

## LEGAL NOTICE

On December 10, 2021, Black Hills Energy Arkansas, Inc. filed an application with the Arkansas Public Service Commission for a change in the rates to be charged all classes of its customers. The request is based on a test year ending December 31, 2021 and seeks to cover increases in operating expenses and return on investment in additional facilities constructed to service customers since the Company's last general rate adjustment. The total amount of the requested rate increase is \$21,593,015. The amount of the rate change for each rate class of customer is as follows:

Rate Schedules	Annual Volume Qualification	Amount	Percent *
<b>Sales Classes</b>			
Residential	N/A	\$8.65	10.16%
Business 1 (B-1)	0-10,000 CCF	\$9.29	4.57%
Business 2 (B-2)	10,001-50,000 CCF	\$59.14	2.87%
Business 2 NGV	10,001-50,000 CCF	\$18.19	3.98%
Business 3 (B-3)	50,001-300,000 CCF	\$218.46	2.23%
Business 3 NGV	50,001-300,000 CCF	\$22.83	0.55%
Business 4 (B-4)	300,001-700,000 CCF	\$564.75	1.96%
Business 4 NGV	300,001-700,000 CCF	\$671.69	2.05%
Business 5 (B-5)	700,001 CCF & above	\$641.52	0.99%
Local Distribution Co. (LDC-4)	300,001 – 700,000 CCF	\$924.74	2.20%
Irrigation	N/A	\$28.14	10.47%
Gas Lights	unmetered	\$6.44	1.74%
<b>Transportation Classes</b>			
Business 1 (B-1)	0-10,000 CCF	\$24.24	7.11%
Business 2 (B-2)	10,001-50,000 CCF	\$73.56	3.38%
Business 3 (B-3)	50,001- 300,000 CCF	\$232.35	2.35%
Business 4 (B-4)	300,001–700,000 CCF	\$663.76	2.07%
Business 5 (B-5)	700,001 CCF & above	\$2,055.18	1.65%

\* Percentages based upon average consumption volumes and estimated total amounts billed to customers including the customer charge, delivery charge, demand charges, and cost of gas (for sales classes only).

The amounts and percentages shown above and other rates and charges may change or be affected by a final order of the Arkansas Public Service Commission. Below are the present and proposed customer charges and delivery charges for each rate class of service. The “present rate” column shows the rates that will be charged in the month before the Commission approves final rates and the “proposed rate” column shows the rates that will be charged if the requested increase is granted.

Sales Class	Present Rates	Proposed Rates	Transportation Classes	Present Rates	Proposed Rates
Residential					
Customer charge per month	\$12.33	\$13.50	Business 1 (B-1)		
Delivery Charge per Ccf	\$0.0453182	\$0.637139	Customer charge per month	\$23.04	\$25.50
Residential NGV			Administrative fee per month	\$139.00	\$154.00
Customer charge per month	\$12.33	\$13.50	Delivery Charge per Ccf	\$0.392956	\$0.473184
Delivery Charge per Ccf	\$0.453182	\$0.637139	Business 2 (B-2)		
Business 1 (B-1)			Customer charge per month	\$108.72	\$118.00
Customer charge per month	\$23.04	\$25.50	Administrative fee per month	\$139.00	\$154.00
Delivery Charge per Ccf	\$0.392956	\$0.473184	Delivery Charge per Ccf	\$0.320121	\$0.372608
Business 1 NGV			Business 3 (B-3)		
Customer charge per month	\$23.04	\$25.50	Customer charge per month	\$355.41	\$355.50

Delivery Charge per Ccf	\$0.392956	\$0.473184	Administrative fee per month	\$139.00	\$154.00
			Delivery Charge per Ccf	\$0.217722	\$0.255934
Business 2 (B-2)			Business 4 (B-4)		
Customer charge per month	\$108.72	\$118.00	Customer charge per month	\$1,335.49	\$1,489.00
Delivery Charge per Ccf	\$0.320121	\$0.372608	Administrative fee per month	\$139.00	\$154.00
Business 3 (B-3)			Delivery Charge per Ccf	\$0.153839	\$0.178702
Customer charge per month	\$355.41	\$355.50	Business 5 (B-5)		
Delivery Charge per Ccf	\$0.217722	\$0.255934	Customer charge per month	\$1,376.45	\$1,504.00
Business 3 NGV			Administrative fee per month	\$139.00	\$154.00
Customer charge per month	\$355.41	\$355.50	Delivery Charge per Ccf	\$0.0937724	\$0.112308
Delivery Charge per Ccf	\$0.217722	\$0.255934	Demand Charge per MMBtu	\$6.08960	\$6.65500
Business 4 (B-4)					
Customer charge per month	\$1,335.49	\$1,489.00			
Delivery Charge per Ccf	\$0.153839	\$0.178702			
Business 5 (B-5)					
Customer charge per month	\$1,376.45	\$1,504.00			
Delivery Charge per Ccf	\$0.093724	\$0.112308			
Demand Charge per MMBtu	\$6.08960	\$6.65500			
Local Distribution Co. (LDC-4)					
Customer charge per month	\$1,335.49	\$1,489.00			
Delivery Charge per Ccf	\$0.153839	\$0.178702			
Irrigation					
Customer charge per month	N/A	N/A			
Delivery Charge per Ccf					
0 - 1,000 Ccf annually	\$0.818595	\$1.002631			
1,001 - 10,000 Ccf annually	\$0.448964	\$0.661736			
Over 10,000 Ccf annually	\$0.376131	\$0.330868			
Gas Lights					
Customer charge per month	\$21.51	\$23.50			
Delivery Charge per Ccf	\$0.093516	\$0.109908			

Upon request, the Company will furnish any further information a customer desires concerning the percentage increase being sought for any rate schedule. In addition, the Company will, upon request, provide to any customer an estimate of the calculated average monthly dollar amount by which the proposed rates will increase the customer's gas utility bill. Requests can be made at [blackhillsenergy.com/reliableAR](http://blackhillsenergy.com/reliableAR) or by calling 888-890-5554.

The Commission has assigned Docket No. 21-097-U to this application. The Commission has 10 months in which to issue its order. The new rates are not expected to become effective until October 2022. The Commission rules provide procedures for interested persons to intervene as a party, make limited appearances or submit public comments in writing or orally at the hearing. The Commission has not yet established a procedural schedule or hearing dates for this matter. Further information may be obtained by visiting [arkansas.gov/psc](http://arkansas.gov/psc) or contacting Ms. Mary Loos, Secretary, Arkansas Public Service Commission, at [mloos@arkansas.gov](mailto:mloos@arkansas.gov), 501-682-5782, or 1000 Center Street, Little Rock, AR 72201.