



**Margaret McGill**

Manager of Regulatory  
Margaret.McGill@blackhillscorp.com

2287 College Road  
Council Bluffs, IA 51503  
P: 402.221.2251

September 29, 2023

Mr. Thomas Golden  
Executive Director  
Nebraska Public Service Commission  
1200 N Street, Suite 300  
Lincoln, NE 68508

RE: Commission Application 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**

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 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. This Report is current as of August 31, 2023.

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

Respectfully,

/s/ Margaret McGill

Margaret McGill

cc: Kevin Jarosz  
Quinten Gaddis  
William Austin  
Nichole Mulcahy  
Jonathan Smith

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

<b>Ln</b>	<b>Description</b>	<b>Source</b>		
1	Total Commodity Costs	NG-111.1; Exhibit 3 - Customer Impacts; 10/15/2021	\$	79,750,000
<b>Short Term</b>				
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
<b>Long Term</b>				
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
<b>Total &amp; Recovery Rate</b>				
6	Total ST & LT Carrying Costs	Ln3 + Ln5	\$	4,436,069
7	Total Commodity Plus Carrying Costs	Ln1 + Ln6	\$	84,186,069
<b>Recoveries</b>				
<b>Jul 2021 - Dec 2021 Volumetric</b>				
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
<b>Dec 2021 - Jul 2022 Volumetric</b>				
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
<b>Jul 2022 - Jul 2023 Volumetric</b>				
14	Volumetric Recovery Rate Per Therm	BHNEG Natural Gas Tariff, Sheet No. 136.1	\$	0.16826
15	Volumes (Res/Comm therms)	Internal		179,283,644
16	Volumetric Recovery	Ln14 * Ln15	\$	30,166,266
<b>Jul 2023 - Aug 2023 Volumetric</b>				
17	Volumetric Recovery Rate Per Therm	BHNEG Natural Gas Tariff, First Revised Sheet No. 136.1	\$	0.16015
18	Volumes (Res/Comm therms)	Internal		5,185,055
19	Volumetric Recovery	Ln17 * Ln18	\$	830,387
<b>Jul 2021 - Aug 2023 Conversions</b>				
20	Conversions	Conversions 07/01/2021 through 08/31/2023		38
21	Conversion Fee Recovery	Conversion Recovery 07/01/2021 through 08/31/2023	\$	148,311
22	Total Recoveries <sup>(1)</sup>	Ln10 + Ln13 + Ln16 + Ln18	\$	58,906,839
<b>Remaining Balance to be Recovered</b>				
23	Interruptible to Sales; Savings	Internal	\$	-
24	Remaining Balance	Ln7 - Ln19 - Ln20	\$	25,279,230
25	Recovery Start Date	NG-111.1; Order Approving Recovery Plan; 05/25/2021		07/01/2021
26	Recovery End Date <sup>(2)</sup>	Ln22 + 3Yrs * 12Mths		06/30/2024
27	Report Filing Date	Input		09/30/2023
28	Percent (%) Recovery Period (Months)	(Ln22 - 02/28/2023) / (3Yrs * 12Mths)		72.22%
29	Percent (%) Costs Recovered (\$)	Ln19 / Ln7		69.97%

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

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