

EFFECTIVE DATE:

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TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

001 GENERAL:

001.01 Definitions: As used in this chapter, unless the context otherwise requires, the following definitions shall be used:

001.01A Affiliate: A person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a jurisdictional utility or competitive natural gas provider. A voting interest of 10 percent (10%) or more creates a rebuttable presumption of control.

001.01A1 Shared Resources Affiliate: A person or entity whose primary purpose is to share employees, departments or other physical assets used by the jurisdictional utility.

001.01A2 Affiliate Transaction: The purchase, sale, trade or lease of a good, service, or tangible or intangible asset from the regulated utility to an affiliate, regulated or unregulated other than a shared resources affiliate, or from an affiliate other than a shared resources affiliate to the regulated utility.

001.01B Aggregator: A person who combines retail end users into a group and arranges for the acquisition of competitive natural gas services without taking title to those services.

001.01C Agricultural Ratepayer: A ratepayer whose usage of natural gas does not qualify the ratepayer as a high-volume ratepayer and (a) whose principal use of natural gas is for agricultural crop or livestock production, irrigation pumping, crop drying, or animal feed or food production or (b) whose service is provided on an interruptible basis.

001.01D Base Year: Actual investments, expenses, and revenue of a jurisdictional utility for a recently completed 12-month period.

001.01E Commission: The Nebraska Public Service Commission.

001.01F Competitive Natural Gas Provider or "CNGP": A person who takes title to natural gas and sells it for consumption by a retail end-user in the state of Nebraska, and for purposes of this section also means an aggregator as defined in Nebraska Administrative Code, Title 291, Chapter 9, Rule 001.01B ~~LB 790~~

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

~~{2003}, Sec. 48(1)~~. CNGP includes an affiliate of a Nebraska natural gas public utility. CNGP does not include the following:

001.01E1 A jurisdictional utility, as defined in Nebraska Administrative Code, Title 291, Chapter 9, Rule 001.01G;

001.01E2 A city-owned or operated natural gas utility or metropolitan utilities district in areas in which it provides natural gas service through pipes it owns; or

001.01E3 A natural gas public utility that is not subject to the State Natural Gas Regulation Act ~~LB 790~~ as provided in Neb. Rev. Stat. § 1803 ~~LB 790, Sec. 3~~ in areas in which it is providing natural gas service in accordance with Neb. Rev. Stat. § 1803 ~~LB 790, Sec. 3~~ ~~{2003}~~.

001.01D~~G~~ Consumer Choice Program: A program offered by a jurisdictional utility that allows ratepayers, other than high-volume ratepayers, to purchase their gas supplies from a person other than the local gas utility.

~~001.01E Extension or Enlargement of a Service Area: The proposed extension or enlargement of a natural gas service area, natural gas mains, or natural gas services by an investor-owned utility or by a metropolitan utilities district.~~

001.01F~~H~~ Facility: New and existing pipelines, rights-of-way, and any equipment, facility, or building used in the transportation of liquid or gas or in the treatment of gas during the course of transportation.

001.01I General Rate Filing: Any filing which requests changes in overall revenue requirements for a jurisdictional utility but does not include other Commission approved riders.

001.01J High-Volume Ratepayer: A ratepayer whose natural gas requirements equal or exceed five hundred therms per day as determined by average daily consumption.

001.01K Jurisdictional Utility: A natural gas public utility subject to the jurisdiction of the Commission. Jurisdictional utility shall not mean a natural gas public utility not subject to the jurisdiction of the Commission pursuant to Neb. Rev. Stat. § 1803 ~~LB 790, Sec. 3~~ ~~{2003}~~.

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

001.01~~HL~~ Major Oil Pipeline: For purposes of Section 023, a major oil pipeline shall mean a pipeline which is larger than six inches (6") in inside diameter and which is constructed in Nebraska for the transportation of petroleum, or petroleum components, products, or wastes, including crude oil or any fraction of crude oil, within, through, or across Nebraska, but does not include in-field and gathering lines or major oil pipelines otherwise exempt under the Major Oil Pipeline Siting Act.

001.01~~HM~~ Metropolitan Utilities District: A district constituted by an area as defined in Neb. Rev. Stat. ~~Section~~ § 14-2101 (Reissue 1997).

001.01~~JN~~ Natural Gas Public Utility: Any corporation, company, individual, or association of persons or their trustees, lessees, or receivers that owns, controls, operates, or manages, except for private use, any equipment, plant, or machinery, or any part thereof, for the conveyance of natural gas through pipelines in or through any part of this state. Natural gas public utility does not mean a natural gas utility owned or operated by a city or a metropolitan utilities district. Natural gas public utility does not include any activity of an otherwise jurisdictional corporation, company, individual, or association of persons or their trustees, lessees, or receivers as to the marketing or sale of compressed natural gas for end use as motor vehicle fuel. Natural gas public utility does not include any gas gathering system or interstate pipeline.

001.01~~KO~~ Pipeline: For purposes of Section 023, pipeline shall mean a pipe used to transport, transmit, convey, or store liquid or gas for hire in Nebraska intrastate commerce other than a major oil pipeline, a gathering pipeline, distribution pipeline, or service line.

001.01~~LP~~ Pipeline Carrier: For purposes of Section 023, pipeline carrier shall mean a person that engages in owning, operating, or managing a major oil pipeline.

001.01~~MQ~~ Prudent: Prudent shall mean that in making a decision a natural gas public utility has acted as any reasonable utility management would have acted in good faith, based upon the facts known or which should have been known at the time the decision was made.

001.01~~NR~~ Retail End-~~u~~User: Any person or entity, including any manufacturer or producer of any product, purchasing natural gas

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

for its own consumption, and not for resale or consumption by any other person or entity, without restriction based upon volume of gas consumed.

001.01~~OS~~ Safety Data Sheet: Safety data sheet means written or printed material concerning a hazardous chemical that is prepared in accordance with paragraph 29 C.F.R. § 1910.1200(g) ~~as it existed on October 1, 2012.~~

001.01~~PT~~ Seasonal Disconnection Charge: A charge applied by a jurisdictional utility to a ratepayer who disconnects and re-connects service at the same premises within a twelve-month period requiring the ratepayer to pay in whole or in part charges for the months he or she was disconnected.

~~001.01Q Test Year: Either a consecutive twelve-month period commencing on the proposed effective date of the rate increase or a base year adjusted for known and measurable changes.~~

001.01~~RU~~ Supplier: A CNGP that participates in a consumer choice program.

001.01V Test Year: Either a consecutive twelve-month period commencing on the proposed effective date of the rate increase or a base year adjusted for known and measurable changes.

001.01W Utility: A jurisdictional utility as defined in Sec. 001.01K.

002 MINIMUM SAFETY STANDARDS FOR PIPELINES:

002.01 Minimum Safety Standards: Unless otherwise specified by the Commission, pipeline carriers shall use the applicable provisions of the procedures established by the United States Department of Transportation as codified at 49 CFR 192 (revised October 1, 1998). These incorporated materials are available for inspection at the offices of the State Fire Marshal or the Nebraska Secretary of State, Division of Rules and Regulations at either of the following locations: 246 South 14th Street, Lincoln, NE 68508-1804; 438 West Market Street, Albion, NE 68620; or, Craft State Office Building, 200 South Silber, North Platte, NE, 69101-4298.

002.02 Scope: These provisions shall apply to all intrastate pipeline carriers operating within the state.

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

002.03 Facilities, Inspection and Repairs: All ~~F~~Facilities shall be cleaned when necessary and inspected at such intervals as the Commission shall determine. Any ~~F~~Facilities known to be defective so as to endanger life or property shall be promptly repaired, permanently disconnected or isolated until repairs can be made.

002.04 Waiving of Rules: The rules may be modified or waived by the Commission wherever shown to be impractical or where the advantage of uniformity with existing construction is greater than construction in compliance with the rules providing that the existing construction is equivalently safe to the existing rules.

002.05 Waiver of Temporary Installations: These rules may be waived by the Commission in cases of temporary installations for a reasonable length of time provided that such construction is under competent supervision and has been made reasonably safe.

003 DISPUTES BETWEEN ~~JURISDICTIONAL~~ UTILITIES AND METROPOLITAN UTILITIES DISTRICTS:

003.01 Commission Jurisdiction: No ~~jurisdictional~~Utility or ~~metropolitan~~Utilities ~~in~~District proposing to extend or enlarge its natural gas service area or extend or enlarge its natural gas mains or natural gas services shall undertake or pursue such extension or enlargement until the proposal has been submitted to the Commission for its determination that the proposed extension or enlargement is in the public interest. Any enlargement or extension by a ~~metropolitan~~Utilities ~~in~~District within the boundaries of a city of the metropolitan class involving the exercise of the power of eminent domain pursuant to Neb. Rev. Stat. § 14-2116(2) shall, by reason of such exercise, be conclusively determined to be in the public interest.

003.01A2 Filing and Contents of Proposal: Any proposal for extension or enlargement shall be filed with the Commission, and the Commission shall promptly make such application public in such manner as the Commission deems appropriate. Proposals for multiple extensions or enlargements may be filed in a single document at the discretion of the ~~utility~~ filing entity.

003.01A12A The proposal shall contain sufficient information so as to provide reasonable notice to any interested party of the location and nature of the proposed extension or enlargement. Such information shall contain, but not necessarily be limited to:

003.01A1a2A1 A description of the location of the extension or enlargement including any cross streets

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

and a statement as to whether the proposed extensions are entirely or partially within a particular zoning jurisdiction;

003.01A1b2A2 The municipality and subdivision or development, if any, proposed to be served by the proposed extension or enlargement;

003.01A1c2A3 The plat and/or map for the ~~pro-posed~~ proposed service area depicting the location of known mains of all natural gas utility service within a one-quarter (1/4) mile radius of the area to be served;

003.01A1d2A4 A description of the nature of the extension or enlargement including size and length of the main; and

003.01A2c2A5 The anticipated date the ~~jurisdictional utility or metropolitan utilities district~~ filing entity intends to undertake or pursue such extension or enlargement.

003.012B The proposal shall be served on any ~~jurisdictional Utility or Metropolitan Utilities District~~ with natural gas infrastructure in the area of the proposed extension or enlargement.

003.012C The Commission shall make such proposals public by posting them on the Commission website. Such proposals shall be deemed to have been made public three (3) days after the date of filing.

003.023 ~~Protests: If no person or entity~~ Person has filed with the Commission a protest alleging that the proposed extension or enlargement is not in the public interest within fifteen (15) business days after the date upon which the application was made public, the enlargement or extension shall be conclusively presumed to be in the public interest and the ~~jurisdictional utility or metropolitan utilities district~~ filing entity may proceed with the extension or enlargement without further Commission action. If a protest is filed, the filing entity shall have five (5) business days from that date to file a response describing how the proposed extension or enlargement satisfies the criteria set forth in Rule 003. Such response shall be filed on all Parties to the proceeding. ~~If a person or entity files with the Commission a protest, within five (5) business days of the filing of the protest, the jurisdictional utility or metropolitan utilities district proposing the extension or enlargement shall file with the Commission and serve on~~

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

~~any party filing a protest a description as to how the proposed extension or enlargement satisfies the criteria set forth in Rule 003.~~

003.034 Subpoena and Other Powers: The Commission staff may administer oaths, compel the attendance of witnesses, examine any of the books, papers, documents and records of any ~~investor-owned natural gas~~ Utility or ~~metro-politan~~ Utilities ~~district~~ involved in a ~~determination proceeding~~ pursuant to this section. The Commission may have such examination made by any person that the Commission may employ for that purpose. Such person may also compel the production of such books, papers, documents or records or examine under oath or otherwise any officer, director, agent, or employee of any such party to the ~~determination proceeding~~.

003.045 Hearing: ~~Upon protest by an investor-owned natural gas utility or a metropolitan utilities district~~ Upon the filing of a protest seeking a determination pursuant to this section, the Commission shall set a hearing date not later than ninety (90) days from the date of application except for good cause shown. In no event shall a hearing be set later than six (6) months from the date of application.

003.045A A hearing commenced pursuant to this section shall be held in the county where such extension or enlargement of the natural gas service area is proposed.

003.045B Ratepayers of the ~~investor-owned~~ Utility or ~~metro-politan~~ Utilities ~~district~~ shall have the right to appear and present testimony before the Commission and shall have such testimony considered by the Commission in arriving at its determination.

003.056 Fees: The filing entity may be charged a hearing fee if a hearing is held pursuant to this section.~~There shall be charged to applicants a hearing fee if the application for a determination necessitates such a hearing.~~

003.067 Procedure: Except as herein provided, all proceedings will be governed by the Rules of Commission Procedure as codified by state law and Nebraska Administrative Code, Title 291, Chapter 1.

003.078 Determining Considerations: In determining whether a proposed expansion or enlargement is in the public interest, the Commission shall consider:

~~003.078A~~ The economic feasibility of the extension or enlargement;

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

003.078B The impact the enlargement will have on the existing and future natural gas ratepayers of the ~~metropolitan~~ ~~Utilities~~ ~~District~~ or the ~~investor-owned natural gas~~ ~~Utility~~;

003.078C Whether the extension or enlargement contributes to the orderly development of natural gas utility infrastructure;

003.078D Whether the extension or enlargement will result in duplicative or redundant natural gas utility infrastructure; and,

003.078E Whether the extension or enlargement is applied in a non-discriminatory manner.

003.078F Any books, records, vouchers, papers, contracts, designs, or other data not made available to the parties shall not be considered by the Commission in making its determination of whether an extension or enlargement of a service area is in the public interest.

003.089 Rebuttable Presumptions: In determining whether an extension or enlargement of a natural gas service area, natural gas mains, or natural gas services is in the public interest, the following rebuttable presumptions shall govern:

003.089A Any enlargement or extension by a ~~metropolitan~~ ~~Utilities~~ ~~District~~ within a city of the metropolitan class or its extraterritorial zoning jurisdiction is in the public interest;

003.089B Any enlargement or extension by an ~~investor-owned natural gas~~ ~~Utility~~ within a city of the primary, first, or second class or village in which it serves natural gas on a franchise basis or its extraterritorial zoning jurisdiction is in the public interest; and,

003.089C Any enlargement or extension by a ~~metropolitan~~ ~~Utilities~~ ~~District~~ within its statutory boundary or within a city of the first or second class or village in which it serves natural gas on a franchise basis or its extraterritorial zoning jurisdiction is in the public interest.

003.0910 Commission Orders: Except for good cause shown, the Commission shall enter an order within thirty (30) days after completion of the hearing or after submission of affidavits in non-hearing proceedings.

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

~~003.A All Commission orders shall become operative ten (10) days after the date of mailing a copy of the order to the parties of record unless the Commission prescribes a different effective date.~~

~~003.110 Appeals:~~ Any party to a proceeding may appeal to the ~~District Court~~ Court of Appeals to reverse, vacate or modify the order of the Commission.

~~003.124 Enforcement:~~ The Commission is empowered to enforce its order as provided for by law.

~~003.132 Scope:~~ The provisions of Rule 003 apply only in those geographic areas in Nebraska in which a ~~jurisdictional~~ Utility or ~~Metropolitan~~ Utilities ~~each~~ each maintain natural gas ~~Facilities~~ and compete with each other for natural gas service customers.

004 GENERAL RATE FILINGS:

004.01 Application:

~~004.01A Parties~~ The Utility filing an application for a general rate increase shall file with the Commission an electronic copy and three (3) paper ~~eight~~ copies. The electronic application shall be ~~, plus an electronic copy~~ in PDF format, and also include as well as a copy of all text documents in Microsoft Word and all spreadsheets in Microsoft Excel. Some portions of the application may be filed exclusively in electronic format. The determination on exclusive electronic filing shall be made in consultation between the Parties and the Commission. The date of electronic filing shall be the official filing date with the Commission. Paper copies of the application may be filed up to five (5) business days following electronic filing. Paper ~~Applications~~ must be filed with the Executive Director at the Nebraska Public Service Commission, 1200 "N" Street, Suite 300, Lincoln, Nebraska 68508. Electronic applications and filings shall be submitted either via email to psc.naturalgas@nebraska.gov or other electronic media.

004.01B The application shall include the information and be organized as set forth below in Sections 004.02 through and including Section 004.08. The application shall also be verified by a statement under oath by an officer of the ~~jurisdictional~~ Utility.

~~004.01C Applicant~~ The Utility shall provide in electronic format all workpapers used to prepare the analysis and data

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

submitted in support of application and any source documents referenced in the application, prefiled direct testimony, or exhibits, including but not limited to, contracts, internal reports, summaries of billing, ~~and FERC account data, any models utilized or relied on in the application, and any documents detailing calculations in support of the application. Such workpapers and source documents should also be made available in electronic format.~~ Any documents submitted electronically shall be provided in hard copy at the request of the Commission. Applicant is not required to provide in its filing documents cited in curriculum vitae.

~~004.01D A jurisdictional utility shall, beginning on the date the application is filed, provide the Commission and its designees and Formal Intervenors reasonable and convenient access to electronic copies of any documents detailing calculations in support of the rate filing.~~

~~004.01E An application fee as established by the Commission on an annual basis must be included with the application to cover the administrative costs of accepting and processing a filing. In addition, pursuant to § 66-1840, each applicant or other participant in the proceeding will be billed costs and expenses reasonably attributable to certification and dispute resolution, including Commission time, billed on an hourly basis, spent reviewing, analyzing and considering the application.~~

004.02 Section I - General Information: Section I of a general rate filing shall include:

004.02A The reasons and explanations for the proposed rate increase;

004.02AB A description of the ~~b~~Base ~~y~~Year and ~~t~~Test ~~y~~Year;

004.02BC A description of the proposed revenue increase; number and classifications of affected rate payers; average increase per rate payer ~~increase~~; volumes per classification; the existing and proposed rates by classification; ~~and reasons for proposed increase;~~

004.02CD A financial summary showing aggregate amounts for rate base, operating expenses, and rate of return for the ~~b~~Base ~~y~~Year and ~~t~~Test ~~y~~Year, and an itemized list of all adjustments made from Base Year to Test Year;

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

004.02E ~~plus~~ A financial summary showing operating revenues calculated using natural gas rates in effect and natural gas rates as proposed;

004.02F ~~Diagram and description of corporate structure, affiliates, and Shared Resource affiliates;~~

004.02G ~~Financial statements for the most recent fiscal year;~~

004.02H ~~The most recent annual report to stockholders, if any;~~

004.02I ~~A list of witnesses and subjects on which they are to provide testimony-; and~~

004.02J ~~A redlined version of the current tariff showing the proposed changes.~~

004.03 ~~Section II - Rate Base Schedules: Section II of a general rate filing shall include:~~

004.03A ~~Rate-base schedules showing beginning and ending balances for the Base Year and Test Year with an itemized list of all adjustments to the Base Year with explanation and corresponding calculations. The schedules shall include:~~

004.03A1 ~~Utility plant and accumulated depreciation and amortization showing the balances by functional account totals;~~

004.03A2 ~~Working capital, showing the manner in which it is calculated; and~~

004.03A3 ~~Any other rate-base components clearly notated.~~

004.03B ~~Allocated rate-base components showing the manner in which the components are calculated; and~~

004.03C ~~Construction work in progress including a description of the nature and location of the project; budgeted cost; actual expenditures to date; expected completion date and any revenue to be generated from the project.~~

004.04 ~~Section III - Operating Expense Schedules: Section III of a general rate filing shall include:~~

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

004.04A Operating expense schedules for the ~~b~~Base ~~y~~Year and ~~t~~Test ~~y~~Year with an itemized list of all adjustments to the Base Year with explanation and corresponding calculations;

004.04B A copy of the depreciation study that was used to determine the depreciation rates used;

004.04CB Legislative advocacy expenses sought in the application, whether made directly or indirectly, including but not limited to, legislative advocacy expenses included in professional or trade association dues;

004.04DC Funds expended in support of or in opposition to political candidates and sought in the application;

004.04ED Funds expended in promotion of or in opposition to political or religious causes and sought in the application;

004.04FE Funds expended in support of or membership in social, recreational, fraternal, or religious clubs or organizations;

004.04GF Schedules detailing all ~~a~~Affiliate ~~t~~Transactions; and

004.04HG Cost allocation manual including description of any changes made since the cost allocation was last approved.

004.05 Section IV - Rate of Return and Cost of Capital Schedules: Section IV ~~of a general rate filing~~ shall include:

004.05A The Utility's actual and proposed capital structure;

004.05B A summary report of the proposed overall rate of return that includes the weighted cost of capital analysis;

004.05CA A listing of all ~~Long-term~~ debt, preferred stock, and common equity amounts, ratios, and percentage cost rates for the ~~b~~Base ~~y~~Year and ~~t~~Test ~~y~~Year; and

004.05DB A listing of all ~~Long-term~~ debt, preferred stock, and common equity amounts at the beginning and end of the ~~b~~Base ~~y~~Year and ~~t~~Test ~~y~~Year; ~~and~~

004.06 Section V - Operating Revenue Schedules: Section V ~~of a general rate filing~~ shall include ~~operating revenue schedules showing~~:

004.06A Schedules showing operating revenues by major revenue category, including other operating revenues and uncollectible

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

operating revenues, with an itemized list of all adjustments to the Base Year with explanation and corresponding calculations;

004.06BA Number and classification of customers, volume of sales, and operating revenue by customer classes for the ~~Base~~ Year on an unadjusted basis; and

004.06CB Number and classification of customers, volume of sales, and operating revenue by customer classes for the ~~Test~~ Year on a normalized basis:

004.06CB1 Using current rates; ~~and~~

004.06CB2 Using proposed rates; ~~-~~ and

004.06D The gross conversion factor calculation to show the necessary gross revenue increase to realize \$1.00 of net revenue increase, primarily due to tax effects.

004.07 Section VI - Cost-of-Service Study: ~~Section VI of a general rate filing~~ shall include:

004.07A ~~A~~ fully-allocated cost-of-service study including both allocations of jurisdictional and non-jurisdictional activity and allocations between classes of ratepayers to demonstrate compliance with Section 66-1825(10). ~~A jurisdictional~~

004.07B The ~~Utility~~ shall, beginning on the date the application is filed, provide the Commission and its designees and Formal Intervenors reasonable and convenient access to an electronic copy of the cost-of-service study model to be used by the ~~jurisdictional Utility~~ in the rate case. ~~Such access shall be provided subject to a protective order.~~

004.08 Section VII - Prefiled Direct Testimony and Exhibits: Prefiled direct testimony and exhibits to be offered at the hearing with all portions in which the Utility desires confidential treatment clearly marked pursuant to, except as permitted in Nebraska Administrative Code, Title 291, Chapter 9, Rule 006. Prefiled testimony or exhibits shall not be modified once filed except for typographical errors or mistakes, or where all parties to the proceeding agree to the change or where the Commission permits for good cause shown.

004.09 Alternate Cost of Service Study Models: Any ~~Party to the rate case~~ intending to offer evidence ~~on a general rate filing~~ based upon a

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

~~cost-of-service study model other than the model utilized by the applicant Utility, shall provide all Parties the applicant, the Commission and its designees and other formal intervenors reasonable and convenient access to electronic copies of the cost of the service cost-of-service study model. Such access shall be provided subject to a protective order.~~

004.10 Use of Discovery in General Rate Filing Proceedings: The Commission may apply, ~~but is not required to apply,~~ the Discovery Rules of the Nebraska Supreme Court in ~~general rate proceedings~~ General Rate Filings before the Commission. Unless the Commission otherwise orders, the time period for answering data requests in ~~general rate proceedings~~ General Rate Filings is up to ten (10) days. For good cause shown, the time period may be extended by the Commission. All ~~parties~~ Parties to a ~~general rate proceedings~~ General Rate Filings may object to requests that are not permissible under the rules and regulations of the Nebraska Supreme Court regarding use of depositions and discovery. A responding ~~party~~ Party shall respond with objections to any data requests within five (5) days. For good cause shown, the time period may be extended by the Commission.

004.11 Notice of Assessment: Upon the filing of a General Rate Filing, ~~any application, including rate filings, or complaint for which the Commission deems it necessary to investigate a jurisdictional utility or make appraisals of the property of a jurisdictional utility,~~ the Commission shall give the ~~jurisdictional~~ Utility notice by electronic and United States mail of the ~~applicable~~ assessment for expenses reasonably attributable to such General Rate Filing proceeding investigation or appraisal, including both direct and indirect expenses incurred pursuant to Neb. Rev. Stat. § 66-1840.

004.12 Filing of Intervenor Documents: Parties filing testimony and exhibits in response to an application for a ~~general rate increase~~ General Rate Filing shall file with the Commission an electronic copy and three (3) paper copies. ~~eight copies, plus an electronic copy in~~ The electronic copies shall be in PDF format, and also include as well as a copy of all text documents in Microsoft Word and all spreadsheets in Microsoft Excel. Some portions of the documents may be filed exclusively in electronic format. The determination on exclusive electronic filing shall be made in consultation between the Parties and the Commission. The date of electronic filing shall be the official filing date with the Commission. Paper copies may be filed up to five (5) business days following electronic filing. Paper copies ~~Applications~~ must be filed with the Executive Director at the Nebraska Public Service Commission, 1200 "N" Street, Suite 300, Lincoln, Nebraska 68508. Electronic filings shall be submitted either via email to psc.naturalgas@nebraska.gov or other electronic media.

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

004.12A Parties shall provide in electronic format all workpapers used to prepare the analysis and data submitted in response to the application and any source documents referenced in the prefiled direct testimony, or exhibits including but not limited to contracts, internal reports, any models utilized or relied on, and any other documents detailing calculations in support of the filing. ~~Such workpapers and source documents should also be made available in electronic format. Any documents submitted electronically shall be provided in hard copy at the request of the Commission. Parties are not required to provide documents cited in curriculum vitae. Prefiled testimony ~~or~~ and exhibits shall not be modified once filed except for typographical errors or mistakes, ~~or~~ where all parties to the proceeding agree to the change, or where the Commission permits for good cause shown.~~

~~004.12B Beginning on the date the testimony and exhibits are filed, Parties shall provide the Commission and its designees, the applicant, and all Formal Interveners reasonable and convenient access to electronic copies of any documents detailing calculations in support of the rate filing.~~

004.13 Exemption from Rules: A ~~Jurisdictional~~ Utility, whose current rates were approved through and following negotiations and agreement with affected cities and who seeks negotiation of a general rate application with affected cities pursuant to Neb. Rev. Stat. § 66-1838, shall be exempt from the requirements of Sections 004.01C and 004.04G. Should negotiations fail to result in an agreement upon new rates, the ~~Jurisdictional~~ Utility shall file with the Commission the information required in Sections 004.01C and 004.04G within ten (10) days after the date of the expiration of the negotiation period or after the date upon which the ~~jurisdictional~~ Utility and the cities file a written agreement that the negotiations have failed, whichever is earlier.

005 RATE PRINCIPLES:

005.01 Rule Provisions: The provisions of Rule 005 apply only to ~~general rate filings~~ General Rate Filings governed by § 66-1838. No provision included in Rule 005 shall be construed as prohibiting the Commission from approving a settlement agreement that the Commission finds to be just and reasonable and in the public interest.

005.02 Cost of Service: Except as provided for in any section of the State Natural Gas Regulation Act or these rules dealing with fuel expenses, rates are to be based upon a ~~Utility's~~ Utility's cost of rendering service to the public during a ~~Test~~ Year.

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

005.03 Components of Cost-of-Service: The two components of ~~cost of service~~ cost-of-service are allowable expenses and return on invested capital.

005.04 Allowable Expenses: Only those expenses which are ~~p~~Prudent may be included in allowable expenses. Expenses incurred by a ~~jurisdictional~~ ~~u~~Utility or a ~~s~~Shared ~~r~~Resource ~~a~~Affiliate shall be presumed to be ~~p~~Prudent, unless the contrary is shown.

005.05 Return on Rate Base: The return on rate base is the rate of return multiplied by rate base.

005.05A Rate of Return: The Commission must allow each ~~u~~Utility a reasonable opportunity to earn a reasonable rate of return, which is expressed as a percentage of invested capital, and must fix the rate of return in accordance with Neb. Rev. Stat. §§ 66-1825(3) and (5) including:

005.05A1 The rate of return in one rate case shall not be precedential in future rate cases.

005.05A2 In each case, the Commission must consider the ~~u~~Utility 's cost of capital, which is the weighted average of the cost of the various classes of capital used by the ~~u~~Utility:

005.05A2(a) Debt Capital: The cost of debt capital is the actual cost of debt.

005.05A2(b) Equity Capital: The cost of equity capital must be based upon a fair return on its value. For companies with ownership expressed in terms of shares of stock, equity capital commonly consists of the following classes of stock.

005.05A2(b)(1) Common Stock Capital: The cost of common stock capital must be based upon a fair return on its value.

005.05A2(b)(2) Preferred Stock Capital: The cost of preferred stock capital is its annual dividend requirement, if any, plus an adjust-

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

ment for premiums, discounts,
and cost of issuance.

~~005.06 Rate Base: The rate of return is applied to the rate base. The rate base includes as a major component the original cost of plant, property, and equipment, less accumulated depreciation, used and useful in rendering service to the public. Components to be included in determining the overall rate base are as follows:~~

~~005.06A Original cost, less accumulated depreciation, of utility plant used by and useful to the public utility in providing service except that acquisition adjustments will be examined on a case by case basis.~~

~~005.06A1 Original cost must be the actual money value including any consideration paid other than money, of the property at the time it shall have been dedicated to public use, whether by the utility which is the present owner or by a predecessor.~~

~~005.06A2 Accumulated depreciation is the accumulation of allocations of original cost, representing recovery of investment, over the estimated useful life of the asset. Depreciation must be computed on a straight-line basis unless the Commission orders otherwise.~~

~~005.06A3 Payments to affiliated interests shall not be allowed as a capital cost except as provided in Rule 005.07.~~

~~005.06A4 Acquisition adjustments are the difference between the purchase price of an acquired operating unit or system and the depreciated original cost of the acquired property.~~

~~005.06B Working capital allowance to be composed of, but not limited to, the following:~~

~~005.06B1 Prudent inventories of materials and supplies, held specifically for purposes of permitting efficient operation of the utility in providing normal utility service.~~

~~005.06B2 Prudent prepayments for operating expenses.~~

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

~~005.06B3 A prudent allowance for cash working capital.~~

~~005.06C Adjustments for certain items, which include, but are not limited to, the following:~~

~~005.06C1 Accumulated reserve for deferred federal income taxes;~~

~~005.06C2 Unamortized investment tax credit to the extent allowed by the Internal Revenue Code;~~

~~005.06C3 Contingency and/or property insurance reserves;~~

~~005.06C4 Contributions in aid of construction;~~

~~005.06C5 Ratepayer deposits and other sources of cost-free capital;~~

005.06 Rate Base: The rate of return is applied to the rate base. Rate base shall mean:

005.06A The original cost of utility property, including utility plant, property, and equipment, used and useful in rendering service to the public. Original cost shall be the actual money value, including any consideration paid other than money, of the property at the time it shall have been dedicated to public use, whether by the Utility as the present owner or by a previous owner; less

005.06B Related accumulated depreciation and amortization, computed on a straight-line basis unless otherwise ordered by the Commission; less

005.06C Ratepayer deposits and advances, contributions in aid of construction, and other sources of cost-free capital; less

005.06D Accumulated reserve for deferred and unamortized income tax liabilities, adjusted to reflect any accumulated deferred income tax assets related to plant included in section 005.06A above; plus

005.06E Unamortized investment tax credit to the extent allowed by the Internal Revenue Code; plus

005.06F Contingency and/or property insurance reserves; plus

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

005.06G Working capital, including, but not limited to:

005.06G1 Prudent inventories of materials and supplies held specifically for purposes of permitting efficient operation of the Utility in providing normal utility service;

005.06G2 A Prudent allowance for cash working capital, or investor supplied funds to enable the Utility to pay current operating expenses between the time when the expenses of rendering utility service are paid and the time when revenues for that service are collected from ratepayers, including any study and/or calculations used; and

005.06G3 Prudent prepayments for operating expenses not included within the calculation of cash working capital.

005.06H Payments to affiliated interests shall not be allowed as a capital cost except as provided in Rule 005.07.

005.06I Acquisition adjustments comprised of the difference between the purchase price of an acquired operating unit or system and the depreciated original cost of the acquired property, shall be considered on a case-by-case basis.

005.06J~~D~~ Completion and Dedication of Property: The rate base shall ordinarily consist only of those items which are used and useful in providing service to the public. This may include items completed and dedicated to commercial service for which construction will be commenced and completed within one year or less from the end of the ~~Test~~ ~~Year~~. The Commission may also determine that property which has not been completed and dedicated to commercial service may be used and useful and included in the rate base. In determining whether construction work in progress should be included in the rate base, the Commission may consider whether projects under construction are ~~p~~Prudent. To aid the Commission in determining the prudence of any construction work in progress sought by the Utility to be included in rate base, the Utility shall provide the following in its application:

005.06J1 Information for each project sought including: project description; location; purpose; date construction began; expected completion date;

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

actual costs incurred as of the end of the test year; and total expected cost of the project at completion;

005.06J2 Discussion of each project including showing why the project is necessary to the provision of safe and reliable gas service;

005.06J3 How project costs are being financed, debt or internally generated capital; and

005.06J4 Information as to why it is necessary the project be included in rates before it is complete and in service;

005.06EK Self-Insurance Reserve Accounts: Self-insurance plans may be included in the rate base at the discretion of the Commission.

005.06FL Requirements for Post Test Year Adjustments: Post ~~Test~~ ~~Year~~ adjustments are permitted for known and measurable rate base adjustments to the ~~Test~~ ~~Year~~ where the ~~Utility~~ accounts for any related impacts on all aspects of the ~~jurisdictional~~ ~~Utility's~~ operations. Related impacts are those that reasonably follow as a consequence of the post ~~Test~~ ~~Year~~ adjustment being proposed, including a related impact of another post ~~Test~~ ~~Year~~ adjustment.

005.07 Payments to Affiliates: The ~~jurisdictional~~ ~~Utility~~ has the burden to demonstrate that any cost paid to an ~~affiliate~~ for any goods or services are ~~prudent~~. The ~~jurisdictional~~ ~~Utility~~ has the burden to demonstrate all of the following before any amount paid to an ~~affiliate~~, other than a ~~shared~~ ~~resource~~ ~~affiliate~~, either, as a capital cost or an expense, is included in rates except as provided in Neb. Rev. Stat. § 66-1825(8):

005.07A Each payment is ~~prudently~~ incurred for each item or class of items at the time incurred; and

005.07B The costs charged by an ~~affiliate~~ reasonably approximate the market value of the service provided. ~~to it.~~

006 CONFIDENTIAL INFORMATION:

006.01 Confidential Information Filed with Applications: The ~~Party~~ filing documents must indicate any information which is claimed to be confidential. In the event other Parties are admitted to the proceeding, the Party seeking confidential

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

treatment shall file a motion for a protective order. The motion shall include a clear statement and must state of the specific grounds with specificity and cite the legal authority for the claim of confidentiality. in a motion for protective order. If the motion for protective order is not filed with the application, any claim of confidentiality of information filed in the application or as prefiled testimony and exhibits shall be deemed waived. The motion for protective order must be decided within ten (10) calendar days from the date the motion is filed. Parties opposing the motion may file an objection to the motion within five (5) calendar days.

006.01A If an applicant contends any portion of the application, prefiled testimony, or exhibits is are confidential, it must file an electronic copy and three (3) hard eight copies of the application, prefiled testimony and exhibits redacting without the asserted confidential information marked "PUBLIC", together with the motion for protective order. The applicant must also file an electronic version and three (3) hard copies under seal and on yellow paper marked "CONFIDENTIAL", six copies of the complete application, prefiled testimony, and exhibits claimed to be confidential and the subject of a motion for protective order. Electronic filings shall be submitted either via email to psc.naturalgas@nebraska.gov or other electronic media. The motion for protective order must be decided within ten calendar days from the date the application is filed. Parties opposing the motion may file a resistance to the motion within five (5) calendar days. If the motion is granted, a protective order shall be issued.

006.02 Other Confidential Filings: Any jurisdictional utility seeking to prevent disclosure of information filed by with the Commission must file such information electronically clearly marked "CONFIDENTIAL" and in hard copy on yellow paper marked "CONFIDENTIAL." Electronic filings shall be submitted either via email to psc.naturalgas@nebraska.gov or other electronic media. Disclosure of confidential information will be governed by Neb. Rev. Stat. § 66-1829 See. 29 of LB 790 [2003].

007 RATE AREA MAPS: Each Utility shall keep a map on file with the Commission of its rate area(s). The map must show the boundaries of each rate area and intervening and adjacent rural territories served within each rate area. Upon a change to any rate area(s), a revised map of the rate area, reflecting all changes in boundaries, must be filed with the Commission. Such changes will become effective upon filing the revised map with the Commission. Each jurisdictional utility shall keep on file with the Commission a map of its rate area(s), showing the boundaries of such areas and intervening and adjacent rural territories served within such rate area

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

~~(s). Each jurisdictional utility operating in Nebraska as of May 30, 2003, shall file a map showing the rate area(s) it served as of May 30, 2003. Each jurisdictional utility must file revised maps of rate area(s) reflecting changes in boundaries. Such changes shall become effective upon filing with the Commission.~~

008 TARIFF FILINGS:

008.01 Applicability: This section applies to all ~~jurisdictional~~ ~~Utilities.~~

008.02 Effective Tariff: No ~~Utility~~ shall directly or indirectly offer a service, collect any rate or charge, give a compensation or discount to a ratepayer, or impose any classification practice, or regulation different from that which is prescribed in its effective tariff filed with the Commission. The tariff may include mathematical formulas that express the pricing terms for service.

008.03 Tariff Filings: Every ~~jurisdictional~~ ~~Utility~~ must publish and file with the Commission copies of a tariff showing all schedules of rates and terms and conditions of jurisdictional service to ratepayers, and must furnish the Commission copies of all terms and conditions of service and contracts between ~~jurisdictional~~ ~~Utilities~~ pertaining to any and all jurisdictional services to be rendered by such ~~jurisdictional~~ ~~Utilities~~. The provisions of such tariff must be definite and so worded as to minimize the ambiguity or the possibility of misinterpretation.

008.03A Authority: If a tariff sheet is issued under specific authority or decision of ~~this~~ the Commission, each sheet so affected must show the appropriate citation.

~~008.04 Requirements as to Size, Form, Identification and Filing of Tariffs: All tariff filings must be submitted electronically in a Commission approved format via email to psc.naturalgas@nebraska.gov. All tariff pages must be formatted to be 8 1/2 inches by 11 inches. The cover page of the tariff must contain the name of the ~~Utility~~ and the location of its principal office. Each rate schedule must clearly state the rate area and city wherein such rate schedule is applicable. Tariff sheets are to be numbered consecutively per schedule. Each sheet must show an effective date, a revision number, section number, sheet number, name of the ~~Utility~~, name of the tariff, and title of the section in a consistent manner. The Commission shall acknowledge receipt of the tariff upon filing.~~

008.05 Composition of Tariffs: The tariff must contain sections and subsections setting forth:

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

008.05A A table of contents;

008.05B A list of the cities in which service is provided;

008.05C A map showing the areas in which service is provided;

008.05D A brief description of the ~~u~~Utility's operations;

008.05E The rate schedules; and

008.05F The terms of service, including any service agreement forms.

008.06 Revisions to Tariffs: When a change is proposed ~~on~~ to a tariff, attention must be directed to the changes contained therein by the ~~u~~Utility shall file ~~filing~~ a new tariff sheet(s) incorporating the changes and also tariff sheet(s) in legislative or redline format.

~~008.07 Number of Copies to be Filed: An original and one paper copy of each tariff, plus an electronic copy in a Commission approved format, must be filed. The paper copy will be stamped and filed and returned to the utility.~~

~~008.087 Availability of Tariffs: Each ~~u~~Utility shall make available to the public a copy of its tariff currently on file with the Commission. Such tariff shall be available on the Utility's website and, at each of its business offices or designated sales offices within Nebraska which provide in-person service to ratepayers, all of its tariffs currently on file with the Commission, and it's the A Utility's employees shall assist ~~lend assistance to~~ persons seeking information on its tariffs and shall make a copy of the tariff available for review if requested and provide copies of any portion of its tariff upon request. ~~afford inquiring persons an opportunity to examine any tariff upon request. The utility also must provide copies of any portion of its tariffs upon request.~~~~

~~008.098 Rejection of Filings: The Commission may reject any filing under this rule if the ~~jurisdictional~~ ~~u~~Utility fails to comply with the provisions as set forth in ~~said~~ this rule.~~

009 SERVICE TO HIGH VOLUME, AGRICULTURAL AND INTERRUPTIBLE RATEPAYERS:

009.01 Written Notice of Any Changes: For purposes of Neb. Rev. Stat. ~~Sec.~~ § 66-1810, a written notice of any change shall be sent to the Commission and affected agricultural and interruptible ratepayers and

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

published in a legal newspaper prior to the effective date of the change.

010 CERTIFICATION OF JURISDICTIONAL UTILITIES:

010.01 Certification of Public Convenience: Except as otherwise provided herein, no ~~jurisdictional~~ ~~u~~Utility shall transact business in Nebraska until it has obtained a certificate from the Commission that public convenience will be promoted by the transaction of the business and permitting the applicants to transact the business of a ~~jurisdictional~~ ~~u~~Utility in the state. By operation of Neb. Rev. Stat. ~~Sec. §~~ 66-1853(3), all ~~jurisdictional~~ ~~u~~Utilities transacting business in this state as of May 31, 2003 were issued a certificate of public convenience based upon its natural gas service as of that date.

010.01A Every ~~jurisdictional~~ ~~u~~Utility shall be required to furnish reasonably adequate and sufficient service and ~~F~~acilities for the use of any and all products or services rendered, furnished, supplied, or produced by such ~~u~~Utility.

010.02 Filing Requirements and Application Process: Applications for a certificate of public convenience must contain all of the following information and must include prefiled testimony in support of the application showing:

010.02A The legal name under which the applicant will operate, a description of the business structure of the applicant, evidence of authority to do business in Nebraska, certificates of registration by the Nebraska Secretary of State for all trade names under which the applicant will operate, and the applicant's state of incorporation. The applicant will also provide any other names under which it does business outside the state of Nebraska.

010.02B The names, business addresses and business telephone numbers of the principal officers of the applicant, or its representatives, who can be contacted regarding its operations in Nebraska and telephone number(s) at which the applicant can be contacted.

010.02C Identification of ~~a~~Affiliates, partnerships, political subdivisions, or other joint ventures, including those ~~a~~Affiliates, partnerships, political subdivisions or other joint ventures that are certified under this section. In addition to a listing of the names, addresses, and business purpose of ~~a~~Affiliates, partnerships, or other joint ventures required herein, the applicant(s) must also provide a listing of the

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

names and addresses of all the applicant's ~~a~~Affiliates, partnerships, political subdivisions, or other joint ventures engaged in the provision of competitive natural gas services in any other state.

010.02D A listing of all legal actions and formal complaints pertaining to the provision of natural gas services filed against the applicant or its ~~a~~Affiliates at a public utility regulatory body other than the Commission that were filed or pending in the five (5) years prior to the date of the request for certificate, including identification of the title and number of applicable proceedings and a copy of the final orders in such proceedings or the citation to the website where the text of the orders can be found. ~~The applicant will also provide any other names under which it does business.~~

010.02E Identification of the states and jurisdictions in which the applicant or an ~~a~~Affiliate, partnership, or other joint venture has had a license or certificate to supply competitive natural gas services suspended, revoked, or denied, or where the applicant, partnership, or other joint venture has voluntarily withdrawn from providing service due to financial or operational reasons. Applicant must include identification of the title, caption, and docket number of any applicable proceedings and either (i) a copy of any final orders and court appeals in such proceedings or (ii) the citation to the website where the text of the orders can be found.

010.02F A demonstration that the applicant is ready, willing and able to provide service under the State Natural Gas Regulation Act and other applicable laws of the state of Nebraska, and not in violations thereof, and that the public convenience in Nebraska will be promoted by the transaction of the business by allowing the applicants to transact the business of a ~~jurisdictional~~ ~~u~~Utility in the state. The applicant will further demonstrate that it possesses the operational and financial capability to furnish reasonably adequate and sufficient service and ~~#~~Facilities for the use of any and all products or services rendered, furnished, supplied, or produced by such ~~u~~Utility. The applicant must submit a roster of officers and directors, a description of the professional backgrounds of the applicant's principal managerial and technical personnel, an operational flow chart, and a description of the applicant's ~~#~~Facilities and the services it intends to render. A request for confidential treatment for information contained within the application may be filed with the Commission, pursuant to Nebraska Administrative Code, Title 291, Chapter 9, Rule 006.

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

010.02G The applicant shall file an electronic copy and three (3) paper copies of the application with the Commission. Electronic applications shall be submitted either via email to psc.naturalgas@nebraska.gov or other electronic media. The date of electronic filing shall be the official filing date with the Commission. Paper copies of the application may be filed up to five (5) business days following electronic filing. Paper Applications must be filed with the ~~e~~Executive ~~a~~Director ~~a~~t of the Nebraska Public Service Commission, 1200 "N" Street, Suite 300, Lincoln, Nebraska 68508. ~~An original and eight (8) copies must be filed. An application fee must be included with the application to cover the administrative costs of accepting and processing a filing. In addition, each applicant will be billed costs and expenses reasonably attributable to certification and dispute resolution to applicants and participants to the proceeding, including Commission time, billed on an hourly basis, spent reviewing, analyzing and considering the application, and any costs incurred by or charges made by the Public Advocate that the Commission may assess with respect to such application.~~

010.02H An applicant must notify the Commission during the pendency of the certification request of any material change in the representations and commitments required by this subsection within fourteen (14) days of such change. Any new legal actions or formal complaints are considered material changes in the request. Once certified, ~~jurisdictional~~ ~~u~~Utilities must notify the Commission of any material change in the representations and commitments required for certification within fourteen (14) days of such change.

010.03 Assessment for ~~Jurisdictional~~ Utilities: Pursuant to Neb. Rev. Stat. ~~Section~~ 66-1840~~9(3)~~, The applicant shall be billed the costs and expenses reasonably attributable to the certification process and any dispute resolution associated with the application pursuant to Rule 010.03. Such costs shall include Commission time spent reviewing, analyzing, and considering the application and costs of the Public Advocate attributable to the application process.

~~the Commission shall allocate the costs and expenses reasonably attributable to certification and dispute resolution as authorized in this section to persons identified as parties to such proceeding who are engaged in or who seek to engage in providing natural gas services or other persons identified as participants in such proceeding. The funds received for the costs and expenses of certification and dispute~~

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

~~resolution shall be remitted to the State Treasurer for credit to the Public Service Commission Regulation Fund.~~

011 CERTIFICATION OF COMPETITIVE NATURAL GAS PROVIDERS AND AGGREGATORS:

011.01 General Requirement to Obtain Certificate: A person must not provide competitive natural gas services to a Nebraska Retail End-User, including a ~~High-Volume~~ ~~Ratepayer~~, without a certificate approved by the Commission pursuant to Neb. Rev. Stat. § 66-1849. A certified CNGP shall not be required to obtain a separate certificate as an ~~Aggregator~~ in order to perform services as an ~~Aggregator~~.

011.02 Filing Requirements and Application Process: Applications for a certificate to provide competitive natural gas services must contain all of the following information:

011.02A The legal name under which the applicant will operate, a description of the business structure of the applicant, evidence of authority to do business in Nebraska, certificates of registration by the Nebraska Secretary of State for all trade names under which the applicant will operate, and the applicant's state of incorporation.

011.02B The names, business addresses and business telephone numbers of the principal officers of the applicant who can be contacted regarding its operations in Nebraska and telephone number(s) at which the CNGP can be contacted 24 hours a day.

011.02C A listing of each state in which the applicant currently conducts business or has applied for certification or a permit to provide competitive natural gas service. For pending applications of authority include the date each pending application was filed and the disposition of all applications.

011.02D Identification of ~~Aggregators~~ that are certified under this section and a listing of the names and addresses of all the applicant's ~~Aggregators~~ engaged in the provision of competitive natural gas services in any other state, and a list of states in which any other Affiliate operates.

011.02E A listing of all legal actions and formal complaints pertaining to the provision of competitive natural gas services filed against the applicant or its ~~Aggregators~~ at a public utility regulatory body other than the Commission that were pending in the twelve (12) months prior to the date of the request for certificate, including identification of the title and number of applicable proceedings and a copy of the final

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

orders in such proceedings or the citation to the website where the text of the orders can be found.

011.02EF Identification of the states and jurisdictions in which the applicant or an ~~affiliate~~ affiliate has had a license or certificate to supply competitive natural gas services suspended, revoked, or denied, or where the applicant has voluntarily withdrawn from providing service due to financial or operational reasons. Applicant must include identification of the title and number of any applicable proceedings and a copy of any final orders in such proceedings or the citation to the Website where the text of the orders can be found.

011.02FG A demonstration that the applicant has the operational ~~and financial~~ capability to obtain and deliver the services it proposes to offer. ~~At a minimum, applicants are required to submit financial statements. The applicant must submit a balance sheet, statement of income, statement of cash flow, and, if applicable, a statement of shareholders' equity and the applicant's debt structure, including bond rating. As a demonstration of the applicant's operational ability capability, the applicant must submit a roster of officers and directors, a description of the professional backgrounds of the applicant's principal managerial and technical personnel, an operational flow chart, and a description of the applicant's facilities and the services it intends to render. A request for confidential treatment for this information may be filed with the Commission, pursuant to Nebraska Administrative Code, Title 291, Chapter 9, Rule 006.~~

011.02H A demonstration that the applicant has the financial capability to obtain and deliver the services it proposes to offer. The applicant shall submit certified financial statements including, but not limited to, a balance sheet, statement of income, statement of cash flow, and, if applicable, a statement of shareholders' equity and the applicant's debt structure, including bond rating. If certified financial statements are not available, applicant shall provide such information as the Commission requires to satisfy this provision. At a minimum, financial statements shall adhere to generally accepted accounting principles (GAAP). For purposes of determining evidence of adequate financing, the following minimum criteria shall be met:

011.02H1 A minimum positive capitalization of \$200,000. Capitalization shall include all components of equity and total long and short-term debt and can

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

include, but is not limited to, all classes of capital stock, additional paid-in capital, treasury stock, retained earnings, accumulated deficit, preferred stock, long and short-term debt.

011.02H2 Positive Working Capital. For purposes of determining working capital, working capital shall be defined as the excess of an entity's current assets over its current liabilities.

011.02I Confidential Treatment. A request for confidential treatment for information contained within the application may be filed with the Commission, pursuant to Nebraska Administrative Code, Title 291, Chapter 9, Rule 006.

011.02GJ The applicant shall file an electronic copy and three (3) paper copies of the application with the Commission. Electronic applications shall be submitted either via email to psc.naturalgas@nebraska.gov or other electronic media. The date of electronic filing shall be the official filing date with the Commission. Paper copies of the application may be filed up to five (5) business days following electronic filing. Paper Applications must be filed with the eExecutive dDirector at the Nebraska Public Service Commission, 1200 "N" Street, Suite 300, Lincoln, Nebraska 68508. An original and eight (8) copies must be filed. An application fee must be included with the application to cover the administrative costs of accepting and processing a filing. In addition, each applicant will be billed costs and expenses reasonably attributable to certification and dispute resolution to applicants and participants to the proceeding, including Commission time, billed on an hourly basis, spent reviewing, analyzing and considering the application.

011.02HK An applicant must notify the Commission during the pendency of the certification request of any material change in the representations and commitments required by this subsection within fourteen (14) days of such change. Any new legal actions or formal complaints are considered material changes in the request. Once certified, CNGPs must notify the Commission of any material change in the representations and commitments required for certification within fourteen (14) days of such change.

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

011.03 Assessment for Certification of Competitive Natural Gas Providers CNNGPs and Aggregators: Pursuant to Neb. Rev. Stat. § 66-1849(3) ~~Section 49(3) of LB 790 [2003]~~, the Commission shall allocate the costs and expenses reasonably attributable to certification and dispute resolution as authorized in this section to persons identified as parties to such proceeding who are engaged in or who seek to engage in providing natural gas services or other persons identified as participants in such proceeding. The funds received for the costs and expenses of certification and dispute resolution shall be remitted to the State Treasurer for credit to the Public Service Commission Regulation Fund.

011.04 Conditions of Certification: Failure to comply with the following conditions of certification may result in revocation of the certificate:

011.04A Unauthorized Charges: A CNNGP must not charge or attempt to collect any charges from Retail End Users ~~end-users~~ for any competitive natural gas services or equipment used in providing competitive natural gas services not contracted for or otherwise agreed to by the Retail End Users ~~end-users~~.

011.04B Notification of Emergencies: Upon receipt of information from a ~~Retail End User~~ ~~end-users~~ of the existence of an emergency situation with respect to delivery service, a CNNGP must immediately contact the appropriate ~~Natural Gas~~ ~~Public Utility~~ whose ~~Facilities~~ may be involved. The CNNGP must also provide the Retail End User ~~end-users~~ with the emergency telephone number of the ~~Natural Gas~~ ~~Public Utility~~.

011.04C Bond Requirement: The Commission may require the applicant to file a bond or other demonstration of its financial capability to satisfy claims and expenses that can reasonably be anticipated to occur as part of operations under its certificate, including the failure to honor contractual commitments. The adequacy of the bond or demonstration shall be determined by the Commission and reviewed by the Commission from time to time. In determining the adequacy of the bond or demonstration, the Commission shall consider the extent of the services to be offered, the size of the provider, and the size of the load to be served, with the objective of ensuring that the Commission's financial requirements do not create unreasonable barriers to market entry.

011.04D ~~Yearly Revenue~~ Annual CNNGP Report Requirement: No later than September 1st of every year, each CNNGP shall file with the Commission a report stating the total annual dekatherms

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

delivered ~~to and sold to residential~~ customers of a Utility within each ~~Utility~~ rate area in the preceding year beginning July 1 and ending June 30, the total number of customers of a Utility served, and the total revenues associated with the sale of natural gas to all jurisdictional customers within each ~~Utility~~ rate area in such year.

011.04D1 All reports required under this section shall be under oath and shall be identified with the name of the CNGP as it appears in the most recent Commission order granting the CNGP certification.

011.04D2 All reports made to the Commission by a CNGP and the contents thereof shall be open to public ~~in-~~pection inspection, unless otherwise ordered by the Commission.

011.04D3 When any report is erroneous or defective or appears to the Commission to be erroneous or defective, the Commission may notify the CNGP to amend that report within thirty (30) days, and before or after the termination of the period the Commission may examine the officers, agents, or employees, and books, records, accounts, vouchers, plant, equipment and property of the CNGPs, and correct items in the report the Commission finds defective or erroneous.

011.04E Restrictions: The Commission may, pursuant to Neb. Rev. Stat. § 66-1849~~LB 790, Sec. 49~~ [2003], establish reasonable conditions or restrictions on a certificate ~~as of a competitive natural gas provider~~ CNGP at the time of issuance.

011.04F Representations: No representation or warranty made by an applicant shall be false or misleading in any material respect when made or when deemed made.

012 COMPLAINT HANDLING PROCEDURES: Customers~~es~~ complaints about natural gas service or billing issues should first be made to the ~~jurisdictional~~ Utility. The ~~jurisdictional~~ Utility must allow complaints to be accepted and processed in a simple manner and form. Every complaint shall be promptly investigated in a fair manner and the results reported to the complainant. If the report of the investigation is made orally, the ~~jurisdictional~~ Utility must provide the complainant, upon request, a report in writing. If a ~~jurisdictional~~ Utility fails to resolve a complaint to the satisfaction of the complainant, the ~~jurisdictional~~ Utility must, upon request, inform the complainant ~~same~~ of the ~~availa-ility~~ availability of the Commission to review

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

the ~~jurisdictional~~ ~~u~~Utility's investigation, including the Commission's address and telephone number.

012.01 Suspension or Termination of Service: A ~~jurisdictional~~ ~~u~~Utility must refrain from suspending or terminating service for non-payment during the pendency of a complaint before the ~~jurisdictional~~ ~~u~~Utility or ~~this~~ the Commission, unless otherwise provided by the Commission; provided however, that as a condition of continued service during the pendency of such dispute, a customer must pay the undisputed portions of any bill for service.

012.02 Complaints of High-Volume Ratepayers: Subject to Neb. Rev. Stat. § 66-1810, the Commission will take informal complaints and inquiries from ~~high-volume~~ ~~ratepayers~~, and the ~~jurisdictional~~ ~~u~~Utility ~~is required to~~ shall address the complaint and report the resolution to the Commission ~~the form of the resolution applied to the dispute.~~

013 RESIDENTIAL DISCONNECTION OF SERVICE:

013.01 Notice of Disconnection: A notice of disconnection of service sent by a ~~jurisdictional~~ ~~u~~Utility shall be served pursuant to ~~comply with the requirements of~~ Neb. Rev. Stat. § 70-1606 ~~(Reissue 1996)~~, and shall contain all the information required in Neb. Rev. Stat. § 70-1606. ~~Each~~ ~~jurisdictional~~ ~~u~~Utility shall have a third-party notice procedure for the notification of a designated third party of any proposed disconnection of service, in accordance with Neb. Rev. Stat. § 70-1607 ~~(1996)~~.

013.02 Conference Between ~~Jurisdictional~~ Utility and Customer: Each ~~jurisdictional~~ ~~u~~Utility shall have a procedure to hear and decide any dispute related to a proposed disconnection of service or any other matter affecting the service to a residential customer. A conference will be scheduled and held within fourteen (14) days of the residential customer's request and before the ~~jurisdictional~~ ~~u~~Utility may disconnect service. The employee of the ~~jurisdictional~~ ~~u~~Utility, based on the evidence presented at the conference, may affirm, reverse, or modify any prior decision of the ~~jurisdictional~~ ~~u~~Utility. The residential customer may appeal an adverse decision to a management officer designated by the ~~jurisdictional~~ ~~u~~Utility, with whom a hearing shall be held, or may file a complaint directly with the Commission.

013.03 Payment Plans for Delinquent Bills: If a residential customer asserts inability to pay or extenuating circumstances, the residential customer and the ~~jurisdictional~~ ~~u~~Utility ~~servicing such customer~~ shall attempt to agree upon reasonable installment payment arrangements for the payment of any account balance and for payment of current charges

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

for utility service. If the residential customer believes that the installment payment arrangements offered by the ~~jurisdictional~~ ~~Utility~~ are unreasonable, ~~that~~ the residential customer may file a complaint with the Commission, challenging such utility-offered installment payment arrangement terms. A residential customer may make an informal complaint by contacting the Commission ~~via telephone or correspondence,~~ or may make a formal complaint by completing a form provided by the Commission.

013.04 ~~The Disconnecting Act~~ Disconnection of Service: No ~~jurisdictional~~ ~~Utility~~ shall disconnect natural gas service to a residential customer on a weekend, any Saturday, Sunday, Nebraska legal holiday, or at any time when the ~~jurisdictional~~ ~~Utility's~~ business offices are not open to the public.

013.05 Residential Winter Disconnection: In addition to the notice provisions before disconnection of service to a residential customer in Neb. Rev. Stat. § 70-1605 ~~(Reissue 1996),~~ no ~~jurisdictional~~ ~~Utility~~ may disconnect residential customer service from November 1 to March 31 without adding to the time for payment of a bill an additional thirty (30) days before disconnecting that service, and it shall notify the residential customer before the normal disconnection date that the residential customer has such additional thirty (30) days until disconnection.

013.05A Temporary Ban on Disconnections: The Commission shall have the authority to order a temporary ban on any or all disconnections for ~~jurisdictional~~ ~~Utilities~~ during periods of extremely severe weather or when circumstances exist such that disconnection could create a situation dangerous to the life or health of customers or to property.

013.05B If a residential customer has been certified as eligible for low-income home energy assistance, has communicated such eligibility to the Utility, and has provided acceptable documentation of such eligibility to the Utility within a reasonable time, then no disconnection may take place from November 1 through March 31; ~~If a resident who is a ratepayer and has been certified as eligible for low income home energy assistance has communicated such eligibility to the jurisdictional utility and has provided acceptable documentation of such eligibility to the utility within a reasonable time, then no disconnection may take place from November 1 through March 31;~~

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

013.05C To have service restored during the cold weather period between November 1 and March 31, the following shall apply:

013.05C1 A residential customer ~~ratepayer~~ must pay 25% of the outstanding account balance in addition to ~~make payment of one-fourth (1/4) of the total arrearage plus the bill for consumption during~~ the most recent billing period for which service was provided. The residential customer shall also ~~and~~ enter a payment plan for the current outstanding balance and future consumption ~~with the remaining arrearage paid in~~ consisting of a minimum of three (3) ~~monthly installments over no less than three (3) months or longer~~ as agreed between the residential customer ~~ratepayer~~ and the ~~jurisdictional~~ Utility.

013.05C2 ~~A ratepayer must not default on the payment plan.~~ If a residential customer ~~ratepayer~~ defaults on the payment plan, the ~~jurisdictional~~ Utility may disconnect service after providing the requisite notice.

013.05C3 Nothing in Section ~~0143.05C~~ shall preclude a residential customer ~~ratepayer~~ from paying an arrearage in full or agreeing to an alternate payment schedule.

013.05C4 Nothing in Section ~~0143.05C~~ shall preclude a ~~jurisdictional~~ Utility from collecting the applicable reconnection fee in its tariff or requiring a deposit.

013.06 Immediate and Serious Health Hazard: Consistent with Neb. Rev. Stat. § 70-1606(1)(g)(7) ~~(Reissue 1996)~~, a ~~jurisdictional~~ Utility shall postpone the disconnection of natural gas service to a residential customer for a ~~minimum period~~ of thirty (30) days from the date of receiving a duly licensed physician's, physician assistant's, or advanced practice registered nurse's certification ~~certificate which certifies~~ that an existing illness or handicap of ~~a~~ the residential customer or resident within such ~~residential customer's~~ household would ~~cause such person to~~ suffer an immediate and serious health hazard by the disconnection of service to that household. Such health certificate shall be filed with the utility within five (5) days of receiving notice of disconnection of service, excluding holidays and weekends. Only one postponement of disconnection shall be allowed under this provision for each incidence of nonpayment of any past-due account.

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

014 INFORMATION ON ENERGY ASSISTANCE PROGRAMS: ~~Jurisdictional~~ ~~u~~Utilities shall compile and make available to customers a list ~~with~~ of the names, addresses, and phone numbers of known payment assistance programs, including information regarding any bilingual services offered, that are applicable to each service area within the ~~u~~Utility's areas of operation. The list should include, but is not limited to, ~~+~~ local, state, federal, and other energy assistance programs and public/private charitable organizations offering or known to offer energy payment assistance. Such programs and organizations must give, which have given prior consent to their inclusion on this the list.

014.01 Availability: The ~~jurisdictional~~ ~~u~~Utility shall inform any customer who asserts inability to pay his or her utility bill of the availability of this list and give a copy of this list to any customer who asks for such assistance. The ~~jurisdictional~~ ~~u~~Utility shall also provide the Commission with this list.

015 ASSESSMENTS AND-RELATED REPORTING REQUIREMENTS:

015.01 Notice of Assessment: Upon the filing of any application, including rate filings, or complaint for which the Commission deems it necessary to investigate a Utility or make appraisals of the property of a Utility, the Commission shall give the Utility notice by United States mail of the assessment for expenses reasonably attributable to such investigation or appraisal, including both direct and indirect expenses incurred pursuant to Neb. Reb. Stat. § 66-1840.

015.0~~1~~2 Annual Filings: Each ~~jurisdictional~~ ~~u~~Utility, on or before April 30 each year, must file with the Commission:

015.0~~1~~2A Annual Report: An annual report to shareholders or equivalent, for the previous year upon issuance of such ~~the~~ annual report. The Utility shall notify the Commission prior to April 1, if the report will not be available by April 30 and indicate when the report will be filed. Any ~~jurisdictional~~ ~~u~~Utility that fails, neglects or refuses to file with the Commission its annual report shall be subject to a civil penalty of not more than five hundred dollars.

015.0~~1~~2B Net Revenues: A statement of the difference between the ~~jurisdictional~~ ~~u~~Utility's gross operating jurisdictional revenue, less gas cost derived from intrastate natural gas public utility business as reflected in the annual report filed pursuant to Rule ~~013~~015.01A, together with an explanation of this computation and any supporting documentation of the computation. This statement must be filed with the Commission on or before April 30th each year.

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

015.012C Meters Served: A statement of the number of meters served by each ~~jurisdictional~~ Utility, as of the end of the previous calendar year, together with verified documentation to support the statement. This statement must be filed with the Commission on or before April 30th each year.

015.023 Records of Non-Utility Service: Each ~~jurisdictional~~ Utility must maintain the following records of non-utility service:

015.023A Separate Records: A ~~jurisdictional~~ Utility receiving revenues for providing non-utility service shall maintain and provide to the Commission, upon request, separate records for the non-utility service. The records shall include but not be limited to: documents depicting accounts payable and vouchers; purchase orders; time sheets or other time coding information; journal entries; source and supporting documents for all ~~a~~Affiliate transactions; a description of the method(s) used to allocate revenues, expenses, and investments between utility service operations and non-utility service operations, including supporting detail.

015.023B Method of Inspection: The records for non-utility service shall be made available to the Commission at the principal place of business of the ~~jurisdictional~~ Utility or electronically after consultation between the Commission and the Utility.

016 MUNICIPAL RATE NEGOTIATIONS REVOLVING LOAN FUND:

016.01 Application for Loan: Only one loan shall be made for each General Rate Filing ~~rate filing made by a jurisdictional~~ Utility, as set forth in Neb. Rev. Stat. § 66-1839. No loan monies shall be distributed until the Commission has certified a rate case for negotiation pursuant to Neb. Rev. Stat. § 66-1838(6). Applications will only be accepted from cities which have adopted a resolution evidencing the intent to negotiate with the ~~jurisdictional~~ Utility. ~~The applications shall be submitted on a form attached to these rules must be completed and filed with~~ approved by the Commission.

016.02 Joint Application for Loan: Municipalities may jointly apply for loan funds.

016.03 Multiple Applicants: If more than one loan application is filed on a General Rate Filing, all applicants for funds will be notified of the identity and contact information of other applicants

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

and will be given a limited number of days to coordinate and determine whether to make a joint application.

016.04 Application Scoring: If all applicants do not reach a mutual agreement, the Commission will evaluate applications based upon a budget statement identifying all costs for which loan funds will be used and a proposed timeline for progression of negotiations. Applications will be scored on the following scale:

016.04A Total points possible: 25

016.04A1 Budget Statement: 15 points total:

016.04A1a Thoroughness: 10 points

016.04A1b Reasonableness: 5 points

016.04A2 Timeline: 10 points total:

016.04A2a Thoroughness: 5 points

016.04A2a Reasonableness: 5 points

016.035 Fund-use Monitoring and Quarterly Accounting of Fund Use:

016.035A Once a loan has been approved under the Municipal Rate Negotiations Revolving Loan Fund, the following requirements must be followed by the city(s) ~~or cities~~ and the ~~jurisdictional~~ ~~Utility~~:

016.035A1 The loan proceeds may only be used for the costs and expenses incurred to analyze the General Rate Filing ~~rate filing~~ and negotiate a settlement that establishes new area-wide rates;

016.035A2 The costs and expenses may include the cost of rate consultants, attorneys, other advisors, and other necessary costs related to the negotiation process and preparation of a settlement agreement;

016.035A3 Every thirty (30) days following the Commission certification of the negotiation, the borrowing city(s) ~~or cities~~ must provide a report to the Commission, in a format to be specified by the Commission, which details the funds expended and the uses of such funds;

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

016.035A4 Within thirty (30) days after a settlement agreement is filed with the Commission, the borrowing city(s) ~~or cities~~ must provide a final report to the Commission which details the funds expended and uses of such funds;

016.035A5 If the borrowing city(s) ~~or cities~~ and the ~~jurisdictional~~ ~~Utility~~ fail to reach a settlement, the borrowing city(s) ~~or cities~~ must file with the Commission, within thirty (30) days of notification to the Commission that such settlement could not be reached, a final report which details the funds expended and the uses of such funds;

016.035A6 A city which receives a loan from the fund shall be responsible to provide for the opportunity for all other cities engaged in the same negotiations with the same ~~jurisdictional~~ ~~Utility~~ to participate in the negotiations. Such city shall not exclude any other city from the information or benefits accruing from the use of loan funds;

016.035A7 Upon the conclusion of negotiations, regardless of the result, the loan approved by the Commission after audit shall be repaid by the ~~jurisdictional~~ ~~Utility~~ to the Commission within thirty (30) days after the date upon which it is billed by the Commission. The ~~jurisdictional~~ ~~Utility~~ shall recover the amount paid on the loan by a special surcharge on customers who are or will be affected by the rate increase request. These customers may be billed on their monthly statements for a period not to exceed twelve (12) months, and the surcharge may be shown as a separate item on the statements as a charge for rate negotiation expenses.

016.035B Commission Audit: The Commission will audit each request for payment from the Municipal Rate Negotiations Revolving Loan Fund. In such audit, the Commission shall allow only such fees incurred for professional work reasonably necessary to analyze a ~~Utility's~~ General Rate Filing ~~rate filing~~ or in the effort to negotiate new area-wide rates for the ~~Utility~~, and such out-of-pocket expenses as are reasonably incurred in the conduct of such activities. Activities that are not subject to financing through a loan include, but are not limited to: activities related to obtaining a loan and disbursements related thereto; activities occurring prior to the ~~Utility's~~

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

General Rate Filing ~~rate filing~~; and activities occurring prior to formal retention of an individual or firm to participate in the negotiation process. The service provider's invoices must detail, at a minimum, a daily description of the work performed by each individual involved in the negotiation process, the hourly rate of such person, and must provide documentation of all expenses included with such invoice.

016.046 Signature of Verification of Loan: Any applicant municipality must sign, under oath, a verification in a format to be specified by the Commission, that it will comply with the provisions of the State Natural Gas Regulation Act and applicable rules and regulations. ~~A form affidavit is attached to these rules.~~ The affidavit shall be submitted on a form approved by the Commission.

016.057 Travel, Lodging and Meal Expenses: Any travel, lodging or meal expenses reimbursed or paid by the proceeds from a loan from the Municipal Rate Negotiations Revolving Loan Fund must conform to the Nebraska State Accounting Manual published by the Nebraska Department of Administrative Services.

~~016.06 Multiple Applicants: If more than one loan application is filed on a given rate case, all applicants for funds will be notified of the identity and contact information of other applicants and will be given a limited number of days to coordinate and determine whether to make a joint application.~~

~~016.07 Application Scoring: If all applicants do not reach a mutual agreement, the Commission will evaluate applications based upon a budget statement identifying all costs for which loan funds will be used and a proposed timeline for progression of negotiations. Applications will be scored on the following scale:~~

~~016.07A Total points possible: 25.~~

~~016.07A1 Budget Statement: 15 points total, allocated as follows:~~

~~016.07A1a Thoroughness: 10 points; and~~

~~016.07A1b Reasonableness: 5 points.~~

~~016.07A2 Timeline: 10 points total, allocated as follows:~~

~~016.07A2a Thoroughness: 5 points; and~~

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

~~016.07A2a Reasonableness: 5 points.~~

017 BILLING:

017.01 Billing Basis: Bills for service may be based on meter readings or estimated usage only as permitted by Rule 0157.03. The Utility may render bills monthly or on some other regular schedule in accordance with tariffs on file with the Commission.

017.02 Customer Category: If a customer is eligible to receive service under more than one rate schedule, the ~~Utility~~, upon notice of this fact, must advise the customer of applicable, prospective alternatives.

017.03 Meter Readings: A ~~Utility~~ may schedule readings of all meters used for determining charges for customers in accordance with its meter reading policies and practices, and shall make all reasonable efforts to read the meters on corresponding dates of each meter reading period established by the ~~Utility~~. The ~~Utility~~ may permit the customer to supply the meter reading in a form prescribed by the ~~Utility~~. A ~~Utility~~ representative must attempt to read a meter at least once every two (2) months, and any billing between actual readings or when the ~~Utility company~~ is unable to read a meter after a reasonable effort has been made will be calculated in accordance with Rule 0157.04. A ~~Utility~~ representative must also read the meter at the commencement or termination of service unless such termination or commencement of service occurs at the same address as another termination or commencement of service within seven (7) days. Under such circumstances, the ~~Utility~~ may estimate the meter reading based upon dates of service for the departing and the new ~~customer ratepayer~~, and thereafter pro rate the monthly bill for service provided between the two (2) ~~customers ratepayers~~. Access to meters by the ~~Utility~~ must be granted by a ~~customer ratepayer~~.

017.04 Estimated Billing: When access to a meter cannot be gained, or when the ~~customer ratepayer~~ fails to supply a meter reading form in time for the billing operation, an estimated bill may be rendered. Estimated bills must be based upon prior usage, adjusted for weather conditions, number of days in the applicable billing cycle, and other known and reasonable factors.

017.05 Information on Bills: The bill sent to the ~~customer ratepayer~~ must include only information related to the ~~customer ratepayer's~~ account and bill inserts. The bill may include appropriate charges for non-regulated services, such as ~~e.g.~~ appliance repair. Bills provided to ~~customers ratepayer~~ for natural gas service must include the following information:

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

017.05A The meter reading and the date the meter was read;

017.05B The number and kinds of units metered;

017.05C Identification of the applicable rates;

017.05D The amount of the bill;

017.05E The late fee;

017.05F If an estimated bill, clear and conspicuous language identifying the bill as an estimated bill;

017.05G Tax, tax adjustment, state regulatory assessment, ~~or~~ gas supply cost adjustment, and any other Commission approved adjustments, ~~amounts~~ separately itemized, if applicable;

017.05H A statement that customer ~~ratepayer~~ information is available upon request and where it can be obtained.

017.05I A conspicuous notice to customers ~~ratepayers~~ that should the ~~Utility~~ fail to satisfactorily resolve a service or billing dispute that they may refer the matter to the Nebraska Public Service Commission, including current address and telephone number.

017.06 ~~Ratepayer~~ Customer Payment Records: A ~~Utility~~ must retain a record showing the data contained on each monthly bill in accordance with its normal record retention policy and practices.

017.07 Meter Testing:

017.07A ~~By Ratepayer~~ Customer Request: Any customer ~~ratepayer~~ may request ~~its~~ the ~~Utility~~ to test the customer ~~ratepayer's~~ natural gas meter. The ~~Utility~~ must conduct the test as soon as reasonably possible after receipt of the request. If a particular meter is tested at the request of the same customer ~~ratepayer~~ more than once in a two (2)-year period, the ~~Utility~~ may require a customer ~~ratepayer~~ to pay a reasonable meter test fee for the cost of testing the meter. The meter test fee must be refunded if the meter is found to have an error of two percent (2%) or more. A customer ~~ratepayer~~ or a representative of the customer ~~ratepayer~~ may be present when the meter test is conducted. The ~~Utility~~ must supply a report giving the name of the customer ~~ratepayer~~ requesting the test; the date of the request; the location of the meter; the type, make, size and number of the meter; the date tested; and the results of the

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

test to the customer ratepayer.

~~017.07B Random Testing for Accuracy: Each jurisdictional Utility must establish a method or plan for verifying the accuracy of meter readings when such readings which indicate unusually high or low natural gas usage by a utility in comparison to the customer ratepayer's past or projected natural gas usage.~~

017.08 Credit and Deposit Policies:

~~017.08A Nondiscriminatory Credit Policy Required: Each jurisdictional Utility shall fairly, and without discrimination, administer a credit policy which is easily understandable and which extends natural gas service to as many Nebraskans as possible. The credit policy must be based upon the credit risk of the individual as evidenced by the individual's past experiences with residential gas purchases without regard to the collective credit reputation of the area in which the individual lives.~~

017.08B For purposes of this rule, the following definitions apply:

~~017.08B1 Satisfactory Credit: Within the last year of service the customer ratepayer has not had service disconnected for nonpayment of a bill for services rendered and, has received less than three no more than two (2) disconnection notices, and does not have an outstanding undisputed debt with the Utility. A Utility may allow a customer with unsatisfactory credit to re-establish satisfactory credit pursuant to Rule 017.08C. Unless established otherwise in a jurisdictional utility's tariff or other extraordinary circumstances are present, a jurisdictional Utility may not require a new or an applicant for service or an existing customer ratepayer to establish or re-establish credit for more than if that ratepayer or applicant for service exhibits satisfactory credit for twelve (12) consecutive months, but may allow less than twelve (12) months for good cause shown.~~

~~017.08B2 Unsatisfactory Credit: The ratepayer has had one or more disconnections in the last year of service, three or more disconnection notices in the last year of service, or has an undisputed outstanding debt with that jurisdictional utility. A jurisdictional utility may require that a ratepayer with unsatisfactory credit~~

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

~~re-establish credit. If a ratepayer is unable to pay the full amount of a deposit, the jurisdictional utility may accept payment of the deposit in installments at the discretion of the jurisdictional utility.~~

~~017.08B32 Unknown Credit: If the applicantThe ratepayer has no known energy purchase experience, A jurisdictional the Utility can may require that the applicant establish satisfactory credit pursuant to Rule 017.08C. credit satisfactory to the jurisdictional utility.~~

017.08C Establishment or Re-establishment of Satisfactory Credit for Residential Service: To establish or re-establish satisfactory credit for residential service, a ~~jurisdictional~~ ~~Utility~~ may require an applicant for service or a customer ratepayer to comply with the following:

017.08C1 Make a deposit of not more than one-sixth (1/6) of the estimated annual bill or increase an existing deposit to that level; or

017.08C2 Provide a guarantor who has satisfactory credit.

017.08C3 If a customer is unable to pay the full amount of a deposit, the Utility may accept payment of the deposit in installments at the discretion of the Utility.

017.09 Billing Adjustments: For all billing adjustments resulting in a charge to the customer ratepayer, a ~~jurisdictional~~ ~~Utility~~ must offer a reason-able amount of time for payment.

017.09A Adjustments of to Bills for ~~Slow or~~ Fast Meter Error: Whenever any meter tested by a ~~jurisdictional~~ ~~Utility~~ is found to have an error of two percent (2%) fast or more, it must refund or credit to the customer ratepayer the overcharge. The refund for a fast meter will result in a credit for the entire time period that the meter was malfunctioning, not to exceed five (5) years.

017.09B Adjustments to Bills for Slow Meter Error: Whenever any meter tested by the ~~Utility~~ is found to have an error of two percent (2%) slow or more, it may charge for the natural gas consumed but not included in the bill(s) previously rendered. ~~The refund for a fast meter will result in a credit for the~~

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

~~entire time period that the meter was malfunctioning.~~ The charge for a slow meter must be based on the corrected meter reading for a period equal to 50% one-half of the time elapsed since the most recent test, but not to exceed twelve (12) months. If the period of the malfunctioning ~~slow~~ meter exceeds twelve (12) months and can be fixed with reasonable certainty, any uncollected charges may be included in the ~~jurisdictional~~ ~~Utility's~~ next ~~General~~ ~~Rate~~ ~~Filing~~, or in a gas cost adjustment filing where uncollectible gas costs are permitted by the Commission ~~to be recovered in such filing~~, as a bad debt expense. Such recovery shall be subject to a rebuttable presumption that said expense was ~~prudently~~ incurred in the provision of natural gas service.

~~017.09BC Limits on Estimated Billing Adjustments to Bills for Meters Failing to Register:~~ The Utility may estimate bills for future customer natural gas usage when a meter is found not to register or to register intermittently. Bills estimated under this section may not be estimated for a period exceeding six (6) months and must be based upon prior usage, adjusted for weather conditions, number of days in the applicable billing cycle, and other known and reasonable factors.~~If a meter is found not to register or to register intermittently for any period, subject to statutory limits, the a utility may charge for an estimated amount of natural gas used, but not to exceed six months. Bills estimated under this section must be based upon prior usage, adjusted for weather conditions, number of days in the applicable billing cycle, and other known and reasonable factors.~~

~~017.09CD Adjustments to Bills for Other Meter and Billing Errors:~~ If a customer ratepayer has been overcharged or undercharged as a result of an error, including but not limited to, incorrect reading of the meter, incorrect application of a utility tariff, incorrect connection of the meter, application of an incorrect multiplier or constant or other similar reason, the overcharge must be credited or refunded to the customer ratepayer or the undercharge may be billed to the customer ratepayer. Any refund or credit shall cover the entire period that the account was over-charged, not to exceed five (5) years. Any charge billed shall not be for service exceeding twelve (12) months. If the period for the ~~underbilling errors~~ described herein exceeds twelve (12) months and can be fixed with reasonable certainty, any uncollected charges may be included in the ~~jurisdictional~~ ~~Utility's~~ next ~~General~~ ~~Rate~~ ~~Filing~~, or in a gas cost adjustment filing where uncollectible gas costs are permitted by the Commission ~~to be recovered in such filing~~, as a

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

bad debt expense. Such recovery shall be subject to a rebuttable presumption that said expense was ~~pr~~prudently incurred in the provision of natural gas service.

018 CONSUMER CHOICE PROGRAMS:

018.01 Administering Utility: Is any Utility offering a Consumer Choice Program.

~~018.012 Code of Conduct: Any jurisdictional utility offering consumer choice programs~~ An Administering Utility shall in its tariff approved by the Commission, adopt a code of conduct for jurisdictional Administering Utilities, and one for Suppliers and Aggregators participating in the Consumer Choice Programs.

~~018.031A Jurisdictional Administering Utility Code of Conduct: Any code of conduct for jurisdictional utilities adopted by an Administering Utility jurisdictional utility offering consumer choice programs~~ shall at a minimum include the following principles:

~~018.031A1 Maintain~~ Separate accounting records for revenues and costs.

~~018.013B Not give No preferential treatment or advantage be given, either overtly or covertly, to any Supplier participating in a choice gas program by the jurisdictional utility operating the choice gas program.~~

~~018.013C Make Any information disclosed by an Administering Utility jurisdictional utility operating a choice gas program shall be made~~ available in a reasonable time and manner to all participating Suppliers. This provision does not include disclosure of confidential customer information.

~~018.031D A requirement~~ Ensure that any rule, regulation and/or tariff provision applied by a ~~jurisdictional~~ the Administering Utility in the ~~administra-tion of a~~ choice gas program be done in a non-discriminatory, equal manner.

~~018.031E A jurisdictional utility offering a consumer choice program(s) s~~ Shall not by word or action misrepresent the cost, quality, or reliability of a particular ~~gas s~~Supplier or Aggregator or represent that the regulated gas service would/could be adversely affected by a customer selection of a particular ~~gas s~~Supplier or Aggregator.

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

~~018.031F A jurisdictional utility offering a consumer choice program(s) shall not misrepresent or misquote the commodity price of any Supplier or Aggregator.~~

~~018.031G A jurisdictional utility offering a consumer choice program(s) shall not market or advertise its the Administering Utility's services in a misleading or deceptive manner;~~

~~018.031H A jurisdictional utility offering a consumer choice program(s) shall not engage in any activities under a in the eConsumer eChoice pProgram detrimental to the customer consumer including, but not limited to, activities such as slamming or cramming;~~

~~018.031I A jurisdictional utility offering a consumer choice program(s) shall not unduly discriminate against similarly situated customers.~~

~~018.031J In the event the a jurisdictional Administering Utility also has an Affiliate that acts as a participant Supplier in a choice program, the Utility shall:~~

~~018.031J1 Keep separate accounting records for the activities of the choice gas program and Affiliate Supplier;~~

~~018.031J2 Keep separate and distinct all marketing, advertising and other promotional activities.
Regulations.~~

~~018.024 Supplier/Aggregator Code of Conduct: Any tariff filed by the Administering Utility a jurisdictional utility offering a consumer choice program shall include a code of conduct for participating Suppliers or Aggregators. The Supplier/Aggregator code of conduct shall require at a minimum that all participating Suppliers and Aggregators include the following principles:~~

~~018.024A A supplier or aggregator participating in a consumer choice program shall n Not misrepresent through word or action the quality or reliability of other gas Suppliers and/or Aggregators.~~

~~018.024B A supplier or aggregator participating in a consumer choice program shall n Not misrepresent or misquote the commodity price of any gas Supplier or Aggregator.~~

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

~~018.024C~~ A supplier or aggregator participating in a consumer choice program shall ~~n~~ Not market or advertise its services in a misleading or deceptive manner.

~~018.024D~~ A supplier or aggregator participating in a consumer choice program shall ~~n~~ Not engage in any activities under a consumer choice program detrimental to the customer consumer including, but not limited to, activities such as slamming or cramming.

~~018.024E~~ A supplier or aggregator participating in a consumer choice program shall ~~n~~ Not unduly discriminate against similarly situated customers.

~~018.052F~~ Supplier/Aggregator Annual Report: A ~~gas~~ Supplier or Aggregator participating in a ~~e~~Consumer ~~e~~Choice ~~p~~Program shall submit a report to the Commission pursuant to this section on an annual basis. The report shall be filed with the Commission no later than thirty (30) days following the close of the consumer choice ~~S~~upplier selection period. The report shall include the following information:

~~018.05A~~ The number of customers served by the Supplier separated into residential and commercial classes;

~~018.05B~~ The highest and lowest fixed rate per therm price in each rate area of the Administering Utility price offered selected by a customer the supplier during the consumer choice supplier selection period; and

~~018.05C~~ and the The rate assigned to ~~determined for~~ customers eligible to make a selection who did not make a selection during the consumer choice supplier selection period for each rate area of the Administering Utility served by the Supplier.

~~018.063~~ Administering Utility Annual Report: The Administering Utility a jurisdictional utility offering a consumer choice program shall submit a report to the Commission pursuant to this section on an annual basis. The report shall be filed with ~~provided to~~ the Commission no later than thirty (30) days following the close of the consumer choice supplier selection period. The report shall include the following information:

~~018.063A~~ A list of all ~~S~~uppliers and Aggregators that participated in the choice gas program.

~~018.063B~~ For each participating ~~S~~upplier or Aggregator the total number of customers that selected that ~~S~~upplier or Aggregator, separated into residential and commercial classes.

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

018.074 Examination and Audit Requirements: Consistent with Neb. Rev. Stat. § 66-1818, the Commission may require an examination and audit of any Administering Utility ~~a jurisdictional utility offering a consumer choice program.~~

019 AFFILIATES:

019.01 Scope: The following rules ~~must~~ apply to Aaffiliates that sell natural gas purchased from a producer or other seller. A division of a ~~jurisdictional u~~Utility that operates as a functional unit within the ~~jurisdictional u~~Utility shall also be treated as an Aaffiliate for purposes of the Natural Gas and Pipeline Rules and Regulations. This section does not apply to Aaffiliates conducting non-regulated private enterprise business activity or Shared Resources Affiliates.

019.02 Affiliate Rules: All Aaffiliates must comply with the following:

019.02A ~~The affiliate must e~~ Either employ separate personnel and not share any personnel with the ~~u~~Utility or allocate shared employee time between the ~~u~~Utility and the Affiliate.

019.02B Not create a conflict of interest between the employee incentive programs of the Affiliate and the Utility. ~~The affiliate's and jurisdictional utilities' employee incentives must not create a conflict of interest.~~

019.02C ~~The affiliate must o~~ Own or lease its own office space that is reasonably separate from the ~~u~~Utility. Such office space may only ~~cannot~~ be acquired from the ~~u~~Utility ~~except~~ at market-based rates.

019.02D If the Affiliate seeks to provide service over the system of the ~~jurisdictional u~~Utility with which it is affiliated, the ~~jurisdictional u~~Utility must have adopted a code of conduct approved by the Commission pursuant to these rules.

019.02E ~~The affiliate must p~~ Purchase its own ancillary services related to the delivery of natural gas including, but not limited to, natural gas commodity, pipeline transportation, and pipeline storage. Such assets ~~must not~~ may only be acquired from the ~~u~~Utility ~~except~~ at market-based rates. An Affiliate must not secure transportation, storage, or commodity from the ~~u~~Utility on a prearranged, non-posted basis except as otherwise provided in a nondiscriminatory fashion.

EFFECTIVE DATE:

LAST ISSUE DATE: July 27, 2013

TITLE 291 - NEBRASKA PUBLIC SERVICE COMMISSION

CHAPTER 9 - NATURAL GAS AND PIPELINE RULES AND REGULATIONS

019.02F ~~The affiliate must r~~ Receive no unduly preferential treatment through a tariff provision or otherwise from the ~~u~~Utility.

019.02G ~~The affiliate must r~~ Receive no jurisdictional services from the ~~u~~Utility except those that are available per the ~~u~~Utility's tariff.

019.02H ~~The affiliate must b~~ Be responsible for its own bad debt and the collection of such debts.

019.02I ~~The affiliate must n~~ Not represent itself, either expressly or implicitly, as the ~~u~~Utility.

019.02J ~~The affiliate must k~~ Keep separate records from that of the ~~u~~Utility.

020 EMERGENCY CURTAILMENT PLANS: A ~~jurisdictional u~~Utility's tariff shall identify the manner of curtailing or limiting natural gas consumption in the event of an emergency.

021 SEASONAL DISCONNECTIONS:

021.01 Seasonal Disconnection Charges Prohibited: Seasonal ~~u~~Disconnection ~~u~~Charges shall not be permitted. A ~~jurisdictional u~~Utility may charge reconnection fees equal to those charged to any other ~~rate-payer~~ customer receiving service.

022 PUBLIC ADVOCATE:

022.01 Location of Commission: For purposes of Neb. Rev. Stat. ~~Sec. §~~ 66-1832, the location of the Commission means Lincoln, Nebraska.

~~Nebraska Public Service Commission
Municipal Rate Negotiations Revolving Loan Fund
Application Form~~

~~Date:~~

~~Applicant City/Cities:~~

~~Primary Contact Person:~~

~~Please include: Name, Title, Address, Telephone Number, Fax Number and E-mail address.~~

~~Jurisdictional Utility Name and Rate Case Docket Number:~~

~~Loan Amount Requested:~~

~~Budget Statement:~~

~~Please include or attach a budget statement identifying all costs for which loan funds will be used, if the loan application is approved. If any consultants, attorneys or other service providers have been selected, please identify them and describe how they were selected. If the applicant has not yet selected any consultants, attorneys or other service providers, please provide a description of the manner in which a selection would be made.~~

~~At minimum, please provide the amounts budgeted for the following categories of costs:~~

- ~~• Attorney Fees~~
- ~~• Consultant Fees~~
- ~~• Travel Expenses~~
- ~~• Other Expenses~~

~~Timeline for Negotiations:~~

~~Please provide a proposed timeline for negotiations, within the parameters of the State Natural Gas Regulation Act.~~

~~NOTE: Only one loan may be made for each rate filing made by a jurisdictional utility, pursuant to Neb. Rev. Stat. § 66-1839. If more than one loan application is filed on a given rate case, all applicants for funds will be notified of the identity and contact information of other applicants and will be given a limited number of days to coordinate and determine whether to make a joint application.~~

~~If all applicants do not reach a mutual agreement, the Commission will use the following criteria to determine which application will be granted:~~

~~Total points possible: 25~~

~~Budget Statement (15 points total):~~

~~Thoroughness (10 points)
Reasonableness (5 points)
Timeline (10 points total):
Thoroughness (5 points)
Reasonableness (5 points)~~

~~BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION~~

~~AFFIDAVIT OF APPLICANT~~

~~_____ being duly sworn deposes and
says:~~

~~1. Affiant's full name and address is:~~

~~_____
Full name of Applicant~~

~~_____
Address: Street, P.O. Box, City, State, Zip Code~~

~~2. Affiant holds the title of _____~~

~~3. Affiant is familiar with and will conform with the Nebraska statutes governing natural gas and with the Commission's rules and regulations there under.~~

~~I certify that all statements made and matters set forth in the application are true and correct to the best of my knowledge, information and belief.~~

~~_____~~

~~SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____.~~

~~_____
Notary Public~~

