

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application of Black Hills/Kansas )  
Gas Utility Company, LLC, d/b/a Black Hills Energy, ) DOCKET NO. 25-BHCG-298-RTS  
for Approval of the Commission to Make Certain )  
Changes in its Rates for Natural Gas Service. )

SCHEDULES

PREPARED BY

STAFF

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

DOCKET NO. 25-BHCG-298-RTS  
BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
SCHEDULE INDEX  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

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BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
STAFF REVENUE REQUIREMENT  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE REV-REQ

LINE NO.	DESCRIPTION	STAFF ADJUSTED
1	PROFORMA RATE BASE	\$294,261,415
2	STAFF RATE OF RETURN	<u>6.9400%</u>
3	OPERATING INCOME REQUIRED	20,421,742
4	STAFF ADJUSTED OPERATING INCOME	<u>9,710,930</u>
5	DIFFERENCE	10,710,812
6	INCOME TAX FACTOR	<u>0.790000</u>
7	PROFORMA REVENUE INCREASE (DECREASE)	<u><u>\$13,561,650</u></u>

BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
STAFF ADJUSTED AND PRO FORMA RATE BASE  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE A-1

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	0	0	0	0	0		0
4	PRODUCT EXTRACTION PLANT	0	0	0	0	0		0
5	TRANSMISSION PLANT	65,050,291	2,626,362	67,676,653	(2,690,607)	64,986,046		64,986,046
6	DISTRIBUTION PLANT	343,412,658	27,806,618	371,219,276	(13,910,760)	357,308,516		357,308,516
7	GENERAL PLANT	32,389,068	3,921,289	36,310,357	(3,790,749)	32,519,608		32,519,608
8	CORPORATE ALLOCATED PLANT	17,194,751	(609,346)	16,585,405	289,510	16,874,915		16,874,915
8	TOTAL GAS PLANT IN SERVICE	461,555,528	33,744,923	495,300,451	(20,102,606)	475,197,845	0	475,197,845
9	LESS: ACCUM. PROV. FOR DEPR. & AMORT.	132,029,326	6,727,027	138,756,353	(2,498,882)	136,257,471		136,257,471
10	NET GAS PLANT IN SERVICE	329,526,202	27,017,896	356,544,098	(17,603,724)	338,940,374	0	338,940,374
11	CONSTRUCTION WORK IN PROGRESS	0	0	0	3,471,949	3,471,949		3,471,949
12	MATERIALS AND SUPPLIES	2,857,668	41,439	2,899,107	21,200	2,920,307		2,920,307
13	GAS STORAGE	3,401,168	(738,331)	2,662,837	(421,363)	2,241,474		2,241,474
14	PREPAYMENTS	48,496	3,807	52,303	6,334	58,637		58,637
15	CASH WORKING CAPITAL	0	0	0	0	0		0
16	CUSTOMER ADVANCES	(506,945)	0	(506,945)	7,166	(499,779)		(499,779)
17	CUSTOMER DEPOSITS	(1,090,806)	0	(1,090,806)	(27,348)	(1,118,154)		(1,118,154)
18	DEFERRED INCOME TAX ASSETS	5,198,048	1,097,975	6,296,023	137,657	6,433,680		6,433,680
19	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	(41,786,171)	(6,207,968)	(47,994,139)	2,780,903	(45,213,236)		(45,213,236)
20	REGULATORY LIABILITIES FOR FEDERAL TCJA EDIT	(11,710,151)	452,828	(11,257,323)	99,562	(11,157,761)		(11,157,761)
21	REGULATORY LIABILITIES FOR KANSAS EDIT	(752,105)	752,105	0	0	0		0
22	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(153,659)	(3,669)	(157,328)	(15,252)	(172,580)		(172,580)
23	ALLOCATED BLACK HILLS SERVICE COMPANY ADIT & EDIT	(1,566,507)	65,990	(1,500,517)	(142,980)	(1,643,497)		(1,643,497)
24	TOTAL RATE BASE - KANSAS	\$283,465,238	\$22,482,072	\$305,947,310	(\$11,685,895)	\$294,261,415	\$0	\$294,261,415

BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
STAFF ADJUSTMENTS TO APPLICANT ADJUSTED RATE BASE  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE A-2

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 STAFF ADJUSTMENT NO. 9	K TOTAL STAFF ADJUSTMENTS	L 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	\$0										0	0
4	PRODUCT EXTRACTION PLANT	\$0										0	0
5	TRANSMISSION PLANT	\$67,676,653	(2,690,607)									(2,690,607)	64,986,046
6	DISTRIBUTION PLANT	\$371,219,276	(13,910,760)									(13,910,760)	357,308,516
7	GENERAL PLANT	\$36,310,357	(3,790,749)									(3,790,749)	32,519,608
8	CORPORATE ALLOCATED PLANT	\$16,585,405	289,510									289,510	16,874,915
8	TOTAL GAS PLANT IN SERVICE	495,300,451	(20,102,606)	0	0	0	0	0	0	0	0	(20,102,606)	475,197,845
9	LESS: ACCUM. PROV. FOR DEPR. & AMORT.	138,756,353		(2,498,882)								(2,498,882)	136,257,471
10	NET GAS PLANT IN SERVICE	356,544,098	(20,102,606)	2,498,882	0	0	0	0	0	0	0	(17,603,724)	338,940,374
11	COST FREE CAPITAL - CWIP	0			3,471,949							3,471,949	3,471,949
12	MATERIALS AND SUPPLIES	2,899,107					21,200					21,200	2,920,307
13	GAS STORAGE	2,662,837				(421,363)						(421,363)	2,241,474
14	PREPAYMENTS	52,303						6,334				6,334	58,637
15	CASH WORKING CAPITAL	0										0	0
16	CUSTOMER ADVANCES	(506,945)								7,166		7,166	(499,779)
17	CUSTOMER DEPOSITS	(1,090,806)							(27,348)			(27,348)	(1,118,154)
18	DEFERRED INCOME TAX ASSETS	6,296,023											
19	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	(47,994,139)									137,657	137,657	6,433,680
20	REGULATORY LIABILITIES FOR FEDERAL TCJA EDIT	(11,257,323)									2,780,903	2,780,903	(45,213,236)
21	REGULATORY LIABILITIES FOR KANSAS EDIT	0									99,562	99,562	(11,157,761)
22	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(157,328)									0	0	0
23	ALLOCATED BLACK HILLS SERVICE COMPANY ADIT & I	(1,500,517)									(15,252)	(15,252)	(172,580)
											(142,980)	(142,980)	(1,643,497)
24	TOTAL RATE BASE - KANSAS	\$305,947,310	(\$20,102,606)	\$2,498,882	\$3,471,949	(\$421,363)	\$21,200	\$6,334	(\$27,348)	\$7,166	\$2,859,891	(\$11,685,895)	\$294,261,415

BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
EXPLANATION OF STAFF ADJUSTMENTS TO RATE BASE  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE A-3

LINE NO. *****		INCREASE / (DECREASE) TO RATE BASE *****
	<u>STAFF ADJUSTMENT NO. 1</u> (Buller)	
1	GAS PLANT IN SERVICE	(\$20,102,606)
2	To reflect Staff's adjustment to plant in service.	
	<u>STAFF ADJUSTMENT NO. 2</u> (Buller)	
3	ACCUMULATED DEPRECIATION / AMORTIZATION	2,498,882
4	To reflect Staff's adjustment to accumulated depreciation and amortization.	
	<u>STAFF ADJUSTMENT NO. 3</u> (Buller)	
5	CWIP	3,471,949
6	To reflect Staff's adjustment to CWIP.	
	<u>STAFF ADJUSTMENT NO. 4</u> (Buller)	
7	GAS STORAGE	(421,363)
8	To reflect Staff's adjustment to gas supply management system expenses.	
	<u>STAFF ADJUSTMENT NO. 5</u> (Figgs)	
9	MATERIALS AND SUPPLIES	21,200
10	To reflect Staff's adjustment to materials and supplies.	
	<u>STAFF ADJUSTMENT NO. 6</u> (Figgs)	
11	PREPAYMENTS	6,334
12	To reflect Staff's adjustment to prepayments.	
	<u>STAFF ADJUSTMENT NO. 7</u> (Figgs)	
13	CUSTOMER DEPOSITS	(27,348)
14	To reflect Staff's adjustment to customer deposits.	
	<u>STAFF ADJUSTMENT NO. 8</u> (Figgs)	
15	CUSTOMER ADVANCES	7,166
16	To reflect Staff's adjustment to customer advances.	
	<u>STAFF ADJUSTMENT NO. 9</u> (Figgs)	
17	DEFERRED INCOME TAX ASSETS	137,657
18	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	2,780,903
19	REGULATORY LIABILITIES FOR FEDERAL TCJA EDIT	99,562
20	REGULATORY LIABILITIES FOR KANSAS EDIT	0
21	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(15,252)
22	ALLOCATED BLACK HILLS SERVICE COMPANY ADIT & EDIT	(142,980)
23	To reflect Staff's adjustment to ADIT and EDIT.	

BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
STAFF ADJUSTED AND PRO FORMA OPERATING INCOME STATEMENT  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE B-1

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	\$113,043,575	(\$62,108,490)	\$50,935,085	(\$2,012,649)	\$48,922,436	\$13,561,650	\$62,484,086
2	OTHER REVENUES	9,507,464	3,284,536	12,792,000	(130,062)	12,661,938		12,661,938
3	TOTAL REVENUES	122,551,039	(58,823,954)	63,727,085	(2,142,711)	61,584,374	13,561,650	75,146,024
	<u>OPERATING EXPENSES:</u>							
4	PRODUCTION EXPENSES	0	0	0	0	0		0
5	GAS SUPPLY EXPENSES	59,251,385	(59,251,385)	0	0	0		0
6	UNDERGROUND STORAGE EXPENSES	0	0	0	0	0		0
7	TRANSMISSION EXPENSES	576,203	125,313	701,516	(114,525)	586,991		586,991
8	DISTRIBUTION EXPENSES	10,676,420	746,471	11,422,891	(504,312)	10,918,579		10,918,579
9	CUSTOMER ACCOUNTS EXPENSES	3,628,594	509,685	4,138,279	34,305	4,172,584		4,172,584
10	CUSTOMER SERVICES & INFORMATION EXPENSES	197,217	6,012	203,229	(41,950)	161,279		161,279
11	SALES EXPENSES	212,547	(4,020)	208,527	(46,836)	161,691		161,691
12	ADMINISTRATIVE & GENERAL EXPENSES	14,598,117	1,079,283	15,677,400	(742,943)	14,934,457		14,934,457
13	TOTAL OPERATING EXPENSES	89,140,483	(56,788,641)	32,351,842	(1,416,261)	30,935,581	0	30,935,581
14	DEPRECIATION AND AMORTIZATION	11,872,517	874,479	12,746,996	(382,830)	12,364,166		12,364,166
15	TAXES OTHER THAN INCOME TAXES	6,874,267	2,089,105	8,963,372	(48,406)	8,914,966		8,914,966
16	CUSTOMER DEPOSITS - INTEREST EXPENSE	0	0	0	0	0		0
17	INCOME TAXES - CURRENT & DEFERRED	44,778	(129,560)	(84,781)	(256,487)	(341,269)	2,847,947	2,506,678
18	TOTAL EXPENSES	107,932,045	(53,954,617)	53,977,429	(2,103,984)	51,873,444	2,847,947	54,721,391
19	OPERATING INCOME	\$14,618,994	(\$4,869,337)	\$9,749,656	(\$38,726)	\$9,710,930	\$10,713,704	\$20,424,633

BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
STAFF ADJUSTMENTS TO APPLICANT ADJUSTED INCOME STATEMENT  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE B-2

LINE NO.		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
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
	<u>OPERATING REVENUES:</u>									
1	GAS REVENUES	\$50,935,085								
2	OTHER REVENUES	12,792,000								
3	TOTAL REVENUES	63,727,085	0	0	0	0	0	0	0	0
	<u>OPERATING EXPENSES:</u>									
4	PRODUCTION EXPENSES	0								
5	GAS SUPPLY EXPENSES	0								
6	UNDERGROUND STORAGE EXPENSES	0								
7	TRANSMISSION EXPENSES	701,516		(189)		(100,000)				
8	DISTRIBUTION EXPENSES	11,422,891		(13,421)	(250,276)		(53,983)			
9	CUSTOMER ACCOUNTS EXPENSES	4,138,279		(1,306)						
10	CUSTOMER SERVICES & INFORMATION EXPENSES	203,229								
11	SALES EXPENSES	208,527		(1)				(1,487)		
12	ADMINISTRATIVE & GENERAL EXPENSES	15,677,400		(27)					(63,864)	3,987
13	TOTAL OPERATING EXPENSES	32,351,842	-	(14,944)	(250,276)	(100,000)	(53,983)	(1,487)	(63,864)	3,987
14	DEPRECIATION AND AMORTIZATION	12,746,996	(382,830)							
15	TAXES OTHER THAN INCOME TAXES	8,963,372								
16	CUSTOMER DEPOSITS - INTEREST EXPENSE	0								
17	INCOME TAXES - CURRENT & DEFERRED	(84,781)								
18	TOTAL EXPENSES	53,977,429	(382,830)	(14,944)	(250,276)	(100,000)	(53,983)	(1,487)	(63,864)	3,987
19	OPERATING INCOME	\$9,749,656	\$382,830	\$14,944	\$250,276	\$100,000	\$53,983	\$1,487	\$63,864	(\$3,987)



BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
STAFF ADJUSTMENTS TO APPLICANT ADJUSTED INCOME STATEMENT  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE B-2

LINE NO.	DESCRIPTION	J STAFF ADJUSTMENT NO. 9	K STAFF ADJUSTMENT NO. 10	L STAFF ADJUSTMENT NO. 11	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			(130,062)						
3	TOTAL REVENUES	0	0	(130,062)	0	0	0	0	0	0
	<u>OPERATING EXPENSES:</u>									
4	PRODUCTION EXPENSES									
5	GAS SUPPLY EXPENSES									
6	UNDERGROUND STORAGE EXPENSES									
7	TRANSMISSION EXPENSES				(2,383)	5,161				(17,114)
8	DISTRIBUTION EXPENSES				(165,848)	(20,784)				
9	CUSTOMER ACCOUNTS EXPENSES				(16,984)	52,595				
10	CUSTOMER SERVICES & INFORMATION EXPENSES					(41,950)				
11	SALES EXPENSES				(142)	(45,206)				
12	ADMINISTRATIVE & GENERAL EXPENSES	(228,289)	(8,751)		(77,490)	145,505	(118,673)	(46,137)	(15,391)	
13	TOTAL OPERATING EXPENSES	(228,289)	(8,751)	-	(262,847)	95,321	(118,673)	(46,137)	(15,391)	(17,114)
14	DEPRECIATION AND AMORTIZATION									
15	TAXES OTHER THAN INCOME TAXES				(66,762)	18,356				
16	CUSTOMER DEPOSITS - INTEREST EXPENSE									
17	INCOME TAXES - CURRENT & DEFERRED									
18	TOTAL EXPENSES	(228,289)	(8,751)	-	(329,609)	113,677	(118,673)	(46,137)	(15,391)	(17,114)
19	OPERATING INCOME	\$228,289	\$8,751	(130,062)	\$329,609	(\$113,677)	\$118,673	\$46,137	\$15,391	\$17,114

BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
STAFF ADJUSTMENTS TO APPLICANT ADJUSTED INCOME STATEMENT  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE B-2

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	Y TOTAL STAFF ADJUSTMENTS	Z STAFF ADJUSTED
*****									
	<u>OPERATING REVENUES:</u>								
1	GAS REVENUES		\$2,243,019	\$121,746		(\$4,377,414)		(\$2,012,649)	\$48,922,436
2	OTHER REVENUES							(130,062)	12,661,938
3	TOTAL REVENUES	0	2,243,019	121,746	0	(4,377,414)	0	(2,142,711)	61,584,374
	<u>OPERATING EXPENSES:</u>								
4	PRODUCTION EXPENSES							0	0
5	GAS SUPPLY EXPENSES							0	0
6	UNDERGROUND STORAGE EXPENSES							0	0
7	TRANSMISSION EXPENSES							(114,525)	586,991
8	DISTRIBUTION EXPENSES							(504,312)	10,918,579
9	CUSTOMER ACCOUNTS EXPENSES							34,305	4,172,584
10	CUSTOMER SERVICES & INFORMATION EXPENSES							(41,950)	161,279
11	SALES EXPENSES							(46,836)	161,691
12	ADMINISTRATIVE & GENERAL EXPENSES	(29,864)			(303,949)			(742,943)	14,934,457
13	TOTAL OPERATING EXPENSES	(29,864)	0	0	(303,949)	0	0	(1,416,261)	30,935,581
14	DEPRECIATION AND AMORTIZATION							(382,830)	12,364,166
15	TAXES OTHER THAN INCOME TAXES							(48,406)	8,914,966
16	CUSTOMER DEPOSITS - INTEREST EXPENSE							0	0
17	INCOME TAXES - CURRENT & DEFERRED						(256,487)	(256,487)	(341,269)
18	TOTAL EXPENSES	(29,864)	0	0	(303,949)	0	(256,487)	(2,103,984)	51,873,444
19	OPERATING INCOME	\$29,864	\$2,243,019	\$121,746	\$303,949	(\$4,377,414)	256,487	(38,726)	9,710,930

BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
EXPLANATION OF STAFF ADJUSTMENTS TO OPERATIONS  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE B-3

LINE NO. *****		INCREASE / (DECREASE) TO OPERATIONS *****
	<u>STAFF ADJUSTMENT NO. 1</u> (Buller)	
1	DEPRECIATION AND AMORTIZATION	(382,830)
2	To reflect Staff's adjustment to depreciation expense.	
	<u>STAFF ADJUSTMENT NO. 2</u> (Buller)	
3	TRANSMISSION EXPENSES	(189)
4	DISTRIBUTION EXPENSES	(13,421)
5	CUSTOMER ACCOUNTS EXPENSES	(1,306)
6	SALES EXPENSES	(1)
7	ADMINISTRATIVE & GENERAL EXPENSES	(27)
8	To reflect Staff's adjustment to fleet depreciation expense.	
	<u>STAFF ADJUSTMENT NO. 3</u> (Buller)	
9	DISTRIBUTION EXPENSES	(250,276)
10	To reflect Staff's adjustment to DIIP.	
	<u>STAFF ADJUSTMENT NO. 4</u> (Buller)	
11	TRANSMISSION EXPENSES	(100,000)
12	To reflect Staff's adjustment to vegetation management.	
	<u>STAFF ADJUSTMENT NO. 5</u> (Buller)	
13	DISTRIBUTION EXPENSES	(53,983)
14	To reflect Staff's adjustment line locate expense.	
	<u>STAFF ADJUSTMENT NO. 6</u> (Baldry)	
15	SALES EXPENSES	(1,487)
16	To reflect Staff's adjustment to advertising expense.	
	<u>STAFF ADJUSTMENT NO. 7</u> (Baldry)	
17	ADMINISTRATIVE & GENERAL EXPENSES	(63,864)
18	To reflect Staff's adjustment to miscellaneous expense.	
	<u>STAFF ADJUSTMENT NO. 8</u> (Baldry)	
19	ADMINISTRATIVE & GENERAL EXPENSES	3,987
20	To reflect Staff's adjustment to pension and OPEB expense.	
	<u>STAFF ADJUSTMENT NO. 9</u> (Baldry)	
21	ADMINISTRATIVE & GENERAL EXPENSES	(228,289)
22	To reflect Staff's adjustment to pension and OPEB tracker 1.	

BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
EXPLANATION OF STAFF ADJUSTMENTS TO OPERATIONS  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE B-3

LINE NO. *****		INCREASE / (DECREASE) TO OPERATIONS *****
	<u>STAFF ADJUSTMENT NO. 10</u> (Figgs)	
23	ADMINISTRATIVE & GENERAL EXPENSES	(8,751)
24	To reflect Staff's adjustment to bad debt expense.	
	<u>STAFF ADJUSTMENT NO. 11</u> (Figgs)	
25	OTHER REVENUES	(130,062)
26	To reflect Staff's adjustment to forfeited discounts.	
	<u>STAFF ADJUSTMENT NO. 12</u> (Figgs)	
27	TRANSMISSION EXPENSES	(2,383)
28	DISTRIBUTION EXPENSES	(165,848)
29	CUSTOMER ACCOUNTS EXPENSES	(16,984)
30	SALES EXPENSES	(142)
31	ADMINISTRATIVE & GENERAL EXPENSES	(77,490)
32	TAXES OTHER THAN INCOME TAXES	(66,762)
33	To reflect Staff's adjustment to direct payroll expense	
	<u>STAFF ADJUSTMENT NO. 13</u> (Figgs)	
34	TRANSMISSION EXPENSES	5,161
35	DISTRIBUTION EXPENSES	(20,784)
36	CUSTOMER ACCOUNTS EXPENSES	52,595
37	CUSTOMER SERVICES & INFORMATION EXPENSES	(41,950)
38	SALES EXPENSES	(45,206)
39	ADMINISTRATIVE & GENERAL EXPENSES	145,505
40	TAXES OTHER THAN INCOME TAXES	18,356
41	To reflect Staff's adjustment to intercompany charges.	
	<u>STAFF ADJUSTMENT NO. 14</u> (Figgs)	
42	ADMINISTRATIVE & GENERAL EXPENSES	(118,673)
43	To reflect Staff's adjustment to severance expense.	
	<u>STAFF ADJUSTMENT NO. 15</u> (Figgs)	
44	ADMINISTRATIVE & GENERAL EXPENSES	(46,137)
45	To reflect Staff's adjustment to payment processing fee.	
	<u>STAFF ADJUSTMENT NO. 16</u> (Figgs)	
46	ADMINISTRATIVE & GENERAL EXPENSES	(15,391)
47	To reflect Staff's adjustment to Commission fees.	
	<u>STAFF ADJUSTMENT NO. 17</u> (Figgs)	
48	TRANSMISSION EXPENSES	(17,114)
49	To reflect Staff's adjustment to PHMSA fee.	

BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
EXPLANATION OF STAFF ADJUSTMENTS TO OPERATIONS  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE B-3

LINE NO. *****		INCREASE / (DECREASE) TO OPERATIONS *****
	<u>STAFF ADJUSTMENT NO. 18</u> (Figgs)	
50	ADMINISTRATIVE & GENERAL EXPENSES	(29,864)
51	To reflect Staff's adjustment to research and development	
	<u>STAFF ADJUSTMENT NO. 19</u> (Glass)	
52	GAS REVENUES	\$2,243,019
53	To reflect Staff's adjustment to weather normalization and irrigation.	
	<u>STAFF ADJUSTMENT NO. 20</u> (Glass)	
54	GAS REVENUES	\$121,746
55	To reflect Staff's adjustment to customer annualization.	
	<u>STAFF ADJUSTMENT NO. 21</u> (Figgs)	
56	ADMINISTRATIVE & GENERAL EXPENSES	(303,949)
57	To reflect Staff's adjustment to rate case expense.	
	<u>STAFF ADJUSTMENT NO. 22</u> (Figgs)	
58	GAS REVENUES	(\$4,377,414)
59	To reflect Staff's adjustment to GSRS revenues	
	<u>STAFF ADJUSTMENT NO. 23</u> (Figgs)	
60	INCOME TAXES - CURRENT & DEFERRED	(256,487)
61	To reflect Staff's adjustment to income tax expense.	

BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
STAFF ADJUSTED AND PRO FORMA CALCULATION OF TAXABLE INCOME  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE B-4

LINE NO.	DESCRIPTION	A APPLICANT RESTATED 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	\$14,663,772	(\$4,998,897)	\$9,664,875	(\$295,214)	\$9,369,661	\$13,561,650	\$22,931,311
	<u>INCREASE (DECREASE) TO</u>							
	<u>OPERATING INCOME BEFORE INCOME TAXES:</u>							
2	INTEREST ON DEBT	(6,519,701)	(608,872)	(\$7,128,573)	(\$227,962)	(\$7,356,535)	\$0	(\$7,356,535)
3	PERMANENT DIFFERENCES	95,359	(33,966)	61,393	0	61,393	0	61,393
4	TEMPORARY DIFFERENCES	(3,283,802)	(27,855,772)	(31,139,574)	0	(31,139,574)	0	(31,139,574)
5	SUBTOTAL	(9,708,144)	(28,498,609)	(38,206,754)	(227,962)	(38,434,716)	0	(38,434,716)
6	TAXABLE INCOME	\$4,955,628	(\$33,497,506)	(\$28,541,879)	(\$523,176)	(\$29,065,054)	\$13,561,650	(\$15,503,404)
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
11	KANSAS INCOME TAX - CURRENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	TAXABLE FEDERAL INCOME	\$4,955,628	(\$33,497,506)	(\$28,541,879)	(\$523,176)	(\$29,065,054)	\$13,561,650	(\$15,503,404)
13	FEDERAL TAX RATE	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
14	FEDERAL INCOME TAX	1,040,682	(7,034,476)	(5,993,794)	(109,867)	(6,103,661)	2,847,947	(3,255,715)
15	ADJUSTMENTS	(995,904)	6,904,917	5,909,013	(146,620)	5,762,393	0	5,762,393
16	FEDERAL INCOME TAX - CURRENT	\$44,778	(\$129,560)	(\$84,781)	(\$256,487)	(\$341,269)	\$2,847,947	\$2,506,678
	SUMMARY OF INCOME TAXES - CURRENT							
17	KANSAS INCOME TAX	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	FEDERAL INCOME TAX	44,778	(129,560)	(84,781)	(256,487)	(341,269)	2,847,947	2,506,678
19	LESS: INVESTMENT TAX CREDIT			0		0		0
20	TOTAL INCOME TAXES - CURRENT	\$44,778	(\$129,560)	(\$84,781)	(\$256,487)	(\$341,269)	\$2,847,947	\$2,506,678

BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
INTEREST EXPENSE CALCULATION  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE B-4-1

LINE NO.	DESCRIPTION	A STAFF ADJUSTED	B STAFF PRO FORMA
*****	*****	*****	*****
1	RATE BASE	\$294,261,415	\$294,261,415
2	WEIGHTED COST OF DEBT	<u>2.5000%</u>	<u>2.5000%</u>
3	INTEREST EXPENSE	<u><u>\$7,356,535</u></u>	<u><u>\$7,356,535</u></u>

BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
CAPITAL STRUCTURE  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE C-1

LINE NO.	DESCRIPTION	A TOTAL COMPANY CAPITALIZATION	B ASSIGNED TO KANSAS RATE BASE	C STAFF ADJUSTMENTS	D STAFF ADJUSTED KANSAS GAS JURISDICTIONAL	E CAPITALIZATION RATIO'S	F COST OF CAPITAL	G WEIGHTED COST OF CAPITAL
*****	*****	*****	*****	*****	*****	*****	*****	*****
1	LONG TERM DEBT	\$151,800,000	\$151,800,000	\$14,318,100	\$166,118,100	54.2400%	4.6100%	2.50%
2	COMMON STOCK EQUITY	154,464,934	154,464,934	(14,318,100)	140,146,834	45.7600%	9.7000%	4.44%
3	TOTAL CAPITALIZATION	<u>\$306,264,934</u>	<u>\$306,264,934</u>	<u>\$0</u>	<u>\$306,264,934</u>	<u>100.0000%</u>		<u>6.9400%</u>
4	<u>WEIGHTED COST OF DEBT:</u> LONG TERM DEBT	<u>2.5000%</u>						



BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
STAFF ADJUSTMENTS TO CAPITAL STRUCTURE  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE C-2

LINE NO.	DESCRIPTION	A APPLICANT KANSAS GAS JURISDICTIONAL AMOUNTS	B TOTAL STAFF ADJUSTMENTS	C STAFF ADJUSTED KANSAS GAS JURISDICTIONAL
*****	*****	*****	*****	*****
1	LONG TERM DEBT	\$151,800,000	\$14,318,100	\$166,118,100
2	COMMON STOCK EQUITY	154,464,934	(\$14,318,100)	140,146,834
3	TOTAL CAPITALIZATION	\$306,264,934	\$0	\$306,264,934

BLACK HILLS ENERGY  
KANSAS GAS UTILITY COMPANY, LLC  
EXPLANATION OF STAFF ADJUSTMENTS TO CAPITAL STRUCTURE  
FOR THE TEST YEAR ENDING SEPTEMBER 30, 2024

DOCKET NO. 25-BHCG-298-RTS  
SCHEDULE C-3

LINE  
NO.  
\*\*\*\*\*

INCREASE / (DECREASE)  
TO CAPITAL STRUCTURE  
\*\*\*\*\*

<u>STAFF ADJUSTMENT NO. 1</u>	
1	LONG TERM DEBT
2	COMMON EQUITY

14,318,100  
(14,318,100)

## **CERTIFICATE OF SERVICE**

25-BHCG-298-RTS

I, the undersigned, certify that a true and correct copy of the above and foregoing Direct Testimony was served via electronic service this 9th day of May, 2025, to the following:

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25-BHCG-298-RTS

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*Ann Murphy*

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