

# PUBLIC HEARING AND COMMENT PERIOD

## Black Hills' General Rate Case

Black Hills Energy/Kansas Gas Utility Company, LLC (referred to as “Black Hills”) filed an Application with the Kansas Corporation Commission (“Commission” or “KCC”) on May 7, 2021, in regards to Docket No. 21-BHCG-418-RTS. This docket is a general rate case in which Black Hills is requesting authorization to change the filed rates that the Company charges its customers. On June 10, 2021, the Commission issued its *Order Adopting Procedural Schedule and Designating Presiding Officer*, which established the timeline for filings and hearings.

### Public Hearing

The Commission has scheduled a public hearing concerning Black Hills’ application for a rate change. This hearing will provide information about Black Hills’ proposed changes to its rates and offer an opportunity for customers to ask questions and to present testimony or comments for the Commission’s consideration.

The public hearing typically consists of two parts: During the first part, representatives of Black Hills, KCC Staff and CURB will be available to answer customers’ questions pertaining to the proposed rate changes. In the second part of the public hearing, customers may make formal statements to the Commission concerning the application. However, the Commission may determine how to best accommodate the public participation in this important rate proceeding.

The date and time of the public hearing is:

**Wednesday, August 4, 2021, beginning at 6:00 p.m. (CDT)**

**Due to Covid-19 pandemic the hearing will be conducted online via zoom.**

Kansans wishing to make a public comment during the hearing should sign up in advance at <https://kcc.ks.gov/your-opinion-matters> to receive login information and time restraints for presentations.

As there may be limited capacity, registration will be first come, first serve. A live video stream will also be available on the Commission’s YouTube channel:

<https://www.youtube.com/channel/UC-uTcucl0oyHJr-iOheuuw> for individuals to watch, but not comment, during the public hearing.

### Comment Period

In addition, the Commission is accepting comments from the public until 5:00 p.m. (CDT), October 21, 2021. Comments regarding this case should reference Docket No. 21-BHCG-418-RTS. The public can mail their comments to the Kansas Corporation Commission Office of Public Affairs and Consumer Protection, 1500 SW Arrowhead Road, Topeka, Kansas 66604-4027. The public can also submit comments through the Commission’s website <https://kcc.ks.gov/your-opinion-matters> or via electronic mail (sent to [public.affairs@kcc.ks.gov](mailto:public.affairs@kcc.ks.gov)).

A complete copy of the Commission's Order Adopting Procedural Schedule establishing this hearing and Black Hills' application with supporting testimony is available on the Commission's website: <https://estar.kcc.ks.gov/estar/portal/ksc/PSC/DocketDetails.aspx?DocketId=69e68133-2514-4537-bad5-e63fd1986e91>

The KCC has until December 30, 2021, to make a decision on the proposed rate design in this proceeding.

### **Black Hills' Application**

On May 7, 2021, Black Hills filed an application with the Kansas Corporation Commission with a request to authorize an increase in its retail natural gas rates. Black Hills is requesting a revenue increase of approximately \$10.2 million. If approved, this overall revenue increase includes the addition of Black Hills's Gas Safety and Reliability Surcharge (GSRS) to base rates and resetting of the current surcharge rate to zero. The remaining net revenue increase of \$5.3 million would be offset by a refund of excess accumulated deferred income tax in the amount of \$2.8 million per year, for the following three years through a new Tax Adjustment Rider on customers' bills. Black Hills states that the net rate impact to customers during these three years would be a \$2.5 million increase with an overall rate of return of 7.05%.

Black Hills cites several factors that drive their request for a rate increase at this time. First, statutory requirements for changing the GSRS include a general rate review by the Commission. Black Hills is seeking to use this application, in part, to incorporate past projects that had been previously funded with the GSRS into the Company's regular base rates. This, in turn, resets the GSRS rate to zero and allows the Company to once again collect revenue to use for future qualified projects. Second, Black Hills's last general rate case was completed seven years ago in 2014 (See KCC Docket No. 14-BHCG-502-RTS). According to the Company, the present effective rates do not produce sufficient revenues to cover the reasonable costs to continue providing efficient and reliable natural gas service to Kansans.

### **Evidentiary Hearing**

The Kansas Corporation Commission has scheduled an evidentiary hearing on the proposed rate change for Monday, October 18, 2021, to Wednesday, October 20, 2021, beginning at 9:00 a.m. Central. It has not yet been determined if the hearing will be in-person or virtual.

### **Additional Information is available from the KCC and CURB**

For more information about Black Hills' rate application or the public hearing, contact the Kansas Corporation Commission Office of Public Affairs and Consumer Protection at 1-800-662-0027. Any persons requiring special accommodations at the hearing site under the Americans with Disabilities Act must give notice to the Commission at least 10 days prior to the scheduled hearing date by calling 1-800-662-0027.

The Citizens' Utility Ratepayer Board (CURB) can also be contacted 785-271-3200 for further information.