Black Hills Energy
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September 28, 2017

Mr. Mike Hybl
Executive Director
Nebraska Public Service Commission
1200 N Street, 300 Atrium
Lincoln, NE 68508

Dear Mr. Hybl:

Pursuant to LB790, Black Hills/Nebraska Gas Utility, LLC, d/b/a Black Hills Energy, submits for filing its Gas Cost Reconciliation (GCR) computations for the period ended June 30, 2017. Upon approval, the new GCR factors will be places into effect November 1, 2017.

The attached Confidential schedules are submitted in support of the gas supply costs and recoveries.

The proposed GCR factors are as follows:

	$/Therm
Traditional Sales Service – All Rate Areas	$0.00210
Annual Price Option (APO) – All Rate Areas	$(0.00017)

If you have any questions, please feel free to contact me.

Sincerely,

Nancy Vernon

Enclosures

RECEIVED
SEP 29 2017
Natural Gas Dept.

Black Hills/Nebraska Gas Utility Company, LLC
Annual Gas Cost Reconciliation

Calculation of the Gas Cost Reconciliation (GCR) Factor

Line No.	Description	Traditional Sales Service All Rate Areas	Annual Price Option (APO) All Rate Areas
1	Beginning Balance - 7/1/2016	(788,055)	(30,585)
2			
3	Actual Purchased Gas Cost Incurred	68,182,770	1,207,897
4			
5	Gas Cost Recovered in Billing Rates	(64,980,723)	(1,143,379)
6			
7	Less Miscellaneous Adjustments		
8	Line Loss	(28,558)	(485)
9	Company Used Gas	(23,509)	-
10	Small Volume Balancing	(204,322)	-
11	Bad Debt Cost	163,113	2,920
12	Hedge Cost	141,122	-
13	Capacity Release	(2,131,128)	(36,886)
14	L&U Factor	-	-
15	PPA	-	-
16			
17	2016-2017 Cumulative (Sum Lns 3 through 15)	1,118,765	30,067
18			
19	Ending Balance - 6/30/2017 (Ln 1 + Ln 17)	330,710	(518)
20			
21	Projected Annual Sales Volumes (Dth)	15,718,459	302,618
22			
23	**Proposed 2017-2018 GCR Factor ($/Dth)**	**$ 0.02100**	**$ (0.00170)**
24			
25	**Proposed GCR Factor ($/Therm)**	**$ 0.00210**	**$ (0.00017)**