

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

**IN THE MATTER OF THE)
APPLICATION OF BLACK HILLS)
NEBRASKA GAS, LLC D/B/A BLACK)
HILLS ENERGY FOR A DEFERRED)
ACCOUNTING ORDER TO RECORD)
AND PRESERVE COSTS RELATED)
TO THE COVID-19 PANDEMIC)**

Application No. NG-107

QUARTERLY REPORT DATED NOVEMBER 2, 2020

I. Background

On April 22, 2020, Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy (“BHE” or the “Company”) filed an application with the Nebraska Public Service Commission (“Commission”) seeking authorization for BHE to establish a regulatory asset to record and preserve costs related to the COVID-19 Pandemic.

II. Commission Information Requests.

On August 25, 2020, the Commission issued an order in the above-captioned proceeding granting BHE’s request to establish a regulatory asset and setting forth a schedule of reporting of said costs (“COVID RA Quarterly Reporting Order”). The Commission’s COVID RA Quarterly Reporting Order requested information for expenses included in the regulatory asset account, as follows:

1. Expenses entered into the account each quarter, categorized by reporting category. (See Appendix A)
2. A listing of all cost savings and COVID-19 related funding realized by BHE each quarter. (See Appendix A)
3. The total dollar amount entered into the account during the quarter. (See Appendix A)
4. The total dollar amount currently held in the account. (See Appendix A)
5. A narrative describing the quarterly expenses and a statement of all cost savings, grants, and other funding attempted or realized by BHE. (See Appendix B)

BHE filed its first COVID RA Quarterly Report with the Commission on August 12, 2020, and presented COVID RA Quarterly Report costs as of June 30, 2020.

In compliance with the Commission's COVID RA Quarterly Reporting Order, this COVID RA Quarterly Reports, is filed on the first business day of the second month following the end of the preceding quarter and shall be submitted to psc.naturalgas@nebraska.gov.

III. Black Hills Energy's COVID RA Quarterly Report.

1. In compliance with the Commission's August 25th COVID RA Quarterly Reporting Order, BHE submits the attached COVID RA Quarterly Report.
2. This COVID RA Quarterly Report covers the Commission's information requests through **August 30, 2020.**
3. Confidential Information, if any, is designated as "Confidential" and highlighted in yellow as required by the Protective Order issued in this proceeding.

Respectfully submitted this 2nd day of November, 2020.

By:

/s/ Tyler E. Frost

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d/b/a Black Hills Energy**

5. A narrative describing the quarterly expenses and a statement of all cost savings, grants, and other funding attempted or realized by BHE.

Quarterly Report Status:

Costs: Extraordinary costs due to the COVID-19 Pandemic are recorded utilizing a unique work order identified for COVID-19 related expenses only. Costs reported for the third quarter of 2020 represent July and August amounts only. September activity is part of the October close process and is therefore not available until October books are closed in mid-November. September activity will be included in the NG-107 Quarterly Report file by the Company for the fourth quarter of 2020, due Monday, February 1st, 2021.

Savings: Savings amounts are determined as the difference between actual costs in 2020 compared to the 3-year average, 2017 through 2019, for select resources. BHE reporting includes cost savings, as a result of the COVID-19 Pandemic, related to employee travel, conferences and training, building maintenance, and office supplies. BHE is calculating savings on an annual basis, versus by quarter, due to timing of current and historical expenses. For the purposes of recording a Regulatory Asset, the total savings are allocated to the same reporting categories based on the total costs incurred.

Grants: Statements made during the Company's testimony during the Commission's hearing, held July 21, 2020, in this application, continue to be applicable and true; BHE has not applied for local or federal pandemic relief funds, nor does the Company anticipate making such applications.

All costs and savings amounts reported in Appendix A represent the Jurisdictional portion of costs and savings, based on the Jurisdictional split by FERC account in the recently filed Rate Review; NG-109.