

THIS FILING IS	
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission	OR <input type="checkbox"/> 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 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	Year/Period of Report End of 12/31/2017
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FERC FORM No. 2/3Q (02-04)

QUARTERLY/ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES


IDENTIFICATION

01 Exact Legal Name of Respondent Black Hills Gas Distribution, LLC		Year/Period of Report End of 2017/Q4	
03 Previous Name and Date of Change (If name changed during year)			
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 7001 Mt Rushmore Road, Rapid City, SD 57702			
05 Name of Contact Person Robert Amdor		06 Title of Contact Person Senior Manager Regulatory	
07 Address of Contact Person (Street, City, State, Zip Code) 1102 E. 1st Street, Papillion, NE 68046-7641			
08 Telephone of Contact Person, Including Area Code: 402-221-2227		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr): 4/27/2018

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 Marne Jones		12 Title Vice President Regulatory	
13 Signature 		14 Date Signed April 26, 2018	

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

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Black Hills Gas Distribution, LLC	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		End of 12/31/2017

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	Statement of Income for the Year	114-116		
2	Notes to Financial Statements	122		
	BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
3	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201		
4	Gas Plant in Service	204-209		
5	Construction Work in Progress-Gas	216		
6	Accumulated Provision for Depreciation of Gas Utility Plant	219		
7	Gas Stored	220		NA
8	Miscellaneous Current and Accrued Liabilities / CIAC	224		
9	Deferred Investment Tax Credits	229		NA
10	Miscellaneous Deferred Debits	233		
11	Accumulated Deferred Income Taxes	234-235		
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
12	Taxes Accrued, Prepaid, and Charged During Year	262-263		
13	Accumulated Deferred Income Taxes-Other Property	274-275		
14	Accumulated Deferred Income Taxes-Other	276-277		
	INCOME ACCOUNT SUPPORTING SCHEDULES			
15	Gas Operating Revenues	300-301		
16	Revenues, Volumes and Customers by Class	301.1		NA
17	Sales Volumes by Customer Class	301.2		NA
18	Political Expenses	305		
19	Gas Operation and Maintenance Expenses	317-325		
20	Gas Used in Utility Operations	331		
21	Depreciation, Depletion, and Amortization of Gas Plant	336-338		
22	Allocated Utility Plant	351		
23	Plant Acquisition Adjustments	513		NA
24	Sales of Natural Gas by Rate Area	516-517		NA
25	Field and Mainline Sales of Natural Gas	519-520		NA
26	Sales for Resale	521		NA
27	Interdepartmental Sales - Natural Gas	523		NA
28	Gas Purchases	536		NA
29	Franchise Requirements	542		NA

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Statement of Income

- Quarterly
- 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.
 - 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.
 - 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.
 - If additional columns are needed place them in a footnote.

Annual or Quarterly, if applicable

- Do not report fourth quarter data in columns (e) and (f)
- 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.
- Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
- 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.
- Use page 122 for important notes regarding the statement of income for any account thereof.
- 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.
- 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.
- If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
- 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.
- Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
- 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 Quarter Only No Fourth Quarter (e)	Prior Three Months Ended Quarter Only No Fourth Quarter (f)
1	UTILITY OPERATING INCOME					
2	Gas Operating Revenues (400)	300-301	60,786,657	61,091,732		
3	Operating Expenses					
4	Operation Expenses (401)	317-325	27,021,751	23,961,609		
5	Maintenance Expenses (402)	317-325	2,158,551	2,099,697		
6	Depreciation Expense (403)	336-338	9,707,172	9,736,564		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	0	0		
8	Amortization and Depletion of Utility Plant (404-405)	336-338	990	990		
9	Amortization of Utility Plant Acu. Adjustment (406)	336-338	0	0		
10	Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)	336-338	0	0		
11	Amortization of Conversion Expenses (407.2)		0	0		
12	Regulatory Debits (407.3)		0	0		
13	(Less) Regulatory Credits (407.4)		0	0		
14	Taxes Other than Income Taxes (408.1)	262-263	1,575,042	1,723,986		
15	Income Taxes-Federal (409.1)	262-263	(6,489,799)	(91,227)		
16	Income Taxes-Other (409.1)	262-263	(36,991)			
17	Provision of Deferred Income Taxes (410.1)	234-235	32,768,474	24,147,607		
18	(Less) Provision for Deferred Income Taxes-Credit (411.1)	234-235	(28,960,214)	(21,002,918)		
19	Investment Tax Credit Adjustment-Net (411.4)		0	0		
20	(Less) Gains from Disposition of Utility Plant (411.6)		0	0		
21	Losses from Disposition of Utility Plant (411.7)		0	0		
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		0	0		
25	TOTAL Utility Operating Expenses (Total of lines 4 thru 24)		37,714,976	40,576,308		
26	Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27)		23,071,681	20,515,424		

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Black Hills Gas Distribution, LLC	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		End of 12/31/2017

Statement of Income

[This area is intentionally left blank for the respondent to provide additional information or comments.]

Line No.	Elec. Utility Current Year to Date (in dollars) (g)	Elec. Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1						
2			60,786,657	61,091,732		
3						
4			27,021,751	23,961,609		
5			2,158,551	2,099,697		
6			9,707,172	9,736,564		
7			0	0		
8			990	990		
9			0	0		
10			0	0		
11			0	0		
12			0	0		
13			0	0		
14			1,575,042	1,723,986		
15			(6,489,799)	(91,227)		
16			(36,991)	0		
17			32,768,474	24,147,607		
18			(28,990,214)	(21,002,918)		
19			0	0		
20			0	0		
21			0	0		
22			0	0		
23			0	0		
24			0	0		
25			37,714,976	40,576,308		
26			23,071,681	20,515,424		

[This area is intentionally left blank for the respondent to provide additional information or comments.]

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Black Hills Gas Distribution, LLC	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		End of 12/31/2017

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 Quarter Only No Fourth Quarter (e)	Prior Three Months Ended Quarter Only No Fourth Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		23,071,681	20,515,424		
28	OTHER INCOME AND DEDUCTIONS					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues from Merchandising, Jobbing and Contract Work (415)		750,144	2,114,922		
32	(Less) Costs and Expense of Merchandising, Job & Contract Work (416)		609,683	1,642,088		
33	Revenues from Nonutility Operations (417)		3,533,622	2,679,675		
34	(Less) Expenses of Nonutility Operations (417.1)		2,986,220	2,753,882		
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		449,915	256,911		
38	Allowance for Other Funds Used During Construction (419.1)		(20)	(7,175)		
39	Miscellaneous Nonoperating Income (421)		17,560	90,387		
40	Gain on Disposition of Property (421.1)		6,909			
41	TOTAL Other Income (Total of lines 31 thru 40)		1,162,227	738,750		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (426)					
45	Donations (426.1)	340	23,948	74,745		
46	Life Insurance (426.2)					
47	Penalties (426.3)		105	625		
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		49,385	35,040		
49	Other Deductions (426.5)		84,233	31,984		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)	340	157,671	142,395		
51	Taxes Applicable to Other Income and Deductions					
52	Taxes Other than Income Taxes (408.2)	262-263	29,795	121,831		
53	Income Taxes-Federal (409.2)	262-263	398,763	91,227		
54	Income Taxes-Other (409.2)	262-263	36,991			
55	Provision for Deferred Income Taxes (410.2)	234-235				
56	(Less) Provision for Deferred Income Taxes-Credit (411.2)	234-235				
57	Investment Tax Credit Adjustments-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		463,549	213,058		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		541,006	383,207		
61	INTEREST CHARGES					
62	Interest on Long-Term Debt (427)					
63	Amortization of Debt Disc. and Expense (428)	258-259				
64	Amortization of Loss on Reacquired Debt (428.1)					
65	(Less) Amortization of Premium on Debt-Credit (429)	258-259				
66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)					
67	Interest on Debt to Associated Companies (430)	340	11,755,597	12,609,318		
68	Other Interest Expense (431)	340	(5,842)	(7,050)		
69	(Less) Allowance for Borrowed Funds Used During Construction-Credit (432)		90,577	119,104		
70	Net Interest Charges (Total of lines 62 thru 69)		11,659,177	12,483,164		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		11,953,510	8,415,557		
72	EXTRAORDINARY ITEMS					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items after Taxes (Total of line 75 less line 76)					
78	Net Income (Total of lines 71 and 77)		11,953,510	8,415,557		

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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 items. 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 where 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.

1. See notes to the Consolidated Financial Statements in the Annual Report on Form 10-K at the link provided in item 15.
2. See Note 19 in the Notes to the Consolidated Financial Statements in the Annual Report on Form 10-K.
3. See Note 18 in the Notes to the Consolidated Financial Statements in the Annual Report on Form 10-K.
4. See Note 8 in the Notes to the Consolidated Financial Statements in the Annual Report on Form 10-K.
5. None
6. N/A
7. N/A
8. N/A

Name of Respondent Black Hills Gas Distribution, LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
Notes to Financial Statements			

1. See notes to Consolidated Financial Statements in the Annual report on Form 10-K at the link provided in item 15

2. See Note 19 in the Notes to the Consolidated Financial Statements in the Annual Report on Form 10-K

3. See Note 18 in the Notes to the Consolidated Financial Statements in the Annual Report on Form 10-K

4. See Note 8 in the Notes to the Consolidated Financial Statements in the Annual Report on Form 10-K

5. None
6. N/A
7. N/A

8. N/A
9. See Note 2 in the Notes to the Consolidated Financial Statements in the Annual Report on Form 10-K

- 10 N/A

- 11 N/A

- 12 N/A

- 13 See 3Q-16 10Q published with the SEC

- 14 See 3Q-16 10Q published with the SEC, all significant subsequent events have been disclosed in the 10Q and 10K for fiscal year 2016

- 15 <https://www.sec.gov/Archives/edgar/data/1130464/000113046417000010/bkh10k122016.htm>

Name of Respondent Black Hills Gas Distribution, LLC		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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)			292,187,626
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified			12,666,214
7	Experimental Plant Unclassified			
8	TOTAL Utility Plant (Total of lines 3 thru 7)			304,843,739
9	Leased to Others			
10	Held for Future Use			
11	Construction Work in Progress			272,704
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Total of lines 8 thru 12)			305,116,443
14	Accumulated Provisions for Depreciation, Amortization, & Depletion			122,413,836
15	Net Utility Plant (Total of lines 13 and 14)			182,702,607
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation			122,413,836
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			
22	TOTAL In Service (Total of lines 18 thru 21)			122,413,836
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 Losses (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)			122,413,836

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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		292,187,525		
4		0		
5		0		
6		12,656,214		
7		0		
8		304,843,739		
9		0		
10		0		
11		272,704		
12		0		
13		305,116,443		
14		122,413,836		
15		182,702,607		
16				
17				
18		122,413,836		
19		0		
20		0		
21		0		
22		122,413,836		
23				
24		0		
25		0		
26		0		
27				
28		0		
29		0		
30		0		
31		0		
32		0		
33		122,413,836		

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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		
3	302 Franchises and Consents	32,990	
4	303 Miscellaneous Intangible Plant	161,504	
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	194,494	0
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		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
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		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
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		
27	TOTAL Production and Gathering Plant (Enter Total of lines 8 thru 26)	0	0
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		

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Black Hills Gas Distribution, LLC	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		End of 12/31/2017

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				0
3				32,990
4				161,504
5	0	0	0	194,494
6				
7				
8				0
9				0
10				0
11				0
12				0
13				0
14				0
15				0
16				0
17				0
18				0
19				0
20				0
21				0
22				0
23				0
24				0
25				0
26				0
27	0	0	0	0
28				
29				0
30				0
31				0
32				0
33				0

Name of Respondent Black Hills Gas Distribution, LLC		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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 38)			
40	Manufactured Gas Production Plant (Submit Supplementary			
41	TOTAL Production Plant (Enter Total of lines 39 and 40)	0		0
42	NATURAL GAS STORAGE AND PROCESSING PLANT			
43	Underground Storage Plant			
44	350.1 Land			
45	350.2 Rights-of-Way			
46	351 Structures and Improvements			
47	352 Wells			
48	352.1 Storage Leaseholds and Rights			
49	352.2 Reservoirs			
50	352.3 Non-recoverable Natural Gas			
51	353 Lines			
52	354 Compressor Station Equipment			
53	355 Other Equipment			
54	356 Purification Equipment			
55	357 Other Equipment			
56	358 Asset Retirement Costs for Underground Storage Plant			
57	TOTAL Underground Storage Plant (Enter Total of lines 44 thru 56)	0		0
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)	0		0
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 Processing Plant (Lines 71 - 79)	0		0

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Black Hills Gas Distribution, LLC	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		End of 12/31/2017

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				0
35				0
36				0
37				0
38				0
39				0
40				0
41	0	0	0	0
42				
43				
44				0
45				0
46				0
47				0
48				0
49				0
50				0
51				0
52				0
53				0
54				0
55				0
56				0
57	0	0	0	0
58				
59				0
60				0
61				0
62				0
63				0
64				0
65				0
66				0
67				0
68				0
69	0	0	0	0
70				
71				0
72				0
73				0
74				0
75				0
76				0
77				0
78				0
79				0
80	0	0	0	0

Name of Respondent Black Hills Gas Distribution, LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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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, 69, 80)	0	0
82	TRANSMISSION PLAN		
83	365.1 Land and Land Rights		
84	365.2 Rights-of-Way		
85	366 Structures and Improvements		
86	367 Mains		
87	368 Compressor Station Equipment		
88	369 Measuring and Regulating Station Equipment		
89	370 Communication Equipment		
90	371 Other Equipment		
91	372 Asset Retirement Costs for Transmission Plant		
92	TOTAL Transmission Plant (Enter Totals of lines 83 thru 91)	0	0
93	DISTRIBUTION PLANT		
94	374 Land and Land Rights	4,960,114	105,407
95	375 Structures and Improvements	4,682,167	2,323
96	376 Mains	158,399,120	14,815,819
97	377 Compressor Station Equipment	0	0
98	378 Measuring and Regulating Station Equipment-General	7,067,816	582,379
99	379 Measuring and Regulating Station Equipment-City Gate	4,672,030	14,400
100	380 Services	30,298,365	1,836,170
101	381 Meters	24,362,066	167,912
102	382 Meter Installations	6,612,947	1,073,128
103	383 House Regulators	8,315,652	878,227
104	384 House Regulator Installations	1,675,182	21,541
105	385 Industrial Measuring and Regulating Station Equipment	3,712,047	87,339
106	386 Other Property on Customers' Premises	53,961	
107	387 Other Equipment	289,872	36,097
108	388 Asset Retirement Costs for Distribution Plant		
109	TOTAL Distribution Plant (Enter Total of lines 94 thru 108)	253,109,339	19,620,742
110	GENERAL PLANT		
111	389 Land and Land Rights	379,884	
112	390 Structures and Improvements	2,505,067	48,939
113	391 Office Furniture and Equipment	26,734,654	170,745
114	392 Transportation Equipment	12,425,800	1,301,078
115	393 Stores Equipment	28,177	
116	394 Tools, Shop, and Garage Equipment	4,781,657	185,357
117	395 Laboratory Equipment	0	
118	396 Power Operated Equipment	3,062,565	
119	397 Communication Equipment	150,910	7,965
120	398 Miscellaneous Equipment	202,793	
121	Subtotal (Enter Total of lines 111 thru 120)	50,271,307	1,714,084
122	399 Other Tangible Property	0	
123	399.1 Asset Retirement Costs for General Plant	0	
124	TOTAL General Plant (Enter Total of lines 121, 122 and 123)	50,271,307	1,714,084
125	TOTAL (Accounts 101 and 106)	303,575,140	21,334,826
126	Gas Plant Purchased (See Instruction 8)	0	
127	(Less) Gas Plant Sold (See Instruction 8)	0	
128	Experimental Gas Plant Unclassified	0	
129	TOTAL Gas Plant in Service (Enter Total of lines 125 thru 128)	303,575,140	21,334,826

Name of Respondent Black Hills Gas Distribution, LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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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	0	0	0	0
82				
83				0
84				0
85				0
86				0
87				0
88				0
89				0
90				0
91				0
92	0	0	0	0
93				
94	13,057	4,577	72,091	5,129,132
95	139,882		(167)	4,544,441
96	1,520,102	(6,691,723)	(674,454)	162,328,660
97				0
98	768,447	6,801	(1,430)	6,887,119
99	317,630			4,368,800
100	574,374	(1,586,610)	600,965	30,572,516
101	915,647	359,605	846,206	24,820,142
102	298,575			7,387,500
103	19,214			9,174,665
104	242			1,696,481
105	31,178	123,060	257,414	4,148,682
106				53,961
107		2,332		338,301
108				0
109	4,598,348	(7,781,958)	1,100,825	261,450,400
110				
111		14,805		394,689
112	3,580	176,410	1,689	2,728,525
113	98,750	(8,222,250)	(1,689)	18,582,710
114	815,831	50,873	98,323	13,060,043
115		1		28,178
116	20,962	19,564	39,968	5,005,584
117		8,198		8,198
118		354		3,062,919
119		11,461	(15,074)	155,262
120	447	1,695	(31,304)	172,737
121	939,570	(7,938,889)	91,913	43,198,845
122				0
123				0
124	939,570	(7,938,889)	91,913	43,198,845
125	5,537,918	(15,720,847)	1,192,538	304,843,739
126				0
127				0
128				0
129	5,537,918	(15,720,847)	1,192,538	304,843,739

Name of Respondent Black Hills Gas Distribution, LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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Construction Work in Progress-Gas (Account 107)

- Report below descriptions and balances at end of year of projects in process of construction (Account 107).
- 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).
- 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			
2	Minor projects for distribution plant	239,546	
3			
4	Minor projections for general plant	33,158	
5			
6			
7			
8			
9			
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42			
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44			
45	Total	272,704	0

Name of Respondent Black Hills Gas Distribution, LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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Accumulated Provision for Depreciation of Gas Utility Plant (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, page 204-209, column (d), excluding retirements of nondepreciable property.
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.
5. At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7.01, 7.02, etc.

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	130,409,051	130,409,051		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	9,707,172	9,707,172		
4	(403.1) Depreciation Expense for Asset Retirement Costs	0	0		
5	(413) Expense of Gas Plant Leased to Others	0			
6	Transportation Expenses - Clearing	1,504,074	1,504,074		
7	Other Clearing Accounts	0			
8	Other Clearing (Specify) (footnote details):	0			
9		0			
10	TOTAL Deprec. Prov. for Year (Total of lines 3 thru 8)	11,211,246	11,211,246		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(5,282,407)	(5,282,407)		
13	Cost of Removal	(761,115)	(761,115)		
14	Salvage (Credit)	192,170	192,170		
15	TOTAL Net Chrgs for Plant Ret. (Total of lines 12 thru 14)	(5,851,352)	(5,851,352)		
16	Other Debit or Credit Items (Describe) (footnote details): See below	(13,355,109)	(13,355,109)		
17		0			
18	Book Cost of Asset Retirement Costs	0			
19	Balance End of Year (Total of lines 1,10,15,16 and 18)	122,413,836	122,413,836		
Section B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS					
21	Productions-Manufactured Gas	0			
22	Production and Gathering-Natural Gas	0			
23	Products Extraction-Natural Gas	0			
24	Underground Gas Storage	0			
25	Other Storage Plant	0			
26	Base Load LNG Terminating and Processing Plant	0			
27	Transmission	0			
28	Distribution	109,566,329	109,566,329		
29	General	12,847,507	12,847,507		
30	TOTAL (Total of lines 21 thru 29)	122,413,836	122,413,836		

Line 16:
 Current year corporate allocations \$3,078,677
 Reverse out prior year corp allocations \$ (12,544,458)
 Miscellaneous adjustments \$ (3,889,328)
 Total (\$13,355,109)

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)		
1. Report the amount and description of other current and accrued liabilities at end of year.		
2. Minor items may be grouped under appropriate title.		
Line No.	Item (a)	Balance End of Year (b)
1	242003 Accrued Benefits-Compensated Absences	\$ 619,893
2	242009 SFAS 106 Current Portions	369,000
3	242013 Accrued Benefits 401K	87,172
4	242019 Accrued Energy Aid Assistance	544
5	242028 Accrued Uncl Checks/Escheats	22,972
6	242041 Accrued Incentive	351,231
7	242045 Accrued Payroll	283,602
8	242046 Accrued EE Reimbursed Exp	20,133
9	242500 Accrued LT Liabilities	377,268
10	242560 Accrued Liab ST Neg Bal Reclass	304
11	242999 Accrued Other	2,054,477
12		
13		
14		
15		
16	TOTAL	\$ 4,186,597
CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)		
Line No.	List advances by departments (a)	Balance End of Year (b)
17	Gas	\$ 16,409
18		
19		
20		
21	TOTAL	\$ 16,409

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Black Hills Gas Distribution, LLC	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		End of 12/31/2017

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.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	Credits Account Charged (d)	Credits Amount (e)	Balance At End of Year (f)
1	Deferred asset other	511,139	1,238,096		(1,749,236)	0
2	FL&U		612,063			612,063
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
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31						
32						
33						
34						
35						
36						
37						
38						
39	Miscellaneous Work in Progress					
40	Total	511,139	1,850,160		(1,749,236)	612,063

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Black Hills Gas Distribution, LLC	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		End of 12/31/2017

Accumulated Deferred Income Taxes (Account 190)

- Report the information called for below concerning the respondent's accounting for deferred income taxes.
- At Other (Specify), include deferrals relating to other income and deductions.
- Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Changes During Year	Changes During Year
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric			
3	Gas	20,207,336	13,597,514	11,264,666
4				
5	Total (Total of lines 2 thru 4)	20,207,336	13,597,514	11,264,666
6				
7	TOTAL Account 190 (Total of lines 5 thru 6)	20,207,336	13,597,514	11,264,666
8	Classification of TOTAL			
9	Federal Income Tax	18,210,897	11,658,183	8,605,407
10	State Income Tax	1,996,439	1,939,331	2,659,259
11	Local Income Tax			

Name of Respondent Black Hills Gas Distribution, LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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Accumulated Deferred Income Taxes (Account 190)

Line No.	Changes During Year	Changes During Year	Adjustments		Adjustments		Balance at End of Year (k)
	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits Account No. (g)	Credits Amount (h)	Debits Account No. (i)	Credits Amount (j)	
1							
2							
3				1,713,325		6,778,866	12,808,947
4							
5	0	0	0	1,713,325	0	6,778,866	12,808,947
6							
7	0	0	0	1,713,325	0	6,778,866	12,808,947
8							
9				1,702,848		6,685,929	10,175,040
10				10,477		92,937	2,633,907
11							

Page 235 Line 7, Column (h) - Pension FAS 158	237,982	Credit 254
Page 235 Line 7, Column (h) - Retiree Healthcare FAS 158	168,452	Credit 254
Page 235 Line 7, Column (h) - Reg Energy Efficient Asset	156	Credit 254
Page 235 Line 7, Column (h) - Tax Cuts and Jobs Act repricing of deferred tax assets	1,306,735	Credit 254
Total	1,713,325	
Page 235 Line 7, Column (j) - Pension FAS 158	836,343	Debit 254
Page 235 Line 7, Column (j) - Retiree Healthcare FAS 158	825,795	Debit 254
Page 235 Line 7, Column (j) - Reg Energy Efficient Asset	8,834	Debit 254
Page 235 Line 7, Column (j) - Tax Cuts and Jobs Act repricing of deferred tax assets	5,107,894	Debit 254
Total	6,778,866	

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Black Hills Gas Distribution, LLC	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		End of 12/31/2017

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	Balance at
		Beg. of Year	Beg. of Year
		Taxes Accrued	Prepaid Taxes
		(b)	(c)
1	Federal Income Tax		
2	State Income Tax		
3	Payroll Taxes	72,316	
4	Property Taxes	1,783,947	
5	Sales & Use Tax	4,674	
6	Franchise/Sales Tax	226,895	
7			
8			
9			
10			
11			
12			
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TOTAL		2,087,832	0

Name of Respondent Black Hills Gas Distribution, LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

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	(8,093,036)	(8,093,035)			1
2					
3	965,439	964,809		72,948	
4	1,592,236	1,749,017	(35,808)	1,591,360	
5	24,367	25,911	489	3,619	
6		164,927		61,968	
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39					
TOTAL	(3,510,994)	(3,188,371)	(35,317)	1,729,893	1

Name of Respondent Black Hills Gas Distribution, LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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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) (i)	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) (l)
1		(6,489,799)		396,783
2		(36,991)		36,991
3		(17,674)		
4		1,592,236		
5		480		
6		0		
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
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22				
23				
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27				
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33				
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36				
37				
38				
39				
TOTAL		(4,951,748)		433,754

Name of Respondent Black Hills Gas Distribution, LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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Taxes Accrued, Prepaid and Charged During Year, Distribution of Taxes Charged (Show utility dept where applicable and acct charged)

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 Opr. 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					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
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21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
Total					

Name of Respondent Black Hills Gas Distribution, LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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Accumulated Deferred Income Taxes-Other Property (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
 2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric			
3	Gas	12,968,464	11,494,625	6,601,756
4				
5	Total (Enter Total of lines 2 through 4)	12,968,464	11,494,625	6,601,756
6				
7	TOTAL Account 282 (Enter Total of lines 5 through 6)	12,968,464	11,494,625	6,601,756
8	Classification of TOTAL			
9	Federal Income Tax	11,932,181	10,619,235	6,255,788
10	State Income Tax	1,036,283	875,390	345,968
11	Local Income Tax			

Name of Respondent Black Hills Gas Distribution, LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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Accumulated Deferred Income Taxes-Other Property (Account 282) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes During Year	Changes During Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at End of Year
	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits Account No. (g)	Debits Amount (h)	Credits Account No. (i)	Credits Amount (j)	
1							
2							
3				5,841,773		363,043	12,382,603
4							
5	0	0		5,841,773		363,043	12,382,603
6							
7	0	0		5,841,773		363,043	12,382,603
8							
9				5,841,773		363,043	10,816,898
10							1,565,705
11							

Page 275, Line 7, Column (h) - Tax Cut and Jobs Act repricing of deferred tax liabilities 5,841,773 Credit 254

Page 275, Line 7, Column (j) - Tax Cut and Jobs Act repricing of deferred tax liabilities 363,043 Debit 254

Name of Respondent Black Hills Gas Distribution, LLC	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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Accumulated Deferred Income Taxes-Other (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
 2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Gas	12,510,850	6,166,899	9,707,458
4				
5	Total (Enter Total of lines 2 through 4)	12,510,850	6,166,899	9,707,458
6				
7	TOTAL Account 283 (Enter Total of lines 5 through 6)	12,510,850	6,166,899	9,707,458
8	Classification of TOTAL			
9	Federal income Tax	11,557,383	5,830,152	9,479,857
10	State income Tax	953,467	336,747	227,601
11	Local income Tax			

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Accumulated Deferred Income Taxes-Other (Account 283) (continued)

3. Provide in a footnote a summary of the type and amount of deferred income taxes reported in the beginning-of-year and end-of-year balances for deferred income taxes that the respondent estimates could be included in the development of jurisdictional recourse rates.

Line No.	Changes During Year	Changes During Year	Adjustments	Adjustments	Adjustments	Adjustments	Balance at End of Year
	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits Account No. (g)	Debits Amount (h)	Credits Account No. (i)	Credits Amount (j)	
1							
2							
3				797,133		728,230	8,901,388
4							
5	0	0		797,133		728,230	8,901,388
6							
7	0	0		797,133		728,230	8,901,388
8							
9				198,480		138,254	7,847,452
10				598,653		589,976	1,053,936
11							

Page 277, Line 7, Column (h) - Bowdoin Contract	589,820	Credit 411
Page 277, Line 7, Column (h) - Reg Energy Efficient Asset	8,833	Debit 254
Page 277, Line 7, Column (h) - Tax Cut and Jobs Act repricing of deferred tax assets	198,480	Debit 254
	<u>797,133</u>	
Page 277, Line 7, Column (j) - Bowdoin Contract	589,820	Credit 410
Page 277, Line 7, Column (j) - Reg Energy Efficient Asset	156	Credit 254
Page 277, Line 7, Column (j) - Tax Cut and Jobs Act repricing of deferred tax assets	138,254	Credit 254
	<u>728,230</u>	

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Gas Operating Revenues

- Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.
- Revenues in columns (b) and (c) include transition costs from upstream pipelines.
- 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	Revenues for Transition Costs and Take-or-Pay	Revenues for GRI and ACA	Revenues for GRI and ACA
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	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 Intra-company Transfers				
Line No. 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				

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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						
2						
3						
4						
5						
6						
Line No	387,210	218,086	387,210	218,086		
8	1,680,479	1,918,334	1,680,479	1,918,334		
9						
10						
11	58,708,459	58,953,430	58,708,459	58,953,430	27,429,237	28,889,110
12						
13						
14						
15						
16						
17						
18	10,509	1,881	10,509	1,881		
19	60,786,657	61,091,731	60,786,657	61,091,731		
20						
21	60,786,657	61,091,731	60,786,657	61,091,731		

**EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES
(ACCOUNT 426.4)**

- 1 Report below all expenditures incurred by the respondent during the year for the purpose of influencing public opinion with respect to the election or appointment of public respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances); approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials which are accounted for as Other Income Deductions, Expenditures for Certain Civic, Political and Related Activities; Account 426.4
- 2 Advertising expenditures in the Account shall be classified according to subheadings, as follows: (a) radio, television, and motion pictures advertising; (b) newspaper, magazine, and pamphlet advertising; (c) letters or inserts in customers' bills; (d) inserts in reports to stockholders; (e) newspaper and magazine editorial services; and (f) other advertising.
- 3 Expenditures within the definition of paragraph (1), other than advertising shall be reported according to captions or descriptions, clearly indicating the nature and purpose of the activity.
- 4 If respondent has not incurred any expenditures contemplated by the instructions of Account 426.4, so state.
- 5 For reporting years which begin during the calendar year 1963 only, minor amounts may be grouped by classes if the number of items so grouped is shown.

NOTE: The classification of expenses as nonoperating and their inclusion in this account is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.

Line No.	Description (a)	Amount (b)
1	Costs to Influence Public Opinion - Payroll	\$ 15,949
2	Costs to Influence Public Opinion - Nonpayroll	33,437
3		
4		49,385
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
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Name of Respondent Black Hills Gas Distribution, LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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Gas Operation and Maintenance Expenses

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)		
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering	0	0
8	751 Production Maps and Records	0	0
9	752 Gas Well Expenses	0	0
10	753 Field Lines Expenses	0	0
11	754 Field Compressor Station Expenses	0	0
12	755 Field Compressor Station Fuel and Power	0	0
13	756 Field Measuring and Regulating Station Expenses	0	0
14	757 Purification Expenses	0	0
15	758 Gas Well Royalties	0	0
16	759 Other Expenses	0	0
17	760 Rents	0	0
18	TOTAL Operation (Total of lines 7 thru 17)	0	0
19	Maintenance		
20	761 Maintenance Supervision and Engineering	0	0
21	762 Maintenance of Structures and Improvements	0	0
22	763 Maintenance of Producing Gas Wells	0	0
23	764 Maintenance of Field Lines	0	0
24	765 Maintenance of Field Compressor Station Equipment	0	0
25	766 Maintenance of Field Measuring and Regulating Station Equipment	0	0
26	767 Maintenance of Purification Equipment	0	0
27	768 Maintenance of Drilling and Cleaning Equipment	0	0
28	769 Maintenance of Other Equipment	0	0
29	TOTAL Maintenance (Total of lines 20 thru 28)	0	0
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)	0	0

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
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Gas Operation and Maintenance Expenses

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering	0	0
34	771 Operation Labor	0	0
35	772 Gas Shrinkage	0	0
36	773 Fuel	0	0
37	774 Power	0	0
38	775 Materials	0	0
39	776 Operation Supplies and Expenses	0	0
40	777 Gas Processed by Others	0	0
41	778 Royalties on Products Extracted	0	0
42	779 Marketing Expenses	0	0
43	780 Products Purchased for Resale	0	0
44	781 Variation in Products Inventory	0	0
45	(less) 782 Extracted Products Used by the Utility-Credit	0	0
46	783 Rents	0	0
47	TOTAL Operation (Total of lines 33 thru 46)	0	0
48	Maintenance		
49	784 Maintenance Supervision and Engineering	0	0
50	785 Maintenance of Structures and Improvements	0	0
51	786 Maintenance of Extraction and Refining Equipment	0	0
52	787 Maintenance of Pipe Lines	0	0
53	788 Maintenance of Extracted Products Storage Equipment	0	0
54	789 Maintenance of Compressor Equipment	0	0
55	790 Maintenance of Gas Measuring and Regulating Equipment	0	0
56	791 Maintenance of Other Equipment	0	0
57	TOTAL Maintenance (Total of lines 49 thru 56)	0	0
58	TOTAL Products Extraction (Total of lines 47 and 57)	0	0

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Gas Operation and Maintenance Expenses

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals	0	0
62	796 Nonproductive Well Drilling	0	0
63	797 Abandoned Leases	0	0
64	798 Other Exploration	0	0
65	TOTAL Exploration and Development (Total of lines 61 thru 64)	0	0
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases	0	0
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers	0	0
70	801 Natural Gas Field Line Purchases	0	0
71	802 Natural Gas Gasoline Plant Outlet Purchases	0	0
72	803 Natural Gas Transmission Line Purchases	0	0
73	804 Natural Gas City Gate Purchases	(21,391)	(415,070)
74	804.1 Liquefied Natural Gas Purchases	0	0
75	805 Other Gas Purchases	(19,209)	(82,270)
76	(Less) 805.1 Purchases Gas Cost Adjustments	(21,391)	(524,223)
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	(19,209)	26,884
78	806 Exchange Gas	0	0
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas	0	0
81	807.2 Operation of Purchased Gas Measuring Stations	0	0
82	807.3 Maintenance of Purchased Gas Measuring Stations	0	0
83	807.4 Purchased Gas Calculations Expenses	0	0
84	807.5 Other Purchased Gas Expenses	0	0
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)	0	0

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Gas Operation and Maintenance Expenses

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
86	808.1 Gas Withdrawn from Storage-Debit	0	0
87	(Less) 808.2 Gas Delivered to Storage-Credit	0	0
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	0	0
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	0	0
90	Gas used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit	0	0
92	811 Gas Used for Products Extraction-Credit	0	0
93	812 Gas Used for Other Utility Operations-Credit	1,061	0
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	1,061	0
95	813 Other Gas Supply Expenses	173	0
96	TOTAL Other Gas Supply Exp. (Total of lines 77,78,85,86 thru 89,94,95)	(20,098)	26,884
97	TOTAL Production Expenses (Total of lines 3, 30, 58, 65, and 96)	(20,098)	26,884
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	0	0
102	815 Maps and Records	0	0
103	816 Wells Expenses	0	0
104	817 Lines Expense	0	0
105	818 Compressor Station Expenses	0	0
106	819 Compressor Station Fuel and Power	0	0
107	820 Measuring and Regulating Station Expenses	0	0
108	821 Purification Expenses	0	0
109	822 Exploration and Development	0	0
110	823 Gas Losses	0	0
111	824 Other Expenses	0	0
112	825 Storage Well Royalties	0	0
113	826 Rents	0	0
114	TOTAL Operation (Total of lines of 101 thru 113)	0	0

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Gas Operation and Maintenance Expenses

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	0	0
119	833 Maintenance of Lines	0	0
120	834 Maintenance of Compressor Station Equipment	0	0
121	835 Maintenance of Measuring and Regulating Station Equipment	0	0
122	836 Maintenance of Purification Equipment	0	0
123	837 Maintenance of Other Equipment	0	0
124	TOTAL Maintenance (Total of lines 116 thru 123)	0	0
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)	0	0
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

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Gas Operation and Maintenance Expenses

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminating and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering	0	0
150	844.2 LNG Processing Terminal Labor and Expenses	0	0
151	844.3 Liquefaction Processing Labor and Expenses	0	0
152	844.4 Liquefaction Transportation Labor and Expenses	0	0
153	844.5 Measuring and Regulating Labor and Expenses	0	0
154	844.6 Compressor Station Labor and Expenses	0	0
155	844.7 Communication System Expenses	0	0
156	844.8 System Control and Load Dispatching	0	0
157	845.1 Fuel	0	0
158	845.2 Power	0	0
159	845.3 Rents	0	0
160	845.4 Demurrage Charges	0	0
161	(less) 845.5 Wharfage Receipts-Credit	0	0
162	845.6 Processing Liquefied or Vaporized Gas by Others	0	0
163	846.1 Gas Losses	0	0
164	846.2 Other Expenses	0	0
165	TOTAL Operation (Total of lines 149 thru 164)	0	0
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering	0	0
168	847.2 Maintenance of Structures and Improvements	0	0
169	847.3 Maintenance of LNG Processing Terminal Equipment	0	0
170	847.4 Maintenance of LNG Transportation Equipment	0	0
171	847.5 Maintenance of Measuring and Regulating Equipment	0	0
172	847.6 Maintenance of Compressor Station Equipment	0	0
173	847.7 Maintenance of Communication Equipment	0	0
174	847.8 Maintenance of Other Equipment	0	0
175	TOTAL Maintenance (Total of lines 167 thru 174)	0	0
176	TOTAL Liquefied Nat Gas Terminating and Proc Exp (Total of lines 165 and 175)	0	0
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)	0	0

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Gas Operation and Maintenance Expenses

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering	0	0
181	851 System Control and Load Dispatching	0	0
182	852 Communication System Expenses	0	0
183	853 Compressor Station Labor and Expenses	0	0
184	854 Gas for Compressor Station Fuel	0	0
185	855 Other Fuel and Power for Compressor Stations	0	0
186	856 Mains Expenses	0	0
187	857 Measuring and Regulating Station Expenses	0	0
188	858 Transmission and Compression of Gas by Others	0	0
189	859 Other Expenses	0	0
190	860 Rents	0	0
191	TOTAL Operation (Total of lines 180 thru 190)	0	0
192	Maintenance		
193	861 Maintenance Supervision and Engineering	0	0
194	862 Maintenance of Structures and Improvements	0	0
195	863 Maintenance of Mains	0	0
196	864 Maintenance of Compressor Station Equipment	0	0
197	865 Maintenance of Measuring and Regulating Station Equipment	0	0
198	866 Maintenance of Communication Equipment	0	0
199	867 Maintenance of Other Equipment	0	0
200	TOTAL Maintenance (Total of lines 193 thru 199)	0	0
201	TOTAL Transmission Expenses (Total of lines 191 and 200)	0	0
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	1,907,882	1,688,770
205	871 Distribution Load Dispatching	8,061	47,781
206	872 Compressor Station Labor and Expenses	412	0
207	873 Compressor Station Fuel and Power	55	0

Name of Respondent Black Hills Gas Distribution, LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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Gas Operation and Maintenance Expenses

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
208	874 Mains and Services Expenses	3,812,178	4,851,917
209	875 Measuring and Regulating Station Expenses-General	515,031	530,270
210	876 Measuring and Regulating Station Expenses-Industrial	159	4,954
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	84,547	714
212	878 Meter and House Regulator Expenses	881,144	687,029
213	879 Customer Installations Expenses	363,869	611,038
214	880 Other Expenses	5,885,470	3,370,387
215	881 Rents	13,742	39,458
216	TOTAL Operation (Total of lines 204 thru 215)	13,472,551	11,832,319
217	Maintenance		
218	885 Maintenance Supervision and Engineering	8,856	34,775
219	886 Maintenance of Structures and Improvements	2,876	0
220	887 Maintenance of Mains	182,293	118,301
221	888 Maintenance of Compressor Station Equipment	3,482	1,835
222	889 Maintenance of Measuring and Regulating Station Equipment-General	37,307	5,566
223	890 Maintenance of Meas. and Reg. Station Equipment-Industrial	16,835	7,409
224	891 Maintenance of Meas. and Reg. Station Equip-City Gate Check Station	67,956	31,935
225	892 Maintenance of Services	162,070	176,138
226	893 Maintenance of Meters and House Regulators	912,184	1,100,787
227	894 Maintenance of Other Equipment	227,952	53,868
228	TOTAL Maintenance (Total of lines 218 thru 227)	1,621,810	1,530,615
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	15,094,361	13,362,934
230	5. CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision	100,752	98,744
233	902 Meter Reading Expenses	439,891	426,624
234	903 Customer Records and Collection Expenses	2,242,894	1,969,227

Name of Respondent Black Hills Gas Distribution, LLC		This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
Gas Operation and Maintenance Expenses				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts	260,730	74,876	
236	905 Miscellaneous Customer Accounts Expenses	91,282	74,745	
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	3,135,548	2,644,216	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	9,303	0	
241	908 Customer Assistance Expenses	274,177	215,794	
242	909 Informational and Instructional Expenses	3,263	22,924	
243	910 Miscellaneous Customer Service and informational Expenses	13,751	11,252	
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	300,495	249,970	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	11,955	16,338	
248	912 Demonstrating and Selling Expenses	427,707	192,820	
249	913 Advertising Expenses	174,635	107,557	
250	916 Miscellaneous Sales Expenses	1,349	683	
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	615,646	317,399	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	5,748,281	4,792,738	
255	921 Office Supplies and Expenses	1,828,260	1,567,949	
256	(Less) 922 Administrative Expenses Transferred-Credit	1,029,355	671,462	
257	923 Outside Services Employed	1,141,488	1,149,756	
258	924 Property Insurance	11,811	132,976	
259	925 Injuries and Damages	721,754	505,648	
260	926 Employee Pensions and Benefits	317,131	729,173	
261	927 Franchise Requirements	0	0	
262	928 Regulatory Commission Expenses	2,296	25,651	
263	(Less) 929 Duplicate Charges-Credit	0	0	
264	930.1 General Advertising Expenses	23,128	23,061	
265	930.2 Miscellaneous General Expenses	320,749	215,994	
266	931 Rents	432,067	419,338	
267	TOTAL Operation (Total of lines 254 thru 266)	9,517,609	8,890,822	
268	Maintenance			
269	932 Maintenance of General Plant	536,740	569,082	
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	10,054,349	9,459,904	
271	TOTAL Gas O&M Expenses (Total of lines 97,177,201,229,237,244,251, and 270)	29,180,302	26,061,306	

Name of Respondent Black Hills Gas Distribution, LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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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) (e)	Natural Gas Amount of Credit (in dollars) (f)
1	810 Gas Used for Compressor Station Fuel - Credit					
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.)			(1,061)		
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	Total					

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Black Hills Gas Distribution, LLC	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		End of 12/31/2017

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				
2	Production plant, manufactured gas				
3	Production and gathering plant, natural gas				
4	Products extraction plant				
5	Underground gas storage plant				
6	Other storage plant				
7	Base load LNG terminaling and processing plant				
8	Transmission plant				
9	Distribution plant	7,657,988			
10	General plant	2,049,184			
11	Common plant-gas				
12	TOTAL	9,707,172	0.00	0.00	0.00

Name of Respondent Black Hills Gas Distribution, LLC	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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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		990	990	Intangible plant
2			0	Production plant, manufactured gas
3			0	Production and gathering plant, natural gas
4			0	Products extraction plant
5			0	Underground gas storage plant
6			0	Other storage plant
7			0	Base load LNG terminaling and processing plant
8			0	Transmission plant
9			7,657,988	Distribution plant
10			2,049,184	General plant
11			0	Common plant-gas
12	0	990	9,708,162	TOTAL

Name of Respondent Black Hills Gas Distribution, LLC	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report	Year/Period of Report End of 12/31/2017
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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)		
4	Underground Gas Storage Plant (footnote details)		
5	Transmission Plant		
6	Offshore (footnote details)		
7	Onshore (footnote details)		
8	General Plant (footnote details)	23,923	7.21%
9	Distribution Plant	260,838	3.04%
10	Intangible Plant	194	3.00%
11			
12			
13			
14			
15			

COMMON UTILITY PLANT AND EXPENSES

1. Furnish a schedule describing the property carried in the utility's accounts as common utility plant and showing the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Such schedule also shall show the allocation of such plant costs to the respective departments using the common utility plant, explain the basis of allocation used, and give the allocation factors.
2. Furnish a schedule of the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and the amounts allocated to utility departments using the common utility plant to which such accumulated provisions relate including explanation of basis of allocation and factors used.
3. Furnish a schedule showing for the year the expenses of operation, maintenance, rents, depreciation and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Such schedule also shall show the allocation of such expenses to the departments using the common utility plant to which such expenses are related, explain the basis of allocation used, and give the factors of allocation.
4. Give the date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

(1) Plant and accumulated provisions for depreciation allocated to the State of Nebraska at December 31, 2017, and the related allocation bases are as follows:

	Alloc Basis	PLANT		ACCUMULATED DEPRECIATION	
		Total	State of Nebraska	Total	State of Nebraska
Distribution Plant					
Black Hills Service Company (BHSCO)	(1)	NA	-	NA	-
Black Hills Utility Holding Company (BHUHC)	(2)	NA	496,375	NA	(3,841)
TOTAL			496,375		(3,841)
General Plant					
Black Hills Service Company (BHSCO)	(1)	NA	4,176,308	NA	2,191,315
Black Hills Utility Holding Company (BHUHC)	(2)	NA	14,913,058	NA	891,203
TOTAL			19,089,366		3,082,518
TOTAL ALLOCABLE			19,585,741		3,078,677

- (1) Black Hills Service Company support functions are centralized costs supporting the operations of the company's business units. These costs are assigned directly whenever possible to a business unit or allocated based on a specific cost driver, or allocated based on a general allocator, referred to as the "Blended Ratio". The "Blended Ratio" consists of the arithmetic average of gross margin, payroll, and asset cost of the applicable business units.
- (2) Black Hills Utility Holding Company support functions were established to provide services to multiple regulatory jurisdictions for increased efficiency. Costs are assigned directly whenever possible to a business unit, allocated based on a specific cost driver or allocated based on a general allocator. The "General Allocator" consists of the arithmetic payroll and asset cost of the applicable business units.

COMMON UTILITY PLANT AND EXPENSES

1. Furnish a schedule describing the property carried in the utility's accounts as common utility plant and showing the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Such schedule also shall show the allocation of such plant costs to the respective departments using the common utility plant, explain the basis of allocation used, and give the allocation factors.
2. Furnish a schedule of the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and the amounts allocated to utility departments using the common utility plant to which such accumulated provisions relate including explanation of basis of allocation and factors used.
3. Furnish a schedule showing for the year the expenses of operation, maintenance, rents, depreciation and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Such schedule also shall show the allocation of such expenses to the departments using the common utility plant to which such expenses are related, explain the basis of allocation used, and give the factors of allocation.
4. Give the date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

Depreciation expense and operations and maintenance allocated to the State of Nebraska at December 31, 2017 and the related allocation bases are as follows:

	Alloc Basis	DEPRECIATION		OPERATION & MAINTENANCE	
		Total	State of Nebraska	Total	State of Nebraska
Depreciation Expense					
Black Hills Service Company (BHSCO)	(1)	NA	462,739		
Black Hills Utility Holding Company (BHUHC)	(2)	NA	1,099,330		
TOTAL		<u>-</u>	<u>1,562,069</u>		
O & M					
Black Hills Service Company (BHSCO)	(1)			NA	6,501,773
Black Hills Utility Holding Company (BHUHC)	(2)			NA	4,218,474
TOTAL				<u>-</u>	<u>10,720,247</u>
TOTAL ALLOCABLE		<u>-</u>	<u>1,562,069</u>	<u>-</u>	<u>10,720,247</u>

- (1) Black Hills Service Company support functions are centralized costs supporting the operations of the company's business units. These costs are assigned directly whenever possible to a business unit or allocated based on a specific cost driver, or allocated based on a general allocator, referred to as the "Blended Ratio". The "Blended Ratio" consists of the arithmetic average of gross margin, payroll, and asset cost of the applicable business units.
- (2) Black Hills Utility Holding Company support functions were established to provide services to multiple regulatory jurisdictions for increased efficiency. Costs are assigned directly whenever possible to a business unit, allocated based on a specific cost driver or allocated based on a general allocator. The "General Allocator" consists of the arithmetic payroll and asset cost of the applicable business units.



Marne Jones
Vice President-Regulatory
Marne.Jones@blackhillscorp.com

7001 Mt Rushmore Road
Rapid City, SD 57702
P: 605.721.2348

Attestation

I hereby certify that I have examined this Annual Report to the Nebraska Public Service Commission for the calendar year 2017 upon which this report is based, and that to the best of my knowledge, information, and belief, all statements of fact contained in this report are true and the report is a correct statement of the business and affairs of Black Hills Gas Distribution, Nebraska Division, LLC, d/b/a Black Hills Energy in respect to each and every matter set forth therein during the period from and including January 1, 2017 to and including December 31, 2017.

A handwritten signature in blue ink, appearing to read "Marne Jones", written over a horizontal line.

Marne Jones
Vice President – Regulatory

SUBSCRIBED AND SWORN to before me on this 26th day of April, 2018.

A handwritten signature in blue ink, appearing to read "Karla F. Fernau", written over a horizontal line.

Notary Public
My commission expires: _____

