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January 27, 2021

Nebraska Public Service Commission
1200 N Street
Suite 300
Lincoln, Nebraska 68508

Attn: Mr. Mike Hybl
Executive Director

Re: Commission Application No. NG-107

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

Quarterly Report – Status of COVID Regulatory Asset Expenses

Dear Mr. Hybl:

Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy (“BHE” or the “Company”) herewith submits for filing this Report of the Extraordinary COVID-19 Related Costs, that includes all extraordinary costs that will be recorded in a deferred accounting asset account pursuant to the Nebraska Public Service Commission’s (“Commission”) order, entered August 25, 2020, in Commission Application No. NG-107 (“COVID Reporting Order”). This Report is current as of December 31, 2020.

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

Respectfully submitted,

/s/ Tyler E. Frost

Manager of Regulatory & Finance

and

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

cc: Service List

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 JANUARY 27, 2021

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; no change from 11/01/2020 COVID RA Quarterly Report)

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. On November 1, 2021, BHE filed its third quarter 2020 COVID RA Quarterly Report with the Commission on November 2, 2020, and presented COVID RA Quarterly Report costs as of August 30, 2020.

In compliance with the Commission's COVID RA Quarterly Reporting Order, this COVID RA Quarterly Report, is filed on, or before, 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 **December 31, 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 27th day of January 2021.

By:

/s/ Tyler E. Frost

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d/b/a Black Hills Energy

- 1. Expenses entered into the account each quarter, categorized by reporting category.**
- 2. Savings and COVID-19 related funding realized each quarter.**
- 3. Total dollar amount entered into the account each quarter.**
- 4. Total dollar amount currently held in the account.**

Quarterly Report Status:

No additional expenses, nor savings, were entered in the account during the fourth quarter of 2020.

The Company continues to track the impacts of the COVID-19 pandemic on its customers, the communities it serves, its employees, and its financials.

Additionally, Black Hills Nebraska Gas reversed the prior balances previously recorded in this regulatory asset. Thus, pursuant to generally accepted account principle (GAAP) guidelines and the filing requirements of the Commission's COVID Reporting Order, the Company reports the current balance for the regulatory asset is \$0.00. As noted above, the Company will continue monitoring extraordinary expenses related to the pandemic, if any, and alert the Commission if such costs materialize in the future that require inclusion in the regulatory asset.

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.