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September 27, 2019

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, 2019. Upon approval, the new GCR factors will be placed into effect November 1, 2019.

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	\$(0.01586)
Annual Price Option (APO) – All Rate Areas	\$(0.02574)

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

Sincerely,



Nancy Vernon

Enclosures

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**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 - 7/1/2018	104,956	(123,915)
2			
3	Actual Purchased Gas Cost Incurred	82,602,122	2,691,824
4			
5	Gas Cost Recovered in Billing Rates	(82,475,393)	(2,692,230)
6			
7	Less Miscellaneous Adjustments		
8	Line Loss	(56,895)	(2,246)
9	Company Used Gas	(28,276)	-
10	Small Volume Balancing	(255,379)	-
11	Bad Debt Cost	315,455	10,065
12	Hedge Cost	(112,847)	-
13	Capacity Release	(2,267,764)	(81,340)
14	L&U Factor	190	-
15	Tax Reform and Jobs Act Customer Tax Credit	(1,030,335)	-
16			
17	2018-2019 Cumulative (Sum Lns 3 through 15)	(3,309,122)	(73,928)
18			
19	Ending Balance - 6/30/2019 (Ln 1 + Ln 17)	(3,204,166)	(197,842)
20			
21	Projected Annual Sales Volumes (Dth)	20,197,247	768,654
22			
23	<b>Proposed 2019-2020 GCR Factor (\$/Dth)</b>	<b>\$ (0.15860)</b>	<b>\$ (0.25740)</b>
24			
25	<b>Proposed GCR Factor (\$/Therm)</b>	<b>\$ (0.01586)</b>	<b>\$ (0.02574)</b>

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