

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. NG-109
of Black Hills Nebraska Gas,)
LLC, d/b/a Black Hills Energy,)
Rapid City, South Dakota)
seeking approval of a general)
rate increase.)



**INTERIM RATE REFUND PLAN OF
BLACK HILLS NEBRASKA GAS, LLC D/B/A BLACK HILLS ENERGY**

On June 1, 2020, Black Hills Nebraska Gas, LLC, d/b/a/ Black Hills Energy (“BH Nebraska Gas” or “Company”) filed its rate application in the above-captioned proceeding with the Nebraska Public Service Commission (“Commission”). Among the various reasons for filing the rate application, a primary purpose of the filing was to increase Company’s current Customer and Delivery Charges to reflect the level of revenue needed for ongoing business operations. On September 1, 2020, BH Nebraska Gas implemented interim rates pursuant to Neb. Rev. Stat. § 66-1838(10)(b).

BH Nebraska Gas and the Nebraska Public Advocate (“PA”) engaged in settlement negotiations, which resulted in a Joint Stipulation and Agreement of Settlement. The Company and the PA filed the Settlement with the Commission and jointly recommended approval during Commission hearing held October 28, 2020.

The Commission considered the Company’s rate application, testimony, exhibits, and the Settlement. After thorough review and analysis of the information presented by BH Nebraska Gas and the PA, the Commission issued an “Order Approving Stipulation and Settlement Agreement” on January 26, 2021,¹ approving the Settlement, finding the terms of the Settlement

¹ *In the Matter of the Application of Black Hills Nebraska Gas, LLC, d/b/a Black Hills Energy, Rapid City, South Dakota, seeking approval of a general rate increase, Application No. NG-109, ORDER APPROVING STIPULATION AND SETTLEMENT AGREEMENT, (January 26, 2021) (“Final Order”).*

to be “...just and reasonable and in the public interest.”² The Final Order presents two post-rate order requirements as follows: Interim Rate Refund Plan and Tariff Sheets. The rates approved under the Final Order were placed into effect on March 1, 2021.

Interim Rate Refund Plan.

The Commission directed BH Nebraska Gas to file a plan to refund ratepayers (“Refund Plan”) the full amount of over-collected charges between September 1, 2020, and February 28, 2021, with interest, on or before April 1, 2021.³

Pursuant to the Final Order, entered by the Commission in the above-captioned docket, BH Nebraska Gas hereby presents the proposed interim rate Refund Plan required by the Commission in the Final Order. The Refund Plan includes “...a plan to refund ratepayers the full amount overcollected between September 1, 2020 and February 28, 2021....” and “...a calculation of the total amount overcollected, a narrative description detailing Black Hill’s plan to refund ratepayers and the justification for Black Hill’s approach to refund ratepayers, as well as any other supporting information and exhibits necessary for the Commission’s review of the refund plan.”⁴

This filing presents the proposed interim rate Refund Plan required by the Commission in its Final Order.

² *Id.*, at pgs. 12; 14.

³ *Id.*

⁴ Final Order at pg. 13.

Tariff Sheets.

The Final Order also directed the Company to file revised tariff pages by February 26, 2021, to be effective on March 1, 2021.⁵ The Company affirms that it has filed tariff sheets as noted by the Commission in its Final Order in this proceeding.

On February 26, 2021, BH Nebraska Gas filed tariff sheets in compliance with the Commission's Final Order.

On March 1, 2021, BH Nebraska Gas began collecting lower rates in accordance with the rates established in the Commission's Final Order.

Attached to this document is BH Nebraska Gas's Refund Plan and exhibits in support thereof.

List of Attachments

- BH Nebraska Gas Interim Rate Refund Plan
- Exhibit 1 – Refund Summary
- Exhibit 2 – Refund Plan Interest Calculation
- Exhibit 3 – Refund by Rate Area
- Exhibit 4 – Refund Calculation Based on Approved Rates
- Exhibit 5 – Other Refund Items – TCJA
- Exhibit 6 – Other Refund Items – Recovery Mechanism Reconciliations
- Exhibit 6A – Farm Tap Safety Program Reconciliation
- Exhibit 6B – Pipeline Replacement Reconciliation
- Exhibit 6C – SSIR Reconciliation

⁵ *Id.*, at pgs. 13; 14.

WHEREFORE, BH Nebraska Gas respectfully requests that the Commission approve the attached Refund Plan.

Dated this 31st day of March, 2021.

Respectfully submitted,

**BLACK HILLS NEBRASKA GAS, LLC d/b/a
BLACK HILLS ENERGY**

By: */s/ Douglas J. Law*

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**INTERIM RATE REFUND PLAN OF
BLACK HILLS NEBRASKA GAS, LLC d/b/a BLACK HILLS ENERGY**

The Refund Plan calculates refunds that result from the implementation of final rates under the Commission’s January 26, 2021, rate order in the Final Order. The exhibits and electronic workpapers support the calculations set forth in the Refund Plan. The Refund Plan is described below.

- **Procedural Background**

BH Nebraska Gas filed a Rate Application on June 1, 2020, with the Commission. BH Nebraska Gas’s Rate Application in Commission Application No. NG-109 sought a permanent annual increase of approximately \$17.3 million.⁶ As permitted by Neb. Rev. Stat. §66-1838(10) of the State Natural Gas Regulation Act, BH Nebraska Gas implemented interim rates, subject to refund, on September 1, 2020. Interim rates implemented are identified below (“Interim Rates”).

Interim Rates; September 1, 2020

	<u>Residential</u>	<u>Commercial</u>
Monthly Customer Charge	\$15.45	\$31.10
Distribution Charge (per therm)		
First Tier ⁷	\$0.59960	\$0.59960
Second Tier ⁸	\$0.15000	\$0.15000

The Commission entered an order on January 26, 2021, wherein among other things, the Commission approved an overall annual revenue increase of approximately \$10.7 million.⁹ The

⁶ Exhibit BH-ST-1, Joint Stipulation and Agreement of Settlement (“Settlement”) at pg. 7.

⁷ First Tier - Residential is first 20 therms and Commercial is first 40 therms.

⁸ Second Tier - Residential is over 20 therms and Commercial is over 40 therms.

⁹ *In the Matter of the Application of Black Hills Nebraska Gas, LLC, d/b/a Black Hills Energy, Rapid City, South Dakota, seeking approval of a general rate increase*, Application No. NG-109, ORDER APPROVING STIPULATION AND SETTLEMENT AGREEMENT, (January 26, 2021) (“Final Order”).

Commission adopted the customer charges and rates agreed upon in the Settlement as identified below (“Final Rates”).¹⁰

	<u>Residential</u>	<u>Commercial</u>
Monthly Customer Charge	\$15.45	\$28.43
Distribution Charge (per therm)		
First Tier ¹¹	\$0.50858	\$0.50858
Second Tier ¹²	\$0.15000	\$0.15000

The Commission ordered that the collection of new rates must commence on March 1, 2021. Therefore, the total refund period is September 1, 2020 through February 28, 2021.

In accordance with the Final Order, on February 26, 2021, BH Nebraska Gas filed revised tariff sheets containing the Final Rates and other Tariff changes approved by the Final Order and implementing an effective date of March 1, 2021.

BH Nebraska Gas will finalize its refund calculations in accordance with the Refund Plan approved by the Commission and calculate refunds through February 28, 2021. The exhibits attached to this filing are demonstrative, and reflect refunds calculated in accordance with this Refund Plan.

- **BH Nebraska Gas Refund Plan**

The Refund Plan incorporates and applies the Commission’s approved rate design and class cost of service allocations and calculates the refund using the Commission’s Final Rates. The documents supporting this Refund Plan also demonstrate any customer class impacts that

¹⁰ *Id.* at pg. 5.

¹¹ First Tier - Residential is first 20 therms and Commercial is first 40 therms.

¹² Second Tier - Residential is over 20 therms and Commercial is over 40 therms.

result from those calculations. BH Nebraska Gas requests that the Commission adopt the Refund Plan methodology presented in this filing.

- **BH Nebraska Gas Estimated Refund**

Revenue generated under the Interim Rates compared with the Commission's Final Rates from BH Nebraska Gas's Residential and Commercial customers results in an over-collection. The total refund under this plan is not final, since BH Nebraska Gas cannot reconcile the collection of the refund until it has all actual customer data through February 28, 2021, which will not be available until April 2021. Attached as Exhibit 1 of this document is a Refund Summary setting forth the proposed estimated refunds by BH Nebraska Gas. BH Nebraska Gas does not expect the total refund to increase significantly when the final numbers are calculated through the end of February.

BH Nebraska Gas will refund six months (September – February) of interim rates to its customers, as well as the five additional adjustments described below.

The total initial estimated refund proposed by BH Nebraska Gas for the State of Nebraska is \$7.3 million. In addition to the five adjustments described below, this total refund amount represents the difference between the Interim Rates commencing on September 1, 2020, and Final Rates using the Commission's Final Order. The difference between those two rates was then applied to actual customer consumption data from September 1, 2020, through February 28, 2021.

The refund for each customer was calculated as follows: Total volumes billed for the period September 1, 2020, through February 28, 2021, multiplied by the difference between the Interim Rates placed in effect on September 1, 2020, and the Final Rates adopted by the Commission in its January 26th Final Order.

- **Customer Charge Over Collection**

BH Nebraska Gas's interim customer charges went into effect the first day of September 2020. BH Nebraska Gas administers a "cycle" billing system to bill its customers. Therefore, with the Interim Rates taking effect on the first day of the month, all customers were assessed a prorated portion of the increased Customer Charge effective the 1st day of the month based on a straight-line basis by cycle.

BH Nebraska Gas's Refund Plan calculates the over-collection resulting from BH Nebraska Gas's interim customer charges (\$15.45 for Residential and \$31.10 for Commercial customers) compared to the final customer charges approved by the Commission (\$15.45 for Residential and \$28.43 for Commercial).

- **Distribution Charge Refund Calculation**

BH Nebraska Gas's cycle billing occurs as meters are read. The September 1, 2020, Interim Rate increase for BH Nebraska Gas was applied to all volumes consumed by its customers under the various distribution rate blocks during the month and any adjustments to consumption by customers during that month will be refunded accordingly.

On the Refund Plan Exhibit 4, the change from the Interim Rates to the Commission's Final Rates is prorated on a straight-line basis by cycle to determine the billing rate. The refund rate was multiplied by the volumes to determine the refund amount.

- **BH Nebraska Gas Additional Refund Plan Adjustments**

In addition to the Interim Rates/Final Rates refund amounts described above, BH Nebraska Gas proposes the following additional adjustments, detailed in Exhibits 5 and 6.

- HEAT Charge
 - BH Nebraska Gas implemented a HEAT Charge of \$0.09 to all Jurisdictional Commercial and Residential customers, in all rate areas, beginning September 1, 2020. Pursuant to negotiations with the Nebraska Public Advocate, in good faith, and in coordination with the filing of its 2021 Annual HEAT Filing, BH Nebraska Gas implemented a HEAT Charge of \$0.39 for customers in Rate Area 5 and \$0.00 for customers in Rate Areas 1, 2, and 3. BH Nebraska Gas will include a refund amount, for Rate Area 1, 2, and 3 customers, for the months of September through December 2020, equal to \$0.09 per customer. The total dollar amount refunded to Rate Area 1, 2, and 3 customers will be surcharged, an offset to refund amounts, to customers in Rate Area 5.
- Tax Cut Jobs Act (“TCJA”) Excess Deferred Federal Income Tax (“EDFIT”) Credit; \$2,948,208.¹³
- TCJA June 2020
 - BH Nebraska Gas originally planned to file its rate review on May 1, 2020. However, due to the COVID-19 Pandemic, the filing date was revised to June 1, 2020. Based on the anticipated May 1st filing, BH Nebraska Gas included TCJA refund amounts equal to seven months. With the delay, one additional month of TCJA refund is due to BH Nebraska Gas’s customers. BH Nebraska Gas proposes to include this credit of \$168,579 in the Refund Plan.

¹³ Settlement at pgs. 18 and 25.

- 2020 Farm Tap Safety Program Reconciliation; Rate Areas 1,2,3 – Application No. NG-0090
 - In place of a separate reconciliation filing for Application No. NG-0090 – Farm Tap Safety Program (“Farm Tap”), the over/under collected amount for the period ended August 31, 2020, is included in the Refund Plan. For the 2020 Farm Tap year, there was an under-collection of \$12,231, which the Company is proposing to include in this refund. See Exhibits 6 and 6A for additional detail on the Farm Tap reconciliation.
- 2020 Pipeline Replacement Reconciliation; Rate Areas 1,2,3 – Application No. NG-0074
 - In place of a separate reconciliation filing for Application No. NG-0074 – Pipeline Replacement Charge, the over collected amount for the 2020 year of \$70,360, is included with the Refund Plan. See Exhibits 6 and 6B for additional detail on the Pipeline Replacement reconciliation.
- 2020 SSIR Reconciliation; Rate Area 5 – Application No. NG-0078
 - In place of a separate reconciliation filing for Application No. NG-0078 – System Safety and Integrity Rider, the over-collected amount for the 2020 SSIR Program year of \$502,684, is included with the Refund Plan. See Exhibits 6 and 6C for additional detail on the SSIR reconciliation.
- **Interest Calculation**

The interest calculations used by BH Nebraska Gas regarding the interim rate refund is based on Neb. Rev. Stat. § 45-103 as required under the State Natural Gas Regulation Act, Neb.

Rev. Stat. § 66-41(7)(a) (2003). Interest will be paid through May 31, 2021.¹⁴ Exhibit 2 shows the interest calculations over the nine-month period.

- **Refund Implementation and Customer Communication**

All customers who were on BH Nebraska Gas's gas distribution system during the interim rate period will receive a portion of the refund revenue collected from BH Nebraska Gas customers.

Customers still on BH Nebraska Gas's system at the time the refund is distributed will receive a one-time bill credit refund based on the number of months the residential customer was on the system during the interim period and their individual usage during that same period.

Any customer no longer receiving service from BH Nebraska Gas will be issued a refund check if a forwarding address is known and the refund amount exceeds \$2.00. BH Nebraska Gas will undertake commercially reasonable actions¹⁵ to locate the customer. The disposition of undistributed refunds is described below.

- **Refund Simplification and Logistics**

The refund provided to on-system Residential, Commercial, and Energy Option Customers will be distributed as a one-time bill credit. As noted above, customers no longer receiving service from BH Nebraska Gas will be issued a refund check if a forwarding address is known and BH Nebraska Gas will undertake other commercially reasonable actions to locate the customer. However, no refund check \$2.00 or less will be printed and issued. Undistributed refunds will be held for 12 months for customers who cannot be located, after which time, such

¹⁴ BH Nebraska Gas anticipates that the Commission will review and approve the Interim Refund Plan in order for BH Nebraska Gas to commence refunds by June 1, 2021.

¹⁵ Commercially reasonable actions - BHE will make diligent, reasonable, and good faith efforts to locate each customer, using common practices throughout the industry, including; utilization of last known address, use of third-party to identify updated USPS address, due-diligence letter, and accepting customer contact via USPS mailing, website, and phone.

held funds will be credited to all residential customers through the Gas Cost Adjustment (“GCA”) mechanism. Any printed checks mailed and returned to BH Nebraska Gas will be forwarded to the State Treasurer per the State’s Escheat laws.¹⁶ Refunds will be used to offset any outstanding balance of a customer who may still owe BH Nebraska Gas for past gas consumption.

The proposed method of refunding to current customers is consistent with the refund methods adopted in BH Nebraska Gas prior rate cases, FERC rate proceedings, and consistent with refund plans regularly approved in other states. In this case, the refund will track the customer’s actual consumption rather than being divided pro-rata among the customers.

BH Nebraska Gas will finalize its refund calculations in accordance with the Refund Plan approved in this proceeding by the Commission and will calculate refunds through February 28, 2021. Once the refund is complete, BH Nebraska Gas will provide a report of the final refund amount to the Commission.

BH Nebraska Gas intends to begin implementing this refund within sixty (60) days of filing this Refund Plan with the Commission and is prepared to begin implementing as soon as June 1, 2021. Upon Commission approval of BH Nebraska Gas’s Refund Plan and further implementation of the actual refunds, BH Nebraska Gas will provide notice to its customers through a bill message.¹⁷

¹⁶ Neb. Rev. Stat. § 69-1304.

¹⁷ Bill message language will indicate; “As part of the regulatory rate review approved by the Nebraska Public Service Commission on Jan. 26, a one-time interim rate refund will be issued on customers’ June 2021 bill. For more details, visit blackhillsenergy.com/reliableNE.”

Conclusion

BH Nebraska Gas seeks to make this refund of interim rates pursuant to Neb. Rev. Stat. § 66-1838(10) as routine as possible. The methodology proposed herein, while somewhat complicated, attempts to make the refund as fair and efficient as reasonably possible.

Certificate of Service

The undersigned hereby certifies that on the 31st day of March, 2021, a true and correct copy of the foregoing *Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy Refund Plan* was served upon all parties by depositing a copy of the same in the United States regular mail, postage prepaid and properly addressed, to the following:

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By: /s/ Christina Ellis

Exhibit 1

Refund Summary

Exhibit 2

Refund Plan Interest Calculation

Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy
 Calculation of Estimated Monthly Interest on the Estimated Refund Amounts
 September 2020 through May 2021

Exhibit 2

Interest Rates: [Judgment Interest Rate | Nebraska Judicial Branch](#)

Line No.	Description	Interim Rates	TCJA EDFIT Credit	TCJA June 2020	Recovery Mechanism Reconciliations			Total Before Interest	Interest										Total Interest			
					Farm Tap [RA 1-3]	PRC [RA 1-3]	SSIR [RA 5]		Sep-20	Oct-20		Nov-20	Dec-20	Jan-21		Feb-21	Mar-21	Apr-21		May-21		
									10/1-10/14	10/15-10/31	1/1-1/20	1/21-1/31										
1	Annual Interest Rate							2.167%	2.167%	2.107%	2.107%	2.107%	2.107%	2.091%	2.091%	2.091%	2.091%	2.091%				
2	Monthly Interest Rate							0.181%	0.181%	0.176%	0.176%	0.176%	0.176%	0.174%	0.174%	0.174%	0.174%	0.174%				
3																					<i>Estimated</i>	
4	Rate Areas 1-3 - Residential																					
5	Sep-20	\$ (136,826)		\$ (92,599)	\$ 10,903	\$ (34,310)	\$ -	\$ (252,832)	\$ (457)	\$ (207)	\$ (244)	\$ (446)	\$ (446)	\$ (288)	\$ (158)	\$ (444)	\$ (445)	\$ (446)	\$ (447)	\$ (4,028)		
6	Oct-20	\$ (290,455)						\$ (290,455)	\$ (237)	\$ (280)	\$ (511)	\$ (512)	\$ (331)	\$ (181)	\$ (510)	\$ (511)	\$ (511)	\$ (511)	\$ (512)	\$ (4,095)		
7	Nov-20	\$ (336,031)						\$ (336,031)		\$ (590)	\$ (591)	\$ (382)	\$ (209)	\$ (589)	\$ (590)	\$ (590)	\$ (591)	\$ (592)	\$ (4,132)			
8	Dec-20	\$ (390,163)						\$ (390,163)			\$ (685)	\$ (443)	\$ (242)	\$ (682)	\$ (683)	\$ (685)	\$ (685)	\$ (686)	\$ (4,106)			
9	Jan-21	\$ (335,994)						\$ (335,994)				\$ (381)	\$ (208)	\$ (586)	\$ (588)	\$ (589)	\$ (590)	\$ (590)	\$ (2,941)			
10	Feb-21	\$ (318,593)						\$ (318,593)						\$ (555)	\$ (556)	\$ (557)	\$ (558)	\$ (2,226)				
11	Mar-21	\$ (132,057)	\$ (1,917,984)					\$ (2,050,041)							\$ (3,572)	\$ (3,578)	\$ (3,585)	\$ (10,735)				
12																						
13	Rate Areas 1-3 - Commercial																					
14	Sep-20	\$ (71,399)		\$ (20,621)	\$ 1,328	\$ (36,050)	\$ -	\$ (126,742)	\$ (229)	\$ (104)	\$ (122)	\$ (223)	\$ (224)	\$ (145)	\$ (79)	\$ (223)	\$ (223)	\$ (224)	\$ (224)	\$ (2,019)		
15	Oct-20	\$ (95,880)						\$ (95,880)	\$ (78)	\$ (92)	\$ (169)	\$ (169)	\$ (109)	\$ (60)	\$ (168)	\$ (169)	\$ (169)	\$ (169)	\$ (1,352)			
16	Nov-20	\$ (116,172)						\$ (116,172)		\$ (204)	\$ (204)	\$ (132)	\$ (72)	\$ (203)	\$ (204)	\$ (204)	\$ (204)	\$ (205)	\$ (1,429)			
17	Dec-20	\$ (127,678)						\$ (127,678)			\$ (224)	\$ (145)	\$ (79)	\$ (223)	\$ (224)	\$ (224)	\$ (224)	\$ (1,344)				
18	Jan-21	\$ (125,518)						\$ (125,518)				\$ (142)	\$ (78)	\$ (219)	\$ (219)	\$ (220)	\$ (220)	\$ (1,099)				
19	Feb-21	\$ (123,485)						\$ (123,485)						\$ (215)	\$ (216)	\$ (216)	\$ (216)	\$ (863)				
20	Mar-21	\$ (22,666)	\$ (210,901)					\$ (233,567)							\$ (407)	\$ (408)	\$ (408)	\$ (1,223)				
21																						
22	Rate Area 5-Residential																					
23	Sep-20	\$ (22,381)		\$ (39,423)	\$ -	\$ -	\$ (306,788)	\$ (368,592)	\$ (666)	\$ (301)	\$ (356)	\$ (650)	\$ (651)	\$ (421)	\$ (230)	\$ (648)	\$ (649)	\$ (650)	\$ (651)	\$ (5,872)		
24	Oct-20	\$ (77,026)						\$ (77,026)	\$ (63)	\$ (74)	\$ (135)	\$ (136)	\$ (88)	\$ (48)	\$ (135)	\$ (135)	\$ (136)	\$ (136)	\$ (1,086)			
25	Nov-20	\$ (102,292)						\$ (102,292)		\$ (180)	\$ (180)	\$ (116)	\$ (64)	\$ (179)	\$ (179)	\$ (180)	\$ (180)	\$ (1,258)				
26	Dec-20	\$ (103,973)						\$ (103,973)			\$ (183)	\$ (118)	\$ (64)	\$ (182)	\$ (182)	\$ (182)	\$ (182)	\$ (183)	\$ (1,094)			
27	Jan-21	\$ (121,772)						\$ (121,772)				\$ (138)	\$ (75)	\$ (213)	\$ (213)	\$ (213)	\$ (214)	\$ (1,066)				
28	Feb-21	\$ (122,371)						\$ (122,371)						\$ (213)	\$ (214)	\$ (214)	\$ (214)	\$ (855)				
29	Mar-21	\$ (48,108)	\$ (700,719)					\$ (748,827)							\$ (1,305)	\$ (1,307)	\$ (1,309)	\$ (3,921)				
30																						
31	Rate Area 5-Commercial																					
32	Sep-20	\$ (36,189)		\$ (15,935)	\$ -	\$ -	\$ (195,896)	\$ (248,020)	\$ (448)	\$ (203)	\$ (239)	\$ (437)	\$ (438)	\$ (283)	\$ (155)	\$ (436)	\$ (437)	\$ (438)	\$ (438)	\$ (3,951)		
33	Oct-20	\$ (49,060)						\$ (49,060)	\$ (40)	\$ (47)	\$ (86)	\$ (86)	\$ (56)	\$ (31)	\$ (86)	\$ (86)	\$ (86)	\$ (87)	\$ (692)			
34	Nov-20	\$ (65,633)						\$ (65,633)		\$ (115)	\$ (115)	\$ (75)	\$ (41)	\$ (115)	\$ (115)	\$ (115)	\$ (115)	\$ (116)	\$ (807)			
35	Dec-20	\$ (67,845)						\$ (67,845)			\$ (119)	\$ (77)	\$ (42)	\$ (119)	\$ (119)	\$ (119)	\$ (119)	\$ (119)	\$ (714)			
36	Jan-21	\$ (70,474)						\$ (70,474)				\$ (80)	\$ (44)	\$ (123)	\$ (123)	\$ (123)	\$ (124)	\$ (124)	\$ (617)			
37	Feb-21	\$ (70,933)						\$ (70,933)						\$ (124)	\$ (124)	\$ (124)	\$ (124)	\$ (496)				
38	Mar-21	\$ (16,418)	\$ (118,604)					\$ (135,021)							\$ (235)	\$ (236)	\$ (236)	\$ (707)				
39																						
40		\$ (3,597,391)	\$ (2,948,208)	\$ (168,579)	\$ 12,231	\$ (70,360)	\$ (502,684)	\$ (7,274,990)	\$ (1,799)	\$ (1,232)	\$ (1,456)	\$ (3,746)	\$ (4,963)	\$ (3,948)	\$ (2,157)	\$ (7,191)	\$ (12,723)	\$ (12,745)	\$ (12,767)	\$ (64,727)		

Exhibit 3

Refund by Rate Area

Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy
Summary of Interim Rates Refund by Rate Area and Month

Interim Rates = Base Rates & Heat

Line No. Rate Areas 1-3

	Residential			Commercial				Total	
	Dist Tier 1	HEAT	Total	Dist Tier 1	HEAT	Cust Chrg	Total		
1									
2	Sep-20	\$ (119,772)	\$ (17,055)	\$ (136,826)	\$ (14,289)	\$ (1,862)	\$ (55,248)	\$ (71,399)	\$ (208,225)
3	Oct-20	\$ (273,391)	\$ (17,063)	\$ (290,455)	\$ (38,993)	\$ (1,855)	\$ (55,031)	\$ (95,880)	\$ (386,334)
4	Nov-20	\$ (318,915)	\$ (17,115)	\$ (336,031)	\$ (59,169)	\$ (1,859)	\$ (55,144)	\$ (116,172)	\$ (452,202)
5	Dec-20	\$ (372,985)	\$ (17,177)	\$ (390,163)	\$ (69,798)	\$ (1,887)	\$ (55,993)	\$ (127,678)	\$ (517,841)
6	Jan-21	\$ (335,994)	\$ -	\$ (335,994)	\$ (69,629)	\$ -	\$ (55,888)	\$ (125,518)	\$ (461,512)
7	Feb-21	\$ (318,593)	\$ -	\$ (318,593)	\$ (67,714)	\$ -	\$ (55,771)	\$ (123,485)	\$ (442,079)
8	Mar-21	\$ (132,057)	\$ -	\$ (132,057)	\$ (22,666)	\$ -	\$ -	\$ (22,666)	\$ (154,723)
9	Total	\$ (1,871,708)	\$ (68,411)	\$ (1,940,119)	\$ (342,259)	\$ (7,463)	\$ (333,074)	\$ (682,797)	\$ (2,622,916)

10

11

Rate Area 5

	Residential			Commercial				Total	
	Dist Tier 1	HEAT	Total	Dist Tier 1	HEAT	Cust Chrg	Total		
12									
13									
14									
15	Sep-20	\$ (39,436)	\$ 17,055	\$ (22,381)	\$ (7,309)	\$ 1,862	\$ (30,742)	\$ (36,189)	\$ (58,570)
16	Oct-20	\$ (94,089)	\$ 17,063	\$ (77,026)	\$ (20,176)	\$ 1,855	\$ (30,740)	\$ (49,060)	\$ (126,086)
17	Nov-20	\$ (119,408)	\$ 17,115	\$ (102,292)	\$ (36,514)	\$ 1,859	\$ (30,977)	\$ (65,633)	\$ (167,925)
18	Dec-20	\$ (121,151)	\$ 17,177	\$ (103,973)	\$ (38,536)	\$ 1,887	\$ (31,196)	\$ (67,845)	\$ (171,818)
19	Jan-21	\$ (121,772)	\$ -	\$ (121,772)	\$ (39,393)	\$ -	\$ (31,081)	\$ (70,474)	\$ (192,246)
20	Feb-21	\$ (122,371)	\$ -	\$ (122,371)	\$ (39,879)	\$ -	\$ (31,055)	\$ (70,933)	\$ (193,304)
21	Mar-21	\$ (48,108)	\$ -	\$ (48,108)	\$ (16,418)	\$ -	\$ -	\$ (16,418)	\$ (64,525)
22	Total	\$ (666,334)	\$ 68,411	\$ (597,923)	\$ (198,223)	\$ 7,463	\$ (185,792)	\$ (376,552)	\$ (974,475)

23

24

Nebraska Total									
	Residential			Commercial				Total	
	Dist Tier 1	HEAT	Total	Dist Tier 1	HEAT	Cust Chrg	Total		
28	Sep-20	\$ (159,208)	\$ -	\$ (159,208)	\$ (21,598)	\$ -	\$ (85,990)	\$ (107,588)	\$ (266,795)
29	Oct-20	\$ (367,480)	\$ -	\$ (367,480)	\$ (59,169)	\$ -	\$ (85,771)	\$ (144,940)	\$ (512,420)
30	Nov-20	\$ (438,323)	\$ -	\$ (438,323)	\$ (95,683)	\$ -	\$ (86,121)	\$ (181,804)	\$ (620,127)
31	Dec-20	\$ (494,136)	\$ -	\$ (494,136)	\$ (108,334)	\$ -	\$ (87,189)	\$ (195,523)	\$ (689,659)
32	Jan-21	\$ (457,766)	\$ -	\$ (457,766)	\$ (109,022)	\$ -	\$ (86,970)	\$ (195,992)	\$ (653,758)
33	Feb-21	\$ (440,964)	\$ -	\$ (440,964)	\$ (107,593)	\$ -	\$ (86,826)	\$ (194,419)	\$ (635,383)
34	Mar-21	\$ (180,165)	\$ -	\$ (180,165)	\$ (39,083)	\$ -	\$ -	\$ (39,083)	\$ (219,248)
35	Total	\$ (2,538,042)	\$ -	\$ (2,538,042)	\$ (540,482)	\$ -	\$ (518,866)	\$ (1,059,349)	\$ (3,597,391)

Exhibit 4

Refund Calculation Based on Approved Rates

Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy
Interim Rates Refund Calculation Based on Approved Rates

Interim Rates = Base Rates & Heat

Tier 1 Distribution Charge

Line No.	Date	Therms - Tier 1				Total
		RA1-3 - R	RA1-3 - C	RA5 - R	RA5 - C	
1	Sep-20	1,315,881	156,988	433,268	80,300	1,986,436
2	Oct-20	3,003,639	428,403	1,033,718	221,660	4,687,421
3	Nov-20	3,503,793	650,069	1,311,886	401,167	5,866,914
4	Dec-20	4,097,841	766,841	1,331,034	423,378	6,619,094
5	Jan-21	3,691,434	764,990	1,337,857	432,793	6,227,074
6	Feb-21	3,500,257	743,951	1,344,441	438,129	6,026,778
7	Mar-21	1,450,857	249,018	528,538	180,373	2,408,787 *
8	Total	20,563,703	3,760,260	7,320,742	2,177,800	33,822,504

*Note: The therms for Mar-21 are February therms that were billed in March.

Description	Interim Rate	Final Rate	Refund Rate
Distribution Charge-Tier 1	0.5996	0.50858	\$ (0.09102)

Estimated Tier 1 Distribution Refund

	RA1-3 - R	RA1-3 - C	RA5 - R	RA5 - C	Total
18 Sep-20	\$ (119,772)	\$ (14,289)	\$ (39,436)	\$ (7,309)	\$ (180,805)
19 Oct-20	\$ (273,391)	\$ (38,993)	\$ (94,089)	\$ (20,176)	\$ (426,649)
20 Nov-20	\$ (318,915)	\$ (59,169)	\$ (119,408)	\$ (36,514)	\$ (534,006)
21 Dec-20	\$ (372,985)	\$ (69,798)	\$ (121,151)	\$ (38,536)	\$ (602,470)
22 Jan-21	\$ (335,994)	\$ (69,629)	\$ (121,772)	\$ (39,393)	\$ (566,788)
23 Feb-21	\$ (318,593)	\$ (67,714)	\$ (122,371)	\$ (39,879)	\$ (548,557)
24 Mar-21	\$ (132,057)	\$ (22,666)	\$ (48,108)	\$ (16,418)	\$ (219,248)
25	\$ (1,871,708)	\$ (342,259)	\$ (666,334)	\$ (198,223)	\$ (3,078,524)

26

27 **Monthly Customer Charge & HEAT Charge**

28 **Customer Count**

	RA1-3 - R	RA1-3 - C	RA5 - R	RA5 - C	
29					
30	Sep-20	189,498	20,692	68,436	11,514
31	Oct-20	189,594	20,611	68,552	11,513
32	Nov-20	190,172	20,653	68,754	11,602
33	Dec-20	190,860	20,971	68,997	11,684
34	Jan-21	190,688	20,932	68,903	11,641
35	Feb-21	190,892	20,888	69,101	11,631

36
37

Description	Interim Rate	Final Rate	Refund Rate
38 Residential Customer Charge	\$ 15.45	\$ 15.45	\$ -
39 Commercial Customer Charge	\$ 31.10	\$ 28.43	\$ (2.67)
40 RA1-3 HEAT Charge Refund	\$ 0.09	\$ -	\$ (0.09)

42

43 **Estimated Monthly Customer Charge & HEAT Charge Refund**

	RA1-3 - R	RA1-3 - C	RA1-3 - C	RA5 - R	RA5 - C	RA5 - C	Total	
	HEAT	HEAT	Cust Chrg	HEAT offset	HEAT offset	Cust Chrg		
44								
45								
46	Sep-20	\$ (17,055)	\$ (1,862)	\$ (55,248)	\$ 17,055	\$ 1,862	\$ (30,742)	\$ (85,990)
47	Oct-20	\$ (17,063)	\$ (1,855)	\$ (55,031)	\$ 17,063	\$ 1,855	\$ (30,740)	\$ (85,771)
48	Nov-20	\$ (17,115)	\$ (1,859)	\$ (55,144)	\$ 17,115	\$ 1,859	\$ (30,977)	\$ (86,121)
49	Dec-20	\$ (17,177)	\$ (1,887)	\$ (55,993)	\$ 17,177	\$ 1,887	\$ (31,196)	\$ (87,189)
50	Jan-21			\$ (55,888)			\$ (31,081)	\$ (86,970)
51	Feb-21			\$ (55,771)			\$ (31,055)	\$ (86,826)
52		\$ (68,411)	\$ (7,463)	\$ (333,074)	\$ 68,411	\$ 7,463	\$ (185,792)	\$ (518,866)

Exhibit 5

Other Refund Items - TCJA

Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy
Other Refund Items - Tax Cut and Jobs Act (TCJA)

Exhibit 5

Line No.	Description	Class		
1	TCJA-EDFIT Credit	Res	Comm	Total
2	Total Refund	\$ (2,618,703)	\$ (329,505)	\$ (2,948,208)
3	RA 1-3	\$ (1,917,984)	\$ (210,901)	\$ (2,128,885)
4	RA 5	\$ (700,719)	\$ (118,604)	\$ (819,323)
5				
6	TCJA-June 2020	Res	Comm	Total
7	RA 1-3	\$ (92,599)	\$ (20,621)	\$ (113,220)
8	RA 5	\$ (39,423)	\$ (15,935)	\$ (55,359)
9	Total Refund	\$ (132,022)	\$ (36,557)	\$ (168,579)
10				
11				
12	<i>Note: TCJA-EDFIT Credit was allocated based on customer count from Settlement Exhibit 4</i>			

Exhibit 6

Other Refund Items – Recovery Mechanism Reconciliations

Summary of Recovery Mechanism Reconciliations

Line No.	Rate Areas 1-3	(Over)/Under Collection by Class				Total	Reference
		Residential	Commercial/Industrial	Energy Options	Firm		
1	Farm Tap	\$ 10,903	\$ 928	\$ 400	\$ 12,231	Exhibit 6A, Line No. 17	
2							
3	Pipeline Replacement	\$ (34,310)	\$ (29,227)	\$ (6,823)	\$ (70,360)	Exhibit 6B, Line No. 154	
4	RATE AREA 5						
5	SSIR	\$ (306,788)	\$ (97,521)	\$ (98,375)	\$ (502,684)	Exhibit 6C, Line No 11	
6							
7							
8	Total Res & Commercial						
9	Farm Tap	\$ 10,903	\$ 1,328	\$ 12,231			
10	Pipeline Replacement	\$ (34,310)	\$ (36,050)	\$ (70,360)			
11	SSIR	\$ (306,788)	\$ (195,896)	\$ (502,684)			
12	Net Amount	\$ (330,194)	\$ (230,618)	\$ (560,812)			

Exhibit 6A

Farm Tap Safety Program Reconciliation

Farm Tap Safety Program Reconciliation (Rate Areas 1-3)

Line No. Year Three:

1	Surcharge Revenue		\$469,902				
2	Less Year 2 Over Collected		<u>(\$80,800)</u>				
3	Adjusted Sur charge		\$389,102				
4	Class Allocation:	Residential		Commercial/ Industrial		Energy Options Firm	Total
5	Jurisdictional Margin	\$ 52,592,622		\$ 11,172,878		\$ 4,973,699	\$ 68,739,199
6	Class % of total	76.5%		16.3%		7.2%	100.0%
7							
8	Surcharge Revenue per Class	\$297,703		\$63,245		\$28,154	\$389,102
9	Current number of customers	185,025		16,520		3,851	205,396
10							
11	Monthly Surcharge by Class	\$ 0.13		\$ 0.32		\$ 0.61	\$ 0.16
12							
13	Increase	0.05		0.11		0.23	0.05
14							
15	Actual Collected	\$ 286,800		\$ 62,317		\$ 27,754	\$ 376,871
16							
17	Under /(Over) Collected	\$ 10,903		\$ 928		\$ 400	\$ 12,231

Exhibit 6B

Pipeline Replacement Reconciliation

Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy
Other Refund Items

80	202005	23,935.07	5.80	64.23	69,459.45	93,464.55	0.00	0.00	0.00	69,459.45	24,005.10	93,464.55	69,459.45	24,005.10	93,464.55	
81	202006	24,260.54	5.80	65.08	69,643.73	93,975.15	0.00	0.00	0.00	69,643.73	24,331.42	93,975.15	69,643.73	24,331.42	93,975.15	
82	202007	24,022.02	5.80	72.77	69,537.36	93,637.95	0.00	0.00	0.00	69,537.36	24,100.59	93,637.95	69,537.36	24,100.59	93,637.95	
83	202008	23,696.69	5.80	65.08	69,410.83	93,178.40	0.00	0.00	0.00	69,410.83	23,767.57	93,178.40	69,410.83	23,767.57	93,178.40	
84	Grand Total	3,914,986.86	975.35	7,663.28	10,692,856.92	14,616,482.41	5,434,142.69	1,774,914.32	7,209,057.01	5,258,714.23	2,148,711.17	7,407,425.40	10,692,856.92	3,923,625.49	14,616,482.41	
85	Residential, Commercial, Energy Options Refund for Over Collections							(487,317.85)	(168,946.05)	(656,263.90)	0.00	0.00	0.00	(487,317.85)	(168,946.05)	(656,263.90)
86	Total 07/01/2019 to 06/30/2020 Collections less NG-0074 Refunds							0.00	0.00	0.00	915,264.19	327,031.13	1,242,295.32	915,264.19	327,031.13	1,242,295.32

Summary of Allowed Recoveries by Docket:

89	NG-0074	Effective Dec 1, 2013 (1825 days / 365)	5,291,580.00	1,717,835.00	7,009,415.00											7,009,415.00
90	NG-0074-1	Effective Aug. 6, 2015 (1059 days / 365)							3,070,566.15	1,293,181.17	4,363,747.32					4,363,747.32
91	NG-0074-1 / NG-0	Effective July 1, 2018 (730 days / 365) Adjusted for Docket No. NG-0095.2							2,116,632.00	807,940.00	2,924,572.00					2,924,572.00
92			5,291,580.00	1,717,835.00	7,009,415.00				5,187,198.15	2,101,121.17	7,288,319.32	0.00	0.00			14,297,734.32
95	Over/(Under) Recovery December 1, 2013 - June 30, 2018:			142,562.69	57,079.32	199,642.01	1,978.73	23,489.41	25,468.14	10,623,319.56	3,899,524.90	225,110.14				

Reconcilements by Year:

	NG-0074			NG-0074.1		
	Resid	Other	Total	Resid	Other	Total
101 12/1/2013 - 11/30/2014 Collected	1,005,903.07	331,768.75	1,337,671.82	0.00	0.00	0.00
102 12/1/2013 - 11/30/2014 Allowed	1,058,316.00	343,567.00	1,401,883.00	0.00	0.00	0.00
103 Over/(Under) Recovered	(52,412.93)	(11,798.25)	(64,211.18)	0.00	0.00	0.00
106 12/1/2014 - 6/30/2015 Collected	624,697.84	205,893.82	830,591.66	0.00	0.00	0.00
107 12/1/2014 - 6/30/2015 Allowed (212 days / 365)	614,693.13	199,551.24	814,244.37	0.00	0.00	0.00
108 Over/(Under) Recovered	10,004.71	6,342.58	16,347.29	0.00	0.00	0.00
111 7/1/2015 - 6/30/2016 Collected	1,070,063.92	351,632.60	1,421,696.52	915,213.63	399,403.17	1,314,616.80
112 7/1/2015 - 6/30/2016 Allowed (329 days / 365)	1,058,316.00	343,567.00	1,401,883.00	953,934.15	401,753.17	1,355,687.32
113 Over/(Under) Recovered	11,747.92	8,065.60	19,813.52	(38,720.52)	(2,350.00)	(41,070.52)
116 7/1/2016 - 6/30/2017 Collected	1,085,373.59	355,587.01	1,440,960.60	1,085,373.59	470,912.53	1,556,286.12
117 7/1/2016 - 6/30/2017 Allowed	1,058,316.00	343,567.00	1,401,883.00	1,058,316.00	445,714.00	1,504,030.00
118 Over/(Under) Recovered	27,057.59	12,020.01	39,077.60	27,057.59	25,198.53	52,256.12
121 7/1/2017 - 6/30/2018 Collected	1,097,627.58	359,258.74	1,456,886.31	1,097,627.58	475,775.08	1,573,402.66
122 7/1/2017 - 6/30/2018 Allowed	1,058,316.00	343,567.00	1,401,883.00	1,058,316.00	445,714.00	1,504,030.00
123 Over/(Under) Recovered	39,311.57	15,691.74	55,003.31	39,311.57	30,061.08	69,372.66
125 7/1/2018 - 6/30/2019 Collected	1,037,794.54	339,719.45	1,377,513.99	1,106,287.06	427,721.10	1,534,008.16
126 Residential, Commercial, Energy Options Refund for Over Collections	(487,317.85)	(168,946.05)	(656,263.90)	0.00	0.00	0.00
127 Total 7/1/2018 - 6/30/2019 Collected Re	550,476.69	170,773.40	721,250.09	1,106,287.06	427,721.10	1,534,008.16
128 7/1/2018 - 6/30/2019 Allowed	443,622.87	144,015.76	587,638.63	1,058,316.00	403,970.00	1,462,286.00
129 Over/(Under) Recovered	106,853.82	26,757.64	133,611.46	47,971.06	23,751.10	71,722.16
132 7/1/2019 - 6/30/2020 Collected	0.00	0.00	0.00	915,264.19	327,031.13	1,242,295.32
133 7/1/2019 - 6/30/2019 Allowed	0.00	0.00	0.00	1,058,316.00	403,970.00	1,462,286.00
134 Over/(Under) Recovered	0.00	0.00	0.00	(143,051.81)	(76,938.87)	(219,990.68)
137 7/1/2020 - 8/31/2020 Collected	0.00	0.00	0.00	138,948.19	47,868.16	186,816.35
138 7/1/2020 - 8/31/2020 Allowed	0.00	0.00	0.00	179,768.75	68,619.56	248,388.31
139 Over/(Under) Recovered	0.00	0.00	0.00	(40,820.56)	(20,751.40)	(61,571.96)

Summary NG-0074, NG-0074.1 and NG-0095.2 Combined:

	Residential	Other	Total
146 12/1/2013 - 11/30/2014	(52,412.93)	(11,798.25)	(64,211.18)
147 12/1/2014 - 6/30/2015 - not previously filed/reconciled	10,004.71	6,342.58	16,347.29
148 7/1/2015 - 6/30/2016 - revised slightly	(26,972.60)	5,715.60	(21,257.00)
149 7/1/2016 - 6/30/2017	54,115.18	37,218.54	91,333.72
150 7/1/2017 - 6/30/2018	78,623.15	45,752.82	124,375.97
151 7/1/2018 - 6/30/2019	154,824.88	50,508.74	205,333.62
152 7/1/2019 - 6/30/2020	(143,051.81)	(76,938.87)	(219,990.68)
153 7/1/2020 - 8/31/2020	(40,820.56)	(20,751.40)	(61,571.96)
154 Net to Date Over/(Under) Tie	34,310.03	36,049.76	70,359.79

Exhibit 6C

SSIR Reconciliation

Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy
Other Refund Items

Exhibit 6C

SSIR Reconciliation (Rate Area 5)

2019 & 2020 SSIR Reconciliation

Line No.	[A] Description	[B] Total Jurisdictional	[C] Total Jurisdictional	[D] Residential	[E] Small Commercial	[F] Large Commercial
1	2019 & 2020 SSIR Reconciliation	2019 Authorized	2020 Authorized			
2	SSIR Authorized Revenue (Docket NG-0078.6 Dated 1/15/2019 & NG-0078.7 Dated 1/22/2020)	5,518,234	3,244,955			
3	Property Tax True-Up Adjustment	(66,503)	0			
4	Actual Revenue *	5,578,452	3,556,724			
5	Deferred SSIR Balance (Line 2 + Line 3 - Line 4)	(126,721)	(311,769)			
6		5,518,234	3,244,955			
7	Actual SSIR Revenue Requirement	5,546,387	3,244,955			
8	SSIR True-Up Amount (Line 7 + Line 3 - Line 6)	(38,350)	-			
9	Carrying Cost (Line 5 + Line 8) x 5.42%	(8,947)	(16,898)			
10	Refund Amount (Line 5 + Line 8 + Line 9)	(174,018)	(328,667)			
11	Total Refund (Line 10 Column B + Line 10 Column C)		(502,684)	(306,788)	(97,521)	(98,375)