

THIS FILING IS

Item 1: ☒ An Initial (Original)
Submission

OR ☐ Resubmission No. ____

Form 2 Approved
OMB No.1902-0028
(Expires 09/30/2017)

Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2016)



FERC FINANCIAL REPORT

FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)

Black Hills Gas Distribution LLC, d/b/a Black Hills Energy

Year/Period of Report

End of 2015/Q4

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

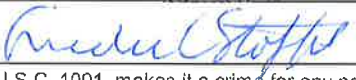
IDENTIFICATION

01 Exact Legal Name of Respondent BlackHills Gas Distribution, d/b/a BlackHills Energy		Year/Period of Report End of 2015/Q4	
03 Previous Name and Date of Change (If name changed during year) SourceGas Distribution LLC 02/12/2016			
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 600 12th Street, Suite 300, Golden, CO 80401			
05 Name of Contact Person Stephen L. Rocheleau		06 Title of Contact Person Director - Regulatory Services	
07 Address of Contact Person (Street, City, State, Zip Code) 600 12th Street, Suite 300, Golden CO 80401			
08 Telephone of Contact Person, Including Area Code 303-243-3473		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	
		10 Date of Report (Mo, Da, Yr) 04/29/2016	

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

11 Name Fred Stoffel		12 Title Director - Regulatory Affairs	
13 Signature 		14 Date Signed 04/27/2016	

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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List of Schedules (Natural Gas Company)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
	GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
1	General Information	101		
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4	Security Holders and Voting Powers	107		N/A
5	Important Changes During the Year	108		
6	Comparative Balance Sheet	110-113		
7	Statement of Income for the Year	114-116		
8	Statement of Accumulated Comprehensive Income and Hedging Activities	117		N/A
9	Statement of Retained Earnings for the Year	118-119		
10	Statements of Cash Flows	120-121		
11	Notes to Financial Statements	122		
	BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
13	Gas Plant in Service	204-209		
14	Gas Property and Capacity Leased from Others	212		N/A
15	Gas Property and Capacity Leased to Others	213		N/A
16	Gas Plant Held for Future Use	214		N/A
17	Construction Work in Progress-Gas	216		
18	Non-Traditional Rate Treatment Afforded New Projects	217		N/A
19	General Description of Construction Overhead Procedure	218		
20	Accumulated Provision for Depreciation of Gas Utility Plant	219		
21	Gas Stored	220		
22	Investments	222-223		N/A
23	Investments in Subsidiary Companies	224-225		N/A
24	Prepayments	230		
25	Extraordinary Property Losses	230		N/A
26	Unrecovered Plant and Regulatory Study Costs	230		N/A
27	Other Regulatory Assets	232		
28	Miscellaneous Deferred Debits	233		
29	Accumulated Deferred Income Taxes	234-235		N/A
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
30	Capital Stock	250-251		N/A
31	Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252		N/A
32	Other Paid-In Capital	253		
33	Discount on Capital Stock	254		N/A
34	Capital Stock Expense	254		N/A
35	Securities issued or Assumed and Securities Refunded or Retired During the Year	255		N/A
36	Long-Term Debt	256-257		
37	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259		N/A

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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List of Schedules (Natural Gas Company) (continued)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA."

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
38	Unamortized Loss and Gain on Reacquired Debt	260		N/A
39	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261		N/A
40	Taxes Accrued, Prepaid, and Charged During Year	262-263		
41	Miscellaneous Current and Accrued Liabilities	268		
42	Other Deferred Credits	269		
43	Accumulated Deferred Income Taxes-Other Property	274-275		N/A
44	Accumulated Deferred Income Taxes-Other	276-277		N/A
45	Other Regulatory Liabilities	278		
	INCOME ACCOUNT SUPPORTING SCHEDULES			
46	Monthly Quantity & Revenue Data by Rate Schedule	299		N/A
47	Gas Operating Revenues	300-301		
48	Revenues from Transportation of Gas of Others Through Gathering Facilities	302-303		N/A
49	Revenues from Transportation of Gas of Others Through Transmission Facilities	304-305		
50	Revenues from Storage Gas of Others	306-307		
51	Other Gas Revenues	308		
52	Discounted Rate Services and Negotiated Rate Services	313		N/A
53	Gas Operation and Maintenance Expenses	317-325		
54	Exchange and Imbalance Transactions	328		
55	Gas Used in Utility Operations	331		
56	Transmission and Compression of Gas by Others	332		N/A
57	Other Gas Supply Expenses	334		N/A
58	Miscellaneous General Expenses-Gas	335		
59	Depreciation, Depletion, and Amortization of Gas Plant	336-338		
60	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
	COMMON SECTION			
61	Regulatory Commission Expenses	350-351		
62	Employee Pensions and Benefits (Account 926)	352		
63	Distribution of Salaries and Wages	354-355		
64	Charges for Outside Professional and Other Consultative Services	357		
65	Transactions with Associated (Affiliated) Companies	358		
	GAS PLANT STATISTICAL DATA			
66	Compressor Stations	508-509		
67	Gas Storage Projects	512-513		
68	Transmission Lines	514		
69	Transmission System Peak Deliveries	518		
70	Auxiliary Peaking Facilities	519		N/A
71	Gas Account-Natural Gas	520		
72	Shipper Supplied Gas for the Current Quarter	521		N/A
73	System Map	522		
74	Footnote Reference	551		
75	Footnote Text	552		
76	Stockholder's Reports (check appropriate box)			
	<input type="checkbox"/> Four copies will be submitted <input checked="" type="checkbox"/> No annual report to stockholders is prepared			

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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General Information

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Richard Kinzley, Sr. Vice President & Chief Financial Officer
625 Ninth Street, Rapid City, SD 57701

2. Provide the name of the State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Black Hills Gas Distribution LLC is a limited liability company organized on August 3, 2006 under the laws of the state of Delaware

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

Distribution of natural gas in Colorado, Nebraska and Wyoming
Intra-state transmission of natural gas in Colorado and Wyoming
Storage of natural gas in Wyoming

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- (1) ☐ Yes... Enter the date when such independent accountant was initially engaged:
(2) ☒ No

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Control Over Respondent

1. Report in column (a) the names of all corporations, partnerships, business trusts, and similar organizations that directly, indirectly, or jointly held control (see page 103 for definition of control) over the respondent at the end of the year. If control is in a holding company organization, report in a footnote the chain of organization.
2. If control is held by trustees, state in a footnote the names of trustees, the names of beneficiaries for whom the trust is maintained, and the purpose of the trust.
3. In column (b) designate type of control over the respondent. Report an "M" if the company is the main parent or controlling company having ultimate control over the respondent. Otherwise, report a "D" for direct, an "I" for indirect, or a "J" for joint control.

Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1	SourceGas LLC	M	DE	
2	SourceGas Holdings LLC	I	DE	
3	Aircraft Services Corporation	I	NV	
4	Alinda Investments LLC	I	DE	
5	Alinda Gas I Inc	I	DE	
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report 2015/Q4
Black Hills Gas Distribution LLC, d/b/a Black Hills Energy			
Important Changes During the Quarter/Year			

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.
 2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
 3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.
 4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.
 5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.
- Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.
 7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
 8. State the estimated annual effect and nature of any important wage scale changes during the year.
 9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
 10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
 11. Estimated increase or decrease in annual revenues caused by important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.
 12. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
 13. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

1. None
2. None
3. None
4. None
5. None
6. None
7. None
8. The average wage increase for 2015 was 3%
9. See Note 4 to the Financial Statements
10. None
11. See Note 3 to the Financial Statements
12. See Notes 1 and 3 to Financial Statements that discuss the sale of SourceGas Holdings LLC to Black Hills Corporation. Greg Toth, Vice President Customer Care and Growth, resignation effective 4/30/2015. The following officers were replaced with the officers listed on the footnote page: Michael Noone, Director and President & CEO, resignation effective 2/11/16, Richard A. Ostberg, Director and CFO, resignation effective 2/11/16, Timothy J. Knapp, Vice President, General Counsel and Secretary, resignation effective 2/11/16, W. Jason Weekley, Vice President Operations, resignation effective 2/11/16, Richard A. Maceyka, Vice President Commercial, System Growth, resignation effective 2/11/16, Marsha C. Williams, Vice President Human Resources, resignation effective 2/11/16, Charles J. Harder, Vice President Rates and Regulatory, resignation effective 2/11/16, Andrew J. Walls, Treasurer, resignation effective 2/11/16.
13. Not Applicable

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
BlackHills Gas Distribution LLC	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	4/29/2016	End of 2015/Q4

FOOTNOTE DATA

Schedule Page: 108 Question# 12

Officer	Title
David R. Emery	Chairman and Chief Executive Officer
Linden R. Evans	President and Chief Operating Officer
Richard W. Kinzley	Senior Vice President and Chief Financial Officer
Steven J. Helmers	Senior Vice President, General Counsel and Chief Compliance Officer (also Assistant Secretary)
Robert A. Myers	Senior Vice President – Chief Human Resources Officer
Scott A. Buchholz	Senior Vice President – Chief Information Officer
Brian G. Iverson	Senior Vice President – Regulatory and Government Affairs and Assistant General Counsel
Roxann R. Basham	Vice President – Governance and Corporate Secretary
Esther J. Newbrough	Vice President – Corporate Controller
Kimberly F. Nooney	Vice President – Treasurer
Jeffrey B. Berzina	Vice President – Strategic Planning and Development
Ivan Vancas	Group Vice President – Natural Gas Utilities
Kyle D. White	Vice President – Regulatory Affairs
Perry S. Krush	Vice President – Supply Chain
Mark L. Lux	Vice President – Power Generation, Safety and Environmental
Richard C. Loomis	Vice President – Special Projects
Mark E. Stege	Vice President – Customer Service
Susan Bailey	Vice President – Operations – CO Gas
Jeffrey Sylvester	Vice President – Operations – NE Gas
Shirley Welte	Vice President – Operations – WY Gas
Jodi Culp	Vice President – Gas Asset Optimization

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Comparative Balance Sheet (Assets and Other Debits)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	992,241,604	920,246,446
3	Construction Work in Progress (107)	200-201	19,898,489	25,916,926
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	1,012,140,093	946,163,372
5	(Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)		339,824,765	323,385,815
6	Net Utility Plant (Total of line 4 less 5)		672,315,328	622,777,557
7	Nuclear Fuel (120.1 thru 120.4, and 120.6)		0	0
8	(Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)		0	0
9	Nuclear Fuel (Total of line 7 less 8)		0	0
10	Net Utility Plant (Total of lines 6 and 9)		672,315,328	622,777,557
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored-Base Gas (117.1)	220	3,248,880	3,248,880
13	System Balancing Gas (117.2)	220	31,803	0
14	Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)	220	2,824,580	2,824,580
15	Gas Owed to System Gas (117.4)	220	46,952	0
16	OTHER PROPERTY AND INVESTMENTS			
17	Nonutility Property (121)		2,245,461	2,908,183
18	(Less) Accum. Provision for Depreciation and Amortization (122)		1,877,662	2,565,628
19	Investments in Associated Companies (123)	222-223	0	0
20	Investments in Subsidiary Companies (123.1)	224-225	0	0
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)			
22	Noncurrent Portion of Allowances		0	0
23	Other Investments (124)	222-223	0	0
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		0	0
28	Long-Term Portion of Derivative Assets (175)		0	0
29	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		367,799	342,555
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)		0	0
33	Special Deposits (132-134)		0	0
34	Working Funds (135)		0	0
35	Temporary Cash investments (136)	222-223	0	0
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		46,324,392	57,913,365
38	Other Accounts Receivable (143)		2,888	0
39	(Less) Accum. Provision for Uncollectible Accounts - Credit (144)		1,429,896	1,098,334
40	Notes Receivable from Associated Companies (145)		0	0
41	Accounts Receivable from Associated Companies (146)		0	0
42	Fuel Stock (151)		0	0
43	Fuel Stock Expenses Undistributed (152)		0	0

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Comparative Balance Sheet (Assets and Other Debits)(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0
45	Plant Materials and Operating Supplies (154)		3,531,745	3,256,046
46	Merchandise (155)		2,339,255	1,124,512
47	Other Materials and Supplies (156)		0	0
48	Nuclear Materials Held for Sale (157)		0	0
49	Allowances (158.1 and 158.2)		0	0
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		0	0
52	Gas Stored Underground-Current (164.1)	220	3,422,270	4,699,924
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	(21,054)	84,094
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		0	0
57	Rents Receivable (172)		0	0
58	Accrued Utility Revenues (173)		0	0
59	Miscellaneous Current and Accrued Assets (174)		93,125	110,765
60	Derivative Instrument Assets (175)		608,002	820,248
61	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
62	Derivative Instrument Assets - Hedges (176)		0	0
63	(Less) Long-Term Portion of Derivative Instrument Assests - Hedges (176)		0	0
64	TOTAL Current and Accrued Assets (Total of lines 32 thru 63)		54,870,727	66,910,620
65	DEFERRED DEBITS			
66	Unamortized Debt Expense (181)		0	0
67	Extraordinary Property Losses (182.1)	230	0	0
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
69	Other Regulatory Assets (182.3)	232	(2,474,220)	(554,956)
70	Preliminary Survey and Investigation Charges (Electric)(183)		0	0
71	Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)		0	60,046
72	Clearing Accounts (184)		(1,887)	92
73	Temporary Facilities (185)		0	0
74	Miscellaneous Deferred Debits (186)	233	887,215	2,021,031
75	Deferred Losses from Disposition of Utility Plant (187)		0	0
76	Research, Development, and Demonstration Expend. (188)		0	0
77	Unamortized Loss on Reacquired Debt (189)		0	0
78	Accumulated Deferred Income Taxes (190)	234-235	0	0
79	Unrecovered Purchased Gas Costs (191)		(7,134,102)	2,640,889
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		(8,722,994)	4,167,102
81	TOTAL Assets and Other Debits (Total of lines 10-15,30,64,and 80)		724,983,075	700,271,294

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Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/29/2016	End of <u>2015/Q4</u>

Comparative Balance Sheet (Liabilities and Other Credits)(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Current Year End of Quarter/Year Balance	Prior Year End Balance 12/31 (d)
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		170,650	158,009
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		185,650	180,175
36	CURRENT AND ACCRUED LIABILITIES			
37	Current Portion of Long-Term Debt		0	0
38	Notes Payable (231)		0	0
39	Accounts Payable (232)		29,893,648	36,096,939
40	Notes Payable to Associated Companies (233)		0	0
41	Accounts Payable to Associated Companies (234)		0	0
42	Customer Deposits (235)		6,624,889	6,495,978
43	Taxes Accrued (236)	262-263	6,526,850	3,934,083
44	Interest Accrued (237)		40,223	37,538
45	Dividends Declared (238)		0	0
46	Matured Long-Term Debt (239)		0	0
47	Matured Interest (240)		0	0
48	Tax Collections Payable (241)		4,829,884	6,655,005
49	Miscellaneous Current and Accrued Liabilities (242)	268	(1,215,751)	425,239
50	Obligations Under Capital Leases-Current (243)		0	0
51	Derivative Instrument Liabilities (244)		1,029,719	2,219,669
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
53	Derivative Instrument Liabilities - Hedges (245)		0	0
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		47,729,462	55,864,451
56	DEFERRED CREDITS			
57	Customer Advances for Construction (252)		4,813,687	4,567,022
58	Accumulated Deferred Investment Tax Credits (255)		0	0
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	3,326,710	7,409
61	Other Regulatory Liabilities (254)	278	97,355	0
62	Unamortized Gain on Reacquired Debt (257)	260	0	0
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		0	0
65	Accumulated Deferred Income Taxes - Other (283)		0	0
66	TOTAL Deferred Credits (Total of lines 57 thru 65)		8,237,752	4,574,431
67	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)		724,983,075	700,271,294

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
BlackHills Gas Distribution LLC	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	4/29/2016	End of 2015/Q4

FOOTNOTE DATA

Schedule Page: 110 Line No.: 19 Column: c
Schedule Page: 110 Line No.: 41 Column: c
Schedule Page: 112 Line No.: 19 Column: c

Inter-company receivables and payables have been netted in this report

123 - Investments in Associated Companies	151,860
146 - Accounts Receivable from Associated Companies	946,976
223 - Advances from Associated Companies	(5,844,199)
Net Total shown on Page 112, Line No. 19, Column C	(4,745,363)

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Statement of Income

Quarterly

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly, if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	230,211,031	233,619,001	0	0
3	Operating Expenses					
4	Operation Expenses (401)	317-325	151,575,440	156,212,821	0	0
5	Maintenance Expenses (402)	317-325	2,730,887	3,189,797	0	0
6	Depreciation Expense (403)	336-338	26,973,228	25,000,097	0	0
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0	0	0	0
8	Amortization and Depletion of Utility Plant (404-405)	336-338	48,346	38,571	0	0
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	0	0	0	0
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)		0	0	0	0
11	Amortization of Conversion Expenses (407.2)		0	0	0	0
12	Regulatory Debits (407.3)		0	381,851	0	0
13	(Less) Regulatory Credits (407.4)		0	0	0	0
14	Taxes Other than Income Taxes (408.1)	262-263	6,903,607	6,726,978	0	0
15	Income Taxes-Federal (409.1)	262-263	0	0	0	0
16	Income Taxes-Other (409.1)	262-263	0	0	0	0
17	Provision of Deferred Income Taxes (410.1)	234-235	0	0	0	0
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	0	0	0	0
19	Investment Tax Credit Adjustment-Net (411.4)		0	0	0	0
20	(Less) Gains from Disposition of Utility Plant (411.6)		0	0	0	0
21	Losses from Disposition of Utility Plant (411.7)		0	0	0	0
22	(Less) Gains from Disposition of Allowances (411.8)		0	0	0	0
23	Losses from Disposition of Allowances (411.9)		0	0	0	0
24	Accretion Expense (411.10)		12,641	11,704	0	0
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		188,244,149	191,561,819	0	0
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		41,966,882	42,057,182	0	0

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of <u>2015/Q4</u>
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Statement of Income(continued)

Line No.	Title of Account (a)	Reference Page Number (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current Three Months Ended Quarterly Only No Fourth Quarter (e)	Prior Three Months Ended Quarterly Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		41,966,882	42,057,182	0	0
28	OTHER INCOME AND DEDUCTIONS					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues form Merchandising, Jobbing and Contract Work (416)		12,204,493	13,010,223	0	0
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		10,372,942	11,744,772	0	0
33	Revenues from Nonutility Operations (417)		0	0	0	0
34	(Less) Expenses of Nonutility Operations (417.1)		(31,419)	42,635	0	0
35	Nonoperating Rental Income (418)		0	0	0	0
36	Equity in Earnings of Subsidiary Companies (418.1)	119	0	0	0	0
37	Interest and Dividend Income (419)		1,509,767	2,007,877	0	0
38	Allowance for Other Funds Used During Construction (419.1)		162,579	0	0	0
39	Miscellaneous Nonoperating Income (421)		529,968	1,410,197	0	0
40	Gain on Disposition of Property (421.1)		0	387,952	0	0
41	TOTAL Other Income (Total of lines 31 thru 40)		4,066,284	5,028,842	0	0
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		0	0	0	0
44	Miscellaneous Amortization (425)		0	0	0	0
45	Donations (426.1)	340	46,163	82,130	0	0
46	Life Insurance (426.2)		0	0	0	0
47	Penalties (426.3)		54	1,310	0	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		159,645	141,117	0	0
49	Other Deductions (426.5)		37	9,314	0	0
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	205,899	233,871	0	0
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	2,825	2,229	0	0
53	Income Taxes-Federal (409.2)	262-263	0	0	0	0
54	Income Taxes-Other (409.2)	262-263	0	0	0	0
55	Provision for Deferred Income Taxes (410.2)	234-235	0	0	0	0
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235	0	0	0	0
57	Investment Tax Credit Adjustments-Net (411.5)		0	0	0	0
58	(Less) Investment Tax Credits (420)		0	0	0	0
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		2,825	2,229	0	0
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		3,856,560	4,792,742	0	0
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)		0	0	0	0
63	Amortization of Debt Disc. and Expense (428)	258-259	0	0	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		0	0	0	0
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259	0	0	0	0
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)		0	0	0	0
67	Interest on Debt to Associated Companies (430)	340	940,022	1,464,881	0	0
68	Other Interest Expense (431)	340	117,851	225,732	0	0
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		388,007	293,746	0	0
70	Net Interest Charges (Total of lines 62 thru 69)		669,866	1,396,867	0	0
71	Income Before Extraordinary Items (Total of lines 27,60 and 70)		45,153,576	45,453,057	0	0
72	EXTRAORDINARY ITEMS					
73	Extraordinary Income (434)		0	0	0	0
74	(Less) Extraordinary Deductions (435)		0	0	0	0
75	Net Extraordinary Items (Total of line 73 less line 74)		0	0	0	0
76	Income Taxes-Federal and Other (409.3)	262-263	0	0	0	0
77	Extraordinary Items after Taxes (Total of line 75 less line 76)		0	0	0	0
78	Net Income (Total of lines 71 and 77)		45,153,576	45,453,057	0	0

[illegible]

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Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Statement of Retained Earnings

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter Year to Date Balance (c)	Previous Quarter Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS			
1	Balance-Beginning of Period		140,465,642	102,455,493
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	TOTAL Credits to Retained Earnings (Account 439) (footnote details)			
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418.1)			
7	Appropriations of Retained Earnings (Account 436)		20,195,060	7,442,908
8	TOTAL Appropriations of Retained Earnings (Account 436) (footnote details)		20,195,060	7,442,908
9	Dividends Declared-Preferred Stock (Account 437)			
10	TOTAL Dividends Declared-Preferred Stock (Account 437) (footnote details)			
11	Dividends Declared-Common Stock (Account 438)			
12	TOTAL Dividends Declared-Common Stock (Account 438) (footnote details)			
13	Transfers from Account 216.1, Unappropriated Undistributed Subsidiary Earnings		45,153,577	45,453,057
14	Balance-End of Period (Total of lines 1, 4, 5, 6, 8, 10, 12, and 13)		165,424,159	140,465,642
15	APPROPRIATED RETAINED EARNINGS (Account 215)			
16	TOTAL Appropriated Retained Earnings (Account 215) (footnote details)			
17	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account			
18	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account			
19	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Total of lines			
20	TOTAL Retained Earnings (Accounts 215, 215.1, 216) (Total of lines 14 and 1		165,424,159	140,465,642
21	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
	Report only on an Annual Basis no Quarterly			
22	Balance-Beginning of Year (Debit or Credit)			
23	Equity in Earnings for Year (Credit) (Account 418.1)			
24	(Less) Dividends Received (Debit)			
25	Other Changes (Explain)			
26	Balance-End of Year			

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Statement of Cash Flows

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 25) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 78(c) on page 116)	45,153,577	45,453,057
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	21,369,975	20,013,222
5	Amortization of (Specify) (footnote details)	430,197	420,421
6	Deferred Income Taxes (Net)		
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables	10,654,614	(2,293,195)
9	Net (Increase) Decrease in Inventory	(291,544)	(3,222,233)
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	(5,729,778)	8,292,257
12	Net (Increase) Decrease in Other Regulatory Assets	1,755,552	174,798
13	Net Increase (Decrease) in Other Regulatory Liabilities	97,355	
14	(Less) Allowance for Other Funds Used During Construction		
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other (footnote details):	13,678,500	(4,293,191)
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16)	87,118,448	64,545,136
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)	(69,685,513)	(57,763,003)
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant		
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction		
27	Other (footnote details):		
28	Cash Outflows for Plant (Total of lines 22 thru 27)	(69,685,513)	(57,763,003)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)	(1,457,333)	210,734
32			
33	Investments in and Advances to Assoc. and Subsidiary Companies		(7,518,773)
34	Contributions and Advances from Assoc. and Subsidiary Companies	(15,975,602)	525,906
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37			
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Statement of Cash Flows (continued)

Line No.	Description (See Instructions for explanation of codes) (a)	Current Year to Date Quarter/Year	Previous Year to Date Quarter/Year
40	Loans Made or Purchased		
41	Collections on Loans		
42			
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Other (footnote details):		
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47)	(87,118,448)	(64,545,136)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)		
54	Preferred Stock		
55	Common Stock		
56	Other (footnote details):		
57	Net Increase in Short-term Debt (c)		
58	Other (footnote details):		
59	Cash Provided by Outside Sources (Total of lines 53 thru 58)		
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)		
63	Preferred Stock		
64	Common Stock		
65	Other (footnote details):		
66	Net Decrease in Short-Term Debt (c)		
67			
68	Dividends on Preferred Stock		
69	Dividends on Common Stock		
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)		
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18, 49 and 71)		
75			
76	Cash and Cash Equivalents at Beginning of Period		
77			
78	Cash and Cash Equivalents at End of Period		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
BlackHills Gas Distribution LLC	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	4/29/2016	End of 2015/Q4

FOOTNOTE DATA

Schedule Page: 120 Line No.: 5	Column: b	Column: c
Amortization of intangible plant	\$ 48,346	\$ 38,571
Amortization of regulatory study costs	381,851	381,851
Total amortization	<u>\$ 430,197</u>	<u>\$ 420,421</u>

Schedule Page: 120 Line No.: 16	Column: b	Column: c
(Increase) Decrease in unrecovered gas costs and other regulatory assets	\$ 9,774,991	\$ (6,055,040)
Writedown of accounts receivables	1,263,032	1,255,482
Transfers from affiliated companies	-	-
Non regulated depreciation	338,084	273,349
Loss on disposal of assets	-	-
Increase (Decrease) in prepayments and other assets	(71,146)	(179,321)
Increase (Decrease) in customer deposits and other current liabilities	(1,506,604)	(177,462)
(Increase) Decrease in deferred credits and other liabilities	3,880,143	589,801
Total other	<u>\$ 13,678,500</u>	<u>\$ (4,293,191)</u>

Schedule Page: 120 Line No.: 27	Column: b	Column: c
Plant removal costs	\$ -	\$ -

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report 2015/Q4
Black Hills Gas Distribution LLC, d/b/a Black Hills Energy			
Notes to Financial Statements			

1. Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
2. Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
3. Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no. 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets. Entities that participate in multiemployer postretirement benefit plans (e.g. parent company sponsored pension plans) disclose in addition to the required disclosures for the consolidated plan, (1) the amount of cost recognized in the respondent's financial statements for each plan for the period presented, and (2) the basis for determining the respondent's share of the total plan costs.
4. Furnish details on the respondent's asset retirement obligations (ARO) as required by instruction no. 1 and, in addition, disclose the amounts recovered through rates to settle such obligations. Identify any mechanism or account in which recovered funds are being placed (i.e. trust funds, insurance policies, surety bonds). Furnish details on the accounting for the asset retirement obligations and any changes in the measurement or method of accounting for the obligations. Include details on the accounting for settlement of the obligations and any gains or losses expected or incurred on the settlement.
5. Provide a list of all environmental credits received during the reporting period.
6. Provide a summary of revenues and expenses for each tracked cost and special surcharge.
7. Where Account 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these item. See General Instruction 17 of the Uniform System of Accounts.
8. Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
9. Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
10. Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
11. Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
12. Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
13. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
14. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
15. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

Name of Respondent: BlackHills Gas Distribution LLC, d/b/a BlackHills Energy, f.k.a. SourceGas Distribution LLC	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo,Da,Yr) 04/29/2016	Year/Period of Report 2015/Q4
Notes to Financial Statements			

1. Organization and Business

SourceGas Distribution LLC (“the Company”) was formed as a Delaware limited liability company named KM Retail LLC on August 3, 2006. At the date of formation, the sole member of the Company was Kinder Morgan, Inc. (“Kinder Morgan”). On August 6, 2006, Kinder Morgan entered into a Purchase and Sale Agreement (“PSA”) with Aircraft Services Corporation (“ASC”), a subsidiary of General Electric Company, pursuant to which (i) Kinder Morgan agreed to contribute assets associated with the natural gas utility business described below to the Company and (ii) ASC agreed to acquire Kinder Morgan’s membership interest in the Company. On September 28, 2006, ASC assigned its rights and obligations under the PSA to SourceGas LLC (“SourceGas”), a then wholly owned subsidiary of ASC. On March 29, 2007, Kinder Morgan contributed the assets of the natural gas utility business to the Company and on March 30, 2007, SourceGas acquired Kinder Morgan’s membership interest in the Company. Also on March 30, 2007, ASC effectively transferred 50% of its interest in SourceGas to Alinda Investments LLC (“Alinda”). At December 31, 2011 and 2010, SourceGas was indirectly owned 50% by ASC and 50% by Alinda and one of its affiliates, Alinda Gas I Inc.

As used herein, the terms “we,” “us,” “our,” and “the Company” refer to SourceGas Distribution LLC.

Business

The Company is a regulated public utility consisting of retail natural gas distribution operations that serves approximately 266,000 customers in Colorado, Nebraska and Wyoming. The Company also sells appliances and heating equipment and provides associated repair services and appliance protection plans.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission (“FERC”) as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Use of Estimates

The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosures. Estimates are based on historical experience and various other assumptions that the Company believes to be reasonable under the circumstances. These estimates may involve complex situations requiring a high degree of judgment either in the application and interpretation of existing literature or in the development of estimates that impact the financial statements. The most significant estimates relate to the accounting for regulatory infrastructure program accruals, uncollectible accounts and other allowances for contingent losses, valuation of goodwill and intangible assets, retirement plan benefit obligations, derivative and hedging activities and provisions for income taxes. We evaluate our estimates on an ongoing basis and actual results could differ from estimates.

Effects of Regulation

Our natural gas utility operations are subject to regulation with respect to rates, service, maintenance of accounting records, pipeline integrity and various other matters by the respective regulatory authorities in the states in which the Company operates. The Company’s accounting policies reflect

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the financial effects of the ratemaking and accounting practices and policies of those regulatory authorities, where appropriate. As a result, we recognize certain costs as regulatory assets that would otherwise be charged to expense and recognizes certain proceeds as regulatory liabilities that would otherwise be recorded as revenue. The Company records regulatory assets when it is probable that costs will be recovered through rates charged to customers and records regulatory liabilities when it is probable that credits will be provided to customers as a result of the ratemaking process.

Revenue Recognition

Regulated retail natural gas distribution revenues, derived primarily from the sale and transportation of natural gas, are recognized when gas is delivered to and received by the customer. We bill customers of its regulated retail natural gas distribution businesses on a monthly billing cycle basis; however, the billing cycle periods for certain classes of customers do not necessarily coincide with accounting periods used for financial reporting purposes. The Company estimates and accrues revenues applicable to gas delivered to customers, but not yet billed. Estimated unbilled revenues were \$30.5 million and \$37.5 million at December 31, 2015 and 2014, respectively. Payments received from customers who participate in budget billing, whose balance represents the amount paid in excess of gas delivered, are included in deferred revenue.

Revenues for our regulated transmission operations are recognized in the period in which actual volumes are transported. We also provide various types of natural gas transportation services to its customers in which the natural gas remains the property of these customers at all times. The customer pays a two-part rate that includes a fixed fee and a per-unit rate for volumes actually transported. The fixed-fee component of the overall rate is recognized as revenue ratably over the contract period. The per-unit charge is recognized as revenue when the volumes are transported.

We bill and collect from our customers certain taxes based on revenues that are imposed by governmental authorities in the jurisdictions in which we operate. We record revenues net of such taxes.

Trade Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable arise primarily from natural gas sales to residential, commercial, industrial and other customers. Merchandise loans with maturities of less than one year relating to the sales of appliances and heating equipment are included in the trade accounts receivable balance. The allowance for doubtful accounts reflects the Company's estimate of probable losses in its receivable balance determined on the basis of historical experience, specific allowances for high credit risk accounts and other currently available evidence. When specific accounts are determined to be uncollectible, the allowance and receivable are relieved.

Gas in Underground Storage

The Company uses underground gas storage facilities to help manage the seasonality of its business and to optimize the prices for which gas is purchased. The Company's natural gas inventories for regulated utility operations are generally stated at the lower of average cost or net realizable value. The regulatory treatment of utility gas inventories provides for cost recovery in customer rates.

Property, Plant and Equipment

Property, plant and equipment consist of the following (in thousands):

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	December 31,	
	2015	2014
Property, plant and equipment:		
Natural gas distribution	\$ 620,105	\$ 539,741
Natural gas transmission	69,897	57,557
Other property, plant and equipment in service	98,808	120,232
Construction work in progress	20,008	25,895
Total property, plant and equipment	808,818	743,425
Less accumulated depreciation and amortization	(341,627)	(325,876)
Property, plant and equipment, net	\$ 467,191	\$ 417,549

Property, plant and equipment are stated at original cost, net of contributions in aid of construction. For constructed plant, original cost includes indirect costs from shared resource activities, allowance for funds used during construction ("AFUDC") and other costs that clearly relate to plant construction. AFUDC represents the estimated cost of funds used to finance the construction of major projects and is capitalized when the completed projects are placed in service. Interest expense of \$0.6 million and \$0.3 million was capitalized in the years ended December 31, 2015 and 2014, respectively.

Expenditures that increase capacity, improve efficiency or extend service lives are capitalized. Repairs and maintenance costs are expensed as incurred. The original cost of retirements of depreciable regulated property, plant and equipment, plus the cost of removal, less salvage, is recorded in accumulated depreciation with no effect on current period earnings. Gains or losses are recognized upon retirement of unregulated and regulated property, plant and equipment constituting an operating unit or system when sold or abandoned.

Regulated plant depreciation is computed on the straight-line remaining life method at composite rates considered sufficient to amortize costs over estimated service lives. Depreciation rates include components that compensate for nonlegal costs of removal (net of salvage value), and retirements, as approved by the appropriate regulatory agency. The composite weighted average depreciation rates were 3.09 percent and 3.15 percent for the years ended December 31, 2015 and 2014, respectively. Depreciation on unregulated property, plant and equipment is generally computed on the straight-line method based upon estimated service lives ranging from 3 to 52 years.

Asset Retirement Obligations

The Company records a liability at fair value for an asset retirement obligation ("ARO") and corresponding accretion expense when the legal obligation to retire the asset has been incurred with an offsetting increase to the carrying value of the related asset. We have recorded an ARO in other liabilities of \$0.2 million and \$0.2 million as of December 31, 2015 and 2014, respectively.

Impairment of Long-lived Assets

We review the carrying values of its long-lived assets whenever events or changes in circumstances indicate that such carrying values may not be recoverable. For any assets with carrying values that are determined to be unrecoverable, the Company records an impairment charge to write down the carrying amount of the asset to its estimated fair value. We have not recorded any material asset impairments for the years ended December 31, 2015 and 2014.

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Goodwill and Intangible Assets

Goodwill is assigned to reporting units as of the date of the related business combination and reported in account number 114, gas plant acquisition adjustments. SourceGas' reporting units include SGD, SGA, RMNG and SGES. In accordance with the Financial Accounting Standards Board ("FASB") *Accounting Standards Codification ("ASC") 350 Intangibles – Goodwill and Other*, goodwill and other intangible assets with indefinite lives, such as trademarks and trade names, are reviewed for impairment annually during the fourth fiscal quarter and whenever an event or a change in circumstances indicates that impairment may have occurred. This standard provides companies the option to perform qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount prior to performing the two-step goodwill impairment test. If this is the case, the two-step goodwill impairment test is required. An impairment loss is recorded when the carrying amount of goodwill and other intangibles exceeds their fair value. For the year ended December 31, 2015, the Company performed a qualitative assessment and determined that it was not more likely than not that the fair value of the reporting units were less than the carrying value; therefore, no impairment was recognized. For the year ended December 31, 2014, the Company completed step one of the two-step goodwill impairment test and determined that the Company's reporting units' fair value exceeded their carrying value; therefore, no impairment was recognized.

No adjustments were required to be made to the accompanying consolidated statements of income, equity, comprehensive income and cash flows for the year ended December 31, 2015. The Company evaluated the annual impairment testing performed from 2008 through 2015 and determined that this decrease in goodwill would not have changed the results of the impairment testing for those years.

Derivative Instruments

We utilize derivative instruments for the purpose of mitigating risks resulting from changes in interest rates, energy commodity prices and volumetric load variances. The objectives and strategies for using derivatives have been tailored to the Company's regulated and unregulated businesses.

We record all derivative instruments at fair value in the consolidated balance sheets as either an asset or liability unless they qualify for certain exceptions, including the normal purchases and normal sales exception. Changes in a derivative's fair value are ultimately recognized in earnings. The timing of when the changes in fair value are recorded in earnings depends on whether the derivative has been designated and qualifies as part of a hedging relationship or if authoritative guidance for rate-regulated entities allows an alternative accounting treatment. Changes in fair value for derivatives that do not meet one of these criteria are recognized in earnings as they occur.

Note 6 describes our use of derivative instruments and the related effect on its consolidated financial statements.

Fair Value of Financial Instruments

Certain assets and liabilities are recognized or disclosed at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). GAAP established a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. These levels are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities
- Level 2 – Pricing inputs other than quoted prices included within Level 1, which are either directly or indirectly observable for the asset or liability as of the reporting date. These inputs are derived principally from, or corroborated by, observable market data.

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- Level 3 – Pricing based upon inputs that are generally unobservable, based on the best information available and reflect management's assumptions on how market participants would price the asset or liability.

Our financial instruments consist of cash, accounts receivable, accounts payable, long-term debt and derivative instruments. The fair values of our financial instruments approximate their respective carrying amounts in the balance sheets.

See Note 6 for fair value measurements of the Company's derivative instruments.

Income Taxes

The Company is organized as a limited liability company and is generally not subject to federal or state income taxes. Accordingly, no provision for income taxes is reflected in the accompanying financial statements.

Concentration of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to perform its contractual obligations. We engage in transactions for the purchase and sale of products and services with companies in the natural gas industry and with industrial, commercial and residential natural gas consumers. These transactions principally occur in the Rocky Mountain and Midwest regions of the United States. We believe that this geographic concentration does not contribute significantly to its overall exposure to credit risk. Credit risk associated with trade accounts receivable is mitigated by the large number of individual customers and the diversity in the Company's customer base.

We also have credit risk exposure to counterparties with whom the Company has open derivative instruments in asset positions. The Company's over-the-counter financial commodity derivatives are with a number of counterparties each of which has an investment-grade credit rating. Our physical commodity derivatives with nonrated counterparties are reviewed in accordance with the Company's credit risk policy. Based on the external credit rating and internal credit review of the counterparties, we believe the risk of default is remote.

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3. Regulatory Matters

Regulatory Assets and Liabilities

The following regulatory assets and liabilities are reflected in the consolidated balance sheets (in thousands):

	December 31,	
	2015	2014
Regulatory Assets:		
Purchased gas costs	\$ 488	\$ 4,098
Unrealized losses on derivative instruments	1,032	2,220
Rate regulation and application costs	6	178
Recoverable uncollectible expense	321	345
Recoverable Demand Side Management expenses	380	-
Litigation costs	-	240
Other	262	307
Total regulatory assets	<u>\$ 2,489</u>	<u>\$ 7,388</u>
Regulatory Liabilities:		
Purchased gas costs	\$ 7,622	\$ 1,457
Unrealized losses on derivative instruments	610	820
Recovery from litigation settlement	1,621	-
Recoverable Demand Side Management expenses	820	701
Other	724	624
Total regulatory liabilities	<u>\$ 11,397</u>	<u>\$ 3,602</u>

We defer purchased gas costs that otherwise would be charged to expense in accordance with gas cost adjustment mechanisms set forth in filings approved by the public utility commissions. The Company is permitted to recover such costs through rates charged to customers. The Company records an asset when purchased gas costs cumulatively exceed related billings and records a liability when billings cumulatively exceed related costs.

Purchased gas costs included in regulatory assets and regulatory liabilities are being recovered or refunded in rates, or are deferred pending regulatory review and approval. Generally, the applicable gas cost adjustment mechanisms provide for recovery or refund of deferred purchased gas costs over a 12-month period following the approval of a filing with the state public utility commissions with respect to such costs.

The following table presents the purchased gas costs by state in an under or (over) collected gas position:

	December 31,	
	2015	2014
Colorado	(7,061)	3,253
Nebraska	397	(1,457)
Wyoming	(470)	845
Total purchased gas cost, net	<u>\$ (7,134)</u>	<u>\$ 2,641</u>

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At December 31, 2015 and 2014, regulatory assets also include (i) unamortized costs incurred in connection with various regulatory applications that the Company is permitted to amortize and recover in its rates, (ii) unrealized gains and losses on derivative instruments that are used to mitigate the volatility in purchased gas costs for regulated utility customers and (iii) uncollectible customer accounts that the Company is permitted to recover in its rates.

Rate Filings and Other Matters

Wyoming

On September 9, 2013, SGD filed an application with the Wyoming Public Service Commission (“WPSC”) to construct major facilities consisting of a new compressor station (“Chokecherry”), natural gas transmission pipeline and other facilities that will interconnect SGD’s facilities with adjacent interstate pipelines. SGD is also seeking authority to implement new unbundled storage services, market center services and a revenue sharing mechanism. At its hearing on March 27, 2014, the WPSC approved the major elements of SGD’s application with revisions to the revenue sharing agreement and on August 14, 2014 issued its written order reflecting such approval.

Nebraska

SGD periodically files with the Nebraska Public Service Commission (“NPSC”) seeking approval of an infrastructure system replacement cost recovery charge (“ISR Charge”). The purpose of the ISR Charge is to recover capital expenditures that SGD has incurred as a result of legislative or regulatory requirements relating to the protection of the public health, safety or the environment and is in addition to SGD’s currently effective base rates. On June 25, 2013, the NPSC approved, and SGD implemented an ISR Charge, which generated annual revenues of \$0.7 million effective July 1, 2013. On May 1, 2014, SGD filed an application with the NPSC seeking approval of a second ISR Charge. A hearing on the stipulation between SGD and the Public Advocate was held on July 30, 2014. The NPSC approved the SGD’s second ISR Charge which was implemented September 1, 2014, and it is designed to generate annual revenues of \$0.5 million.

On May 1, 2014, SGD filed an application with the NPSC seeking approval to put into effect a System Safety and Integrity Rider (“SSIR”) and initial SSIR charges designed to collect \$1.5 million of revenue requirement for SSIR projects completed in 2014. The NPSC granted SGD’s SSIR application with certain conditions.

On November 10, 2014, SGD filed an application with the NPSC seeking approval to put into effect a 2015 SSIR to collect \$1.4 million of revenue requirement for SSIR projects that will be completed in 2015. The NPSC approved the application but reduced the amount to be recovered to \$1.3 million.

On October 1, 2015, SGD filed an application with the NPSC seeking approval to put into effect a 2016 SSIR to collect \$3.8 million of revenue requirement for SSIR projects that will be completed in 2016. On January 12, 2016, the NPSC approved the application.

Colorado

On April 26, 2015, SGD filed an application with the CPUC requesting approval to implement a Choice Gas Program in Colorado for its North Eastern and Western Slope customers, effective June 1, 2016. Choice Gas is the unbundling of natural gas service by allowing competitive commodity supply options. The delivery of natural gas by SGD will still be regulated by the CPUC. If approved by the CPUC, customers will have the opportunity to choose a natural gas supplier and pricing option that best suits their needs. On July 17, 2015, SGD filed an Unopposed Motion to Vacate Hearing and Procedural Schedule, Waive Statutory Time limits, Hold Proceeding in Abeyance and Waive Response Time

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(Motion to Vacate) to hold the proceeding in abeyance for six months so SGD can determine how the Black Hills acquisition impacts the Choice Gas filing. The CPUC granted this motion. On January 18, 2016, SGD filed a Status Report and asked for an additional 60 days through March 18, 2016 to determine how the Black Hills acquisition impacts the Choice Gas filing. The CPUC granted this request.

Due to the agreement entered on July 12, 2015 by Black Hills and SourceGas Holdings, on August 10, 2015, SGD, RMNG and Black Hills, filed with the other three state commissions Joint Applications, exhibits and attachments and supporting testimony, requesting from them a final order on or before February 1, 2016. The NPSC granted the application on January 26, 2016 and the WPSC granted the application at the hearing on January 26, 2016. The CPUC decision approving the application became effective by operation of law on February 11, 2016. On February 12, 2016, the sale was closed and SourceGas Holdings became a subsidiary of Black Hills.

Various other matters affecting our regulated utility operations are subject to proceedings before the state public utility regulatory commissions in Colorado, Nebraska and Wyoming, as well as the Federal Energy Regulatory Commission.

4. Commitments and Contingencies

Lease and Purchase Commitments

We lease certain property, plant and equipment under operating leases. Rent expense related to these leases totaled \$1.4 million and \$1.4 million for the years ended December 31, 2015 and 2014, respectively. Future minimum lease payments under noncancelable operating leases are as follows (in thousands):

Year ending December 31:		
2016	\$	26
2017		16
2018		14
2019		14
2020		14
Thereafter		202
	\$	<u>286</u>

We have signed agreements providing for the reservation of firm pipeline capacity under which we are required to make fixed monthly payments for contracted capacity. We enter into short-term sale agreements to release certain firm pipeline capacity on an annual basis to natural gas marketers in conjunction with the Choice Gas program. However, as the release agreements are of a short-term nature, they are not reflected on the following schedule.

At December 31, 2015, the Company's commitments for the reservation of firm pipeline capacity are as follows (in thousands):

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Year ending December 31:

2016	\$ 24,150
2017	37,894
2018	37,253
2019	35,353
2020	35,353
Thereafter	167,750
	<u>\$ 337,753</u>

Our total payments of fixed charges under our pipeline capacity purchase agreements were \$5.6 million and \$22.0 million as of December 31, 2015 and 2014, respectively.

We also enter into gas purchase agreements, which are short-term or long-term in nature. At December 31, 2015, the long-term commitments to purchase physical quantities of natural gas under contracts indexed to the forward Northwest Wyoming Pool ("NWWY Pool") Natural Gas indices are as follows:

Year ending December 31:

2016	960
2017	1,216
2018	1,208
2019	1,208
2020	968
	<u>5,560</u>

Our total payments under long-term gas purchase agreements were \$6.9 million and \$2.1 million as of December 31, 2015 and 2014, respectively.

Litigation

SGD and WBI Midstream (formerly known as Bitter Creek Pipelines LLC) were in a dispute regarding a Gas Gathering Agreement between the parties for the Bowdoin field in Montana. SGD purchases gas in the Bowdoin field from Noble Energy pursuant to a Gas Purchase Contract known as the P-802 Contract. Under the terms of the P-802 Contract, SGD is required to purchase all natural gas produced pursuant to specified pressures. Through its investigations, SGD learned that Noble Energy and WBI Midstream employed a variety of schemes to over-deliver natural gas to SGD under the P-802 and Gas Gathering Agreement.

In September 2009, SGD initiated arbitration against WBI Midstream pursuant to the Gas Gathering Agreement for breach of contract (referred to herein as SGD v. WBI Energy). On October 14, 2010 the arbitration panel concluded that WBI Midstream had breached the Agreement. The arbitrators awarded SGD damages in the amount of approximately \$26.0 million, plus attorney's fees of approximately \$0.6 million. WBI Midstream filed a Motion to Vacate the Arbitration Award which was denied. WBI Midstream appealed this decision and the Colorado Court of Appeals reversed the trial court's order and remanded the matter for trial. SGD's Petition for Certiorari was denied.

On January 19, 2015, SGD submitted a written offer to Noble Energy to terminate the P-802 contract. In December 2015, Noble Energy and SGD reached an agreement to terminate the P-802 Contract. The terms of the agreement remain undisclosed as there was a provision to the agreement whereby SGD would file applications with the Colorado, Wyoming and Nebraska Public Service Commissions for the creation of a regulatory asset on SGD's books and records comprised of the net

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buyout costs that SGD would incur to terminate the P-802 Contract. The P-802 Contract will not be terminated until these applications are approved. Colorado approved the application on January 27, 2016. SGD anticipates approval by the Wyoming and Nebraska commissions by the end of April 2016.

In December 2015, WBI Energy and SGD reached an agreement to settle the SGD v WBI Energy litigation and to terminate the Gas Gathering Agreement simultaneous with the termination of the P-802 Contract. SGD received \$2.5 million from this settlement and \$1.9 million is currently in regulatory liabilities, offset by deferred legal fees of \$0.3 million. The remainder of \$0.6 million was a decrease to operating expenses.

SourceGas is involved in other litigation and claims arising from the day-to-day operations of the Company's business. SourceGas believes that the ultimate resolution of those matters will not have a material adverse impact on the Company's business, consolidated balance sheets, cash flows or results of operations.

We are involved in other litigation and claims arising from the day-to-day operations of the Company's business. We believe that the ultimate resolution of those matters will not have a material adverse impact on the Company's business, consolidated balance sheets, cash flows or results of operations.

5. Pension and Other Postretirement Benefits

Retirement Savings Plan

The SourceGas LLC Retirement Savings Plan ("Savings Plan") is a defined contribution retirement plan qualified under Section 401(k) of the Internal Revenue Code and covers substantially all of SourceGas' employees. Savings Plan participants may contribute a portion of their pretax compensation to the plan, subject to limitations as defined in the Savings Plan or by the Internal Revenue Service. The Company made nonelective and elective employer contributions to the Savings Plan that totaled \$4.8 million and \$4.5 million for the years ended December 31, 2015 and 2014, respectively.

Defined Benefit Pension Plan

The SourceGas LLC Retirement Plan ("Retirement Plan") covers only employees that were eligible for benefits under similar plans sponsored by previous ownership prior to acquisition by SourceGas.

The Retirement Plan provides for defined pension benefits based on employment group. Employment groups are determined based on the acquisition that brought the eligible employees to the Company. As of December 31, 2015 and 2014, SourceGas has the following employment groups: SG Participants (March 2007 acquisition) and SGA Participants (July 2008 acquisition). The benefits for these groups are based on the participant's compensation rate and years of participation.

SourceGas established a trust that accumulates assets to pay benefits under the Retirement Plan. The Company's funding policy is to contribute annually at least the minimum required contribution under federal law using the actuarial cost method and assumptions used for determining annual funding requirements.

Assets in the trust are invested in cash, fixed income and equity investments in accordance with a written investment policy, which may be revised based on the actions of the SourceGas LLC Retirement Plan Committee (the "Committee"). The Committee monitors actual performance against target allocations and adjusts actual allocations and targets in accordance with the investment policy. The Committee uses outside consultants and investment managers to aid in the determination of asset

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allocation and the management of actual plan assets. The Retirement Plan seeks to match the long-term nature of its funding obligations with investment objectives for long-term growth and income.

The asset allocation strategy reflects the Retirement Plan's return objectives and risk tolerance. Asset allocations, target and actual, expressed as a percentage of the market value of the Retirement Plan are as follows:

Asset category:	December 31,		Target Range
	2015	2014	
Equity securities	58%	60%	45% – 75%
Fixed-income securities	38%	39%	25% – 55%
Cash	4%	1%	0% – 5%
	<u>100%</u>	<u>100%</u>	

The Company's pension liability balance (the unfunded status) represents the difference between the projected benefit obligation for pensions and the market value of the pension assets. This difference is made up of the unamortized actuarial gain or loss that arises during the period but is not recognized as a component of net periodic pension cost and would typically be recognized as a component of accumulated other comprehensive income ("AOCI"). SourceGas' regulated utility subsidiaries recover pension costs in rates; therefore, the Company has reported the unamortized actuarial loss in regulatory assets (see Note 3).

Postretirement Medical Plan

The SourceGas Employee Benefits Plan ("Medical Plan") provides for subsidized healthcare benefits for certain retirees that were covered by similar plans under previous ownership prior to acquisition by SourceGas.

The Medical Plan provides for subsidized healthcare benefits to eligible participants based on two employment groups, SG Participants and SGA Participants. Based on the employment group, the Company has varied levels of discretion in determining (i) the specific benefits to be provided, (ii) the required participant contributions and (iii) other variables that affect the net cost of its Medical Plan benefits.

Various trusts hold assets for postretirement benefits for the SGA Participants. Assets in the trusts are invested in cash, fixed-income and equity investments in accordance with a written investment policy. This allocation may be revised based on the actions of the Committee.

The SGA Participants of the Medical Plan qualify to receive the federal subsidy under the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("Medicare Act"). The effect of the Medicare Act is reflected assuming (i) the Medical Plan will continue to provide prescription drug benefits to SGA Participants that are at least actuarially equivalent to the Medicare Act and (ii) the Medical Plan will continue to receive the federal subsidy.

SourceGas' liability (the unfunded status) for the Medical Plan represents the difference between the accumulated postretirement benefit obligation and the market value of other postretirement assets. This difference is made up of the unamortized actuarial gain or loss that arises during the period but is not recognized as a component of net periodic benefit cost and would typically be recognized as a component of AOCI. SourceGas' regulated utility subsidiaries recover postretirement costs in rates; therefore, the Company has reported the unamortized actuarial loss in regulatory assets (see Note 3).

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Actuarial Assumptions

SourceGas determines periodic pension and postretirement benefit costs using certain actuarial assumptions and methods. These assumptions include demographic and economic assumptions. In determining the discount rate, which is used to determine the actuarial present value of plan benefits, SourceGas considers the yields of high-quality fixed-income investments with maturities corresponding to the timing of expected benefit payments. The Company's assumptions about the long-term rate of return on plan assets are based on historical and projected rates of return for current and planned asset classes in the investment portfolio. Assumed projected rates of return for each asset class were selected after analyzing historical experience and future expectations of the returns. The overall expected rate of return for the portfolio was developed based on the target allocation for each asset class. In determining the rate of increase in healthcare costs, the Company considers historical and projected healthcare costs and also the effects of plan provisions that enable SourceGas to limit increases in the net cost of benefits to the general inflation rate by adjusting participant contributions, deductibles and copayments.

The measurement dates used to determine pension and other postretirement benefit measurements for the Retirement Plan and Medical Plan are December 31, 2015 and 2014. The actuarial assumptions used to compute the net periodic pension cost and postretirement benefit cost are based upon information available as of the beginning of the year. Changes in these assumptions may impact future benefit costs and obligations.

The following actuarial assumptions were used to determine the benefit obligations and the net periodic benefit cost for the years ended December 31, 2015 and 2014:

	Retirement Plan		Medical Plan	
	2015	2014	2015	2014
Actuarial assumptions:				
Benefit obligation:				
Discount rate	4.1%	3.8%	4.1%	3.8%
Rate of compensation increase	3.0%	3.0%	N/A	N/A
Net periodic benefit cost:				
Discount rate	3.8%	4.7%	3.8%	4.7%
Rate of compensation increase	3.0%	3.0%	N/A	N/A
Expected long-term rate of return				
on plan assets	8.0%	8.0%	5.0%	5.0%
Healthcare cost trend rate:				
SG Participants	N/A	N/A	3.0%	3.0%
SGA Participants	N/A	N/A	5.8%	5.0%

Name of Respondent: BlackHills Gas Distribution LLC, d/b/a BlackHills Energy, f.k.a. SourceGas Distribution LLC	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report 2015/Q4
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Benefit Obligation and Funded Status

The following is a reconciliation of the changes in the benefit obligation and fair value and a statement of the funded status of the Retirement Plan and Medical Plan (in thousands):

	Retirement Plan		Medical Plan	
	December 31,		December 31,	
	2015	2014	2015	2014
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ 72,064	\$ 61,591	\$ 15,413	\$ 13,445
Service cost	3,219	3,127	150	152
Interest cost	2,729	2,849	564	641
Contributions by retirees	-	-	532	402
Benefits paid / payable	(2,341)	(3,241)	(1,471)	(1,022)
Actuarial loss/(gain)	2,062	7,738	351	1,795
Federal subsidy received / receivable	-	-	17	-
Benefit obligation at end of year	<u>77,733</u>	<u>72,064</u>	<u>15,556</u>	<u>15,413</u>
Change in plan assets:				
Fair value of plan assets at beginning of year	56,309	53,013	3,307	3,011
Actual return on plan assets	(762)	2,637	35	198
Contributions by employer	3,900	3,900	1,017	778
Contributions by retirees	-	-	532	401
Benefits paid / payable	(2,386)	(3,241)	(1,516)	(1,022)
Federal subsidy received / receivable	-	-	17	-
Other expenses	-	-	-	(59)
Fair value of plan assets at end of year	<u>57,061</u>	<u>56,309</u>	<u>3,392</u>	<u>3,307</u>
Unfunded status at end of year	<u>\$ (20,672)</u>	<u>\$ (15,755)</u>	<u>\$ (12,164)</u>	<u>\$ (12,106)</u>
Amounts recognized in the consolidated balance sheets consist of the following:				
Other current liabilities	\$ -	\$ -	\$ (624)	\$ (555)
Other liabilities	<u>(20,672)</u>	<u>(15,755)</u>	<u>(11,540)</u>	<u>(11,551)</u>
Total liabilities	<u>\$ (20,672)</u>	<u>\$ (15,755)</u>	<u>\$ (12,164)</u>	<u>\$ (12,106)</u>
Accumulated benefit obligation ("ABO") (1)	<u>\$ 72,026</u>	<u>\$ 66,205</u>	<u>N/A</u>	<u>N/A</u>
Amounts recognized in regulatory assets consist of the following:				
Net actuarial loss	<u>\$ (20,616)</u>	<u>\$ (14,248)</u>	<u>\$ (4,423)</u>	<u>\$ (4,397)</u>

(1) ABO differs from the projected benefit obligation in that the ABO excludes the effect of salary and wage increases.

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Net Periodic Benefit Cost

The components of net periodic benefit cost for the Retirement Plan and Medical Plan are as follows (in thousands):

	Retirement Plan		Medical Plan	
	Year ended December 31,		Year ended December 31,	
	2015	2014	2015	2014
Service cost	\$ 3,219	\$ 3,127	\$ 150	\$ 152
Interest cost	2,729	2,849	564	641
Expected return on plan assets	(4,515)	(4,262)	(167)	(153)
Amortization of loss	970	-	502	342
Other	46	-	-	-
Net periodic benefit cost	<u>\$ 2,449</u>	<u>\$ 1,714</u>	<u>\$ 1,049</u>	<u>\$ 982</u>

SourceGas estimates that a total of \$2.0 million will be amortized from regulatory assets into net periodic benefit cost during 2016 for the Retirement Plan and the Medical Plan.

Expected Contributions and Benefit Payments

SourceGas expects to contribute \$3.9 million to the Retirement Plan and \$1.0 million to the Medical Plan in 2016.

Retirement Plan benefits for all participants and Medical Plan benefits for SGA Participants are distributed from the related trusts. For SG Participants, the Company pays benefits under the Medical Plan directly to participants and receives related contributions directly from participants. Estimated future benefit payments, net of estimated contributions from participants, excluding the effect of applicable Medicare Act federal subsidy receipts and gross amount of federal subsidy receipts are as follows (in thousands):

	Retirement Plan	Medical Plan	Federal Subsidy Receipts
Year ending December 31:			
2016	\$ 2,357	\$ 950	\$ (25)
2017	2,920	992	(27)
2018	3,858	1,086	(31)
2019	4,482	1,231	(40)
2020	5,235	1,312	(47)
2021 – 2025	31,220	7,114	(316)

Investment Valuation

The Retirement Plan and Medical Plan assets are valued under the current fair value framework. See Note 2 for further discussion regarding the definition and levels of the fair value hierarchy established by authoritative guidance.

Below is a listing of the market value of the major categories of plan assets held as of December 31, 2015 and 2014, as well as the associated level within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement in its entirety (in thousands):

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Asset category	December 31, 2015		December 31, 2014	
	Retirement Plan	Medical Plan	Retirement Plan	Medical Plan
Level 1				
Cash and cash equivalents	\$ 2,322	\$ 162	\$ 724	\$ 193
Equity securities				
U.S. small cap value	(1) 3,204	-	3,342	-
U.S. small cap blend	(1) -	100	-	113
U.S. mid cap blend	-	201	-	172
U.S. mid cap growth	(1) 3,231	-	3,489	-
U.S. large cap value	(1) 8,700	-	8,994	-
U.S. large cap blend	-	475	-	498
U.S. large cap growth	(1) 9,587	-	8,998	-
International companies	(2) 8,425	203	8,955	172
Fixed-income securities				
Intermediate-term bond	(3) 8,558	-	8,787	-
High-yield bond	(4) 2,661	-	2,683	-
Short-term bond	(5) 7,675	-	7,617	-
Inflation-protected bond	(5) 2,698	-	2,720	-
Real estate	(6) -	79	-	81
Total Level 1	57,061	1,220	56,309	1,229
Level 2				
Intermediate-term bond	(7) -	2,172	-	1,969
High-yield bond	(8) -	-	-	109
Total Level 2	-	2,172	-	2,078
Total Assets	\$ 57,061	\$ 3,392	\$ 56,309	\$ 3,307

(1) Includes funds that invest primarily in U.S. common stocks

(2) Includes funds that invest primarily in foreign equity securities

(3) Includes funds that invest in a blend of U.S. government securities, mortgage-backed securities,
U.S. corporate bonds, and foreign bonds

(4) Includes funds that invest primarily U.S. corporate bonds

(5) Includes funds that invest only in U.S. government securities

(6) Includes funds that invest only in real estate investment trusts

(7) Includes funds that invest primarily in state and municipal bonds

(8) Includes funds that invest only in international bonds

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The Retirement Plan funds have been determined to be Level 1 investments within the fair value hierarchy and are valued on the basis of available market quotations in active markets. The Medical Plan fixed-income securities have been determined to be Level 2 investments within the fair value hierarchy and are valued on significant other observable outputs other than quoted market prices. The remaining Medical Plan funds have been determined to be Level 1 investments.

6. Derivatives and Fair Value Measurement

Derivatives

In managing its natural gas supply portfolios, the Company has historically entered into physical fixed- and variable-priced contracts, which qualify as derivatives. Additionally, the Company purchased over-the-counter financial natural gas swap contracts and options to mitigate risks associated with changes in the market price. Gas contracts that have firm commitments to purchase a fixed amount of gas in the future at market price, qualify for the normal purchases and normal sales exception that is allowed for contracts that are probable of delivery in the normal course of business and are exempt from fair value reporting. The Company's natural gas purchases with volumetric swing in their contracts do not qualify for the normal purchases and normal sales exception. These purchase deals and swap contracts are recorded at fair value.

Pursuant to regulatory deferral accounting treatment for rate-regulated entities, the costs associated with gains and losses from the use of financial and physical derivative instruments are included in the Company's purchased gas adjustment mechanisms. The changes in fair value and the settled amounts of these derivative instruments do not have a direct effect on earnings or other comprehensive income.

In December 2014, SourceGas purchased over-the-counter gasoline swaps to help stabilize operating costs associated with forecasted purchases of gasoline fuels used to power vehicles and equipment used in the course of business. At December 31, 2014, the Company held 42,000 gallons per month, or 504,000 gallons, of NYMEX gasoline swaps at an average price of \$1.80 per gallon. These contracts extend through December 2015 and are not designated as cash flow hedges. SourceGas recognizes unrealized gains and losses related to these derivative instruments in the operating results; they are not recorded as a component of deferred gas costs.

The commodity options and swaps are utilized to effectively fix the price on a portion of the Company's natural gas supply portfolios. These financial derivatives are purchased in anticipation of the forecasted purchases of natural gas, during time frames ranging from January 2016 through December 2017. Under these contracts, the Company pays the counterparty at a fixed rate and receives a floating rate per Million Metric British Thermal Units ("Mmbtu") of natural gas. Volumes below exclude contracts that qualify for normal purchase and normal sales. As of December 31, 2015 and 2014, the Company had net long natural gas contracts outstanding in the following quantities:

Mmbtu (in thousands)	December 31,	
	2015	2014
Hedge position:		
Short position	(2,763)	(2,981)
Long position	11,833	13,462
Net long position	9,070	10,481

The fair value and balance sheet classification of the Company's derivative instruments are as follows (in thousands):

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Balance Sheet		December 31,	
	Location	2015	2014
Asset derivative instruments:			
Current commodity contracts	Other current assets	652	658
Noncurrent commodity contracts	Other assets	46	163
Liability derivative instruments:			
Current commodity contracts	Derivative instruments	(1,030)	(2,220)
Noncurrent commodity contracts	Derivative instruments	-	-
Total commodity derivatives		<u>\$ (332)</u>	<u>\$ (1,399)</u>

The changes in fair value and income statement location of the Company's derivative instruments included unrealized loss on fuel hedges of zero and less than \$0.1 million in operation and maintenance expense December 31, 2015 and 2014, respectively.

Fair Value Measurements

We report certain assets and liabilities at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

The following table sets forth by level within the fair value hierarchy the Company's derivative assets and liabilities that were measured at fair value on a recurring basis as of December 31, 2015 and 2014 (in thousands):

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
December 31, 2015				
Assets:				
Commodity derivative instruments	\$ -	\$ 698	\$ -	\$ 698
Liabilities:				
Commodity derivative instruments	-	(1,030)	-	(1,030)
Net derivative liability	<u>\$ -</u>	<u>\$ (332)</u>	<u>\$ -</u>	<u>\$ (332)</u>
December 31, 2014				
Assets:				
Commodity derivative instruments	\$ -	\$ 821	\$ -	\$ 821
Liabilities:				
Commodity derivative instruments	-	(2,220)	-	(2,220)
Net derivative liability	<u>\$ -</u>	<u>\$ (1,399)</u>	<u>\$ -</u>	<u>\$ (1,399)</u>

In accordance with fair value accounting, the Company includes nonperformance risk in calculating fair value adjustments. This includes a credit risk adjustment based on the credit spreads of the counterparties when the Company is in an unrealized gain position, or on SourceGas' own credit spread when it is in an unrealized loss position. The inputs in the Company's valuation techniques on the financial derivatives include natural gas futures, credit default swap spreads and interest rates. These are also known as significant other observable, or Level 2, inputs. The Company has not used any Level 3 inputs in fair value valuations and there were no transfers between Level 1 or 2 during the year ended December 31, 2015 and 2014.

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7. Related Party Transactions

The Company purchases natural gas in normal course of business from Rocky Mountain Natural Gas LLC ("RMNG"), a wholly owned subsidiary of SourceGas. For the years ended December 31, 2015 and 2014, the total cost of gas purchased from RMNG was \$21.9 million and \$39.3 million, respectively. The Company also purchases gas from certain other subsidiaries of SourceGas from time to time. For the years ended December 31, 2015 and 2014, the total cost of gas purchased from other SourceGas subsidiaries was \$0.7 million and \$1.4 million, respectively.

As discussed in Note 5, SourceGas charges the Company for the cost of certain employee benefit plans in which employees of the Company participate. SourceGas also charges the Company for the cost of certain facilities and services that it provides to the Company. All such charges reflect actual costs determined in accordance with SourceGas' cost allocation and assignment model and totaled \$14.2 million and \$27.1 million for the years ended December 31, 2015 and 2014, respectively.

The affiliated entity balances with SourceGas and affiliates were shown as follows (in thousands):

	December 31,	
	2015	2014
	Net Receivable (Payable)	
SourceGas LLC	\$ 8,487	\$ 15,156
Rocky Mountain Natural Gas LLC	(6,028)	(6,159)
SourceGas Energy Services Company	(10,921)	(14,198)
SourceGas Gas Supply Services, Inc.	286	226
SourceGas Arkansas Inc.	(25)	25
SourceGas International Inc.	-	-
SourceGas Inc.	-	-
Total	<u>\$ (8,201)</u>	<u>\$ (4,950)</u>

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Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion

Line No.	Item (a)	Total Company For the Current Quarter/Year
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	714,689,311
4	Property Under Capital Leases	
5	Plant Purchased or Sold	
6	Completed Construction not Classified	65,853,826
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	780,543,137
9	Leased to Others	
10	Held for Future Use	
11	Construction Work in Progress	19,898,489
12	Acquisition Adjustments	211,698,467
13	TOTAL Utility Plant (Total of lines 8 thru 12)	1,012,140,093
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	339,824,765
15	Net Utility Plant (Total of lines 13 and 14)	672,315,328
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	338,557,573
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
20	Amortization of Underground Storage Land and Land Rights	
21	Amortization of Other Utility Plant	1,267,192
22	TOTAL In Service (Total of lines 18 thru 21)	339,824,765
23	Leased to Others	
24	Depreciation	
25	Amortization and Depletion	
26	TOTAL Leased to Others (Total of lines 24 and 25)	
27	Held for Future Use	
28	Depreciation	
29	Amortization	
30	TOTAL Held for Future Use (Total of lines 28 and 29)	
31	Abandonment of Leases (Natural Gas)	
32	Amortization of Plant Acquisition Adjustment	
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22, 26, 30, 31, and 32)	339,824,765

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Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (continued)

Line No.	Electric (c)	Gas (d)	Other (specify) (e)	Common (f)
1				
2				
3		714,689,311		
4				
5				
6		65,853,826		
7				
8		780,543,137		
9				
10				
11		19,898,489		
12		211,698,467		
13		1,012,140,093		
14		339,824,765		
15		672,315,328		
16				
17				
18		338,557,573		
19				
20				
21		1,267,192		
22		339,824,765		
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33		339,824,765		

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Gas Plant in Service (Accounts 101, 102, 103, and 106)

- Report below the original cost of gas plant in service according to the prescribed accounts.
- In addition to Account 101, Gas Plant in Service (Classified), this page and the next include Account 102, Gas Plant Purchased or Sold, Account 103, Experimental Gas Plant Unclassified, and Account 106, Completed Construction Not Classified-Gas.
- Include in column (c) and (d), as appropriate corrections of additions and retirements for the current or preceding year.
- Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts.
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d).

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	11,085	
3	302 Franchises and Consents	307,586	
4	303 Miscellaneous Intangible Plant	1,141,791	
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	1,460,462	
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Lands		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way	11,247	
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures	7,255	
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines	112,465	
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment	849	
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	339 Asset Retirement Costs for Natural Gas Production and	92,197	
27	TOTAL Production and Gathering Plant (Enter Total of lines 8	224,013	
28	PRODUCTS EXTRACTION PLANT		
29	340 Land and Land Rights		
30	341 Structures and Improvements		
31	342 Extraction and Refining Equipment		
32	343 Pipe Lines		
33	344 Extracted Products Storage Equipment		

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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1				
2				11,085
3				307,586
4				1,141,791
5				1,460,462
6				
7				
8				
9				
10				
11				11,247
12				
13				7,255
14				
15				
16				
17				
18				
19				112,465
20				
21				849
22				
23				
24				
25				
26				92,197
27				224,013
28				
29				
30				
31				
32				
33				

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of <u>2015/Q4</u>
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	345 Compressor Equipment		
35	346 Gas Measuring and Regulating Equipment		
36	347 Other Equipment		
37	348 Asset Retirement Costs for Products Extraction Plant		
38	TOTAL Products Extraction Plant (Enter Total of lines 29 thru 37)		
39	TOTAL Natural Gas Production Plant (Enter Total of lines 27 and	224,013	
40	Manufactured Gas Production Plant (Submit Supplementary		
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	224,013	
42	NATURAL GAS STORAGE AND PROCESSING PLANT		
43	Underground Storage Plant		
44	350.1 Land	58,655	
45	350.2 Rights-of-Way	4,788	
46	351 Structures and Improvements	401,442	
47	352 Wells	3,769,150	
48	352.1 Storage Leaseholds and Rights	151,020	
49	352.2 Reservoirs		
50	352.3 Non-recoverable Natural Gas		
51	353 Lines	694,794	
52	354 Compressor Station Equipment	4,014,737	12,363
53	355 Other Equipment	460,137	4,134
54	356 Purification Equipment	405,293	4,080
55	357 Other Equipment	213,460	
56	358 Asset Retirement Costs for Underground Storage Plant		
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru	10,173,476	20,577
58	Other Storage Plant		
59	360 Land and Land Rights		
60	361 Structures and Improvements		
61	362 Gas Holders		
62	363 Purification Equipment		
63	363.1 Liquefaction Equipment		
64	363.2 Vaporizing Equipment		
65	363.3 Compressor Equipment		
66	363.4 Measuring and Regulating Equipment		
67	363.5 Other Equipment		
68	363.6 Asset Retirement Costs for Other Storage Plant		
69	TOTAL Other Storage Plant (Enter Total of lines 58 thru 68)		
70	Base Load Liquefied Natural Gas Terminating and Processing Plant		
71	364.1 Land and Land Rights		
72	364.2 Structures and Improvements		
73	364.3 LNG Processing Terminal Equipment		
74	364.4 LNG Transportation Equipment		
75	364.5 Measuring and Regulating Equipment		
76	364.6 Compressor Station Equipment		
77	364.7 Communications Equipment		
78	364.8 Other Equipment		
79	364.9 Asset Retirement Costs for Base Load Liquefied Natural Gas		
80	TOTAL Base Load Liquefied Nat'l Gas, Terminating and		

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
34				
35				
36				
37				
38				
39				224,013
40				
41				224,013
42				
43				
44				58,655
45				4,788
46				401,442
47				3,769,150
48				151,020
49				
50				
51				694,794
52				4,027,100
53				464,271
54				409,373
55				213,460
56				
57				10,194,053
58				
59				
60				
61				
62				
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Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	TOTAL Nat'l Gas Storage and Processing Plant (Total of lines 57,	10,173,476	20,577
82	TRANSMISSION PLAN		
83	365.1 Land and Land Rights	148,052	(42,820)
84	365.2 Rights-of-Way	574,942	(8,071)
85	366 Structures and Improvements	1,163,780	
86	367 Mains	42,557,005	5,024,484
87	368 Compressor Station Equipment	7,155,407	7,697,706
88	369 Measuring and Regulating Station Equipment	5,374,232	44,373
89	370 Communication Equipment	144,680	
90	371 Other Equipment	62,872	
91	372 Asset Retirement Costs for Transmission Plant		
92	TOTAL Transmission Plant (Enter Totals of lines 83 thru 91)	57,180,970	12,715,672
93	DISTRIBUTION PLANT		
94	374 Land and Land Rights	8,602,776	821,780
95	375 Structures and Improvements	7,783,758	133,993
96	376 Mains	323,107,938	39,282,010
97	377 Compressor Station Equipment	52,772	
98	378 Measuring and Regulating Station Equipment-General	12,368,159	2,215,684
99	379 Measuring and Regulating Station Equipment-City Gate	4,877,762	30,276
100	380 Services	94,302,436	8,490,768
101	381 Meters	68,510,980	2,943,701
102	382 Meter Installations	19,216,946	1,764,060
103	383 House Regulators	17,008,588	645,666
104	384 House Regulator Installations	4,442,523	(110)
105	385 Industrial Measuring and Regulating Station Equipment	2,485,172	1,597,917
106	386 Other Property on Customers' Premises	64,506	
107	387 Other Equipment	491,712	54,205
108	388 Asset Retirement Costs for Distribution Plant		
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)	563,316,028	57,979,950
110	GENERAL PLANT		
111	389 Land and Land Rights	1,547,562	5,478
112	390 Structures and Improvements	10,740,470	734,414
113	391 Office Furniture and Equipment	10,950,340	182,092
114	392 Transportation Equipment	28,388,765	2,228,036
115	393 Stores Equipment	35,123	1,355
116	394 Tools, Shop, and Garage Equipment	14,296,358	1,311,014
117	395 Laboratory Equipment	254,619	
118	396 Power Operated Equipment	6,758,785	1,422,551
119	397 Communication Equipment	2,560,845	137,768
120	398 Miscellaneous Equipment	403,021	262
121	Subtotal (Enter Total of lines 111 thru 120)	75,935,888	6,022,970
122	399 Other Tangible Property	257,141	
123	399.1 Asset Retirement Costs for General Plant		
124	TOTAL General Plant (Enter Total of lines 121, 122 and 123)	76,193,029	6,022,970
125	TOTAL (Accounts 101 and 106)	708,547,978	76,739,169
126	Gas Plant Purchased (See Instruction 8)		
127	(Less) Gas Plant Sold (See Instruction 8)		
128	Experimental Gas Plant Unclassified		
129	TOTAL Gas Plant In Service (Enter Total of lines 125 thru 128)	708,547,978	76,739,169

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Gas Plant in Service (Accounts 101, 102, 103, and 106) (continued)

Line No.	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
81				10,194,053
82				
83				105,232
84				566,871
85				1,163,780
86				47,581,489
87				14,853,113
88				5,418,605
89				144,680
90				62,872
91				
92				69,896,642
93				
94				9,424,556
95				7,917,751
96	290,136			362,099,812
97				52,772
98	3,999			14,579,844
99				4,908,038
100	42,243			102,750,961
101	854,969			70,599,712
102				20,981,006
103				17,654,254
104				4,442,413
105				4,083,089
106				64,506
107				545,917
108				
109	1,191,347			620,104,631
110				
111				1,553,040
112	36,219		(26,528)	11,412,137
113	262,771			10,869,661
114	1,823,571			28,793,230
115				36,478
116	701,698			14,905,674
117	8,168			246,451
118	575,834			7,605,502
119	117,628			2,580,985
120	246			403,037
121	3,526,135		(26,528)	78,406,195
122				257,141
123				
124	3,526,135		(26,528)	78,663,336
125	4,717,482		(26,528)	780,543,137
126				
127				
128				
129	4,717,482		(26,528)	780,543,137

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Construction Work in Progress-Gas (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (Account 107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than \$1,000,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Frederick-new office construction	2,592,954	130,093
2	Montrose new Office Sale Replacement	1,445,781	
3	New Pagosa Office Building	1,212,104	
4	NE Centerline Survey	659,023	373,033
5	Kearney TOG 470	567	2,563,712
6	Kearney TOG 500	31	2,001,436
7	Sutton TOG 390	290	1,009,322
8	Minor Projects (Less than \$1,000,000) - 557 projects	13,987,739	6,009,804
9			
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11			
12			
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44			
45	Total	19,898,489	12,087,400

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report 2015/Q4
Black Hills Gas Distribution LLC, d/b/a Black Hills Energy			
General Description of Construction Overhead Procedure			

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.
2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.
3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

1. Compensation and related expenses of accounting, general office, engineering, project management, and other operations management employees are accumulated in blanket overhead Work Orders based on time reports of actual worked performed in connection with capital construction or purchases. Each overhead Work Order is allocated to a population of qualifying individual construction/purchase Work Orders by applying a prorated percentage to total capital costs incurred on each individual Work Order. Different rates are applied for different types of capital construction/purchases.

2. Computation of Allowance for Funds Used During Construction (AFUDC) uses the Code of Federal Regulations (CFR) prescribed calculation. From January through July 2015, this was equivalent to SourceGas LLC's actual short-term interest rate, due to the fact that the average short-term debt balance exceeded the average Construction Work In Progress (CWIP) balance. Starting in August the formula prescribed by FERC was calculated for each state on a monthly basis. The percentages shown below are for Colorado only.

Jan-15	1.75%
Feb-15	1.75%
Mar-15	1.76%
Apr-15	1.84%
May-15	1.82%
Jun-15	1.87%
Jul-15	2.01%
Aug-15	2.42%
Sep-14	3.12%
Oct-14	3.45%
Nov-14	3.73%
Dec-14	4.25%
Average	2.48%

3. Not Applicable

Line No.	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
	Section A. BALANCES AND CHANGES DURING YEAR				
1	Balance Beginning of Year	322,166,969	322,166,969		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	21,707,365	21,707,365		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Expense of Gas Plant Leased to Others				
6	Transportation Expenses - Clearing				
7	Other Clearing Accounts				
8	Other Clearing (Specify) (footnote details):				
9					
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	21,707,365	21,707,365		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(4,717,482)	(4,717,482)		
13	Cost of Removal	(1,855,340)	(1,855,340)		
14	Salvage (Credit)	(398,007)	(398,007)		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(6,174,815)	(6,174,815)		
16	Other Debit or Credit Items (Describe) (footnote details):	858,054	858,054		
17					
18	Book Cost of Asset Retirement Costs				
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	338,557,573	338,557,573		
	Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				
21	Productions-Manufactured Gas	178,936	178,936		
22	Production and Gathering-Natural Gas				
23	Products Extraction-Natural Gas				
24	Underground Gas Storage	5,400,520	5,400,520		
25	Other Storage Plant				
26	Base Load LNG Terminalling and Processing Plant				
27	Transmission	35,115,365	35,115,365		
28	Distribution	266,960,587	266,960,587		
29	General	30,902,165	30,902,165		
30	TOTAL (Total of lines 21 thru 29)	338,557,573	338,557,573		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
BlackHills Gas Distribution LLC	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	4/29/2016	End of 2015/Q4

FOOTNOTE DATA

Schedule Page: 219 Line No.: 3 Column: c

This amount does not include the \$5,265,863 of depreciation allocated from SourceGas LLC.
which is included in the total depreciation shown on Page: 114 Line No.: 6 Column: c

Schedule Page: 219 Line No.: 16 Column: c

Reclass of capitalizable portion of vehicle and power operated equipment depreciation expense of \$858,642

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Gas Stored (Accounts 117.1, 117.2, 117.3, 117.4, 164.1, 164.2, and 164.3)

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and (h) (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote the reason for the adjustments, the Dth and dollar amount of adjustment, and account charged or credited.
2. Report in column (e) all encroachments during the year upon the volumes designated as base gas, column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts.
3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description (a)	(Account 117.1) (b)	(Account 117.2) (c)	Noncurrent (Account 117.3) (d)	(Account 117.4) (e)	Current (Account 164.1) (f)	LNG (Account 164.2) (g)	LNG (Account 164.3) (h)	Total (i)
1	Balance at Beginning of	3,248,880		2,824,580		4,699,924			10,773,384
2	Gas Delivered to Storage				46,952	7,666,675			7,713,627
3	Gas Withdrawn from					8,912,527			8,912,527
4	Other Debits and Credits		31,803			(31,802)			1
5	Balance at End of Year	3,248,880	31,803	2,824,580	46,952	3,422,270			9,574,485
6	Dth	10,113,400	99,916	7,156,800	18,605	1,357,274			18,745,995
7	Amount Per Dth	0.3212	0.3183	0.3947	2.5236	2.5214			0.5107

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

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PREPAYMENTS (ACCOUNT 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Payment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	
2	Prepaid Rents	
3	Prepaid Taxes	
4	Prepaid Interest	
5	Miscellaneous Prepayments	(21,054)
6	TOTAL	(21,054)

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Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)
(continued)

EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182.1)

Line No.	Description of Extraordinary Loss [include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
7							
8							
9							
10							
11							
12							
13							
14							
15	Total						

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/29/2016	End of 2015/Q4

Other Regulatory Assets (Account 182.3)

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).

2. For regulatory assets being amortized, show period of amortization in column (a).

3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$250,000, whichever is less) may be grouped by classes.

4. Report separately any "Deferred Regulatory Commission Expenses" that are also reported on pages 350-351, Regulatory Commission Expenses.

5. Provide in a footnote, for each line item, the regulatory citation where authorization for the regulatory asset has been granted (e.g. Commission Order, state commission order, court decision).

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning Current Quarter/Year (b)	Debits (c)	Written off During Quarter/Year Account Charged (d)	Written off During Period Amount Recovered (e)	Written off During Period Amount Deemed Unrecoverable (f)	Balance at End of Current Quarter/Year (g)
1	CO Rate Case 2010 Amortization	338					338
2	CO Percent of Income Plan	(175,819)	104,099		280,470		(352,190)
3	CO Choice Transition	6,237					6,237
4	CO Demand Side Management	(701,722)	530,822		269,461		(440,361)
5							
6	WY DUPCA Small	(446,737)	296,657		217,761		(367,841)
7	WY DUPCA Medium	(813)			2,819		(3,632)
8							
9	NE Bad Debt Tracker - Odd Years	95,461	169,345		95,462		169,344
10	NE Bad Debt Tracker - Even Years	249,736			147,619		102,117
11	NE Commission Tracker - Ag	5,231	10,870		12,170		3,931
12	NE Commission Tracker - Res/Com	166,370	152,585		273,769		45,186
13	NE Heat Rebates	246,761	313,100		297,078		262,783
14							
15	Bowdoin Reserve				1,900,000		(1,900,000)
16	AR EE - Regulatory				132		(132)
17							
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36							
37							
38							
39							
40	Total	(554,957)	1,577,478		3,496,741	0	(2,474,220)

Miscellaneous Deferred Debits (Account 186)	
1. Report below the details called for concerning miscellaneous deferred debits. 2. For any deferred debit being amortized, show period of amortization in column (a). 3. Minor items (less than \$250,000) may be grouped by classes.	

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Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Other Paid-In Capital (Accounts 208-211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208) - State amount and briefly explain the origin and purpose of each donation.
- (b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain or Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-In Capital (Account 211) - Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 211 - Additional Paid-In Capital	498,660,689
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39		
40	Total	498,660,689

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Long-Term Debt (Accounts 221, 222, 223, and 224)

- Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt.
- For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
- For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
- For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amts held by respondent) (d)
1	Investments from Associated Companies (223)			4,745,363
2	(Intercompany payables and receivables are shown net here)			
3				
4				
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40	TOTAL			4,745,363

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Long-Term Debt (Accounts 221, 222, 223, and 224)

5. In a supplemental statement, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.
7. If the respondent has any long-term securities that have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.

Line No.	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Held by Respondent Reacquired Bonds (Acct 222) (g)	Held by Respondent Sinking and Other Funds (h)	Redemption Price per \$100 at End of Year (i)
1		(569,745)			
2					
3					
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11					
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39					
40		(569,745)			

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	Balance at Beg. of Year Taxes Accrued (b)	Balance at Beg. of Year Prepaid Taxes (c)
1	Property Tax	3,939,724	
2	Sales & Use Tax	(5,641)	
3	Conservation Taxes		
4	Payroll Taxes		
5	Vehicle Taxes		
6	PUC & PHMSA Fees - Short Term		
7	PUC & PHMSA Fees - Long Term		
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TOTAL		3,934,083	

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

Line No.	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	Balance at End of Year Taxes Accrued (Account 236) (g)	Balance at End of Year Prepaid Taxes (Included in Acct 165) (h)
1	4,435,422	4,213,016	(55,580)	4,217,710	
2		27,896		(33,536)	
3					
4					
5					
6		1,182,000		1,182,000	
7		1,160,676		1,160,676	
8					
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TOTAL	4,435,422	6,583,588	(55,580)	6,526,850	

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

1. Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this

page is not affected by the inclusion of these taxes.

3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to the portion of prepaid taxes charged to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Electric (Account 408.1, 409.1) (l)	Gas (Account 408.1, 409.1) (j)	Other Utility Dept. (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (i)
1		4,520,937		
2		2,140		
3		802		
4		2,377,552		2,825
5		2,176		
6				
7				
8				
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TOTAL		6,903,607		2,825

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)
(continued)

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.
10. Items under \$250,000 may be grouped.
11. Report in column (q) the applicable effective state income tax rate.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged.)

Line No.	Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (p)	State/Local Income Tax Rate (q)
1					
2					
3					
4					
5					
6				1,182,000	
7				1,160,676	
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TOTAL				2,342,676	

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Miscellaneous Current and Accrued Liabilities (Account 242)

- Describe and report the amount of other current and accrued liabilities at the end of year.
- Minor items (less than \$250,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1	Deferred Payable - HomeServ	376,230
2	Imbalance Payable 3rd Party	9,340
3	WY L&U Cashout Imbalance	(1,601,321)
4		
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45	Total	(1,215,751)

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Other Deferred Credits (Account 253)

1. Report below the details called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than \$250,000) may be grouped by classes.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debit Contra Account (c)	Debit Amount (d)	Credits (e)	Balance at End of Year (f)
1	Construction Deposits			145,477	3,280,477	3,135,000
2	Deferred MCS Revenue	7,409		855,517	1,039,818	191,710
3						
4						
5						
6						
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45	Total	7,409		1,000,994	4,320,295	3,326,710

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/29/2016		Year/Period of Report End of 2015/Q4	
Other Regulatory Liabilities (Account 254)							
<p>1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).</p> <p>2. For regulatory liabilities being amortized, show period of amortization in column (a).</p> <p>3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.</p> <p>4. Provide in a footnote, for each line item, the regulatory citation where the respondent was directed to refund the regulatory liability (e.g. Commission Order, state commission order, court decision).</p>							
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	Written off during Quarter/Period Account Credited (c)	Written off During Period Amount Refunded (d)	Written off During Period Amount Deemed Non-Refundable (e)	Credits (f)	Balance at End of Current Quarter/Year (g)
1	Revenue Sharing Credit					97,355	97,355
2							
3							
4							
5							
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45	Total	0		0	0	97,355	97,355

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Gas Operating Revenues

1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

Line No.	Title of Account (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	480 Residential Sales				
2	481 Commercial and Industrial Sales				
3	482 Other Sales to Public Authorities				
4	483 Sales for Resale				
5	484 Interdepartmental Sales				
6	485 Intracompany Transfers				
7	487 Forfeited Discounts				
8	488 Miscellaneous Service Revenues				
9	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
10	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
11	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
12	489.4 Revenues from Storing Gas of Others				
13	490 Sales of Prod. Ext. from Natural Gas				
14	491 Revenues from Natural Gas Proc. by Others				
15	492 Incidental Gasoline and Oil Sales				
16	493 Rent from Gas Property				
17	494 Interdepartmental Rents				
18	495 Other Gas Revenues				
19	Subtotal:				
20	496 (Less) Provision for Rate Refunds				
21	TOTAL:				

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Gas Operating Revenues

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases.
6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

Line No.	Other Revenues Amount for Current Year (f)	Other Revenues Amount for Previous Year (g)	Total Operating Revenues Amount for Current Year (h)	Total Operating Revenues Amount for Previous Year (i)	Dekatherm of Natural Gas Amount for Current Year (j)	Dekatherm of Natural Gas Amount for Previous Year (k)
1			95,397,639	101,471,440	9,521,750	10,057,540
2			47,577,942	50,702,599	5,351,513	5,647,621
3						
4			8,261	14,920	2,581	3,390
5						
6						
7			429,133	576,875		
8			2,698,081	2,702,881		
9						
10			1,068,833	1,251,059	3,775,352	4,574,887
11			81,366,497	76,566,893	36,221,496	38,042,010
12			1,279,520		18,685	
13						
14						
15						
16			36,910	38,300		
17						
18			348,215	294,034		
19			230,211,031	233,619,001		
20						
21			230,211,031	233,619,001		

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

1. Report revenues and Dth of gas delivered by Zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).

Line No.	Zone of Delivery, Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transition Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	Third Party FT Commodity				
2	Third Party FT Reservation				
3	Third Party Admin Fee				
4	Third Party IT Commodity				
5	FT/IT Accrual				
6	Total				
7					
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Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

4. Delivered Dth of gas must not be adjusted for discounting.
5. Each incremental rate schedule and each individually certificated rate schedule must be separately reported.
6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1			86,078	103,145	973,435	1,138,043
2			207,296	253,953		
3			50,432			
4			725,026	858,357	2,801,917	3,258,912
5				35,604		
6			1,068,832	1,251,059	3,775,352	4,396,955
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Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Revenues from Storing Gas of Others (Account 489.4)

1. Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).

Line No.	Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay Amount for Current Year (b)	Revenues for Transaction Costs and Take-or-Pay Amount for Previous Year (c)	Revenues for GRI and ACA Amount for Current Year (d)	Revenues for GRI and ACA Amount for Previous Year (e)
1	No Notice Storage				
2	Inter-company No Notice Storae				
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Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Revenues from Storing Gas of Others (Account 489.4)

4. Dth of gas withdrawn from storage must not be adjusted for discounting.
5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1	1,021,620		1,021,620		14,919	
2	257,900		257,900		3,766	
3						
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	04/29/2016	End of <u>2015/Q4</u>

Other Gas Revenues (Account 495)

Report below transactions of \$250,000 or more included in Account 495, Other Gas Revenues. Group all transactions below \$250,000 in one amount and provide the number of items.

Line No.	Description of Transaction (a)	Amount (in dollars) (b)
1	Commissions on Sale or Distribution of Gas of Others	
2	Compensation for Minor or Incidental Services Provided for Others	
3	Profit or Loss on Sale of Material and Supplies not Ordinarily Purchased for Resale	
4	Sales of Stream, Water, or Electricity, including Sales or Transfers to Other Departments	
5	Miscellaneous Royalties	
6	Revenues from Dehydration and Other Processing of Gas of Others except as provided for in the Instructions to Account 495	
7	Revenues for Right and/or Benefits Received from Others which are Realized Through Research, Development, and Demonstration Ventures	
8	Gains on Settlements of Imbalance Receivables and Payables	
9	Revenues from Penalties earned Pursuant to Tariff Provisions, including Penalties Associated with Cash-out Settlements	
10	Revenues from Shipper Supplied Gas	
11	Other revenues (Specify):	
12	XIA Revenues	343,620
13	Miscellaneous Revenues	4,595
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	Total	348,215

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Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of <u>2015/Q4</u>
Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
115	Maintenance			
116	830 Maintenance Supervision and Engineering	0	0	
117	831 Maintenance of Structures and Improvements	0	0	
118	832 Maintenance of Reservoirs and Wells	347	0	
119	833 Maintenance of Lines	0	0	
120	834 Maintenance of Compressor Station Equipment	39,439	185,118	
121	835 Maintenance of Measuring and Regulating Station Equipment	0	337	
122	836 Maintenance of Purification Equipment	245	0	
123	837 Maintenance of Other Equipment	0	0	
124	TOTAL Maintenance (Total of lines 116 thru 123)	40,031	185,455	
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	488,845	613,226	
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering	0	0	
129	841 Operation Labor and Expenses	0	0	
130	842 Rents	0	0	
131	842.1 Fuel	0	0	
132	842.2 Power	0	0	
133	842.3 Gas Losses	0	0	
134	TOTAL Operation (Total of lines 128 thru 133)	0	0	
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering	0	0	
137	843.2 Maintenance of Structures	0	0	
138	843.3 Maintenance of Gas Holders	0	0	
139	843.4 Maintenance of Purification Equipment	0	0	
140	843.5 Maintenance of Liquefaction Equipment	0	0	
141	843.6 Maintenance of Vaporizing Equipment	0	0	
142	843.7 Maintenance of Compressor Equipment	0	0	
143	843.8 Maintenance of Measuring and Regulating Equipment	0	0	
144	843.9 Maintenance of Other Equipment	0	0	
145	TOTAL Maintenance (Total of lines 136 thru 144)	0	0	
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)	0	0	

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
Gas Operation and Maintenance Expenses(continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts	1,263,032	1,255,482	
236	905 Miscellaneous Customer Accounts Expenses	(109)	23,833	
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	8,244,977	9,525,377	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	0	0	
241	908 Customer Assistance Expenses	6,025	37,935	
242	909 Informational and Instructional Expenses	332,821	41,171	
243	910 Miscellaneous Customer Service and Informational Expenses	66,370	9,445	
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	405,216	88,551	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	24,271	284,877	
248	912 Demonstrating and Selling Expenses	759,497	704,878	
249	913 Advertising Expenses	31,454	515,690	
250	916 Miscellaneous Sales Expenses	0	0	
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	815,222	1,505,445	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	11,352,564	8,793,635	
255	921 Office Supplies and Expenses	5,417,642	4,030,189	
256	(Less) 922 Administrative Expenses Transferred-Credit	1,730,339	961,418	
257	923 Outside Services Employed	960,260	1,744,049	
258	924 Property Insurance	1,437,180	1,694,156	
259	925 Injuries and Damages	0	0	
260	926 Employee Pensions and Benefits	6,987,059	6,262,590	
261	927 Franchise Requirements	0	0	
262	928 Regulatory Commission Expenses	1,421,103	463,478	
263	(Less) 929 Duplicate Charges-Credit	0	0	
264	930.1General Advertising Expenses	0	0	
265	930.2Miscellaneous General Expenses	829,307	872,665	
266	931 Rents	799,276	853,249	
267	TOTAL Operation (Total of lines 254 thru 266)	27,474,052	23,752,593	
268	Maintenance			
269	932 Maintenance of General Plant	0	0	
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	27,474,052	23,752,593	
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	154,306,327	159,402,618	

Exchange and Imbalance Transactions	
<p>1. Report below details by zone and rate schedule concerning the gas quantities and related dollar amount of imbalances associated with system balancing and no-notice service. Also, report certificated natural gas exchange transactions during the year. Provide subtotals for imbalance and no-notice quantities for exchanges. If respondent does not have separate zones, provide totals by rate schedule. Minor exchange transactions (less than 100,000 Dth) may be grouped.</p>	

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Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Gas Used in Utility Operations						
1. Report below details of credits during the year to Accounts 810, 811, and 812. 2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the Dth of gas used, omitting entries in column (d).						
Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas Gas Used Dth (c)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)	Natural Gas Amount of Credit (in dollars) (d)
1	810 Gas Used for Compressor Station Fuel - Credit	819,854	32,986	87,069		
2	811 Gas Used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)					
6						
7						
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24						
25	Total		32,986	87,069		

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Miscellaneous General Expenses (Account 930.2)

1. Provide the information requested below on miscellaneous general expenses.
2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items of so grouped is shown.

Line No.	Description (a)	Amount (in dollars) (b)
1	Industry association dues.	255,103
2	Experimental and general research expenses.	
	a. Gas Research Institute (GRI)	
	b. Other	
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent	
4	Other expenses	
5	Management Consulting Fees	553,100
6	Miscellaneous	21,104
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24		
25	Total	829,307

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.
2. Report in Section B, column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total. (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a). Indicate in a footnote the manner in which column (b) balances are

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (d)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (e)
1	Intangible plant	(6,907)			
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas	1,845			
4	Products extraction plant				
5	Underground gas storage plant	263,003			
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant	908,294			
9	Distribution plant	16,248,778			
10	General plant	4,292,351			
11	Common plant-gas				
12	TOTAL	21,707,364			

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Amortization of Other Limited-term Gas Plant (Account 404.3) (f)	Amortization of Other Gas Plant (Account 405) (g)	Total (b to g) (h)	Functional Classification (a)
1	48,346		41,439	Intangible plant
2				Production plant, manufactured gas
3			1,845	Production and gathering plant, natural gas
4				Products extraction plant
5			263,003	Underground gas storage plant
6				Other storage plant
7				Base load LNG terminaling and processing plant
8			908,294	Transmission plant
9			16,248,778	Distribution plant
10		5,265,863	9,558,214	General plant
11				Common plant-gas
12	48,346	5,265,863	27,021,573	TOTAL

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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FOOTNOTE DATA

<i>Schedule Page: 336-337 Line No.: 10 Column: g</i>

The \$5,265,863 shown here represents the allocated depreciation expense from SourceGas LLC.

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Depreciation, Depletion and Amortization of Gas Plant (Accts 403, 404.1, 404.2, 404.3, 405) (Except Amortization of Acquisition Adjustments) (continued)

4. Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B. Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Plant Bases (in thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore (footnote details)		
3	Onshore (footnote details)	132	1.40
4	Underground Gas Storage Plant (footnote details)	10,194	2.59
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)	71,263	1.52
8	General Plant (footnote details)		
9	Structures	11,412	2.36
10	Vehicles	29,144	9.45
11	Power Equipment	7,606	7.25
12	Other General Equipment	30,502	7.26
13	Intangible	1,460	3.17
14	Distribution	618,738	2.81
15			

Name of Respondent BlackHills Gas Distribution LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/29/2016	Year/Period of Report End of 2015/Q4
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FOOTNOTE DATA

Schedule Page: 338 Line No: 3 Column: c

Onshore Production

Plant Bases (in thousands)	Applied Depr or Amort Rates	Wgt Avg
132	1.40%	0.82%
92	7.14%	2.94%
224		3.76%

Schedule Page: 338 Line No: 4 Column: c

Underground Storage

Plant Bases (in thousands)	Applied Depr or Amort Rates	Wgt Avg
10,194	0.00%	0.00%
	7.69%	0.00%
10,194		0.00%

Schedule Page: 338 Line No: 7 Column: c

Transmission

Plant Bases (in thousands)	Applied Depr or Amort Rates	Wgt Avg
1,437	0.00%	0.00%
46,657	1.46%	0.96%
14,853	1.63%	0.34%
7,123	1.85%	0.18%
1,048	2.50%	0.04%
145	3.33%	0.01%
71,263		1.52%

Schedule Page: 338 Line No: 9 Column: c

Structures

Plant Bases (in thousands)	Applied Depr or Amort Rates	Wgt Avg
4,115	2.25%	0.81%
5,675	2.40%	1.19%
1,623	2.50%	0.36%
11,413		2.36%

Schedule Page: 338 Line No: 10 Column: c

Vehicles

Plant Bases (in thousands)	Applied Depr or Amort Rates	Wgt Avg
106	7.50%	0.03%
142	7.84%	0.04%
-	9.02%	0.00%
15,415	9.05%	4.79%
513	9.35%	0.16%
-	9.36%	0.00%
12,865	9.88%	4.36%
-	19.93%	0.00%
102	20.00%	0.07%
29,143		9.45%

Schedule Page: 338 Line No: 11 Column: c

Power Equipment

Plant Bases (in thousands)	Applied Depr or Amort Rates	Wgt Avg
4,218	5.05%	2.80%
3,388	10.00%	4.45%
7,606		7.25%

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
BlackHills Gas Distribution LLC	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	4/29/2016	End of 2015/Q4

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
BlackHills Gas Distribution LLC	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	4/29/2016	End of 2015/Q4

FOOTNOTE DATA

Schedule Page: 338 Line No: 12 Column: c

Other General

Plant Bases (in thousands)	Applied Depr or Amort Rates	Wgt Avg
8,115	0.00%	0.00%
32	2.60%	0.00%
1,269	2.75%	0.11%
274	2.90%	0.03%
310	3.32%	0.03%
246	3.50%	0.03%
83	3.95%	0.01%
8,923	4.40%	1.29%
1,002	4.71%	0.15%
591	4.75%	0.09%
13	5.39%	0.00%
5,969	7.36%	1.44%
2,265	7.50%	0.56%
76	7.84%	0.02%
-	10.00%	0.00%
344	11.11%	0.13%
697	15.22%	0.35%
183	17.05%	0.10%
109	33.33%	0.12%
30,501		4.46%

Schedule Page: 338 Line No: 13 Column: c

Intangible

Plant Bases (in thousands)	Applied Depr or Amort Rates	Wgt Avg
513	2.60%	0.91%
194	3.00%	0.40%
-	3.07%	0.00%
753	3.60%	1.86%
1,460		3.17%

Schedule Page: 338 Line No: 14 Column: c

Distribution

Plant Bases (in thousands)	Applied Depr or Amort Rates	Wgt Avg
83,652	0.00%	0.00%
1,937	1.77%	0.01%
15,011	2.00%	0.05%
7,384	2.24%	0.03%
225,843	2.65%	0.97%
19,973	2.85%	0.09%
216,582	2.90%	1.02%
34,053	3.00%	0.17%
14,302	3.16%	0.07%
-	3.85%	0.00%
-	5.00%	0.00%
618,737		2.39%

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Particulars Concerning Certain Income Deductions and Interest Charges Accounts

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) Miscellaneous Amortization (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions-Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$250,000 may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430)-For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	426.1 Minor items under \$250,000	46,163
2	426.3 Minor items under \$250,000	54
3	426.4 Minor items under \$250,000	159,645
4	426.5 Minor items under \$250,000	37
5	430 Intercompany interest expense	940,022
6	431 Minor items under \$250,000	117,851
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Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Regulatory Commission Expenses (Account 928)

1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Colorado Direct Assessment	283,121			
2	Wyoming Direct Assessment	264,826			
3	Nebraska Regulatory Fees				
4					
5					
6					
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24					
25	Total	547,947			

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Regulatory Commission Expenses (Account 928)

3. Show in column (k) any expenses incurred in prior years that are being amortized. List in column (a) the period of amortization.
4. Identify separately all annual charge adjustments (ACA).
5. List in column (f), (g), and (h) expenses incurred during year which were charges currently to income, plant, or other accounts.
6. Minor items (less than \$250,000) may be grouped.

Line No.	Expenses Incurred During Year Charged Currently To Department (f)	Expenses Incurred During Year Charged Currently To Account No. (g)	Expenses Incurred During Year Charged Currently To Amount (h)	Expenses Incurred During Year Deferred to Account 182.3 (i)	Amortized During Year Contra Account (j)	Amortized During Year Amount (k)	Deferred in Account 182.3 End of Year (l)
1		928	462,686				
2		928	409,635				
3		928	835				
4							
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25			873,156				

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Distribution of Salaries and Wages

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals and Other Accounts, and enter such amounts in the appropriate lines and columns provided. Salaries and wages billed to the Respondent by an affiliated company must be assigned to the particular operating function(s) relating to the expenses.

In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 75.01, 75.02, etc.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
1	Electric				
2	Operation				
3	Production				
4	Transmission				
5	Distribution				
6	Customer Accounts				
7	Customer Service and Informational				
8	Sales				
9	Administrative and General				
10	TOTAL Operation (Total of lines 3 thru 9)				
11	Maintenance				
12	Production				
13	Transmission				
14	Distribution				
15	Administrative and General				
16	TOTAL Maintenance (Total of lines 12 thru 15)				
17	Total Operation and Maintenance				
18	Production (Total of lines 3 and 12)				
19	Transmission (Total of lines 4 and 13)				
20	Distribution (Total of lines 5 and 14)				
21	Customer Accounts (line 6)				
22	Customer Service and Informational (line 7)				
23	Sales (line 8)				
24	Administrative and General (Total of lines 9 and 15)				
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)				
26	Gas				
27	Operation				
28	Production - Manufactured Gas				
29	Production - Natural Gas(Including Exploration and Development)	20			20
30	Other Gas Supply				
31	Storage, LNG Terminating and Processing	174,142			174,142
32	Transmission	573,057			573,057
33	Distribution	15,311,546			15,311,546
34	Customer Accounts	2,473,879			2,473,879
35	Customer Service and Informational	122,578			122,578
36	Sales	121,031			121,031
37	Administrative and General	9,506,997			9,506,997
38	TOTAL Operation (Total of lines 28 thru 37)	28,283,250			28,283,250
39	Maintenance				
40	Production - Manufactured Gas				
41	Production - Natural Gas(Including Exploration and Development)				
42	Other Gas Supply				
43	Storage, LNG Terminating and Processing	21,366			21,366
44	Transmission	32,560			32,560
45	Distribution	2,065,626			2,065,626

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Distribution of Salaries and Wages (continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Payroll Billed by Affiliated Companies (c)	Allocation of Payroll Charged for Clearing Accounts (d)	Total (e)
46	Administrative and General				
47	TOTAL Maintenance (Total of lines 40 thru 46)	2,119,552			2,119,552
48	Gas (Continued)				
49	Total Operation and Maintenance				
50	Production - Manufactured Gas (Total of lines 28 and 40)				
51	Production - Natural Gas (Including Expl. and Dev.)(ll. 29 and 41)	20			20
52	Other Gas Supply (Total of lines 30 and 42)				
53	Storage, LNG Terminating and Processing (Total of ll. 31 and 43)	195,508			195,508
54	Transmission (Total of lines 32 and 44)	605,617			605,617
55	Distribution (Total of lines 33 and 45)	17,377,172			17,377,172
56	Customer Accounts (Total of line 34)	2,473,879			2,473,879
57	Customer Service and Informational (Total of line 35)	122,578			122,578
58	Sales (Total of line 36)	121,031			121,031
59	Administrative and General (Total of lines 37 and 46)	9,506,997			9,506,997
60	Total Operation and Maintenance (Total of lines 50 thru 59)	30,402,802			30,402,802
61	Other Utility Departments				
62	Operation and Maintenance				
63	TOTAL ALL Utility Dept. (Total of lines 25, 60, and 62)	30,402,802			30,402,802
64	Utility Plant				
65	Construction (By Utility Departments)				
66	Electric Plant				
67	Gas Plant	8,003,353			8,003,353
68	Other				
69	TOTAL Construction (Total of lines 66 thru 68)	8,003,353			8,003,353
70	Plant Removal (By Utility Departments)				
71	Electric Plant				
72	Gas Plant				
73	Other				
74	TOTAL Plant Removal (Total of lines 71 thru 73)				
75	Other Accounts (Specify) (footnote details)	4,191,771			4,191,771
76	TOTAL Other Accounts	4,191,771			4,191,771
77	TOTAL SALARIES AND WAGES	42,597,926			42,597,926

Name of Respondent BlackHills Gas Distribution LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/29/2016	Year/Period of Report End of 2015/Q4
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FOOTNOTE DATA

<i>Schedule Page: 355 Line No.: 75 Column: b</i>
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416 - Merchandising	<u>Amount</u> 4,191,771
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Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Charges for Outside Professional and Other Consultative Services

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain Civic, Political and Related Activities.

(a) Name of person or organization rendering services.

(b) Total charges for the year.

2. Sum under a description "Other", all of the aforementioned services amounting to \$250,000 or less.

3. Total under a description "Total", the total of all of the aforementioned services.

4. Charges for outside professional and other consultative services provided by associated (affiliated) companies should be excluded from this schedule and be reported on Page 358, according to the instructions for that schedule.

Line No.	Description (a)	Amount (in dollars) (b)
1	DESCO ACQUISITION LLC	6,804,955
2	ROCKY MOUNTAIN LINE SYSTEMS, INC.	3,761,425
3	FLINT ENERGY SERVICES, INC.	2,571,962
4	MCDANIEL TECHNICAL SERVICES	2,477,207
5	CAMPOS EPC, LLC	2,011,458
6	JAMES R HOWELL & CO	1,868,430
7	MIDCON UNDERGROUND CONSTRUCTION	1,616,345
8	K.R. SWERDFEGER CONSTRUCTION INC	1,579,475
9	HABITAT CONSTRUCTION, LLC	1,479,255
10	E & S CONSTRUCTION, LLC	1,353,849
11	HALKER CONSULTING, LLC	935,564
12	LEFT HOOK PIPING LLC	718,129
13	UNDERGROUND OBSTACLES LLC	683,607
14	ROCKY MOUNTAIN CONSTRUCTION &	626,734
15	DEVONLAN ENTERPRISES/PERMLAN COMPAN	539,607
16	URS CORPORATION - TX	485,399
17	HERSH DIGGING INC.	421,760
18	FRONTIER PIPELINE CONSTRUCTION	372,953
19	OTHER	4,394,303
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21		
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Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Transactions with Associated (Affiliated) Companies

1. Report below the information called for concerning all goods or services received from or provided to associated (affiliated) companies amounting to more than \$250,000.
2. Sum under a description "Other", all of the aforementioned goods and services amounting to \$250,000 or less.
3. Total under a description "Total", the total of all of the aforementioned goods and services.
4. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote the basis of the allocation.

Line No.	Description of the Good or Service (a)	Name of Associated/Affiliated Company (b)	Account(s) Charged or Credited (c)	Amount Charged or Credited (d)
1	Goods or Services Provided by Affiliated Company			
2	Storage and Transport Services	Rocky Mountain Natural Gas	various	21,932,480
3	Natural Gas	SourceGas Energy Services	804	690,788
4	Allocated Corporate Services	SourceGas LLC	various	27,185,158
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	Goods or Services Provided for Affiliated Company			
21	ChoiceGas Services	SourceGas Energy Services	various	868,159
22				
23				
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Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Compressor Stations

1. Report below details concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, transmission compressor stations, distribution compressor stations, and other compressor stations.

2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and percent of ownership if jointly owned.

Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1	UNDERGROUND STORAGE COMPRESSOR STATIONS:			
2	Kirk Ranch	1	104	434,902
3	Bunker Hill	1	494	966,504
4	East Mahoney	1	107	123,577
5	Oil Springs	2	1,220	3,916,544
6	TOTAL UNDERGROUND STORAGE COMPRESSOR STATIONS	5	1,925	5,441,527
7				
8	TRANSMISSION COMPRESSOR STATIONS			
9	Sand Draw	2	824	2,525,333
10	Cyclone Ridge	1	3,335	4,546,532
11	Casper	1	425	896,428
12	Sinclair	1	440	888,809
13	TOTAL TRANSMISSION COMPRESSOR STATIONS	5	5,024	8,857,102
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Compressor Stations

Designate any station that was not operated during the past year. State in a footnote whether the book cost of such station has been retired in the books of account, or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size and the date the unit was placed in operation.

3. For column (e), include the type of fuel or power, if other than natural gas. If two types of fuel or power are used, show separate entries for natural gas and the other fuel or power.

Line No.	Expenses (except depreciation and taxes) Fuel (e)	Expenses (except depreciation and taxes) Power (f)	Expenses (except depreciation and taxes) Other (g)	Gas for Compressor Fuel in Dth (h)	Electricity for Compressor Station in kWh (i)	Operational Data Total Compressor Hours of Operation During Year (j)	Operational Data Number of Compressors Operated at Time of Station Peak (k)	Date of Station Peak (l)
1								
2			71,022	3,617		2,988	1	04/23/2015
3			79,216	4,384		1,704	1	12/29/2015
4			45,138	946		1,016	1	10/15/2015
5			177,053	19,713		3,686	2	04/26/2015
6			372,429	28,660		9,394	5	
7								
8								
9			118,902	3,444		2,188	1	05/25/2015
10			65,666					
11			21,646					
12			21,874					
13			228,088	3,444		2,188	1	
14								
15								
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Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Gas Storage Projects

1. Report injections and withdrawals of gas for all storage projects used by respondent.

Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (In Dth)			
1	Gas Delivered to Storage			
2	January			
3	February			
4	March	13,767		13,767
5	April	253,867		253,867
6	May	116,381		116,381
7	June	266,939		266,939
8	July	238,410		238,410
9	August	167,673		167,673
10	September	168,662		168,662
11	October	444,538		444,538
12	November	221,984		221,984
13	December	12,699		12,699
14	TOTAL (Total of lines 2 thru 13)	1,904,920		1,904,920
15	Gas Withdrawn from Storage			
16	January	374,410		374,410
17	February	376,133		376,133
18	March	204,133		204,133
19	April	10,341		10,341
20	May	4,933		4,933
21	June			
22	July	2		2
23	August	7		7
24	September	805		805
25	October	3,429		3,429
26	November			
27	December	263,168		263,168
28	TOTAL (Total of lines 16 thru 27)	1,237,361		1,237,361

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Gas Storage Projects

1. On line 4, enter the total storage capacity certificated by FERC.
2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.

Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top or Working Gas End of Year	2,095,207 MCF
2	Cushion Gas (Including Native Gas)	17,270,200
3	Total Gas in Reservoir (Total of line 1 and 2)	19,365,407
4	Certificated Storage Capacity	24,083,600
5	Number of Injection - Withdrawal Wells	8
6	Number of Observation Wells	3
7	Maximum Days' Withdrawal from Storage	29,021
8	Date of Maximum Days' Withdrawal	02/23/2015
9	LNG Terminal Companies (In Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Transmission Lines

1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.
3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.
4. Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Line or Group of Lines (a)	* (b)	Total Miles of Pipe (c)
1	Wyoming		768.40
2	Colorado		36.80
3			
4			
5			
6			
7			
8			
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Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Transmission System Peak Deliveries

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the 12 months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, April 30, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.

Line No.	Description	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
	SECTION A: SINGLE DAY PEAK DELIVERIES			
1	Date:			
2	Volumes of Gas Transported			
3	No-Notice Transportation			
4	Other Firm Transportation	1,801	56,419	58,220
5	Interruptible Transportation	14,127	6,385	20,512
6	Other (Describe) (footnote details)			
7	TOTAL	15,928	62,804	78,732
8	Volumes of gas Withdrawn from Storage under Storage Contract			
9	No-Notice Storage			
10	Other Firm Storage		(24,195)	(24,195)
11	Interruptible Storage			
12	Other (Describe) (footnote details)			
13	TOTAL		(24,195)	(24,195)
14	Other Operational Activities			
15	Gas Withdrawn from Storage for System Operations			
16	Reduction in Line Pack		(304)	(304)
17	Other (Describe) (footnote details)		2,607	2,607
18	TOTAL		2,303	2,303
19	SECTION B: CONSECUTIVE THREE-DAY PEAK DELIVERIES			
20	Dates:			
21	Volumes of Gas Transported			
22	No-Notice Transportation			
23	Other Firm Transportation	5,403	161,126	166,529
24	Interruptible Transportation	40,756	19,781	60,537
25	Other (Describe) (footnote details)			
26	TOTAL	46,159	180,907	227,066
27	Volumes of Gas Withdrawn from Storage under Storage Contract			
28	No-Notice Storage			
29	Other Firm Storage		(73,272)	(73,272)
30	Interruptible Storage			
31	Other (Describe) (footnote details)			
32	TOTAL		(73,272)	(73,272)
33	Other Operational Activities			
34	Gas Withdrawn from Storage for System Operations			
35	Reduction in Line Pack		(1,129)	(1,129)
36	Other (Describe) (footnote details)		13,555	13,555
37	TOTAL		12,426	12,426

Name of Respondent Black Hills Gas Distribution LLC, d/b/a Black Hills Energy	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report End of 2015/Q4
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Gas Account - Natural Gas

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Enter in column (c) the year to date Dth as reported in the schedules indicated for the items of receipts and deliveries.
4. Enter in column (d) the respective quarter's Dth as reported in the schedules indicated for the items of receipts and deliveries.
5. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.
6. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose.
7. Indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.
8. Indicate in a footnote the specific gas purchase expense account(s) and related to which the aggregate volumes reported on line No. 3 relate.
9. Indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.
10. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional information as necessary to the footnotes.

Line No.	Item (a)	Ref. Page No. of (FERC Form Nos. 2/2-A) (b)	Total Amount of Dth Year to Date (c)	Current Three Months Ended Amount of Dth Quarterly Only
01 Name of System:				
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		14,276,944	
4	Gas of Others Received for Gathering (Account 489.1)	303		
5	Gas of Others Received for Transmission (Account 489.2)	305	3,775,352	
6	Gas of Others Received for Distribution (Account 489.3)	301	36,221,496	
7	Gas of Others Received for Contract Storage (Account 489.4)	307	18,685	
8	Gas of Others Received for Production/Extraction/Processing (Account 490 and 491)			
9	Exchanged Gas Received from Others (Account 806)	328		
10	Gas Received as Imbalances (Account 806)	328	228,482	
11	Receipts of Respondent's Gas Transported by Others (Account 858)	332		
12	Other Gas Withdrawn from Storage (Explain)		1,237,361	
13	Gas Received from Shippers as Compressor Station Fuel			
14	Gas Received from Shippers as Lost and Unaccounted for		599,953	
15	Other Receipts (Specify) (footnote details)			
16	Total Receipts (Total of lines 3 thru 15)		56,358,273	
17	GAS DELIVERED			
18	Gas Sales (Accounts 480-484)		14,875,844	
19	Deliveries of Gas Gathered for Others (Account 489.1)	303		
20	Deliveries of Gas Transported for Others (Account 489.2)	305	3,775,352	
21	Deliveries of Gas Distributed for Others (Account 489.3)	301	36,221,496	
22	Deliveries of Contract Storage Gas (Account 489.4)	307		
23	Gas of Others Delivered for Production/Extraction/Processing (Account 490 and 491)			
24	Exchange Gas Delivered to Others (Account 806)	328		
25	Gas Delivered as Imbalances (Account 806)	328	185,314	
26	Deliveries of Gas to Others for Transportation (Account 858)	332		
27	Other Gas Delivered to Storage (Explain)		1,904,920	
28	Gas Used for Compressor Station Fuel	509	32,104	
29	Other Deliveries and Gas Used for Other Operations		32,986	
30	Total Deliveries (Total of lines 18 thru 29)		57,028,016	
31	GAS LOSSES AND GAS UNACCOUNTED FOR			
32	Gas Losses and Gas Unaccounted For		(669,743)	
33	TOTALS			
34	Total Deliveries, Gas Losses & Unaccounted For (Total of lines 30 and 32)		56,358,273	

Name of Respondent BlackHills Gas Distribution LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 4/29/2016	Year/Period of Report End of 2015/Q4
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FOOTNOTE DATA

Schedule Page: 520 Line No.: 12 Column: c
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Detail for gas withdrawn from storage can be found on page 512, lines 16-28.	<u>Volume (MMBtu)</u> 1,237,361
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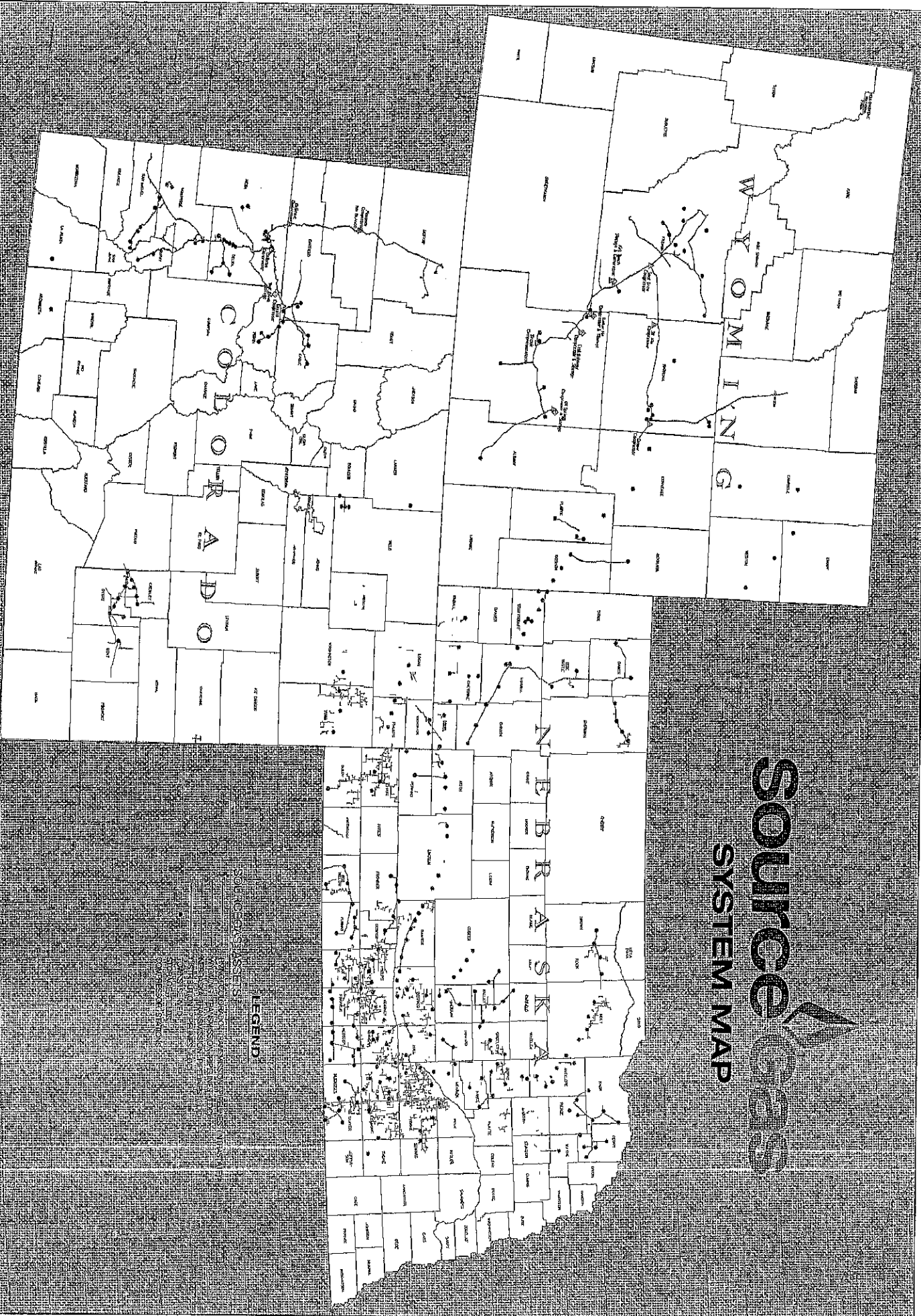
Schedule Page: 520 Line No.: 27 Column: c
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Detail for gas injected into storage can be found on page 512, lines 2 - 14.	<u>Volume (MMBtu)</u> 1,904,920
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/29/2016	Year/Period of Report 2015/Q4
Black Hills Gas Distribution LLC, d/b/a Black Hills Energy			
System Maps			

1. Furnish five copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.
2. Indicate the following information on the maps:
 - (a) Transmission lines.
 - (b) Incremental facilities.
 - (c) Location of gathering areas.
 - (d) Location of zones and rate areas.
 - (e) Location of storage fields.
 - (f) Location of natural gas fields.
 - (g) Location of compressor stations.
 - (h) Normal direction of gas flow (indicated by arrows).
 - (i) Size of pipe.
 - (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc.
 - (k) Principal communities receiving service through the respondent's pipeline.
3. In addition, show on each map: graphic scale of the map; date of the facts the map purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.
4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.

Source Gas SYSTEM MAP



LEGEND

SOURCE GAS SYSTEM

MAJOR CITIES

STATE BOUNDARIES