

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of SourceGas Distribution LLC,)	Application No. NG-0072.1
Golden, Colorado, seeking approval to adjust an)	
infrastructure system replacement cost recovery)	Joint Stipulation of
charge, pursuant to Sections 66-1865 and)	the Public Advocate and
66-1866 of the State Natural Gas Regulation)	SourceGas Distribution LLC, Applicant
Act.)	

Pursuant to Neb. Rev. Stat. § 66-1831(3), the Public Advocate and the Applicant, SourceGas Distribution LLC (“SourceGas Distribution”) (together, the “Parties”), enter into this Joint Stipulation regarding the above-captioned Application:

1. On May 1, 2014, SourceGas Distribution filed with the Nebraska Public Service Commission (the “Commission”) an application, along with associated proposed rate schedules and documentation (the “Application”), requesting authority to adjust the Customer Charges applicable to all customers served under SourceGas Distribution’s Rate Schedule CGS (Choice Gas Service) and Rate Schedule ACGS-NSS (Agricultural Choice Gas Service – Non-Seasonal Service) by adjusting the Infrastructure System Replacement Cost Recovery Charge approved by the Commission in Docket No. NG-0072. SourceGas Distribution filed the Application pursuant to §§ 66-1865 and 66-1866 of the State Natural Gas Regulation Act (the “Act”). The Application (including attachments) is hereby offered into evidence and the Parties stipulate and agree that the same may be received by the Commission without objection.

2. Subsequent to the filing of the Application, the Public Advocate, as required by the Act, undertook an examination regarding the Application and SourceGas Distribution’s books and records to confirm that the underlying costs are in accordance with the Act and to confirm proper calculation of the proposed Infrastructure System Replacement Cost Recovery

Charge rates and rate schedules. The Public Advocate propounded informational requests upon SourceGas Distribution, and SourceGas Distribution fully responded to all information requests.

3. On or about June 27, 2014, in accordance with the Hearing Officer Order Setting Progression Schedule and Hearing, entered in this docket on May 7, 2014 (the “Progression Schedule”), the Public Advocate filed a “Notice of Filing of Report and Recommendation of the Public Advocate” regarding the Application (the “Report”). The Report is hereby offered into evidence and the Parties stipulate and agree that the same may be received by the Commission without objection. In summary, the Report concludes that:

(a) SourceGas Distribution’s processes and controls are sufficient so as to not adversely affect the costs in the Infrastructure System Replacement Cost Recovery Charge;

(b) The Application provides the specific project information required by Nebraska statute;

(c) The infrastructure system replacement projects are eligible for recovery under the Nebraska statute;

(d) The pretax revenue requested by SourceGas Distribution was appropriate;

(e) The amount and timing of the surcharge request was within the limits established by Nebraska statute and the appropriate level of incremental recovery should be a Customer Charge representing \$0.34 for the Residential Customer class, \$0.73 for the Small Commercial Customer class, and \$4.55 for the Large Commercial Customer class. When these rates are added to the current level of recovery through the Infrastructure System Replacement Cost Recovery Charge, the appropriate level of total recovery should be a Customer Charge representing \$0.84 for the Residential Customer class, \$1.80 for the

Small Commercial Customer class, and \$11.38 for the Large Commercial Customer class;
and

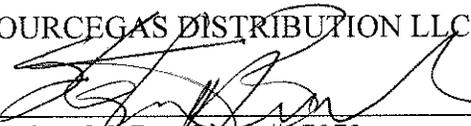
(f) The allocation among class customers meets the requirements established
by Nebraska statute.

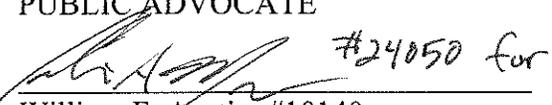
4. On or about July 11, 2014, in accordance with the Progression Schedule, SourceGas Distribution filed its "Response of SourceGas Distribution LLC to Report of the Nebraska Public Advocate" (the "Response"). The Response states that SourceGas Distribution has no objections to the conclusions set forth in the Report. The Response is herewith offered into evidence and the Parties agree that the Response may be received by the Commission without objection.

5. The Public Advocate and SourceGas Distribution stipulate and jointly recommend to the Commission that an order be entered approving SourceGas Distribution's Nebraska Gas Tariff Revised Sheet No. 7 as filed with the Application and attached hereto as Attachment A.

6. The Infrastructure System Replacement Cost Recovery Charge, as authorized in such order, should continue to be set forth separately from other Customer Charges on customer bills and included in the already designated "Pipeline Integrity Charge" on customer bills.

This Joint Stipulation is entered into on this th 16 day of July, 2014.

SOURCEGAS DISTRIBUTION LLC
By: 
Stephen M. Bruckner, #17073
Fraser Stryker PC LLO
500 Energy Plaza
409 S. 17th Street
Omaha, NE 68102-2263
Telephone: (402) 341-6000

PUBLIC ADVOCATE
By:  #24050 for
William F. Austin, #10140
Baylor Evnen Curtiss Gruit & Witt, LLP
Wells Fargo Center
1248 O Street, Suite 600
Lincoln, NE 68508
Telephone: (402) 475-1075

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing Joint Stipulation of SourceGas Distribution LLC, Applicant, and the Public Advocate was served electronically on this 18 day of July, 2014, upon the following:

Gary Abbate at Gary.Abbate@sourcegas.com
Robert Amdor at robert.amdor@blackhillscorp.com
Stephen M. Bruckner at sbruckner@FraserStryker.com
Robert Camfield at rjcamfield@caenergy.com
Bruce Chapman at brchapman@caenergy.com
Lori J. Dymek at ldymek@baylorevnen.com
Jerrad Hammer at jerrad.hammer@sourcegas.com
Douglas J. Law at douglas.law@blackhillscorp.com
Joselyn Luedtke at Joselyn.luedtke@nebraska.gov
Michael McGarry at mmcgarry@blueridgecs.com
Angela Melton at angela.melton@nebraska.gov
Colin Mues as cmues@baylorevnen.com
Donna Mullinax at dmullinax@blueridgecs.com
Eric Nelsen at eric.nelsen@sourcegas.com
Rose Price at rose.price@nebraska.gov
Kirsten K. Verplank at KVerplank@baylorevnen.com
Russell Westerhold at rwesterhold@fraserstryker.com

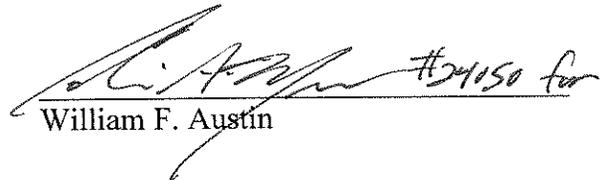
With hard copies served upon:

Steve Meradith
Executive Director
Nebraska Public Service Commission
300 the Atrium, 1200 N Street
P.O. Box 94927
Lincoln, NE 68509-4927

William F. Austin
Baylor Evnen Curtiss Gruit & Witt, LLP
Wells Fargo Center
1248 O Street, Suite 600
Lincoln, NE 68508
Telephone: (402) 475-1075

Tracy M. Klaes
Blue Ridge Consulting Services, Inc.
2131 Woodruff Road
Suite 2100, PMB 309
Greenville, SC 29607

Eric Nelsen
SourceGas LLC
SourceGas Distribution LLC
600 12th Street, Suite 300
Golden, CO 80401


William F. Austin

Attachment A

SCHEDULE OF RATES AND OTHER CHARGES

Rate Schedules CGS and ACGS-NSS

Type of Charge	Non-Gas Base Rate Component	Gas Cost		Total Gas Cost	Total Rate
		Base Rate Component	Surcharge Rate Component 3/		
RESIDENTIAL SERVICE - Minimum Monthly Charge is Equal to the Customer Charge					
Customer Charge 1/,4/	14.70				15.23
Pipeline Replacement Charge	0.84				0.84
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>					
First 20	0.4675	0.0000	0.0121	0.0121	0.4796
Over 20	0.1338	0.0000	0.0121	0.0121	0.1459
SMALL COMMERCIAL SERVICE - Minimum Monthly Charge is Equal to the Customer Charge					
Customer Charge 1/,4/	22.75				23.28
Pipeline Replacement Charge	1.80				1.80
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>					
First 40	0.4675	0.0000	0.0121	0.0121	0.4796
Over 40	0.1338	0.0000	0.0121	0.0121	0.1459
LARGE COMMERCIAL SERVICE - Minimum Monthly Charge is Equal to the Customer Charge					
Customer Charge 1/,4/	56.15				56.68
Pipeline Replacement Charge	11.38				11.38
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>					
First 80	0.4675	0.0000	0.0121	0.0121	0.4796
Over 80	0.1338	0.0000	0.0121	0.0121	0.1459

- 1/ Total Customer Charge is \$/month and includes a charge for the HEAT program of \$0.53.
- 2/ Distribution and Commodity Charges are \$/Per Therm.
- 3/ Rate Component Includes:
 1. Contract P-0902 Charge of \$0.0121 per Therm.
- 4/ In addition to the Customer Charge, an Extra Construction Allowance Charge of \$20.00, \$30.00, \$40.00, or \$50.00 per month will be added to a Customer's bill for premises that avail themselves of the Extra Construction Allowance for the duration of the repayment period and will appear as a separate line item on the Customer's bill.