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September 26, 2018

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, 2018. Upon approval, the new GCR factors will be placed into effect November 1, 2018.

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

The proposed GCR factors are as follows:

	<u>\$/Therm</u>
Traditional Sales Service – All Rate Areas	\$0.00063
Annual Price Option (APO) – All Rate Areas	\$(0.02580)

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

Sincerely,

Nancy Vernon

Enclosures

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SEP 27 2018

Natural Gas Dept.

RECEIVED

SEP 5 5 2018

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 - 7/1/2017	330,710	(518)
2			
3	Actual Purchased Gas Cost Incurred	82,375,849	2,123,046
4			
5	Gas Cost Recovered in Billing Rates	(79,672,845)	(2,196,256)
6			
7	Less Miscellaneous Adjustments		
8	Line Loss	(65,733)	(1,383)
9	Company Used Gas	(24,726)	-
10	Small Volume Balancing	(237,611)	-
11	Bad Debt Cost	284,651	6,659
12	Hedge Cost	204,847	-
13	Capacity Release	(2,059,850)	(55,461)
14	L&U Factor	-	-
15	Tax Reform and Jobs Act Customer Tax Credit	(1,030,335)	-
16			
17	2017-2018 Cumulative (Sum Lns 3 through 15)	(225,754)	(123,396)
18			
19	Ending Balance - 6/30/2018 (Ln 1 + Ln 17)	104,956	(123,915)
20			
21	Projected Annual Sales Volumes (Dth)	16,747,287	480,322
22			
23	Proposed 2018-2019 GCR Factor (\$/Dth)	\$ 0.00630	\$ (0.25800)
24			
25	Proposed GCR Factor (\$/Therm)	\$ 0.00063	\$ (0.02580)