

PSC Choice Gas Workshop Responses

ACE thanks the Nebraska Public Service Commission (“PSC”) for its continued interest in the Nebraska Choice Gas Program and public utility oversight, and ACE is appreciative of any opportunity to enhance and improve these programs for the benefit of customers, suppliers and utilities in the State of Nebraska.

The following definitions and key terms should be used to enhance understanding of ACE’s responses:

Black Hills Gas Distribution, LLC – The administrator of the Choice Gas Program, sometimes referred to as Black Hills Gas Distribution, BHGD, the Company (as referred to in the Tariff), or the Utility.

Black Hills Energy Services – The marketing affiliate of the Utility, a competing supplier in the Choice Gas Program, sometimes referred to as BHES.

Supplier – Natural gas suppliers participating in the Choice Gas Program who are Certified Natural Gas Providers, meeting qualification standards of the PSC; sometimes referred to as Marketers.

Selection Period – The dedicated two-week open enrollment period as defined by the Tariff, during which eligible customers may choose a supplier for one, two or three years; sometimes referred to as the Open Enrollment Period or Enrollment Period.

Marketing Period – As noted in BHGD’s Agreement Regarding Mailing List and Marketing Practices, participating suppliers agreed to a restricted marketing period in 2019, from January 1 until the last date of eligibility of customers to select a supplier for the upcoming Choice Gas Program year.

Rolling Over – Customers who do not choose a supplier roll over, i.e., stay with, their current supplier on their current pricing option, at a rate set by that supplier following the Selection Period; also referred to as defaulting.

1. Customer Education.

Question 1.a.: How can utilities, CNGPs, and the Commission better educate customers about the Choice program? What should the goal of customer education be?

- a. The goal of customer education should be to make customers aware of the benefits the Choice Gas Program, options available to them, and most importantly, how choosing a supplier can save them money. Currently BHGD provides a plethora of information to customers just prior to the start of the annual Selection Period including an Introductory Letter, Choice Gas Guide, Quick Start Guide, and Selection Form. (Exhibits A, B, C, D) BHGD also maintains a website and mails letters to new eligible customers during the year. While these contain valuable information about choosing a supplier, ACE would suggest that customer education needs to happen year-round. This could occur using a variety of methods including utility bill inserts, social media, news releases, newspaper and radio advertising, video clips, links to website information, etc.

Question 1.b.: What should the role of each entity be in administering and setting out information regarding the Choice program?

- b. Customer education explaining the Marketing Period (pre-enrollment period) is critically lacking. BHGD should inform customers of Marketing Period dates, list the participating suppliers, and explain the customer option to choose or wait until the official Selection Period in April.
- c. BHGD, in its role as Choice Gas Program Administrator, effectively handles day-to-day administration and since acquiring the Program in 2016 has taken some steps to address issues in the Program. Greater efforts need to be made, however, to distinguish to customers the difference between BHGD as the Utility, BHGD as Choice Gas Program Administrator, and Black Hills Energy Services, a marketing affiliate and competing supplier in the Program. Customers are confused about the various entities with similar

names and the same logo, and this also gives BHES an unfair advantage. If BHGD desires to have an affiliate supplier compete in the Program, the affiliate should have an entirely separate name and not be allowed to use the same logo as the Utility. The Administrator should also take every opportunity to list all participating suppliers in the Program.

There is also a role for the PSC in oversight of the Program, especially as issues evolve from time to time. Along with BHGD, the PSC should have authority to appropriately deal with repeated or intentional misconduct of participants in the Program. The PSC can also play an important role in customer education, notifying customers of marketing and enrollment periods, and also more fully utilizing the Program information reported to them each year. ACE would suggest Choice Gas rate data be posted on the PSC website year-round, with links provided to customers to assist them in making informed pricing decisions.

Suppliers have the responsibility of outlining their various pricing options in the context of the Program.

2. Code of Conduct.

Question 2.a.: Is the current Code of Conduct set forth in the utility's tariff and in the Commission regulations sufficient to provide a fairly administered program that benefits both customers and marketers?

- a. Yes, it provides a broad standard and allows the Utility to set forth operational and marketing practices in its Supplier Participation Agreement and Agreement Regarding Mailing List and Marketing Practices (Addendum to Supplier Participation Agreement).

Question 2.b.: Should any modifications be made to the tariff and/or regulations? If so, please provide proposed language.

- b. ACE acknowledges it may be beneficial to refresh tariff language to current natural gas industry standards and terminology. ACE would suggest however, that the Supplier Participation Agreement and Agreement Regarding Mailing List and Marketing Practices may be more appropriate vehicles for specific practices and to outline consequences for willful or intentional violations of Program rules by participating suppliers.

3. Annual Reports. Current Commission regulations require both participating suppliers and the jurisdictional utility offering a choice program to file annual reports with the Commission following the close of the annual selection period.

Question 3.a.: Is the information currently provided in annual reports sufficient to provide a fairly administered program that benefits both customers and marketers?

- a. The information in both the Utility and supplier reports provides value to customers and suppliers (Marketers), but needs clarification as noted in 3.(b). This information can be especially useful to customers who want to understand the financial impact of choosing vs. rolling over, i.e. defaulting to a customer's previous supplier at a rate set by that supplier after the Selection Period.

Question 3.b.: Should the reports include more information, less information, or more specific information, details, and specifics? Please provide specific suggestions and sample language or edits.

- b. No. For clarification, information requested from suppliers should be the highest and lowest fixed rate per therm offered during the Selection Period, including rates assigned via Delegation Agreement during the pre-enrollment period; along with the rate assigned to rollover customers, i.e., those who did not choose a supplier. This pricing option is the most prevalent in the Program and also offers the clearest comparison. The rates provided should be those available to all customers, disregarding negotiated rates.

In addition, the compiled information should be posted on the PSC website, and customers provided a link to compare historical Selection Period Rates and Rollover Rates of each participating supplier.

4. Marketing Period.

Question 4.a.: Is the current length and timing of the residential marketing period appropriate?

- a. The current two-week Selection Period is ideal for most customers to research their options and make a choice of supplier. April remains advantageous to customers as a period when the natural gas market is typically stable. Winter heating bills are also fresh in customers' minds, an important consideration when choosing a supplier and pricing option which best meets their needs. Direct marketing to customers should be permitted to occur just prior to the Selection Period.

Conversely, the current, extended "Marketing Period" during which suppliers solicit Delegation Agreements from customers over a four-month period is fraught with issues and errors. See further discussion in ACE's responses to Sections 5 and 7.

Question 4.b.: Would customers benefit from having a longer or shorter marketing period? If so, when should the marketing period begin and end?

- b. A longer Selection Period unnecessarily extends customer exposure to aggressive marketing activity conducted by the six suppliers currently competing for customers during this period. Such marketing over-saturation could heighten customer aggravation. A shorter Selection Period (less than two weeks) would too severely limit customer access to the competition that typically drives rates down during this time.

5. Delegation Agreements (also referred to as DAs).

Question 5.a.: How do Delegation Agreements benefit customers?

- a. Delegation Agreements serve a purpose for a limited number of commercial accounts. DAs give Commercial Customers with a large number of meters, or accounts with out-of-state payment centers, a convenient method to designate one supplier for all accounts. Historically, DAs were also used to allow customers to execute multi-year agreements. A tariff change in 2013 ([Section 8.6](#)) officially allowed multi-year selections for up to three years, negating this use of the DA altogether.

Question 5.b.: Are Delegation Agreements appropriate to be used for each class of customer: residential, commercial, and agricultural? If not, why not?

- b. (ACE only participates in the Residential/Commercial Choice Program and thereby has no comment regarding Agricultural Customers)
ACE strongly proposes that DAs should be limited to Commercial Customers only, and perhaps only Large Commercial Customers (as defined by BHGD as customers using 5,000 therms or more annually), or those with a minimum number of meters. There are many reasons why DAs are not appropriate for Residential Customers:

1. They are fraught with customer confusion, including:

- a. Many customers call to ask what the form means; the language is written for a formal audience instead of the broader general public.

- b. Many customers are confused that Black Hills Gas Distribution's name appears most frequently when the form is intended to delegate a supplier.
- c. The same form is used in multiple programs, including Residential/Commercial/Agricultural and for both Nebraska and Wyoming and for multiple lengths of time. Customers often check irrelevant or conflicting boxes or miss checking required boxes.
- d. Partial forms are submitted as customers sometimes believe they can detach and return the signed portion only as they do on a selection form.
- e. Incomplete forms are submitted, often lacking required information such as account numbers, program, term, date, etc.
- f. Some customers don't know how to fill them out. For example, one residential customer entered "Grandma" for title.
- g. DAs are sometimes submitted to a supplier other than the intended one.
- h. Some customers submit DAs to multiple suppliers for the same account.
- i. DAs are sometimes signed by someone not authorized on the account.
- j. Some customers have reported they thought "the gas company needed it" so they simply sent in the DA.
- k. There is no place on the DA that clearly defines the rate agreed upon by the customer and supplier.

See [Exhibit E](#) for a sample Delegation Agreement, noting all of the information a customer must complete, and the number of times the name Black Hills Gas Distribution appears on the form contrasted to the number of times the name of the supplier being delegated appears.

2. With the BHGD "Marketing Period" opening in January, suppliers are marketing to customers for a four-month period utilizing DAs and encouraging customers to submit them. This creates many issues: 1) Suppliers are using customer data that may be up to a year old since an updated file of customer data is not received prior to the start of the Marketing Period; 2) Customers move, invalidating the signed DA and creating confusion; 3) April was intentionally designated as the Selection Period due to the potentially advantageous gas market at that time, so beginning in January could prove detrimental to customer pricing; 4) Customers are subjected to heavy marketing by the current six suppliers for a protracted length of time; and 5) Suppliers continue to market directly to delegated customers as they are not informed when customers sign a DA with an alternate supplier.

If DAs are used for Residential Customers, it should be the exception rather than the rule. Perhaps residential DAs could be treated like "absentee ballots," available by customer request due to absence or inaccessibility during the Selection Period.

The drastic increase in the use of DAs in recent years has caused a giant step backward for the Choice Gas Program. Many improvements have been made to the selection process for the dedicated two-week Selection Period, providing quick and easy methods for a customer to accurately choose their supplier. The new emphasis on the "pre-enrollment period" to capture DAs has traded the accuracy,

ease and efficiency of the Selection Period for an extended Marketing Period fraught with error, inefficiencies and most importantly, customer confusion and frustration.

Question 5.c.: Should suppliers be required to send confirmation letters to any customer that signs a Delegation Agreement? If so, when should that confirmation letter be sent, and what information should it include?

- c. Yes. A letter should be sent to customers as soon as possible after BHGD confirms the DA is accepted or denied. A confirmation letter should include the agreed-upon rate, pricing option, terms and conditions, the covered dates, service address(es), account number(s) and the process by which the selection will be made, i.e., that the supplier will make the selection on the customer's behalf once the Selection Period opens in April. Many customers specifically ask for a confirmation, especially since no rate is listed on the DA. Customers should also receive a letter if their DA is denied.

6. Customer Selection.

Question 6.a.: Once a customer makes a selection or signs a Delegation Agreement, are suppliers notified to remove that customer from further marketing? If so, how, and how quickly does this occur? If not, why not?

- a. ACE believes this question must be answered separately for selections and Delegation Agreements.
 - i. During the Selection Period, BHGD notifies Suppliers daily of all successful selections made through the previous day via a daily "All Balloted" file. Suppliers are required to remove these customers from their marketing efforts, in compliance with the Agreement Regarding Mailing List and Marketing Practices (Addendum to Supplier Participation Agreement).
 - ii. During the Marketing Period (defined by BHGD as the period where suppliers are allowed to directly market to customers), beginning in January 2019, suppliers were notified of their confirmed DA's only, but received no notice of customers who signed DAs with other suppliers. A new practice was implemented in 2019 whereby suppliers received one file the first day of the Selection Period with all confirmed selections made via DAs. Suppliers were required to refrain from marketing activities on the first day of the Selection Period until this file was received.

Customers frequently call during the Pre-enrollment Period (Marketing Period), asking if everything is ok since they keep receiving solicitations. ACE suggested that suppliers receive regular files of all customers who have signed DAs throughout the Pre-enrollment, or Marketing Period, but this was not implemented.

Question 6.b.: Do customers have an expectation that once they make a selection or sign a Delegation Agreement, they will no longer be solicited? Is this currently occurring, and if not, how can it be accomplished?

- b. Yes, ACE believes customers do have this expectation, especially since this process is specifically addressed in the Choice Gas Guide. This expectation is fulfilled very efficiently during the Selection Period but not during the Marketing Period in which DAs are submitted. It should not be difficult to meet this expectation during the Marketing Period as well. Suppliers already receive files containing their own confirmed DAs during this time and these files could simply be compiled, with the successful supplier's name removed, then sent to all participating suppliers with instructions to cease marketing efforts to those customers.

7. Other Information.

Question 7.: Is there any other information the Commission and other interested parties should consider in their review of the Choice program? If so, please provide an explanation and supporting documentation.

- a. Delegation Agreements – There are a number of additional issues related to the practices and processes used with DAs:
- i. The vast increase in the use of DAs for “early marketing” has dramatically changed the complexion of the Choice Gas Program, with negative impacts on the dedicated two-week Selection Period. ACE Call Center data reflected a 20 percent decrease in 2019 from 2018 with regard to the number of inbound calls during the dedicated pre-enrollment period; in 2018, calls dropped a dramatic 50 percent from 2017. This clearly demonstrates a shift in the Program, one that is not favorable to customers since head-to-head rate competition is not experienced over this extended time, and current Program educations does not inform customers of all of their pre-enrollment options. Vastly reduced call volume during the Selection Period could also jeopardize maintaining a high-quality customer contact center.
 - ii. As demonstrated during the Marketing Period which began January 1, 2019, the abundant use of DAs clearly favors the utility Supplier affiliate, BHES. According to data publicly posted by BHGD, the Utility-affiliate supplier BHES garnered 41 percent of DAs during the time leading up to the Selection Period, much more than any other supplier. Feedback from the ACE Board of Directors indicates many customers thought they were merely signing a form needed by the “gas company.” The prevalent use of Black Hills Gas Distribution’s name on the DA form suggests an unfair advantage to the utility-affiliate marketer, even more so than the dedicated Selection Period when customers are more aware of their choices for supplier.
 - iii. Unlike the Selection Period, there is no notice or information sent to customers to indicate that a marketing period has begun, which is confusing for customers who are accustomed to the traditional start of the Selection Period in April.
 - iv. BHGD has also imposed a further requirement on Large Commercial Customers who wish to choose a multi-year rate during the Selection Period. Large Commercial Customers are defined by BHGD as those using 5,000 therms or more annually. During the Selection Period, these customers are required to submit a DA noting their multi-year preference in addition to utilizing control numbers to validate their selection, an efficient option available to all other customer classes. This additional requirement is burdensome to Large Commercial Customers, but often results in these customers defaulting to a one-year option instead of taking the extra steps necessary to lock in their rate for a multi-year period.
- b. Capacity Allocation – Currently, capacity on Tallgrass Interstate Gas Transmission Pipeline (“Tallgrass”) is awarded and charged to suppliers based on each marketer’s volume of Residential and Commercial customers following each annual Selection Period. However, no capacity on Tallgrass is awarded to Suppliers for Agricultural customers despite the supplier’s need for that capacity to serve customer load. The inequity in capacity allocation, in effect, can cause rate subsidization between Ag and Res/Comm customers. Each class – Agricultural, Residential and Commercial – should bear the true cost of capacity (transport) costs within their rates and not be subsidized from one class to another. For these reasons, ACE suggests that consideration be given to allocating capacity separately between Ag and Res/Comm programs, perhaps based on seasonal rather than annual load.



Choice Gas Program
P.O. Box 406
Scottsbluff, NE 69363
877-245-3506
ChoiceGas.com

In this packet, you'll find
all the materials you need to
choose your natural gas supplier
and pricing option for 2019-20.

Dear Choice Gas Customer:

Welcome to the 2019 Choice Gas Program! The Choice Gas Program gives you the opportunity to choose a natural gas supplier and pricing option that best suits your needs. Regardless of the supplier you select, Black Hills Energy will maintain your local natural gas system, read the meters, send bills and answer questions. The distribution charge on your bill pays for these services.

What's enclosed in this packet?

1. A personalized selection form with instructions and postage-paid reply envelope.
2. A booklet entitled "A Guide to the Choice Gas Program Nebraska" that takes you through the selection process, answers questions, and provides important contact information and details about the Choice Gas Program. Be sure to keep this guide for your reference through the 2019-20 Choice Gas Program year.
3. A "Choice Gas Quick Start Guide" that provides a quick overview of the options and steps required to make a supplier selection.

Reminder of additional Choice Gas Program features

Control number retrieval

To simplify access to your Choice Gas control number used in the selection process, we continue to offer two options for obtaining a control number.

You'll need your account number to get your control number through one of the following methods:

- Call 877-245-3506. You will be asked to provide your account number and the last four digits of the account holder's Social Security number or tax identification number.
- Visit www.ChoiceGas.com. Click the button applicable to the state and program specific to your enrollment. The next page provides the option to obtain your control number, and you will be asked to provide your account number and the last four digits of the account holder's Social Security number or tax identification number.
- **In order for the control number retrieval process to be successful, the account holder's social security number would need to have been provided to Black Hills Energy for the account.**

Multi-year selection option

You can choose a supplier and pricing option for up to three years.* If you opt for a multi-year term through your supplier, you'll know your pricing option and rate not only for the new program year (June-May) but for future program years as well.

As a customer selecting a multi-year term, during the term of your selection, you will not:

- Receive an annual selection packet
- Receive supplier marketing contact
- Be eligible to make another selection

All Choice Gas selections are specific to your current service address and are nontransferable. Multi-year selection options are customer and service address specific, so if you move during the term of a multi-year selection, you'll be eligible to make a selection at your new service address during the next annual Choice Gas selection period.

***A residential customer may select a term up to two years, and a commercial or industrial customer may select a term up to three years. Check with your supplier regarding any applicable terms and conditions or early termination charges or fees that may apply.**

We encourage you to actively participate in the Choice Gas Program to choose a natural gas supplier, pricing option and term that best suits your needs. For more information about multi-year options, please contact any of the Choice Gas participating suppliers located on page 7 of the enclosed Choice Gas guide.

Supplier marketing and customer contact information

The natural gas market can be volatile, with available rates changing frequently during the selection period. To provide timely information for the Choice Gas selection that best suits your needs, the participating suppliers may call, text or email you to share their individual offerings. We provide all suppliers with the telephone number and email address you may have provided for your Black Hills Energy account.

Although we want you to have the chance to get this additional information from the suppliers, we also understand that phone calls, texts and emails may be burdensome. Each supplier is limited as to the frequency, type and number of contacts made to you. If you don't want to receive these communications from a supplier, ask to be removed from their call list or opt out of email communications. After you've completed a successful selection for your service address, you shouldn't receive any further contact from a supplier.

What do I need to do?

Select your natural gas supplier and pricing option for the 2019-20 Choice Gas Program year. There are four ways to make your selection: 1) by automatic rollover 2) online 3) through your supplier 4) or by mail. Instructions on each submission method are found on the back of the selection form and in the guide. Check with your supplier as to how long the given price for a pricing option will be valid. The first valid selection you submit will be considered final. **The Choice Gas Program selection period begins Friday, April 12, 2019, and ends Thursday, April 25, 2019.** You must submit your selection on or before the end of the selection period or you will automatically roll over to your current supplier and pricing option. **You must sign your mailed selection form for it to be considered valid.**

What if you don't do anything?

If you don't submit a valid selection on or before April 25, 2019, your account will roll over to your current supplier and pricing option. If you roll over any pricing option, your final rate will be determined no later than 15 days after the selection period ends. The natural gas commodity price that Choice Gas rollover customers will be charged will not carry over from the previous year unless the supplier agrees to do so. The final rollover price may be different from the prices quoted during the selection period. We encourage you to participate in the selection process to make sure you know the price you'll receive for the upcoming year.

What are the key sources of information regarding the 2019-20 Choice Gas Program?

- Websites and phone numbers for each supplier offer additional information and pricing options. See below or page 10 of the guide for more details.
- A Choice Gas program guide is enclosed.

Important phone numbers

Review the enclosed guide, and if you have additional questions about the Choice Gas Program or need additional selection forms, call **877-245-3506** or visit **www.ChoiceGas.com**. For questions about price quotes or energy pricing options, contact the suppliers listed below.

ACE (Public Alliance for Community Energy)	800-454-4759 (Se habla español)	www.ACEenergy.org
Vista Energy Marketing	888-508-4782 (Se habla español)	www.VistaEnergyMarketing.com
Constellation Energy	877-274-5710	www.NebraskaGas.com
Black Hills Energy Services	800-215-3035 (Se habla español)	www.ChooseBHES.com
CenterPoint Energy Services, Inc.	888-200-3788 (Se habla español)	www.BetterNeGas.com
WoodRiver Energy, LLC	888-510-9315	www.WoodRiverEnergy.com

Thank you for participating in the 2019 Choice Gas Program. We look forward to serving you.

Sincerely,

Choice Gas Administration

A Guide to the Choice Gas Program

Nebraska
2019

Deadline for selections:
Thursday, April 25, 2019

Para información en español sobre el programa
“Choice Gas” favor de llamar al número gratis

877-245-3506

Table of Contents

Questions and answers	1
Budget Billing description	3
Additional features of the Choice Gas Program.....	4
Suggested questions to ask a supplier	5
Fixed monthly bill description	6
Supplier gas pricing options	6
Participating suppliers	7
Understanding the selection process	8
Submitting your selection online.....	9
Submitting your selection by mail.....	10
Submitting your selection through your supplier.....	10
Worksheet.....	11

Questions and answers

What is the Choice Gas Program?

The Choice Gas Program is an annual program Black Hills Energy administers that gives you the chance to choose your natural gas supplier and pricing option that best suits your needs.

Para información en español sobre el programa "Choice Gas" favor de llamar al número gratis 877-245-3506.

What is the benefit of the Choice Gas Program?

Because the Choice Gas Program allows you to choose your natural gas supplier and pricing option, you have an opportunity to manage gas supply price risk and market volatility to meet your needs.

Where can I get more information about the 2019-20 Choice Gas Program?

You can use this guide or access websites and phone numbers for each supplier for information about the supplier and their pricing options. See page 7 of this guide for each supplier's contact information.

How do I select my supplier?

This guide explains the steps necessary to submit a selection. You can automatically roll over to your current supplier and pricing option or submit a selection through the internet, directly through your chosen supplier or through the mail. (These choices are referred to as "accepted submission methods" throughout this guide). **The Nebraska Choice Gas Program selection period starts Friday, April 12, and ends Thursday, April 25, 2019.**

What's a "valid" selection?

A selection is considered valid when you submit your choice through one of the accepted submission methods on or before Thursday, April 25, 2019. Confirmation codes are time-sensitive, so check with your supplier about its expiration date. **The first valid selection Black Hills Energy receives is considered your final choice.** Record your verification number if submitting your selection through the internet. **Mail in selection forms must be signed to be valid."**

What if I don't make a selection?

If a valid selection is not submitted on or before Thursday, April 25, 2019, your account automatically rolls over to the same supplier and price option at a price determined by the supplier that is made publicly available within 15 days after the selection period ends. Customers using the rollover method will not retain the same commodity price from the previous year unless agreed to by the supplier. Participation in the selection process is encouraged for up-to-date price awareness.

What happens if I move during the Choice Gas Program year?

If you move from one service address to another, you will continue with the supplier previously selected at that address. New construction customers will receive a selection form in the mail with two weeks to make the selection. For questions about service address issues, call **888-890-5554**.

Does the Choice Gas Program affect the quality of distribution service?

No. Regardless of your selection, Black Hills Energy will continue to provide meter reading and billing services, respond to gas leaks, and ensure the safety and reliability of the gas supply to Choice Gas Program communities.

Are the suppliers reliable?

Yes. Participating suppliers must meet requirements in Black Hills Energy's tariff and approved by the Nebraska Public Service Commission.

Is Budget Billing available to all customers?

No. The Budget Billing plan is not available to customers choosing a fixed monthly bill price option with a Choice Gas supplier. **Please note: Budget Billing is not the same as a fixed monthly bill. If you're a Budget Billing customer and select a fixed monthly bill price option a supplier offers, your outstanding Budget Billing balance will be due in full. You can find the current balance on your Budget Billing plan on page two of your most recent bill.** This monthly rolling adjustment will help protect against larger fluctuations you may have experienced in the past. Your "New Balance Due" will adjust from month to month as a result of the calculation process. The monthly adjustment eliminates the need for an annual true-up of your account. If at any time you decide to end your Budget Billing plan, your balance will be updated to reflect your "settle-up" amount.

What is the difference between Black Hills Energy and Black Hills Energy Services?

Black Hills Energy Services ("BHES") (formerly SourceGas Energy Services) is a non-regulated competitive gas supplier. Although BHES is affiliated with Black Hills Energy, with the names of the two affiliated businesses being similar, the non-regulated competitive supply services provided by BHES are legally separate and distinct from the regulated Choice Gas program administered by Black Hills Energy.

**For issues or questions not addressed in this guide, please call
888-890-5554.**

Additional features of the Choice Gas Program

Multi-year selection option:

With our Choice Gas Program, you can now choose a supplier and pricing option for up to three years.* If you select this option through your supplier, you'll know your pricing option and rate not only for the new program year (June-May) but for future program years as well.

If you select a multi-year term, you won't, during the term of your selection:

- Receive an annual selection packet
- Receive supplier marketing contact
- Be eligible to make another selection

All Choice Gas selections are specific to your current service address and are nontransferable. Multi-year selection options are customer and service address specific, so if you move during the term of a multi-year selection, or service is interrupted for any reason, the multi-year term will end.

Moving to a different premise would mean you will be eligible to make a selection at the new service address during the next annual Choice Gas selection period.

*** A residential customer may select a term up to two years, and a commercial or industrial customer may select a term up to three years. For more information about multi-year price options, check with the participating suppliers from page 7 of this guide as well as any applicable terms and conditions of early termination charges or fees that may apply.**

Supplier marketing and customer contact information:

Please note that fixed monthly bill is not the same as Budget Billing. To give you timely information to help you make the Choice Gas selection that best suits your needs, the participating suppliers may call or email you to share their individual offerings. We provide all suppliers the phone number and email address you provided for your Black Hills Energy account.

Although we want you to have the opportunity to receive this additional information, we also understand you may not welcome these calls and emails. Each supplier is limited to how often they can contact you. If you don't want to receive these communications, ask to be removed from their call list or opt out of email communications. After you've completed a successful selection for your service address, you shouldn't receive any more contact from suppliers.

Suggested questions to ask a supplier

New for 2019:

- ✓ Please explain each of your available pricing options and tell me if the pricing option is a fixed rate or a market rate that changes.
- ✓ How does a confirmation code relate to pricing options, and how long is it valid?
- ✓ Are there any built in increases, decreases or caps in the pricing options?
- ✓ What is the price per therm for the fixed rate option?
- ✓ If the price changes with the market, how often does it change? How does it change?
- ✓ Does the price on any of the pricing options depend upon how much, or when, I use natural gas?
- ✓ Are there additional cost components to this price that I should be aware of?
- ✓ If I am satisfied with what I had last year, do I need to make a selection again this year? If I don't make a selection, how will my natural gas price be determined?
- ✓ Are there termination fees associated with any of your price options?

Supplier gas pricing options

The natural gas suppliers participating in the Choice Gas Program offer you a variety of pricing options which may or may not include the ones below. Suppliers may offer additional pricing options with caps and/or floors to make sure your rate will not go above or below a certain price. Check each suppliers' websites listed on page 7 for details about these and other pricing options.

Fixed rate per therm

A 12-month gas price per therm that is fixed or "locked-in." So, even if market prices change, your gas price per therm is locked in for the entire Choice Gas Program year. Your gas bill will vary based upon gas usage only.

Market index rate

A month-to-month market gas price per therm that changes each month based on market price fluctuations. This price includes two components you should consider when comparing market index prices: the market index value used and the adder. The index value of your price follows market changes each month, while the adder remains constant throughout the Choice Gas Program year.

Blended rate

A combination of monthly market index and/or fixed prices per therm. If a fixed price component is included, a portion of your gas usage is locked in at a fixed price. The gas price for the remaining portion of your gas usage will follow market changes during the Choice Gas Program year.

Fixed monthly bill

Please note this is not the same as Budget Billing. A fixed monthly bill that includes your commodity costs, customer charges, distribution fees and the associated taxes and fees. The fixed monthly amount will not change during the Choice Gas Program year, regardless of changes to gas prices or weather-related gas usage, subject to terms and conditions. Unlike Budget Billing, there is no monthly or periodic adjustment.

Participating suppliers



**ACE (Public Alliance for
Community Energy)**

800-454-4759

(Se habla español)

www.ACEenergy.org



Vista Energy Marketing

888-508-4782

(Se habla español)

VistaEnergyMarketing.com



Constellation Energy

877-274-5710

www.NebraskaGas.com



Black Hills Energy Services

800-215-3035

(Se habla español)

www.ChooseBHES.com



CenterPoint Energy Services, Inc.

888-200-3788 (Se habla español)

www.BetterNeGas.com



WoodRiver Energy, LLC

888-510-9315

www.woodriverenergy.com

Understanding the selection process

Customers are given the opportunity to select a Choice Gas Program supplier and pricing option for the commodity rate of their natural gas bill.

If you would like to choose a new supplier and/or pricing option:

1. Use the worksheet on page 12 of this guide to make sure you have all required information before submitting your selection.
2. Contact each supplier by calling them or through their websites. Contact information is on page 7 of this guide.
3. Choose a supplier and pricing option, and obtain the applicable confirmation code from your supplier. Verify with your supplier how long the confirmation code is valid. **Confirmation codes are time sensitive, so please check with your supplier on its expiration date.**
4. Choose a submission method. Instructions for each method are provided on the following pages.
5. Submit your selection.
6. Keep the worksheet for your records. DO NOT MAIL TO YOUR SUPPLIER.

Automatic rollover

If you are satisfied with your current supplier and pricing option, you don't have to make a selection. Simply do nothing, and you will automatically roll over to your current supplier and pricing option. If you roll over any pricing option, your final rate will be determined no later than 15 days after the selection period has ended. Your final rollover price doesn't carry over from the previous year unless the supplier agrees to do so, and it may be different from prices quoted during the selection period.

If you experience any problems, or have questions, please call 877-245-3506.

Submitting your selection online

To submit a valid selection online, you'll need a current web browser — e.g. Chrome, Safari or Internet Explorer, etc.

You'll also need the following information before submitting your selection. For your convenience, we suggest you complete the following fields before logging on.

- Account number (can be found on your selection form in your packet or call 877-245-3506 to obtain it).

(Example account number: 100000023456)

My account number is: _____

Control number found on the selection form in your packet. You can also call 877-245-3506 to obtain it through the control number retrieval prompt. You'll be asked to provide the account number and the last four digits of the account holder's Social Security number or tax identification number. **If a social security number was not provided to Black Hills Energy for the account, the control number retrieval prompt will not be successful and you will need to obtain your control number either from your selection form or from a call center representative at 877-245-3506.**

(Example control number: 123456789)

My control number is: _____

- Five-digit confirmation code provided to you by your supplier

_____ Expiration date _____

for your information only.

(Example confirmation code: 50110)

My supplier selected: _____

- Go to **www.ChoiceGas.com**
- Click on Nebraska selection, then "Submit your Selection" button and follow the step-by-step instructions between Friday, April 12, and midnight CDT on Thursday, April 25, 2019.

You will be provided with a verification number. Please record it here:

Or print the verification page and retain for your records.

Submitting your selection by mail

Use the mail-in form included in this packet or call **877-245-3506** to have a form mailed to you. Selection forms are also available at **www.ChoiceGas.com**.

Follow all instructions on the form and mail in the postage-paid return envelope provided.

**YOUR SUBMISSION MUST BE POSTMARKED
ON OR BEFORE THURSDAY, APRIL 25, 2019.**

You must sign your mailed selection form for it to be considered valid.

Submitting your selection through your supplier

You can request that your supplier submit your annual Choice Gas Program selection for you.

- If you want to have your chosen supplier submit your selection, you'll be asked to provide them your account number and control number, which are shown on the enclosed selection form. If you have your account number but need your control number, call 877-245-3506, choosing the control number retrieval prompt.

You will be asked to provide the account number and the last four digits of the account holder's Social Security number or tax identification number.

My account number is: _____

My control number is: _____

My confirmation code is: _____

Your control number is specific to your service address and is used to make sure that no other party can submit your selection for you. By providing your control number to a supplier, you authorize that supplier to submit your Choice Gas Program selection for you.

DRAFT

Worksheet

This worksheet is meant to help you select the supplier and pricing option that best suits your needs. Please keep this sheet for your records and don't send it to your supplier.

ACE (Public Alliance for Community Energy)

www.ACEenergy.org

Energy Pricing Options:

- ☐ ACE WeatherShield™ (Fixed Monthly Bill) (1 or 2 year)
- ☐ Fixed Rate Per Therm (1 or 2 year)
- ☐ Market Index Rate (1 or 2 year)

800-454-4759

(Se habla español)

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

Vista Energy Marketing

www.VistaEnergyMarketing.com

Energy Pricing Options:

- ☐ 1 & Done Fixed Bill Unlimited Usage (1 or 2 year)
- ☐ Fixed Rate Per Therm (1 or 2 year)
- ☐ Market Index Rate (1 or 2 year)

888-508-4782

(Se habla español)

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

Constellation Energy

www.NebraskaGas.com

Energy Pricing Options:

- ☐ Fixed Rate Per Therm (1 or 2 year)
- ☐ Budget Assist (Fixed Monthly Bill) (1 or 2 year)
- ☐ Market Index Rate (1 or 2 year)

877-274-5710

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

Black Hills Energy Services

www.ChooseBHES.com

Energy pricing options:

- ☐ WinterGuard® (Fixed Monthly Bill) (1 or 2 year)
- ☐ Fixed Rate Per Therm (1 or 2 year)
- ☐ Market Index Rate (1 or 2 year)
- ☐ Blended Smart Rate (1 or 2 year)

800-215-3035

(Se habla español)

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____
_____	_____

CenterPoint Energy Services, Inc.

www.BetterNeGas.com

Energy Pricing Options:

- ☐ Fixed Rate Per Therm (1 year)
- ☐ Market Index Rate (1 year)
- ☐ Managed (1 year)

888-200-3788

(Se habla español)

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

WoodRiver Energy, LLC

www.woodriverenergy.com

Energy Pricing Options:

- ☐ Secure Fixed Rate (Fixed Monthly Bill) (1 or 2 year)
- ☐ Guaranteed Fixed Rate Per Therm (1 or 2 year)
- ☐ Guaranteed Index (1 or 2 year)

888-510-9315

(Se habla español)

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

DRAFT

Choice Gas Program
www.ChoiceGas.com
877-245-3506
2019 hours:

Friday, April 12.....8 a.m. – 7:30 p.m. CDT

Monday, April 15 – Friday, April 19.....8 a.m. – 7:30 p.m. CDT

Monday, April 22 – Thursday, April 258 a.m. – 7:30 p.m. CDT

*Para información en español sobre el programa
“Choice Gas” favor de llamar al número gratis
877-245-3506*

Nebraska Choice Gas Quick Start Guide

Selection instructions

If you would like to choose a new supplier and/or pricing option:

- 1. Use the worksheet** on page 12 of the guide. That will help you make sure you have all the required information before you submit your selection.
- 2. Contact each supplier for current pricing information.** Contact information is in the “Participating Suppliers” section on page 7 of the guide.
- 3. Choose a supplier and pricing option** and obtain the applicable confirmation code from your supplier. Make sure to verify with your supplier the amount of time the confirmation code is valid.
- 4. Choose a submission method and submit your selection.** You can make your selection online, through your supplier or by mail. Instructions for each method are on pages 8-10 of the guide.
- 5. Keep the worksheet for your records.** DO NOT MAIL YOUR WORKSHEET TO YOUR SUPPLIER.

Automatic rollover

If you are satisfied with your current supplier and pricing option, you do not have to make a selection. Simply do nothing, and you will automatically roll over to your current supplier and pricing option.

If you roll over any pricing option, **your final rate will be determined within 15 days after the selection period has ended** unless your supplier tells you otherwise. Your final rollover price does not carry over from the previous year unless the supplier agrees to do so. Your final rollover price may be different from prices quoted during the selection period.

If you have problems or questions,
please call **877-245-3506**.

2019 NEBRASKA CHOICE GAS SUPPLIER SELECTION FORM

Residential/Commercial Program selection period: Friday, April 12 – Thursday, April 25, 2019

To choose your supplier, please follow the instructions on the back of this form.
If you don't submit a valid selection on or before Thursday, April 25, 2019, you'll automatically roll over to your current supplier and pricing option at a price the supplier determines after the selection period ends. If you roll over any Choice Gas pricing option, the final rate will be available no later than 15 days after the selection period ends. The final rollover rate will not carry over from the previous year unless the supplier agrees to do so, and it may be different from prices quoted during the selection period.

Only one selection per service address is permitted. The first valid selection you submit will be your final choice. We strongly encourage you to participate in the selection process.
If you move from one service address to another or if a new customer moves to an existing service address, that customer will continue with the gas supplier and pricing option previously selected for that service address.
The control number on this form is specific to your service address and is used to make sure no one else can submit a selection for you.
Note: The control number is for your selection security. If you provide it to your supplier, you've authorized them to submit your Choice Gas selection.
Non-jurisdictional customers (500 therms usage per day or more): By participating in this residential and commercial Choice Gas Program, you agree to be bound by all applicable rates, terms and conditions.

Sample A. Samplename
Optional 2nd name
123 Anystreet
Apartment 123
Anytown, NE 12345-6789

!1234567890!

ACCOUNT # 000000000000
CONTROL # 000000000
STATE REGION:
Current Supplier: Companyname
Current Pricing Option: Pricing Option X
Account Class XX
Service address code
Service address
Service City, NE 12345
Premise # 000000000000

Please choose one supplier and pricing option. You must obtain a valid confirmation code from your supplier to receive the price you've agreed to. We encourage you to participate in the selection process.

ACE (Public Alliance for Community Energy) 800-454-4759 (Se habla español) www.ACEenergy.org	<input type="checkbox"/> ACE WeatherShield™ (Fixed Monthly Bill) (1 year) <input type="checkbox"/> Fixed Rate Per Therm (1 year) <input type="checkbox"/> Market Index Rate (1 year)	<input type="checkbox"/> ACE WeatherShield™ (Fixed Monthly Bill) (2 year) <input type="checkbox"/> Fixed Rate Per Therm (2 year) <input type="checkbox"/> Market Index Rate (2 year)	Confirmation Code _____
Vista Energy Marketing 888-508-4782 (Se habla español) www.VistaEnergyMarketing.com	<input type="checkbox"/> 1 & Done Fixed Bill Unlimited Usage (1 year) <input type="checkbox"/> Fixed Rate Per Therm (1 year) <input type="checkbox"/> Market Index Rate (1 year)	<input type="checkbox"/> 1 & Done Fixed Bill Unlimited Usage (2 year) <input type="checkbox"/> Market Index Rate (2 year) <input type="checkbox"/> Fixed Rate Per Therm (2 year)	Confirmation Code _____
Constellation Energy 877-274-5710 www.NebraskaGas.com	<input type="checkbox"/> Fixed Rate Per Therm (1 year) <input type="checkbox"/> Budget Assist (Fixed Monthly Bill) (1 year) <input type="checkbox"/> Market Index Rate (1 year)	<input type="checkbox"/> Fixed Rate Per Therm (2 year) <input type="checkbox"/> Market Index Rate (2 year) <input type="checkbox"/> Budget Assist (Fixed Monthly Bill) (2 year)	Confirmation Code _____
Black Hills Energy Services 800-215-3035 (Se habla español) www.ChooseBHES.com	<input type="checkbox"/> WinterGuard' (Fixed Monthly Bill) (1 year) <input type="checkbox"/> Fixed Rate Per Therm (1 year) <input type="checkbox"/> Market Index Rate (1 year) <input type="checkbox"/> Blended Smart Rate (1 year)	<input type="checkbox"/> WinterGuard' (Fixed Monthly Bill) (2 year) <input type="checkbox"/> Fixed Rate Per Therm (2 year) <input type="checkbox"/> Market Index Rate (2 year) <input type="checkbox"/> Blended Smart Rate (2 year)	Confirmation Code _____
CenterPoint Energy Services, Inc. 888-200-3788 (Se habla español) www.BetterNeGas.com	<input type="checkbox"/> Fixed Rate Per Therm (1 year) <input type="checkbox"/> Market Index Rate (1 year) <input type="checkbox"/> Managed (1 year)		Confirmation Code _____
WoodRiver Energy, LLC 888-510-9315 www.woodriverenergy.com	<input type="checkbox"/> Secure Fixed Rate (Fixed Monthly Bill) (1 year) <input type="checkbox"/> Guaranteed Fixed Rate Per Therm (1 year) <input type="checkbox"/> Guaranteed Index (1 year)	<input type="checkbox"/> Secure Fixed Rate (Fixed Monthly Bill) (2 year) <input type="checkbox"/> Guaranteed Fixed Rate Per Therm (2 year) <input type="checkbox"/> Guaranteed Index (2 year)	Confirmation Code _____

0000000000ACCOUNT # 000000000000CONTROL # 000000000DEADLINE DATE Thursday, April 25, 2019

Please sign and date below

By signing below, I confirm my natural gas supplier for this service address beginning the first billing cycle in June 2019.

Please print nameSignatureDate

Please detach and retain this portion for your records

Account Information		Usage Information In Therms:			
ACCOUNT # 000000000000	CONTROL # 000000000	BILL DATE	USAGE	BILL DATE	USAGE
Current Supplier: Companyname		01/2018	0000	07/2018	0000
Account Class XX		02/2018	0000	08/2018	0000
Current Pricing Option: Pricing Option XX		03/2018	0000	09/2018	0000
Premise # 000000000000		04/2018	0000	10/2018	0000
Customer Name		05/2018	0000	11/2018	0000
c/o Name if needed	Service address	06/2018	0000	12/2018	0000
123 Anystreet	123 Anystreet or Code				
Anytown, US 12345	Service City, NE 12345				
		TOTAL USAGE XXX,XXX			

Record your 2019 selection for your records
Supplier selected: _____ Confirmation code submitted: _____ Price quoted: _____

Making your natural gas supplier selection

You can submit your supplier selection online, through your supplier, by mail or through automatic rollover. Follow the instructions below to submit your selection on or before Thursday, April 25, 2019:

1. Contact each supplier through their website or by the phone number listed on the front of this form to receive your price quotes and confirmation codes. Verify how long the confirmation code is valid, as the confirmation code ties to a price and energy pricing option.

Please note: If you have multiple service addresses, you must submit a separate selection for each one.

2. If you enroll online, you must have your account number, control number, and confirmation code, shown on the front of this form. If you do not have your account number and control number, call 877-245-3506. Suppliers provide the confirmation codes.

3. Choose one supplier and one energy pricing option.

4. DO NOT MAIL THE SELECTION FORM TO YOUR SUPPLIER.

5. Choose a submission method from the options below.

6. Once complete, record your agreed-upon pricing option using the detachable portion of this selection form and retain for your records.

ONLINE

- Log on to **www.ChoiceGas.com** between Friday, April 12, and midnight CDT on Thursday, April 25, 2019.
- Click on Nebraska Selection, and then click on "Submit your Selection."
- Follow the instructions on the screen to complete and submit your selection.

SUPPLIER SUBMISSION

- Contact your selected supplier.
- Provide your account number and control number.
- **Note: The control number is for your security. If you provide it to your supplier, you've authorized them to submit your Choice Gas selection.**

MAIL

- Record your five-digit confirmation code that you obtained from your supplier. (Note: If the confirmation code does not match the supplier and pricing option selected, the confirmation code will be used.)
- Sign and date your form, and mail it in the postage-paid reply envelope provided, postmarked on or before Thursday, April 25, 2019.
- If you did not receive or misplaced your reply envelope, return your selection form to:
Choice Gas Program, P.O. Box 406, Scottsbluff, NE 69363.

AUTOMATIC ROLLOVER

- If you are satisfied with your current supplier and pricing option, simply do nothing, and you will automatically roll over to your current supplier and pricing option. Note: Your final rate will be determined within 15 days after the selection period has ended unless otherwise notified by your supplier. Your final rollover price may be different from prices quoted during the selection period.

Note: The natural gas market can be volatile. We encourage you to check with your supplier to find out how long they'll consider a given pricing option valid.

All selections must be submitted on or before Thursday, April 25, 2019

DELEGATION AGREEMENT (Program Year Commencing In 2019)

BLACK HILLS GAS DISTRIBUTION RESIDENTIAL & COMMERCIAL CHOICE GAS PROGRAM

Check Appropriate Box: ☐ Nebraska Residential ☐ One-Year ☐ Two-Year
☐ Nebraska Commercial ☐ One-Year ☐ Two-Year ☐ Three-Year
☐ Wyoming Residential ☐ One-Year ☐ Two-Year
☐ Wyoming Commercial ☐ One-Year ☐ Two-Year ☐ Three-Year

☐ BLACK HILLS GAS DISTRIBUTION NEBRASKA AGRICULTURAL CHOICE GAS PROGRAM

Check Appropriate Supply Arrangement: ☐ One-Year ☐ Two-Year ☐ Three-Year

CUSTOMER UNDERSTANDS THEY MAY ONLY COMPLETE AND SUBMIT ONE DELEGATION AGREEMENT WITH THEIR SUPPLIER OF CHOICE DURING THE CURRENT PROGRAM YEAR. IN THE EVENT CUSTOMER SUBMITS MULTIPLE DELEGATION AGREEMENTS, ONLY THE EARLIEST DATED DELEGATION AGREEMENT WILL BE ACCEPTED.

I _____ (Customer) hereby designate _____ (Supplier) to make a supplier and price option selection on my behalf for the (Program Year(s)) Choice Gas Program designated above. This agreement covers the following account(s):

This executed Delegation Agreement must be submitted to the Supplier and received by Black Hills Gas Distribution, LLC as Choice Gas Program administrator (Administrator) prior to the selection deadline for the applicable Choice Gas Program (11:59 p.m. on [last day of the applicable balloting period]). If the Customer submits a valid Choice Gas selection prior to the Administrator receiving this Delegation Agreement, the Delegation Agreement will be considered null and void.

By execution hereof, Supplier accepts its designation and appointment for the Customer and agrees to act as Supplier for Customer in accordance with the terms hereof. Supplier acknowledges and affirms that it is a supplier in compliance with any and all applicable statutes, rules, and regulations of the governing authority and participating as a supplier in the Choice Gas Program provided by Administrator to the Customer. Supplier shall clearly specify it is acting within the scope of its authority on behalf of Customer in all actions taken in its role of Supplier.

Customer and Supplier acknowledge that Administrator, its officers, agents, affiliates and parent companies are third party beneficiaries to this Delegation Agreement and by execution hereof, Customer and Supplier, individually and jointly agree to indemnify and hold Administrator, its officers, agents, affiliates and parent companies harmless from any and all liabilities, losses, damages, expenses and other obligations of any nature whatsoever including attorney fees incurred in defense of such actions that Administrator, its officers, agents, affiliates and parent companies that they may suffer either individually or collectively as a result of any and all claims, demands, costs, attorney fees and judgments made against them resulting from their reliance on this Delegation Agreement and/or the Supplier's actions, including but not limited to actions taken by Administrator pursuant to Supplier's actions or inaction under this Agreement.

Customer's execution of this Delegation Agreement authorizes Supplier to obtain Customer's control number from Administrator. By authorizing Supplier to obtain Customer's control number Customer is authorizing Supplier to make a selection on their behalf. Customer agrees to select Supplier as their gas supplier under Administrator's Choice Gas Program, and Customer hereby authorizes Supplier to submit Customer's Choice Gas Program selection.

The parties acknowledge that receipt by Administrator of an executed Delegation Agreement from Customer's Supplier that is transmitted by mail, facsimile, electronic delivery, or other recognized means of delivery, shall constitute a valid enforceable agreement and shall legally bind the parties accordingly. Once executed, it may not be revoked by the Customer.

By signing this Agreement, Supplier represents and warrants that Supplier has provided a complete and true copy of this Delegation Agreement to Customer. By signing this Agreement, Customer acknowledges receipt of a complete copy of this Delegation Agreement from Supplier.

By: _____
(Customer Signature)

Name: _____
(Customer Print Name)

Title: _____

Address: _____

Phone No: _____

Date: _____

By: _____
(Supplier Signature)

Name: _____
(Supplier Print Name)

Title: _____