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March 31, 2023

Col. Thomas Golden (Ret.)
Executive Director
Nebraska Public Service Commission
1200 N Street, Suite 300
Lincoln, NE 68508

Re: Docket No. NG-111.1

In the Matter of the Commission, on its own motion, seeking to investigate the effect of the February 2021 cold weather event upon the cost of gas supply purchased by Nebraska gas utilities.

Semi Annual Report – Recovery Progress & Annual True-Up Report

Dear Mr. Golden:

Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy (“BHE” or the “Company”) herewith submits for filing this Report of the Progress and Annual True-Up of the Recovery of Purchased Gas Costs pursuant to the Nebraska Public Service Commission’s (“Commission”) order, entered May 25, 2021, in Commission Application No. NG-111/PI-237, approving the Company’s proposal for recovery of extraordinary costs related to the February 2021 cold weather event.¹

These Reports are current as of February 28, 2023.

With this filing, the Company proposes to decrease the Storm Uri, February 2021, Recovery Rate from \$0.16826 per therm to \$0.16015 per therm, a decrease of \$0.00811 per therm. The Company proposes this decrease become effective July 1, 2023, and provides consistent tariff page revisions.

The Company believes it is appropriate to implement this change now so as not to over collect from customers and the Company must issue refunds at the conclusion of the 36-month recovery period.

If you have any questions or concerns regarding the enclosed filing, please contact me at your convenience.

¹ Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy’s written Proposal To Mitigate Customer Impact and Application For Recovery of Extraordinary 2021 Gas Supply Costs, April 20, 2021, pg. 12.

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Respectfully submitted,

/s/ Johanna Benson

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and

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**ATTORNEY FOR BLACK HILLS NEBRASKA
GAS, LLC d/b/a Black Hills Energy**

cc: Robert Amdor
Kevin Jarosz
Giao Nguyen
William Austin
Nichole Mulcahy
Jonathan Smith

Recovery of Storm Uri, February 2021, Annual True-Up

<u>Ln</u>	<u>Description</u>	<u>Source</u>	
1	Recovery Period	May 25, 2021, NG-111.1, ORDER APPROVING RECOVERY PLAN	7/1/2021 - 6/30/2024
2	Total Commodity Costs	September 30, 2022, NG-111.1, Semi-Annual Purchased Gas Costs Progress Report; Ln 1	\$ 79,750,000
3	Total ST & LT Carrying Costs	September 30, 2022, NG-111.1, Semi-Annual Purchased Gas Costs Progress Report; Ln 6	\$ 4,436,069
4	Total Commodity Costs Plus Carrying Costs	September 30, 2022, NG-111.1, Semi-Annual Purchased Gas Costs Progress Report; Ln 7	\$ 84,186,069
5	Total Recoveries through 02/28/2023	March 31, 2023, NG-111.1, Semi-Annual Purchased Gas Costs Progress Report; Ln 19	\$ 48,073,098
	Estimated Mar - Jun 2023 Volumetric		
6	Volumetric Recovery Rate Per Therm	BHNEG Natural Gas Tariff, Sixth Revised Sheet No. 136	\$ 0.16826
7	Estimate Volumes (Res/Comm therms)	Mar 2023 - Jun 2023; NG-111.1; Exhibit 3 - Customer Impacts; 10/15/2021	52,781,572
8	Volumetric Recovery	Ln6 * Ln7	\$ 8,881,027
9	Estimated Recoveries through Jun 2023	Ln5 + Ln8	\$ 56,954,126
10	Estimated Balance 06/30/2023	Ln4 - Ln9	\$ 27,231,943
	Annual Recalculation of Polar Vortex rate		
11	Estimated Vols Year 3	Jul 2023 - Jun 2024; NG-111.1; Exhibit 3 - Customer Impacts; 10/15/2021	170,035,449
12	Recovery Balance	Ln10	\$ 27,231,943
13	Current Recovery Rate	BHNEG Natural Gas Tariff, Sixth Revised Sheet No. 136	\$ 0.16826 per therm
14	Revised Recovery Rate 07/01/2023 Eff Date	Ln12 / Ln11	\$ 0.16015 per therm
15	Increase/(Decrease)	Ln14 - Ln13	\$ (0.00811) per therm
16	Average NE Residential Usage	Avg 60 therms per month * 12 Months	720
17	Average NE Residential Impact	Ln15 * Ln16	\$ (5.84)

Recovery of Storm Uri, February 2021, Purchased Gas Costs Progress

PUBLIC VERSION

<u>Ln</u>	<u>Description</u>	<u>Source</u>		
1	Total Commodity Costs	NG-111.1; Exhibit 3 - Customer Impacts; 10/15/2021	\$	79,750,000
Short Term				
2	Avg Short-Term Interest Rate	NG-111.1; BHNE Confidential Exh 2; 10/15/2021		
3	Short Term Carrying Costs	NG-111.1; BHNE Confidential Exh 2; 10/15/2021	\$	452,800
Long Term				
4	Long-Term Interest Rate	NG-111.1; BHNE Confidential Exh 2; 10/15/2021		
5	Long-Term Carrying Costs	NG-111.1; BHNE Confidential Exh 2; 10/15/2021	\$	3,983,268
Total & Recovery Rate				
6	Total ST & LT Carrying Costs	Ln3 + Ln5	\$	4,436,069
7	Total Commodity Plus Carrying Costs	Ln1 + Ln6	\$	84,186,069
Recoveries				
Jul 2021 - Dec 2021 Volumetric				
8	Volumetric Recovery Rate Per Therm	NG-111.1; Commission Approved BHNE Proposal	\$	0.17332
9	Volumes (Res/Comm therms)	Internal		32,207,442
10	Volumetric Recovery	Ln8 * Ln9	\$	5,582,194
Dec 2021 - Jul 2022 Volumetric				
11	Volumetric Recovery Rate Per Therm	NG-111.1; 04/2022 Compliance Report	\$	0.16586
12	Volumes (Res/Comm therms)	NG-111.1; 09/2022 Compliance Report		133,725,320
13	Volumetric Recovery	Ln11 * Ln12	\$	22,179,682
Jul 2022 - Feb 2023 Volumetric				
14	Volumetric Recovery Rate Per Therm	BHNEG Natural Gas Tariff, Sixth Revised Sheet No. 136	\$	0.16826
15	Volumes (Res/Comm therms)	Internal		120,084,624
16	Volumetric Recovery	Ln14 * Ln15	\$	20,205,439
Jul 2021 - Feb 2023 Conversions				
17	Conversions	Conversions 07/01/2021 through 02/28/2023		30
18	Conversion Fee Recovery	Conversion Recovery 07/01/2021 through 02/28/2023	\$	105,784
19	Total Recoveries ⁽¹⁾	Ln10 + Ln13 + Ln16 + Ln18	\$	48,073,098
Remaining Balance to be Recovered				
20	Interruptible to Sales; Savings	Internal	\$	-
21	Remaining Balance	Ln7 - Ln19 - Ln20	\$	36,112,970
22	Recovery Start Date	NG-111.1; Order Approving Recovery Plan; 05/25/2021		07/01/2021
23	Recovery End Date ⁽²⁾	Ln22 + 3Yrs * 12Mths		06/30/2024
24	Report Filing Date	Input		03/31/2023
25	Percent (%) Recovery Period (Months)	(Ln22 - 02/28/2023) / (3Yrs * 12Mths)		55.56%
26	Percent (%) Costs Recovered (\$)	Ln19 / Ln7		57.10%

FN1 History-to-Date as of February 2023 BHNEG Financial Close

FN2 Recovery End Date is subject to reconciliation and any action taken by the Nebraska Public Service Commission.