/Month			0.00	0.00					0.00	0.00	0.00	0.00
23	Safety & Integrity (SSIR)			3.65	3.65					7.76	7.76	53.54	53.54
24	Fuel Line Replacement Charge -\$/Month	0.13	0.13			0.32	0.32	0.32	0.32				
25	Pipeline Replacement Charge -\$/Month	0.37	0.37			1.16	1.16	1.16	1.16				
26													
27	Customer Charge - \$/Month	13.50	13.50	14.70	14.70	18.50	18.50	18.50	18.50	22.75	22.75	56.15	56.15
28													
29	3. Typical Monthly Bill - Current Rates \$	78.60	28.40	83.55	38.31	366.89	110.10	1,674.11	551.00	368.57	128.43	1,683.52	633.26

		B		C		D		E		F		G		H		I		J		K		L		M	
		BH Gas Utility		BH Gas Distribution		BH Gas Utility		BH Gas Distribution		BH Gas Utility		BH Gas Distribution		BH Gas Utility		BH Gas Distribution		BH Gas Utility		BH Gas Distribution		BH Gas Utility		BH Gas Distribution	
		Residential		Residential		Small Commercial		(Large Commercial)		Small Commercial		Large Commercial													
Line No.	Description	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill
30	4. Cost-Based Rates																								
31	Cost of Gas - \$/Therm	0.42474	0.42474	0.42474	0.42474	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337
32																									
33	Volumetric Charge - \$/Therm																								
34	Therm Threshold		20 Therms		20 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms
35	Distribution Charge Tier 1	0.12270	0.12270	0.12270	0.12270	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232
36																									
37	Therm Threshold		>20 Therms		>20 Therms		> 40 Therms																		
38	Distribution Charge Tier 2	0.12270	0.12270	0.12270	0.12270	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232
39																									
40	Customer Charge - \$/Month	23.00	23.00	23.00	23.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00
41																									
42	5. Typical Monthly Bill - Cost-Based Rates - \$	79.93	35.59	79.93	35.59	362.77	131.89	1,538.06	528.30	362.77	131.89	1,538.06	528.30	362.77	131.89	1,538.06	528.30	362.77	131.89	1,538.06	528.30	362.77	131.89	1,538.06	528.30
43																									
44	6. Difference from Current Rates - \$	1.33	7.19	(3.62)	(2.72)	(4.13)	21.79	(136.05)	(22.71)	(5.80)	3.46	(145.45)	(104.96)	(5.80)	3.46	(145.45)	(104.96)	(5.80)	3.46	(145.45)	(104.96)	(5.80)	3.46	(145.45)	(104.96)
45	7. Change from Current Rates - %	2%	25%	-4%	-7%	-1%	20%	-8%	-4%	-2%	3%	-9%	-17%	-2%	3%	-9%	-17%	-2%	3%	-9%	-17%	-2%	3%	-9%	-17%

		B	C	D	E	F	G	H	I	J	K	L	M
		BH Gas Utility		BH Gas Distribution		BH Gas Utility				BH Gas Distribution			
		Residential		Residential		Small Commercial		(Large Commercial)		Small Commercial		Large Commercial	
Line No.	Description	Typical Winter Bill	Typical Summer Bill										
62	12. Alternate Rates												
63	Cost of Gas - \$/Therm	0.42474	0.42474	0.42474	0.42474	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337
64													
65	Volumetric Charge - \$/Therm												
66	All Therms	0.15000	0.15000	0.15000	0.15000	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500
67													
68	Customer Charge - \$/Month	21.41	21.41	21.41	21.41	38.76	38.76	38.76	38.76	38.76	38.76	38.76	38.76
69													
70	13. Typical Monthly Bill - Alternate Rates - \$	81.18	34.63	81.18	34.63	372.46	125.34	1,630.42	549.63	372.46	125.34	1,630.42	549.63
71													
72	14. Difference from Current Rates - \$	2.58	6.22	(2.37)	(3.68)	5.56	15.24	(43.69)	(1.37)	3.89	(3.09)	(53.09)	(83.63)
73	15. Change from Current Rates - %	3%	22%	-3%	-10%	2%	14%	-3%	0%	1%	-2%	-3%	-13%

Black Hills Nebraska Gas, LLC
Test Year Billing Determinants
For the Test Year Ended December 31, 2020

	A	B	C	D	E	F	G	H	I	J	K	L
Line No.	Description	Total Sales	Residential	Commercial	Total Non-Jurisdictional	Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply
1	<u>1. Number of Bills</u>											
2	Base Year	3,381,219	3,042,492	338,727	110,043	106,052	468	1,701	1,540	102	180	0
3	Energy Options	47,190	0	47,190	1,158	0	0	1,158	0	0	0	0
4	Customer Growth	28,440	25,644	2,796	0							
5	Total Test Year	3,456,849	3,068,136	388,713	111,201	106,052	468	2,859	1,540	102	180	0
6	Average Number of Monthly Bills	288,071	255,678	32,393	9,267	8,838	39	238	128	9	15	0
7	<u>2. Volumes - therms</u>											
8	Base Year	286,677,833	191,604,078	95,073,755	481,989,139	30,198,871	11,183,303	2,504,692	115,875,683	80,115,450	242,111,140	0
9	Energy Options	39,555,405	0	39,555,405	6,663,110	0	0	6,663,110	0	0	0	0
10	Weather Normalization	(23,990,740)	(14,695,112)	(9,295,628)	0							
11	Customer Growth	2,399,150	1,491,098	908,052	0							
12	Agricultural Normalization	0			10,803,938	10,803,938						
13	Total Base Year Volumes	304,641,647	178,400,064	126,241,584	499,456,187	41,002,809	11,183,303	9,167,802	115,875,683	80,115,450	242,111,140	0
14	Weather Normalized											
15	Average Therms per Bill (all customers)		698	3,897		4,639	286,751	38,520	905,279	8,901,717	16,140,743	
16	Weather Normalized Annual UPC		58	322		387	23,896	3,207	75,244	785,446	1,345,062	
17	Winter Volumes											
18	November thru March	243,104,927	144,719,299	98,385,628	212,646,770	7,792,100	5,825,328	5,083,885	57,260,497	32,906,750	103,778,210	0
19	Weather Normalization	(16,265,559)	(10,018,855)	(6,246,704)	0							
20	Customer Growth	4,292,631	2,702,038	1,590,593	0							
21	Total	231,131,999	137,402,482	93,729,517	212,646,770	7,792,100	5,825,328	5,083,885	57,260,497	32,906,750	103,778,210	0
22	Number of Monthly Bills (Winter)		1,278,390	161,965		44,190	195	1,190	640	45	75	0
23	Average Therms per Bill (all customers)		105	569		176	29,873	4,272	89,470	731,261	1,383,709	
24	Summer Volumes											
25	April thru October	83,128,311	46,884,779	36,243,532	276,005,479	22,406,771	5,357,975	4,083,917	58,615,186	47,208,700	138,332,930	0
26	Weather Normalization	(7,725,182)	(4,676,257)	(3,048,925)	0							
27	Customer Growth	1,014,089	604,776	409,313	0							
28	Total	76,417,218	42,813,298	33,603,920	276,005,479	22,406,771	5,357,975	4,083,917	58,615,186	47,208,700	138,332,930	0
29	Number of Monthly Bills (Winter)		1,789,746	226,751		61,866	273	1,666	896	63	105	0
30	Average Therms per Bill (all customers)		24	146		362	19,626	2,451	65,419	749,344	1,317,456	

Line No.	Description	A	B	C	D	E	F	G	H	I	J	K	L
Line No.	Description	Total Sales	Residential	Commercial	Total Non-Jurisdictional	Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply	
31	<u>3. Gas Cost Revenues /1</u>												
32	Cost of Gas - \$												
33	NE Gas Utility	78,615,480	58,243,384	20,372,096	564,316	0	0	564,316	0	0	0	0	0
34	Weather Normalization /2	(10,177,069)	(6,241,953)	(3,935,116)	0	0	0	0	0	0	0	0	0
35	Customer Growth	1,018,073	629,192	388,881	0	0	0	0	0	0	0	0	0
36	NE Gas Utility Imputed Cost of Gas	16,744,979		16,744,979	0	0	0	0	0	0	0	0	0
37	NE Gas Distribution Imputed Cost of Gas	43,018,566	23,143,114	19,875,452	0	0	0	0	0	0	0	0	0
38	Total Base Year Cost of Gas - \$	129,220,029	75,773,737	53,446,292	564,316	0	0	564,316	0	0	0	0	0
39	<u>4. Volumetric Charge - \$</u>												
40	Distribution	43,372,598	33,022,116	10,350,482	8,254,696	7,923,951	2,693	327,938	114	0	0	0	0
41	Distribution - Excess	11,152,795	5,489,768	5,663,027	2,844,114	2,648,166	195,948	0	0	0	0	0	0
42	Transport Delivery	6,829,843	0	6,829,843	9,620,948	0	97,466	899,521	5,582,163	1,192,248	1,581,337	268,211	268,211
43	Transport Delivery - Excess	0	0	0	1,201,968	0	1,201,968	0	0	0	0	0	0
44	Weather Normalization	(4,053,473)	(2,597,509)	(1,455,964)	0	0	0	0	0	0	0	0	0
45	Customer Growth	450,859	293,837	157,023	0	0	0	0	0	0	0	0	0
46	Agricultural Normalization	0	0	0	2,164,749	2,164,749	0	0	0	0	0	0	0
47	Total Base Year Volumetric Charge - \$	57,752,622	36,208,212	21,544,410	24,086,475	12,736,866	1,498,075	1,227,459	5,582,277	1,192,248	1,581,337	268,211	268,211
48	Average Distribution Volumetric		\$0.20100	\$0.16968									
49	<u>5. Monthly Charge - \$</u>												
50	Customer Charge	50,235,347	41,986,473	8,248,874	1,034,623	0	142,479	209,816	369,162	10,661	25,306	277,200	277,200
51	Pipeline Replacement	1,498,855	1,092,077	406,778	0	0	0	0	0	0	0	0	0
52	Safety and Integrity (SSIR)	5,559,022	3,422,476	2,136,546	35,085	0	26,479	0	3,738	1,130	3,738	0	0
53	Fuel Line Replacement	275,014	211,312	63,703	0	0	0	0	0	0	0	0	0
54	Transport Administration	0	0	0	319,173	0	70,773	0	216,000	13,200	19,200	0	0
55	Transport SCADA Maintenance	0	0	0	1,500	0	0	0	1,500	0	0	0	0
56	Modem Charge	0	0	0	360	0	360	0	0	0	0	0	0
57	Minimum Bill	0	0	0	526,500	0	0	0	372,000	0	154,500	0	0
58	Customer Growth	448,582	379,567	69,015	0	0	0	0	0	0	0	0	0
59	Pipeline Replacement Adjustment	393,733	271,876	121,857	0	0	0	0	0	0	0	0	0
60	2020 System Safety and Integrity (SSIR) Adjustment	(692,726)	(419,460)	(273,266)	0	0	0	0	0	0	0	0	0
61	Fuel Line Replacement Adjustment	(105,688)	(78,555)	(27,133)	0	0	0	0	0	0	0	0	0
62	Total Base Year Margin Revenue- \$	57,612,140	46,865,765	10,746,374	1,917,241	0	240,091	209,816	962,400	24,991	202,744	277,200	277,200
63	Contract Demand	0	0	0	8,151	0	0	0	0	0	8,151	0	0
64	<u>6. Margin Revenue - \$</u>												
65	Total Base Year Revenue- \$	118,923,474	85,224,222	33,699,252	23,847,118	10,572,117	1,738,166	1,437,275	6,544,677	1,217,239	1,792,232	545,411	545,411
66	Total Base Year WNA	(4,053,473)	(2,597,509)	(1,455,964)	0	0	0	0	0	0	0	0	0
67	Customer Growth	899,441	673,403	226,038	0	0	0	0	0	0	0	0	0
68	Pipeline Replacement Adjustment	393,733	271,876	121,857	0	0	0	0	0	0	0	0	0
69	2020 System Safety and Integrity (SSIR) Adjustment	(692,726)	(419,460)	(273,266)	0	0	0	0	0	0	0	0	0
70	Fuel Line Replacement Adjustment	(105,688)	(78,555)	(27,133)	0	0	0	0	0	0	0	0	0
71	Total Agricultural Normalization	0	0	0	2,164,749	2,164,749	0	0	0	0	0	0	0
72	Net Total Base Year Margin Revenue	115,364,762	83,073,977	32,290,785	26,011,867	12,736,866	1,738,166	1,437,275	6,544,677	1,217,239	1,792,232	545,411	545,411
73	<u>7. Total Revenue - \$</u>												
74	Base Year	258,815,333	167,687,176	91,128,187	26,576,183	12,736,866	1,738,166	2,001,591	6,544,677	1,217,239	1,792,232	545,411	545,411
75	Weather Normalization with Gas Cost	(14,230,542)	(8,839,463)	(5,391,080)	0	0	0	0	0	0	0	0	0
76	Total Test Year Revenue - \$	244,584,790	158,847,713	85,737,077	26,576,183	12,736,866	1,738,166	2,001,591	6,544,677	1,217,239	1,792,232	545,411	545,411

BLACK HILLS NEBRASKA GAS, LLC
PER BOOKS AND PRO FORMA ADJUSTED REVENUE REQUIREMENT ANALYSIS
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Line No.	FERC Acct	Description	Reference	Total Company	
				(a) Per Books	(b) Reference
1		Plant in Service			
2	301	Intangibles Organization	Sched D-1	\$ 256	Sched D-1
3	302	Intangibles Franchises & Consents	Sched D-1	121,062	Sched D-1
4	303	Intangibles Miscellaneous	Sched D-1	742,881	Sched D-1
5	303.01	Intangibles Miscellaneous - Easements	Sched D-1	500,000	Sched D-1
6		Total Intangible Plant	Stmnt D	\$ 1,364,199	Stmnt D
7					
8	365.03	Right-of-Way	Sched D-1	170,272	Sched D-1
9	366.01	Structures and Improvements	Sched D-1	8,174	Sched D-1
10	367	Transmission Plant - Mains	Sched D-1	5,361,147	Sched D-1
11	369.03	Transmission Plant - Meas. & Reg. Sta. Equip.	Sched D-1	624,132	Sched D-1
12		Total Transmission Plant	Stmnt D	\$ 6,163,725	Stmnt D
13					
14	374.01	Distribution Plant - Land	Sched D-1	\$ 1,358,868	Sched D-1
15	374.02	Land Rights (Non-Depreciable)	Sched D-1	176,100	Sched D-1
16	374.03	Land Rights - Right of Way (Depreciable)	Sched D-1	6,797,136	Sched D-1
17	375.01	Structures and Improvements	Sched D-1	4,987,056	Sched D-1
18	375.2	Structures and Improvements - Other	Sched D-1	12,119	Sched D-1
19	376	Distribution Plant - Mains	Sched D-1	404,011,716	Sched D-1
20	378	Distribution Plant - Meas. & Reg. Sta. Equip. - General	Sched D-1	23,549,301	Sched D-1
21	379	Measuring & Regulating Station Equip.- City Gate Check Stn.	Sched D-1	4,504,804	Sched D-1
22	380	Distribution Plant - Services	Sched D-1	134,854,199	Sched D-1
23	381	Meters	Sched D-1	42,421,416	Sched D-1
24	382.01	Meter Installations	Sched D-1	11,094,170	Sched D-1
25	383	Distribution Plant - House Regulators	Sched D-1	71,695,655	Sched D-1
26	384.01	House regulator installations	Sched D-1	1,505,149	Sched D-1
27	385	Industrial Measuring & Regulating Station Equipment	Sched D-1	8,058,005	Sched D-1
28	386	Other Property on Customers' Premises	Sched D-1	35,279	Sched D-1
29	387	Other Equipment	Sched D-1	407,725	Sched D-1
30		Total Distribution Plant	Stmnt D	\$ 715,468,698	Stmnt D
31					
32	389.01	Land	Sched D-1	\$ 5,210,068	Sched D-1
33	389.02	Land Rights - Right of Way	Sched D-1	\$ 1,183,494	Sched D-1
34	390.01	Structures and Improvements	Sched D-1	38,224,611	Sched D-1
35	390.51	Leasehold Improvements	Sched D-1	93,091	Sched D-1
36	391.01	Office Machines	Sched D-1	425,979	Sched D-1
37	391.02	Office Furniture	Sched D-1	-	Sched D-1
38	391.03	Computer Hardware	Sched D-1	558,110	Sched D-1
39	391.04	Software	Sched D-1	170,100	Sched D-1
40	391.05	System Development	Sched D-1	-	Sched D-1
41	391.07	Ipad Hardware	Sched D-1	611,479	Sched D-1
42	392.01	Transportation Equipment	Sched D-1	-	Sched D-1
43	392.02	Cars	Sched D-1	3,878,361	Sched D-1
44	392.03	Light Trucks	Sched D-1	17,570,348	Sched D-1
45	392.04	Medium Trucks	Sched D-1	199,121	Sched D-1
46	392.05	Heavy Trucks	Sched D-1	3,072,012	Sched D-1
47	392.06	Trailers	Sched D-1	818,274	Sched D-1
48	393	Stores Equipment	Sched D-1	28,178	Sched D-1
49	394	Tools, Shop, and Garage Equipment	Sched D-1	8,876,092	Sched D-1
50	395	Laboratory Equipment	Sched D-1	88,803	Sched D-1
51	396	Power Operated Equipment	Sched D-1	5,766,089	Sched D-1
52	397	Communication Equipment	Sched D-1	846,080	Sched D-1
53	398	Miscellaneous Equipment	Sched D-1	177,568	Sched D-1
54	399	Other Tangible Property	Sched D-1	-	Sched D-1
55		Total General Plant	Stmnt D	\$ 87,797,857	Stmnt D
56					
57	118	Other Utility Plant (Corporate Shared Assets - Allocated on Customer Count)	Sched D-1	28,164,425	Sched D-1
58	118	Other Utility Plant (Corporate Shared Assets - Allocated on Blended Ratio)	Sched D-1	17,371,047	Sched D-1
59		Other Utility Plant	Stmnt D	\$ 45,535,472	Stmnt D
60					
61		TOTAL PLANT IN SERVICE		\$ 856,329,951	
62					
63		Accumulated Depreciation			
64		Intangible	Stmnt E	\$ (988,584)	Stmnt E
65		Gathering and Processing	Stmnt E	18,028	Stmnt E
66		Storage Plant	Stmnt E	-	Stmnt E
67		Transmission	Stmnt E	(4,260,643)	Stmnt E
68		Distribution	Stmnt E	(249,936,085)	Stmnt E
69		General	Stmnt E	(15,862,916)	Stmnt E
70		Other Utility Plant (Corporate Shared Assets - Allocated on Customer Count)	Stmnt E	(11,941,736)	Stmnt E
71		Other Utility Plant (Corporate Shared Assets - Allocated on Blended Ratio)	Stmnt E	(2,921,925)	Stmnt E
72		Total Accumulated Depreciation	Stmnt E	\$ (285,893,862)	
73					
74		Net Plant		\$ 570,436,089	
75					
76		Working Capital			
77		Purchased Gas Working Capital	Schedule F-2	\$ 1,282,220	Schedule F-2
78		Property Tax Working Capital	Schedule F-2	(3,192,743)	Schedule F-2
79		Other Working Capital Allowance	Stmnt F	233,494	Stmnt F

BLACK HILLS NEBRASKA GAS, LLC
 PER BOOKS AND PRO FORMA ADJUSTED REVENUE REQUIREMENT ANALYSIS
 FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Line No.	FERC Acct	Description	Reference	Total Company	
				(a) Per Books	(b) Reference
80		Materials and Supplies	Stmt F	5,398,698	Stmt F
81		Prepayments	Stmt F	488,586	Stmt F
82		Total Working Capital		\$ 4,210,255	
83					
84		Other Rate Base Items			
85		Customer Deposits	Sched M-1	\$ (3,518,846)	Sched M-1
86		Customer Advances	Sched M-1	-	Sched M-1
87		Accumulated Deferred Income Taxes	Sched M-1	(26,682,757)	Sched M-1
88		Excess/Deficient Deferred Income Taxes (Jurisdictional Only)	Sched M-1	(18,577,133)	Sched M-1
89		Total Other Rate Base Items	Sched M-1	(48,778,735)	Sched M-1
90					
91		Total Rate Base		\$ 525,867,609	
92					
93		Operation and Maintenance Expense			
94					
95		Production and Gathering			
96		<i>Operation</i>			
97	750	Operation Supervision & Engineering	Stmt H	\$ -	Stmt H
98	752	Gas Wells Expense	Stmt H	-	Stmt H
99	753	Field Line Expense	Stmt H	-	Stmt H
100	754	Field Compressor Station Expense	Stmt H	-	Stmt H
101	755	Field Compressor Station Fuel and Power	Stmt H	-	Stmt H
102	756	Field Measuring & Regulating Station Expense	Stmt H	-	Stmt H
103	757	Purification Expense	Stmt H	-	Stmt H
104	758	Gas Well Royalties	Stmt H	-	Stmt H
105	759	Other Expenses	Stmt H	-	Stmt H
106	760	Rents	Stmt H	-	Stmt H
107		Total Production Operation Expenses	Stmt H	\$ -	Stmt H
108					
109		Maintenance			
110	761	Maintenance Supervision & Engineering	Stmt H	\$ -	Stmt H
111	762	Maintenance of Structures & Improvements	Stmt H	-	Stmt H
112	763	Maintenance of Producing Gas Wells	Stmt H	-	Stmt H
113	764	Maintenance of Field Lines	Stmt H	-	Stmt H
114	765	Maintenance of Field Compressor Station Equipment	Stmt H	-	Stmt H
115	766	Maintenance of Field Measuring & Regulating Station Equipment	Stmt H	-	Stmt H
116	767	Maintenance of Purification Equipment	Stmt H	-	Stmt H
117		Total Production Maintenance Expenses	Stmt H	\$ -	Stmt H
118					
119		Other Gas Supply Expense			
120		<i>Operation</i>			
121	804	Natural Gas City Gate Purchase	Stmt H	\$ 70,953,810	Stmt H
122	805	Other Gas Purchases	Stmt H	(2,419,037)	Stmt H
123	805.1	Purchased Gas Cost Adjustments	Stmt H	5,499,380	Stmt H
124	806	Exchange Gas	Stmt H	-	Stmt H
125	808	Gas Storage-Gas Ops	Stmt H	-	Stmt H
126	808.1	Withdrawals from Storage	Stmt H	10,881,933	Stmt H
127	808.2	Gas Delivered to Storage	Stmt H	(9,373,035)	Stmt H
128	812	Gas Used for Other Utility Operation	Stmt H	(17,200)	Stmt H
129	813	Other Gas Supply Expense	Stmt H	-	Stmt H
130		Total Other Gas Supply Expense		\$ 75,525,851	
131					
132		Underground Storage Expense			
133		<i>Operation</i>			
134	814	Operation Supervision & Engineering	Stmt H	\$ -	Stmt H
135	816	Wells Expense	Stmt H	-	Stmt H
136	817	Lines Expense	Stmt H	-	Stmt H
137	818	Compressor Station Expense	Stmt H	-	Stmt H
138	819	Compressor Station Fuel and Power	Stmt H	-	Stmt H
139	820	Storage - Measuring & Regulating Station Expense	Stmt H	-	Stmt H
140	821	Purification Expense	Stmt H	-	Stmt H
141	824	Other Expenses	Stmt H	-	Stmt H
142	826	Rents	Stmt H	-	Stmt H
143		Total Operation Underground Storage Expense	Stmt H	\$ -	Stmt H
144					
145		Maintenance			
146	830	Maintenance Supervision & Engineering	Stmt H	\$ -	Stmt H
147	832	Maintenance of Reservoirs & Wells	Stmt H	-	Stmt H
148	833	Maintenance of Lines	Stmt H	-	Stmt H
149	834	Maintenance of Compressor Station Equipment	Stmt H	-	Stmt H
150	835	Maintenance of Measuring & Regulating Station Equipment	Stmt H	-	Stmt H
151	836	Maintenance of Purification Equipment	Stmt H	-	Stmt H
152		Total Maintenance Underground Storage Expense	Stmt H	\$ -	Stmt H
153					
154		Total Underground Storage Expense		\$ -	
155					
156		Transmission Expenses			
157		<i>Operation</i>			

BLACK HILLS NEBRASKA GAS, LLC
PER BOOKS AND PRO FORMA ADJUSTED REVENUE REQUIREMENT ANALYSIS
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Line No.	FERC Acct	Description	Reference	Total Company	
				(a) Per Books	(b) Reference
158	850	Operation Supervision & Engineering	Stmt H	\$ 203,254	Stmt H
159	851	System Control & Load Dispatching	Stmt H	1,180	Stmt H
160	852	Communication System Expenses	Stmt H	-	Stmt H
161	853	Compressor Labor & Expense	Stmt H	-	Stmt H
162	856	Mains Expense	Stmt H	63,014	Stmt H
163	857	Measuring & Regulating Station Expenses	Stmt H	12,311	Stmt H
164	859	Other Expenses	Stmt H	64,900	Stmt H
165	860	Rents	Stmt H	-	Stmt H
166		Total Transmission Operation		\$ 344,659	
167					
168		Maintenance			
169	861	Maintenance Supervision & Engineering	Stmt H	\$ 17,231	Stmt H
170	862	Maintenance of Structures & Improvements	Stmt H	-	Stmt H
171	863	Maintenance of Mains	Stmt H	3,182	Stmt H
172	864	Maintenance of Compressor Station Equipment	Stmt H	-	Stmt H
173	865	Maintenance of Measuring & Regulating Station Equipment	Stmt H	-	Stmt H
174	866	Maintenance of Communication Equipment	Stmt H	134	Stmt H
175	867	Maint. of Other Equipment	Stmt H	-	Stmt H
176		Total Transmission Maintenance		\$ 20,547	
177					
178		Total Transmission Expenses		\$ 365,206	
179					
180		Distribution Expense			
181		Operation			
182	870	Dist. Operating and Supervision Engineering	Stmt H	\$ 3,911,607	Stmt H
183	871	Dist. Load Dispatching	Stmt H	832	Stmt H
184	872	Compressor Station Labor & Expense	Stmt H	147	Stmt H
185	874	Dist. Mains & Services Expenses	Stmt H	6,687,347	Stmt H
186	875	Dist. Measuring & Regulating Station Expenses - General	Stmt H	1,509,155	Stmt H
187	876	Dist. Measuring & Regulating Station Expenses - Industrial	Stmt H	22,849	Stmt H
188	877	Measuring & Regulating Station Expense - City Gate Check Station	Stmt H	179,143	Stmt H
189	878	Oper./Inspect Meters & Collect Data - Gas	Stmt H	1,600,377	Stmt H
190	879	Dist. Customer Installation Expenses	Stmt H	1,160,183	Stmt H
191	880	Dist. Other Expenses	Stmt H	8,973,797	Stmt H
192	881	Dist. Rents	Stmt H	36,571	Stmt H
193		Total Distribution Operation		\$ 24,082,009	
194					
195		Maintenance			
196	885	Dist. Maint Supervision & Engineering	Stmt H	\$ 203	Stmt H
197	886	Maintenance of Structures & Improvements	Stmt H	302	Stmt H
198	887	Perf. Underground Distribution Line Maintenance - Gas	Stmt H	511,842	Stmt H
199	888	Dist. Maint. of Compressor Station Equipment	Stmt H	6,878	Stmt H
200	889	Maintenance of Measuring & Regulating Station Expense -General	Stmt H	294,799	Stmt H
201	890	Dist. Maint. of Measuring & Regulating Station Equip - Industrial	Stmt H	79,113	Stmt H
202	891	Maintenance of Measuring & Regulating Station Expense - City Gate Check Station	Stmt H	497,327	Stmt H
203	892	Dist. Maint. of Services	Stmt H	422,369	Stmt H
204	893	Dist. Maint. of Meters & House Regulators	Stmt H	1,021,188	Stmt H
205	894	Dist. Maint. of Other Equipment	Stmt H	131,916	Stmt H
206		Total Distribution Maintenance		\$ 2,965,936	
207					
208		Total Distribution Expenses		\$ 27,047,946	
209					
210		Customer Accounting Expense			
211		Operation			
212	901	Customer Accounts Supervision	Stmt H	\$ 254,770	Stmt H
213	902	Meter Reading	Stmt H	664,995	Stmt H
214	903	Customer Records and Collection Expense	Stmt H	5,763,196	Stmt H
215	904	Uncollectible Accounts	Stmt H	519,241	Stmt H
216	905	Misc Customer Accounts Expenses	Stmt H	161,857	Stmt H
217		Total Customer Accounting Expense		\$ 7,364,060	
218					
219		Customer Service & Information			
220		Operation			
221	907	Supervision	Stmt H	\$ 101,887	Stmt H
222	908	Customer Assistance Expenses	Stmt H	132,164	Stmt H
223	909	Informational/Instruc Advertising Exp.	Stmt H	17,850	Stmt H
224	910	Misc Cust Serv & Inform Exp.	Stmt H	3,857	Stmt H
225		Total Customer Service and Information		\$ 255,757	
226					
227		Total Customer Expense		\$ 7,619,817	
228					
229		Sales Expense			
230		Operation			
231	911	Supervision	Stmt H	\$ -	Stmt H
232	912	Demonstrating and Selling Expenses	Stmt H	352,923	Stmt H
233	913	Advertising Expenses	Stmt H	208,274	Stmt H
234	916	Misc Sales Expenses	Stmt H	326	Stmt H
235		Total Sales Expense		\$ 561,524	

BLACK HILLS NEBRASKA GAS, LLC
PER BOOKS AND PRO FORMA ADJUSTED REVENUE REQUIREMENT ANALYSIS
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Line No.	FERC Acct	Description	Reference	Total Company	
				(a) Per Books	(b) Reference
236					
237		Administrative and General Expenses			
238		<i>Operation</i>			
239	920	Administrative & General Salaries	Stmt H	\$ 11,029,388	Stmt H
240	921	Office Supplies & Expense	Stmt H	3,723,829	Stmt H
241	922	Administrative Expenses Transferred-Cr	Stmt H	(2,373,972)	Stmt H
242	923	Outside Services Employed	Stmt H	3,281,237	Stmt H
243	924	Property Insurance	Stmt H	31,740	Stmt H
244	925	Injuries and Damages	Stmt H	1,439,451	Stmt H
245	926	Employee Pensions & Benefits	Stmt H	8,937,872	Stmt H
246	929	Duplicate Charges - Credit	Stmt H	(1,240)	Stmt H
247	930.1	General Advertising Expenses	Stmt H	410,817	Stmt H
248	930.2	Miscellaneous General Expenses	Stmt H	1,331,686	Stmt H
249	931	Rents	Stmt H	2,465,662	Stmt H
250		Total Admin & General Operations		\$ 30,276,470	
251					
252		<i>Maintenance</i>			
253	932	Maintenance of General Plant	Stmt H	\$ 1,670,501	Stmt H
254		Total Admin & General Maintenance		\$ 1,670,501	
255					
256		Total Administrative & General Expenses		\$ 31,946,971	
257					
258		Total Operating & Maintenance Expenses		\$ 143,067,313	
259					
260		Depreciation Expense			
261		Intangible	Stmt J	\$ 33,980	Stmt J
262		Gathering and Processing Plant	Stmt J	-	Stmt J
263		Storage Plant	Stmt J	-	Stmt J
264		Transmission	Stmt J	49,688	Stmt J
265		Distribution	Stmt J	19,753,043	Stmt J
266		General	Stmt J	868,501	Stmt J
267		Other Utility Plant (Allocated on Customer Count)	Stmt J	2,044,148	Stmt J
268		Other Utility Plant (Allocated on Blended Ratio)	Stmt J	1,287,327	Stmt J
269		Total Depreciation Expense		\$ 24,036,687	
270					
271		Taxes Other Than Income			
272		Property Taxes	Stmt L	\$ 3,909,166	Stmt L
273		Payroll Taxes	Stmt L	2,264,966	Stmt L
274		Unemployment - Federal	Stmt L	23,120	Stmt L
275		Unemployment - State	Stmt L	28,766	Stmt L
276		Miscellaneous	Stmt L	(350,166)	Stmt L
277		Total Taxes Other Than Income		\$ 5,875,853	
278					
279		Total Oper. Exp. Before Inc. Tax		\$ 172,979,852	
280					
281		Other Operating Revenue			
282		Sales for Resale	Stmt I	\$ -	Stmt I
283		Forfeited Discounts	Stmt I	715,622	Stmt I
284		Miscellaneous Service Revenues	Stmt I	2,910,285	Stmt I
285		Rent From Gas Property	Stmt I	1,000	Stmt I
286		Other Gas Revenues	Stmt I	653,820	Stmt I
287		Total Other Operating Revenue	Stmt I	\$ 4,280,727	Stmt I
288					
289		Revenue Under Existing Rates			
290		Sales of Gas	Stmt I	\$ 214,623,486	Stmt I
291					
292		Total Revenue Under Existing Rates	Stmt I	\$ 214,623,486	Stmt I
293					
294		Oper. Expense Before Income Tax		\$ 172,979,852	
295					
296		Oper. Income Before Income Tax		\$ 45,924,361	
297					
298		Federal Income Tax Calculation			
299		Oper. Income Before Income Tax		\$ 45,924,361	
300		Federal and State Income Tax	Stmt K	9,574,529	
301		Total Federal Income Tax		\$ 9,574,529	
302					
303		Total Operating Expense		\$ 182,554,381	
304					
305		Return to equity pretax		\$ 36,349,832	
306		Rate Base		\$ 525,867,609	
307		Rate of Return, Existing Rates		6.91%	
308					
309		Return Under Current Rates			
310					
311		Revenue from Gas Sales		\$ 214,623,486	
312		Other Operating Revenue		\$ 4,280,727	
313					

BLACK HILLS NEBRASKA GAS, LLC
 PER BOOKS AND PRO FORMA ADJUSTED REVENUE REQUIREMENT ANALYSIS
 FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Line No.	FERC Acct	Description	Reference	Total Company	
				(a) Per Books	(b) Reference
314		Total Operating Revenue		\$ 218,904,213	
315					
316		Operation and Maintenance Expense		\$ 143,067,313	
317		Depreciation and Amortization Expense		\$ 24,036,687	
318		Taxes Other than Income Tax		\$ 5,875,853	
319		Federal Income Tax - Existing Rates		\$ 9,574,529	
320					
321		Total Operating Expense		\$ 182,554,381	
322					
323		Return		\$ 36,349,832	
324		Rate Base		\$ 525,867,609	
325		Rate of Return, Current Rates		\$ 0	
326					
327		Overall Revenue Requirement and Revenue Deficiency			
328					
329		Rate Base			
330		Rate of Return			Stmt G
331		Return			
332		Operation and Maintenance Expenses			
333		Depreciation and Amortization Expense			
334		Taxes Other than Income Tax			
335		Federal Income Tax - Existing Rates			
336					
337		Total Pre-tax Revenue Requirement			
338		Less: Other Operating Revenue			
339					
340		Net Pre-tax Revenue Requirement			
341					
342		Revenue Under Existing Rates			
343		Revenue Deficiency			
344		Amount before tax adjustment			
345		Tax Adjusted Amount Needed (line 346 x line 349)			
346					
347		Tax Multiplier (1/(1-.2717))			

**Exhibit MCC-1
Statement N**

(c)

Pro Forma Adjusted

\$ 256
121,062.49
742,880.94
500,000.00
\$ 1,364,199

170,272
8,174
5,361,147
624,132
\$ 6,163,725

\$ 608,494
1,693,104
6,797,136
3,462,087
12,119
444,565,702
25,439,136
5,022,045
159,737,815
46,888,274
12,370,833
75,357,179
1,557,090
12,527,682
35,279
407,725
\$ 796,481,698

\$ 6,105,837
\$ 1,428,871
44,604,435
93,091
507,771
-
639,902
723,581
-
611,479
-
2,919,325
20,011,029
1,425,881
3,262,358
1,027,858
28,178
14,026,733
88,803
5,497,464
846,080
177,568
-

\$ 104,026,243

12,965,644
15,939,074
\$ 28,904,717

\$ 936,940,582

\$ (1,052,018)
-
-
(4,310,806)
(265,816,114)
(17,439,179)
625,656
(438,078)
\$ (288,430,540)

\$ 648,510,042

\$ 1,282,220
(3,838,073)
370,969

Exhibit MCC-1
Statement N

(c)

Pro Forma Adjusted

5,048,023
394,283
\$ 3,257,423

\$ (3,518,846)
-
(46,113,059)
(67,107,509)

\$ 584,659,957

\$ -
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\$ -

Exhibit MCC-1
Statement N

(c)

Pro Forma Adjusted

\$	203,734
	1,208
	-
	-
	63,035
	12,316
	65,887
	-
\$	<u>346,180</u>

\$	17,505
	-
	3,328
	-
	-
	142
	-
\$	<u>20,975</u>

\$ 367,155

\$	4,138,102
	830
	147
	7,332,304
	1,233,234
	24,470
	203,562
	1,768,449
	1,262,751
	9,866,527
	36,574
\$	<u>25,866,951</u>

\$	203
	302
	530,091
	7,871
	308,246
	84,913
	515,090
	464,107
	1,086,360
	149,638
\$	<u>3,146,820</u>

\$ 29,013,771

\$	258,796
	727,115
	6,057,533
	667,002
	166,377
\$	<u>7,876,824</u>

\$	103,105
	132,578
	664
	3,811
\$	<u>240,157</u>

\$ 8,116,981

\$	-
	346,749
	1,737
	327
\$	<u>348,813</u>

Exhibit MCC-1
Statement N

(c)

Pro Forma Adjusted

\$ 12,207,655
4,284,866
(3,248,589)
3,033,051
31,815
1,450,262
11,740,918
(1,270)
(3,507)
1,448,977
3,163,053
\$ 34,107,231

\$ 1,707,146
\$ 1,707,146

\$ 35,814,376

\$ 73,661,097

\$ 75,057
-
-
40,586
16,164,555
2,449,921
1,053,498
1,901,496
\$ 21,685,113

\$ 4,699,302
2,462,243
23,120
28,766
(118,693)
\$ 7,094,738

\$ 102,440,948

\$ -
508,107
3,507,226
998,810
653,820
\$ 5,667,963

\$ 141,375,985

\$ 141,375,985

\$ 102,440,948

\$ 44,602,999

\$ 44,602,999

\$ 8,638,112

\$ 8,638,112

\$ 111,079,060

\$ 35,964,887
584,659,957
6.15%

\$ 141,375,985
5,667,963

Exhibit MCC-1
Statement N

(c)

Pro Forma Adjusted

\$ 147,043,947

\$ 73,661,097
21,685,113
7,094,738
8,638,112

\$ 111,079,060

\$ 35,964,887
584,659,957
6.15%

\$ 584,659,957
6.71%

\$ 39,230,683
73,661,097
21,685,113
7,094,738
8,638,112

\$ 150,309,743
5,667,963

\$ 144,641,780

\$ 141,375,985

\$ (3,265,796)
(4,484,129)

1.37306

RECEIVED

By Deena Ackerman at 11:15 am, Oct 28, 2020

Black Hills Nebraska Gas, LLC
FULLY COST BASED AND PROPOSED RATES
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Settlement
Exhibit TJS-7

	A	B	C	D
Line No.	Description		Residential	Commercial
1	<u>1. Customer Related Costs - \$/bill</u>			
2	Distribution - Customer		7.03	14.07
3	Services		7.04	14.07
4	Meters & Regulators		4.68	16.37
5	Customer Accounting		5.20	7.80
6	Jurisdiction Direct		-0.51	-1.06
7	Total		23.44	51.26
8				
9	<u>2. Cost of Service</u>			
10	Customer Charge	\$/Month	\$23.00	\$51.00
11				
12	Therm Threshold		20 Therms	40 Therms
13	Distribution Charge Tier 1	\$/Therm	0.12270	0.11232
14				
15	Therm Threshold		>20 Therms	> 40 Therms
16	Distribution Charge Tier 2	\$/Therm	0.12270	0.11232
17				
18	<u>3. Proposed Rates</u>			
19	Customer Charge	\$/Month	\$15.45	\$28.60
20				
21	Therm Threshold		20 Therms	40 Therms
22	Distribution Charge Tier 1	\$/Therm	0.51415	0.51415
23				
24	Therm Threshold		>20 Therms	> 40 Therms
25	Distribution Charge Tier 2	\$/Therm	0.15000	0.15000
26				
27	<u>4. Alternate Rates</u>			
28	Customer Charge	\$/Month	\$21.41	\$38.76
29	Volumetric Charge	\$/Therm	0.1500	0.1500

Line No.	Description	BH Gas Utility		BH Gas Distribution		BH Gas Utility				BH Gas Distribution			
		Residential		Residential		Small Commercial		(Large Commercial)		Small Commercial		Large Commercial	
		Typical Winter Bill	Typical Summer Bill										
1	1. Typical Monthly Usage	104	23	104	23	582	151	2,776	891	582	151	2,776	891
2	Therm Threshold	20 Therms		20 Therms		40 Therms		80 Therms		40 Therms		80 Therms	
3	Tier 1 Therms	20	20	20	20	40	40	80	80	40	40	80	80
4													
5	Therm Threshold	>20 Therms		>20 Therms		>40 Therms		>80 Therms		>40 Therms		>80 Therms	
6	Tier 2 Therms	84	3	84	3	542	111	2,696	811	542	111	2,696	811
7													
8	2. Current Rates												
9	Cost of Gas - Weighted Average \$/Therm	0.42474	0.42474	0.42474	0.42474	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337
10													
11	Volumetric Charge - \$/Therm	0.19500	0.19500			0.17245	0.17245	0.17245	0.17245				
12													
13	Therm Threshold			20 Therms						40 Therms		80 Therms	
14	Distribution Charge Tier 1			0.46750	0.46750					0.46750	0.46750	0.46750	0.46750
15													
16	Therm Threshold			>20 Therms						>40 Therms		>80 Therms	
17	Distribution Charge Tier 2			0.13380	0.13380					0.13380	0.13380	0.13380	0.13380
18													
19	Monthly Charge -\$/Month												
20	Heat Program -\$/Month			0.30	0.30					0.30	0.30	0.30	0.30
21	NPSC Charge -\$/Month	0.15	0.15	0.14	0.14	0.15	0.15	0.15	0.15	0.14	0.14	0.14	0.14
22	Pipeline Integrity (PRC) -\$/Month			0.00	0.00					0.00	0.00	0.00	0.00
23	Safety & Integrity (SSIR)			3.65	3.65					7.76	7.76	53.54	53.54
24	Fuel Line Replacement Charge -\$/Month	0.13	0.13			0.32	0.32	0.32	0.32				
25	Pipeline Replacement Charge -\$/Month	0.37	0.37			1.16	1.16	1.16	1.16				
26													
27	Customer Charge - \$/Month	13.50	13.50	14.70	14.70	18.50	18.50	18.50	18.50	22.75	22.75	56.15	56.15
28													
29	3. Typical Monthly Bill - Current Rates \$	78.60	28.40	83.55	38.31	366.89	110.10	1,674.11	551.00	368.57	128.43	1,683.52	633.26

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 By Deena Ackerman at 11:15 am, Oct 28, 2020

		B		C		D		E		F		G		H		I		J		K		L		M	
Line No.	Description	BH Gas Utility		BH Gas Distribution		BH Gas Utility				BH Gas Distribution															
		Residential		Residential		Small Commercial		(Large Commercial)		Small Commercial		Large Commercial													
		Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill										
30	4. Cost-Based Rates																								
31	Cost of Gas - \$/Therm	0.42474	0.42474	0.42474	0.42474	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337
32																									
33	Volumetric Charge - \$/Therm																								
34	Therm Threshold	20 Therms		20 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms	
35	Distribution Charge Tier 1	0.12270	0.12270	0.12270	0.12270	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232
36																									
37	Therm Threshold	>20 Therms		>20 Therms		> 40 Therms		> 40 Therms		> 40 Therms		> 40 Therms		> 40 Therms											
38	Distribution Charge Tier 2	0.12270	0.12270	0.12270	0.12270	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232	0.11232
39																									
40	Customer Charge - \$/Month	23.00	23.00	23.00	23.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00
41																									
42	5. Typical Monthly Bill - Cost-Based Rates - \$	79.93	35.59	79.93	35.59	362.77	131.89	1,538.06	528.30	362.77	131.89	1,538.06	528.30	362.77	131.89	1,538.06	528.30	362.77	131.89	1,538.06	528.30	362.77	131.89	1,538.06	528.30
43																									
44	6. Difference from Current Rates - \$	1.33	7.19	(3.62)	(2.72)	(4.13)	21.79	(136.05)	(22.71)	(5.80)	3.46	(145.45)	(104.96)	(5.80)	3.46	(145.45)	(104.96)	(5.80)	3.46	(145.45)	(104.96)	(5.80)	3.46	(145.45)	(104.96)
45	7. Change from Current Rates - %	2%	25%	-4%	-7%	-1%	20%	-8%	-4%	-2%	3%	-9%	-17%	-2%	3%	-9%	-17%	-2%	3%	-9%	-17%	-2%	3%	-9%	-17%

		B		C		D		E		F		G		H		I		J		K		L		M	
		BH Gas Utility				BH Gas Distribution				BH Gas Utility				BH Gas Distribution											
		Residential		Residential		Small Commercial		(Large Commercial)		Small Commercial		Large Commercial													
Line No.	Description	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill	Typical Winter Bill	Typical Summer Bill								
46	8. Proposed Rates																								
47	Cost of Gas - \$/Therm	0.42474	0.42474	0.42474	0.42474	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337
48																									
49	Volumetric Charge - \$/Therm																								
50	Therm Threshold	20 Therms		20 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms		40 Therms	
51	Distribution Charge Tier 1	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415	0.51415
52																									
53	Therm Threshold	>20 Therms		>20 Therms		> 40 Therms		> 40 Therms		> 40 Therms		> 40 Therms													
54	Distribution Charge Tier 2	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000	0.15000
55																									
56	Customer Charge - \$/Month	15.45	15.45	15.45	15.45	28.60	28.60	28.60	28.60	28.60	28.60	28.60	28.60	28.60	28.60	28.60	28.60	28.60	28.60	28.60	28.60	28.60	28.60	28.60	28.60
57																									
58	9. Typical Monthly Bill - Proposed Rates - \$	82.51	35.95	82.51	35.95	376.86	129.74	1,634.83	554.03	376.86	129.74	1,634.83	554.03	376.86	129.74	1,634.83	554.03	376.86	129.74	1,634.83	554.03	376.86	129.74	1,634.83	554.03
59																									
60	10. Difference from Current Rates - \$	3.90	7.55	(1.05)	(2.36)	9.97	19.65	(39.29)	3.03	8.30	1.31	(48.69)	(79.23)	8.30	1.31	(48.69)	(79.23)	8.30	1.31	(48.69)	(79.23)	8.30	1.31	(48.69)	(79.23)
61	11. Change from Current Rates - %	5%	27%	-1%	-6%	3%	18%	-2%	1%	2%	1%	-3%	-13%	2%	1%	-3%	-13%	2%	1%	-3%	-13%	2%	1%	-3%	-13%

		B		C		D		E		F		G		H		I		J		K		L		M	
		BH Gas Utility		BH Gas Distribution		BH Gas Utility		BH Gas Distribution		BH Gas Utility		BH Gas Distribution		BH Gas Utility		BH Gas Distribution		BH Gas Utility		BH Gas Distribution		BH Gas Utility		BH Gas Distribution	
		Residential		Residential		Residential		Residential		Small Commercial		(Large Commercial)													
Line No.	Description	Typical Winter Bill	Typical Summer Bill																						
62	12. Alternate Rates																								
63	Cost of Gas - \$/Therm	0.42474	0.42474	0.42474	0.42474	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337	0.42337
64																									
65	Volumetric Charge - \$/Therm																								
66	All Therms	0.15000	0.15000	0.15000	0.15000	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500
67																									
68	Customer Charge - \$/Month	21.41	21.41	21.41	21.41	38.76	38.76	38.76	38.76	38.76	38.76	38.76	38.76	38.76	38.76	38.76	38.76	38.76	38.76	38.76	38.76	38.76	38.76	38.76	38.76
69																									
70	13. Typical Monthly Bill - Alternate Rates - \$	81.18	34.63	81.18	34.63	372.46	125.34	1,630.42	549.63	372.46	125.34	1,630.42	549.63	372.46	125.34	1,630.42	549.63	372.46	125.34	1,630.42	549.63	1,630.42	549.63	1,630.42	549.63
71																									
72	14. Difference from Current Rates - \$	2.58	6.22	(2.37)	(3.68)	5.56	15.24	(43.69)	(1.37)	3.89	(3.09)	(53.09)	(83.63)	3.89	(3.09)	(53.09)	(83.63)	3.89	(3.09)	(53.09)	(83.63)	3.89	(3.09)	(53.09)	(83.63)
73	15. Change from Current Rates - %	3%	22%	-3%	-10%	2%	14%	-3%	0%	1%	-2%	-3%	-13%	1%	-2%	-3%	-13%	1%	-2%	-3%	-13%	1%	-2%	-3%	-13%

Black Hills Nebraska Gas, LLC
FUNCTIONAL CLASSIFICATION OF RATE BASE AND COST OF SERVICE
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Settlement Section 4, Exhibit A
Table 1 of 4
 Page 1 of 1

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	
Line No.	Acct. No.	Description	Total Nebraska	Supply	Transmission		Distribution			Meters and Regulators	Customer Accounts	Jurisdictional Direct	Non-Juris Direct	Non-Juris Supply	Allocation Basis or Reference	
					Demand	Commodity	Demand	Commodity	Customer							
1		Summary	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
2		Rate Base	584,659,957	1,282,220	23,110,724	23,113,885	127,659,776	32,123,346	140,426,226	116,606,810	106,765,241	27,421,681	(17,475,604)	1,335,565	2,290,085	Table 2 Line 82
3		Rate of Return	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%		
4		Total Cost of Service														
5		Operation & Maintenance Expenses	73,661,097	0	2,421,202	2,423,568	12,203,785	4,372,003	12,014,953	13,064,509	10,840,552	15,727,512	0	269,784	323,229	Table 3 Line 84
6		Depreciation Expenses	21,685,113	0	782,116	782,253	4,343,116	1,110,942	4,757,869	3,993,714	3,641,071	2,149,557	0	45,116	79,360	Table 4 Line 8
7		Taxes Other Than Income Taxes	7,094,738	0	259,267	259,370	1,393,959	393,581	1,486,986	1,336,361	1,186,674	730,860	0	19,241	28,439	Table 4 Line 15
8		Return	39,230,683	86,037	1,550,730	1,550,942	8,565,971	2,155,477	9,422,600	7,824,317	7,163,948	1,839,995	(1,172,613)	89,616	153,665	Line 2 x Line 3
9		Income Taxes	9,856,445	21,616	389,610	389,664	2,152,143	541,549	2,367,365	1,965,807	1,799,894	462,286	(294,611)	22,516	38,607	Rate Base
10		Other Operating Revenues	(5,667,963)	0	(178,296)	(178,436)	(910,021)	(302,738)	(921,151)	(939,903)	(797,020)	(891,979)	(508,107)	(18,075)	(22,237)	Table 4 Line 21
11		Total Cost of Service	145,860,114	107,653	5,224,629	5,227,360	27,748,952	8,270,813	29,128,621	27,244,806	23,835,119	20,018,231	(1,975,331)	428,198	601,063	Sum of Lines 5 thru 10

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 By Deena Ackerman at 11:15 am, Oct 28, 2020

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	
Line No.	Acct. No.	Description	Total Nebraska	Supply	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Jurisdictional Direct	Non-Juris Direct	Non-Juris Supply	Allocation Basis or Reference
					Demand	Commodity	Demand	Commodity	Customer							
1		Gas Plant in Service														
2		Intangible Plant														
3	301	Intangibles Organization	256	0	9	9	43	15	42	46	38	52	0	1	1	Supervised O&M
4	302	Intangibles Franchises & Consents	121,062	0	4,024	4,028	20,281	7,268	19,964	21,715	18,017	24,779	0	449	537	Supervised O&M
5	303	Intangibles Miscellaneous	742,881	0	24,694	24,718	124,449	44,602	122,505	133,253	110,556	152,053	0	2,753	3,298	Supervised O&M
6	303.01	Intangibles Miscellaneous - Easements	500,000	0	16,620	16,637	83,761	30,019	82,453	89,686	74,411	102,340	0	1,853	2,219	Supervised O&M
7		Total Intangible Plant	1,364,199	0	45,347	45,391	228,535	81,905	224,963	244,701	203,022	279,225	0	5,056	6,056	Sum of Lines 3 thru 6
8		Transmission Plant														
9	365.03	Right-of-Way	170,272	0	64,365	64,365	0	0	0	0	0	0	0	41,542	0	50 % Demand, 50 % Commodity, Direct
10	366.01	Structures and Improvements	8,174	0	3,013	3,013	0	0	0	0	0	0	0	2,147	0	50 % Demand, 50 % Commodity, Direct
11	367	Mains	5,361,147	0	2,288,350	2,288,350	0	0	0	0	0	0	0	784,446	0	50 % Demand, 50 % Commodity, Direct
12	369.03	Meas. & Reg. Sta. Equip.	624,132	0	296,199	296,199	0	0	0	0	0	0	0	31,733	0	50 % Demand, 50 % Commodity, Direct
13		Total Transmission Plant	6,163,725	0	2,651,928	2,651,928	0	0	0	0	0	0	0	859,868	0	Sum of Lines 9 thru 12
14		Distribution Plant														
15	374.01	Land	608,494	0	36,709	36,709	251,203	251,203	0	0	0	0	0	2	32,667	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm
16	374.02	Land Rights (Non-Depreciable)	1,693,104	0	107,935	107,935	738,616	738,616	0	0	0	0	0	0	0	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm
17	374.03	Land Rights - Right of Way (Depreciable)	6,797,136	0	433,317	433,317	2,965,250	2,965,250	0	0	0	0	0	0	0	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm
18	375.01	Structures and Improvements	3,462,087	0	208,462	208,462	1,426,537	1,426,537	0	0	0	0	0	0	192,087	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm
19	375.2	Structures and Improvements - Other	12,119	0	773	773	5,287	5,287	0	0	0	0	0	0	0	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm
20	376	Mains	444,565,702	0	28,184,454	28,184,454	161,239,390	24,301,631	200,199,147	0	0	0	0	628,260	1,828,367	12.75% T, 50-50; 87.25% D, 41.8 Dem, 6.3 Comm, 51.9 Cust
21	378	Meas. & Reg. Sta. Equip. - General	25,439,136	0	1,526,605	1,526,605	10,446,768	10,446,768	0	0	0	0	0	551,079	941,311	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm
22	379	Measuring & Regulating Station Equip.- City Gate Check S	5,022,045	0	320,155	320,155	2,190,867	2,190,867	0	0	0	0	0	0	0	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm
23	380	Services	159,737,815	0	0	0	0	0	0	159,737,815	0	0	0	0	0	Direct - Services
24	381	Meters	46,888,274	0	0	0	0	0	0	0	46,888,274	0	0	0	0	Direct - Meters and Regulators
25	382.01	Meter Installations	12,370,833	0	0	0	0	0	0	0	12,370,833	0	0	0	0	Direct - Meters and Regulators
26	383	House Regulators	75,357,179	0	0	0	0	0	0	0	75,357,179	0	0	0	0	Direct - Meters and Regulators
27	384.01	House regulator installations	1,557,090	0	0	0	0	0	0	0	1,557,090	0	0	0	0	Direct - Meters and Regulators
28	385	Industrial Measuring & Regulating Station Equipment	12,527,682	0	0	0	0	0	0	0	12,527,682	0	0	0	0	Direct - Meters and Regulators
29	386	Other Property on Customers' Premises	35,279	0	0	0	0	0	0	35,279	0	0	0	0	0	Direct - Services
30	387	Other Equipment	407,725	0	0	0	170,429	25,687	211,609	0	0	0	0	0	0	41.8 % Dem, 6.3 % Comm, 51.9 % Cust
31		Total Distribution Plant	796,481,698	0	30,818,411	30,818,411	179,434,349	42,351,847	200,410,756	159,773,094	148,701,058	0	0	1,179,341	2,994,432	Sum of Lines 15 thru 30
32		General Plant														
33	389.01	Land	6,105,837	0	202,963	203,161	1,022,867	366,586	1,006,883	1,095,222	908,677	1,249,744	0	22,629	27,103	Supervised O&M
34	389.02	Land Rights - Right of Way	1,428,871	0	47,497	47,543	239,368	85,788	235,628	256,301	212,646	292,462	0	5,296	6,343	Supervised O&M
35	390.01	Structures and Improvements	44,604,435	0	1,482,685	1,484,136	7,472,260	2,677,992	7,355,495	8,000,831	6,638,081	9,129,648	0	165,313	197,995	Supervised O&M
36	390.51	Leasehold Improvements	93,091	0	3,094	3,097	15,595	5,589	15,351	16,698	13,854	19,054	0	345	413	Supervised O&M
37	391.01	Office Machines	507,771	0	16,879	16,895	85,063	30,486	83,734	91,080	75,567	103,931	0	1,882	2,254	Supervised O&M
38	391.02	Office Furniture	0	0	0	0	0	0	0	0	0	0	0	0	0	Supervised O&M
39	391.03	Computer Hardware	639,902	0	21,271	21,292	107,198	38,419	105,523	114,781	95,231	130,975	0	2,372	2,840	Supervised O&M
40	391.04	Software	723,581	0	24,052	24,076	121,216	43,443	119,322	129,791	107,684	148,103	0	2,682	3,212	Supervised O&M
41	391.05	System Development	0	0	0	0	0	0	0	0	0	0	0	0	0	Supervised O&M
42	391.07	iPad Hardware	611,479	0	20,326	20,346	102,437	36,712	100,836	109,683	91,001	125,158	0	2,266	2,714	Supervised O&M
43	392.01	Transportation Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	Supervised O&M
44	392.02	Cars	2,919,325	0	97,041	97,136	489,054	175,272	481,411	523,648	434,457	597,528	0	10,820	12,959	Supervised O&M
45	392.03	Light Trucks	20,011,029	0	665,182	665,832	3,352,304	1,201,436	3,299,919	3,589,438	2,978,063	4,095,863	0	74,165	88,827	Supervised O&M
46	392.04	Medium Trucks	1,425,881	0	47,397	47,444	238,868	85,608	235,135	255,764	212,201	291,850	0	5,285	6,329	Supervised O&M
47	392.05	Heavy Trucks	3,262,358	0	108,443	108,549	546,519	195,868	537,979	585,179	485,508	667,740	0	12,091	14,481	Supervised O&M
48	392.06	Trailers	1,027,858	0	34,167	34,200	172,190	61,711	169,499	184,370	152,967	210,382	0	3,809	4,563	Supervised O&M
49	393	Stores Equipment	28,178	0	937	938	4,720	1,692	4,647	5,054	4,193	5,767	0	104	125	Supervised O&M
50	394	Tools, Shop, and Garage Equipment	14,026,733	0	466,259	466,715	2,349,798	842,147	2,313,079	2,516,017	2,087,474	2,870,995	0	51,986	62,263	Supervised O&M
51	395	Laboratory Equipment	88,803	0	2,952	2,955	14,876	5,332	14,644	15,929	13,216	18,176	0	329	394	Supervised O&M
52	396	Power Operated Equipment	5,497,464	0	182,740	182,919	920,951	330,061	906,559	986,096	818,139	1,125,222	0	20,375	24,403	Supervised O&M
53	397	Communication Equipment	846,080	0	28,124	28,152	141,738	50,798	139,523	151,764	125,915	173,176	0	3,136	3,756	Supervised O&M
54	398	Miscellaneous Equipment	177,568	0	5,902	5,908	29,747	10,661	29,282	31,851	26,426	36,345	0	658	788	Supervised O&M
55	399	Other Tangible Property	0	0	0	0	0	0	0	0	0	0	0	0	0	Supervised O&M
56		Total General Plant	104,026,243	0	3,457,910	3,461,294	17,426,768	6,245,600	17,154,450	18,659,498	15,481,300	21,292,119	0	385,542	461,763	
57	118	Other Utility Plant Customer Allocation	12,965,644									12,965,644				Customer Accounting
58	118	Other Utility Plant Blended Allocation	15,939,074	0	529,827	530,345	2,670,158	956,961	2,628,433	2,859,039	2,372,070	3,262,414	0	59,073	70,752	Supervised O&M
59		Total Corporate Shared Assets	28,904,717	0	529,827	530,345	2,670,158	956,961	2,628,433	2,859,039	2,372,070	16,228,057	0	59,073	70,752	
60		Total General Plant	132,930,960	0	3,987,737	3,991,639	20,096,926	7,202,561	19,782,883	21,518,537	17,853,370	37,520,176	0	444,615	532,515	Sum of Lines 56 and 59
61		Total Plant in Service	936,940,582	0	37,503,423	37,507,369	199,759,810	49,636,313	220,418,603	181,536,331	166,757,450	37,799,401	0	2,488,880	3,533,002	Sum of Lines 7,13, 31 and 60

Black Hills Nebraska Gas, LLC
FUNCTIONAL CLASSIFICATION OF RATE BASE
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	
Line No.	Acct. No.	Description	Total Nebraska	Supply	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Jurisdictional Direct	Non-Juris Direct	Non-Juris Supply	Allocation Basis or Reference
					Demand	Commodity	Demand	Commodity	Customer							
62		<u>Accumulated Depreciation</u>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
63		Intangible	(1,052,018)	0	(34,970)	(35,004)	(176,237)	(63,162)	(173,483)	(188,704)	(156,562)	(215,327)	0	(3,899)	(4,670)	Intangible Plant
64		Transmission	(4,310,806)	0	(1,854,714)	(1,854,714)	0	0	0	0	0	0	0	(601,377)	0	Transmission Plant
65		Distribution	(265,816,114)	0	(10,285,271)	(10,285,271)	(59,884,039)	(14,134,416)	(66,884,661)	(53,322,334)	(49,627,176)	0	0	(393,591)	(999,355)	Distribution Plant
66		General	(17,439,179)	0	(523,150)	(523,662)	(2,636,511)	(944,902)	(2,595,311)	(2,823,011)	(2,342,179)	(4,922,262)	0	(58,329)	(69,860)	General Plant
67		Other Utility Plant Customer Allocation	625,656									625,656				Customer
68		Other Utility Plant Blended Allocation	(438,078)	0	(14,562)	(14,576)	(73,388)	(26,302)	(72,241)	(78,579)	(65,195)	(89,666)	0	(1,624)	(1,945)	Supervised O&M
69		Total Accumulated Depreciation	(288,430,540)	0	(12,712,668)	(12,713,228)	(62,770,175)	(15,168,781)	(69,725,697)	(56,412,628)	(52,191,113)	(4,601,600)	0	(1,058,820)	(1,075,830)	Sum of Lines 63 thru 68
70		Net Plant	648,510,042	0	24,790,755	24,794,141	136,989,635	34,467,532	150,692,906	125,123,703	114,566,337	33,197,801	0	1,430,060	2,457,172	Line 61 - Line 69
71		<u>Other Rate Base Items</u>														
72		Cash Working Capital														
73		Gas Purchases	1,282,220	1,282,220	0	0	0	0	0	0	0	0	0	0	0	Direct - Supply
74		Property Taxes	(3,838,073)	0	(146,719)	(146,739)	(810,745)	(203,989)	(891,845)	(740,519)	(678,037)	(196,474)	0	(8,464)	(14,542)	Net Plant
75		Other	370,969	0	12,331	12,343	62,146	22,273	61,175	66,542	55,208	75,930	0	1,375	1,647	Supervised O&M
76		Materials & Supplies	5,048,023	0	202,060	202,081	1,076,260	267,429	1,187,565	978,077	898,451	203,655	0	13,410	19,035	Plant in Service
77		Prepayments	394,283	0	15,072	15,074	83,287	20,956	91,619	76,073	69,654	20,184	0	869	1,494	Net Plant
78		Customer Deposits	(3,518,846)	0	0	0	0	0	0	0	0	(3,518,846)	0	0	0	Customer Accounts
79		Accumulated Deferred Income Taxes	(46,113,059)	0	(1,762,775)	(1,763,016)	(9,740,807)	(2,450,854)	(10,715,194)	(8,897,066)	(8,146,372)	(2,360,568)	0	(101,686)	(174,720)	Net Plant
80		Excess/Deficient Deferred Income Taxes (Jurisdictional O	(17,475,604)	0	0	0	0	0	0	0	0	0	(17,475,604)	0	0	Jurisdictional Direct
81		Total Other Rate Base Items	(63,850,086)	1,282,220	(1,680,031)	(1,680,256)	(9,329,858)	(2,344,185)	(10,266,680)	(8,516,893)	(7,801,096)	(5,776,120)	(17,475,604)	(94,496)	(167,087)	Sum of Lines 72 thru 80
82		Total Rate Base	584,659,957	1,282,220	23,110,724	23,113,885	127,659,776	32,123,346	140,426,226	116,606,810	106,765,241	27,421,681	(17,475,604)	1,335,565	2,290,085	Line 70 + Line 81

Black Hills Nebraska Gas, LLC
FUNCTIONAL CLASSIFICATION OF OPERATION AND MAINTENANCE EXPENSES
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	
Line No.	Acct. No.	Description	Total Nebraska	Supply	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Jurisdictional Direct	Non-Juris Direct	Non-Juris Supply	Allocation Basis or Reference
					Demand	Commodity	Demand	Commodity	Customer							
1		Q & M Expenses														
2		Transmission Expenses														
3		Operation														
4	850	Operation Supervision & Engineering	203,734	0	86,962	86,962	0	0	0	0	0	0	0	29,810	0	Account 856
5	851	System Control & Load Dispatching	1,208	0	0	1,208	0	0	0	0	0	0	0	0	0	Transmission Commodity
6	852	Communication System Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 370
7	853	Compressor Labor & Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 368
8	856	Mains Expense	63,035	0	26,906	26,906	0	0	0	0	0	0	0	9,223	0	Account 367
9	857	Measuring & Regulating Station Expenses	12,316	0	5,257	5,257	0	0	0	0	0	0	0	1,802	0	Account 369
10	859	Other Expenses	65,887	0	28,123	28,123	0	0	0	0	0	0	0	9,641	0	Account 856
11	860	Rents	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 856
12		Total Operation	346,180	0	147,248	148,456	0	0	0	0	0	0	0	50,476	0	Sum of Lines 4 thru 11
13		Maintenance														
14	861	Supervision & Engineering	17,505	0	7,472	7,472	0	0	0	0	0	0	0	2,561	0	Account 863
15	862	Structures & Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 366
16	863	Mains	3,328	0	1,421	1,421	0	0	0	0	0	0	0	487	0	Account 367
17	864	Compressor Station Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 368
18	865	Measuring & Regulating Station Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 862
19	866	Communication Equipment	142	0	61	61	0	0	0	0	0	0	0	21	0	Accounts 882 thru 865 and Account 867
20	867	Other Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	Accounts 367 thru 369
21		Total Maintenance	20,975	0	8,953	8,953	0	0	0	0	0	0	0	3,069	0	Line 14 + Line 16
22		Total Transmission Expenses	367,155	0	156,200	157,409	0	0	0	0	0	0	0	53,545	0	Line 12 + Line 21
23		Distribution Expenses														
24		Operation														
25	870	Supervision & Engineering	4,138,102	0	157,233	157,233	907,108	266,365	936,980	988,183	693,422	0	0	10,370	21,207	Accounts 871 - 880
26	871	Load Dispatching	830	0	0	0	830	0	0	0	0	0	0	0	0	Direct - Distribution Commodity
27	872	Compressor Station Expenses	147	0	0	0	74	74	0	0	0	0	0	0	0	50% Dist. Demand, 50% Dist. Commodity
28	874	Mains & Services	7,332,304	0	341,975	341,975	1,956,395	294,863	2,429,112	1,938,175	0	0	0	7,623	22,184	Accounts 376 and 380
29	875	Meas. & Reg. Sta. Equip. - General	1,233,234	0	86,250	86,250	494,309	494,309	0	0	0	0	0	27,577	44,540	Accounts 369 and 378
30	876	Meas. & Reg. Sta. Equip. - Ind.	24,470	0	0	0	0	0	0	0	24,470	0	0	0	0	Account 385
31	877	Meas. & Reg. Sta. Equip. - CG	203,562	0	14,237	14,237	81,593	81,593	0	0	0	0	0	4,552	7,352	Accounts 369 and 378
32	878	Meters & House Regulators	1,768,449	0	0	0	0	0	0	0	1,768,449	0	0	0	0	Direct - Meters and Regulators
33	879	Customer Installation Expenses	1,262,751	0	0	0	0	0	0	1,262,751	0	0	0	0	0	Direct - Services
34	880	Other Expenses	9,866,527	0	381,767	381,767	2,222,768	524,639	2,482,616	1,979,211	1,842,055	0	0	14,609	37,094	Distribution Plant
35	881	Rents	36,574	0	1,415	1,415	8,239	1,945	9,203	7,337	6,828	0	0	54	138	Distribution Plant
36		Total Operation	25,866,951	0	982,877	982,877	5,670,486	1,664,618	5,857,911	6,175,658	4,335,224	0	0	64,785	132,515	Sum of Lines 25 thru 35
37		Maintenance														
38	885	Supervision & Engineering	203	0	6	6	36	24	18	32	77	0	0	1	2	Accounts 886 - 894
39	886	Structures & Improvements	302	0	18	18	124	124	0	0	0	0	0	0	17	Accounts 366 and 375
40	887	Mains	530,091	0	33,607	33,607	192,258	28,977	238,713	0	0	0	0	749	2,180	Account 376
41	888	Main. Of Compressor Sta. Eq.	7,871	0	0	0	3,935	3,935	0	0	0	0	0	0	0	50% Dist. Demand, 50% Dist. Commodity
42	889	Meas. & Reg. Sta. Eq. - Gen.	308,246	0	21,558	21,558	123,552	123,552	0	0	0	0	0	6,893	11,133	Accounts 369 and 378
43	890	Meas. & Reg. Sta. Eq. - Ind.	84,913	0	0	0	0	0	0	0	84,913	0	0	0	0	Account 385
44	891	Meas. & Reg. Sta. Eq. - City Gate	515,090	0	36,024	36,024	206,460	206,460	0	0	0	0	0	11,518	18,603	Accounts 369 and 378
45	892	Services	464,107	0	0	0	0	0	0	464,107	0	0	0	0	0	Direct - Services
46	893	Meters & House Regulators	1,086,360	0	0	0	0	0	0	0	1,086,360	0	0	0	0	Direct - Meters and Regulators
47	894	Other Equipment	149,638	0	5,790	5,790	33,711	7,957	37,652	30,017	27,937	0	0	222	563	Distribution Plant
48		Total Maintenance	3,146,820	0	97,003	97,003	560,077	371,029	276,383	494,156	1,199,287	0	0	19,383	32,497	Sum of Lines 38 thru 47
49		Total Distribution	29,013,771	0	1,079,881	1,079,881	6,230,563	2,035,647	6,134,294	6,669,813	5,534,512	0	0	84,168	165,012	Line 36 + Line 48

Black Hills Nebraska Gas, LLC
FUNCTIONAL CLASSIFICATION OF OPERATION AND MAINTENANCE EXPENSES
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Settlement Section 4, Exhibit A
Table 3 of 4
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[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	
Line No.	Acct. No.	Description	Total Nebraska \$	Supply \$	Transmission		Distribution			Services \$	Meters and Regulators \$	Customer Accounts \$	Jurisdictional Direct \$	Non-Juris Direct \$	Non-Juris Supply \$	Allocation Basis or Reference
					Demand \$	Commodity \$	Demand \$	Commodity \$	Customer \$							
50		Customer Accounts Expenses														
51	901	Supervision	258,796	0	0	0	0	0	0	0	258,796	0	0	0	0	Direct - Customer Accounts
52	902	Meter Reading Expenses	727,115	0	0	0	0	0	0	0	727,115	0	0	0	0	Direct - Customer Accounts
53	903	Customer Records & Collection	6,057,533	0	0	0	0	0	0	0	6,057,533	0	0	0	0	Direct - Customer Accounts
54	904	Uncollectible Accounts	667,002	0	0	0	0	0	0	0	667,002	0	0	0	0	Direct - Customer Accounts
55	905	Miscellaneous	166,377	0	0	0	0	0	0	0	166,377	0	0	0	0	Direct - Customer Accounts
56		Total Customer Accounts Expenses	7,876,824	0	0	0	0	0	0	0	7,876,824	0	0	0	0	Sum of Lines 51 thru 55
57		Customer Service & Inform. Exp.														
58	907	Supervision	103,105	0	0	0	0	34,368	0	0	68,737	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
59	908	Customer Assistance Expenses	132,578	0	0	0	0	44,193	0	0	88,385	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
60	909	Information & Instruction Exp.	664	0	0	0	0	221	0	0	442	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
61	910	Miscellaneous	3,811	0	0	0	0	1,270	0	0	2,541	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
62		Total Cust. Service & Inf. Exp.	240,157	0	0	0	0	80,052	0	0	160,105	0	0	0	0	Sum of Lines 58 thru 61
63		Sales Expenses														
64	911	Supervision	0	0	0	0	0	0	0	0	0	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
65	912	Demonstrating & Selling Exp.	346,749	0	0	0	0	115,583	0	0	231,166	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
66	913	Advertising Expenses	1,737	0	0	0	0	579	0	0	1,158	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
67	916	Miscellaneous	327	0	0	0	0	109	0	0	218	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
68		Total Sales Expenses	348,813	0	0	0	0	116,271	0	0	232,542	0	0	0	0	Sum of Lines 64 thru 67
69		Administrative & General Expenses														
70		Operation														
71	920	A & G Salaries	12,207,655	0	405,792	406,189	2,045,061	732,932	2,013,104	2,189,723	1,816,757	2,498,666	0	45,244	54,189	Supervised O&M
72	921	Office Supplies & Expenses	4,284,866	0	142,432	142,572	717,813	257,258	706,596	768,589	637,678	877,027	0	15,881	19,020	Supervised O&M
73	922	Transfers	(3,248,589)	0	(107,986)	(108,091)	(544,213)	(195,041)	(535,709)	(582,709)	(483,459)	(664,922)	0	(12,040)	(14,420)	Supervised O&M
74	923	Outside Services Employed	3,033,051	0	100,821	100,920	508,105	182,100	500,165	544,047	451,382	620,806	0	11,241	13,463	Supervised O&M
75	924	Property Insurance	31,815	0	1,216	1,216	6,720	1,691	7,393	6,138	5,620	1,629	0	70	121	Net Plant
76	925	Injuries & Damages	1,450,262	0	48,208	48,255	242,952	87,072	239,156	260,138	215,830	296,840	0	5,375	6,438	Supervised O&M
77	926	Employee Pensions & Benefits	11,740,918	0	390,277	390,659	1,966,871	704,909	1,936,136	2,106,004	1,747,296	2,403,134	0	43,514	52,117	Supervised O&M
78	929	Duplicate Charges - Credit	(1,270)	0	(42)	(42)	(213)	(76)	(209)	(228)	(189)	(260)	0	(5)	(6)	Supervised O&M
79	930.1	General Advertising Expenses	(3,507)	0	(117)	(117)	(587)	(211)	(578)	(629)	(522)	(718)	0	(13)	(16)	Supervised O&M
80	930.2	Miscellaneous General Expenses	1,448,977	0	48,165	48,212	242,737	86,995	238,944	259,907	215,638	296,577	0	5,370	6,432	Supervised O&M
81	931	Rents	3,163,053	0	105,142	105,245	529,884	189,906	521,603	567,366	470,729	647,415	0	11,723	14,040	Supervised O&M
82	932	Maintenance of General Plant	1,707,146	0	51,212	51,262	258,092	92,498	254,059	276,349	229,279	481,847	0	5,710	6,839	General Plant
83		Total A & G Expenses	35,814,376	0	1,185,120	1,186,279	5,973,221	2,140,032	5,880,659	6,394,696	5,306,041	7,458,041	0	132,070	158,217	Sum of Lines 71 thru 82
84		Total Operation & Maintenance	73,661,097	0	2,421,202	2,423,568	12,203,785	4,372,003	12,014,953	13,064,509	10,840,552	15,727,512	0	269,784	323,229	Sum of Lines 22, 49, 56, 62, 68 and 83
85		Supervised O & M before General	37,143,144	0	1,234,666	1,235,874	6,222,324	2,230,026	6,125,091	6,662,477	5,527,684	7,602,469	0	137,660	164,875	Sum of Lines 22,49,56,62,68, Less 11, 35 and 54

Black Hills Nebraska Gas, LLC
FUNCTIONAL CLASSIFICATION OF OTHER COST OF SERVICE COMPONENTS
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Settlement Section 4, Exhibit A
Table 4 of 4
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[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	
Line No.	Acct. No.	Description	Total Nebraska \$	Supply \$	Transmission		Distribution			Services \$	Meters and Regulators \$	Customer Accounts \$	Jurisdictional Direct \$	Non-Juris Direct \$	Non-Juris Supply \$	Allocation Basis or Reference
					Demand \$	Commodity \$	Demand \$	Commodity \$	Customer \$							
1		<u>Depreciation Expense</u>														
2		Intangible	75,057	0	2,495	2,497	12,574	4,506	12,377	13,463	11,170	15,363	0	278	333	Intangible Plant
3		Transmission	40,586	0	17,462	17,462	0	0	0	0	0	0	0	5,662	0	Transmission Plant
4		Distribution	16,164,555	0	625,458	625,458	3,641,611	859,529	4,067,326	3,242,587	3,017,880	0	0	23,935	60,772	Distribution Plant
5		General	2,449,921	0	73,494	73,566	370,387	132,743	364,599	396,587	329,038	691,498	0	8,194	9,814	General Plant
6		Other Utility Plant - Customer	1,053,498	0	0	0	0	0	0	0	0	1,053,498	0	0	0	Customer Accounts
7		Other Utility Plant - Blended Ratio	1,901,496	0	63,207	63,269	318,544	114,163	313,566	341,077	282,983	389,199	0	7,047	8,441	Supervised O&M
8		Total Depreciation Expense	21,685,113	0	782,116	782,253	4,343,116	1,110,942	4,757,869	3,993,714	3,641,071	2,149,557	0	45,116	79,360	Sum of Lines 2 thru 5
9		<u>Taxes Other Than Income Taxes</u>														
10		Ad Valorem Taxes	4,699,302	0	179,641	179,666	992,669	249,762	1,091,967	906,685	830,183	240,561	0	10,363	17,805	Net Plant
11		Payroll Taxes	2,462,243	0	81,847	81,927	412,482	147,830	406,036	441,660	366,434	503,973	0	9,126	10,930	Supervised O&M
12		Unemployment - Federal	23,120	0	769	769	3,873	1,388	3,813	4,147	3,441	4,732	0	86	103	Supervised O&M
13		Unemployment - State	28,766	0	956	957	4,819	1,727	4,744	5,160	4,281	5,888	0	107	128	Supervised O&M
14		Miscellaneous	(118,693)	0	(3,945)	(3,949)	(19,884)	(7,126)	(19,573)	(21,290)	(17,664)	(24,294)	0	(440)	(527)	Supervised O&M
15		Total Taxes Other than Income Taxes	7,094,738	0	259,267	259,370	1,393,959	393,581	1,486,986	1,336,361	1,186,674	730,860	0	19,241	28,439	Sum of Lines 10 thru 14
16		<u>Other Operating Revenues</u>														
17	487	Forfeited Discounts	508,107	0	0	0	0	0	0	0	0	508,107	0	0	0	Direct to Residential Class
18	488	Misc. Service Revenues	3,507,226	0	116,583	116,697	587,540	210,569	578,359	629,102	521,949	717,860	0	12,998	15,568	Supervised O&M
19	493	Rents from Gas Property	998,810	0	39,980	39,984	212,951	52,914	234,974	193,524	177,769	40,295	0	2,653	3,766	Plant in Service
20	495	Other Gas Revenue	653,820	0	21,733	21,755	109,530	39,254	107,818	117,278	97,302	133,824	0	2,423	2,902	Supervised O&M
21		Total Other Operating Revenues	5,667,963	0	178,296	178,436	910,021	302,738	921,151	939,903	797,020	891,979	508,107	18,075	22,237	Sum of Lines 17 thru 20

Black Hills Nebraska Gas, LLC
 RATE OF RETURN UNDER CURRENT AND PROPOSED RATES
 FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Revised Section 4, Exhibit B
 Table 1 of 5
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RECEIVED
 By Deena Ackerman at 11:15 am, Oct 28, 2020

	[A]	[B]	[C]	[D]	[E]
Line Number	Description	Total Nebraska \$	Residential Service \$	Commercial Service \$	Total Jurisdictional \$
1	<u>Return Under Existing Rates</u>				
2	Rate Base	584,659,957	362,056,050	140,596,373	502,652,422
3	Sales Revenues	271,160,973	158,847,713	85,737,077	244,584,790
4	Sales Revenues Excluding Gas Cost	141,376,629	83,073,977	32,290,785	115,364,762
5	Net Cost of Service	145,860,114	92,457,437	34,003,606	126,461,044
6	Revenue Deficiency		9,383,460	1,712,822	11,096,282
7	Percent		5.91%	2.00%	4.54%
8	Proposed Increase (Decrease)		9,382,519	1,713,077	11,095,596
9	Percent		5.91%	2.00%	4.54%
10	Incremental Taxes at 27.17%		2,549,230	465,443	3,014,673
11	Incremental Return		6,833,289	1,247,634	8,080,922
12	Return Under Proposed Rates		24,293,275	9,434,202	33,727,478
13	Rate of Return Under Proposed Rates		<u>6.71%</u>	<u>6.71%</u>	<u>6.71%</u>
14	Return Under Current Rates		17,459,987	8,186,569	25,646,555
15	Rate of Return Under Current Rates		4.82%	5.82%	5.10%

Black Hills Nebraska Gas, LLC
**RATE OF RETURN UNDER CURRENT AND PROPOS
FOR THE PRO FORMA PERIOD ENDED DECEMBER**

**Settlement Section 4, Exhibit B
Table 1 of 5
Page 2 of 2**

	[A]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line Number	Description	Non-Jurisdictional Customer Classes (View as Aggregate)							Total Non-Jurisdictional	Basis of Allocation or Reference
		Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply		
		\$	\$	\$	\$	\$	\$	\$		
1	<u>Return Under Existing Rates</u>									
2	Rate Base	29,529,083	3,497,396	3,108,850	36,588,760	5,168,645	1,813,751	2,301,048	82,007,534	Total Rate Base
3	Sales Revenues	12,736,866	1,738,166	2,001,591	6,544,677	1,217,239	1,792,232	545,411	26,576,183	Section 3, Exhibit C, Line 76
4	Sales Revenues Excluding Gas Cost	12,736,866	1,738,166	1,437,275	6,544,677	1,217,239	1,792,232	545,411	26,011,867	Section 3, Exhibit C, Line 72
5	Net Cost of Service	7,105,018	806,275	760,918	8,397,626	1,176,038	547,951	605,243	19,399,070	Total Cost of Service
6	Revenue Deficiency									Line 5 - Line 4
7	Percent									Line 6 / Line 3
8	Proposed Increase (Decrease)									Exhibit DNH-10, Page 3, Line 77
9	Percent									
10	Incremental Taxes at									Line 8 x Incremental Taxes at 27.17%
11	Incremental Return									Line 8 - Line 10
12	Return Under Proposed Rates									Line 11 + Line 14
13	Rate of Return Under Proposed Rates									Line 12 / Line 2
14	Return Under Current Rates									Sec 4, Exh A, Table 1, Line 3 x Line 2 - Line 6 x (1-L
15	Rate of Return Under Current Rates									Line 14 / Line 2

Black Hills Nebraska Gas, LLC
 ALLOCATION OF COST OF SERVICE
 FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Revised Section 4, Exhibit B
 Table 2 of 5
 Page 1 of 2

	[A]	[B]	[C]	[D]	[E]
Line Number	Description	Total Nebraska	Residential Service	Commercial Service	Total Jurisdictional
		\$	\$	\$	\$
1	<u>Total Cost of Service</u>				
2	Supply	107,653	62,853	44,332	107,185
3	Transmission				
4	Demand	5,224,629	2,341,422	1,588,933	3,930,355
5	Commodity	5,227,360	1,659,401	1,174,245	2,833,647
6	Total Transmission	10,451,989	4,000,823	2,763,178	6,764,002
7	Distribution				
8	Demand	27,748,952	13,415,898	9,104,280	22,520,177
9	Commodity	8,270,813	3,062,050	2,166,804	5,228,854
10	Customer	29,128,621	21,581,965	5,468,633	27,050,598
11	Total Transmission	65,148,387	38,059,912	16,739,717	54,799,629
12	Services	27,244,806	21,589,440	5,470,527	27,059,967
13	Meters and Regulators	23,835,119	14,350,288	6,363,360	20,713,648
14	Customer Accounting	20,018,231	15,959,057	3,032,887	18,991,944
15	Jurisdictional Direct				
16	Excess/Deficient Deferred Income Taxes (Jurisdictional Only)	(1,467,224)	(1,056,828)	(410,396)	(1,467,224)
17	Forfeited Discounts	(508,107)	(508,107)	-	(508,107)
18	Total Jurisdictional Direct	(1,975,331)	(1,564,936)	(410,396)	(1,975,331)
19	Non-Jurisdictional Direct				
20	Negotiated - Direct	428,198	-	-	-
21	Negotiated - Supply	601,063	-	-	-
22	Total Non-Jurisdictional Direct	1,029,261	-	-	-
23	Total Cost of Service	145,860,114	92,457,437	34,003,606	126,461,044

Black Hills Nebraska Gas, LLC
ALLOCATION OF COST OF SERVICE
FOR THE PRO FORMA PERIOD ENDED DECEMBER

Settlement Section 4, Exhibit B
Table 2 of 5
Page 2 of 2

Line Number	[A] Description	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N] Basis of Allocation or Reference
		Non-Jurisdictional Customer Classes (View as Aggregate)							Total Non-Jurisdictional	
		Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply		
\$	\$	\$	\$	\$	\$	\$	\$	\$		
1	<u>Total Cost of Service</u>									
2	Supply	-	-	468	-	-	-	-	468	Cost of Gas
3	Transmission									
4	Demand	125,872	61,643	28,144	696,899	381,717	-	-	1,294,274	Winter Period Peak Demand - Transmission
5	Commodity	381,391	104,022	85,275	1,077,826	745,200	-	-	2,393,714	Commodity - Transmission
6	Total Transmission	507,262	165,665	113,419	1,774,725	1,126,917	-	-	3,687,988	Line 4 + Line 5
7	Distribution									
8	Demand	721,221	353,201	161,258	3,993,095	-	-	-	5,228,775	Winter Period Peak Demand - Distribution
9	Commodity	703,770	191,950	157,356	1,988,884	-	-	-	3,041,960	Commodity - Distribution
10	Customer	1,865,055	23,044	60,269	129,655	-	-	-	2,078,023	Customer - Distribution
11	Total Transmission	3,290,046	568,194	378,883	6,111,634	-	-	-	10,348,758	Sum of Line 8 through Line 10
12	Services	-	16,466	60,290	108,083	-	-	-	184,839	Services
13	Meters and Regulators	2,480,226	43,779	133,581	323,288	37,885	101,028	1,684	3,121,470	Meters & Regulators
14	Customer Accounting	827,483	12,172	74,278	79,896	11,235	18,726	2,497	1,026,286	Customer Accounts
15	Jurisdictional Direct									
16	Excess/Deficient Deferred Income Taxes (Juris									Jurisdictional Direct
17	Forfeited Discounts	-	-	-	-	-	-	-	-	Direct - Residential
18	Total Jurisdictional Direct	-	-	-	-	-	-	-	-	Sum of Line 16 through Line 17
19	Non-Jurisdictional Direct									
20	Negotiated - Direct	-	-	-	-	-	428,198	-	428,198	Direct
21	Negotiated - Supply	-	-	-	-	-	-	601,063	601,063	Direct
22	Total Non-Jurisdictional Direct	-	-	-	-	-	428,198	601,063	1,029,261	Direct
23	Total Cost of Service	7,105,018	806,275	760,918	8,397,626	1,176,038	547,951	605,243	19,399,070	Sum of Lines 2, 3, 7, 12, 13, 14, 15, 17 and 18

Black Hills Nebraska Gas, LLC
 ALLOCATION OF RATE BASE
 FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Settlement Section 4, Exhibit B
 Table 3 of 5
 Page 1 of 2

	[A]	[B]	[C]	[D]	[E]
Line Number	Description	Total Nebraska	Residential Service	Commercial Service	Total Jurisdictional
		\$	\$	\$	\$
1	<u>Rate Base</u>				
2	Supply	1,282,220	748,616	528,029	1,276,645
3	Transmission				
4	Demand	23,110,724	10,357,092	7,028,517	17,385,608
5	Commodity	23,113,885	7,337,395	5,192,175	12,529,571
6	Total Transmission	46,224,609	17,694,487	12,220,692	29,915,179
7	Distribution				
8	Demand	127,659,776	61,720,187	41,884,476	103,604,662
9	Commodity	32,123,346	11,892,818	8,415,738	20,308,556
10	Customer	140,426,226	104,044,536	26,363,744	130,408,280
11	Total Transmission	300,209,349	177,657,541	76,663,957	254,321,498
12	Services	116,606,810	92,402,042	23,413,664	115,815,705
13	Meters and Regulators	106,765,241	64,279,605	28,503,557	92,783,161
14	Customer Accounts	27,421,681	21,861,281	4,154,557	26,015,838
15	Excess/Deficient Deferred Income Taxes (Jurisdictional Only)	(17,475,604)	(12,587,522)	(4,888,083)	(17,475,604)
16	Non-Jurisdictional Direct				
17	Negotiated - Direct	1,335,565	-	-	-
18	Negotiated - Supply	2,290,085	-	-	-
19	Total Non-Jurisdictional Direct	3,625,650	-	-	-
20	Total Rate Base	584,659,957	362,056,050	140,596,373	502,652,422

Black Hills Nebraska Gas, LLC
ALLOCATION OF RATE BASE
FOR THE PRO FORMA PERIOD ENDED DECEMBER

Settlement Section 4, Exhibit B
Table 3 of 5
Page 2 of 2

Line Number	Description	[A]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	Total Non-Jurisdictional	Basis of Allocation or Reference
		Non-Jurisdictional Customer Classes (View as Aggregate)										
		Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply				
\$	\$	\$	\$	\$	\$	\$	\$					
1	<u>Rate Base</u>											
2	Supply	-	-	5,575	-	-	-	-	-	5,575	Cost of Gas	
3	Transmission											
4	Demand	556,784	272,671	124,491	3,082,675	1,688,495	-	-	-	5,725,116	Winter Period Peak Demand - Transmission	
5	Commodity	1,686,400	459,957	377,061	4,765,837	3,295,059	-	-	-	10,584,314	Commodity - Transmission	
6	Total Transmission	2,243,184	732,628	501,553	7,848,512	4,983,554	-	-	-	16,309,431	Line 4 + Line 5	
7	Distribution											
8	Demand	3,317,998	1,624,909	741,870	18,370,338	-	-	-	-	24,055,114	Winter Period Peak Demand - Distribution	
9	Commodity	2,733,401	745,521	611,160	7,724,708	-	-	-	-	11,814,790	Commodity - Distribution	
10	Customer	8,991,247	111,093	290,552	625,053	-	-	-	-	10,017,946	Customer - Distribution	
11	Total Transmission	15,042,646	2,481,524	1,643,582	26,720,099	-	-	-	-	45,887,850	Sum of Line 8 through Line 10	
12	Services	-	70,473	258,040	462,592	-	-	-	-	791,105	Services	
13	Meters and Regulators	11,109,739	196,099	598,352	1,448,113	169,701	452,535	7,542	-	13,982,080	Meters & Regulators	
14	Customer Accounts	1,133,516	16,673	101,749	109,444	15,391	25,651	3,420	-	1,405,843	Customer Accounts	
15	Excess/Deficient Deferred Income Taxes (Jurisdic										Rate Base	
16	Non-Jurisdictional Direct											
17	Negotiated - Direct						1,335,565			1,335,565	Direct	
18	Negotiated - Supply							2,290,085		2,290,085	Direct	
19	Total Non-Jurisdictional Direct						1,335,565	2,290,085		3,625,650	Line 17 + Line 18	
20	Total Rate Base	29,529,083	3,497,396	3,108,850	36,588,760	5,168,645	1,813,751	2,301,048		82,007,534	Sum of Lines 2, 3, 7, 12, 13, 14, 15 and 19	

	[A]	[B]	[C]	[D]	[E]
Line Number	Description	Total Nebraska	Residential Service	Commercial Service	Total Jurisdictional
1	<u>Allocation Bases</u>				
2	Cost of Gas				
3	Annual Gas Purchases	129,784,345	75,773,737	53,446,292	129,220,029
4	Allocation Factor	100.0000%	58.3843%	41.1808%	99.5652%
5	Winter Period Peak Demand - Transmission Load Factor		23.39%	24.39%	
6	Peak Day - therms/Day	4,662,809	2,089,642	1,418,070	3,507,712
7	Allocation Factor	100.0000%	44.8151%	30.4124%	75.2274%
8	Winter Period Peak Demand - Distribution				
9	Peak Day - therms/Day	4,322,139	2,089,642	1,418,070	3,507,712
10	Allocation Factor	100.0000%	48.3474%	32.8095%	81.1569%
11	Commodity - Transmission				
12	Annual Throughput - therms	561,986,694	178,400,064	126,241,584	304,641,647
13	Allocation Factor	100.0000%	31.7445%	22.4634%	54.2080%
14	Commodity - Distribution				
15	Annual Throughput - therms	481,871,244	178,400,064	126,241,584	304,641,647
16	Allocation Factor	100.0000%	37.0224%	26.1982%	63.2205%
17	Customer - Distribution				
18	Average Number of Customers	297,338	255,678	32,393	288,071
19	Weighting Factor		1.00	2.00	
20	Weighted Number of Customers	345,082	255,678	64,786	320,464
21	Distribution - Customer Cost Allocator	100.0000%	74.0920%	18.7741%	92.8660%
22	Services				
23	Average Number of Customers	297,338	255,678	32,393	288,071
24	Weighting Factor		1.00	2.00	
25	Weighted Number of Customers	322,653	255,678	64,786	320,464
26	Services Cost Allocator	100.0000%	79.2424%	20.0792%	99.3216%
27	Meters & Regulators				
28	Average Number of Customers	297,338	255,678	32,393	288,071
29	Weighting Factor		1.00	3.50	
30	Weighted Number of Customers	424,669	255,678	113,376	369,054
31	Meters & Regulators Cost Allocator	100.0000%	60.2065%	26.6974%	86.9039%
32	Customer Accounts				
33	Average Number of Customers	297,338	255,678	32,393	288,071
34	Weighting Factor		1.00	1.50	
35	Weighted Number of Customers	320,710	255,678	48,590	304,268
36	Customer Accounts Cost Allocator	100.0000%	79.7226%	15.1506%	94.8732%
37	Annual Use per Customer - Therms		698	3,897	

Black Hills Nebraska Gas, LLC
 CLASS ALLOCATION BASIS
 FOR THE PRO FORMA PERIOD ENDED DECEMBER

Line Number	Description	[A]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	Basis of Allocation or Reference
		Non-Jurisdictional Customer Classes (View as Aggregate)								Total Non-Jurisdictional	
		Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply			
1	<u>Allocation Bases</u>										
2	Cost of Gas										
3	Annual Gas Purchases	-	-	564,316	-	-	-	-	-	564,316	Section 3, Exhibit C, Line 38
4	Allocation Factor	0.0000%	0.0000%	0.4348%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.4348%	Line 3 / Column B, Line 3
5	Winter Period Peak Demand - Transmission	100.00%	55.69%	100.00%	51.04%	64.43%	-	-	-		Load Factor Study
6	Peak Day - therms/Day	112,336	55,014	25,117	621,959	340,670	-	-	-	1,155,097	Line 12 / 365 / Line 5
7	Allocation Factor	2.4092%	1.1798%	0.5387%	13.3387%	7.3061%	0.0000%	0.0000%	0.0000%	24.7726%	Line 6 / Column B, Line 6
8	Winter Period Peak Demand - Distribution										
9	Peak Day - therms/Day	112,336	55,014	25,117	621,959		-			814,427	Line 6
10	Allocation Factor	2.5991%	1.2728%	0.5811%	14.3901%	0.0000%	0.0000%	0.0000%	0.0000%	18.8431%	Line 9 / Column B, Line 9
11	Commodity - Transmission										
12	Annual Throughput - therms	41,002,809	11,183,303	9,167,802	115,875,683	80,115,450				257,345,047	Section 3, Exhibit C, Line 13
13	Allocation Factor	7.2960%	1.9900%	1.6313%	20.6189%	14.2558%	0.0000%	0.0000%	0.0000%	45.7920%	Line 12 / Column B, Line 12
14	Commodity - Distribution										
15	Annual Throughput - therms	41,002,809	11,183,303	9,167,802	115,875,683					177,229,597	Line 12
16	Allocation Factor	8.5091%	2.3208%	1.9025%	24.0470%	0.0000%	0.0000%	0.0000%	0.0000%	36.7795%	Line 15 / Column B, Line 15
17	Customer - Distribution										
18	Average Number of Customers	8,838	39	238	128	9	15	2		9,267	Section 3, Exhibit C, Line 6
19	Weighting Factor	2.5	7	3	12						Exhibit TJS-2, Schedule 2-4
20	Weighted Number of Customers	22,095	273	714	1,536			-		24,618	Line 18 x Line 19
21	Distribution - Customer Cost Allocator	6.4028%	0.0791%	0.2069%	0.4451%	0.0000%	0.0000%	0.0000%	0.0000%	7.1340%	Line 20 / Column B, Line 20
22	Services										
23	Average Number of Customers	8,838	39	238	128	9	15	2		9,267	Section 3, Exhibit C, Line 6
24	Weighting Factor		5	3	10						Exhibit TJS-2, Schedule 2-4
25	Weighted Number of Customers	-	195	714	1,280			-		2,189	Line 23 x Line 24
26	Services Cost Allocator	0.0000%	0.0604%	0.2213%	0.3967%	0.0000%	0.0000%	0.0000%	0.0000%	0.6784%	Line 25 / Column B, Line 25
27	Meters & Regulators										
28	Average Number of Customers	8,838	39	238	128	9	15	2		9,267	Line 23
29	Weighting Factor	5	20	10	45	75	120	15			Exhibit TJS-2, Schedule 2-5
30	Weighted Number of Customers	44,190	780	2,380	5,760	675	1,800	30		55,615	Line 28 x Line 29
31	Meters & Regulators Cost Allocator	10.4058%	0.1837%	0.5604%	1.3564%	0.1589%	0.4239%	0.0071%		13.0961%	Line 30 / Column B, Line 30
32	Customer Accounts										
33	Average Number of Customers	8,838	39	238	128	9	15	2		9,267	Line 23
34	Weighting Factor	1.50	5.00	5.00	10.00	20.00	20.00	20.00			Exhibit TJS-2
35	Weighted Number of Customers	13,257	195	1,190	1,280	180	300	40		16,442	Line 33 x Line 34
36	Customer Accounts Cost Allocator	4.1336%	0.0608%	0.3711%	0.3991%	0.0561%	0.0935%	0.0125%		5.1268%	Line 35 / Column B, Line 35
37	Annual Use per Customer - Therms	4,639	286,751	38,520	905,279	8,901,717	16,140,743	-			Line 12 / Line 23

Black Hills Nebraska Gas, LLC
UNIT COST OF SERVICE
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Settlement Section 4, Exhibit B
Table 5 of 5
Page 1 of 2

	[A]	[B]	[C]	[D]	[E]
Line Number	Description	Total Nebraska	Residential Service	Commercial Service	Total Jurisdictional
1	Supply - Commodity - \$		62,853	44,332	107,185
2	\$/Therm		0.00352	0.00351	0.00352
3	Transmission - Demand - \$		2,341,422	1,588,933	3,930,355
4	\$/Therm		0.01312	0.01259	0.01290
5	Transmission - Commodity - \$		1,659,401	1,174,245	2,833,647
6	\$/Therm		0.00930	0.00930	0.00930
7	Distribution - Demand - \$		13,415,898	9,104,280	22,520,177
8	\$/Therm		0.07520	0.07212	0.07392
9	Distribution - Commodity - \$		3,062,050	2,166,804	5,228,854
10	\$/Therm		0.01716	0.01716	0.01716
11	Distribution - Customer - \$		21,581,965	5,468,633	27,050,598
12	\$/Month		7.03	14.07	243.26
13	Customer Specific Distribution - \$				
14	Services		21,589,440	5,470,527	27,059,967
15	\$/Month		7.04	14.07	7.83
16	Meters and Regulators		14,350,288	6,363,360	20,713,648
17	\$/Month		4.68	16.37	5.99
18	Customer Accounting		15,959,057	3,032,887	18,991,944
19	\$/Month		5.20	7.80	5.49
20	Jurisdictional Direct		(1,564,936)	(410,396)	(1,975,331)
21	\$/Month		(0.51)	(1.06)	(0.57)
22	Total Cost of Service - \$		92,457,437	34,003,606	126,461,044
23	Customer Related - \$		71,915,814	19,925,012	91,840,826
24	\$/month/customer		23.44	51.26	262.00
25	Demand Related - \$		15,757,320	10,693,213	26,450,532
26	\$/Therm		0.0883	0.0847	0.0868
27	Commodity Related - \$		4,784,303	3,385,382	8,169,685
28	\$/Therm		0.0300	0.0300	0.0300

[A] [F]

Line Number	Description	Basis of Allocation or Reference
1	Supply - Commodity - \$	Table 2, Line 2
2	\$/Therm	Line 1 / Table 4, Line 12 x 10
3	Transmission - Demand - \$	Table 2, Line 4
4	\$/Therm	Line 3 / Table 4, Line 12
5	Transmission - Commodity - \$	Table 2, Line 5
6	\$/Therm	Line 5 / Table 4, Line 12
7	Distribution - Demand - \$	Table 2, Line 8
8	\$/Therm	Line 7 / Table 4, Line 12
9	Distribution - Commodity - \$	Table 2, Line 9 + Line 20
10	\$/Therm	Line 9 / Table 4, Line 12
11	Distribution - Customer - \$	Table 2, Line 10
12	\$/Month	Line 11 / Section 3, Exhibit C, Line 5
13	Customer Specific Distribution - \$	
14	Services	Table 2, Line 12
15	\$/Month	Line 14 / Table 4, Line 33 / 12
16	Meters and Regulators	Table 2, Line 13
17	\$/Month	Line 16 / Table 4, Line 33 / 12
18	Customer Accounting	Table 2, Line 14
19	\$/Month	Line 18 / Table 4, Line 33 / 12
20	Jurisdictional Direct	Table 2, Line 18
21	\$/Month	Line 20 / Table 4, Line 33 / 12
22	Total Cost of Service - \$	Sum of Lines 1, 3, 5, 7, 9, 11, 14, 16, 18, and 20
23	Customer Related - \$	Sum of Lines 11, 14, 16, 18, and 20
24	\$/month/customer	Sum of Lines 12, 15, 17, 19, and 21
25	Demand Related - \$	Line 3 + Line 7
26	\$/Therm	Line 4 + Line 8
27	Commodity Related - \$	Line 1 + Line 5 and Line 9
28	\$/Therm	Line 2 + Line 6 and Line 10

RECEIVED

By Deena Ackerman at 11:15 am, Oct 28, 2020

**BLACK HILLS NEBRASKA GAS, LLC
REVENUE UNDER COST-BASE RATE DESIGN
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020**

**SETTLEMENT EXHIBIT DNH-7
PAGE 1 OF 4**

	A	B	C	D
Line No.	Description	Total Sales	Residential	Commercial
1	<u>1. Number of Bills</u>			
2	Base Year	3,409,659	3,068,136	341,523
3	Energy Options	47,190	0	47,190
4	Total	3,456,849	3,068,136	388,713
5				
6	<u>2. Total Volumes - Therms</u>			
7	Therm Threshold		20 Therms	40 Therms
8	Tier 1	61,085,314	50,236,949	10,848,365
9	Therm Threshold		>20 Therms	>40 Therms
10	Tier 2	243,556,333	128,163,114	115,393,219
11	Total	304,641,647	178,400,064	126,241,584
12				
13	<u>3. Base Year Revenues Under Current Rates</u>			
14	Cost of Gas - \$	129,220,029	75,773,737	53,446,292
15	Volumetric Charge - \$	57,752,622	36,208,212	21,544,410
16	Monthly Charge - \$	57,612,140	46,865,765	10,746,374
17	Total - \$	244,584,790	158,847,713	85,737,077
18				
19	<u>5. Current Base Rate Structure</u>			
20	% Fixed	49.94%	56.41%	33.28%
21	% Variable	50.06%	43.59%	66.72%

**BLACK HILLS NEBRASKA GAS, LLC
REVENUE UNDER COST-BASE RATE DESIGN
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020**

	A	B	C	D
Line No.	Description	Total Sales	Residential	Commercial
22	<u>6. Cost of Service Rates</u>			
23	Cost of Gas - \$/Therm		0.4247	0.4234
24	Volumetric Charge - \$/Therm			
25	Distribution Charge Tier 1		0.1227	0.1123
26	Distribution Charge Tier 2		0.1227	0.1123
27	Customer Charge - \$/Month		\$23.00	\$51.00
28				
29	<u>7. Revenues Under Cost of Service Rates</u>			
30	Cost of Gas - \$	129,220,029	75,773,737	53,446,292
31	Volumetric Charge - \$/			
32			20 Therms	40 Therms
33	Distribution Charge Tier 1	7,382,562	6,164,074	1,218,488
34			>20 Therms	> 40 Therms
35	Distribution Charge Tier 2	28,686,580	15,725,614	12,960,966
36				
37	Customer Charge - \$	90,391,491	70,567,128	19,824,363
38				
39	Total - \$	255,680,662	168,230,552	87,450,110
40				
41	<u>8. Cost of Service Base Rate Structure</u>			
42	% Fixed	71.48%	76.32%	58.30%
43	% Variable	28.52%	23.68%	41.70%
44				
45	<u>9. Difference (Cost of Service - Current)</u>			
46	Cost of Gas - \$	0	0	0
47	Volumetric Charge - \$	(21,683,479)	(14,318,524)	(7,364,956)
48	Customer Charge - \$	32,779,351	23,701,363	9,077,989
49	Total - \$	11,095,872	9,382,839	1,713,033

**BLACK HILLS NEBRASKA GAS, LLC
REVENUE UNDER COST-BASE RATE DESIGN
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020**

	A	B	C	D
Line No.	Description	Total Sales	Residential	Commercial
50	<u>10. Proposed Rates</u>			
51	Cost of Gas - \$/Therm		0.4247	0.4234
52	Volumetric Charge - \$/Therm			
53	Distribution Charge Tier 1		0.5142	0.5142
54	Distribution Charge Tier 2		0.1500	0.1500
55	Customer Charge - \$/Month		\$15.45	\$28.60
56				
57	<u>11. Revenues Under Proposed Rates</u>			
58	Cost of Gas - \$	129,220,029	75,773,737	53,446,292
59	Volumetric Charge - \$/			
60			20 Therms	40 Therms
61	Distribution Charge Tier 1	31,407,014	25,829,327	5,577,687
62			>20 Therms	> 40 Therms
63	Distribution Charge Tier 2	36,533,450	19,224,467	17,308,983
64				
65	Customer Charge - \$	58,519,893	47,402,701	11,117,192
66				
67	Total - \$	255,680,386	168,230,232	87,450,154
68				
69	<u>12. Base Rate Structure</u>			
70	% Fixed	46.28%	51.27%	32.69%
71	% Variable	53.72%	48.73%	67.31%
72				
73	<u>13. Difference (Proposed - Current)</u>			
74	Cost of Gas - \$	0	0	0
75	Volumetric Charge - \$	10,187,842	8,845,583	1,342,259
76	Customer Charge - \$	907,753	536,936	370,818
77	Total - \$	11,095,596	9,382,519	1,713,077

**BLACK HILLS NEBRASKA GAS, LLC
REVENUE UNDER COST-BASE RATE DESIGN
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020**

	A	B	C	D
Line No.	Description	Total Sales	Residential	Commercial
78	<u>14. Alternate Rates</u>			
79	Cost of Gas - \$/Therm		0.42474	0.42337
80	Volumetric Charge - \$/Therm			
81	All Therms		0.15000	0.15000
82	Customer Charge - \$/Month		\$21.41	\$38.76
83				
84	<u>15. Revenues Under Proposed Rates</u>			
85	Cost of Gas - \$	129,220,029	75,773,737	53,446,292
86	Volumetric Charge - \$/			
87	All Therms	45,696,247	26,760,010	18,936,238
88				
89	Customer Charge - \$	80,755,308	65,688,792	15,066,516
90				
91	Total - \$	255,671,583	168,222,538	87,449,046
92				
93	<u>16. Base Rate Structure</u>			
94	% Fixed	63.86%	71.05%	44.31%
95	% Variable	36.14%	28.95%	55.69%
96				
97	<u>17. Difference (Alternate - Current)</u>			
98	Cost of Gas - \$	0	0	0
99	Volumetric Charge - \$	(12,056,375)	(9,448,202)	(2,608,173)
100	Customer Charge - \$	23,143,168	18,823,026	4,320,142
101	Total - \$	11,086,793	9,374,825	1,711,969

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Black Hills Nebraska

**Table 1: Summary of Accrual Rates and Annual Accrual Amounts
As of November 30, 2019**

Account (A)	Description (B)	11/30/19 Plant in Service (C)	Company Proposal		Public Advocate Proposal		Difference from Company (L)
			Accrual Rate (F)	Accrual Amount (G)	Accrual Rate (I)	Accrual Amount (J)	
Intangible Plant							
302.00	Franchises and Consents	121,062	0.58%	704	0.58%	704	0
303.00	Misc Intangible Plant	742,881	6.61%	49,089	6.61%	49,089	0
303.01	Misc Intangible Plant - Easements	500,000	5.05%	25,253	5.05%	25,253	0
Total Intangible Plant		1,363,943	5.50%	75,046	5.50%	75,046	0
Transmission Plant							
365.03	Land & Land Rights - Rights-of-Way	170,272	0.76%	1,299	0.76%	1,299	0
366.01	Structures and Improvements	8,174	0.49%	40	0.49%	40	0
367.00	Mains	5,358,619	0.49%	26,467	0.49%	26,467	0
369.03	Measuring & Regulating Station Equip	624,132	2.08%	12,979	2.08%	12,979	0
Total Transmission Plant		6,161,197	0.66%	40,785	0.66%	40,785	0
Distribution Plant							
374.03	Land and Land Rights	5,981,059	0.95%	56,566	0.95%	56,566	0
375.01	Structures and Improvements	4,779,830	0.76%	36,546	0.76%	36,546	0
375.20	Structures and Improvements - Other	12,119	2.14%	259	2.14%	259	0
376.00	Mains	368,534,043	1.45%	5,358,903	1.37%	5,059,222	(299,681)
378.00	Measuring & Regulating Station Equip	20,627,024	2.71%	558,236	2.71%	558,236	0
379.00	Measuring & Regulating Station Equip-City	4,504,804	1.41%	63,676	1.41%	63,676	0
380.00	Services	132,537,973	3.54%	4,695,090	2.68%	3,557,624	(1,137,466)
381.00	Meters						
	Small Volume and Other	21,393,947	3.19%	681,598	3.19%	681,598	0
	ERT, AMR, and AMI	21,057,410	6.41%	1,349,841	6.41%	1,349,841	0
	Total Meters	42,451,357	4.79%	2,031,439	4.79%	2,031,439	0
382.01	Meter Installations	15,027,221	2.67%	400,767	2.67%	400,767	0
383.01	House Regulators	64,404,963	3.26%	2,102,069	2.68%	1,723,155	(378,914)
383.71	House Regulators - Farm Taps	626,094	2.49%	15,621	2.21%	13,842	(1,779)
384.00	House Regulatory Installations	1,517,403	1.21%	18,367	1.21%	18,367	0
385.00	Industrial Measuring & Regulating Station E	8,058,395	2.58%	207,519	2.58%	207,519	0
386.00	Other Property on Customers' Premises	35,279	1.04%	366	1.04%	366	0
387.00	Other Equipment	206,520	2.06%	4,264	2.06%	4,264	0
Total Distribution Plant		669,304,085	2.32%	15,549,688	2.05%	13,731,848	(1,817,840)
General Plant							
390.01	Structures and Improvements	22,478,214	2.98%	670,911	2.98%	670,911	0
390.51	Leasehold Improvements	96,461	9.28%	8,948	9.28%	8,948	0

Black Hills Nebraska
Table 1: Summary of Accrual Rates and Annual Accrual Amounts
As of November 30, 2019

Account	Description	11/30/19 Plant in Service	Company Proposal		Public Advocate Proposal		Difference from Company
			Accrual Rate	Accrual Amount	Accrual Rate	Accrual Amount	
(A)	(B)	(C)	(F)	(G)	(I)	(J)	(L)
391.01	Office Furniture & Equip						
	Fully Accrued	1,134	0.00%	0	0.00%	0	0
	Amortized	415,194	5.00%	20,751	5.00%	20,751	0
	Total Office Furniture & Equip	416,328	4.98%	20,751	4.98%	20,751	0
391.03	Computer Hardware						
	Fully Accrued	6,176	0.00%	0	0.00%	0	0
	Amortized	544,785	20.00%	108,941	20.00%	108,941	0
	Total Computer Hardware	550,961	19.77%	108,941	19.77%	108,941	0
391.04	Software						
	Fully Accrued	168,549	0.00%	0	0.00%	0	0
	Amortized	1,551	19.99%	310	19.99%	310	0
	Total Software	170,100	0.18%	310	0.18%	310	0
391.07	Ipad Hardware	581,995	20.00%	116,399	20.00%	116,399	0
	Transportation Equipment						
392.02	Cars	3,928,687	9.87%	387,805	9.87%	387,805	0
392.03	Light Trucks	17,523,332	7.00%	1,226,077	7.00%	1,226,077	0
392.04	Medium Trucks	127,109	12.56%	15,961	12.56%	15,961	0
392.05	Heavy Trucks	3,070,645	4.76%	146,182	4.76%	146,182	0
392.06	Trailers	816,543	6.59%	53,848	6.59%	53,848	0
	Total Transportation Equipment	25,466,316	7.19%	1,829,873	7.19%	1,829,873	0
393.00	Stores Equipment	28,178	4.00%	1,127	4.00%	1,127	0
394.00	Tools, Shop, & Garage Equip						
	Fully Accrued	85,929	0.00%	0	0.00%	0	0
	Amortized	8,190,435	4.00%	327,313	4.00%	327,313	0
	Total Tools, Shop, & Garage Equip	8,276,365	3.95%	327,313	3.95%	327,313	0
395.00	Laboratory Equip						
	Fully Accrued	6,915	0.00%	0	0.00%	0	0
	Amortized	81,887	5.00%	4,098	5.00%	4,098	0
	Total Laboratory Equip	88,803	4.61%	4,098	4.61%	4,098	0
396.00	Power Operated Equipment	5,766,089	3.83%	220,896	3.83%	220,896	0
397.00	Communication Equip						
	Fully Accrued	909	0.00%	0	0.00%	0	0
	Amortized	845,171	6.67%	56,342	6.67%	56,342	0
	Total Communication Equip	846,080	6.66%	56,342	6.66%	56,342	0
398.00	Miscellaneous Equipment	904,317	5.00%	45,183	5.00%	45,183	0
Total General Plant		65,670,206	5.19%	3,411,092	5.19%	3,411,092	0
<u>Unrecovered Reserve to be Amortized</u>							
391.01	Office Furniture & Equip			70,784		70,784	0
391.03	Computer Hardware			177,238		177,238	0
391.04	Software			160,964		160,964	0
391.07	Ipad Hardware			1,113		1,113	0
393.00	Stores Equipment			(464)		(464)	0
394.00	Tools, Shop, & Garage Equip			(129,677)		(129,677)	0
395.00	Laboratory Equip			1,323		1,323	0
397.00	Communication Equip			(44,853)		(44,853)	0
398.00	Miscellaneous Equipment			(24,256)		(24,256)	0
Total Unrecovered Reserve to be Amortized		0		212,172		212,172	0
TOTAL DEPRECIABLE PLANT		742,499,431	2.60%	19,288,783	2.35%	17,470,943	(1,817,840)