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November 5, 2021

Ms. Shanicee Knutson
Deputy Director
Nebraska Public Service Commission
1200 N Street, Suite 300
Lincoln, NE 68508

Re: *Black Hills Gas Nebraska Gas, LLC d/b/a Black Hills Energy*
Black Hills Energy's Response to the Report of the Nebraska Public Advocate
Docket NG-112.1 – 2022 SSIR

Dear Ms, Knutson:

Black Hills Energy hereby transmits its Response to the Report of the Nebraska Public Advocate in connection with its Application for an Order Authorizing it to Adjust the Safety and Integrity Charges filed under Docket NG-0078.7.

Please contact me at (402) 221-2635 if you have any questions or need additional information.

Respectfully submitted,

Douglas J. Law

Douglas J. Law #19436
Associate General Counsel

DJL:ce
Attachment

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NEBRASKA**

In the Matter of Black Hills Nebraska Gas, LLC)
d/b/a Black Hills Energy, Rapid City, South Dakota) Application No. NG-112.1
seeking approval of a 2022 Systems Safety and)
Integrity Rider)

RECEIVED 11-5-21 NAT GAS DEPT

**RESPONSE OF BLACK HILLS NEBRASKA GAS, LLC
D/B/A BLACK HILLS ENERGY TO
THE REPORT OF THE NEBRASKA PUBLIC ADVOCATE**

In accordance with the Order Setting Procedural Schedule entered by the Nebraska Public Service Commission (the “Commission”) in this docket on September 13, 2021, Black Hills Nebraska Gas, LLC, d/b/a Black Hills Energy, (“Black Hills Energy” or the “Company”) hereby files this Response to the report titled “Examination of the System Safety and Integrity Rider of Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy for the 2022 Program Year” (“Report”), prepared by Blue Ridge Consulting Services, Inc. and filed with the Commission by the Nebraska Public Advocate in this docket on Friday, October 29, 2021. The Public Advocate supplemented the Report on Wednesday, November 3, 2021 (“Supplemental Report”).

Black Hills Energy’s Response

Blue Ridge Consulting and the Public Advocate conducted a thorough examination of several different areas of investigation regarding Black Hills Energy’s 2022 SSIR application to proceed with significant capital investments in 2022 safety projects. The results of that examination are contained within the Report and Supplemental Report.

Black Hills Energy agrees with the findings and recommendations as set forth in the Report and Supplemental Report. After its detailed review and analysis of Company information, including supplemental information provided by the Company, the Report (as supplemented on November 3, 2021 in the Supplemental Report) found that Black Hills Energy has reasonably

complied with the Commission's requirements for inclusion of the identified 2022 SSIR projects. Black Hills Energy appreciates the thorough investigation, review, and analysis conducted by the Public Advocate and Blue Ridge Consulting.

As noted in the Public Advocate's Report filed on Friday, October 29, 2021, the Public Advocate had identified concerns and a lack of information related to Black Hills Energy Electronic Recording Transmitter ("ERT") replacement projects.¹ The Public Advocate set out a series of questions that needed to be answered by Black Hills Energy prior to receiving a recommendation to recover those costs under the 2022 SSIR program. Accordingly, the initial Report recommended exclusion of \$3,846,675 for ERT costs from the recovery of 2022 SSIR project costs.

However, after the Report was filed by the Public Advocate on October 29, 2021, Black Hills Energy gathered the information requested by the Public Advocate, and prepared answers to each of the Public Advocate's questions. The Public Advocate's November 3, 2021 Supplement to its October 29th Report sets out Black Hills Energy's answers to the questions and concerns raised by the Public Advocate in its Report.

Black Hills Energy agrees with the Public Advocate's final recommendations, as set forth in its November 3, 2021 Supplemental Report.

Tariff Sheet Revisions for SSIR Charges

BH Nebraska Gas will submit a revised Nebraska Natural Gas Tariff, Rate Schedules and Other Charges Schedule of Rates, Sheet No. 78. The revised tariff sheet will replace and supersede the then effective BH Nebraska Gas SSIR tariff sheet that includes the current SSIR monthly charges. The revised BH Nebraska Gas SSIR Tariff Sheet No. 78, to become effective on January

¹ See pages 6 and 7 and again on pages 27 and 28 of the Report for more discussion on ERTs.

1, 2022, will list the Commission-approved SSIR charges as recommended by the Company and the Public Advocate as set forth above.

	Residential	Commercial	Commercial – Energy Options
Proposed SSIR Charge - \$/month	\$2.07	\$6.25	\$6.25

Conclusion

Black Hills Energy respectfully requests that the Commission approve its revised SSIR charges to become effective January 1, 2022. Black Hills Energy clarifies that it will file an SSIR tariff sheet compliance filing prior to December 31, 2021 once the Black Hills Energy SSIR tariffs are approved by the Commission. Those tariff sheets will contain the SSIR charges approved by the Commission in this proceeding. Black Hills Energy looks forward to working with the Public Advocate to address and implement the recommendations presented in the Report.

Dated: November 5, 2021.

Respectfully Submitted,

BLACK HILLS NEBRASKA GAS, LLC,
D/B/A BLACK HILLS ENERGY, Applicant.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing Response of Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy to the Report of the Nebraska Public Advocate was served electronically on November 5, 2021, upon the following:

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