



Jason Bennett

Manager of Regulatory & Finance - Nebraska
Jason.Bennett@blackhillscorp.com

1600 Windhoek Drive
P.O. Box 83008
Lincoln, NE 68501
P: 402.858.3560

August 29, 2019

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

Re: Infrastructure System Replacement Cost Recovery Charge Docket Nos. NG-0074 and NG-0074.1 – Black Hills/Nebraska Gas Utility Company, LLC, d/b/a Black Hills Energy, Reconciliation of Authorized Pretax Revenue to Recovered Revenue

Dear Mr. Hybl:

In accordance with the Commission's Order entered on July 21, 2015 in Docket No. NG-0074.1, Black Hills/Nebraska Gas Utility Company, LLC, d/b/a Black Hills Energy ("Black Hills Energy") hereby submits its annual reconciliation of authorized pretax revenue to recovered revenue for the time period July 1, 2018 to June 30, 2019, included as Exhibit A to this filing. Black Hills Energy also submits for filing Tariff Sheet No. 51, Second Revised.

In this, filing Black Hills Energy proposes to adjust the Pipeline Replacement charge to reflect the expiration of the Docket No. NG-0074 surcharge and to adjust the surcharge to be collected from July 1, 2019 through June 30, 2020

During the time period July 1, 2018 to June 30, 2019, Black Hills Energy was authorized to collect \$587,639 per Docket No. NG-0074 and \$1,462,286 per Docket No. NG-0095.2, for a total of \$2,049,925.

Exhibit A also provides a calculation of the projected recovery for July 1, 2019 through June 30, 2020. The projected recovery for the period is \$1,123,108.

Revenue recovery detail and a summary of all reconciliations through June 30, 2019 are included in Exhibit B, including:

- The under-recovery of \$64,211 from December 1, 2013 to November 30, 2014
- The over-recovery of \$16,347 from December 1, 2014 to June 30, 2015
- The under-recovery of \$21,257 from the July 1, 2015 to June 30, 2016
- The over-recovery of \$91,334 from the July 1, 2016 to June 30, 2017
- The over-recovery of \$124,376 from July 1, 2017 to June 30, 2018
- The current over-recovery of \$192,590
- A net over-recovery of \$339,178.

The collection of the Docket No. NG-0074.1 surcharge ends July 30, 2020. In order to eliminate a large over or under collection balance at the end of the surcharge period Black Hills Energy submits Sheet No. 51, Second Revised Sheet to identify the expiration of the surcharge fee for Docket No. NG-0074 and a reduction in the surcharge fee for Docket No. NG-0074.1. The proposed reduced fee by customer class calculated in Exhibit A related to Docket No. NG-0074.1 is:

- Residential \$0.37
- Commercial \$1.16
- Energy Options Firm \$1.16

Based on the forgoing, Black Hills submits revised tariff Sheet No. 51, Second Revised and respectfully request approval of the projected Pipeline Replacement Surcharge.

If you have any questions, please feel free to email me at Jason.Bennett@blackhillscorp.com, or call 402-858-3560.

Respectfully Submitted,



Jason Bennett
Manager of Regulatory & Finance - Nebraska

CC: Nicole Mulcahy, Director and Legal Counsel, Natural Gas
Sallie Dietrich, Legal Counsel
William F. Austin, Esq., Nebraska Public Advocate
Douglas Law
Robert Amdor
Tyler Frost
Jeff Sylvester

Black Hills/Nebraska Gas Utility Company, LLC, d/b/a Black Hills Energy
Annual Reconciliation Between Revenue Collected and Authorized Revenue
Infrastructure System Replacement Cost Recovery Charge
For the 12-Month Period Ended June 30, 2019

Exhibit A

LINE NO.	DESCRIPTION	ENERGY OPTIONS -		TOTAL JURISDICTIONAL
		RESIDENTIAL	FIRM AND COMMERCIAL	
1	Jurisdictional Revenue Deficiency Authorized NG-0074	\$ 443,623	\$ 144,016	\$ 587,639
2	Jurisdictional Revenue Deficiency Authorized NG-0074.1/NG-0095.2 *	\$ 1,058,316	\$ 403,970	\$ 1,462,286
3	Total Authorized Recoveries	\$ 1,501,939	\$ 547,986	\$ 2,049,925
4	Actual Collections July 1, 2018 - June 30, 2019	\$ 2,144,082	\$ 767,441	\$ 2,911,522
5	Refunds NG-0074 Over Collected **	\$ (486,338)	\$ (182,669)	\$ (669,008)
6	Total Actual Collection plus Refunds	\$ 1,657,743	\$ 584,771	\$ 2,242,514
7	Amounts Under/(Over) Collected	\$ (155,804)	\$ (36,785)	\$ (192,589)
8	Cumulative 12/1/2013 through 6/30/2018 Under/(Over) Collected	\$ (63,358)	\$ (83,231)	\$ (146,589)
9	Total Cumulative Under/(Over) Collected	\$ (219,162)	\$ (120,017)	\$ (339,178)
10	Average Number of Customers 12 Month Ended 12/31/2018	185,025	20,371	205,396
11	Rate Adj to Reflect Under/(Over) Collection - Dollars Per Month	\$ (0.13)	\$ (0.58)	\$ (0.14)
12	Jurisdictional Revenue Deficiency Authorized NG-0074.1/NG-0095.2*	\$ 1,058,316	\$ 403,970	\$ 1,462,286
13	Total Cumulative Under/(Over) Collected	\$ (219,162)	\$ (120,017)	\$ (339,178)
14	Estimated Recovery July 1, 2019 through June 30, 2020	\$ 839,154	\$ 283,953	\$ 1,123,108
15	Average Number of Customers 12 Month Ended 12/31/2018	185,025	20,371	205,396
16	Rate to Reflect Under/(Over) Collection - Dollars Per Month	\$ 0.37	\$ 1.16	\$ 0.46

* Adjusted Recovery for Tax Reform Docket No. NG-0095.2

** Docket NG-0074 refund related to the delayed implementation of a lower Pipeline Replacement Charge that became effective December 31, 2018

Reconcilements by Year:

	NG-0074			NG-0074.1		
	Resid	Other	Total	Resid	Other	Total
12/1/2013 - 11/30/2014 Collected	1,005,903.07	331,768.75	1,337,671.82	0.00	0.00	0.00
12/1/2013 - 11/30/2014 Allowed	1,058,316.00	343,567.00	1,401,883.00	0.00	0.00	0.00
Over/(Under) Recovered	(52,412.93)	(11,798.25)	(64,211.18)	0.00	0.00	0.00
12/1/2014 - 6/30/2015 Collected	624,697.84	205,893.82	830,591.66	0.00	0.00	0.00
12/1/2014 - 6/30/2015 Allowed (212 days / 365)	614,693.13	199,551.24	814,244.37	0.00	0.00	0.00
Over/(Under) Recovered	10,004.71	6,342.58	16,347.29	0.00	0.00	0.00
7/1/2015 - 6/30/2016 Collected	1,070,063.92	351,632.60	1,421,696.52	915,213.63	399,403.17	1,314,616.80
7/1/2015 - 6/30/2016 Allowed (329 days / 365)	1,058,316.00	343,567.00	1,401,883.00	953,934.15	401,753.17	1,355,687.32
Over/(Under) Recovered	11,747.92	8,065.60	19,813.52	(38,720.52)	(2,350.00)	(41,070.52)
7/1/2016 - 6/30/2017 Collected	1,085,373.59	355,587.01	1,440,960.60	1,085,373.59	470,912.53	1,556,286.12
7/1/2016 - 6/30/2017 Allowed	1,058,316.00	343,567.00	1,401,883.00	1,058,316.00	445,714.00	1,504,030.00
Over/(Under) Recovered	27,057.59	12,020.01	39,077.60	27,057.59	25,198.53	52,256.12
7/1/2017 - 6/30/2018 Collected	1,097,627.58	359,258.74	1,456,886.31	1,097,627.58	475,775.08	1,573,402.66
7/1/2017 - 6/30/2018 Allowed	1,058,316.00	343,567.00	1,401,883.00	1,058,316.00	445,714.00	1,504,030.00
Over/(Under) Recovered	39,311.57	15,691.74	55,003.31	39,311.57	30,061.08	69,372.66
7/1/2018 - 6/30/2019 Collected	1,037,794.54	339,719.45	1,377,513.99	1,106,287.06	427,721.10	1,534,008.16
Residential, Commercial, Energy Options Refund for Delayed Implementation	(486,338.43)	(182,669.35)	(669,007.78)	0.00	0.00	0.00
Total 7/1/2018 - 6/30/2019 Collected	551,456.11	157,050.10	708,506.21	1,106,287.06	427,721.10	1,534,008.16
7/1/2018 - 6/30/2019 Allowed	443,622.87	144,015.76	587,638.63	1,058,316.00	403,970.00	1,462,286.00
Over/(Under) Recovered	107,833.24	13,034.34	120,867.58	47,971.06	23,751.10	71,722.16

Summary NG-0074, NG-0074.1 and NG-0095.2 Combined:

	Residential	Other	Total
12/1/2013 - 11/30/2014	(52,412.93)	(11,798.25)	(64,211.18)
12/1/2014 - 6/30/2015 - not previously filed/reconciled	10,004.71	6,342.58	16,347.29
7/1/2015 - 6/30/2016 - revised slightly	(26,972.60)	5,715.60	(21,257.00)
7/1/2016 - 6/30/2017	54,115.18	37,218.54	91,333.72
7/1/2017 - 6/30/2018	78,623.15	45,752.82	124,375.97
7/1/2018 - 6/30/2019	155,804.30	36,785.44	192,589.74
Net to Date Over/(Under) Tie	219,161.81	120,016.73	339,178.55

**COST RECOVERY MECHANISMS
PIPELINE REPLACEMENT CHARGE**

The following monthly "Pipeline Replacement Charge" shall be applied to Residential, Commercial and Energy Options Firm Customers from the effective date of this tariff until the Company's next general rate case*, or until this tariff is updated and approved by the Commission.

Pipeline Replacement Charge Authorized in NG-0074

Fee effective December 1, 2013 through November 30, 2018

Residential	\$0.00
Commercial	\$0.00
Energy Options – Firm	\$0.00

Pipeline Replacement Charge Authorized in NG-0074.1

Fee effective August 1, 2015 through July 31, 2020

Residential	\$0.37
Commercial	\$1.16
Energy Options – Firm	\$1.16

Total Pipeline Replacement Charge Authorized

Residential	\$0.37
Commercial	\$1.16
Energy Options – Firm	\$1.16

**COST RECOVERY MECHANISMS
PIPELINE REPLACEMENT CHARGE**

The following monthly "Pipeline Replacement Charge" shall be applied to Residential, Commercial and Energy Options Firm Customers from the effective date of this tariff until the Company's next general rate case*, or until this tariff is updated and approved by the Commission.

Pipeline Replacement Charge Authorized in NG-0074

Fee effective December 1, 2013 through November 30, 2018

Residential	<u>\$0.500.00</u>
Commercial	<u>\$1.480.00</u>
Energy Options – Firm	<u>\$1.480.00</u>

Pipeline Replacement Charge Authorized in NG-0074.1

Fee effective August 1, 2015 through July 31, 2020

Residential	<u>\$0.500.37</u>
Commercial	<u>\$1.741.16</u>
Energy Options – Firm	<u>\$1.741.16</u>

Total Pipeline Replacement Charge Authorized

Residential	<u>\$1.000.37</u>
Commercial	<u>\$3.221.16</u>
Energy Options – Firm	<u>\$3.221.16</u>