

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF BLACK HILLS NEBRASKA GAS, LLC,)
D/B/A BLACK HILLS ENERGY, RAPID) APPLICATION NO. NG-109
CITY, SOUTH DAKOTA, SEEKING)
APPROVAL OF A GENERAL RATE)
INCREASE)**

REBUTTAL TESTIMONY AND EXHIBIT OF

ROBERT J. AMDOR

Director of Regulatory and Finance

ON BEHALF OF

BLACK HILLS NEBRASKA GAS, LLC

October 13, 2020

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| | |
|---------------|----------------------|
| Exhibit RJA-6 | Summary of Positions |
|---------------|----------------------|

1 **REBUTTAL TESTIMONY OF ROBERT J. AMDOR**

2

3 **I. INTRODUCTION AND BACKGROUND**

4 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

5 A. My name is Robert J. Amdor. My business address is 1630 Windhoek, Lincoln, Nebraska,
6 68501-3008.

7 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

8 A. I am employed by Black Hills Services Company, LLC (“BHSC”), a wholly owned
9 subsidiary of Black Hills Corporation (“BHC”). My position is Director of Regulatory and
10 Finance for the states of Nebraska and Iowa.

11 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

12 A. I am testifying on behalf of Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy (“BH
13 Nebraska Gas” or “Company”) in this proceeding. BH Nebraska Gas is the natural gas
14 utility resulting from the recent internal consolidation of the Nebraska gas utility assets and
15 operations of BHC's two former Nebraska gas utility distribution subsidiaries, Black Hills
16 Gas Distribution, LLC (“BH Gas Distribution”) and Black Hills/Nebraska Gas Utility
17 Company, LLC. (“BH Gas Utility”)¹.

18 BH Nebraska Gas is a wholly owned subsidiary of Black Hills Utility Holdings,
19 Inc. (“BHUH”). BHUH is a wholly owned subsidiary of Black Hills Corporation (“BHC”).
20 BHSC is a wholly owned subsidiary of Black Hills Corporation (“BHC”). BH Nebraska
21 Gas conducts business in Nebraska under the trade name of Black Hills Energy.

¹ See Nebraska Public Service Commission Application No. NG-100.

1 **Q. DID YOU FILE DIRECT TESTIMONY IN THIS PROCEEDING?**

2 A. Yes.

3 **Q. ARE YOU SPONSORING ANY EXHIBITS TO YOUR REBUTTAL TESTIMONY?**

4 A. Yes, one. Exhibit RJA-6 provides a summary of positions for the Public Advocate and
5 Black Hills.

6 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

7 A. The purpose of my testimony is to respond to issues raised in the Answer Testimonies of
8 the Public Advocate's witnesses, to summarize the positions of the parties, and to
9 summarize the Company's revised position through this rebuttal testimony.

10 **Q. HAVE YOU REVIEWED THE ANSWER TESTIMONY SUBMITTED BY THE**
11 **PUBLIC ADVOCATE'S WITNESSES?**

12 A. Yes.

13 **Q. WHICH BLACK HILLS ENERGY WITNESSES WILL REBUT THE PUBLIC**
14 **ADVOCATE'S TESTIMONY?**

15 A. In addition to my rebuttal testimony, the following individuals are also filing rebuttal
16 testimony on behalf of BH Nebraska Gas:

- 17 ▪ Jason L Bennett – capital investment, Farm Tap, SSIR, and rate case expense
- 18 ▪ Michael C. Clevinger – revenue requirement issues
- 19 ▪ Tyler E. Frost – fee revenue and tariff updates
- 20 ▪ John A. Hill – adopting the testimony of Marc I. Lewis
- 21 ▪ Douglas N. Hyatt – revised billing determinants
- 22 ▪ Kevin M. Jarosz –capita projects and 2021 SSIR
- 23 ▪ Kristi L. Johnson – variable compensation

- 1 ▪ Justin W. Klapperich – tax and ADIT
- 2 ▪ Adrien M. McKenzie – return on equity
- 3 ▪ David I. Rosenbaum, Ph.D. – HEAT cost sharing
- 4 ▪ John J. Spanos – depreciation
- 5 ▪ Thomas Sullivan – class cost of service, rate design and HEAT cost sharing

6 **Q. PLEASE IDENTIFY ANY UPDATES TO THE BH NEBRASKA GAS REQUEST**
7 **FOR A GENERAL RATE INCREASE.**

8 A. There are several updates to incorporate to the various rates proposed by the BH Nebraska
9 Gas. As shown on Table MCC-9 on page 4 of the rebuttal testimony of Mr. Clevinger, BH
10 Nebraska Gas makes the following adjustments to its revenue requirement study. Those
11 Adjustments are shown below and contained in the revised revenue requirement study
12 submitted by Mr. Clevinger as Exhibit No. MCC-9.

| Table MCC-9 | | | | |
|--|---|-----------------------|-------------------|-------------------|
| Summary of Adjustments to Revenue Requirement | | | | |
| Line No. | Adjustment Description | Schedule | Total Company | Jurisdictional |
| 1 | Revenue Deficiency from Exhibit No. MCC-2 | Statement M | 11,733,365 | 17,295,841 |
| 2 | Revenue Adjustments (WN, Misc. Service Fees, and Late Pmt Fees) | Stmt I, Sched I-3 | (453,997) | (428,146) |
| 3 | Remove Benefits from FICA Tax Calculation | Sched H-4 | 1,252 | 1,091 |
| 4 | Depreciation Expense Formula Correction | Stmt J | 41,115 | 37,320 |
| 5 | Advertising Expense Formula Correction | Sched H-2 | (34,133) | (35,818) |
| 6 | Dues Expense Adjustment | Sched H-2 | (31,596) | (27,537) |
| 7 | Interest Synchronization - Cost of Debt | Stmt G, Sched G-1 | (582,887) | (501,034) |
| 8 | Line Locate Expense (Remove ALLO costs recorded in 2019) | Sched H-1, Sched H-11 | (148,233) | (130,021) |
| 9 | Labor Costs updated (Direct Labor) | Sched H-4 | (56,690) | (48,928) |
| 10 | BHSC Costs (Headcount update) | Sched H-6 | (598,592) | (521,680) |
| 11 | NOL Adjustment Update | Sched M-1 | 15,986 | 13,802 |
| 12 | Revenue Deficiency from Exhibit No. MCC-9 | Statement M | 9,885,591 | 15,654,890 |

13
14 The impact of these adjustment to the filed rate review application of BH Nebraska Gas is
15 to lower the requested revenue increase from \$17,295,841 to \$15,654,890.

1 As noted by Mr. Clevinger, all the adjustments provided by BH Nebraska Gas
2 reflect the jurisdictional revenue deficiency when calculated by the Class Cost of Service
3 Study (“CCOSS”) as provided by Mr. Hyatt in his Rebuttal Testimony.

4 The Company recognizes that Ms. Mullinax’s calculation of the jurisdictional
5 revenue deficiency impact is a reasonable representation, but recommends that the final
6 jurisdictional revenue requirement and deficiency be calculated by the Company's CCOSS
7 as it will more accurately reflect the impact of the changes in the revenue requirement,
8 which impacts rate design and the assignment of costs with the appropriate detail to align
9 with the final calculated rates.

10
11 **II. REVENUE REQUIREMENT ISSUES**

12 **A. Rate Base and Capital Adjustments**

13 **1. Elimination of post-test year capital additions**

14 **Q. THE PUBLIC ADVOCATE PROPOSES TO REMOVE ALL 2020 INVESTMENT**
15 **IN CAPITAL ADDITIONS NOT COMPLETED BY JULY 31. WHAT IS THE**
16 **COMPANY’S RESPONSE?**

17 A. The Public Advocate rejected \$35.3 million of capital projects that were still under
18 construction as of July 31. The Company budgeted approximately \$102 million for 2020
19 capital projects and will complete approximately \$110 million of work prior to year end.
20 For this reason, the Public Advocate’s adjustment should be rejected. BH Nebraska Gas
21 seeks to include in rate base the value of budgeted capital projects completed in 2020 as
22 requested in its Rate Review Application (i.e. approximately \$102 million).

1 As supported by the rebuttal testimony of Mr. Jarosz, BH Nebraska Gas
2 management testifies that most of the budgeted Capital Additions projects included in this
3 application will be completed on or before October 31, 2020, and any remaining Capital
4 Additions projects are confirmed to be completed prior to the end of the year. Please refer
5 to the testimony of Mr. Jarosz for an updated Exhibit No. KMJ-6 which includes an update
6 on the Capital Additions projects submitted with the Company's Rate Review Application
7 along with explanation of the capital work to be completed. Schedule D of Exhibit
8 No. MCC-9 submitted with the testimony of Mr. Clevinger provides the adjustments to the
9 Company's revised revenue requirement model.

10 Approval of the approximate \$102 million of BH Nebraska Gas Capital Additions
11 investment in 2020 Capital Additions is consistent with Commission Rule 005.06D, the
12 State Natural Gas Regulation Act, and prior rate proceedings wherein the Commission
13 approved the inclusion of investment in capital projects that are scheduled to be completed
14 within one year of the Test Year.

15 As demonstrated by Mr. Jarosz, BH Nebraska Gas should recover all of its proposed
16 Capital Additions investment as the testimony and evidence demonstrates that the 2020
17 Capital Additions projects are or will be placed in service prior to or by the end of 2020.
18 BH Nebraska Gas has satisfied the Commission's evidentiary requirements demonstrating
19 that all of the 2020 Capital Additions projects qualify to be included in the rates.

20 **Q. THE PUBLIC ADVOCATE'S CLAIMS THAT THE BH NEBRASKA GAS**
21 **FORECASTED CAPITAL FOR THE SSIR HAS BEEN FREQUENTLY**
22 **OVERSTATED IMPLY THAT THE COMPANY'S CAPITAL PLANNING IS**
23 **WHOLLY INACCURATE AND UNRELIABLE. HOW DO YOU RESPOND?**

1 A. The statement lacks factual support. Other than the observation that 2017 SSIR projects
2 had a lower value than prior or subsequent years, BH Nebraska Gas has completed all the
3 planned SSIR projects except when flooding limited the ability of construction crews.
4 There is no credible evidence provided by the Public Advocate that the SSIR projects were
5 or are imprudent. On the other hand, BH Nebraska Gas has provided significant evidence
6 demonstrating that the 2020 Capital Additions projects are necessary and in compliance
7 with the Commission's requirements for inclusion in this rate application.

8 As for past differences between budgeted and actual costs, BH Nebraska Gas has
9 consistently acted prudently, used sound management practices, and worked to improve its
10 forecasting of the construction costs for all capital projects.

11 However, as with many construction projects, variables in the cost of materials or
12 labor charges, unforeseen complications in the construction process, and other factors can
13 cause deviations between the forecasted charges and the actual charges. Accordingly, the
14 Commission must reject the Public Advocate's arguments that the Commission should
15 reject over \$35 million of capital investment since it was not placed in service as of
16 July 31, 2020. The evidence shows that the BH Nebraska Gas 2020 Capital Additions
17 projects support the rates proposed by BH Nebraska Gas.

18 **2. Elimination of farm tap fuel line replacement costs over \$4 million**

19 **Q. THE PUBLIC ADVOCATE REJECTS ALL FARM TAP FUEL LINE**
20 **REPLACEMENT COSTS OVER \$4 MILLION. WHAT IS THE BH NEBRASKA**
21 **GAS RESPONSE?**

22 A. In Docket NG-0090, the Commission approved a settlement allowing a return on and return
23 of investment on farm tap fuel line replacement projects, up to a cap of \$4 million. That

1 was the amount the parties agreed to include in the farm tap rider as a cap on investment.
2 Public Advocate claims this is a “bait and switch.” BH Nebraska Gas never agreed to strand
3 capital costs that exceeded \$4 million. This program was intended to improve system
4 safety by eliminating the top risk on the BH Gas Utility system. No one knew the expected
5 replacement costs at the time the settlement was negotiated, and this fact was made clear
6 to all parties on multiple occasions. Prior to settlement, I stated numerous times to the
7 Public Advocate and to Commission Staff that BH Nebraska Gas did not know the exact
8 number of taps to be replaced, did not know the lengths of lines to be replaced, did not
9 know the condition of lines or whether they needed to be purchased or replaced, did not
10 know whether property law issues would exist, and did not know whether new meter sets
11 or facilities at the tap needed to be replaced. At the time of the Commission’s approval of
12 recovery of costs for the Farm Tap replacement projects, I made it very clear there was no
13 way to accurately estimate costs. The only fact BH Nebraska Gas knew at that time was
14 the cost a third party construction contractor would charge per lineal foot to run new pipe.

15 Throughout the Farm Tap Replacement program, BH Nebraska Gas prudently
16 managed project costs, regularly reported those costs to the Commission and the Public
17 Advocate, and openly disclosed issues throughout the project.

18 The Farm Tap Replacement program is a project to address public safety.
19 BH Nebraska Gas willingly undertook an uneconomic project to improve customer and
20 public safety with the understanding that the Commission would also approve recovery of
21 the full cost of addressing the unknown condition and cost to takeover ownership of
22 deteriorated farm taps. The general understanding of all parties at the time, and now, is
23 that the Farm Tap Replacement program made the farm taps more safe. As the evidence

1 provided by Mr. Bennett shows, all but a few farm tap fuel line replacements have been
2 completed. The Public Advocate's recommendation to disallow almost one-half of the
3 actual costs of this important safety project based on the fact that the actual costs
4 significantly exceeded the \$4 million limit for setting the surcharge is improper and
5 inconsistent with the primary purpose of the Farm Tap Replacement Program.

6 Customer safety is paramount, and the full recovery of the project by
7 BH Nebraska Gas was a *quid pro quo* for BH Nebraska Gas to complete the project. It was
8 not an option or consideration for the Company to cease replacing the farm taps once the
9 \$4 million cap was reached. Instead, the Company proceeded with the project as directed
10 by the Commission. At no time during the three year project did the Commission or the
11 Public Advocate order the Company to cease the project. My belief is that even if the
12 Company would have proposed a cost twice as much that the Commission would still
13 approve the program due to its Customer safety implications. The purpose of the Farm Tap
14 Replacement program remains as important today at the conclusion of the program with an
15 actual cost of approximately \$8 million as it did when the Commission and the Public
16 Advocate approved that project in the beginning. Over the three year period and
17 subsequent review of the surcharge, the parties agreed that the project should continue even
18 though the increased actual costs were known to be well beyond the original estimate.
19 Customer safety demands that the Company be allowed to recover all of its investment for
20 the Farm Tap Replacement program.

21 With 20/20 hindsight, BH Nebraska Gas would have certainly provided a much
22 higher estimate of the cost of completing the farm tap replacements, but at the time of

1 initial approval, BH Nebraska Gas provided its best estimate. The information was
2 garnered from a similar project commenced the prior year in the State of Iowa.

3 On the other hand, the Public Advocate has not offered any evidence of imprudence,
4 merely an opinion that the costs exceeded early estimates and are not consistent with his
5 original expectation. Admittedly, the original cost estimate did not include internal
6 overhead allocations. However, even if those costs would have been included within the
7 estimate at the time BH Nebraska Gas presented it to the Commission, the purpose of the
8 Farm Tap Replacement program still warrants approval of project.

9 The Public Advocate's adjustment should be rejected, and all of the line
10 replacement costs should be included in rate base. Adopting the Public Advocate's
11 recommendation to disallow the farm tap safety costs above \$4 million will establish bad
12 public policy, and perhaps send an improper signal to utility managers charged with
13 improving customer safety. The understanding and agreement is that customer safety is
14 paramount. BH Nebraska Gas managed its costs prudently throughout the Farm Tap
15 Replacement program.

16 This is not a case of "bait and switch" as referenced by the Public Advocate.
17 Instead, this is a case of unknown variables, a unique program based on an estimate that
18 was incomplete in its cost components, and a difference of opinion as to whether the cost
19 above the \$4 million should be borne by customers in the name of safety or the shareholders
20 based on unproven allegations of imprudence.

21 The Commission should not now shift the extra necessary cost to improve customer
22 safety onto shareholders of BHC. The costs are legitimate expenses made by

1 BH Nebraska Gas using sound judgment and established utility practices to make the
2 public safer.

3 For the same safety reasons that the Commission relied upon to approve the Farm
4 Tap Replacement program surcharges in past Commission proceedings over the past three
5 years, it should also approve the actual costs above that cap for recovery in this
6 proceeding.²

7 Please refer to the testimony of Mr. Clevinger for the revenue requirement impact
8 of this correction.

9 **3. Elimination of line location costs related to the Allo project**

10 **Q. PLEASE STATE THE COMPANY'S POSITION ON THE PUBLIC ADVOCATE'S**
11 **REMOVAL OF ALLO PROJECT LINE LOCATION COSTS IN THE TEST YEAR.**

12 A. The Company agrees with this correction since the costs are not recurring. Mr. Clevinger
13 makes the referenced line location cost adjustment in the revised revenue requirement
14 model filed with Mr. Clevinger's rebuttal testimony.

15 **Q. DO YOU SUPPORT THE PUBLIC ADVOCATE'S ADJUSTMENT TO REDUCE**
16 **WORKING CAPITAL?**

17 A. The Public Advocate proposes no changes to the Company's lead lag study, and proposes
18 to apply the factors from the lead-lag study to the revenue and expense adjustments
19 proposed, resulting in a reduction to rate base of \$12,403.

20 BH Nebraska Gas does not agree with this approach. The Company's revenue
21 requirement model automatically calculates working capital for each adjustment.

22 BH Nebraska Gas' management believes using the BH Nebraska Gas revenue requirement

² Commission Application No. NG-0090.

1 model is important, since it will be used for earning surveillance reports in SSIR filings in
2 the future. Please refer to the testimony and exhibits of Mr. Clevinger for more testimony
3 and evidentiary support on this adjustment.

4 **B. Operations and Maintenance Cost Adjustments**

5 **1. Weather normalization adjustment**

6 **Q. DO YOU SUPPORT THE PUBLIC ADVOCATE’S ADJUSTMENT TO USE THE**
7 **CORRECTED WEATHER STATION DATA?**

8 A. Yes. However, BH Nebraska Gas disagrees with the Public Advocate’s calculation of the
9 increase in revenue as a result of this minor error. BH Nebraska Gas acknowledges that
10 there was an error in the alignment of data in the work paper file named
11 ‘Exhibits_WPs_Billing Determinants.xls’.³ Accordingly, the Public Advocate’s witness,
12 Mr. Solganick, recommended an increase of volumetric revenue of \$88,626 due to the error.
13 However, as explained in the rebuttal testimony of Mr. Hyatt, based upon the change in
14 terms for both customer residential and commercial classes, the Company accepts the
15 correction in the number of terms but disagrees with the impact upon volumetric revenue.
16 The Company believes the calculations performed in the billing determinants work papers
17 results in the correct total impact of \$64,547 to revenue.

18 As shown by Mr. Hyatt, BH Nebraska Gas agrees with the mistake and proposes a
19 revised adjustment of \$64,547 instead of the \$88,626 proposed by the Public Advocate.

20 **2. Miscellaneous fee revenue**

21 **Q. PLEASE EXPLAIN THE COMPANY’S POSITION ON MR. SOLGANICK’S**
22 **MISCELLANEOUS REVENUE ADJUSTMENT.**

³ PA-217.

1 A. BH Nebraska Gas did not reflect Miscellaneous Revenues for the changes the Company
 2 proposed in its fee structure because the Company assumed the revenue requirement would
 3 be set by Commission Order, then these fees would be subtracted in the rate design phase
 4 of this case. Mr. Solganick estimated incremental revenues for the changes to the
 5 Connection Charge, Reconnection charge (normal hours), Reconnection charge (after
 6 hours), Non-Sufficient Funds charge, and Diversion fees. He calculated Miscellaneous
 7 Revenue resulting in a \$693,669 increase to Operating Revenues.

8 **Q. DOES THE COMPANY AGREE WITH THIS AMOUNT?**

9 A. No, as explained in the rebuttal testimony of Mr. Frost, Mr. Solganick’s adjustment
 10 contained calculation errors. BH Nebraska Gas pointed out the calculation error in its data
 11 request to the Public Advocate. In response to BH-PA 2-24, the Public Advocate agreed
 12 with BH Nebraska Gas that the Public Advocate’s recommended Miscellaneous Fee
 13 revenue adjustment should be reduced to \$389,426.

| Misc Charges | | | | | Rebuttal Position by Adj | | | |
|------------------------|-----------|---------|--------|---------|--------------------------|---------|------|---------|
| | HS-6 | HS-7 | HS-8 | Total | HS-6 | HS-7 | HS-8 | Total |
| LPC | (207,515) | | | | (207,515) | | | |
| Connect (normal hrs) | | 680,434 | | | | 550,715 | | |
| Connect (after hrs) | | - | | | | 26,059 | | |
| Reconnect (normal hrs) | | - | | | | 11,980 | | |
| Reconnect (after hrs) | | 53,509 | | | | (9,156) | | |
| NSF | | 25,866 | | | | 17,342 | | |
| Diversion | | | 36,115 | | | | - | |
| Total | (207,515) | 759,809 | 36,115 | 588,409 | (207,515) | 596,941 | - | 389,426 |

14
 15 Please refer to the rebuttal testimony of Mr. Frost for more detail.

16 **3. Bad Debt Expense**

17 **Q. DOES THE COMPANY AGREE WITH THE PUBLIC ADVOCATE’S BAD DEBT**
 18 **EXPENSE ADJUSTMENT?**

19 A. The Company used an uncollectible rate of .4402% based on a 3 year average of net
 20 writeoffs and billed revenues. The Public Advocate used the same uncollectible bad debt

1 rate proposed by BH Nebraska Gas, but applied it to “net revenue” after applying several
2 revenue adjustments. The Public Advocate’s calculation results in a \$100,874 increase in
3 operating income. The Company’s revenue requirement model embeds bad debt impacts
4 in each revenue adjustment, and the Company believes this method is most accurate. For
5 this reason, the Company agrees with the Public Advocate’s adjustment in principle, but
6 not to the calculation method. Accordingly, BH Nebraska Gas states that the Public
7 Advocate’s bad debt adjustment should be rejected.

8 **4. Depreciation**

9 **Q. PLEASE DESCRIBE THE TWO DEPRECIATION ISSUES WITH WHICH**
10 **BH NEBRASKA GAS DISAGREES WITH THE PUBLIC ADVOCATE.**

11 A. The Public Advocate proposes to reduce depreciation expense to reflect loner useful asset
12 lives. As explained in detail in the rebuttal testimony of Mr. Spanos, BH Nebraska Gas
13 does not agree with Mr. Dunkel’s recommendations and therefore opposes the adjustment.

14 **Q. WHAT IS THE SECOND DEPRECIATION ISSUE?**

15 A. The Company corrects a formula in the depreciation expense calculation. As pointed out
16 by the Public Advocate’s witness, Ms. Mullinex, BH Nebraska Gas inadvertently included
17 Other Utility Plant (Vehicles) twice. Accordingly, BH Nebraska Gas makes the correction
18 to the calculation of depreciation expense and, reduces its depreciation expense by \$90,438.
19 Please review the rebuttal testimony of Mr. Clevinger for an explanation of the correction.

20 **5. Payroll – Remove open and pending Direct positions**

21 **Q. THE COMPANY’S APPLICATION INCLUDED DIRECT LABOR COSTS FOR**
22 **375 POSITIONS, INCLUDING 20 POSITIONS THAT WERE OPEN AS OF THE**
23 **LAST DATA REQUEST RESPONSE. THE PUBLIC ADVOCATE’S**

1 **ADJUSTMENT REMOVED THE COST OF ALL 20 OPEN POSITIONS,**
2 **INCREASING OPERATING INCOME BY \$447,307. WHAT IS THE COMPANY’S**
3 **RESPONSE?**

4 A. The Company has updated its Direct headcount to reflect actual employees as of September
5 30, 2020 plus twelve open positions currently posted and to be hired prior to December 31,
6 2020. Please refer to the rebuttal testimony of Mr. Jarosz and Mr. Clevinger for details on
7 the specific positions and costs.

8 **6. Service Company issues**

9 **Q. PLEASE DESCRIBE THE ISSUES BLACK HILLS DISAGREES WITH THE**
10 **PUBLIC ADVOCATE ON RELATED TO SERVICE COMPANY COST**
11 **ALLOCATIONS.**

12 A. First, the Company adjusted FICA tax by the amount of its labor cost adjustment,
13 \$2.97 million, which included benefit costs for the 401K match, medical, dental A&D and
14 life insurance. The rate should be applied to the wage related items, not benefits. The
15 Public Advocate removed the benefit costs and recalculated the allocable costs, resulting
16 in a \$27,805 reduction in allocated FICA costs. The Company agrees with this correction.
17 Please refer to the testimony of Mr. Clevinger for the testimony supporting this adjustment.

18 **Q. WHAT IS THE SECOND SERVICE COMPANY COST ISSUE?**

19 A. Black Hills allocated \$32.9 million to BH Nebraska Gas’ shared services Labor costs and
20 made several adjustments that increased labor costs by \$5.5 million. The Public Advocate’s
21 first adjustment removes all of the budgeted positions using average costs, resulting in a
22 \$2,053,024 reduction to allocated labor costs.

23 **Q. WHAT IS THE COMPANY’S RESPONSE TO THIS ADJUSTMENT?**

1 A. As explained in the rebuttal testimony of Mr. Clevinger, as of September 30, 2020, 87 of
2 the 130 budgeted positions have been filled, and 11 more positions are currently advertised
3 or are in the interview process and will be filled before year-end. 32 positions have not
4 been posted, and the Company does not seek recovery of the costs of these positions,
5 resulting in a \$521,680 reduction to the jurisdictional revenue deficiency. BH Nebraska
6 Gas seeks recovery of the actual positions filled by year-end since those costs are known
7 and measurable, are legitimate utility expenses, and the evidence supports recovery of the
8 cost of these positions. Please refer to the rebuttal testimony of Mr. Clevinger for the
9 support for this adjustment.

10 **Q. WHAT IS THE THIRD COST ALLOCATION ISSUE?**

11 A. The Public Advocate removed a \$63,707 adjustment that the Company proposed to add - a
12 2021 CAM Factors Update for 2020 Capital Expenditures. Since the Public Advocate
13 eliminated post-test year capital additions not completed by July 31, 2020, they also
14 removed the proposed \$55,522 adjustment. The Company disagrees with the removal of
15 the capital projects and therefore opposes this adjustment. Please refer to the rebuttal
16 testimony of Mr. Clevinger for more testimony and support on this issue.

17 **Q. WHAT IS THE FOURTH ISSUE?**

18 A. Public Advocate witness, Mr. Solganick, recommended the elimination of three positions
19 to reflect cost savings that he concludes should flow to customers as a result of the
20 consolidation of rates. Mr. Soglanick's adjustment of \$225,000 is based on average
21 position costs. BH Nebraska Gas opposes this adjustment because it lacks any evidentiary
22 support to justify the adjustment.

1 Mr. Soglanick's recommendation is inconsistent with the revenue requirement
2 study submitted by BH Nebraska Gas in this proceeding, which incorporated efficiencies
3 from the SourceGas acquisition into the revenue requirement model. Mr. Soglanick's
4 recommendation requires the Commission to disallow costs based on assumptions that are
5 arbitrary, speculative and not supported by any facts. The Public Advocate's
6 recommendation to adjust the BH Nebraska Gas' revenue requirement by \$225,000 for
7 these fictional positions must be rejected.

8 **7. Compensation (AIP, STIP, LTIP, and SERP)**

9 **Q. PLEASE EXPLAIN THE PUBLIC ADVOCATE'S ADJUSTMENTS TO**
10 **ELIMINATE PORTIONS OF THE COMPANY'S VARIABLE COMPENSATION**
11 **COSTS.**

12 A. The Public Advocate's witness, Ms. Mullinax, made three adjustments to eliminate
13 portions of the costs for the Annual Incentive Plan ("AIP") (\$834,353), Short Term
14 Incentive Plan ("STIP") (\$234,357) and Long Term Incentive Plan ("LTIP") (\$469,989).
15 The adjustments are based on a review of the Company's annual variable compensation
16 scorecards and a rough estimate by Ms. Mullinax of who benefits from each goal.

17 **Q. PLEASE PROVIDE THE COMPANY'S RESPONSE.**

18 A. The Commission should reject the Public Advocate's recommendation to eliminate
19 portions of the AIP, STIP, and LTIP costs. Elimination of these costs is contrary to the
20 compensation testimony and evidence submitted by BH Nebraska Gas in this proceeding.
21 In addition, the Public Advocate's recommendations are in direct conflict with the
22 Commission's prior rate order in Application No. NG-0061. In that general rate
23 proceeding, the Commission rejected an argument made by the Public Advocate to remove

1 all variable compensation on the grounds that such payments were a bonus to employees.
2 Instead, the Commission found in Application NG-0061 that BH Gas Utility had provided
3 credible evidence to allow recovery of the variable compensation.

4 In Application No. NG-0041, the Commission similarly approved all of Aquila's
5 variable compensation. However, BH Nebraska Gas acknowledges that the Commission at
6 that time denied recovery of 50% (i.e., sharing between customers and shareholders) of an
7 after the test-year variable compensation adjustment made by Aquila. The Commission
8 based its finding to deny 50% of the adjustment primarily on a lack of evidence by Aquila
9 demonstrating such costs benefited customers. That is not the case in this rate proceeding.

10 As explained and supported with an abundance of evidence in my direct testimony,
11 the Company has justified recovery of 100% of its variable compensation just as it did in
12 Application No. NG-0061. For example, as set forth in my Direct Testimony, the
13 Company's compensation plan has two components – base and variable. When combined,
14 the total compensation is near the average total cost for competing businesses and is
15 reasonable. BH Nebraska Gas satisfied the compensation evidentiary requirements set
16 forth by the Commission in prior general rate proceedings.⁴ For example, my testimony
17 noted that employee compensation is determined by using a variety of different studies to
18 ensure that BH Nebraska Gas and BH Service Company can attract and retain qualified
19 employees and to pay them fairly in comparison to other companies.

20 The Public Advocate did not and can not claim the Company's total compensation
21 costs are unreasonable. Other than the Company's application of scorecards for
22 determining the variable compensation, the Public Advocate did not challenge the

⁴ Cite NG -60 Aquila on comp.

1 evidentiary support for the compensation provided to employees by BH Nebraska Gas and
2 BH Service Company.

3 The evidence provided in my direct testimony and now supplemented by
4 BH Nebraska Gas witness, Ms. Johnson, on rebuttal demonstrates that BH Nebraska Gas
5 and BH Service Company pay its employees at prevailing market rates. The Public
6 Advocate essentially recommends that the Commission disallow a legitimate utility
7 expense by excluding recovery of a portion of an employees market-based compensation
8 package.

9 BH Nebraska Gas disagrees with the basis relied upon by the Public Advocate to
10 disallow the employee incentive compensation. Ms. Mullinax presents her analysis that
11 the Company's inclusion and use of corporate earning as a part of the scorecard benefits
12 shareholders and therefore recommends that 33% of AIP and STIP and 100% of LTIP
13 should be borne by shareholders.⁵

14 Ms. Mullinax's testimony appears to ignore that corporate earnings greatly benefit
15 customers. Without a reasonable rate of return on equity and positive earnings, both the
16 access to equity and capital will be more difficult and expensive to obtain. Without
17 adequate earnings, the debt rates will be higher. Without adequate earnings, the
18 shareholder equity may be reduced. Corporate earnings also lead utility managers, using
19 prudent business practices, to operate efficiently. This in turn leads to a lower cost to
20 provide the service, which is also a benefit to customers. Accordingly, there is no lack of
21 focus on the customer with the current incentive compensation scorecard used by
22 BH Nebraska Gas and BH Service Company.

⁵ Direct Testimony of Donna H Mullinax at pages 41-47.

1 In support of her recommendation to disallow recovery of employee compensation,
2 Ms. Mullinax provides a couple of hypothetical examples of why corporate earning goals
3 could distract utility managers toward imprudent actions in tight earnings years. However,
4 Ms. Mullinax provides no evidence that BH Nebraska Gas has or would engage in such
5 hypothetical actions. Those examples must be dismissed as a basis for adopting the Public
6 Advocate's recommendation to disallow legitimate utility expenses in the form of
7 employee compensation incentives.

8 If the Commission accepts the Public Advocate's recommendation, then BHC
9 would have three viable alternatives in order to recover its employee payroll expense:
10 (a) the Company could remove the incentive compensation component and raise base
11 compensation to attract and retain talent, (b) the Company could revise its scorecards even
12 though those scorecards are applied throughout the BHC utility affiliates and have been
13 approved in numerous jurisdictions in various rate review proceedings, or (c) the Company
14 could accept a lower overall return by having shareholders bear the cost of the employee
15 incentive payments, which BH Nebraska Gas contends is prudently incurred and legitimate
16 utility expense.

17 None of the above options are appropriate as BH Nebraska Gas has provided
18 evidentiary support to allow the incentive payments as part of the overall market-based
19 compensation packages provided to its employees. BH Nebraska Gas testifies that it is
20 improper for the Public Advocate to supplement its judgment for that of the utility
21 managers regarding the structure and form of its employee compensation. There is no need
22 in this case to micro-manage the compensation paid by BH Nebraska Gas and BH Service

1 Company to its employees. The evidence provided in this case supports full recovery of
2 each of the various compensation components included within the rate review application.

3 Please refer to the rebuttal testimony of Ms. Johnson, Black Hills Director of Total
4 Rewards, for additional rebuttal testimony on this issue.

5 **Q. WHAT IS THE NEXT ADJUSTMENT RELATED TO VARIABLE**
6 **COMPENSATION?**

7 A. The Public Advocate eliminated payroll taxes associated with variable compensation. The
8 adjustment to incentive compensation and the associated adjustment to payroll tax *increase*
9 jurisdictional operating income, net of income taxes totals \$1,175,696.

10 The Company opposes the variable compensation adjustment. Therefore, when
11 those adjustments are denied, then the Public Advocate's accompanying payroll tax
12 adjustment recommendation must also be denied.

13 **Q. WHAT IS THE THIRD BENEFIT COST ADJUSTMENT?**

14 A. The Public Advocate eliminated the cost of the Company's SERP costs totaling \$401,607.
15 SERP plans are a benefit for retired executives.

16 **Q. WHAT IS THE COMPANY'S RESPONSE TO THIS ADJUSTMENT?**

17 A. The Company opposes this adjustment. This legitimate utility pension expense was
18 inherited by Black Hills Corporation through prior utility acquisitions. SERP is an
19 appropriate utility expense for current senior executives. The cost has been included within
20 utility rates for many years because it is a legitimate utility pension expense. As our post-
21 hearing brief will point out, pension expense is a legitimate labor expense and should be
22 included as part of the cost of service for a public utility. There is no valid reason to exclude

1 that cost from recovery now. Please review the testimony of Ms. Johnson for details on
2 SERP.

3 **8. Tax issues – ADIT, EDFIT, TCJA, FICA tax reduction**

4 **Q. PLEASE EXPLAIN THE FIRST OF THE PUBLIC ADVOCATE’S TAX**
5 **ADJUSTMENTS.**

6 A. The Company reduced Accumulated Deferred Income Taxes (ADIT) by \$14.1 million for
7 non-plant-related items. This increased rate base by that amount. Mrs. Mullinax testified
8 the Company did not address the change in in its direct testimony and did not provide a
9 rationale in discovery, then wrote this is inconsistent with past precedent and recommended
10 removing all non-plant-related ADIT.

11 **Q. WHAT IS THE COMPANY’S RESPONSE?**

12 A. As explained in the rebuttal testimony of Mr. Klapperich, BH Nebraska Gas opposes this
13 adjustment. The disallowance of non-plant ADIT is inconsistent with the economics of the
14 transaction and provides the best match of ADIT to its counterpart in cost of service utility
15 operating income. BH Nebraska Gas provided a tracing of each non-plant ADIT item to
16 its counterpart in cost of service. The Company’s position is supported by the Kern River
17 case at FERC, and although this issue has not been previously addressed by this
18 Commission, other jurisdictions in which Black Hills operates include both plant and non-
19 plant ADIT in rate base and provide recovery of non-plant DDIT. For these reasons, the
20 proposed disallowance should be rejected.

21 **Q. PLEASE EXPLAIN THE SECOND OF THE PUBLIC ADVOCATE’S TAX**
22 **ADJUSTMENTS.**

1 A. The Public Advocate proposes to disallow non-plant items from collection as regulatory
2 assets for Deficient Deferred Income Taxes related to the Tax Cut and Jobs Act (TCJA).
3 BH Nebraska Gas disagrees with the proposal. Ms. Mullinax argues the TCJA revaluation
4 did not qualify for regulatory accounting treatment because the underlying ADIT was not
5 in rate base in prior rate filings. BH Nebraska Gas believes the best approach is to match
6 the DDIT item and the treatment in prior rate filings cost of service. The rebuttal testimony
7 of Mr. Klapperich fully explains the flaws in the Public Advocate's logic and explains why
8 the Company's proposed treatment should be adopted.

9 **Q. PLEASE EXPLAIN THE THIRD OF THE PUBLIC ADVOCATE'S TAX**
10 **ADJUSTMENTS.**

11 A. The Public Advocate disagrees with the Company's proposal to use the Net Operating Loss
12 DDIT regulatory asset to satisfy the ARAM amortization owed to customers over the next
13 four years. BH Nebraska Gas continues to support its proposal. As explained by Mr.
14 Klapperich, there are multiple ways for the Commission to dispose of non-protected
15 regulatory assets and liabilities, and the Company's proposal is a fair outcome to customers.
16 If the Public Advocate's position is accepted, Ms. Mullinax's workpapers should be
17 corrected to reflect the pro forma adjustment to rate base as explained by Mr. Klapperich.

18 **9. Other O&M Adjustments – Advertising, Dues, D&O Insurance and Line**
19 **Location Costs**

20
21 **Q. PLEASE EXPLAIN THE PUBLIC ADVOCATE'S OTHER O&M ADJUSTMENTS**
22 **AND THE COMPANY'S RESPONSE TO EACH.**

23 A. The Public Advocate proposed adjustments to eliminate \$34,443 of advertising costs,
24 \$31,500 for a duplicate payment for association dues, and \$20,004 for business association
25 dues that were considered lobbying costs. Black Hills accepts all three of these adjustments.

1 The Public Advocate also eliminated one half of the cost of Director and Officer liability
2 insurance, or \$49,123. Black Hills opposes this adjustment, because this insurance is a
3 legitimate, known and measurable cost of the business. The Public Advocate has not
4 provided any explanation why the costs should be shared. Please refer to the testimony of
5 Mr. Clevinger.

6 **Q. PLEASE EXPLAIN THE PUBLIC ADVOCATE’S ADJUSTMENT RELATED TO**
7 **LINE LOCATION COSTS.**

8 A. The Public Advocate removed line locating costs incurred in 2019 related to the Allo
9 project because they are one-time, non-recurring costs. The adjustment removes \$147,841
10 in costs. Black Hills has agreed to remove those costs. Please refer to the testimony of Mr.
11 Clevinger.

12 The Public Advocate also argued the Company did not select the most cost effective
13 solution for future line location work. BH Nebraska Gas disagrees with this assertion. The
14 evidence in the record demonstrates that BH Nebraska Gas has acted prudently. Once again
15 the Public Advocate appears to be attempting to micro-manage the business practices of
16 BH Nebraska Gas by supplementing its own judgment for the sound judgment practices by
17 the BH Nebraska Gas utility managers. Please refer to the testimony of Mr. Jarosz.

18 **C. Rate of Return Adjustments**

19 **Q. WHAT IS YOUR RESPONSE TO THE PUBLIC ADVOCATE’S PROPOSED**
20 **BELOW-MARKET 8.97 PERCENT RETURN ON EQUITY?**

21 A. Black Hills Energy in Nebraska is a model natural gas distribution utility that has
22 demonstrated a commitment to system safety, efficiency, cost savings, community
23 partnership and high customer service metrics. I encourage the Commissioners to consider

1 a premium return on equity to encourage Company management to continue the progress
2 made over the last decade since the last rate review. Please refer to the rebuttal testimony
3 of Mr. McKenzie.

4 **Q. DOES THE COMPANY ACCEPT THE PUBLIC ADVOCATE'S ADJUSTMENT**
5 **TO REDUCE THE COST OF DEBT TO REFLECT THE COMPANY'S DEBT**
6 **ISSUANCE IN JUNE?**

7 A. Yes. The Company issued debt in June, shortly after the filing of the application in this
8 docket, reducing the cost of debt to 3.91 percent and a \$501,034 reduction to the
9 jurisdictional revenue deficiency. Please refer to the rebuttal testimony of Mr. Clevinger
10 for the recalculation of the weighted average cost of capital and revenue deficiency
11 impacts.

12
13 **III. CLASS COST OF SERVICE AND RATE DESIGN ISSUES**

14 **Q. DOES THE COMPANY AGREE WITH THE PUBLIC ADVOCATE THAT NO**
15 **CHANGES TO THE CLASS COST OF SERVICE STUDY PREPARED BY THE**
16 **COMPANY ARE NECESSARY, OTHER THAN CORRECTING THE BILLING**
17 **DETERMINANTS DUE TO THE WEATHER NORMALIZATION**
18 **CALCULATION ERROR EXPLAINED ABOVE?**

19 A. Yes.

20 **Q. DO BOTH PARTIES AGREE THAT ONE SET OF STATE-WIDE RATES IS**
21 **APPROPRIATE?**

22 A. Yes, both parties agree that the legacy BH Gas Utility and BH Gas Distribution rates should
23 be consolidated into one set of system-wide rates.

1 **Q. DOES THE PUBLIC ADVOCATE AGREE WITH THE COMPANY’S PROPOSED**
2 **RATE DESIGN?**

3 A. Yes, the Public Advocate agreed with the rate structure proposed by Mr. Hyatt and
4 Mr. Sullivan.

5 **Q. DID THE PUBLIC ADVOCATE AGREE WITH THE COMPANY’S CONCERN**
6 **ABOUT ELECTRIC UTILITY COMPETITION?**

7 A. Yes, the Public Advocate and Company agree that the rate design and rate structure should
8 recognize the competition from electric utilities.

9 **Q. THE PUBLIC ADVOCATE PROPOSED A CHANGE TO CUSTOMER CHARGES**
10 **FOR LOW-USE, NON-SPACE HEATING CUSTOMERS. PLEASE PROVIDE**
11 **THE COMPANY’S RESPONSE TO THIS PROPOSAL.**

12 A. The Company believes that the proposed adjustments significantly overstate the impact
13 that the proposed rates have on low use (non-space heating) customers and fails to
14 reasonably recognize the cost of service and competitive issues for these customers. The
15 Company also believes the Public Advocate’s proposed rate design is not reasonable
16 because it creates a subsidy for approximately 7,500 customers while increasing the
17 competitive risk for 245,000 customers. Mr. Sullivan’s rebuttal testimony provides more
18 testimony and evidentiary support for this issue.

19 **Q. DOES A LOWER APPROVED REVENUE REQUIREMENT IMPACT THE**
20 **CLASS COST OF SERVICE MODEL AND RATE DESIGN?**

21 A. Yes. BH Nebraska Gas agrees that if the Commission approves a revenue requirement
22 lower than that proposed by the Company, that new revenue requirement should be run
23 through the Company’s class cost of service model to determine the proper revenue

1 requirement for the jurisdictional customer classes. BH Nebraska Gas agrees that if the
2 Commission approves a revenue requirement lower than that proposed by the Company,
3 the rate design would focus on reducing the first block of the proposed rates. This will
4 address some of the concerns expressed by the Public Advocate regarding low-use
5 customers while reflecting both cost of service and competition with electric utilities.

6 **Q. DO THE PARTIES AGREE THE PRO FORMA BILLING DETERMINANTS**
7 **SHOULD BE USED FOR CALCULATING THE REVENUE REQUIREMENT?**

8 A. Yes, both parties agree that the *pro forma* billing determinants as detailed in Mr. Hyatt's
9 rebuttal testimony should be used for calculating the revenue requirement.

10 **Q. DO THE PARTIES AGREE THE COMPANY'S PRO FORMA BILLING**
11 **DETERMINANTS SHOULD BE USED FOR CALCULATING THE REVENUE**
12 **REQUIREMENT?**

13 A. Yes. Both the Public Advocate and BH Nebraska Gas agree the billing determinants
14 prepared by Mr. Hyatt should be used, subject to the correction of the weather station data.
15 The parties also agree to use the Company's proposed rate structure, which includes a
16 monthly Customer Charge and two tiers of rates as detailed in Mr. Hyatt's and Mr.
17 Sullivan's testimony, with Tier 1 to be adjusted in accordance with the agreed upon revenue
18 requirements. Please refer to the rebuttal testimony of Mr. Sullivan for an explanation of
19 all rate design details and support.

20
21
22
23

1 **IV. OTHER ISSUES**

2 **A. SSIR Mechanism**

3 **Q. DID THE PUBLIC ADVOCATE OPPOSE THE EXTENSION OF THE EXISTING**
4 **SSIR TO RATE AREAS 1-3?**

5 A. The Public Advocate did not oppose the Company's proposal to adopt one statewide SSIR
6 mechanism with one monthly surcharge based on pro-forma capital investments similar to
7 the mechanism that has been in effect for Rate Area 5.

8 **Q. WHAT CHANGES TO THE SSIR DID THE COMPANY PROPOSE?**

9 A. The Company proposed to modify the definition of eligible investments for the SSIR to
10 include shallow pipe, meter relocations, obsolete PVC pipe replacements, the DIIP
11 program and reliability.

12 **Q. DID THE PUBLIC ADVOCATE AGREE WITH THESE CHANGES?**

13 A. The Public Advocate generally supported the changes, but identified several areas that
14 require more specific criteria. Those criteria are: to more accurately define "shallow" pipe;
15 that service line replacements are required for meter relocations for SSIR eligibility; to
16 establish why obsolete pipe is a risk and that obsolete pipe projects will be run through the
17 Company's risk ranking model; to explain how the DIMP/TIMP programs might change
18 due to the DIIP; and establish measurable criteria to demonstrate reliability projects should
19 be rider eligible. The Company has agreed to develop mutually acceptable criteria with
20 the Public Advocate to address these concerns. Please refer to the rebuttal testimony of
21 Mr. Bennett for SSIR issues.

22

1 **B. HEAT Program**

2 **Q. DID THE PUBLIC ADVOCATE ACCEPT THE PROPOSED EXPANSION OF THE**
3 **HEAT PROGRAM TO RATE AREAS 1-3?**

4 A. The Public Advocate accepted the extension of the HEAT Program to Rate Areas 1-3, but
5 proposed an equal sharing of the costs between customers and the Company.

6 **Q. DOES THE COMPANY AGREE WITH THIS PROPOSAL?**

7 A. No. BH Nebraska Gas rejects the sharing of the costs of the incentives between the
8 customers and the company because it is inconsistent with generally accepted ratemaking
9 principles. When system investments result in growth, customers benefit from the
10 increased usage and margin, because the total cost of service is spread over a larger
11 customer base in the next rate review. The testimony of Dr. Rosenbaum established that
12 the HEAT program incentives are not a subsidization. The proposed adjustment is merely
13 an attempt to erode the Commission approved ROE in this docket and therefore should be
14 rejected. To require that BH Nebraska Gas shareholders bear the cost of providing the
15 HEAT program is inappropriate. Moreover, the evidence provided by Mr. Sullivan and
16 Dr. Rosenbaum demonstrates that this program is needed by BH Nebraska Gas to remain
17 competitive with the electric companies in the State of Nebraska. The sharing mechanism
18 is also inconsistent with the current HEAT program where no sharing of legitimate utility
19 costs for the program is required. The Public Advocate's suggested sharing mechanism for
20 the HEAT program should be rejected.

21 **Q. THE PUBLIC ADVOCATE ALSO PROPOSED DELAYING THE START OF HEAT**
22 **SURCHARGE COLLECTIONS UNTIL SEPTEMBER 2021. DOES THE**
23 **COMPANY AGREE WITH THIS DELAY?**

1 A. Black Hills rejects delaying the start of collecting costs for the HEAT incentives from
2 customers in Rate Areas 1-3 until September 2021. All customers will benefit from
3 customer additions due to the HEAT incentives. Black Hills' proposal to begin charging all
4 customers for the HEAT incentives when final rates are implemented will allow the
5 incentives to be offered prior to the 2021 construction season and will result is no customer
6 confusion resulting from adding a surcharge prior to the 2021 heating season.

7

8 **V. CONCLUSION**

9 **Q. PLEASE SUMMARIZE THE POSITIONS OF BH NEBRASKA GAS AS OF THE**
10 **DATE OF THIS REBUTTAL TESTIMONY.**

11 A. Attachment RJA-1 provides a summary of all positions for the Public Advocate and BH
12 Nebraska Gas. Mr. Clevinger provides Table MCC-8, a list of revenue requirement issues
13 which the Company and Public Advocate agree and disagree. Mr. Clevinger also provides
14 Table MCC-9, which shows BH Nebraska Gas' adjusted jurisdictional revenue requirement
15 after all corrections and updates explained, \$15,654,890.

16 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

17 A. Yes.

STATE OF NEBRASKA)
) SS
COUNTY OF LANCASTER)

I, Robert J. Amdor, being first duly sworn on oath, depose and state that I am the witness identified in the foregoing prepared testimony and I am familiar with its contents, and that the facts set forth are true to the best of my knowledge, information and belief.




Robert J. Amdor

Subscribed and sworn to before me this 9th day of October, 2020.

(SEAL)





Notary Public

My Commission Expires:

July 4, 2022