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December 19, 2024

Via e-filing EXPRESS

Mr. Lynn M. Retz, Secretary
Kansas Corporation Commission
1500 S.W. Arrowhead Road
Topeka, KS 66604-4027

25-BHCG-247-TAR

RE: Black Hills Energy (“Black Hills”) Ad Valorem Tax Surcharge
Calculation of 2025 Adjustment

Dear Ms. Retz:

The Commission’s April 7, 2008 Order in Docket No. 08-AQLG-834-TAR approved Black Hills predecessor’s Ad Valorem Tax Surcharge Rider (“AVTS”). The order instructed Black Hills’ predecessor to file an annual true-up in December of each calendar year and charged Commission Staff with reviewing the filing to ensure the surcharge’s reasonable application and proper calculation.

This letter transmits the required true-up, including previously unrecovered Ad Valorem taxes charged to Black Hills, plus the recently received 2024 assessments. We have calculated the 2025 surcharge to be charged to Black Hills’ sales and transportation customers, as specified under the AVTS.

Attachment 1 is a spreadsheet showing the calculation of the new surcharge to be effective February 1, 2025. Attachment 2 is an itemized listing of taxes assessed by each taxing entity for 2024 and a history of the property taxes and assessed values (2020-2024). A copy of this filing is being emailed to the Utilities Division. The underlying documentation that supports the information contained in the schedules included in this filing are being provided to the Commission Staff.

Respectfully submitted,

/s/ Douglas J. Law

Douglas J. Law
Associate General Counsel

Attachments

cc: Rami Alnajjar
Nick Smith
Rob Daniel
Ian Campbell
David W. Nickel

Black Hills Energy
Ad Valorem Tax Surcharge Rider
Docket No. 08-AQLG-834-TAR

2024 Assessment for 2025 Surcharge

Current 2024 Ad Valorem Tax Surcharge		
2024 Surcharge Total		1,106,938.46
Oklahoma Stored Gas Refund Year Two of Three		(300,494.33)
2024 Recoveries through November 2024		(1,219,781.77)
Estimated December 2024 Recoveries		(141,935.12)
December 2023 actual recoveries	(185,167.10)	
December 2023 estimated recoveries	<u>(215,649.21)</u>	
December 2023 Recoveries true-up		30,482.11
Surcharge Remaining to be Recovered		(524,790.66)
2024 Ad Valorem Taxes		
2024 Assessed		7,252,786.80
Amount included in Rate Case ¹		<u>5,293,400.00</u>
2024 Adjustment		<u>1,959,386.80</u>
2025 Surcharge Total		1,434,596.14
Annual Billing Determinants (Therms) ²		<u>154,007,234</u>
Total 2025 Tax Surcharge per Therm		<u><u>\$0.00932</u></u>

¹ Docket No. 21-BHCG-418-RTS, Final Order Paragraph 11, Page 5 of 29

² Docket No. 21-BHCG-418-RTS, S&A Appendix B, Page 3 of 4 (less irrigation)

**Black Hills/Kansas Gas Utility Company, LLC
d/b/a Black Hills Energy
Ad Valorem Tax Surcharge Rider
Assessed Taxes**

For tax year 2024

Paid to	\$	Comments
Kansas	\$ 7,234,390.85	Utility
Oklahoma	\$ 10,727.00	Stored Gas
Louisiana	\$ -	Stored Gas
Total Actual Invoices	<u>\$ 7,245,117.85</u>	
Plus Allocated from Corporate	\$ 7,668.95	
2023 Allocated True-up	\$ -	
Total	<u><u>\$ 7,252,786.80</u></u>	

BH - Kansas
History of Property Taxes, Values, and Mill Levies
from sch 10 distribution

COUNTY	2020	2021	2022	2023	2024
State Assessed Value:					
Allen	1,089	1,134	2,737	2,114	848
Anderson	28,110	26,960	72,480	49,507	20,496
Chautauqua	353	350	962	634	278
Cheyenne	319,631	385,045	338,514	182,174	173,359
Clay	48,484	56,446	51,989	32,191	30,756
Cloud	54,916	65,920	62,356	73,743	75,653
Cowley	230,647	294,268	305,096	262,957	282,272
Douglas	5,158,194	5,790,153	6,058,339	7,905,089	8,309,290
Edwards	18,602	21,595	19,562	13,559	13,078
Elk	7,158	7,092	19,523	12,865	5,633
Finney	3,461,614	3,881,383	4,175,371	3,959,160	4,410,714
Ford	3,452,627	3,960,094	4,649,591	4,660,992	5,095,874
Geary	104,249	120,346	116,184	107,058	99,126
Gray	672,346	773,559	784,781	776,904	949,409
Harper	36,732	44,262	39,634	234,779	260,757
Harvey	517,894	572,501	759,675	752,544	556,969
Haskell	691,047	806,230	810,080	690,849	676,894
Hodgeman	149,843	171,853	157,567	140,369	137,525
Jefferson	17,948	19,717	28,938	26,234	17,744
Kingman	382,362	449,826	601,544	566,998	482,956
Leavenworth	12,575	14,900	16,171	8,945	6,837
Lincoln			216	208	147
Lyon	176,734	212,823	200,442	104,105	101,890
McPherson	146,488	159,889	195,814	189,642	153,187
Meade	499,961	563,712	631,924	580,923	656,287
Miami	3,918	4,722	4,139	2,182	1,954
Montgomery	19,757	19,573	53,881	35,507	15,547
Morton	535,396	586,759	674,925	666,353	656,548
Osage	18,018	21,209	19,178	15,271	43,315
Ottawa			31,914	31,006	21,741
Pawnee	63,705	71,805	66,458	46,793	81,030
Pratt	321,281	227,564	449,397	408,589	152,866
Reno	1,786,384	2,043,675	2,511,493	2,365,658	2,649,936
Republic	14,691	53,109	15,424	14,884	15,998
Rice	811,981	839,172	1,175,866	1,616,356	1,670,340
Sedgwick	9,794,891	11,014,191	12,230,758	12,226,913	13,316,594
Seward	2,947,985	3,377,370	4,273,108	4,552,264	4,708,925
Sherman	1,991,312	2,518,126	2,249,236	2,167,815	2,297,883
Stevens	1,080,938	1,221,613	1,151,732	1,406,197	1,194,005
Sumner	647,841	773,993	956,381	903,131	1,432,189
Wallace	27,985	33,879	29,857	16,308	14,992
Washington	27,281	29,906	41,187	39,538	27,911
Woodson	289	350	576	692	247
Total	36,300,000	41,250,000	46,035,000	47,850,000	50,820,000
State Valuation	36,300,000	41,250,000	46,035,000	47,850,000	50,820,000
Seward LA bill					
Sherman LA Bill	12,352				
Stevens RE bills	4,250				
Actual Property Taxes Paid					
Allen	174.26	179.02	432.16	329.08	133.24
Anderson	4,103.30	3,856.11	9,643.92	6,505.38	2850.87
Chautauqua	58.00	56.54	141.18	94.28	40.28
Cheyenne	47,245.96	56,266.76	49,999.86	24,496.68	24048.24
Clay	7,085.00	7,685.08	7,146.38	4,444.28	4236.34
Cloud	8,748.40	10,479.60	9,573.42	11,549.50	12073.7
Cowley	34,470.40	43,724.32	43,540.32	36,380.66	37517.98
Douglas	690,630.66	779,254.93	796,609.25	1,032,707.21	1062137.83
Edwards	4,147.62	4,852.74	4,357.50	2,994.16	2960.5
Elk	1,243.52	1,233.22	3,027.14	2,072.92	919.3
Finney	513,688.66	581,503.48	627,199.50	574,054.14	674868.58
Ford	580,622	665,066.54	785,071.94	772,297.24	791704.78
Geary	13,359.02	15,353.64	13,598.64	12,141.78	10953.12
Gray	90,723.62	108,780.48	110,717.89	107,789.59	133891.69
Harper	8,264.56	10,298.18	8,700.18	44,795.84	52913.2
Harvey	64,340.04	71,341.44	95,361.56	95,925.90	74297.8
Haskell	119,760.36	130,240.44	118,927.45	97,488.02	103313.72

BH - Kansas
History of Property Taxes, Values, and Mill Levies
from sch 10 distribution

COUNTY	2020	2021	2022	2023	2024
Hodgeman	30,610.84	34,869.48	30,735.16	26,416.64	27166.82
Jefferson	2,405.82	2,653.98	3,841.48	3,363.84	2279.5
Kingman	60,426.06	75,537.28	96,041.68	89,284.32	77833.92
Leavenworth	1,502.88	1,774.50	1,867.56	1,015.60	796.14
Lincoln			31.80	32.60	22.54
Lyon	24,173.28	28,538.74	26,813.08	14,507.28	13938.58
McPherson	17,693.22	19,258.94	22,908.78	22,331.28	18549.92
Meade	99,402.52	115,570.32	121,388.44	113,905.12	133900.16
Miami	455.36	549.78	453.32	228.92	204.34
Montgomery	3,109.06	3,116.48	7,797.04	5,044.20	2156.54
Morton	101,749.04	117,047.26	125,119.69	121,425.94	148118.87
Osage	2,470.08	2,987.20	2,529.44	2,025.54	5609.26
Ottawa			4,668.22	4,394.92	3164.06
Pawnee	11,370.12	13,087.90	12,199.80	8,182.68	14125.22
Pratt	43,338.50	30,639.68	65,847.08	61,525.60	24539.02
Reno	267,119.16	300,956.72	363,723.38	346,709.76	391156.2
Republic	2,334.78	8,020.84	2,539.96	2,450.94	2765.5
Rice	117,622.14	121,815.02	160,295.86	222,013.96	254331.06
Sedgwick	1,184,995.33	1,324,555.20	1,471,323.46	1,466,815.19	1587698.02
Seward	521,588.50	597,198.68	727,928.24	759,212.36	795083.82
Sherman	265,090.86	347,312.54	319,802.48	306,011.22	341734.78
Stevens	198,056.17	223,075.93	190,650.60	212,443.29	194268.65
Sumner	89,691.54	106,424.40	131,036.18	122,753.63	191785.93
Wallace	3,833.20	4,827.10	4,438.82	2,673.76	2634.66
Washington	3,626.07	3,691.45	5,015.90	4,726.19	3142.18
Woodson	47.04	55.38	90.04	104.62	38.86
Total	5,243,565.55	5,975,251.34	6,583,135.78	6,745,666.06	7,225,905.72
Less Refund Due To Appeal					
Ford(PMP Partnership)					
City of Liberal - Airport Leased Prop					
Douglas Co - CAAP					
Sedgwick Co - Special Assess (4)	10,357.10	10,357.35	10,201.68	10,201.97	8469.5
Sedgwick Co - Solid Waste (2)	277.68	13.62	14.22	14.22	15.63
Harvey Co. - Solid Waste					
Rice Co. - Solid Waste					
Total (KS)	5,254,200.33	5,985,622.31	6,593,351.68	6,755,882.25	7,234,390.85

**Gas Supply Service
History of Assessed Value, Property Tax, and Mill Levy**

	2020	2021	2022	2023	2024	% Alloc to KS
<u>Assessed Value</u>						
West Carrol Parish						
East Carroll Parish						
Lincoln Parish	250	9,820	-	214,408		
Bienville Parish	15,588	-	-	-		
Total	15,838	9,820	-	214,408	-	
<u>Tax</u>						
West Carrol Parish						
East Carroll Parish						
Lincoln Parish	19.18	749.17	-	17,684.37		100.00%
Bienville Parish	1,687.24	-	-	-		100.00%
Total	1,706.42	749.17	-	17,684.37	-	
Portion Allocated to Kansas based on entitlements to stored gas				17,684.37	-	

Oklahoma
Gas Supply Service
History of Assessed Value, Property Tax, and Mill Levy

	2020	2021	2022	2023	2024	% Alloc to KS
Assessed Value						
Beckham	392,920	385,927	597,605	1,330,102		
Coal	22,620	16,113	38,013	84,665	34,352	
Grant	25,598	21,581	48,081	100,201	41,585	
Pontotoc	19,873	19,589	34,738	83,436	44,636	
Woods	4,878	3,021	9,846	16,402	6,094	
	<u>465,889</u>	<u>446,231</u>	<u>728,283</u>	<u>1,614,806</u>	<u>126,667</u>	

Tax						
Beckham	33,551.00	32,090.00	48,657.00	108,204.00		0.00%
Coal	1,846.00	1,316.00	3,146.00	7,053.00	2,893.00	100.00%
Grant	1,786.00	1,432.00	3,292.00	6,888.00	2,723.00	100.00%
Pontotoc	1,867.00	1,824.00	3,628.00	8,596.00	4,642.00	100.00%
Woods	361.00	233.00	759.00	1,264.00	469.00	100.00%
	<u>39,411.00</u>	<u>36,895.00</u>	<u>59,482.00</u>	<u>132,005.00</u>	<u>10,727.00</u>	

Portion Allocated to Kansas
based on entitlements to stored gas

<u>23,801.00</u>	<u>10,727.00</u>
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