

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
BLACK HILLS NEBRASKA GAS, LLC, D/B/A)
BLACK HILLS ENERGY, RAPID CITY, SOUTH) DOCKET NO. NG-109
DAKOTA, SEEKING APPROVAL OF A)
GENERAL RATE INCREASE)**

DIRECT TESTIMONY OF TYLER E. FROST

Manager of Regulatory & Finance

ON BEHALF OF BLACK HILLS NEBRASKA GAS, LLC

Date: June 1, 2020

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EXHIBITS

Exhibit No. TEF-1	Statement of Qualifications
Exhibit No. TEF-2	Proposed Rates for the HEAT Surcharge
Exhibit No. TEF-3	2019 Nebraska Community Impact
Exhibit No. TEF-4	Table of Proposed Tariff Changes

DIRECT TESTIMONY OF TYLER E. FROST

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Tyler E. Frost. My business address is 1731 Windhoek Drive, P.O. Box 83008, Lincoln, NE 68501-3008.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Black Hills Service Company, LLC., d/b/a Black Hills Energy (“BHSC”). I am a Manager of Regulatory and Finance.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of BH Nebraska Gas, LLC (“BH Nebraska Gas” or “Company”). BH Nebraska Gas is the natural gas utility resulting from the recent consolidation of the Nebraska gas utility assets and operations of Black Hills Corporation’s (“BHC”) two former Nebraska gas utility distribution subsidiaries, Black Hills/Nebraska Gas Utility Company, Inc. (“BH Gas Utility”) and Black Hills Gas Distribution, LLC (“BH Gas Distribution”). BH Nebraska Gas is a wholly owned subsidiary of BHC.

II. STATEMENT OF QUALIFICATIONS

Q. WHAT ARE THE DUTIES AND RESPONSIBILITIES IN YOUR CURRENT POSITION?

A. I lead a team responsible for regulatory filings as well as the budgeting, forecasting, strategic planning and overall financial analysis for Nebraska.

1 **Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES RELATED TO**
2 **BH NEBRASKA GAS OPERATIONS.**

3 A. I am responsible for regulatory and financial matters of BH Nebraska Gas. I directly
4 oversee state regulatory filings and financial functions, including the filing of the
5 quarterly system safety integrity rider (“SSIR”), monthly Farm Tap surveillance
6 reporting, High Efficiency Assistance Tool (“HEAT Program”), and Bad Debt
7 annual rate tariff filings. I also lead the budgeting and the monthly financial close
8 process. I am indirectly involved in the oversight of certain other centralized
9 functions within BHSC that provide support to BH Nebraska Gas.

10 **Q. PLEASE OUTLINE YOUR EDUCATIONAL AND PROFESSIONAL**
11 **BACKGROUND.**

12 A. My education, employment history and professional experience is provided in
13 Exhibit No. TEF-1.

14 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE NEBRASKA**
15 **PUBLIC SERVICE COMMISSION (“COMMISSION”)?**

16 A. Yes. As the Commission’s Economist, I testified numerous times in a variety of
17 dockets. Since joining Black Hills, I have provided testimony in support of BH Gas
18 Distribution's 2019 SSIR review in Commission Application No. NG-0078.7.

19 **III. PURPOSE OF TESTIMONY**

20 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

21 A. The purpose of my direct testimony is to provide an overview of the HEAT
22 Program, proposed by BH Nebraska Gas to continue to offer the benefits of the
23 HEAT Program to Nebraska consumers located within the service area previously
24 served by BH Gas Distribution (“BH Gas Distribution Service Area”), and to

1 expand the HEAT Program to the service areas previously served by BH Gas Utility
2 (“BH Gas Utility Service Areas”).¹

3 I will also testify about low income options for BH Nebraska Gas
4 customers. Finally, my testimony discusses and supports several changes to the
5 tariff of BH Nebraska Gas (“Tariff”).

6 In addition to the Rate Schedule changes supported by other witnesses,
7 including the rate consolidation of BH Gas Utility and BH Gas Distribution,
8 BH Nebraska Gas also proposes to establish itemized diversion of gas fees, and
9 standardization of charges for miscellaneous services, and elimination of the
10 Service Disconnection Charge.

11 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

12 A. Yes. I am sponsoring the following attachment(s):

13 **Exhibit No. TEF-1** is a statement of my qualifications.

14 **Exhibit No. TEF-2** explains the proposed rates for the HEAT surcharge.

15 **Exhibit No. TEF-3** is an infographic created by Black Hills demonstrating
16 community impact in Nebraska.

17 **Exhibit No. TEF-4** is a table of proposed Tariff changes.

18 **Q. HAVE THE TESTIMONY AND ATTACHMENTS THAT YOU ARE**
19 **SPONSORING BEEN PREPARED BY YOU OR UNDER YOUR**
20 **SUPERVISION?**

21 A. Yes.

¹ Former BH Gas Distribution service area is designated as Rate Area Five under the BH Nebraska Gas Tariff. Former BH Gas Utility service areas are designated as Rate Areas One, Two, and Three. Rate Area Four is a non-jurisdictional customer service and is not subject to the Commission’s rate regulation.

1 **IV. HEAT PROGRAM**

2 **Q. HAS BH NEBRASKA GAS TAKEN SPECIFIC ACTIONS IN AN EFFORT**
3 **TO ADDRESS ITS DECLINING CUSTOMER BASE?**

4 A. Yes. BH Nebraska Gas operates the HEAT Program only in the BH Gas
5 Distribution Service Area, as previously approved by the Commission.

6 **Q. PLEASE SUMMARIZE THE HEAT PROGRAM.**

7 A. The current HEAT Program, approved by the Commission, provides Customer
8 Retention Incentives (“HEAT Incentives” or “Incentives”) to jurisdictional
9 Residential and Commercial Service customers in the BH Gas Distribution Service
10 Area who purchase and install certain new natural gas furnaces and new water
11 heaters with higher incentives for higher efficiency appliances. The BH Nebraska
12 Gas HEAT Incentives were approved by the Commission in its Order Granting
13 Application in Part, Application No. NG-0067.² The HEAT Program terms can be
14 found in the BH Nebraska Gas Tariff on Sheet No. 147.

15 Prior year HEAT Program expenditures are recovered through a flat
16 monthly HEAT charge for all jurisdictional Residential and Commercial Service
17 Customers in the BH Gas Distribution Service Area. Expenditures are subject to a
18 spend cap of \$1 Million for each program year, and is reconciled, and filed with the
19 Commission, annually.³ The HEAT Program has no sunset date.⁴ The current
20 HEAT charge can be found in the Tariff on Sheet No. 105.

² Former BH Gas Distribution Rate Review (Order entered May 22, 2012).

³ Commission Application No. NG-0036.

⁴ Commission Application No. NG-0067 Order at page 20.

1 BH Nebraska Gas agrees with the Commission that offering an incentive
2 program to retain customers is important for Nebraska.⁵ The HEAT Program is an
3 important tool to retain customers and maintain existing loads, particularly in areas
4 of the state experiencing a decline, or less than average increase, in population and
5 customer count, and allows BH Nebraska Gas to continue to provide the important
6 energy efficiency benefits of natural gas to all Nebraskans.

7 **Q. WHEN WAS THE HEAT PROGRAM INITIALLY REQUESTED?**

8 A. The HEAT program was initially established under the ownership of
9 Kinder Morgan, Inc. for BH Gas Distribution in 2006 in Commission
10 Application No. NG-0036. As Mr. Sullivan testifies at page 52, at that time, the rate
11 structures of municipal electric utilities with which BH Gas Distribution competed,
12 and how those rate structures and other incentives were used, encouraged customers
13 to not only use electric appliances rather than natural gas but encouraged customers
14 to replace gas with electric appliances (primarily space heating equipment).
15 BH Gas Distribution's rate structure was altered in that Application and the HEAT
16 Program was approved.

17 **Q. WHAT HAS BEEN THE JUSTIFICATION FOR THE HEAT PROGRAM**
18 **IN PREVIOUS APPLICATIONS?**

19 A. The first justification was the declining customer count and market share. As
20 Mr. Sullivan testifies on page 50, in Application No. NG-0067, he observed that
21 the customer trends showed a net loss of residential, and commercial customers.

⁵ NG-0067 Order, at page 20.

1 The second justification was to remain competitive regarding the
2 conversion of appliances. HEAT Incentives help BH Gas Distribution to remain
3 competitive with public power districts providing incentives for electric appliances,
4 including water heaters and furnaces. The customers using HEAT Incentives
5 continued to contribute revenue that covered the variable costs of providing service
6 and contribute towards fixed costs.

7 **Q. HAVE THERE BEEN ANY IMPROVEMENTS TO THE PROGRAM**
8 **SINCE ITS INCEPTION?**

9 A. Yes. In Commission Application No. NG-0067, the program was extended to
10 include water heaters in addition to furnaces. Also, in that Application the HEAT
11 Program was changed to provide double the HEAT Incentives for systems with a
12 minimum Annual Fuel Utilization Efficiency (“AFUE”) rating of 90 percent and to
13 double the Incentives for natural gas tankless water heaters.⁶

14 **Q. DOES THE ORIGINAL HEAT PROGRAM PURPOSE STILL EXIST?**

15 A. Yes. The original purpose of the HEAT Program was to address a declining
16 customer count and market share to customers using electric appliances rather than
17 natural gas appliances. As discussed by Mr. Sullivan at page 51 of his testimony,
18 the significant decline in residential and commercial customers improved
19 substantially almost immediately after the last BH Gas Distribution rate review in
20 which the HEAT program was approved. Although the decline in customer count
21 is not as great as it was previously, the need for BH Nebraska Gas to a) maintain
22 the existing customer count and market share and b) remain competitive regarding

⁶ See Commission Application No. NG-0067 (former BH Gas Distribution Rate Review).

1 the conversion of appliances in the former BH Gas Distribution service area is still
2 present. Further, revenues from new customers more than cover the cost of the
3 HEAT incentive program.

4 **Q. IS BH NEBRASKA GAS IN COMPETITION WITH PUBLIC POWER**
5 **DISTRICTS PROVIDING ELECTRICITY?**

6 A. Yes, as Mr. Sullivan testifies, the Company faces competition in the form of prices,
7 cash incentives (rebates), and advertising. Electric utilities in Nebraska are using
8 all three means to attract traditional natural gas space heating, water heating, and
9 other loads (cooking and clothes drying) from Residential and Commercial
10 customers. Where public power districts have various incentives for electric
11 appliances, BH Nebraska Gas needs incentives for natural gas appliances in order
12 to compete fairly with the different electric power districts in Nebraska. Otherwise,
13 natural gas provided by BH Nebraska Gas is at an unfair competitive disadvantage
14 to electric service provided by the public power districts.

15 **Q. HAS THE HEAT PROGRAM BEEN SUCCESSFUL IN RETAINING OR**
16 **EXPANDING BH NEBRASKA GAS' CUSTOMER COUNT IN THE**
17 **BH GAS DISTRIBUTION SERVICE AREA?**

18 A. Yes. As Mr. Sullivan testifies (p. 43), he supported the trend in lost customers in
19 Application No. NG-0060 and stated that the rate structure and HEAT Program had
20 helped to mitigate the trend for BH Gas Distribution. As Dr. Rosenbaum's
21 testimony in section III indicates, the HEAT Program approved by the Commission
22 is, in-fact cost effective and beneficial to those customers receiving HEAT
23 Incentives as well as all Nebraska customers. Further, BH Nebraska Gas believes
24 that the program also promotes environmental stewardship by increasing the

1 number of efficient natural gas appliances versus inefficient appliances, whether
2 those appliances are gas or electric. With various cities looking at electrification,
3 BH Nebraska Gas needs tools in its toolbox to be able to compete for the energy
4 needs of Nebraska customers.⁷

5 **Q IS BH NEBRASKA GAS PROPOSING TO CONTINUE THE PROGRAM?**

6 A. Yes. As I described earlier, the HEAT Program has been successful in
7 accomplishing the goals for which it was designed. BH Nebraska Gas is not
8 proposing any change to the framework of the HEAT Program as it exists today.
9 Rather, BH Nebraska Gas requests the Commission approve the HEAT Program to
10 continue, under its current framework, to provide added value and benefit to all
11 Nebraska customers.

12 **Q. IS THERE A PROGRAM IN THE BH GAS UTILITY SERVICE AREA**
13 **SIMILAR TO THE HEAT PROGRAM PROVIDED IN THE BH GAS**
14 **DISTRIBUTION SERVICE AREA?**

15 A. No. The BH Gas Utility Service Areas do not currently have a program like the
16 HEAT Program.

17 **Q. IS BH NEBRASKA GAS PROPOSING TO EXTEND THE HEAT**
18 **PROGRAM TO THE BH GAS UTILITY SERVICE AREAS?**

19 A. Yes. As discussed in Dr. Rosenbaum's testimony, a statewide study to address
20 competitive threats and growth incentives demonstrates that HEAT Incentives in
21 the BH Gas Utility Service Areas are appropriate. This study identifies the need to
22 extend the HEAT Program to the BH Gas Utility Service Areas.

⁷ Electrification is the use of City codes or other restrictions on the use or expansion of natural gas as an energy source.

1 **Q. WHAT ARE THE PROPOSED RATES IF THE HEAT PROGRAM IS**
2 **EXTENDED TO THE BH GAS UTILITY SERVICE AREAS?**

3 A. As shown in Exhibit TEF-2, the proposed statewide HEAT surcharge will be \$0.09
4 per Residential and Commercial customer per month.

5 **V. LOW INCOME CUSTOMERS**

6 **Q. DOES THE RATE INCREASE AND THE EXPANDED SSIR MECHANISM**
7 **PROPOSED BY BH NEBRASKA GAS IMPACT LOW INCOME**
8 **CUSTOMERS?**

9 A. Yes, both the rate increase and the expanded SSIR will have an impact to the cost
10 of natural gas service to all customers.

11 **Q. ARE THERE PROGRAMS AVAILABLE TO ASSIST LOW INCOME**
12 **CUSTOMERS?**

13 A. Yes. Nebraska manages the Low Income Home Energy Assistance Program
14 (“LIHEAP”). LIHEAP is a Federally funded and state administered program that
15 assists in managing costs associated with home energy bills, energy crises,
16 weatherization, and energy-related minor home repairs.

17 **Q. HAS THE FEDERAL GOVERNMENT FUNDED THE PROGRAM FOR**
18 **2020?**

19 A. Yes. For Fiscal Year 2020 LIHEAP was granted funds under the Continuing
20 Appropriations Act, 2020, and Health Extenders Act of 2019 Public Law 116-59.

21 The chart below shows the amounts funded to Nebraska.

22

State/Territory	November 1, 2019 Release	Tribal Set-Asides	Total November 1, 2019 Release (Including Tribal Awards)
Nebraska	\$28,752,239	\$16,200	\$28,768,439

1 **Q. DOES BH NEBRASKA GAS SUPPORT THE LIHEAP PROGRAM?**

2 A. In the past, BH Nebraska Gas has advocated for continued Federal funding to
3 support the LIHEAP program with assistance based on energy costs/needs, income,
4 and family size.

5 **Q. ARE THERE ANY OTHER PROGRAMS THAT ASSIST LOW INCOME**
6 **CUSTOMERS?**

7 A. Yes. Black Hills Cares is a program that falls under the umbrella of the Black Hills
8 Foundation (a 501(c)3 entity). Donated funds are matched dollar-for-dollar by
9 Black Hills Corporation shareholder dollars. The funds are then provided to the
10 Salvation Army, who is responsible for administering the funds based on some
11 income measure of eligibility. As demonstrated in Exhibit TEF-3, over 190
12 Nebraska families-in-need benefited from the Black Hills Cares program in 2019.

13 **Q. WHAT ELSE DOES BLACK HILLS DO FOR THE NEBRASKA**
14 **COMMUNITIES IT SERVES?**

15 A. Exhibit TEF-3, a flyer created by BH Nebraska Gas, shows the impact that
16 BH Nebraska Gas had on Nebraska communities in 2019.

17 **Q. WHAT CHANGES HAS BH NEBRASKA GAS IMPLEMENTED AS A**
18 **RESULT OF COVID-19?**

19 A. The number one priority for Black Hills Energy, which includes all BHC's gas and
20 electric utilities in eight states including BH Nebraska Gas, is its customers,
21 employees and communities. Black Hills Energy is actively monitoring the
22 coronavirus ("COVID-19") situation and has measures in place to ensure service is
23 continued to customers in a way that is safe for both customers and Black Hills
24 Energy's employees. In addition to extra steps taken to ensure the physical safety

1 of customers and employees, Black Hills Energy has temporarily suspended non-
2 payment disconnections. BH Nebraska Gas realizes that due to extended periods of
3 isolation, customers may face financial hardships affecting their ability to timely
4 pay their energy bills. Black Hills Energy offers various assistance options for its
5 customers, such as payment arrangements, budget billing, and medical extensions.

6 **VI. TREATMENT OF TRANSACTION FEES**

7 **Q. ARE YOU SPONSORING ANY *PRO FORMA* ADJUSTMENTS TO THE**
8 **REVENUE REQUIREMENT IN THIS PROCEEDING?**

9 A. Yes. I am sponsoring the O&M adjustment included in Application Exhibit No 1,
10 Section 2, Schedule H-15 (Revenue Requirement Study) for credit card fees. This
11 adjustment proposes a \$243,387 increase to the O&M expense in Account 903000.
12 Currently, BH Nebraska Gas pays a vendor to process bill payments using credit
13 cards and Automated Clearing House (“ACH”). For services under the Tariff,
14 BH Nebraska Gas does not charge specific transaction fees for customers in the
15 BH Gas Distribution Service Area using credit cards and ACH to pay their bills.
16 These expenses were included as a component of the revenue requirement
17 included in BH Gas Distribution’s base rates in its last rate review in
18 Application NG-0067. As such, the costs of the credit card fees were not
19 specifically charged to the individual customers paying their bills by credit cards
20 or ACH. Customers in the BH Gas Utility Service Area are charged a transaction
21 fee when paying electronically. BH Nebraska Gas is proposing an adjustment in
22 Application Exhibit No 1, Section 2, Schedule H-15 (Revenue Requirement
23 Study) to include estimated processing fees, for all service areas, that BH Nebraska
24 Gas will pay on an annual basis by increasing this expected O&M expense as a

1 component of the overall revenue requirement. Customers will no longer be
2 charged a transaction fee. This adjustment results in a small rate impact but
3 matches the usual handling of credit card fees by companies when selling everyday
4 items like groceries or fuel for vehicles since companies that sell those goods or
5 services simply include the credit card fee in the total price of the goods or services
6 rather than charge for it separately. Further, eliminating the transaction charge in
7 the BH Gas Utility Service Area removes any disincentive for customers to pay
8 electronically which benefits the safety and health of customers and BH Nebraska
9 Gas employees.

10 **VII. TARIFF CHANGES**

11 **Q. IS BLACK HILLS NEBRASKA GAS PROPOSING ANY TARIFF**
12 **CHANGES?**

13 A. Yes. Application Exhibit No. 1, Section 6 is the proposed BH Nebraska Gas Tariff.
14 The changes to the Tariff are in three categories: Rates, Consolidation, and
15 Housekeeping changes. The Rates category includes changes that reflect the
16 consolidation of the rates of BH Gas Utility and BH Gas Distribution. Tariff
17 changes for Consolidation are for consistency among rate areas. Existing Tariff
18 language, where possible, has been retained. The consolidated Rate Schedules and
19 Other Changes section is organized in three parts: rate schedules, gas cost recovery
20 mechanisms, and other cost recovery mechanisms. Some provisions are specific to
21 a rate area (for example, the Choice Gas Program), and others are applicable to all
22 jurisdictional rate areas. Housekeeping changes are minor, non-substantive
23 changes. Exhibit TEF-4 is a table of all revised tariff sheets.

1 **Q. IS BH NEBRASKA GAS PROPOSING THE ELIMINATION OF ANY**
2 **TARIFF PROVISIONS?**

3 A. BH Nebraska Gas is proposing to eliminate the farm tap cost recovery mechanism.
4 As proposed, subject to Commission approval, those costs will be recovered in the
5 base rates. The pipeline replacement charge has been updated to zero. As proposed,
6 subject to Commission approval, those costs will be recovered in the base rates.
7 Non-jurisdictional schedules have been deleted as inappropriate to include in a
8 jurisdictional Tariff.

9 **Q. PLEASE DESCRIBE THE DIVERSION OF GAS SERVICE FEES.**

10 A. The Company is proposing to amend its existing Tariff language regarding energy
11 diversion and equipment tampering, but there is no material change to the process
12 of handling customer energy diversion that has been in place historically for
13 BH Gas Utility and BH Gas Distribution. However, the Company is proposing to
14 implement specific fees that will assess applicable billing charges for unmetered
15 gas, plus costs associated with labor, trip fee, equipment, materials and supplies,
16 and all other expenses as incurred by the Company, for investigating and
17 determining the diversion of gas, and for disconnecting service. These fees are
18 appropriate and necessary to discourage energy diversion, which is not only illegal,
19 but also extremely dangerous for the surrounding area. The proposed fees are listed
20 on Tariff Sheet No. 135 of Application Exhibit No. 1, Section 6.

21 **Q. IS BH NEBRASKA GAS PROPOSING ANY OTHER TARIFF CHANGES?**

22 A. BH Nebraska Gas is proposing to update charges for miscellaneous services to be
23 consistent across all rate areas:

24 • Connection, Reconnection and Meter Test Charge;

- 1 • NSF Charge;
- 2 • Late Payment Charge; and
- 3 • Facilities Relocation, Temporary Service, and Other Miscellaneous
- 4 Work Charges.

5 In addition, BH Nebraska Gas is proposing to delete the Service
6 Disconnection Charge.

7 **Q. PLEASE DESCRIBE THE CHARGES PROPOSED BY BH NEBRASKA**
8 **GAS?**

9 A. BH Nebraska Gas is proposing the following fees applicable to its entire service
10 area:

11 **Connection and Reconnection Charge**

12 The proposed fees are \$40.00 for connections or reconnections during
13 normal business hours and \$80.00 for connections or reconnections after normal
14 business hours. The proposed charges are listed on Tariff Sheet No. 134 of
15 Application Exhibit No. 1, Section 6.

16 **Meter Test Charge**

17 The proposed Meter Test Charge is \$40.00. Application of the fee has not
18 been changed. The proposed charge is listed on Tariff Sheet No. 135 of Application
19 Exhibit No. 1, Section 6.

20 **NSF Charge**

21 The proposed NSF charge is \$25.00. This amount allows BH Nebraska Gas
22 to recover the administrative costs of dealing with a check returned for insufficient
23 funds. The proposed charge is listed on Tariff Sheet No. 134 of Application Exhibit
24 No. 1, Section 6.

1 **Late Payment Charge**

2 For any bills past due, the Company is proposing to charge five percent
3 (5%) to the first \$20.00 past due and a fixed two percent (2%) to any past due
4 balance above \$20.00. The Company will begin applying late fees to past due bills
5 not less than twenty (20) days after the bill is rendered. The proposed charge is
6 listed on Tariff Sheet No. 134 of Application Exhibit No. 1, Section 6.

7 **Facilities Relocation/Miscellaneous Service Work Charges.**

8 BH Nebraska Gas proposes to charge all costs, including labor and
9 materials, for facilities relocations, temporary service and other Miscellaneous
10 Work. The proposed charges are listed on Tariff Sheet No. 135 of Application
11 Exhibit No. 1, Section 6.

12 **Q. HOW WERE THE PROPOSED FEES DEVELOPED?**

13 A. The proposed Connect, Reconnect, and Meter Test Charges were developed from
14 an analysis of a standard hourly service charge based on current labor and
15 transportation. The result is a fee applicable to service during normal business
16 hours. Outside of normal business hours, including weekends and holidays, the fee
17 is twice the normal business hours fee.

18 **Q. HOW WERE THE NSF AND LATE PAYMENT FEES DEVELOPED?**

19 A. The NSF and Late Payment fees are proposed to change for the BH Gas Utility
20 Service Area. The NSF fee is consistent with the amount allowed by law. The
21 proposed Late Payment fee is the current fee for the BH Gas Distribution Service
22 Area and is a two-tiered charge that encourages prompt payments of small billed
23 amounts under \$20 as well as the total bill.

1 **Q. IS BH NEBRASKA GAS PROPOSING ANY ADDITIONAL CHARGES**
2 **FOR THE LINCOLN AREA?**

3 A. Yes, BH Nebraska Gas is proposing to add a Line Locates Surcharge for gas line
4 location costs resulting from the installation of fiber optic cable within the city of
5 Lincoln for the Allo Project. The proposed charge is listed on Tariff Sheet No. 133
6 of Application Exhibit No. 1, Section 6.

7 **VIII. CONCLUSION**

8 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

9 A. Yes.

STATE OF NEBRASKA)
) SS
COUNTY OF LANCASTER)

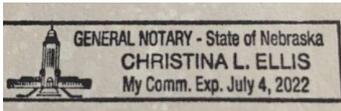
I, Tyler E. Frost, being first duly sworn on oath, depose and state that I am the witness identified in the foregoing prepared testimony and I am familiar with its contents, and that the facts set forth are true to the best of my knowledge, information and belief.



Tyler E. Frost

Subscribed and sworn to before me this 27th day of May, 2020.

(SEAL)



Notary Public

My Commission Expires: