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Natural Gas Dept.

GENERAL TERMS AND CONDITIONS
(continued)

7. **Retention:** A Customer or Group Customer, if applicable, shall have the option to choose one of the following methods to apply retention:

Option One (Indexed Based): The value of retention shall be determined by multiplying i) the daily price plus applicable interstate pipeline transportation charges as referenced in Section 4, sheet 12, item 2 times ii) the Retention percentage times iii) the Deliveries. This value shall be billed monthly. This billing shall represent compensation for Lost and Unaccounted for Gas. The Retention percentage for the Company's Nebraska distribution system is 2.18% and will be adjusted annually, to be effective November 1, based on the actual percentage incurred by the Company for the prior 12 month period ending July 31. Retention amounts collected under this option will be credited to expense in PGA true-up filings. If the Customer, or Group Customer, does not select one of the options presented in this retention section, retention shall be calculated as stated in this paragraph.

Option Two (In kind): The Customer, or Group Customer, if applicable, upon written request, may deliver retention quantities in kind. The request shall include the Customer's account number and the meter number of which in kind retention is being requested and shall be delivered to the Company's representative. Upon the Company's acknowledgment of the receipt of the request, the Customer shall be allowed to deliver retention volumes inkind. The Customer shall have the option to have the quantity of transportation gas received from the transporting pipeline reduced, upon delivery to the Customer, by a fixed percentage of 2.18% (to be adjusted as set forth above), which shall represent compensation for Company-Used Gas and Lost and Unaccounted For Gas. Where fuel reimbursement is in kind, the standard fuel calculation mechanism, as this is related to the nominating process, should be (1-(fuel %/100)) multiplied by receipt quantity = delivery quantity.

8. **Metering:** In order to utilize the services provided under the Gas Transportation Tariff, automatic metering equipment is required. All costs related to telemetering and any other facilities constructed or installed to provide any Transportation Service will be charged to the Customer but will remain the property of Company. The Customer will be required to provide telephone or other interfaces agreed to by the Company and electric connections, if necessary, to the meter and provide access to the Company for maintaining and operating such equipment.

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