



Jason Bennett

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October 31, 2019

Mr. Mike Hybl
Nebraska Public Service Commission
1200 N Street, Suite 300
Lincoln, Nebraska 68508

Re: Black Hills Gas Distribution, LLC
Revisions to Rate Schedules CGS (Choice Gas Service) and
ACGS-NSS (Agricultural Choice Gas Service – Non-Seasonal Service)
to Adjust Customer Charges to Reflect the Customer
Retention Incentive Program Charge

Dear Mr. Hybl:

Pursuant to Section 66-1808 of the State Natural Gas Regulation Act, Black Hills Gas Distribution, LLC d/b/a Black Hills Energy (“BHGD-NE” or the “Company”) herewith submits for filing with the Nebraska Public Service Commission (“Commission”) the original and one paper copy of the following tariff sheet:

Fortieth Revised Sheet No. 7
Canceling Thirty-ninth Revised Sheet No. 7

By this filing, BHGD-NE is proposing to adjust the Customer Charges applicable to all customers served under Rate Schedule CGS (Choice Gas Service) and Rate Schedule ACGS-NSS (Agricultural Choice Gas Service – Non-Seasonal Service).

The change in the rates submitted with this filing reflects an increase in the overall Customer Charges of \$0.10 per month to cover the costs of BHGD-NE’s HEAT (High Efficiency Assistance Tool) program. The new HEAT Charge that BHGD-NE is proposing in this filing is \$0.30 per month.

The tariff sheet included with this filing bears a proposed effective date of January 1, 2020. Also included, as Exhibit C, is the Annual Report required by Section 40.3 of the Company’s Nebraska Gas Tariff. The HEAT program originally was approved by the Commission by its Order Approving Stipulation entered on December 27, 2006 in Commission Docket No. NG-0036. Pursuant to the approved Stipulation, and also by the Commission’s Order Granting Application in Part entered on March 9, 2010 in Commission Docket No. NG-0060, the Company recovers through its rates the cost of rebates for space and water heating appliances issued through the HEAT program via the HEAT Charge which is added to the monthly Customer Charge pursuant to Section 40.2 of BHGD-NE’s Nebraska Gas Tariff. Pursuant to the Commission’s Order Granting Application in Part entered on May 22, 2012 in Commission Docket No. NG-0067, the determination of the HEAT Charge now includes a reconciliation of HEAT program costs and

revenue collections, to insure that costs are collected on a dollar for dollar basis under the HEAT program.

Sheet Nos. 94 and 95 of BHGD-NE's Nebraska Gas Tariff establish the various terms of the Customer Retention Incentive Program, including the manner in which the monthly HEAT Charge is calculated. The above-referenced HEAT Charge of \$0.30 per month was calculated pursuant to the requirements of Sheet Nos. 94 and 95.

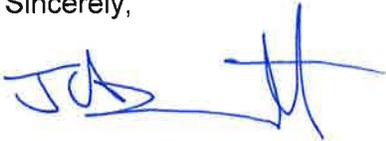
This filing includes the following exhibits:

- Exhibit A – Clean version of Tariff Sheet No. 7.
- Exhibit B – Redlined version of Tariff Sheet No. 7.
- Exhibit C – Calculation of the Monthly HEAT Charge (Annual Report).
- Exhibit D – The HEAT Claim Form and the HOT Claim Form that participating customers use to claim a rebate from BHGD-NE under the terms of the HEAT program.

Notice of the proposed revisions contained in Sheet No. 7 is being given to the Commission and the public by this tariff filing. A copy of the complete filing (transmittal letter, Exhibits A, B, C, D) and a separate copy of each of the Tariff Sheet Exhibits (Exhibit A – Clean version and Exhibit B – Redlined version) are also being provided electronically in pdf format by email.

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

Sincerely,



Jason Bennett
Manager, Regulatory & Finance - Nebraska

Enclosures

cc: Nichole Mulcahy –NPSC
Sallie Dietrich –NPSC
William F. Austin – Public Advocate
Donna Mullinax – Public Advocate
Douglas J. Law
Robert J. Amdor
Tyler Frost
Jeffrey Thomas
Jill Becker

Black Hills Gas Distribution, LLC HEAT Program

Exhibit A – Tariff Sheet

SCHEDULE OF RATES AND OTHER CHARGES

Rate Schedules CGS and ACGS-NSS

<u>Type of Charge</u>	<u>Non-Gas Base Rate Component</u>	<u>Gas Cost</u>			<u>Total Gas Cost</u>	<u>Total Rate</u>
		<u>Base Rate Component</u>	<u>Surcharge Rate Component 3/</u>			
RESIDENTIAL SERVICE – Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/, 4/	14.70					15.00
Pipeline Replacement Charge	0.00					0.00
Safety and Integrity Charge	4.15					4.15
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 20	0.4675	0.0000	0.0399	0.0399		0.5074
Over 20	0.1338	0.0000	0.0399	0.0399		0.1737
SMALL COMMERCIAL SERVICE – Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/, 4/	22.75					23.05
Pipeline Replacement Charge	0.00					0.00
Safety and Integrity Charge	8.82					8.82
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 40	0.4675	0.0000	0.0399	0.0399		0.5074
Over 40	0.1338	0.0000	0.0399	0.0399		0.1737
LARGE COMMERCIAL SERVICE – Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/, 4/	56.15					56.45
Pipeline Replacement Charge	0.00					0.00
Safety and Integrity Charge	60.86					60.86
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 80	0.4675	0.0000	0.0399	0.0399		0.5074
Over 80	0.1338	0.0000	0.0399	0.0399		0.1737

1/ Total Customer Charge is \$/month and includes a charge for the HEAT program of \$0.30.

2/ Distribution and Commodity Charges are \$/Per Therm.

3/ Rate Component Includes:

1. Contract P-0802 Charge of \$0.0399 per Therm.

4/ In addition to the Customer Charge, an Extra Construction Allowance Charge of \$20.00, \$30.00, \$40.00, or \$50.00 per month will be added to a Customer's bill for premises that avail themselves of the Extra Construction Allowance for the duration of the repayment period and will appear as a separate line item on the Customer's bill.

Black Hills Gas Distribution, LLC HEAT Program

Exhibit B – Redlined Tariff Sheet

SCHEDULE OF RATES AND OTHER CHARGES

Rate Schedules CGS and ACGS-NSS

Type of Charge	Non-Gas Base Rate Component	Gas Cost			Total Gas Cost	Total Rate
		Base Rate Component	Surcharge Rate Component 3/			
RESIDENTIAL SERVICE – Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/, 4/	14.70				15.00	14.90
Pipeline Replacement Charge	0.00					0.00
Safety and Integrity Charge	4.15					4.15
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 20	0.4675	0.0000	0.0399	0.0399		0.5074
Over 20	0.1338	0.0000	0.0399	0.0399		0.1737
SMALL COMMERCIAL SERVICE – Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/, 4/	22.75				23.05	22.95
Pipeline Replacement Charge	0.00					0.00
Safety and Integrity Charge	8.82					8.82
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 40	0.4675	0.0000	0.0399	0.0399		0.5074
Over 40	0.1338	0.0000	0.0399	0.0399		0.1737
LARGE COMMERCIAL SERVICE – Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/, 4/	56.15				56.45	56.35
Pipeline Replacement Charge	0.00					0.00
Safety and Integrity Charge	60.86					60.86
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 80	0.4675	0.0000	0.0399	0.0399		0.5074
Over 80	0.1338	0.0000	0.0399	0.0399		0.1737

- 1/ Total Customer Charge is \$/month and includes a charge for the HEAT program of \$0.~~3020~~.
- 2/ Distribution and Commodity Charges are \$/Per Therm.
- 3/ Rate Component Includes:
 1. Contract P-0802 Charge of \$0.0399 per Therm.
- 4/ In addition to the Customer Charge, an Extra Construction Allowance Charge of \$20.00, \$30.00, \$40.00, or \$50.00 per month will be added to a Customer's bill for premises that avail themselves of the Extra Construction Allowance for the duration of the repayment period and will appear as a separate line item on the Customer's bill.

Black Hills Gas Distribution, LLC HEAT Program

Exhibit C – Calculation of Monthly HEAT Charge

Black Hills Gas Distribution, LLC HEAT Program

Exhibit D – HEAT Claim Form & HOT Claim Form



Nebraska HEAT Claim Form

Customer Name

Installation Address

City, State, ZIP

Phone #

Email

Account #

Customer name/address if different than account

Name

Address

City, State, ZIP

Rebate check will be issued to name listed on Black Hills Energy account.

Heating System Brand

Heating System Model

Heating System Serial #

Date of Purchase

Date of Installation

Input Btu's/hour Minimum: 40,000 AFUE Efficiency % Minimum: 80%

Proof of Purchase Attached Must include cost breakdown

This natural gas heating appliance replaces what type of energy source? Electric Propane Natural Gas Other

Incentives available to all Black Hills Gas Distribution (formerly known as SourceGas Distribution) jurisdictional residential and commercial customers, as follows. Call (855) 281-9157 to verify eligibility.

80% to 94% AFUE

95% or higher AFUE

\$150	For installed nameplate input of: <u>40,000 Btu/hour to 99,999 Btu/hr</u>	\$300
\$300	For installed nameplate input of: <u>100,000 Btu/hour to 199,999 Btu/hr</u>	\$600
\$450	For installed nameplate input of: <u>200,000 Btu/hour or higher</u>	\$900

Customer may choose any equipment vendor

Heating system must be:

Natural Gas space heating system - Equipment must be new

Minimum input Btu/hour of 40,000

Minimum Annual Fuel Utilization Efficiency (AFUE) of 80%

Connected to and served by the Black Hills Energy Retail Distribution System in Nebraska

<p>Mail, email or fax this required certificate and your proof of purchase (must include cost breakdown, model, serial number, Btu and AFUE efficiency of heating system) to: Please allow 6-8 weeks for processing</p>	<p>Black Hills Energy c/o Nebraska HEAT HOT Rebate Program P.O. Box 5167 Des Moines, IA 50305 Customer service: 855-281-9157 or 515-281-9157 Fax: 877-932-0558 or 515-244-0558 Email: bhehoheat@a-tec.com www.blackhillsenergy.com/hot-heat</p>	<p>For internal use only:</p> <p>Rate ID:</p> <p>SA ID:</p> <p style="font-size: 24pt; font-weight: bold; text-align: center;">NEGD</p>
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Offer good to Black Hills Energy (formerly known as SourceGas) jurisdictional residential and commercial customers in Nebraska only. Rebate amount not to exceed the cost of heating equipment. Cannot be combined with other HEAT/HOT rebates for the same piece of equipment. Purchases of refurbished or previously sold models do not qualify for this promotion. This certificate is not transferable. Omission of sales receipt or any other information will delay processing or disqualify your request. All submitted proofs of purchase become the property of Black Hills Energy and cannot be returned. Black Hills Energy is not responsible for lost, late, illegible, incomplete, damaged, misdirected or postage-due requests/mail. Keep a copy for your files. All claims subject to audit. Offer subject to terms and conditions of program.



Nebraska HOT Water Heater Claim Form

Customer Name

Installation Address

City, State, ZIP

Phone #

Email

Account #

Customer name/address if different than account

Name

Address

City, State, ZIP

Rebate check will be issued to name listed on Black Hills Energy account.

HOT Water Heater Brand

HOT Water Heater Model

HOT Water Heater Serial #

Date of Purchase

Date of Installation

Input Btu's/Hour Minimum - 30,000 UEF Rating

Proof of Purchase Attached Must include cost breakdown

This natural gas HOT water heater replaces what type of energy source? Electric Propane Natural Gas Other

Incentives available to all Black Hills Gas Distribution (formerly known as SourceGas Distribution) jurisdictional residential and commercial customers, as follows. **Call (855) 281-9157 to verify eligibility.**

<p><u>Tank Water Heaters with UEF of less than or equal to 0.57</u></p> <p style="text-align: center;"><small>For installed nameplate input of:</small></p> <p>30,000 Btu/hour up to 79,999 Btu/hour \$75</p>	<p><u>Tank Water Heaters with UEF of less than or equal to 0.57</u></p> <p style="text-align: center;"><small>For installed nameplate input of:</small></p> <p>80,000 Btu/hour or higher \$150</p>
<p><u>Tank Water Heaters with UEF of 0.58 or higher</u></p> <p style="text-align: center;"><small>For installed nameplate input of:</small></p> <p>30,000 Btu/hour up to 79,999 Btu/hour \$150</p>	<p><u>Tankless On-Demand Water Heaters</u></p> <p style="text-align: center;"><small>UEF of 0.81 or higher</small></p> <p>\$300</p>

Customer may choose any equipment vendor

HOT water heater must be:
 Natural Gas water heating system - Equipment must be new
 Minimum input Btu/hour of 30,000
 Connected to and served by the Black Hills Energy Retail Distribution System in Nebraska

<p>Mail, email or fax this required certificate and your proof of purchase (must include cost breakdown, model, serial number, Btu and UEF of water heating system) to:</p> <p>Please allow 6-8 weeks for processing</p>	<p>Black Hills Energy c/o Nebraska HEAT HOT Rebate Program P.O. Box 5167 Des Moines, IA 50305 Customer service: 855-281-9157 or 515-281-9157 Fax: 877-932-0558 or 515-244-0558 Email: bhehoheat@a-tec.com www.blackhillsenergy.com/hot-heat</p>	<p style="text-align: center;">For internal use only:</p> <p>Rate ID:</p> <p>SA ID:</p> <p style="text-align: center; font-size: 1.2em;">NEGD</p>
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Offer good to Black Hills Energy (formerly know as SourceGas) jurisdictional residential and commercial customers in Nebraska only. Rebate amount not to exceed the cost of water heating equipment. Cannot be combined with other HEAT/HOT rebates for the same piece of equipment. Purchases of refurbished or previously sold models do not qualify for this promotion. This certificate is not transferable. Omission of sales receipt or any other information will delay processing or disqualify your request. All submitted proofs of purchase become the property of Black Hills Energy and cannot be returned. Black Hills Energy is not responsible for lost, late, illegible, incomplete, damaged, misdirected or postage-due requests/mail. Keep a copy for your files. All claims subject to audit. Offer subject to terms and conditions of program.

Black Hills Gas Distribution, LLC - Nebraska Operations
d/b/a Black Hills Energy
Calculation of Monthly Heat Charge
September 1, 2018 through August 31, 2019

Line No.	Description	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]
		2018 - 2019 Program Year Rebates											
		2016 - 2017 Program Year Recoveries				2017 - 2018 Program Year Recoveries							
		2018				2019							
		September	October	November	December	January	February	March	April	May	June	July	August
1	Nebraska HEAT Rebates	\$12,300	\$15,300	\$24,975	\$21,600	\$18,450	\$25,350	\$24,150	\$13,800	\$31,050	\$16,050	\$20,850	\$15,300
2	Nebraska HOT Rebates	\$3,825	\$6,450	\$4,125	\$1,575	\$3,825	\$5,221	\$2,925	\$3,075	\$9,600	\$4,575	\$5,475	\$5,700
3	Total Rebates	\$16,125	\$21,750	\$29,100	\$23,175	\$22,275	\$30,571	\$27,075	\$16,875	\$40,650	\$20,625	\$26,325	\$21,000
4	2017 - 2018 Program Year Rebates Total												\$295,546
5	Current Recoveries	\$17,999	\$18,074	\$18,243	\$18,293	\$17,190	\$15,961	\$16,152	\$15,978	\$15,887	\$15,795	\$15,759	\$15,680
6	Monthly Change in Balance	(\$1,874)	\$3,676	\$10,857	\$4,882	\$5,085	\$14,610	\$10,923	\$897	\$24,763	\$4,830	\$10,566	\$5,320
7	New Total Balance	\$193,311	\$196,987	\$207,843	\$212,725	\$217,810	\$232,419	\$243,343	\$244,240	\$269,003	\$273,833	\$284,399	\$289,719
8	Projected Customers per Month												81,551
9	Monthly HEAT Charge (Line 7 / Line 8 / 12)												<u>\$0.30</u>

2018 Annual Report Res-Comm/AG % Split

	# of Customers	Allocation %	
AG Active	6,975	7.88%	0.0788
Commercial Active	11,674		
Industrial Active	34		
Residential Active	69,843		
Res/Comm Total	<u>81,551</u>	92.12%	0.9212
Total	<u><u>88,526</u></u>		