

In the Matter of the Application of)
Black Hills/Kansas Gas Utility)
Company, LLC, d/b/a Black Hills)
Energy, for Approval of the)
Commission to Make Certain Changes)
in its Rates for Natural Gas Service.)

DOCKET NO. 21-BHCG-418-RTS

SCHEDULES

PREPARED BY

STAFF

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

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BLACK HILLS ENERGY
STAFF REVENUE REQUIREMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.	DESCRIPTION	STAFF ADJUSTED
1	PROFORMA RATE BASE	\$233,922,850
2	STAFF RATE OF RETURN	<u>6.2511%</u>
3	OPERATING INCOME REQUIRED	14,622,857
4	STAFF ADJUSTED OPERATING INCOME	<u>12,317,727</u>
5	DIFFERENCE	2,305,130
6	INCOME TAX FACTOR	<u>0.790000</u>
7	PROFORMA REVENUE INCREASE (DECREASE)	<u><u>\$2,917,886</u></u>

BLACK HILLS ENERGY
STAFF ADJUSTED AND PRO FORMA RATE BASE
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.	DESCRIPTION	A APPLICANT JURISDICTIONAL PER BOOKS	B APPLICANT TEST YEAR ADJUSTMENTS	C APPLICANT ADJUSTED	D STAFF TEST YEAR ADJUSTMENTS	E STAFF ADJUSTED	F STAFF PRO FORMA ADJUSTMENTS	G STAFF PRO FORMA ADJUSTED
1	INTANGIBLE PLANT	\$3,508,760	\$0	\$3,508,760	\$0	\$3,508,760		\$3,508,760
2	MANUFACTURED GAS PRODUCING PLANT	0	0	0	0	0		0
3	PRODUCTION AND GATHERING PLANT	18,719	0	18,719	0	18,719		18,719
4	PRODUCT EXTRACTION PLANT	0	0	0	0	0		0
5	TRANSMISSION PLANT	45,853,421	4,679,841	50,533,262	7,794,409	58,327,671		58,327,671
6	DISTRIBUTION PLANT	265,317,942	11,195,221	276,513,163	322,353	276,835,516		276,835,516
7	GENERAL PLANT	37,187,647	3,632,436	40,820,083	2,229,123	43,049,206		43,049,206
8	TOTAL GAS PLANT IN SERVICE	351,886,489	19,507,498	371,393,987	10,345,885	381,739,872	0	381,739,872
9	LESS: ACCUM. PROV. FOR DEPR. & AMORT.	104,681,914	3,634,488	108,316,402	(1,394,024)	106,922,378		106,922,378
10	NET GAS PLANT IN SERVICE	247,204,575	15,873,010	263,077,585	11,739,909	274,817,494	0	274,817,494
11	CONSTRUCTION WORK IN PROGRESS	0	0	0	0	0		0
12	MATERIALS AND SUPPLIES	2,372,733	300,879	2,673,612	(129,208)	2,544,404		2,544,404
13	GAS STORAGE	2,317,861	(530,733)	1,787,128	60,083	1,847,211		1,847,211
14	PREPAYMENTS	49,066	41,032	90,098	(55,832)	34,266		34,266
15	CASH WORKING CAPITAL	0		0	0	0		0
16	CUSTOMER ADVANCES	(114,892)		(114,892)	100,479	(14,413)		(14,413)
17	CUSTOMER DEPOSITS	(1,433,558)		(1,433,558)	110,474	(1,323,084)		(1,323,084)
18	DEFERRED INCOME TAX ASSETS	7,620,855	(1,871,498)	5,749,357	480,911	6,230,268		6,230,268
19	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	(26,195,528)	(134,614)	(26,330,142)	(1,477,331)	(27,807,473)		(27,807,473)
20	REGULATORY LIABILITIES FOR KANSAS TCJA EDIT	(16,194,866)	4,205,399	(11,989,467)	(4,205,399)	(16,194,866)		(16,194,866)
21	REGULATORY LIABILITIES FOR KANSAS EDIT	(3,733,744)	3,733,744	0	(3,733,744)	(3,733,744)		(3,733,744)
22	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(690,064)		(690,064)	659,855	(30,209)		(30,209)
23	ALLOCATED BLACK HILLS SERVICE COMPANY ADIT & EDIT	(2,435,601)	(46,277)	(2,481,878)	34,873	(2,447,005)		(2,447,005)
24	TOTAL RATE BASE - KANSAS	\$208,766,837	\$21,570,942	\$230,337,779	\$3,585,071	\$233,922,850	\$0	\$233,922,850

BLACK HILLS ENERGY
STAFF ADJUSTMENTS TO APPLICANT ADJUSTED RATE BASE
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.	DESCRIPTION	A APPLICANT ADJUSTED	B STAFF ADJUSTMENT NO. 1	C STAFF ADJUSTMENT NO. 2	D STAFF ADJUSTMENT NO. 3	E STAFF ADJUSTMENT NO. 4	F STAFF ADJUSTMENT NO. 5	G STAFF ADJUSTMENT NO. 6	H STAFF ADJUSTMENT NO. 7	I STAFF ADJUSTMENT NO. 8	J TOTAL STAFF ADJUSTMENTS	K STAFF ADJUSTED
1	INTANGIBLE PLANT	\$3,508,760									\$0	\$3,508,760
2	MANUFACTURED GAS PRODUCING PLANT	0									0	0
3	PRODUCTION AND GATHERING PLANT	18,719									0	18,719
4	PRODUCT EXTRACTION PLANT	0									0	0
5	TRANSMISSION PLANT	50,533,262	7,794,409								7,794,409	58,327,671
6	DISTRIBUTION PLANT	276,513,163	322,353								322,353	276,835,516
7	GENERAL PLANT	40,820,083	2,229,123								2,229,123	43,049,206
8	TOTAL GAS PLANT IN SERVICE	371,393,987	10,345,885	0	0			0	0	0	10,345,885	381,739,872
9	LESS: ACCUM. PROV. FOR DEPR. & AMORT.	108,316,402		(1,394,024)							(1,394,024)	106,922,378
10	NET GAS PLANT IN SERVICE	263,077,585	10,345,885	1,394,024	0			0	0	0	11,739,909	274,817,494
11	CONSTRUCTION WORK IN PROGRESS	0									0	0
12	MATERIALS AND SUPPLIES	2,673,612			(129,208)						(129,208)	2,544,404
13	GAS STORAGE	1,787,128				60,083					60,083	1,847,211
14	PREPAYMENTS	90,098					(55,832)				(55,832)	34,266
15	CASH WORKING CAPITAL	0									0	0
16	CUSTOMER ADVANCES	(114,892)							100,479		100,479	(14,413)
17	CUSTOMER DEPOSITS	(1,433,558)						110,474			110,474	(1,323,084)
18	DEFERRED INCOME TAX ASSETS	5,749,357								480,911	480,911	6,230,268
19	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	(26,330,142)								(1,477,331)	(1,477,331)	(27,807,473)
20	REGULATORY LIABILITIES FOR KANSAS TCJA EDIT	(11,989,467)								(4,205,399)	(4,205,399)	(16,194,866)
21	REGULATORY LIABILITIES FOR KANSAS EDIT	0								(3,733,744)	(3,733,744)	(3,733,744)
22	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(690,064)								659,855	659,855	(30,209)
23	ALLOCATED BLACK HILLS SERVICE COMPANY ADIT & EDIT	(2,481,878)								34,873	34,873	(2,447,005)
24	TOTAL RATE BASE - KANSAS	\$230,337,779	\$10,345,885	\$1,394,024	(\$129,208)	\$60,083	(\$55,832)	\$110,474	\$100,479	(\$8,240,834)	\$3,585,071	\$233,922,850

BLACK HILLS ENERGY
EXPLANATION OF STAFF ADJUSTMENTS TO RATE BASE
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.		INCREASE / (DECREASE) TO RATE BASE
1	<u>STAFF ADJUSTMENT NO. 1</u>	
2	TRANSMISSION PLANT	(Campbell)
3	DISTRIBUTION PLANT	\$7,794,409
4	GENERAL PLANT	\$322,353
5	To reflect Staff's update to plant in service to June 30, 2021.	\$2,229,123
6	<u>STAFF ADJUSTMENT NO. 2</u>	
7	ACCUM. PROV. FOR DEPR. & AMORT.	(Campbell)
8	To reflect Staff's update to accumulated depreciation and amortization to June 30, 2021.	1,394,024
9	<u>STAFF ADJUSTMENT NO. 3</u>	
10	MATERIALS AND SUPPLIES	(Campbell)
11	To reflect Staff's adjustment to materials and supplies.	(129,208)
12	<u>STAFF ADJUSTMENT NO. 4</u>	
13	GAS STORAGE	(Campbell)
14	To reflect Staff's adjustment to gas storage.	60,083
15	<u>STAFF ADJUSTMENT NO. 5</u>	
16	PREPAYMENTS	(Campbell)
17	To reflect Staff's adjustment to prepayments.	(55,832)
18	<u>STAFF ADJUSTMENT NO. 6</u>	
19	CUSTOMER DEPOSITS	(Campbell)
20	To reflect Staff's adjustment to customer deposits.	110,474
21	<u>STAFF ADJUSTMENT NO. 7</u>	
22	CUSTOMER ADVANCES	(Campbell)
23	To reflect Staff's adjustment to customer annualization.	100,479
24	<u>STAFF ADJUSTMENT NO. 8</u>	
25	DEFERRED INCOME TAX ASSETS	(Campbell)
26	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	480,911
27	REGULATORY LIABILITIES FOR KANSAS TCJA EDIT	(1,477,331)
28	REGULATORY LIABILITIES FOR KANSAS EDIT	(4,205,399)
29	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(3,733,744)
30	ALLOCATED BLACK HILLS SERVICE COMPANY ADIT & EDIT	659,855
31	To reflect accumulated deferred income tax as of June 30, 2021.	34,873

BLACK HILLS ENERGY
STAFF ADJUSTED AND PRO FORMA OPERATING INCOME STATEMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.	DESCRIPTION	A APPLICANT JURISDICTIONAL PER BOOKS	B APPLICANT TEST YEAR ADJUSTMENTS	C APPLICANT ADJUSTED	D STAFF TEST YEAR ADJUSTMENTS	E STAFF ADJUSTED	F STAFF PRO FORMA ADJUSTMENTS	G STAFF PRO FORMA
	<u>OPERATING REVENUES:</u>							
1	GAS REVENUES	\$87,442,937	(\$43,349,648)	\$44,093,289	\$432,717	\$44,526,006	\$2,917,886	\$47,443,892
2	OTHER REVENUES	8,353,960	(186,515)	8,167,445	(26,541)	8,140,904		8,140,904
3	TOTAL REVENUES	95,796,897	(43,536,163)	52,260,734	406,176	52,666,910	2,917,886	55,584,796
	<u>OPERATING EXPENSES:</u>							
4	PURCHASED GAS	38,992,210	(38,992,210)	0	0	0		0
5	OPERATING AND MAINTENANCE	26,861,025	193,424	27,054,449	(2,434,387)	24,620,062		24,620,062
6	TOTAL OPERATING EXPENSES	65,853,235	(38,798,786)	27,054,449	(2,434,387)	24,620,062	0	24,620,062
7	DEPRECIATION AND AMORTIZATION	8,617,795	1,401,253	10,019,048	(164,218)	9,854,830		9,854,830
8	TAXES OTHER THAN INCOME TAXES	5,947,476	402,050	6,349,526	(56,712)	6,292,814		6,292,814
9	CUSTOMER DEPOSITS INTEREST EXPENSE	23,684	0	23,684	(21,964)	1,720		1,720
10	INCOME TAXES - CURRENT & DEFERRED	2,264,844	(1,631,675)	633,169	(1,053,412)	(420,244)	612,756	192,512
11	TOTAL EXPENSES	82,707,034	(38,627,158)	44,079,876	(3,730,693)	40,349,182	612,756	40,961,938
12	OPERATING INCOME	\$13,089,863	(\$4,909,005)	\$8,180,858	\$4,136,869	\$12,317,727	\$2,305,130	\$14,622,857

BLACK HILLS ENERGY
STAFF ADJUSTMENTS TO APPLICANT ADJUSTED INCOME STATEMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.	DESCRIPTION	A APPLICANT ADJUSTED	B STAFF ADJUSTMENT NO. 1	C STAFF ADJUSTMENT NO. 2	D STAFF ADJUSTMENT NO. 3	E STAFF ADJUSTMENT NO. 4	F STAFF ADJUSTMENT NO. 5
	<u>OPERATING REVENUES:</u>						
1	GAS REVENUES	\$44,093,289					
2	OTHER REVENUES	8,167,445					(26,541)
3	TOTAL REVENUES	52,260,734	0	0	0	0	(26,541)
	<u>OPERATING EXPENSES:</u>						
4	PURCHASED GAS	0					
5	OPERATING AND MAINTENANCE	27,054,449	(279,059)		(112,200)	(58,184)	
6	TOTAL OPERATING EXPENSES	27,054,449	(279,059)	0	(112,200)	(58,184)	0
7	DEPRECIATION AND AMORTIZATION	10,019,048					
8	TAXES OTHER THAN INCOME TAXES	6,349,526		(56,712)			
9	CUSTOMER DEPOSITS INTEREST EXPENSE	23,684					
10	INCOME TAXES - CURRENT & DEFERRED	633,169					
11	TOTAL EXPENSES	44,079,876	(279,059)	(56,712)	(112,200)	(58,184)	0
12	OPERATING INCOME	\$8,180,858	\$279,059	\$56,712	\$112,200	\$58,184	(\$26,541)

BLACK HILLS ENERGY
STAFF ADJUSTMENTS TO APPLICANT ADJUSTED INCOME STATEMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.	DESCRIPTION	G STAFF ADJUSTMENT NO. 6	H STAFF ADJUSTMENT NO. 7	I STAFF ADJUSTMENT NO. 8	J STAFF ADJUSTMENT NO. 9	K STAFF ADJUSTMENT NO. 10	L STAFF ADJUSTMENT NO. 11
	<u>OPERATING REVENUES:</u>						
1	GAS REVENUES				\$429,186		
2	OTHER REVENUES						
3	TOTAL REVENUES	0	0	0	429,186	0	0
	<u>OPERATING EXPENSES:</u>						
4	PURCHASED GAS						
5	OPERATING AND MAINTENANCE	(949,022)	(46,353)	(155,939)			(3,773)
6	TOTAL OPERATING EXPENSES	(949,022)	(46,353)	(155,939)	0	0	(3,773)
7	DEPRECIATION AND AMORTIZATION					(164,218)	
8	TAXES OTHER THAN INCOME TAXES						
9	CUSTOMER DEPOSITS INTEREST EXPENSE						
10	INCOME TAXES - CURRENT & DEFERRED						
11	TOTAL EXPENSES	(949,022)	(46,353)	(155,939)	0	(164,218)	(3,773)
12	OPERATING INCOME	\$949,022	\$46,353	\$155,939	\$429,186	\$164,218	\$3,773

BLACK HILLS ENERGY
STAFF ADJUSTMENTS TO APPLICANT ADJUSTED INCOME STATEMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.	DESCRIPTION	M STAFF ADJUSTMENT NO. 12	N STAFF ADJUSTMENT NO. 13	O STAFF ADJUSTMENT NO. 14	P STAFF ADJUSTMENT NO. 15	Q STAFF ADJUSTMENT NO. 16	R STAFF ADJUSTMENT NO. 17
	<u>OPERATING REVENUES:</u>						
1	GAS REVENUES						
2	OTHER REVENUES						
3	TOTAL REVENUES	0	0	0	0	0	0
	<u>OPERATING EXPENSES:</u>						
4	PURCHASED GAS						
5	OPERATING AND MAINTENANCE	(110,723)	(3,300)	(106,378)	(24,450)	(58,994)	
6	TOTAL OPERATING EXPENSES	(110,723)	(3,300)	(106,378)	(24,450)	(58,994)	0
7	DEPRECIATION AND AMORTIZATION						
8	TAXES OTHER THAN INCOME TAXES						
9	CUSTOMER DEPOSITS INTEREST EXPENSE						(21,964)
10	INCOME TAXES - CURRENT & DEFERRED						
11	TOTAL EXPENSES	(110,723)	(3,300)	(106,378)	(24,450)	(58,994)	(21,964)
12	OPERATING INCOME	\$110,723	\$3,300	\$106,378	\$24,450	\$58,994	\$21,964

BLACK HILLS ENERGY
STAFF ADJUSTMENTS TO APPLICANT ADJUSTED INCOME STATEMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.	DESCRIPTION	S STAFF ADJUSTMENT NO. 18	T STAFF ADJUSTMENT NO. 19	U STAFF ADJUSTMENT NO. 20	V STAFF ADJUSTMENT NO. 21	W STAFF ADJUSTMENT NO. 22	X STAFF ADJUSTMENT NO. 23
	<u>OPERATING REVENUES:</u>						
1	GAS REVENUES	3,531					
2	OTHER REVENUES						
3	TOTAL REVENUES	3,531	0	0	0	0	0
	<u>OPERATING EXPENSES:</u>						
4	PURCHASED GAS						
5	OPERATING AND MAINTENANCE		(52,064)	(167,050)	4,079	23,185	(63,156)
6	TOTAL OPERATING EXPENSES	0	(52,064)	(167,050)	4,079	23,185	(63,156)
7	DEPRECIATION AND AMORTIZATION						
8	TAXES OTHER THAN INCOME TAXES						
9	CUSTOMER DEPOSITS INTEREST EXPENSE						
10	INCOME TAXES - CURRENT & DEFERRED						
11	TOTAL EXPENSES	0	(52,064)	(167,050)	4,079	23,185	(63,156)
12	OPERATING INCOME	\$3,531	\$52,064	\$167,050	(\$4,079)	(\$23,185)	\$63,156

BLACK HILLS ENERGY
STAFF ADJUSTMENTS TO APPLICANT ADJUSTED INCOME STATEMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.	DESCRIPTION	Y STAFF ADJUSTMENT NO. 24	Z STAFF ADJUSTMENT NO. 25	AA TOTAL STAFF ADJUSTMENTS	AB STAFF ADJUSTED
	<u>OPERATING REVENUES:</u>				
1	GAS REVENUES			\$432,717	\$44,526,006
2	OTHER REVENUES			(26,541)	8,140,904
3	TOTAL REVENUES	0	0	406,176	52,666,910
	<u>OPERATING EXPENSES:</u>				
4	PURCHASED GAS			0	0
5	OPERATING AND MAINTENANCE	(271,006)		(2,434,387)	24,620,062
6	TOTAL OPERATING EXPENSES	(271,006)	0	(2,434,387)	24,620,062
7	DEPRECIATION AND AMORTIZATION			(164,218)	9,854,830
8	TAXES OTHER THAN INCOME TAXES			(56,712)	6,292,814
9	CUSTOMER DEPOSITS INTEREST EXPENSE			(21,964)	1,720
10	INCOME TAXES - CURRENT & DEFERRED		(1,053,412)	(1,053,412)	(420,244)
11	TOTAL EXPENSES	(271,006)	(1,053,412)	(3,730,693)	40,349,182
12	OPERATING INCOME	\$271,006	\$1,053,412	\$4,136,869	\$12,317,727

BLACK HILLS ENERGY
EXPLANATION OF STAFF ADJUSTMENTS TO OPERATIONS
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.		INCREASE / (DECREASE) TO OPERATING INCOME
1	<u>STAFF ADJUSTMENT NO. 1</u>	(Luke Fry)
2	OPERATING AND MAINTENANCE	\$279,059
3	To reflect Staff's adjustment to update payroll to June 30, 2021.	
4	<u>STAFF ADJUSTMENT NO. 2</u>	(Luke Fry)
5	TAXES OTHER THAN INCOME TAXES	56,712
6	To reflect Staff's adjustment to FICA tax.	
7	<u>STAFF ADJUSTMENT NO. 3</u>	(Luke Fry)
8	OPERATING AND MAINTENANCE	112,200
9	To reflect Staff's adjustment to incentive compensation.	
10	<u>STAFF ADJUSTMENT NO. 4</u>	(Luke Fry)
11	OPERATING AND MAINTENANCE	58,184
12	To reflect Staff's adjustment to reject Black Hills' Research and Development request.	
13	<u>STAFF ADJUSTMENT NO. 5</u>	(Luke Fry)
14	OTHER REVENUES	(26,541)
15	To reflect Staff's adjustment to update Black Hills' Forfeited Discounts to reflect Staff's Revenue Requirement.	
16	<u>STAFF ADJUSTMENT NO. 6</u>	(Luke Fry)
17	OPERATING AND MAINTENANCE	949,022
18	To reflect Staff's adjustment to update payroll and adjust travel expense.	
19	<u>STAFF ADJUSTMENT NO. 7</u>	(Luke Fry)
20	OPERATING AND MAINTENANCE	46,353
21	To reflect Staff's adjustment for Alternative Forms of Payment.	
22	<u>STAFF ADJUSTMENT NO. 8</u>	(Luke Fry)
23	OPERATING AND MAINTENANCE	155,939
24	To reflect Staff's adjustment to update Black Hills' rate case expense.	

BLACK HILLS ENERGY
EXPLANATION OF STAFF ADJUSTMENTS TO OPERATIONS
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.		INCREASE / (DECREASE) TO OPERATING INCOME
25	<u>STAFF ADJUSTMENT NO. 9</u>	(Ellis)
26	GAS REVENUES	429,186
27	To reflect Staff's weather normalization - (Irrigation).	
28	<u>STAFF ADJUSTMENT NO. 10</u>	(Campbell)
29	DEPRECIATION AND AMORTIZATION	164,218
30	To reflect Staff's adjustment to depreciation expense.	
31	<u>STAFF ADJUSTMENT NO. 11</u>	(Campbell)
32	OPERATING AND MAINTENANCE	3,773
33	To reflect Staff's adjustment to fleet depreciation expense.	
34	<u>STAFF ADJUSTMENT NO. 12</u>	(Campbell)
35	OPERATING AND MAINTENANCE	110,723
36	To reflect Staff's adjustment to bad debt expense.	
37	<u>STAFF ADJUSTMENT NO. 13</u>	(Campbell)
38	OPERATING AND MAINTENANCE	3,300
39	To reflect Staff's adjustment to update rent expense.	
40	<u>STAFF ADJUSTMENT NO. 14</u>	(Campbell)
41	OPERATING AND MAINTENANCE	106,378
42	To reflect Staff's adjustment to normalize travel expense.	
43	<u>STAFF ADJUSTMENT NO. 15</u>	(Campbell)
44	OPERATING AND MAINTENANCE	
45	To reflect Staff's adjustment to dues expense.	24,450
46	<u>STAFF ADJUSTMENT NO. 16</u>	(Campbell)
47	OPERATING AND MAINTENANCE	58,994
48	To reflect Staff's adjustment to advertising expense.	
49	<u>STAFF ADJUSTMENT NO. 17</u>	(Campbell)
50	CUSTOMER DEPOSITS INTEREST EXPENSE	21,964
51	To reflect Staff's adjustment to interest on customer deposits.	

BLACK HILLS ENERGY
EXPLANATION OF STAFF ADJUSTMENTS TO OPERATIONS
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.		INCREASE / (DECREASE) TO OPERATING INCOME
52	<u>STAFF ADJUSTMENT NO. 18</u>	(Campbell)
53	GAS REVENUES	3,531
54	To reflect Staff's reversal of the Company's miscellaneous adjustment.	
55	<u>STAFF ADJUSTMENT NO. 19</u>	(Campbell)
56	OPERATING AND MAINTENANCE	52,064
57	To reflect actual DIIP costs through June 30.	
58	<u>STAFF ADJUSTMENT NO. 20</u>	(Baldry)
59	OPERATING AND MAINTENANCE	167,050
60	To reflect Staff's adjustment to pension expense.	
61	<u>STAFF ADJUSTMENT NO. 21</u>	(Baldry)
62	OPERATING AND MAINTENANCE	(4,079)
63	To reflect Staff's adjustment to Tracker 1.	
64	<u>STAFF ADJUSTMENT NO. 22</u>	(Baldry)
65	OPERATING AND MAINTENANCE	(23,185)
66	To reflect Staff's adjustment to postretirement expense.	
67	<u>STAFF ADJUSTMENT NO. 23</u>	(Baldry)
68	OPERATING AND MAINTENANCE	63,156
69	To reflect Staff's adjustment to update insurance premium to June 30, 2021.	
70	<u>STAFF ADJUSTMENT NO. 24</u>	(Baldry)
71	OPERATING AND MAINTENANCE	271,006
72	To reflect Staff's adjustment to correct the Company's Worker's Compensation adjustment.	
73	<u>STAFF ADJUSTMENT NO. 25</u>	(Luke Fry)
74	INCOME TAXES - CURRENT & DEFERRED	1,053,412
75	To reflect the income tax impact on Staff's adjustments.	

BLACK HILLS ENERGY
STAFF ADJUSTED AND PRO FORMA CALCULATION OF TAXABLE INCOME
FOR THE TEST YEAR ENDING DECEMBER 31, 2020

LINE NO.	DESCRIPTION	A APPLICANT RESTATE JURISDICTIONAL	B APPLICANT TEST YEAR ADJUSTMENTS	C APPLICANT ADJUSTED	D STAFF TEST YEAR ADJUSTMENTS	E STAFF ADJUSTED	F STAFF PRO FORMA ADJUSTMENTS	G STAFF PRO FORMA
1	OPERATING INCOME BEFORE INCOME TAXES	\$15,354,707	(\$6,540,680)	\$8,814,027	\$3,061,493	\$11,897,484	\$2,917,886	\$14,815,370
	<u>INCREASE (DECREASE) TO OPERATING INCOME BEFORE INCOME TAXES:</u>							
2	INTEREST ON DEBT	(\$4,050,077)	(\$418,476)	(\$4,468,553)	(\$908,453)	(\$5,377,006)	\$0	(\$5,377,006)
3	PERMANENT DIFFERENCES	0	0	0	0	0	0	0
4	TEMPORARY DIFFERENCES	0	0	0	0	0	0	0
5	SUBTOTAL	(4,050,077)	(418,476)	(4,468,553)	(908,453)	(5,377,006)	0	(5,377,006)
6	TAXABLE INCOME	\$11,304,630	(\$6,959,156)	\$4,345,474	\$2,153,040	\$6,520,478	\$2,917,886	\$9,438,364
7	KANSAS TAX RATE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	KANSAS INCOME TAX	0	0	0	0	0	0	0
9	ADJUSTMENTS	0	0	0	0	0	0	0
10	KANSAS INCOME TAX - CURRENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	TAXABLE FEDERAL INCOME	\$11,304,630	(\$6,959,156)	\$4,345,474	\$2,153,040	\$6,520,478	\$2,917,886	\$9,438,364
12	FEDERAL TAX RATE	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
13	FEDERAL INCOME TAX	2,373,972	(1,461,423)	912,550	456,751	1,369,300	612,756	1,982,056
14	ADJUSTMENTS	15,764	0	11,897	0	11,897	0	11,897
15	TAX CREDITS AND EDIT AMORTIZATION	(124,892)	(166,386)	(291,278)	(1,510,163)	(1,801,441)	0	(1,801,441)
16	FEDERAL INCOME TAX - CURRENT	\$2,264,844	(\$1,627,809)	\$633,169	(\$1,053,412)	(\$420,244)	\$612,756	\$192,512
	<u>SUMMARY OF INCOME TAXES - CURRENT</u>							
17	KANSAS INCOME TAX	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	FEDERAL INCOME TAX	2,264,844	(1,627,809)	633,169	(1,053,412)	(420,244)	612,756	192,512
19	LESS: INVESTMENT TAX CREDIT	0	0	0	0	0	0	0
20	TOTAL INCOME TAXES - CURRENT	\$2,264,844	(\$1,627,809)	\$633,169	(\$1,053,412)	(\$420,244)	\$612,756	\$192,512

BLACK HILLS ENERGY
INTEREST EXPENSE CALCULATION
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.	DESCRIPTION	A STAFF ADJUSTED	B STAFF PRO FORMA
1	RATE BASE	\$233,922,850	\$233,922,850
2	WEIGHTED COST OF DEBT	2.2986%	2.2986%
3	INTEREST EXPENSE	\$5,377,006	\$5,377,006

BLACK HILLS ENERGY
CAPITAL STRUCTURE
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.	DESCRIPTION	A TOTAL COMPANY CAPITALIZATION	B STAFF ADJUSTMENTS	C STAFF ADJUSTED KANSAS GAS JURISDICTIONAL	D CAPITALIZATION RATIO'S	E COST OF CAPITAL	F WEIGHTED COST OF CAPITAL
1	LONG TERM DEBT	\$114,385,741	\$3,415,830,259	\$3,530,216,000	57.0378%	4.0300%	2.2986%
2	COMMON STOCK EQUITY	115,952,038	2,543,087,962	2,659,040,000	42.9622%	9.2000%	3.9525%
3	TOTAL CAPITALIZATION	\$230,337,779	\$5,958,918,221	\$6,189,256,000	100.0000%		6.2511%
4	<u>WEIGHTED COST OF DEBT:</u> LONG TERM DEBT	<u>2.2986%</u>					

BLACK HILLS ENERGY
STAFF ADJUSTMENTS TO THE CAPITAL STRUCTURE
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.	DESCRIPTION	A APPLICANT KANSAS GAS JURISDICTIONAL AMOUNTS	B STAFF ADJUSTMENT NO. 1	C TOTAL STAFF ADJUSTMENTS	D STAFF ADJUSTED KANSAS GAS JURISDICTIONAL
1	LONG TERM DEBT	\$114,385,741	\$3,415,830,259	\$3,415,830,259	\$3,530,216,000
2	COMMON STOCK EQUITY	115,952,038	2,543,087,962	2,543,087,962	2,659,040,000
3	TOTAL CAPITALIZATION	\$230,337,779	\$5,958,918,221	\$5,958,918,221	\$6,189,256,000

BLACK HILLS ENERGY
EXPLANATION OF STAFF ADJUSTMENTS TO CAPITAL STRUCTURE
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

LINE NO.			INCREASE / (DECREASE) TO CAPITAL STRUCTURE
1	<u>STAFF ADJUSTMENT NO. 1</u>	(Gatewood)	
2	LONG TERM DEBT		\$3,415,830,259
3	COMMON EQUITY		\$2,543,087,962
4	To reflect Staff's adjustment to capital structure.		

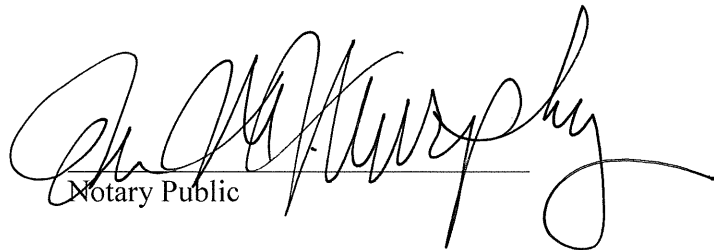
STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

VERIFICATION

Kristina Luke Fry, being duly sworn upon her oath deposes and states that she is a Managing Auditor for the Utilities Division of the Kansas Corporation Commission of the State of Kansas, that she has read and is familiar with the foregoing *Direct Testimony*, and attests that the statements contained therein are true and correct to the best of her knowledge, information and belief.

/s/ Kristina Luke Fry
Kristina Luke Fry
Managing Auditor
State Corporation Commission of the
State of Kansas

Subscribed and sworn to before me this 9 day of September, 2021.



Notary Public

My Appointment Expires: 4/28/25



NOTARY PUBLIC - State of Kansas
ANN M. MURPHY
My Appt. Expires 4/28/25

CERTIFICATE OF SERVICE

21-BHCG-418-RTS

I, the undersigned, certify that a true and correct copy of the above and foregoing schedules was sent by electronic mail this 10th day of September, 2021, to the following:

JAMES G. FLAHERTY, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 S HICKORY
PO BOX 17
OTTAWA, KS 66067
jflaherty@andersonbyrd.com

ANN STICHLER, SNR. ANALYST-REG. & FINANCE
BLACK HILLS/KANSAS GAS UTILITY COMPANY LLC
D/B/A Black Hills Energy
2287 College Road
Council Bluffs, IA 51503
ann.stichler@blackhillscorp.com

ROB DANIEL, MANAGER REGULATORY & FINANCE
BLACK HILLS/KANSAS GAS UTILITY COMPANY, LLC
D/B/A BLACK HILLS ENERGY
655 EAST MILLSAP DRIVE
FAYETTEVILLE, AR 72703
rob.daniel@blackhillscorp.com

DOUGLAS LAW, ASSOCIATE GENERAL COUNSEL
BLACK HILLS/KANSAS GAS UTILITY COMPANY, LLC
D/B/A BLACK HILLS ENERGY
1731 Windhoek Drive
Lincoln, NE 68512
douglas.law@blackhillscorp.com

TOM STEVENS, DIRECTOR REGULATORY & FINANCE
BLACK HILLS/KANSAS GAS UTILITY COMPANY, LLC
D/B/A BLACK HILLS ENERGY
655 EAST MILLSAP DRIVE
FAYETTEVILLE, AR 72703
tom.stevens@blackhillscorp.com

* JOSEPH R. ASTRAB, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
j.astrab@curb.kansas.gov

* TODD E. LOVE, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
t.love@curb.kansas.gov

DAVID W. NICKEL, CONSUMER COUNSEL
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
d.nickel@curb.kansas.gov

* SHONDA RABB
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
s.rabb@curb.kansas.gov

* DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
d.smith@curb.kansas.gov

CERTIFICATE OF SERVICE

21-BHCG-418-RTS

* MONTGOMERY ESCUE, CONSULTANT
FREEDOM PIPELINE, LLC
PO BOX 622377
OVIEDO, FL 33762
montgomery@escue.com

* KIRK HEGER
FREEDOM PIPELINE, LLC
1901 UNIVERSITY DRIVE
LAWRENCE, KS 66044
kirkheger@gmail.com

* COLE BAILEY, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
c.bailey@kcc.ks.gov

DAVID COHEN, ASSISTANT GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
d.cohen@kcc.ks.gov

* CARLY MASENTHIN, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD RD
TOPEKA, KS 66604
c.masenthin@kcc.ks.gov

* GLENDA CAFER, ATTORNEY
MORRIS LAING EVANS BROCK & KENNEDY
800 SW JACKSON
SUITE 1310
TOPEKA, KS 66612-1216
gcafer@morrislaing.com

* RICHARD L. HANSON
RICHARD L. HANSON
16171 ROAD I
LIBERAL, KS 67901
rlhanson@wbsnet.org



Abigail Emery, CRP
Paralegal

* Denotes those receiving the Confidential version