

SECTION 4, RULE 004.07 - CLASS COST OF SERVICE STUDY

Application Section & Exhibit	Rule Ref	Testimony Exhibit Cross Reference	Topic	Witness
General Information				
Section 1, Exhibit A	004.02A		Base Year Test Year	Amdor
Section 1, Exhibit B	004.02B		Case Drivers	Amdor
Section 1, Exhibit B2	004.02B		Customer Impacts	Sullivan
Section 1, Exhibit C	004.02C	MCC-2 Stmt M	Financial Summary	Clevinger
Section 1, Exhibit D	004.02D		Corporate Structure	Amdor
Section 1, Exhibit E	004.02E	MCC-2 Stmt A, Stmt B	Financial Statements	Clevinger
Section 1, Exhibit F	004.02F		Annual Report	Amdor
Section 1, Exhibit G	004.02G		Witness List	Amdor
Rate Base Schedules				
Section 2, Exhibit A	004.03A	MCC-2 Stmt D, Stmt E, & Sch M-1	Rate Base Schedules	Clevinger
Section 2, Exhibit A1	004.03A1	MCC-2 Stmt E	Utility Plant - Depr.	Clevinger
Section 2, Exhibit A2	004.03A2	MCC-2 Stmt F & Lead Lag Study	Working Capital	Clevinger
Section 2, Exhibit A3	004.03A3	MCC-2 Sch M-1	Other Rate Base Items	Clevinger
Section 2, Exhibit B	004.03B	MCC-2 Stmt D, Stmt E, & Sch M-1	Allocated Rate Base	Clevinger
Section 2, Exhibit C	004.03C	KMJ-4	2020 Capital Additions	Jarosz
Operating Expense Schedules				
Section 2, Exhibit A	004.04A	MCC-2 Stmt H	Operating Expenses	Clevinger
Section 2, Exhibit B	004.04B		Legislative Advocacy	Clevinger
Section 2, Exhibit C	004.04C		Political Candidates	Clevinger
Section 2, Exhibit D	004.04D		Political Religious Causes	Clevinger
Section 2, Exhibit E	004.04E		Memberships and Dues	Clevinger
Section 2, Exhibit F	004.04F		Affiliate Transactions	Clevinger
Section 2, Exhibit G	004.04G		Cost Allocation Manual	Clevinger
Rate of Return and Cost of Capital Schedules				
Section 2, Exhibit 5A	004.05A	MCC-2 Stmt G & Sch G-1	Cost of Capital / ROR	Clevinger
Section 2, Exhibit 5B	004.05B	MCC-2 Stmt G & Sch G-1	Cost of Capital / ROR	Clevinger

Application				
Section & Exhibit	Rule Ref	Testimony Exhibit Cross Reference	Topic	Witness
Revenue Schedules				
Section 3, Exhibit A	004.06A		Rate Rev. unadjusted	Hyatt
Section 3, Exhibit B	004.06B		Rate Rev. normalized	Hyatt
Section 3, Exhibit C	004.06B1		Using Current Rate	Hyatt
Section 3 - DNH-7	004.06B2	DNH-7	Using Proposed Rates	Hyatt
Class Cost of Service Study				
Section 4, Exhibit A	004.07		Class Cost of Service Study	Sullivan
Section 4, Exhibit B	004.07		Class Cost of Service Study	Sullivan
Prefiled Direct Testimony and Exhibits				
Section 5 - Direct Testimony	004.08		Testimony and Exhibits	Various
Tariffs				
Section 6 - Tariffs (Clean & Red-Lined)	No rule reference		Clean and Redlined Tariffs	Frost
Workpapers				
Section 7 - Workpapers	004.01C		Workpapers	Various

Class Cost of Service Study
For the Test Year Ended December 31, 2019

Rule 004.07

Class Cost of Service Study

A General Rate filing shall include a fully-allocated cost of service study including both allocation of jurisdictional and non-jurisdictional activity and allocations between classes of ratepayers to demonstrate compliance with Section 66-1825(10).

Class Cost of Service Study.

The Class Cost of Service Study for this Rate Review Application is provided on the page(s) to follow.

An electronic copy of the Class Cost of Service Study is also provided to the Commission and Intervenor.

241 Neb. Admin. Code. Ch. 9, Rule 004.07. (Commission Rule 4 - Section VI)

Black Hills Nebraska Gas, LLC
FUNCTIONAL CLASSIFICATION OF RATE BASE AND COST OF SERVICE
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Section 4, Exhibit A
Table 1 of 4
Page 1 of 1

[A]		[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]
Line No.	Acct. No.	Description	Total Nebraska	Supply	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Jurisdictional Direct	Non-Juris Direct	Non-Juris Supply	Allocation Basis or Reference
					Demand	Commodity	Demand	Commodity	Customer							
1		Summary	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
2		Rate Base	586,160,478	1,282,220	23,292,214	23,295,336	128,737,790	32,530,333	141,395,314	113,574,588	106,771,366	26,941,459	(15,301,343)	1,339,963	2,301,235	Table 2 Line 82
3		Rate of Return	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%	7.06%	
4		Total Cost of Service														
5		Operation & Maintenance Expenses	75,451,785	0	2,497,033	2,499,449	12,612,159	4,493,376	12,444,145	13,157,431	11,058,117	16,082,856	0	275,558	331,662	Table 3 Line 84
6		Depreciation Expenses	23,369,648	0	857,071	857,200	4,786,928	1,217,592	5,248,959	4,235,540	3,973,799	2,058,983	0	47,358	86,218	Table 4 Line 8
7		Taxes Other Than Income Taxes	7,085,952	0	260,939	261,042	1,403,866	397,246	1,496,082	1,304,588	1,183,781	730,571	0	19,287	28,550	Table 4 Line 15
8		Return	41,382,930	90,525	1,644,430	1,644,651	9,088,888	2,296,642	9,982,509	8,018,366	7,538,058	1,902,067	(1,080,275)	94,601	162,467	Line 2 x Line 3
9		Income Taxes	11,057,919	24,189	439,408	439,467	2,428,639	613,685	2,667,423	2,142,585	2,014,242	508,251	(288,660)	25,278	43,413	Rate Base
10		Other Operating Revenues	(5,303,431)	0	(160,633)	(160,752)	(822,795)	(269,725)	(837,070)	(821,971)	(710,695)	(768,528)	(715,622)	(15,905)	(19,733)	Table 4 Line 21
11		Total Cost of Service	153,044,803	114,714	5,538,249	5,541,056	29,497,684	8,748,815	31,002,047	28,036,539	25,057,303	20,514,199	(2,084,557)	446,177	632,577	Sum of Lines 5 thru 10

Black Hills Nebraska Gas, LLC
FUNCTIONAL CLASSIFICATION OF RATE BASE
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Section 4, Exhibit A
Table 2 of 4
Page 1 of 2

[A]		[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	
Line No.	Acct. No.	Description	Total Nebraska	Supply	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Jurisdictional Direct	Non-Juris Direct	Non-Juris Supply	Allocation Basis or Reference	
					Demand	Commodity	Demand	Commodity	Customer								
1		Gas Plant in Service	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
2		Intangible Plant															
3	301	Intangibles Organization	256	0	9	9	43	15	43	45	38	52	0	1	1	Supervised O&M	
4	302	Intangibles Franchises & Consents	121,062	0	4,052	4,056	20,464	7,294	20,188	21,353	17,944	24,726	0	447	538	Supervised O&M	
5	303	Intangibles Miscellaneous	742,881	0	24,865	24,889	125,574	44,756	123,883	131,029	110,109	151,726	0	2,746	3,304	Supervised O&M	
6	303.01	Intangibles Miscellaneous - Easements	500,000	0	16,736	16,752	84,518	30,123	83,380	88,190	74,109	102,120	0	1,848	2,223	Supervised O&M	
7		Total Intangible Plant	1,364,199	0	45,662	45,706	230,600	82,187	227,495	240,618	202,200	278,624	0	5,042	6,067	Sum of Lines 3 thru 6	
8		Transmission Plant															
9	365.03	Right-of-Way	170,272	0	64,365	64,365	0	0	0	0	0	0	0	41,542	0	50 % Demand, 50 % Commodity, Direct	
10	366.01	Structures and Improvements	8,174	0	3,013	3,013	0	0	0	0	0	0	0	2,147	0	50 % Demand, 50 % Commodity, Direct	
11	367	Mains	5,361,147	0	2,288,350	2,288,350	0	0	0	0	0	0	0	784,446	0	50 % Demand, 50 % Commodity, Direct	
12	369.03	Meas. & Reg. Sta. Equip.	624,132	0	296,199	296,199	0	0	0	0	0	0	0	31,733	0	50 % Demand, 50 % Commodity, Direct	
13		Total Transmission Plant	6,163,725	0	2,651,928	2,651,928	0	0	0	0	0	0	0	859,868	0	Sum of Lines 9 thru 12	
14		Distribution Plant															
15	374.01	Land	608,494	0	36,709	36,709	251,203	251,203	0	0	0	0	0	2	32,667	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm	
16	374.02	Land Rights (Non-Depreciable)	1,724,268	0	109,922	109,922	752,212	752,212	0	0	0	0	0	0	0	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm	
17	374.03	Land Rights - Right of Way (Depreciable)	6,797,136	0	433,317	433,317	2,965,250	2,965,250	0	0	0	0	0	0	0	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm	
18	375.01	Structures and Improvements	3,412,284	0	205,288	205,288	1,404,811	1,404,811	0	0	0	0	0	0	192,087	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm	
19	375.2	Structures and Improvements - Other	12,119	0	773	773	5,287	5,287	0	0	0	0	0	0	0	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm	
20	376	Mains	444,506,217	0	28,180,661	28,180,661	161,217,696	24,298,361	200,172,211	0	0	0	0	628,260	1,828,367	12.75% T, 50-50; 87.25% D, 41.8 Dem, 6.3 Comm, 51.9 Cust	
21	378	Meas. & Reg. Sta. Equip. - General	25,407,197	0	1,524,569	1,524,569	10,432,834	10,432,834	0	0	0	0	0	551,079	941,311	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm	
22	379	Measuring & Regulating Station Equip.- City Gate Check S	5,952,374	0	379,464	379,464	2,596,723	2,596,723	0	0	0	0	0	0	0	12.75% Trans, 87.25% Dist; 50% Dem, 50% Comm	
23	380	Services	154,387,443	0	0	0	0	0	0	154,387,443	0	0	0	0	0	Direct - Services	
24	381	Meters	45,960,615	0	0	0	0	0	0	0	45,960,615	0	0	0	0	Direct - Meters and Regulators	
25	382.01	Meter Installations	12,295,676	0	0	0	0	0	0	0	12,295,676	0	0	0	0	Direct - Meters and Regulators	
26	383	House Regulators	74,644,531	0	0	0	0	0	0	0	74,644,531	0	0	0	0	Direct - Meters and Regulators	
27	384.01	House regulator installations	1,553,793	0	0	0	0	0	0	0	1,553,793	0	0	0	0	Direct - Meters and Regulators	
28	385	Industrial Measuring & Regulating Station Equipment	13,427,611	0	0	0	0	0	0	0	13,427,611	0	0	0	0	Direct - Meters and Regulators	
29	386	Other Property on Customers' Premises	35,279	0	0	0	0	0	0	35,279	0	0	0	0	0	Direct - Services	
30	387	Other Equipment	407,725	0	0	0	170,429	25,687	211,609	0	0	0	0	0	0	41.8 % Dem, 6.3 % Comm, 51.9 % Cust	
31		Total Distribution Plant	791,132,761	0	30,870,703	30,870,703	179,796,446	42,732,369	200,383,820	154,422,722	147,882,226	0	0	1,179,341	2,994,432	Sum of Lines 15 thru 30	
32		General Plant															
33	389.01	Land	5,749,205	0	192,434	192,620	971,827	346,366	958,740	1,014,045	852,140	1,174,216	0	21,249	25,567	Supervised O&M	
34	389.02	Land Rights - Right of Way	1,331,607	0	44,571	44,614	225,091	80,224	222,059	234,869	197,369	271,967	0	4,922	5,922	Supervised O&M	
35	390.01	Structures and Improvements	41,881,060	0	1,401,819	1,403,177	7,079,439	2,523,164	6,984,107	7,386,985	6,207,561	8,553,773	0	154,791	186,245	Supervised O&M	
36	390.51	Leasehold Improvements	93,091	0	3,116	3,119	15,736	5,608	15,524	16,419	13,798	19,013	0	344	414	Supervised O&M	
37	391.01	Office Machines	475,350	0	15,911	15,926	80,352	28,638	79,270	83,842	70,456	97,085	0	1,757	2,114	Supervised O&M	
38	391.02	Office Furniture	0	0	0	0	0	0	0	0	0	0	0	0	0	Supervised O&M	
39	391.03	Computer Hardware	607,481	0	20,333	20,353	102,687	36,598	101,304	107,148	90,040	124,072	0	2,245	2,701	Supervised O&M	
40	391.04	Software	714,847	0	23,927	23,950	120,835	43,067	119,208	126,085	105,954	146,000	0	2,642	3,179	Supervised O&M	
41	391.05	System Development	0	0	0	0	0	0	0	0	0	0	0	0	0	Supervised O&M	
42	391.07	iPad Hardware	611,479	0	20,467	20,487	103,362	36,839	101,971	107,853	90,633	124,888	0	2,260	2,719	Supervised O&M	
43	392.01	Transportation Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	Supervised O&M	
44	392.02	Cars	2,919,325	0	97,714	97,809	493,473	175,878	486,828	514,911	432,699	596,242	0	10,790	12,982	Supervised O&M	
45	392.03	Light Trucks	20,337,254	0	680,717	681,376	3,437,743	1,225,237	3,391,451	3,587,087	3,014,364	4,153,674	0	75,166	90,440	Supervised O&M	
46	392.04	Medium Trucks	1,524,755	0	51,036	51,085	257,740	91,860	254,269	268,936	225,997	311,415	0	5,635	6,781	Supervised O&M	
47	392.05	Heavy Trucks	3,274,142	0	109,590	109,696	553,450	197,254	545,998	577,494	485,289	668,710	0	12,101	14,560	Supervised O&M	
48	392.06	Trailers	1,041,429	0	34,858	34,892	176,040	62,742	173,669	183,687	154,359	212,701	0	3,849	4,631	Supervised O&M	
49	393	Stores Equipment	28,178	0	943	944	4,763	1,698	4,699	4,970	4,176	5,755	0	104	125	Supervised O&M	
50	394	Tools, Shop, and Garage Equipment	15,338,054	0	513,387	513,884	2,592,695	924,056	2,557,782	2,705,327	2,273,388	3,132,639	0	56,689	68,208	Supervised O&M	
51	395	Laboratory Equipment	88,803	0	2,972	2,975	15,011	5,350	14,809	15,663	13,162	18,137	0	328	395	Supervised O&M	
52	396	Power Operated Equipment	5,497,464	0	184,008	184,186	929,273	331,200	916,760	969,643	814,828	1,122,800	0	20,318	24,447	Supervised O&M	
53	397	Communication Equipment	846,080	0	28,320	28,347	143,019	50,973	141,093	149,232	125,405	172,803	0	3,127	3,763	Supervised O&M	
54	398	Miscellaneous Equipment	177,568	0	5,943	5,949	30,015	10,698	29,611	31,319	26,319	36,266	0	656	790	Supervised O&M	
55	399	Other Tangible Property	0	0	0	0	0	0	0	0	0	0	0	0	0	Supervised O&M	
56		Total General Plant	102,537,170	0	3,432,066	3,435,390	17,332,551	6,177,449	17,099,150	18,085,516	15,197,937	20,942,156	0	378,973	455,983		
57	118	Other Utility Plant Customer Allocation	12,499,747									12,499,747				Customer Accounting	
58	118	Other Utility Plant Blended Allocation	15,274,619	0	511,263	511,758	2,581,972	920,234	2,547,203	2,694,139	2,263,986	3,119,683	0	56,454	67,926	Supervised O&M	
59		Total Corporate Shared Assets	27,774,365	0	511,263	511,758	2,581,972	920,234	2,547,203	2,694,139	2,263,986	15,619,429	0	56,454	67,926		
60		Total General Plant	130,311,535	0	3,943,329	3,947,148	19,914,523	7,097,683	19,646,353	20,779,655	17,461,923	36,561,585	0	435,428	523,909	Sum of Lines 56 and 59	
61		Total Plant in Service	928,972,220	0	37,511,622	37,515,485	199,941,569	49,912,239	220,257,668	175,442,995	165,546,348	36,840,208	0	2,479,679	3,524,407	Sum of Lines 7,13, 31 and 60	

Black Hills Nebraska Gas, LLC
FUNCTIONAL CLASSIFICATION OF RATE BASE
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Section 4, Exhibit A
Table 2 of 4
Page 2 of 2

[A]		[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]
Line No.	Acct. No.	Description	Total Nebraska	Supply	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Jurisdictional Direct	Non-Juris Direct	Non-Juris Supply	Allocation Basis or Reference
					Demand	Commodity	Demand	Commodity	Customer							
62		<u>Accumulated Depreciation</u>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
63		Intangible	(1,052,018)	0	(35,213)	(35,247)	(177,830)	(63,380)	(175,435)	(185,555)	(155,929)	(214,864)	0	(3,888)	(4,678)	Intangible Plant
64		Transmission	(4,310,806)	0	(1,854,714)	(1,854,714)	0	0	0	0	0	0	0	(601,377)	0	Transmission Plant
65		Distribution	(266,471,712)	0	(10,397,963)	(10,397,963)	(60,559,579)	(14,393,245)	(67,493,880)	(52,013,125)	(49,810,135)	0	0	(397,229)	(1,008,594)	Distribution Plant
66		General	(17,438,834)	0	(527,713)	(528,224)	(2,665,045)	(949,842)	(2,629,157)	(2,780,820)	(2,336,827)	(4,892,824)	0	(58,271)	(70,112)	General Plant
67		Other Utility Plant Customer Allocation	640,107									640,107				Customer
68		Other Utility Plant Blended Allocation	(395,688)	0	(13,244)	(13,257)	(66,886)	(23,839)	(65,985)	(69,792)	(58,648)	(80,815)	0	(1,462)	(1,760)	Supervised O&M
69		Total Accumulated Depreciation	(289,028,951)	0	(12,828,847)	(12,829,405)	(63,469,339)	(15,430,305)	(70,364,457)	(55,049,292)	(52,361,540)	(4,548,396)	0	(1,062,228)	(1,085,143)	Sum of Lines 63 thru 68
70		Net Plant	639,943,269	0	24,682,775	24,686,080	136,472,230	34,481,935	149,893,211	120,393,703	113,184,808	32,291,813	0	1,417,451	2,439,264	Line 61 - Line 69
71		<u>Other Rate Base Items</u>														
72		Cash Working Capital														
73		Gas Purchases	1,282,220	1,282,220	0	0	0	0	0	0	0	0	0	0	0	Direct - Supply
74		Property Taxes	(3,806,239)	0	(146,808)	(146,827)	(811,706)	(205,091)	(891,531)	(716,075)	(673,198)	(192,064)	0	(8,431)	(14,508)	Net Plant
75		Other	337,871	0	11,309	11,320	57,113	20,355	56,343	59,594	50,079	69,007	0	1,249	1,503	Supervised O&M
76		Materials & Supplies	5,048,023	0	203,838	203,859	1,086,480	271,222	1,196,877	953,355	899,577	200,189	0	13,475	19,152	Plant in Service
77		Prepayments	394,283	0	15,208	15,210	84,084	21,245	92,352	74,177	69,736	19,896	0	873	1,503	Net Plant
78		Customer Deposits	(3,518,846)	0	0	0	0	0	0	0	0	(3,518,846)	0	0	0	Customer Accounts
79		Accumulated Deferred Income Taxes	(38,218,760)	0	(1,474,107)	(1,474,305)	(8,150,409)	(2,059,334)	(8,951,938)	(7,190,166)	(6,759,635)	(1,928,535)	0	(84,653)	(145,678)	Net Plant
80		Excess/Deficient Deferred Income Taxes (Jurisdictional Or	(15,301,343)	0	0	0	0	0	0	0	0	0	(15,301,343)	0	0	Jurisdictional Direct
81		Total Other Rate Base Items	(53,782,791)	1,282,220	(1,390,561)	(1,390,744)	(7,734,439)	(1,951,602)	(8,497,896)	(6,819,115)	(6,413,442)	(5,350,354)	(15,301,343)	(77,487)	(138,029)	Sum of Lines 72 thru 80
82		Total Rate Base	586,160,478	1,282,220	23,292,214	23,295,336	128,737,790	32,530,333	141,395,314	113,574,588	106,771,366	26,941,459	(15,301,343)	1,339,963	2,301,235	Line 70 + Line 81

Black Hills Nebraska Gas, LLC
FUNCTIONAL CLASSIFICATION OF OPERATION AND MAINTENANCE EXPENSES
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Section 4, Exhibit A
Table 3 of 4
Page 1 of 2

[A]		[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]
Line No.	Acct. No.	Description	Total Nebraska	Supply	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Jurisdictional Direct	Non-Juris Direct	Non-Juris Supply	Allocation Basis or Reference
					Demand	Commodity	Demand	Commodity	Customer							
1		Q & M Expenses	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
2		Transmission Expenses														
3		Operation														
4	850	Operation Supervision & Engineering	203,756	0	86,971	86,971	0	0	0	0	0	0	0	29,814	0	Account 856
5	851	System Control & Load Dispatching	1,213	0	0	1,213	0	0	0	0	0	0	0	0	0	Transmission Commodity
6	852	Communication System Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 370
7	853	Compressor Labor & Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 368
8	856	Mains Expense	63,039	0	26,907	26,907	0	0	0	0	0	0	0	9,224	0	Account 367
9	857	Measuring & Regulating Station Expenses	12,317	0	5,257	5,257	0	0	0	0	0	0	0	1,802	0	Account 369
10	859	Other Expenses	65,930	0	28,141	28,141	0	0	0	0	0	0	0	9,647	0	Account 856
11	860	Rents	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 856
12		Total Operation	346,254	0	147,277	148,490	0	0	0	0	0	0	0	50,487	0	Sum of Lines 4 thru 11
13		Maintenance														
14	861	Supervision & Engineering	17,530	0	7,482	7,482	0	0	0	0	0	0	0	2,565	0	Account 863
15	862	Structures & Improvements	0													Account 366
16	863	Mains	3,357	0	1,433	1,433	0	0	0	0	0	0	0	491	0	Account 367
17	864	Compressor Station Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	Account 368
18	865	Measuring & Regulating Station Equipment	0													Account 862
19	866	Communication Equipment	143	0	61	61	0	0	0	0	0	0	0	21	0	Accounts 882 thru 865 and Account 867
20	867	Other Equipment	0													Accounts 367 thru 369
21		Total Maintenance	21,030	0	8,976	8,976	0	0	0	0	0	0	0	3,077	0	Line 14 + Line 16
22		Total Transmission Expenses	367,284	0	156,253	157,467	0	0	0	0	0	0	0	53,564	0	Line 12 + Line 21
23		Distribution Expenses														
24		Operation														
25	870	Supervision & Engineering	4,151,603	0	159,157	159,157	918,263	268,589	950,035	972,800	691,889	0	0	10,401	21,313	Accounts 871 - 880
26	871	Load Dispatching	830	0	0	0	0	830	0	0	0	0	0	0	0	Direct - Distribution Commodity
27	872	Compressor Station Expenses	147	0	0	0	74	74	0	0	0	0	0	0	0	50% Dist. Demand, 50% Dist. Commodity
28	874	Mains & Services	7,497,411	0	352,787	352,787	2,018,247	304,186	2,505,909	1,932,741	0	0	0	7,865	22,889	Accounts 376 and 380
29	875	Meas. & Reg. Sta. Equip. - General	1,236,884	0	86,514	86,514	495,718	495,718	0	0	0	0	0	27,692	44,727	Accounts 369 and 378
30	876	Meas. & Reg. Sta. Equip. - Ind.	24,528	0	0	0	0	0	0	0	24,528	0	0	0	0	Account 385
31	877	Meas. & Reg. Sta. Equip. - CG	204,071	0	14,274	14,274	81,787	81,787	0	0	0	0	0	4,569	7,379	Accounts 369 and 378
32	878	Meters & House Regulators	1,776,106	0	0	0	0	0	0	0	1,776,106	0	0	0	0	Direct - Meters and Regulators
33	879	Customer Installation Expenses	1,268,296	0	0	0	0	0	0	1,268,296	0	0	0	0	0	Direct - Services
34	880	Other Expenses	9,897,722	0	386,218	386,218	2,249,401	534,617	2,506,966	1,931,955	1,850,128	0	0	14,755	37,463	Distribution Plant
35	881	Rents	36,574	0	1,427	1,427	8,312	1,975	9,264	7,139	6,837	0	0	55	138	Distribution Plant
36		Total Operation	26,094,171	0	1,000,377	1,000,377	5,771,803	1,687,777	5,972,175	6,112,931	4,349,487	0	0	65,336	133,909	Sum of Lines 25 thru 35
37		Maintenance														
38	885	Supervision & Engineering	203	0	6	6	36	24	18	32	77	0	0	1	2	Accounts 886 - 894
39	886	Structures & Improvements	302	0	18	18	124	124	0	0	0	0	0	0	17	Accounts 366 and 375
40	887	Mains	533,709	0	33,836	33,836	193,571	29,175	240,343	0	0	0	0	754	2,195	Account 376
41	888	Main. Of Compressor Sta. Eq.	7,885	0	0	0	3,943	3,943	0	0	0	0	0	0	0	50% Dist. Demand, 50% Dist. Commodity
42	889	Meas. & Reg. Sta. Eq. - Gen.	309,381	0	21,640	21,640	123,994	123,994	0	0	0	0	0	6,927	11,187	Accounts 369 and 378
43	890	Meas. & Reg. Sta. Eq. - Ind.	85,321	0	0	0	0	0	0	0	85,321	0	0	0	0	Account 385
44	891	Meas. & Reg. Sta. Eq. - City Gate	517,019	0	36,163	36,163	207,211	207,211	0	0	0	0	0	11,575	18,696	Accounts 369 and 378
45	892	Services	466,194	0	0	0	0	0	0	466,194	0	0	0	0	0	Direct - Services
46	893	Meters & House Regulators	1,091,228	0	0	0	0	0	0	1,091,228	0	0	0	0	0	Direct - Meters and Regulators
47	894	Other Equipment	150,049	0	5,855	5,855	34,101	8,105	38,005	29,288	28,048	0	0	224	568	Distribution Plant
48		Total Maintenance	3,161,290	0	97,518	97,518	562,979	372,574	278,366	495,514	1,204,674	0	0	19,482	32,665	Sum of Lines 38 thru 47
49		Total Distribution	29,255,462	0	1,097,895	1,097,895	6,334,781	2,060,351	6,250,541	6,608,445	5,554,161	0	0	84,818	166,574	Line 36 + Line 48

Black Hills Nebraska Gas, LLC
FUNCTIONAL CLASSIFICATION OF OPERATION AND MAINTENANCE EXPENSES
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Section 4, Exhibit A
Table 3 of 4
Page 2 of 2

[A]		[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]
Line No.	Acct. No.	Description	Total Nebraska	Supply	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Jurisdictional Direct	Non-Juris Direct	Non-Juris Supply	Allocation Basis or Reference
					Demand	Commodity	Demand	Commodity	Customer							
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
50		Customer Accounts Expenses														
51	901	Supervision	259,162	0	0	0	0	0	0	0	0	259,162	0	0	0	Direct - Customer Accounts
52	902	Meter Reading Expenses	730,551	0	0	0	0	0	0	0	0	730,551	0	0	0	Direct - Customer Accounts
53	903	Customer Records & Collection	6,094,718	0	0	0	0	0	0	0	0	6,094,718	0	0	0	Direct - Customer Accounts
54	904	Uncollectible Accounts	697,023	0	0	0	0	0	0	0	0	697,023	0	0	0	Direct - Customer Accounts
55	905	Miscellaneous	166,714	0	0	0	0	0	0	0	0	166,714	0	0	0	Direct - Customer Accounts
56		Total Customer Accounts Expenses	7,948,168	0	0	0	0	0	0	0	0	7,948,168	0	0	0	Sum of Lines 51 thru 55
57		Customer Service & Inform. Exp.														
58	907	Supervision	103,107	0	0	0	0	34,369	0	0	0	68,738	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
59	908	Customer Assistance Expenses	132,593	0	0	0	0	44,198	0	0	0	88,396	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
60	909	Information & Instruction Exp.	664	0	0	0	0	221	0	0	0	442	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
61	910	Miscellaneous	3,811	0	0	0	0	1,270	0	0	0	2,541	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
62		Total Cust. Service & Inf. Exp.	240,175	0	0	0	0	80,058	0	0	0	160,117	0	0	0	Sum of Lines 58 thru 61
63		Sales Expenses														
64	911	Supervision	0	0	0	0	0	0	0	0	0	0	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
65	912	Demonstrating & Selling Exp.	347,037	0	0	0	0	115,679	0	0	0	231,358	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
66	913	Advertising Expenses	1,735	0	0	0	0	578	0	0	0	1,157	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
67	916	Miscellaneous	327	0	0	0	0	109	0	0	0	218	0	0	0	1/3 Dist. Commodity, 2/3 Customer Accounts
68		Total Sales Expenses	349,099	0	0	0	0	116,366	0	0	0	232,733	0	0	0	Sum of Lines 64 thru 67
69		Administrative & General Expenses														
70		Operation														
71	920	A & G Salaries	13,348,167	0	446,782	447,215	2,256,331	804,173	2,225,947	2,354,351	1,978,449	2,726,225	0	49,334	59,359	Supervised O&M
72	921	Office Supplies & Expenses	4,316,380	0	144,475	144,615	729,627	260,044	719,802	761,323	639,769	881,576	0	15,953	19,195	Supervised O&M
73	922	Transfers	(3,248,589)	0	(108,735)	(108,840)	(549,131)	(195,714)	(541,736)	(572,986)	(481,502)	(663,491)	0	(12,007)	(14,446)	Supervised O&M
74	923	Outside Services Employed	3,033,051	0	101,521	101,619	512,697	182,729	505,793	534,970	449,555	619,469	0	11,210	13,488	Supervised O&M
75	924	Property Insurance	31,815	0	1,227	1,227	6,785	1,714	7,452	5,985	5,627	1,605	0	70	121	Net Plant
76	925	Injuries & Damages	1,527,652	0	51,133	51,182	258,229	92,035	254,752	269,447	226,427	312,007	0	5,646	6,793	Supervised O&M
77	926	Employee Pensions & Benefits	11,968,686	0	400,609	400,997	2,023,148	721,065	1,995,904	2,111,038	1,773,984	2,444,480	0	44,236	53,225	Supervised O&M
78	929	Duplicate Charges - Credit	(1,270)	0	(42)	(43)	(215)	(76)	(212)	(224)	(188)	(259)	0	(5)	(6)	Supervised O&M
79	930.1	General Advertising Expenses	(3,507)	0	(117)	(117)	(593)	(211)	(585)	(619)	(520)	(716)	0	(13)	(16)	Supervised O&M
80	930.2	Miscellaneous General Expenses	1,449,007	0	48,500	48,547	244,935	87,297	241,637	255,576	214,770	295,945	0	5,355	6,444	Supervised O&M
81	931	Rents	3,163,053	0	105,872	105,974	534,672	190,561	527,472	557,900	468,824	646,021	0	11,691	14,066	Supervised O&M
82	932	Maintenance of General Plant	1,707,153	0	51,660	51,710	260,891	92,984	257,378	272,225	228,761	478,977	0	5,704	6,863	General Plant
83		Total A & G Expenses	37,291,598	0	1,242,884	1,244,087	6,277,377	2,236,600	6,193,605	6,548,987	5,503,956	7,741,839	0	137,176	165,087	Sum of Lines 71 thru 82
84		Total Operation & Maintenance	75,451,785	0	2,497,033	2,499,449	12,612,159	4,493,376	12,444,145	13,157,431	11,058,117	16,082,856	0	275,558	331,662	Sum of Lines 22, 49, 56, 62, 68 and 83
85		Supervised O & M before General	37,426,590	0	1,252,722	1,253,935	6,326,469	2,254,800	6,241,277	6,601,306	5,547,325	7,643,994	0	138,327	166,436	Sum of Lines 22,49,56,62,68, Less 11, 35 and 54

Black Hills Nebraska Gas, LLC
FUNCTIONAL CLASSIFICATION OF OTHER COST OF SERVICE COMPONENTS
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Section 4, Exhibit A
Table 4 of 4
Page 1 of 1

[A]		[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]
Line No.	Acct. No.	Description	Total Nebraska \$	Supply \$	Transmission		Distribution			Services \$	Meters and Regulators \$	Customer Accounts \$	Jurisdictional Direct \$	Non-Juris Direct \$	Non-Juris Supply \$	Allocation Basis or Reference
					Demand \$	Commodity \$	Demand \$	Commodity \$	Customer \$							
1		<u>Depreciation Expense</u>														
2		Intangible	75,057	0	2,512	2,515	12,687	4,522	12,517	13,239	11,125	15,330	0	277	334	Intangible Plant
3		Transmission	40,586	0	17,462	17,462	0	0	0	0	0	0	0	5,662	0	Transmission Plant
4		Distribution	18,103,068	0	706,398	706,398	4,114,186	977,822	4,585,276	3,533,573	3,383,910	0	0	26,986	68,520	Distribution Plant
5		General	2,309,626	0	69,891	69,959	352,963	125,799	348,210	368,296	309,493	648,013	0	7,717	9,286	General Plant
6		Other Utility Plant - Customer	1,024,594	0	0	0	0	0	0	0	0	1,024,594	0	0	0	Customer Accounts
7		Other Utility Plant - Blended Ratio	1,816,717	0	60,808	60,867	307,092	109,450	302,957	320,433	269,272	371,046	0	6,715	8,079	Supervised O&M
8		Total Depreciation Expense	23,369,648	0	857,071	857,200	4,786,928	1,217,592	5,248,959	4,235,540	3,973,799	2,058,983	0	47,358	86,218	Sum of Lines 2 thru 5
9		<u>Taxes Other Than Income Taxes</u>														
10		Ad Valorem Taxes	4,660,325	0	179,750	179,774	993,846	251,111	1,091,583	876,756	824,257	235,162	0	10,322	17,764	Net Plant
11		Payroll Taxes	2,492,433	0	83,425	83,506	421,313	150,159	415,639	439,616	369,425	509,054	0	9,212	11,084	Supervised O&M
12		Unemployment - Federal	23,120	0	774	775	3,908	1,393	3,856	4,078	3,427	4,722	0	85	103	Supervised O&M
13		Unemployment - State	28,766	0	963	964	4,862	1,733	4,797	5,074	4,264	5,875	0	106	128	Supervised O&M
14		Miscellaneous	(118,693)	0	(3,973)	(3,977)	(20,063)	(7,151)	(19,793)	(20,935)	(17,593)	(24,242)	0	(439)	(528)	Supervised O&M
15		Total Taxes Other than Income Taxes	7,085,952	0	260,939	261,042	1,403,866	397,246	1,496,082	1,304,588	1,183,781	730,571	0	19,287	28,550	Sum of Lines 10 thru 14
16		<u>Other Operating Revenues</u>														
17	487	Forfeited Discounts	715,622	0	0	0	0	0	0	0	0	0	715,622	0	0	Direct to Residential Class
18	488	Misc. Service Revenues	2,910,285	0	97,411	97,506	491,945	175,333	485,321	513,316	431,359	594,396	0	10,756	12,942	Supervised O&M
19	493	Rents from Gas Property	1,023,704	0	41,337	41,341	220,331	55,002	242,718	193,334	182,428	40,597	0	2,733	3,884	Plant in Service
20	495	Other Gas Revenue	653,820	0	21,884	21,905	110,520	39,390	109,031	115,321	96,908	133,536	0	2,416	2,908	Supervised O&M
21		Total Other Operating Revenues	5,303,431	0	160,633	160,752	822,795	269,725	837,070	821,971	710,695	768,528	715,622	15,905	19,733	Sum of Lines 17 thru 20

Black Hills Nebraska Gas, LLC
RATE OF RETURN UNDER CURRENT AND PROPOSED RATES
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Section 4, Exhibit B
Table 1 of 5
Page 1 of 2

	[A]	[B]	[C]	[D]	[E]
Line Number	Description	Total Nebraska \$	Residential Service \$	Commercial Service \$	Total Jurisdictional \$
1	<u>Return Under Existing Rates</u>				
2	Rate Base	586,160,478	362,163,568	141,688,321	503,851,889
3	Sales Revenues	270,936,643	158,582,355	85,778,105	244,360,460
4	Sales Revenues Excluding Gas Cost	141,311,438	82,995,078	32,304,493	115,299,571
5	Net Cost of Service	153,044,803	96,682,816	35,912,597	132,595,412
6	Revenue Deficiency		13,687,737	3,608,103	17,295,841
7	Percent		8.63%	4.21%	7.08%
8	Proposed Increase (Decrease)		13,688,384	3,607,756	17,296,140
9	Percent		8.63%	4.21%	7.08%
10	Incremental Taxes at 27.17%		3,719,134	980,227	4,699,361
11	Incremental Return		9,969,250	2,627,529	12,596,779
12	Return Under Proposed Rates		25,569,219	10,002,943	35,572,161
13	Rate of Return Under Proposed Rates		7.06%	7.06%	7.06%
14	Return Under Current Rates		15,599,969	7,375,414	22,975,383
15	Rate of Return Under Current Rates		4.31%	5.21%	4.56%

Section 4, Exhibit B
Table 1 of 5
Page 2 of 2

[illegible]

Black Hills Nebraska Gas, LLC
ALLOCATION OF COST OF SERVICE
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Section 4, Exhibit B
Table 2 of 5
Page 1 of 2

	[A]	[B]	[C]	[D]	[E]
Line Number	Description	Total Nebraska \$	Residential Service \$	Commercial Service \$	Total Jurisdictional \$
1	<u>Total Cost of Service</u>				
2	Supply	114,714	66,892	47,322	114,214
3	Transmission				
4	Demand	5,538,249	2,476,585	1,699,863	4,176,448
5	Commodity	5,541,056	1,755,828	1,246,174	3,002,003
6	Total Transmission	11,079,305	4,232,414	2,946,037	7,178,451
7	Distribution				
8	Demand	29,497,684	14,222,111	9,761,683	23,983,794
9	Commodity	8,748,815	3,233,568	2,294,979	5,528,546
10	Customer	31,002,047	22,970,023	5,820,352	28,790,375
11	Total Transmission	69,248,546	40,425,702	17,877,014	58,302,715
12	Services	28,036,539	22,216,828	5,629,500	27,846,328
13	Meters and Regulators	25,057,303	15,086,123	6,689,651	21,775,774
14	Customer Accounting	20,514,199	16,354,456	3,108,030	19,462,486
15	Jurisdictional Direct				
16	Excess/Deficient Deferred Income Taxes (Jurisdictional Only)	(1,368,935)	(983,976)	(384,958)	(1,368,935)
17	Forfeited Discounts	(715,622)	(715,622)	-	(715,622)
18	Total Jurisdictional Direct	(2,084,557)	(1,699,599)	(384,958)	(2,084,557)
19	Non-Jurisdictional Direct				
20	Negotiated - Direct	446,177	-	-	-
21	Negotiated - Supply	632,577	-	-	-
22	Total Non-Jurisdictional Direct	1,078,754	-	-	-
23	Total Cost of Service	153,044,803	96,682,816	35,912,597	132,595,412

Black Hills Nebraska Gas, LLC
ALLOCATION OF COST OF SERVICE
FOR THE PRO FORMA PERIOD ENDED DECEMBER

Section 4, Exhibit B
Table 2 of 5
Page 2 of 2

		[A]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line Number	Description	Non-Jurisdictional Customer Classes (View as Aggregate)							Total Non-Jurisdictional	Basis of Allocation or Reference	
		Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply			
		\$	\$	\$	\$	\$	\$	\$	\$		
1	<u>Total Cost of Service</u>										
2	Supply	-	-	499	-	-	-	-	-	499	Cost of Gas
3	Transmission										
4	Demand	132,439	64,859	29,612	733,258	401,633	-	-	-	1,361,801	Winter Period Peak Demand - Transmission
5	Commodity	404,548	110,338	90,453	1,143,269	790,446	-	-	-	2,539,053	Commodity - Transmission
6	Total Transmission	536,987	175,197	120,065	1,876,527	1,192,079	-	-	-	3,900,854	Line 4 + Line 5
7	Distribution										
8	Demand	760,548	372,460	170,051	4,210,831	-	-	-	-	5,513,890	Winter Period Peak Demand - Distribution
9	Commodity	745,023	203,201	166,579	2,105,466	-	-	-	-	3,220,268	Commodity - Distribution
10	Customer	1,985,007	24,526	64,146	137,994	-	-	-	-	2,211,673	Customer - Distribution
11	Total Transmission	3,490,578	600,187	400,775	6,454,290	-	-	-	-	10,945,831	Sum of Line 8 through Line 10
12	Services	-	16,944	62,042	111,224	-	-	-	-	190,210	Services
13	Meters and Regulators	2,607,404	46,023	140,430	339,865	39,828	106,208	1,770	3,281,529	Meters & Regulators	
14	Customer Accounting	847,985	12,473	76,118	81,875	11,514	19,190	2,559	1,051,713	Customer Accounts	
15	Jurisdictional Direct										
16	Excess/Deficient Deferred Income Taxes (Juris										Jurisdictional Direct
17	Forfeited Discounts	-	-	-	-	-	-	-	-	-	Direct - Residential
18	Total Jurisdictional Direct	-	-	-	-	-	-	-	-	-	Sum of Line 16 through Line 17
19	Non-Jurisdictional Direct										
20	Negotiated - Direct	-	-	-	-	-	446,177	-	-	446,177	Direct
21	Negotiated - Supply	-	-	-	-	-	-	632,577	632,577	632,577	Direct
22	Total Non-Jurisdictional Direct	-	-	-	-	-	446,177	632,577	1,078,754	1,078,754	Direct
23	Total Cost of Service	7,482,953	850,825	799,930	8,863,781	1,243,420	571,574	636,906	20,449,391	20,449,391	Sum of Lines 2, 3, 7, 12, 13, 14, 15, 17 and 18

Black Hills Nebraska Gas, LLC
ALLOCATION OF RATE BASE
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Section 4, Exhibit B
Table 3 of 5
Page 1 of 2

	[A]	[B]	[C]	[D]	[E]
Line Number	Description	Total Nebraska	Residential Service	Commercial Service	Total Jurisdictional
		\$	\$	\$	\$
1	<u>Rate Base</u>				
2	Supply	1,282,220	747,691	528,948	1,276,638
3	Transmission				
4	Demand	23,292,214	10,415,775	7,149,114	17,564,889
5	Commodity	23,295,336	7,381,736	5,239,083	12,620,819
6	Total Transmission	46,587,551	17,797,511	12,388,197	30,185,708
7	Distribution				
8	Demand	128,737,790	62,070,065	42,603,260	104,673,326
9	Commodity	32,530,333	12,023,232	8,533,319	20,556,550
10	Customer	141,395,314	104,762,553	26,545,681	131,308,234
11	Total Transmission	302,663,438	178,855,850	77,682,260	256,538,110
12	Services	113,574,588	89,999,236	22,804,819	112,804,055
13	Meters and Regulators	106,771,366	64,283,293	28,505,192	92,788,484
14	Customer Accounts	26,941,459	21,478,435	4,081,800	25,560,235
15	Excess/Deficient Deferred Income Taxes (Jurisdictional Only)	(15,301,343)	(10,998,448)	(4,302,895)	(15,301,343)
16	Non-Jurisdictional Direct				
17	Negotiated - Direct	1,339,963	-	-	-
18	Negotiated - Supply	2,301,235	-	-	-
19	Total Non-Jurisdictional Direct	3,641,198	-	-	-
20	Total Rate Base	586,160,478	362,163,568	141,688,321	503,851,889

Black Hills Nebraska Gas, LLC
ALLOCATION OF RATE BASE
FOR THE PRO FORMA PERIOD ENDED DECEMBER

Section 4, Exhibit B
Table 3 of 5
Page 2 of 2

Line Number	Description	Non-Jurisdictional Customer Classes (View as Aggregate)							Total Non-Jurisdictional	Basis of Allocation or Reference
		Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply		
		\$	\$	\$	\$	\$	\$	\$		
1	Rate Base									
2	Supply	-	-	5,582	-	-	-	-	5,582	Cost of Gas
3	Transmission									
4	Demand	556,999	272,777	124,539	3,083,865	1,689,147	-	-	5,727,326	Winter Period Peak Demand - Transmission
5	Commodity	1,700,772	463,877	380,275	4,806,453	3,323,140	-	-	10,674,517	Commodity - Transmission
6	Total Transmission	2,257,770	736,653	504,814	7,890,318	5,012,287	-	-	16,401,843	Line 4 + Line 5
7	Distribution									
8	Demand	3,319,287	1,625,541	742,158	18,377,478	-	-	-	24,064,465	Winter Period Peak Demand - Distribution
9	Commodity	2,770,185	755,553	619,385	7,828,660	-	-	-	11,973,782	Commodity - Distribution
10	Customer	9,053,296	111,860	292,557	629,367	-	-	-	10,087,080	Customer - Distribution
11	Total Transmission	15,142,768	2,492,954	1,654,100	26,835,505	-	-	-	46,125,327	Sum of Line 8 through Line 10
12	Services	-	68,640	251,330	450,563	-	-	-	770,533	Services
13	Meters and Regulators	11,110,376	196,110	598,386	1,448,196	169,710	452,561	7,543	13,982,882	Meters & Regulators
14	Customer Accounts	1,113,665	16,381	99,967	107,527	15,121	25,202	3,360	1,381,223	Customer Accounts
15	Excess/Deficient Deferred Income Taxes (Jurisdic									Rate Base
16	Non-Jurisdictional Direct									
17	Negotiated - Direct						1,339,963		1,339,963	Direct
18	Negotiated - Supply	-	-	-	-	-	-	2,301,235	2,301,235	Direct
19	Total Non-Jurisdictional Direct	-	-	-	-	-	1,339,963	2,301,235	3,641,198	Line 17 + Line 18
20	Total Rate Base	29,624,579	3,510,739	3,114,179	36,732,109	5,197,119	1,817,726	2,312,138	82,308,589	Sum of Lines 2, 3, 7, 12, 13, 14, 15 and 19

Black Hills Nebraska Gas, LLC
CLASS ALLOCATION BASIS
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Section 4, Exhibit B
Table 4 of 5
Page 1 of 2

	[A]	[B]	[C]	[D]	[E]
Line Number	Description	Total Nebraska	Residential Service	Commercial Service	Total Jurisdictional
1	<u>Allocation Bases</u>				
2	Cost of Gas				
3	Annual Gas Purchases	129,625,204	75,587,276	53,473,612	129,060,888
4	Allocation Factor	100.0000%	58.3122%	41.2525%	99.5647%
5	Winter Period Peak Demand - Transmission Load Factor		23.21%	24.00%	
6	Peak Day - therms/Day	4,697,614	2,100,671	1,441,846	3,542,517
7	Allocation Factor	100.0000%	44.7178%	30.6931%	75.4110%
8	Winter Period Peak Demand - Distribution				
9	Peak Day - therms/Day	4,356,944	2,100,671	1,441,846	3,542,517
10	Allocation Factor	100.0000%	48.2143%	33.0930%	81.3074%
11	Commodity - Transmission				
12	Annual Throughput - therms	561,612,240	177,961,523	126,305,670	304,267,193
13	Allocation Factor	100.0000%	31.6876%	22.4898%	54.1775%
14	Commodity - Distribution				
15	Annual Throughput - therms	481,496,790	177,961,523	126,305,670	304,267,193
16	Allocation Factor	100.0000%	36.9601%	26.2319%	63.1919%
17	Customer - Distribution				
18	Average Number of Customers	297,338	255,678	32,393	288,071
19	Weighting Factor		1.00	2.00	
20	Weighted Number of Customers	345,082	255,678	64,786	320,464
21	Distribution - Customer Cost Allocator	100.0000%	74.0920%	18.7741%	92.8660%
22	Services				
23	Average Number of Customers	297,338	255,678	32,393	288,071
24	Weighting Factor		1.00	2.00	
25	Weighted Number of Customers	322,653	255,678	64,786	320,464
26	Services Cost Allocator	100.0000%	79.2424%	20.0792%	99.3216%
27	Meters & Regulators				
28	Average Number of Customers	297,338	255,678	32,393	288,071
29	Weighting Factor		1.00	3.50	
30	Weighted Number of Customers	424,669	255,678	113,376	369,054
31	Meters & Regulators Cost Allocator	100.0000%	60.2065%	26.6974%	86.9039%
32	Customer Accounts				
33	Average Number of Customers	297,338	255,678	32,393	288,071
34	Weighting Factor		1.00	1.50	
35	Weighted Number of Customers	320,710	255,678	48,590	304,268
36	Customer Accounts Cost Allocator	100.0000%	79.7226%	15.1506%	94.8732%
37	Annual Use per Customer - Therms		696	3,899	

Black Hills Nebraska Gas, LLC
CLASS ALLOCATION BASIS
FOR THE PRO FORMA PERIOD ENDED DECEMBER

Section 4, Exhibit B
Table 4 of 5
Page 2 of 2

	[A]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line Number	Description	Non-Jurisdictional Customer Classes (View as Aggregate)							Total Non-Jurisdictional	Basis of Allocation or Reference
		Agricultural	Maximum Rate	Interruptible Sales	Negotiated Distribution	Negotiated Transmission	Negotiated Direct	Negotiated Supply		
1	<u>Allocation Bases</u>									
2	Cost of Gas									
3	Annual Gas Purchases	-	-	564,316	-	-	-	-	564,316	Section 3, Exhibit C, Line 38
4	Allocation Factor	0.0000%	0.0000%	0.4353%	0.0000%	0.0000%	0.0000%	0.0000%	0.4353%	Line 3 / Column B, Line 3
5	Winter Period Peak Demand - Transmission	100.00%	55.69%	100.00%	51.04%	64.43%				Load Factor Study
6	Peak Day - therms/Day	112,336	55,014	25,117	621,959	340,670	-	-	1,155,097	Line 12 / 365 / Line 5
7	Allocation Factor	2.3914%	1.1711%	0.5347%	13.2399%	7.2520%	0.0000%	0.0000%	24.5890%	Line 6 / Column B, Line 6
8	Winter Period Peak Demand - Distribution									
9	Peak Day - therms/Day	112,336	55,014	25,117	621,959		-		814,427	Line 6
10	Allocation Factor	2.5783%	1.2627%	0.5765%	14.2751%	0.0000%	0.0000%	0.0000%	18.6926%	Line 9 / Column B, Line 9
11	Commodity - Transmission									
12	Annual Throughput - therms	41,002,809	11,183,303	9,167,802	115,875,683	80,115,450			257,345,047	Section 3, Exhibit C, Line 13
13	Allocation Factor	7.3009%	1.9913%	1.6324%	20.6327%	14.2653%	0.0000%	0.0000%	45.8225%	Line 12 / Column B, Line 12
14	Commodity - Distribution									
15	Annual Throughput - therms	41,002,809	11,183,303	9,167,802	115,875,683				177,229,597	Line 12
16	Allocation Factor	8.5157%	2.3226%	1.9040%	24.0657%	0.0000%	0.0000%	0.0000%	36.8081%	Line 15 / Column B, Line 15
17	Customer - Distribution									
18	Average Number of Customers	8,838	39	238	128	9	15	2	9,267	Section 3, Exhibit C, Line 6
19	Weighting Factor	2.5	7	3	12					Exhibit TJS-2, Schedule 2-4
20	Weighted Number of Customers	22,095	273	714	1,536			-	24,618	Line 18 x Line 19
21	Distribution - Customer Cost Allocator	6.4028%	0.0791%	0.2069%	0.4451%	0.0000%	0.0000%	0.0000%	7.1340%	Line 20 / Column B, Line 20
22	Services									
23	Average Number of Customers	8,838	39	238	128	9	15	2	9,267	Section 3, Exhibit C, Line 6
24	Weighting Factor		5	3	10					Exhibit TJS-2, Schedule 2-4
25	Weighted Number of Customers	-	195	714	1,280			-	2,189	Line 23 x Line 24
26	Services Cost Allocator	0.0000%	0.0604%	0.2213%	0.3967%	0.0000%	0.0000%	0.0000%	0.6784%	Line 25 / Column B, Line 25
27	Meters & Regulators									
28	Average Number of Customers	8,838	39	238	128	9	15	2	9,267	Line 23
29	Weighting Factor	5	20	10	45	75	120	15		Exhibit TJS-2, Schedule 2-5
30	Weighted Number of Customers	44,190	780	2,380	5,760	675	1,800	30	55,615	Line 28 x Line 29
31	Meters & Regulators Cost Allocator	10.4058%	0.1837%	0.5604%	1.3564%	0.1589%	0.4239%	0.0071%	13.0961%	Line 30 / Column B, Line 30
32	Customer Accounts									
33	Average Number of Customers	8,838	39	238	128	9	15	2	9,267	Line 23
34	Weighting Factor	1.50	5.00	5.00	10.00	20.00	20.00	20.00		Exhibit TJS-2
35	Weighted Number of Customers	13,257	195	1,190	1,280	180	300	40	16,442	Line 33 x Line 34
36	Customer Accounts Cost Allocator	4.1336%	0.0608%	0.3711%	0.3991%	0.0561%	0.0935%	0.0125%	5.1268%	Line 35 / Column B, Line 35
37	Annual Use per Customer - Therms	4,639	286,751	38,520	905,279	8,901,717	16,140,743	-		Line 12 / Line 23

Black Hills Nebraska Gas, LLC
UNIT COST OF SERVICE
FOR THE PRO FORMA PERIOD ENDED DECEMBER 31, 2020

Section 4, Exhibit B
Table 5 of 5
Page 1 of 2

	[A]	[B]	[C]	[D]	[E]
Line Number	Description	Total Nebraska	Residential Service	Commercial Service	Total Jurisdictional
1	Supply - Commodity - \$		66,892	47,322	114,214
2	\$/Therm		0.00376	0.00375	0.00375
3	Transmission - Demand - \$		2,476,585	1,699,863	4,176,448
4	\$/Therm		0.01392	0.01346	0.01373
5	Transmission - Commodity - \$		1,755,828	1,246,174	3,002,003
6	\$/Therm		0.00987	0.00987	0.00987
7	Distribution - Demand - \$		14,222,111	9,761,683	23,983,794
8	\$/Therm		0.07992	0.07729	0.07882
9	Distribution - Commodity - \$		3,233,568	2,294,979	5,528,546
10	\$/Therm		0.01817	0.01817	0.01817
11	Distribution - Customer - \$		22,970,023	5,820,352	28,790,375
12	\$/Month		7.49	14.97	258.90
13	Customer Specific Distribution - \$				
14	Services		22,216,828	5,629,500	27,846,328
15	\$/Month		7.24	14.48	8.06
16	Meters and Regulators		15,086,123	6,689,651	21,775,774
17	\$/Month		4.92	17.21	6.30
18	Customer Accounting		16,354,456	3,108,030	19,462,486
19	\$/Month		5.33	8.00	5.63
20	Jurisdictional Direct		(1,699,599)	(384,958)	(2,084,557)
21	\$/Month		(0.55)	(0.99)	(0.60)
22	Total Cost of Service - \$		96,682,816	35,912,597	132,595,412
23	Customer Related - \$		74,927,831	20,862,575	95,790,406
24	\$/month/customer		24.42	53.67	278.29
25	Demand Related - \$		16,698,696	11,461,546	28,160,242
26	\$/Therm		0.0938	0.0907	0.0926
27	Commodity Related - \$		5,056,288	3,588,475	8,644,764
28	\$/Therm		0.0318	0.0318	0.0318

Black Hills Nebraska Gas, LLC
UNIT COST OF SERVICE
FOR THE PRO FORMA PERIOD ENDED DECEMBER

Section 4, Exhibit B
Table 5 of 5
Page 2 of 2

[A]		[F]
Line Number	Description	Basis of Allocation or Reference
1	Supply - Commodity - \$	Table 2, Line 2
2	\$/Therm	Line 1 / Table 4, Line 12 x 10
3	Transmission - Demand - \$	Table 2, Line 4
4	\$/Therm	Line 3 / Table 4, Line 12
5	Transmission - Commodity - \$	Table 2, Line 5
6	\$/Therm	Line 5 / Table 4, Line 12
7	Distribution - Demand - \$	Table 2, Line 8
8	\$/Therm	Line 7 / Table 4, Line 12
9	Distribution - Commodity - \$	Table 2, Line 9 + Line 20
10	\$/Therm	Line 9 / Table 4, Line 12
11	Distribution - Customer - \$	Table 2, Line 10
12	\$/Month	Line 11 / Section 3, Exhibit C, Line 5
13	Customer Specific Distribution - \$	
14	Services	Table 2, Line 12
15	\$/Month	Line 14 / Table 4, Line 33 / 12
16	Meters and Regulators	Table 2, Line 13
17	\$/Month	Line 16 / Table 4, Line 33 / 12
18	Customer Accounting	Table 2, Line 14
19	\$/Month	Line 18 / Table 4, Line 33 / 12
20	Jurisdictional Direct	Table 2, Line 18
21	\$/Month	Line 20 / Table 4, Line 33 / 12
22	Total Cost of Service - \$	Sum of Lines 1, 3, 5, 7, 9, 11, 14, 16, 18, and 20
23	Customer Related - \$	Sum of Lines 11, 14, 16, 18, and 20
24	\$/month/customer	Sum of Lines 12, 15, 17, 19, and 21
25	Demand Related - \$	Line 3 + Line 7
26	\$/Therm	Line 4 + Line 8
27	Commodity Related - \$	Line 1 + Line 5 and Line 9
28	\$/Therm	Line 2 + Line 6 and Line 10