

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

**IN THE MATTER OF THE)
COMMISSION, ON ITS OWN MOTION,)
SEEKING TO REVIEW POLICIES AND)
PRACTICES RELATING TO THE)
ADMINISTRATION OF CUSTOMER)
CHOICE PROGRAMS FOR NATURAL)
GAS SERVICE OFFERED WITHIN)
THE STATE OF NEBRASKA)**

Application No. NG-102/PI-225

**COMMENTS OF BLACK HILLS GAS DISTRIBUTION, LLC AND
BLACK HILLS/NEBRASKA GAS UTILITY COMPANY, LLC
D/B/A BLACK HILLS ENERGY**

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I. INTRODUCTION

On August 6, 2019, the Nebraska Public Service Commission (“Commission”), on its own motion, issued an order (“2019 Choice Gas Order”) opening an investigation in the above-captioned docket for the purpose of gathering information regarding, and reviewing the policies and practices related to the administration of customer choice programs for natural gas service offered within the State of Nebraska (“Choice Gas programs”). The Commission initiated its investigation in this proceeding pursuant to *Neb. Rev. Stats. §§ 66-1848, 66-1849, and 66-1855*.

The Commission’s 2019 Choice Gas Order seeks written comments and evidence in advance of a Commission Choice Gas Programs Workshop scheduled for Wednesday, September 25, 2019. The Commission’s 2019 Choice Gas Order sets forth seven different issues wherein the Commission seeks comments regarding the Choice Gas programs. The Choice Gas program issues listed in the 2019 Choice Gas Order are as follows:

1. Customer Education;
2. Code of Conduct;
3. Annual Reports;
4. Marketing Period;
5. Delegation Agreements;
6. Customer Selection; and
7. Other Information.

Pursuant to the Commission’s 2019 Choice Gas Order, Black Hills Gas Distribution, LLC (“BH Gas Distribution”) and Black Hills/Nebraska Gas Utility Company, LLC (“BH Gas Utility”) (collectively “BH Nebraska Gas”) hereby submit comments and evidence in response to the Commission’s Choice Gas investigation in this proceeding.

BH Gas Utility and BH Gas Distribution operate within the State of Nebraska as Jurisdictional Utilities pursuant to the State Natural Gas Regulation Act. (“Act”) *Neb. Rev. Stats.*

§§ 66-1801, et. seq. BH Gas Utility and BH Gas Distribution each conduct business in Nebraska as “Black Hills Energy.”

BH Gas Distribution and BH Gas Utility provide the comments and evidence set forth below.

II. SCOPE OF COMMENTS

The comments provided herein focus directly and primarily on the existing Choice Gas Programs offered by BH Gas Distribution within the State of Nebraska. BH Gas Distribution is not proposing any significant structural or territory changes to the existing Choice Gas Program as part of this proceeding. Any proposal by BH Nebraska Gas to significantly alter the existing BH Gas Distribution Choice Gas Program or any transportation program offered by BH Gas Utility will be presented, if at all, in the future.

In addition, BH Nebraska Gas does not plan on making any significant changes in the BH Gas Distribution Choice Gas Program within the general rate review application currently planned to be filed by Black Hills Nebraska Gas, LLC in the second or third quarter of 2020.

Accordingly, the soonest any significant structural or territorial changes to the BH Gas Distribution Choice Gas Program or to the transportation programs of BH Gas Utility would be presented, if at all, is no earlier than the year 2021 or thereafter. Both BH Gas Utility and BH Gas Distribution emphasize that no expansion or other significant structural change to the Choice Gas Programs of BH Gas Distribution or to the transportation programs of BH Gas Utility is currently contemplated by either BH Gas Utility or BH Gas Distribution for Nebraska.

BH Nebraska Gas’s comments herein present a few possible BH Gas Distribution Choice Gas Program changes that should be discussed and advanced with Suppliers participating in the

BH Gas Distribution Choice Gas Program (“Choice Gas Program Suppliers”). For example, possible changes to the Marketing and Mailing Agreement provisions, and to the Delegation Agreement process should be discussed as part of the comments and evidence provided within this proceeding.

III. BACKGROUND

A. BH Gas Distribution Choice Gas Program

The BH Gas Distribution Choice Gas Program was first commenced in or around 1998 under the Municipal Natural Gas Regulation Act. *Neb. Rev. Stats. §§ 19-4601, et. seq. (Repealed)*. BH Gas Distribution, and its predecessors-in-interest (i.e. KN Energy, then Kinder Morgan, and finally SourceGas) have provided a Residential/Commercial Choice Gas Program along with a separate Agricultural Choice Gas Program to Customers annually since it commenced the Choice Gas Programs.

The Commission assumed jurisdiction over the BH Gas Distribution Choice Gas Program in 2003 pursuant to authority granted to the Commission under the State Natural Gas Regulation Act. Pursuant to the Act, the Commission adopted a Code of Conduct, Supplier /Aggregator Code of Conduct, Affiliate, and other rules applicable to the Choice Gas Program. *Neb. Rev. Stat. § 66-1805 (2003)*. *See, also, 291 Neb. Admin. Chapter 9, Rules 018 and 019*.

Currently, BH Gas Distribution offers Choice Gas Programs in the states of Nebraska and Wyoming. More information about the Black Hills Gas Distribution Choice Gas Program can be found on the Company’s Choice Gas Program website located at www.choicegas.com.

1. Nebraska Res/Com Choice Gas Program

The Commission has approved tariffs for BH Gas Distribution, or its predecessors-in-interest (i. e., KN Energy, then Kinder Morgan, and finally SourceGas) that provide for Residential and Commercial customer classes in Nebraska (“Res/Com Choice Gas Program”). Pursuant to those Commission-approved tariffs, BH Gas Distribution provides an annual Res/Com Choice Gas Program that includes the option for each Residential or Commercial customer (hereafter Residential and Commercial customers are collectively referred to as a “Res/Com Customer”) to select a natural gas commodity Supplier.

Specifically, under the BH Gas Distribution Res/Com Choice Gas Program, a Res/Com Customer selects a Certified Natural Gas Provider (“CNGP” or “Supplier”)¹ as the Res/Com Customer’s natural gas commodity supplier. BH Gas Distribution is the Administrator of the Choice Gas Program in Nebraska, however unlike the Choice Gas Program provided by Black Hills Wyoming Gas, LLC, formerly BH Gas Distribution, within the State of Wyoming, BH Gas Distribution does not participate as a competitive Supplier within BH Gas Distribution’s Nebraska Choice Gas program.

As the Res/Com Choice Program is designed in Nebraska, Suppliers possessing a CNGP approved by the Commission are permitted to market and thereafter provide natural gas commodity to BH Gas Distribution Res/Com Customers. The natural gas commodity service is provided to Res/Com Customers pursuant to a terms and conditions of various Choice Gas Res/Com Agreements entered into between the Commission-approved CNGP and BH Gas Distribution. The Choice Gas Program Supplier does not enter into a separate formal gas purchase

¹ The Commission certifies Competitive Natural Gas Providers pursuant to Neb. Rev. Stat. § 66-1848 and 66-1849.

and sale agreement with Res/Com Customers in order to provide natural gas to Res/Com Customers under the Choice Gas Program.

As provided in BH Gas Distribution Exhibit A of these comments, the Choice Gas Program Supplier agreements between BH Gas Distribution and the Suppliers consist of the following agreements: a) Supplier Participation Agreement, including the allocation and release of interstate pipeline capacity, b) Marketing and Mailing Agreement, and c) Parent Guaranty Agreement. *See Exhibit A.*

There are currently six Choice Gas Program Suppliers providing natural gas commodity to BH Gas Distribution customers in Nebraska. Those qualified Choice Gas Program Suppliers are as follows: ACE (Public Alliance for Community Energy), Vista Energy Marketing, Constellation Energy, an Exelon Company, Black Hills Energy Services Company², CenterPoint Energy Services, Inc., and WoodRiver Energy, LLC.

In addition, BH Gas Distribution is currently processing the application of two additional Choice Gas Program Suppliers who have requested to participate in the 2020-2021 Choice Gas Program year. Thus, pending the two potential suppliers' successful completion of that application process, the BH Gas Distribution Choice Gas Program in Nebraska will have eight Suppliers competing to be selected by BH Gas Distribution's Choice Gas Customers.

Under the Res/Com Choice Gas Program, the Supplier selection enrollment period may differ slightly each year. However, generally, the official Supplier selection established by BH Gas Distribution is a two-week period in April preceding the commencement of the next Annual

² Black Hills Energy Service Company ("BHES") is a separate non-regulated natural gas supply marketing affiliate of BH Gas Distribution. In compliance with the Codes of Conduct adopted by the Commission and included in the tariff of BH Gas Distribution, BHES currently participates in the Choice Gas Program offered in the States of Nebraska and Wyoming.

Choice Gas Program year. The Choice Gas Program year for Res/Com Customers commences on June 1st of each year and concludes on May 31st of the following year.

While the Choice Gas Program marketing period permitting Suppliers to present gas supply price offers to Customers each year may differ, no Res/Com Choice Gas Customer is officially enrolled in the Choice Gas Program until the official enrollment period is opened by BH Gas Distribution.

The experience of BH Gas Distribution is that some Choice Gas Program Suppliers prefer a longer marketing period and others prefer a shorter marketing period. Suppliers can only contact Res/Com Customers as permitted under a Mailing and Marketing Agreement. However, Suppliers may obtain a Customer's authority to enroll that customer in the Choice Gas Program once the Official Enrollment period is opened by BH Gas Distribution. The Supplier obtains the Customer's commitment to act on the Customer's behalf under a Delegation Agreement entered into between the individual Res/Com Customer and the Supplier.

As the Choice Gas Program Administrator, BH Gas Distribution provides various administrative services under the Supplier Participation Agreement required as part of its Choice Gas Program. For example, BH Gas Distribution will provide Customer billing, collection, and bad debt services for Suppliers participating in the Choice Gas Program. BH Gas Distribution collaborates with the Choice Gas Program Suppliers at various times throughout the year, either individually or collectively in an effort to improve the Choice Gas Program. Traditionally, BH Gas Distribution holds an annual meeting with Choice Gas Program Suppliers in November of each year to present any changes to the Choice Gas Program. BH Gas Distribution also seeks feedback from the Choice Gas Program Suppliers regarding the upcoming Choice Gas Program year.

Before any significant change to the Choice Gas Program is made, BH Gas Distribution communicates those proposed changes to the Choice Gas Program Suppliers. The changes, if any, are implemented within the boundaries of the three pillars adopted by BH Gas Distribution for the Choice Gas Program. The three pillars of the Choice Gas Program are designed to (1) focus on the Choice Gas Program Customer experience, (2) provide for economical and efficient administration of the Choice Gas Program by BH Gas Distribution, and (3) allow opportunities for Choice Gas Program Suppliers to provide competitive gas supply pricing options to Choice Gas Program customers.

2. AG Choice Gas Program

In addition, to Res/Com Customer Choice Gas Program, BH Gas Distribution also provides its Agricultural customers the option to purchase natural gas commodity under the Company's Agricultural Choice Program. The BH Gas Distribution Agricultural Choice Gas Program is similar to the BH Gas Distribution Res/Com Choice Gas Program with some additional distinctions. For example, the Agricultural Choice Program commences on April 1st and ends on March 31st of the following year. In addition, there is currently no restriction to the marketing period under the Agricultural Choice Gas Program. Finally, there is not a separate allocation of interstate natural gas pipeline capacity as occurs under the Res/Com Choice Gas Program. Many other characteristics, structure, and tariff terms and conditions of the Res/Com Choice Gas Program are common to the administration of the BH Gas Distribution Agricultural Choice Gas Program.

Currently, five Suppliers participate in the Agricultural Choice Gas Program. Those Suppliers are as follows: Constellation Energy, an Exelon Company, CenterPoint Energy Services, Inc., Black Hills Energy Services, Vista Energy Marketing, and WoodRiver Energy.

B. BH Gas Utility

1. Annual Price Option

BH Gas Utility does not currently offer a residential choice gas program to its customers that provides those residential customers the option to select a CNGP to provide residential customers with natural gas commodity. However, BH Gas Utility does permit its residential customers to establish a fixed price for its natural gas commodity purchased from the Company under BH Gas Utility's Annual Price Option ("APO").

2. Energy Options Program

Under BH Gas Utility's "Energy Options" program, Commercial customers of BH Gas Utility may purchase natural gas commodity from CNGPs. The Energy Options transportation program offered by BH Gas Utility is similar to the Choice Gas Program offered by BH Gas Distribution for Commercial Customers. However, unlike the BH Gas Distribution Choice Gas Program, BH Gas Utility does not have a defined enrollment period. BH Gas Utility does not provide customer billing, collection, or bad debt services for Marketer/Aggregators selling natural gas to Energy Options customers. Nevertheless, other aspects of commercial transportation, including the release of upstream interstate capacity, are similar between the two different transportation programs. These comments do not focus or otherwise provide comments on BH Gas Utility's Energy Options transportation program.

3. Interruptible and Agricultural Transportation

BH Gas Utility also provides customer natural gas supply procurement and transportation options for its non-jurisdictional Interruptible and Agricultural customers as those customers are defined under *Neb. Rev. Stat. §§ 66-1802 (01)* and *Neb. Rev. Stat. § 66-1810(2)*. Agricultural and

Interruptible customers may purchase natural gas supply from a CNGP and transport that gas across the distribution system of BH Gas Utility. These comments do not focus or otherwise provide comments on BH Gas Utility's Agricultural or Interruptible transportation program.

C. High Volume Users Sales and Transportation

Both BH Gas Distribution and BH Gas Utility provide non-jurisdictional transportation services to High Volume Users as those customers are defined under *Neb. Rev. Stat. §§ 66-1802 (09) and 66-1810 (1)*. High Volume Customers in Nebraska may purchase natural gas supply from a CNGP and transport that gas across the distribution systems of BH Gas Utility or BH Gas Distribution. These comments do not focus or otherwise provide comments on the High Volume Customer transportation programs of either BH Gas Distribution or BH Gas Utility.

IV. CHOICE GAS PROGRAM COMMENTS

In its 2019 Choice Gas Order, the Commission set forth several issues seeking comment and evidence. The Commission noted that the comments and evidence sought in this proceeding is for the purpose of facilitating discussion regarding the Commission's review of Choice Gas Programs. BH Nebraska Gas provides its comments and evidence related to the Res/Com and Agricultural Choice Gas Programs of BH Gas Distribution by addressing each of the issues set forth in the Commission's 2019 Choice Gas Order below. As noted previously, these comments and evidence do not address the Energy Options, Agricultural or High Volume transportation programs offered by BH Gas Utility. Nor do the comments address issues related to the High Volume transportation services offered by BH Gas Distribution.

1. Customer Education

- a. How can utilities, CNGP's, and the Commission better educate customers about the Choice Gas program? What should the goal of customer education be?**

Customer education related to the BH Gas Distribution Res/Com and Agricultural Choice Gas Programs is an expensive, time consuming, and ongoing process. BH Gas Distribution serves approximately 88,000 natural gas customers located in about 200 communities spread throughout the State of Nebraska. In addition to geography issues involved in providing customers with information related to the Res/Com or Agricultural Choice Gas Programs, the preferred mode of communication (e.g., in person presentations, mail, website, videos, or call center instruction) may differ among the BH Gas Distribution customers.

Therefore, creating and maintaining a cost effective Choice Gas Program education plan and program beneficial to customers presents BH Gas Distribution with many potential obstacles to overcome. In addition, providing consistent and understandable Choice Gas Program messages and instructions for BH Gas Distribution Customers creates numerous administrative burdens for BH Gas Distribution to manage.

(i) BH Gas Distribution Choice Gas Program Education

Thankfully, the BH Gas Distribution Choice Gas Programs have been in existence for approximately twenty years. Accordingly, the Customers of BH Gas Distribution have that past experience and previous education about the Choice Gas Programs to rely upon.

As the Administrator of the Choice Gas Programs, BH Gas Distribution is at the center of educating its Choice Gas Program customers on issues related to the Choice Gas Program. In addition to providing documents explaining the Supplier selection process that occurs annually,

BH Gas Distribution is required to address a variety of Customer concerns resulting from a lack of understanding or miscommunication regarding how the Choice Gas Program operates.

For example, BH Gas Distribution educates and resolves Customer confusion and frustration related to the Choice Gas Program enrollment process. BH Gas Distribution educates and resolves Supplier confusion or frustration related to Choice Gas enrollment, customer solicitation, supplier disputes, and Commission Complaints. BH Gas Distribution educates and resolves Commission complaints lodged by either Choice Gas Customers or Suppliers. To date the number of questions, comments, concerns, frustrations, and Commission complaints (informal and formal) have been manageable.

Like all Choice Gas Program stakeholders, BH Gas Distribution is willing to consider and to implement additional cost-effective Choice Gas Program education efforts that are designed to provide Choice Gas Programs Customers with a better understanding of the Choice Gas Program.

A primary tool of Customer education regarding the Choice Gas Program is located on the Company's website. BH Gas Distribution has created and maintains a Choice Gas Program website at www.choicegas.com designed to provide information about the Company's Choice Gas Program.

One possible strategy designed to better educate BH Gas Distribution customers about either the Res/Com or the Agricultural Choice Gas Program is to review the content currently included on the Choice Gas Program website of BH Gas Distribution or those websites maintained by each of the Choice Gas Program Suppliers to determine if additional information can be made available to the customers regarding the Choice Gas Program.

Additional Choice Gas Program information is provided to customers each year when BH Gas Distribution distributes its annual Choice Gas Programs Supplier selection packets. Those packets contain a Guide to the Choice Gas Program, which includes a variety of information to address Customer questions related to the Choice Gas Program. A copy of the Nebraska 2019 “A Guide to the Choice Gas Program” is provided as BH Gas Distribution Exhibit B to these comments.

On the point of the current Choice Gas Program Supplier selection enrollment packets, BH Gas Distribution would like to transition away from a paper based selection opportunity, and move over to an electronic enrollment process in the future. The use of paper ballots is becoming more expensive and less effective as technology improves. However, among other changes, to move to an electronic balloting system would require customers to provide an email address or otherwise obtain an online electronic account with BH Gas Distribution. That electronic contact data is not currently required to receive service under the BH Gas Distribution Choice Gas Programs.

In addition to the education efforts of BH Gas Distribution, each of the Choice Gas Program Suppliers provide information about their individual companies, and the services provided by that Choice Gas Program Supplier on their own Supplier websites.

A possible change to advance Customer education could be to require Suppliers to post on its own Choice Gas website the pricing of each Supplier in advance of the Supplier selection enrollment period, and perhaps after the enrollment period has been completed.

BH Gas Distribution believes that another strategy to better educate customers about Choice Gas Programs is to design and produce a series of user-friendly cost-effective communication for radio, television, or internet videos, and/or a Choice Gas phone or laptop device

application that simultaneously motivate Customer interest in and provide Customer-education about the Choice Gas Program. Suppliers have the same opportunity to develop their own videos or device applications to provide Customer education regarding their own gas commodity pricing options. Customers are an essential component to the success of a Choice Gas Program. Thus, without effective education, the program is less efficient and less effective.

As technology develops and becomes more cost-effective, the ability for BH Gas Distribution to educate its customers and to manage its gas distribution system (i.e., more real time gas measurement, customer information, customer education, customer surveys, customer satisfaction, customer enrollment automation, Supplier designation, customer billing, Supplier gas cost automation, collections, etc.) should be somewhat easier for BH Gas Distribution than current and past administration of those programs.

(ii) **Commission Education**

The Commission could create its own Choice Gas webpage wherein it provides additional information about the Choice Gas Program(s) offered by natural gas utilities. For example, the Commission could add links on its webpage redirecting Nebraska residents to both the BH Gas Distribution Choice Gas Program website and the Choice Gas Program websites maintained by the Choice Gas Program Suppliers.

However, if the Commission elects to provide that information, then it must also clarify that this program is only available in the BH Gas Distribution rate area (i.e., Black Hills Nebraska Gas, LLC Rate Area 5). Neither Northwestern Energy nor BH Gas Utility currently offer residential choice to their customers. In addition, gas service offered by the Metropolitan Utilities District (“MUD”) is not under the jurisdiction of the Commission, and MUD does not offer a residential customer Choice Gas program.

Therefore, in order to minimize confusion for the majority of natural gas customers within Nebraska, BH Nebraska Gas would recommend that if the Commission elects to include information on a webpage, then the Commission should refrain from including much more information than web link referrals for BH Gas Distribution Rate Area Five customers on its website.

As noted above, the purpose of limiting the information to web links and not to include Supplier pricing is to avoid confusion for approximately 450,000 natural gas customers in those Nebraska communities that don't have Choice Gas programs today. Limiting the information provided directly by the Commission should also provide the Choice Gas Programs Suppliers with more flexibility to change their pricing information in the event that such a change is appropriate or necessary.

(iii) CNGP/Supplier Education

During the marketing and enrollment period, the Choice Gas Program Suppliers must have websites and call centers that can address questions regarding that Supplier's available natural gas products. After a Customer elects a Supplier and the agreed upon supply package, at a minimum, a Supplier shall be accurate confirmation information to its Customers about the term and price of the Supplier's natural gas. That information shall include a full description of any additional fees or adjustments that may occur during the Choice Gas Program year(s).

The goal of customer education must be to provide BH Gas Distribution Customers with the necessary information in a user-friendly format to make informed decisions regarding their selection of both a Choice Gas Program Supplier and the price of the Customer's Gas Supply price.

b. What should the role of each entity be in administrating and setting out information regarding the Choice Gas program?

BH Nebraska Gas agrees that each stakeholder has a role in providing the natural gas supply purchase option best suited to the individual customer's needs and desires. For the reasons described above, BH Nebraska Gas and its predecessors-in-interest have developed a workable structure that operates efficiently for those customers located in the BH Gas Distribution rate area. That is not to suggest that improvements to the Choice Gas Program should be ignored. However, the BH Gas Distribution Choice Gas Program has been in place for over two decades and both the Suppliers and the BH Gas Distribution Customers have a better understanding of the program than natural gas customers who have not operated under Choice Gas programs.

BH Nebraska Gas states that any significant structural changes to the BH Gas Distribution Choice Gas Program should only be considered after BH Gas Utility and BH Gas Distribution have completed both the legal entity consolidation and the upcoming 2020 rate review.

BH Nebraska Gas sets forth some of the more significant program roles and responsibilities below:

- Utilities:**
- Structuring Choice Gas Program
 - Overall Choice Gas Program Administration
 - Contracting with Suppliers
 - Managing Customer relationship, satisfaction, and disputes
 - Managing Supplier relationship, satisfaction, and disputes
 - Managing Commission relationship, satisfaction and disputes
 - Establishing Supplier credit support requirements
 - Maintain up to date call center training/education
 - Provide information in New Customer Mailings
 - Website/Customer Account Access
 - Customer Packet Mailings
 - Bill inserts-bill messages
 - Tariff Changes/Updates
 - Review and Approval of all Supplier marketing materials
 - Supplier of Last Resort

Provide Shipper Services
Manage allocation of upstream interstate capacity and storage
Manage Fuel, Lost, and Unaccounted For
Manage Prior Period Adjustments (interstate or distribution)
Provide information or reports to Suppliers/Commissions
Comply with Codes of Conduct and Affiliate Regulations

Suppliers: Confirmation of Supplier as Customer's Choice Gas Supplier
Administrating Customer Delegation Agreements – as permitted
Customer Choice Gas Program Website
Call center education/training
Marketing material made more informational
Managing Customer relationship, satisfaction and pricing disputes
Confirmation of supply price, term (e.g. Multi-Year), and conditions
Managing Supply, Storage, and Upstream interstate capacity
Managing Supply logistics, including forecasting and imbalances
Maintaining adequate credit support
Provide information/reports to the Commission
Comply with Codes of Conduct

Commission: Overall Choice Gas Program Regulation
Resolution of Supplier or Customer Complaints that are not resolved
by the Utility or the Supplier
Website-Provide link to CG website
Review of Choice Gas Packets to customers
Redirecting Customer inquiries or informal complaints

2. Code Of Conduct

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?

Yes. If one looks at the number of informal and formal complaints of Customers arising under Choice Gas Program it is apparent that BH Gas Distribution, the Choice Gas Program Suppliers, the Commission and our Customers have created a comprehensive Choice Gas Program that is working well. The Choice Gas Program has evolved with significant changes in the natural gas industry and with technology over the past two decades. The Choice Gas Program has been modified to comply with the State Natural Gas Regulation Act, Neb. Rev. Stat. § 66-1801, *et. seq.*

and the Commission's Rules and Regulations related to the Choice Gas Program. The Commission's investigation in this proceeding will ensure that the Choice Gas Program remains a strong program for BH Gas Distribution customers into the future.

Given that approximately 88,000 customers located within Nebraska have an opportunity each year to enroll in the Choice Gas Program each year, and that a limited number of complaints, along with several other inquiries, are received by the Commission each year demonstrates that competition appears to be working with only limited Commission oversight. During the shorter period of time in which Black Hills Gas Distribution has been administering the Res/Com and Agricultural Choice Gas Programs, the quantity of formal customer complaints has been reduced each year and the percentage of Customers active enrollment in selecting a Supplier has increased. BH Gas Distribution understands that each Customer concern or complaint – whether to the Company, a Supplier, or the Commission - should be used as an opportunity to improve the Choice Gas Program to better serve all Choice Gas customers.

BH Gas Distribution does not conduct annual Customer surveys seeking input on the program; however, it does track Customer complaints so that it has a thorough understanding of the quality of customer satisfaction with the Choice Gas Program.

BH Gas Distribution and the Suppliers understand that if the Customer is not satisfied with the treatment or the supply pricing options, the Commission will certainly commence an investigation and take any appropriate or necessary action, including but not limited to a change in its current rules and regulations.

On that point, BH Nebraska Gas commends the Suppliers for working with BH Gas Distribution, and for cooperating with other Suppliers and with the Customers to ensure that the

Customer experience is rewarded through the competition for providing Customers with gas supply pricing options. BH Gas Distribution is aware of several instances wherein a Customer has entered into more than one Delegation Agreement, or mistakenly signed a Delegation Agreement with a Supplier that the Customer later realizes is not the Supplier selection that it prefers. When those situations present themselves, often times, the Suppliers will work with the Customer, BH Gas Distribution, and then with other Suppliers to resolve the matter in favor of the Customer's preferences. A few times, the Commission may receive a Customer complaint related to that misunderstanding.

As for changing the current Code of Conduct, BH Nebraska Gas does not believe that immediate action is needed. BH Nebraska Gas would participate in a review of any proposed revisions to the Code of Conduct based on current program activity. As emphasized herein above, BH Nebraska Gas would prefer that if any comprehensive rulemaking or required tariff change related to Choice Gas Programs or the Code of Conduct will occur, then such change should only occur as part of a comprehensive change to the Choice Gas Program and proceed after the BH Gas Utility and BH Gas Distribution legal entity consolidation and future rate review planned for 2020 and concluding in the year 2021.

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

Except for the changes regarding Paragraph 8.2 as discussed below, BH Gas Distribution does not believe that significant changes to the tariff and/or Commission regulations are needed at this time. As stated above, the existing Commission rules and Company tariff appear to be adequate to manage the Choice Gas Program as it is currently provided to BH Gas Distribution Customers.

However, if any changes to either the Company's tariff or the Commission's regulations are to be considered, then those changes should, in the opinion of BH Nebraska Gas focus on remedies or penalties to Suppliers for violations of either the Supplier Participation Agreement, Marketing and Mailing Agreement, or Credit Support Agreement authorized by the Company's tariff and the Commission.

For example, neither the Commission's rules or the current BH Gas Distribution tariff include a variety of remedies specifically related to violations of the mailing and marketing requirements under the Choice Gas Program. On the one hand, BH Gas Distribution can assert its rights as the Choice Gas Program administrator to comply with the terms of the Supplier Agreements, tariff, or Commission rules. On the other hand, BH Gas Distribution is authorized to terminate the Supplier for a significant violation.

BH Gas Distribution believes that additional remedies could be presented to Suppliers as part of the ongoing collaboration meetings between BH Gas Distribution and the Suppliers. Thereafter, any additional proposed remedies or penalties (i.e., whether by mutual agreement or otherwise) implemented by the Company could be reviewed by the Commission, as appropriate or necessary. BH Gas Distribution would prefer that any newly establish penalties or other remedy language be added to either the Supplier Participation Agreement, the Mailing and Marketing Agreement, or the credit support agreement in order to provide BH Gas Distribution the ability and flexibility to timely revise the penalties as appropriate. The Commission's rules or tariff approval should be such that the Commission retains overall regulatory oversight with the Choice Gas Program, but is not overly prescriptive in the mechanics of regulating the supply competition. In short, light handed regulation would be preferred over extensive Commission regulation of the Choice Gas Program.

If a Supplier fails to comply with its supply obligation or the then-current marketing and mailing rules, then BH Gas Distribution could apply an appropriate remedy or penalty as a consequence of the Supplier's violation. Currently, the Suppliers have operated within the boundaries of the existing rules. However, BH Nebraska Gas recognizes that the existing recourses for noncompliance appear to be an area for additional focus, and possible change in the contract terms, tariff language, or Commission rules.

Another area of change to the tariff relates to the language set forth on Fourth Revised Sheet No 21 under paragraph 8.2. There are a couple of sentences within that paragraphs that are either redundant and should be deleted or alternatively, revised to reflect the current administration process under the Supplier Selection.

BH Gas Distribution Fourth Revised Sheet No 21, paragraph 8.2, provides as follows:

- 8.2 Except as provided in paragraph 8.6 of this rate schedule, the term for which the Customer selection applies will be the twelve months commencing with the Customer's first normally scheduled meter read cycle on or after June 1 of each year, excluding those Customers moving on or off the system during a term. Company will provide a selection medium(s) to Customers or to such other party as is properly designated by a Customer, listing Suppliers from which the Customer may choose. Selection forms submitted by the Supplier must be accompanied by a delegation agreement or other form as the Company may use from time to time, signed by the Customer. At least two weeks prior to the date by when Customers must make their Supplier selection for the upcoming twelve month period, Suppliers must have price quotes and service information available for Customers. Supplier may choose to post any or all of its prices on the supplier selection form issued by the Company, which once selected by the customer and returned to the Company, will represent a commitment between the Customer and Supplier for service; or the Supplier can choose to provide prices directly to the Customer and must provide a means for signing up Customers at that price. Customer, with the Supplier's consent, may switch between rate offerings of its current Supplier during the Choice Gas Program year.

The first change to Paragraph 8.2 is to strike the second sentence – “Company will provide a selection medium(s) to Customers or to such other party as is properly designated by a Customer,

listing Suppliers from which the Customer may choose.” As explained below, the language confuses the Supplier Selection process.

Paragraphs 8.1 and 8.3 of the tariff require BH Gas Distribution to provide the Customers with a list of qualifying suppliers and a required medium for each Customer to select a Supplier.

The Supplier selection packets are sent to the Customer of record. If any other party is to receive that packet on behalf of the Customer, then that party would need to be previously authorized by the Customer and listed as an authorized representative of the Customer on the Customer’s official Account.

The concern of BH Gas Distribution with the existing tariff language is that the language confuses a Customer’s ability to authorize or to designate agents or representative to administer the Customer’s account with Delegation Agreement forms used as part of the Choice Gas Program Supplier Selection process. In other words, the existing tariff language in Paragraph 8.2 could be interpreted to mean that BH Gas Distribution could be required to revise its Supplier Selection mailing list to include other third parties designated by a Customer. The current Supplier Selection process does not provide such forms. Accordingly, BH Gas Distribution asserts that the sentence should be deleted. The removal of that sentence does not alter a Customer’s right to change the authority under its account outside of the Choice Gas Program Supplier selection process.

In addition, under the current Supplier selection enrollment process, Suppliers are not required to submit forms (i.e., Delegation Agreements) to BH Gas Distribution in order to make the Customer’s Supplier selection. The Supplier must obtain the Customer’s consent to act on its behalf; however, the submission of the Delegation Agreement signed by the Customer is not

mandated under the Choice Gas Program unless required as proof of authority or otherwise requested by the Company.

Therefore, BH Gas Distribution would propose to revise the existing language of Paragraph 8.2 to require that a Supplier provide proof of its authority to act on behalf of a Customer to BH Gas Distribution upon request of the Company or the Commission. That proof may include but would not be limited to a Delegation Agreement signed by the Customer or call center recording, or subsequent Customer consent. In other words, a Supplier may obtain a Customer's acct/control# directly from a Customer and thereafter insert that Customer supplier selection information on the BH Gas Distribution template provided by the Suppliers. The Suppliers should not have to automatically provide BH Gas Distribution with a signed Delegation Agreement unless requested to do so.

To be clear, the Supplier may submit a Delegation Agreement signed by the Customer to BH Gas Distribution in order for the Supplier to obtain the Customer's acct/control# from BH Gas Distribution. However, submission of a Delegation Agreement should not be required when a customer verbally provides the acct/control# data to the Supplier.

Accordingly, BH Gas Distribution believes that the third sentence in Paragraph 8.2 should be revised to reflect the current Supplier selection process. BH Gas Distribution suggest deleting the sentence in Paragraph 8.2 that reads as follows: Selection forms submitted by the Supplier must be accompanied by a delegation agreement or other form as the Company may use from time to time, signed by the Customer.

That deleted sentence would be replaced with the following revised sentence:

BH Gas Distribution is authorized, but not required, to permit a Supplier to select the Supplier on behalf of the Customer. When permitted by BH Gas Distribution, the Supplier

may submit the Customer's selection of a Supplier provided the Customer has previously provided that authority to the Supplier under either (1) a Delegation Agreement signed by the Customer, or (2) otherwise granted the Supplier authority to make its Supplier selection (i.e., oral agreement or other customer consent that may exist between the Customer and the Supplier). Upon request, the Supplier shall provide BH Gas Distribution or the Commission with proof of the authority granted by the Customer to the Supplier.

Finally, BH Gas Distribution asserts that Fourth Revised Sheet No. 22 under Paragraph 8.6 should include an additional clarifying sentence. Paragraph 8.6 on that tariff sheet states as follows:

8.6 Multi-Year Supply Arrangements. Notwithstanding any other provision of this rate schedule to the contrary, a Supplier may negotiate a multi-year supply arrangement with any Customer taking service under this rate schedule. By offering multi-year supply arrangements, the Supplier represents to the Company that it will continue to act as a Supplier in the Choice Gas Program throughout the term of the supply arrangement, meeting the attendant Supplier eligibility requirements in effect from time-to-time during the term thereof, and agrees that, if it ceases to be a Supplier during the term of a multi-year supply arrangement, the Supplier will reimburse the Company for any costs incurred by the Company in meeting the supply requirements of Customers purchasing Gas from the Supplier during the remainder of the program year in which the default occurs. If a Supplier defaults during the term of a multi-year supply arrangement, Company will provide Gas supply to the Customer during the remainder of the then-current program year, and the Customer will be provided with a selection medium for choosing a new Supplier commencing for the succeeding program year.

BH Gas Distribution proposes to add an additional sentence in order to reflect that BH Gas Distribution will assign a Supplier to the Customer if that Customer fails to select a new Supplier after a Supplier default. The new sentence added to Paragraph 8.6 states as follows:

If the Customer does not complete the selection medium provided for choosing a new Supplier for the succeeding program year, then BH Gas Distribution shall assign a random default Supplier to the Customer from the list of participating Suppliers.

3. Annual Reports

Current Commission regulations require both participating suppliers and the jurisdictional utility offering a Choice Gas Program to file annual reports with the Commission following the close of the annual selection period.

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

Pursuant to Commission Rule 18.02F, a Choice Gas Program Supplier participating in a consumer choice program is required to report the highest and lowest price offered by the supplier during the consumer choice selection period and the rate determined for customers who did not make a selection during the consumer choice supplier selection period. *291 Neb. Admin., Ch. 9, Rule 018.02F.*

Pursuant to Commission Rule 18.03, BH Gas Distribution is required to a list of all suppliers that participated in the Choice Gas Program along with each participating Supplier's total number of Customers that selected that Supplier. *291 Neb. Admin., Ch. 9, Rule 018.03.*

BH Gas Distribution believes that the current annual reporting requirements are adequate.

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.

If the Commission desires additional information, then BH Gas Distribution would offer a few possible additional data points that may be relevant to the Commission in monitoring the Choice Gas Program.

One data point is to require BH Gas Distribution to identify the number of customers and percentage of total customers in the program who have actively enrolled in the program. Under this filing requirement, BH Gas Distribution would provide the number and percentage of

customer who actually submitted an enrollment form versus those customers who took no action and continued with its default Supplier.

Another data point is to require BH Gas Distribution to provide the number of customer and percentage of total customers who actually switch from one Choice Gas Program Supplier to another Choice Gas Program Supplier. Under this filing requirement, the Commission would understand the level of competition. That data point would not provide information as to why the Customer switched Choice Gas Program Suppliers.

Another data point would be to require Choice Gas Program Suppliers to not only submit the highest and lowest pricing information, but also to provide the number of customers, total throughput, and average price per therm for each of their posted supply pricing packages. The Commission could also require the Choice Gas Program Supplier to identify if there were any areas in which its offers were not provided to Customers. Whether that pricing data or marketing strategy information should be made available to BH Gas Distribution or the public is a matter of policy for the Commission to consider.

4. Marketing Period

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

BH Gas Distribution believes that the marketing period for Residential Customers is still too long, and that a shorter period should be considered. The original design of the program was to provide customers with a standardized enrollment period in which they would receive marketing materials, perform their research and make the best choice for their business or home for the next Choice Gas Program year (June 1 through May 31 of the following calendar year). April was chosen for the enrollment period as this month is considered a “shoulder” month for gas prices,

and price offerings could truly be competitive for Suppliers and to the benefit of Customers. All Suppliers would be on the same playing field. In more recent years, some Suppliers have extended the marketing period through various mailings, website promotions, media campaigns, and use of Delegation Agreements. BH Gas Distribution did not expressly prohibit the extended marketing activity as that activity was still within a manageable range for BH Gas Distribution to manage.

When Black Hills Corporation acquired SourceGas, the marketing period Commercial Customers had expanded to several months prior to the official Choice Gas Program enrollment period in April of each year. Some Suppliers have explained to BH Gas Distribution that a longer marketing period permits the Supplier to capture and to pass on lower natural gas prices to Customers.

Other Suppliers state that they prefer the longer marketing period in order to help them solicit and thereafter process gas supply offers to Customers, including their own customer base. Those Suppliers explain that squeezing the marketing period will cause more pressure to be placed on the Choice Gas Program enrollment period, increase administration, and require Customers to make Supplier selection and gas supply pricing decisions too quickly.

On the other hand, some Choice Gas Program Suppliers have advocated for a much shorter marketing period. Those Suppliers explain that the Customers will not face extended periods of Supplier marketing solicitations. The Suppliers also state that a shorter marketing period could actually reduce costs of administration since all the marketing efforts would be completed within a shorter period of time.

As BH Gas Distribution understands the position of its Suppliers, most Suppliers would be willing to shorten the marketing period for Residential customers. However, several Suppliers

state that Commercial Customers should have a longer marketing period. The difference is that a Commercial business organizations are generally able to evaluate and respond to competitor solicitations whereas most Residential Customers generally avoid extended solicitation – especially from call centers. In addition, the Commercial customer class is a much smaller number of customers than is the Residential class of customers

For the 2018-2019 Choice Gas Program year, BH Gas Distribution established the marketing period from January 1, 2019 through the end of the Choice Gas Program enrollment deadline. The Suppliers are prohibited from engaging in active solicitation during the period after enrollment.

BH Gas Distribution is contemplating revising the Mailing and Marketing Agreement to limit the marketing period further, but has not established a fixed start and end period at this time.

The bottom line here is that there is no uniformity of view among the Suppliers on the time period for marketing to either Residential or Commercial Customer classes. To date, BH Gas Distribution has established a marketing period for Residential and Commercial Customers for the same period.

BH Gas Distribution, as the administrator of the Choice Gas Program believes that the current marketing length of time for Residential Customers is still too long. That open period coupled with an overuse of Delegation Agreements as a marketing tool has overwhelmed the orderly administration of the Choice Gas program. BH Gas Distribution is contemplating another change in the marketing period by establishing that marketing period – at least for Residential Customers – is allowed only during the designated enrollment period. This change, if adopted,

would essentially return the Choice Gas Program marketing period as the program was designed two decades ago.

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

Maybe. The position of BH Gas Distribution is that the length of an appropriate marketing period depends on the customer class.

Residential Customer Marketing Period. As stated above, BH Gas Distribution's belief is that Residential Customers would benefit from a shorter marketing period to begin in Mid-March to coincide with the enrollment packet mailings and end on the last day of the annual selection period of the Customer's eligibility.

Commercial Customer Marketing Period. On the other hand, Commercial Customers may benefit from a longer marketing period. The gas consumption quantities used by Commercial Customers is normally greater than the gas consumption used by Residential Customers. Thus, a change in pricing will normally impact a Commercial Customer to a greater degree than a change in pricing will impact a Residential Customer. BH Gas Distribution would suggest that the marketing period for Commercial Customers commence on January 1st and cease at the end of the Choice Gas Program enrollment period.

Agricultural Customer Marketing Period. Similarly, Agricultural Choice Gas Program Customers normally consume gas during the summer months or into early fall. Like Commercial Customers, the Agricultural Customers are generally more accustomed to receiving and evaluating gas supply options during a longer marketing period. Like Commercial Customers, Agricultural Customers are operating a business. Thus, those customers are often more aware of the natural gas market as it relates to their gas individual consumption. In addition, because there

are not as many Agricultural Choice Gas Program customers as there are Residential or Commercial customers, BH Gas Distribution believes the marketing period to Agricultural Choice Program customers can remain open throughout the year. The reality is that most Agricultural Choice customers will select a Supplier during the winter or early spring prior to the planting season.

High Volume Customer Marketing Period. High Volume customers are non-regulated customers and generally possess more ability or financial resources than Residential Customers thereby enabling those High Volume Users to evaluate gas supply price packages from Suppliers. Accordingly, BH Gas Distribution believes that Suppliers should be permitted a longer marketing period to compete to provide services to those non-regulated High Volume customers. The only limitation on the supply competition is the term of an existing valid supply contract.

5. Delegation Agreements

a. How do Delegation Agreements benefit customers?

The primary purpose of the Delegation Agreement is to benefit the Customer by delegating to a Supplier, the Customer's responsibility to select a Supplier during the official Choice Gas Program year enrollment period. In other words, the Supplier will take on the administrative burden for the Customer of actually selecting that Supplier once the official Choice Gas Program enrollment period opens. A copy of the current Delegation Agreement is provided with these comments as BH Gas Distribution Exhibit C.

To be clear, once a Customer signs the Delegation Agreement, the Customer has contractually authorized the Supplier to enroll that customer in the Choice Gas Program. The Delegation Agreement acts similar to a limited power of attorney. The benefit to the Customer is

that the Customer will not need to take further action during the enrollment period to select the Supplier of its choice.

(i) **Delegation Agreement Process for Res/Com Choice Gas Program**

The current process of BH Gas Distribution for administering Delegation Agreements provided within the Res/Com Choice Gas Program is generally as follows:

- For the 2019-2020 Choice Gas Year, BH Gas Distribution began receiving Delegation Agreements from Choice Gas Program Suppliers for Res/Com after January 1, 2019.
- BH Gas Distribution entered those Delegation Agreements into BH Gas Distribution's information systems as the Delegation Agreement Customer files were received from each supplier.
- The Delegation Agreements were recorded using an automated process established by BH Gas Distribution to transfer the files from Choice Gas Program Suppliers to BH Gas Distribution.
- After recording the Delegation Agreements, BH Gas Distribution sent the completed files back to the respective Choice Gas Program Supplier soon after recording. The completed files indicated whether the Delegation Agreement was completed successfully or not.
- If the Delegation Agreement was not accepted, then BH Gas Distribution informed the Choice Gas Program Supplier of the rejected Delegation Agreement by providing the Choice Gas Program Supplier with an error message so the Choice Gas Program Supplier was aware that its submitted Delegation Agreement was not valid.
- An example of an error could be that a Delegation Agreement was invalidated due to BH Gas Distribution having received an earlier dated Delegation Agreement from another Choice Gas Program Supplier.
- Although the transfer of Customer Delegation Agreement information from individual Choice Gas Program Suppliers to BH Gas Distribution is automated, the current information system automation does not have the capability to provide all Choice Gas Program Suppliers with a real time list of Customers that have signed a Delegation Agreement.
- In other words, there currently is not a real time clearinghouse that syncs up with the individual Choice Gas Supplier's information system to remove the available list of available and unavailable Choice Gas Program Customers.

- BH Gas Distribution does remove those Choice Gas Customers that have signed a Delegation Agreement from the mail file so those Customers do not receive a Choice Gas Program Supplier selection packet.

(ii) *Agricultural Choice Gas Program*

The current process of BH Gas Distribution for administering Delegation Agreements provided within the Agricultural Choice Gas Program is generally as follows:

- For the 2019-2020 Agricultural Choice Gas Program year, BH Gas Distribution received Delegation Agreements from Choice Gas Program Suppliers for the Agricultural Choice Gas Program throughout 2018.
- BH Gas Distribution holds those Delegation Agreements and then enters them into BH Gas Distribution's information systems in early January, 2019.
- The Delegation Agreements were recorded using an automated process established by BH Gas Distribution to transfer the files from Choice Gas Program Suppliers to BH Gas Distribution.
- After recording the Delegation Agreements, BH Gas Distribution sent the completed files back to the respective Choice Gas Program Supplier soon after recording. The completed files indicated whether the Delegation Agreement was completed successfully or not.
- If the Delegation Agreement was not accepted, then BH Gas Distribution informed the Choice Gas Program Supplier of the rejected Delegation Agreement by providing the Choice Gas Program Supplier with an error message so the Choice Gas Program Supplier was aware that its submitted Delegation Agreement was not valid.
- An example of an error could be that a Delegation Agreement was invalidated due to BH Gas Distribution having received an earlier dated Delegation Agreement from another Choice Gas Program Supplier.
- Although the transfer of Customer Delegation Agreement information from individual Choice Gas Program Suppliers to BH Gas Distribution is automated, the current information system automation does not have the capability to provide all Choice Gas Program Suppliers with a real time list of Customers that have signed a Delegation Agreement;
- In other words, there currently is not a real time clearinghouse that syncs up with the individual Choice Gas Supplier's information system to remove the available list of available and unavailable Choice Gas Program Customers.

BH Gas Distribution does remove those Choice Gas Customers that have signed a Delegation Agreement from the mail file so those Customers do not receive a Choice Gas Program Supplier selection packet.

(iii) Delegation Agreement Time Periods

Choice Gas Program Suppliers advocate that the Delegation Agreements – i.e., used inside and outside of the official enrollment period – provide Choice Gas Program Suppliers with the opportunity to lock in favorable gas prices since the Supplier has a better understanding of how much gas that Supplier will need to procure to serve Customers committed to that Supplier under valid Delegation Agreements.

Several Suppliers also advocate that Delegation Agreements provide the Suppliers with a more orderly and more efficient administration of the Choice Gas Program customer enrollment process. In other words, the Supplier is not trying to sign up all of its customers during the official Choice Gas Program enrollment period. Suppliers state that the use of Delegation Agreement spreads out customer selection over a longer period of time.

The use of Delegation Agreements outside of the annual selection period was a process that existed prior to Black Hills Corporation's acquisition of SourceGas Distribution. However, during the past few years of Choice Gas Program administration by BH Gas Distribution, the use of Delegation Agreements has increased significantly. Suppliers are not simply using the Delegation Agreement to evidence its authority to act on behalf of the Customer during the Choice Gas enrollment period. Instead, several Suppliers are using the Delegation Agreement as a primary marketing tool used by Suppliers. There are no formal contracts between the Company and the Customer for the Choice Gas Program. Except for the Delegation Agreement, there are no formal gas supply contracts between the Choice Gas Program Suppliers and the Customers. Thus, several

Choice Gas Program Suppliers use the Delegation Agreement in lieu of a gas supply contract or other contractual comment document.

The use of a Delegation Agreement in recent years has increased dramatically. For example, BH Gas Distribution received over 34,000 Delegation Agreements from Choice Gas Program Suppliers for the 2019-2020 Choice Gas Program year. This quantity of Delegation Agreements is up from 17,000 for the 2018-2019 Choice Gas Program year. Each of the Delegation Agreements must be entered into the information system of BH Gas Distribution. This volume of Delegation Agreements is not a sustainable practice or acceptable business process model for BH Gas Distribution for future Choice Gas Program years. As explained below, the use of Delegation Agreements as a marketing tool - at least for Residential customers - will most likely be revised by BH Gas Distribution for the 2020-2021 Choice Gas Program year.

The original purpose of a Delegation Agreement was to provide the Choice Gas Program Administrator with written confirmation signed by the High Volume customer that the customer is fully aware of its gas Supplier and to acknowledge that Supplier would remain as the Customer's Supplier during a multi-year period. In other words, the Customer designates to BH Gas Distribution that the Customer has authorized its Supplier to enroll the Customer during the second and third year of Choice Gas enrollments periods. The Delegation Agreement permits BH Gas Distribution the legal authority and evidence from the Customer for BH Gas Distribution to release the Customer's Choice Gas control number to its designated Supplier for Choice Gas year enrollment purposes.

While the original intent of the Delegation Agreement never changed, its usage has changed dramatically in recent years, and BH Gas Distribution will take action to limit the use of Delegation Agreements to the intent with which those agreements were originally designed.

b. Are Delegation Agreements appropriate to be used for each class of customer: residential, commercial and Agricultural?

Although Delegation Agreements could be of benefit to any Customer desiring to delegate its Choice Gas Program Supplier selection, the reality appears that several Residential customers in do not appear to understand the purpose and commitment under the Delegation Agreement.

In addition, the volume of Delegation Agreements for all classes of customers simply is too great to process on a timely basis with the current Company staffing level. To accommodate the current or even greater use of Delegation Agreements would require expensive information technology system changes as well as potentially hiring more Choice Gas Administrative staff. The limited number of complaints received by BH Gas Distribution's call center, and advanced by the Commission demonstrates that several customers - mostly Residential customers – do not understand the legal commitment associated with the Delegation Agreement. Thus, removing the Delegation Agreements as a tool for marketing to Residential Customers should reduce customer confusion, and in turn, reduce Customer complaints.

For the reasons provided above, BH Gas Distribution does not believe that the use of Delegation Agreements is appropriate for Residential Customers. The Delegation Agreement was not intended to be used as a marketing tool for the Residential class customer. Accordingly, BH Gas Distribution will most likely restrict or eliminate the use of Delegation Agreements for the 2020-2021 Choice Gas Program year.

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?

Yes. Customers should have a firm understanding of (i) who will provide the Customer's gas supply, and (ii) what price the Customer will pay for each unit of its gas supply. Confirmation letters should be required whether a Delegation Agreement is used or not.

Where Delegation Agreements are permitted in the future, a confirmation letter or other notification should be sent to a Customer as soon as possible after the Supplier receives its final balloted file from the Choice Gas Program Administrator.

BH Gas Distribution is indifferent as to the mode of communication provided to the Customer so long as the Supplier can provide evidence of the gas supply price confirmation. In a perfect world, the Customer's preferred mode of communication would be used as the method to communicate with the Customer in providing the Supplier selection, price, and term confirmation. However, in the real world, BH Gas Distribution understands that confirmation by mailing or electronic communication may be the more appropriate choice of providing the Customers with confirmation of the Customer's Supplier selection and gas supply price confirmation.

In addition, BH Gas Distribution understands that due to timing and volume of customer enrollment issues, a Supplier may not be able to complete the price confirmation mailing to all of its enrolled customers prior to the Company's first Choice Gas Program monthly billing issued to Customers in June. However, the expectation and requirement under the Choice Gas Program is that all Supplier selection and price confirmation mailings to Customers be made by the end of June.

BH Gas Distribution recommends that the Supplier selection and supply price confirmation letter issued by Suppliers include the following items: Supplier's branding, applicable program years, the customer's account numbers, service point id's (premise #'s) and corresponding service addresses, price agreed upon, term agreed upon, price option agreed upon and corresponding confirmation code, as well as terms and conditions. A copy of a possible confirmation letter for Suppliers to use in confirming the Customer Supplier selection is provided with these comments as BH Gas Distribution Exhibit D.

6. Customer Selection

- 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 that occur? If not, why not?**

The first part of the question refers to a customer that makes a selection. In this scenario, the selection can only take place during the annual selection period, which then results in a daily balloted file sent to the suppliers early in the morning on the day after the Customer makes its Supplier selection. The purpose of the daily balloted file is to allow all Choice Gas Programs Suppliers time and knowledge to remove those balloted customers from their "Eligible File" for that day. The Mailing & Marketing Agreement further prohibits Suppliers from actively soliciting balloted Choice Gas Program customers.

The second part of this question refers to a customer that has signed a Delegation Agreement. Currently BH Gas Distribution does not notify Suppliers that a Customer has signed a Delegation Agreement until the Supplier Selection enrollment period. The obligation to provide notice after the Customer signs a Delegation Agreement would require more programming, more files and would create an administrative burden to maintain such lists. While the concept of removing the Customer from the Eligible File list is preferable, the logistics to accomplish this

task are expensive and time consuming. The number of Customers to process on a timely basis makes its impractical to implement this process under the current structure of the Choice Gas Program.

The reality is that when a Customer signs a Delegation Agreement, it has not formally enrolled in the Choice Gas program. Suppliers hold those agreements and then turn in their customer list to BH Gas Distribution. The official selection of a Choice Gas Program Supplier under a Delegation Agreement does not occur until the Choice Gas Program enrollment is officially opened.

BH Gas Distribution agrees that it would be preferable to Suppliers if BH Gas Distribution had an efficient method for removing those Customers that have signed a Delegation Agreement from an Eligible customer file. However, as noted above, that option is not economically feasible at this time. In addition to the cost to implement and maintain a list of Customers that have signed Delegation Agreements and then to remove them from Eligible customer lists, would effectively expand the official Choice Gas Program enrollment period.

To implement and maintain a process of removing customers committed under a valid Delegation Agreement executed outside of the Choice Gas Program year official enrollment from further marketing may require a new tariff provision or clarification describing what constitutes a valid Supplier selection. The current tariff language provides for a two-week Supplier selection process. Removing a Customer from marketing lists due to signed Delegation Agreements could be interpreted as to undo that official two-week Supplier selection enrollment period by treating customers who have signed a Delegation Agreement outside of this defined period as an enrolled customer.

Unfortunately, as stated above, due to the number of Customers involved, and the semi-manual process currently used to administer Supplier selection, protecting Customers who have signed a Delegation Agreement from further marketing is not currently cost-effective. In addition, any system changes implemented to automate the selection process would require Suppliers to have compatible information systems so that their Customer enrollment process accurately communicates with the information systems of BH Gas Distribution. Hopefully, future technology evolution will make this process more cost-effective and efficient in the future.

- b. Do customers have an expectation that once they select or sign a Delegation Agreement, they will no longer be solicited? Is this currently occurring, and if not, how can this be accomplished?**

The first part of this question refers to a Customer that makes a Choice Gas Program Supplier selection. BH Gas Distribution can't speak for what individual customers expect. However, BH Gas Distribution recognizes that it is reasonable to expect that most Customer would expect and prefer further Supplier solicitation to cease once the Customer has officially selected a Supplier.

BH Gas Distribution's experience is that there may be continued Customer solicitation by Suppliers due to a time lag in revising a customer solicitation list on a real time basis. Whether the continued solicitation by a Supplier is inadvertent or willful is more difficult to determine. However, BH Gas Distribution would assume that each Supplier would prefer to invest its resources on eligible Customers – and not on those Customers that have made an official Choice Gas Program Supplier selection.

BH Gas Distribution has provided notice to Customers advising them that Suppliers should not continue to contact them after the Customer's Supplier selection has been completed. For

example, BH Gas Distribution advises customers of this fact on pages four (4) and five (5) of the BH Gas Distribution Choice Gas Guidebook, within the letter that is included with the Choice Gas Program enrollment packet mailing, and on the Company's Choice Gas website. In addition, Suppliers are contractually bound to customer contact rules pursuant to the Marketing and Mailing Agreement between the Supplier and BH Gas Distribution.

The second part of this question is related to the signing of a Delegation Agreement outside of the annual selection period. BH Gas Distribution can't speak for what individual customers expect. Like Customers who select a Supplier during the official Choice Gas Program Supplier selection enrollment period, BH Gas Distribution recognizes that a Customer that signs a Delegation Agreements with a Supplier would also expect that further Supplier solicitation would cease.

However, as explained above, due the inability of BH Gas Distribution to provide cost-effective real time Customer selection information, Customer solicitation by Suppliers may continue until the Suppliers obtain and implement their lists of eligible Customers.

BH Gas Distribution recognizes the potential for customer confusion, and perhaps frustration with the continued marketing. However, as explained above, the signing of a Delegation Agreement does not represent an immediate and automatic Supplier selection has occurred within the official Choice Gas Program information systems of BH Gas Distribution.

As noted above, perhaps the most reasonable resolution of reducing Customer confusion and frustration with continued Supplier marketing and solicitation is to prohibit the use of Delegation Agreements for the Residential Customers and prohibit use of Delegation Agreements outside of the Supplier selection enrollment process. Another possible resolution is for Suppliers

and the Company to invest in technology changes or additional administrative staff to accommodate the efficient use of Delegation Agreements. However, that resolution may be cost prohibitive.

7. OTHER INFORMATION

- a. 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.**

Yes. The frequency and use of “Outbound” telephone calls and text messaging from Suppliers should be limited or perhaps even eliminated – i.e., at least for Residential customers and outside of the official Choice Gas Program Supplier Selection enrollment period. BH Gas Distribution believes that this method of marketing is intrusive to Customers. Moreover, BH Gas Distribution questions its effectiveness. Perhaps the Choice Gas Program Suppliers can provide data or studies to address the concerns voiced by some Customers.

BH Gas Distribution has receives several calls every Choice Gas Program year from Customers who are concerned about the number of calls from Choice Gas Program Suppliers. Those Customers have questioned if the calls are scams.

As the Commission understands, many Customers use cellular phones as their primary contact number for utility services. Since Customer receive calls from Suppliers outside of the enrollment period the Customers don’t have a Choice Gas Program Supplier selection packet of information. Accordingly, the Customers are often caught off guard, presented with a Suppliers solicitation without the benefit of knowing why the call is occurring. BH Gas Distribution would suggest that in those cases, the Choice Gas Program Customers are not properly prepared to make an informed decision. In the opinion of BH Gas Distribution, this marketing strategy creates a

disadvantage for the Customer - especially if a Suppliers' marketing script is delivered with a sense of urgency.

V. **CONCLUSION**

WHEREFORE, for the reasons stated above, BH Gas Utility and BH Gas Distribution respectfully submits the comments provided herein.

Respectfully,

By: */s/ Douglas J. Law*

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Dated: Friday, September, 13, 2019

BH GAS DISTRIBUTION COMMENT EXHIBITS

BH Gas Distribution Exhibit A -	NE Choice Gas Program Supplier Participation Agreement
BH Gas Distribution Exhibit B -	A Guide to the Choice Gas Program – Nebraska 2019
BH Gas Distribution Exhibit C -	Delegation Agreement
BH Gas Distribution Exhibit D -	Supplier Selection Price Confirmation Letter Form

CERTIFICATE OF SERVICE

I hereby certify that I have caused to be served a copy of the foregoing this 13th day of September, 2019 in accordance with the procedures established for this proceeding.

/s/ Douglas J. Law

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Gas, Inc.

**FORM OF AGREEMENT
NEBRASKA CHOICE GAS TRANSPORTATION SERVICE
SUPPLIER PARTICIPATION AGREEMENT
FOR JURISDICTIONAL RESIDENTIAL AND COMMERCIAL, NON-CONTRACT
INDUSTRIAL, AND NON-IRRIGATION AND
NON-GRAIN DRYING AGRICULTURAL CUSTOMERS**

This Choice Gas Transportation Service Supplier Participation Agreement (“Agreement”) is made and entered into to be effective the 1st day of January, 2019, by and between _____ (“Supplier”) and Black Hills Gas Distribution LLC (“Black Hills Gas Distribution”), (individually, the “Party” and collectively, the “Parties”).

WITNESSETH:

WHEREAS, Black Hills Gas Distribution offers a Nebraska Choice Gas Transportation Service Program (“Choice Gas Program”) for jurisdictional residential and commercial, non-contract industrial, and non-irrigation and non-grain drying agricultural customers that are connected to Black Hills Gas Distribution’s system located within certain designated Black Hills Gas Distribution service areas in Nebraska, whereby such customers choose their gas commodity supplier; and

WHEREAS, Supplier desires to provide gas commodity supply service to such customers that choose to receive such service from Supplier (“Customers”) in accordance with the Black Hills Gas Distribution’s Nebraska Gas Tariff (“Tariff”) under Rate Schedules CGS (Choice Gas Service) and ACGS-NSS (Agricultural Choice Gas Service – Non-Seasonal Service).

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the Parties agree as follows:

1. Participation: Supplier agrees to participate in Black Hills Gas Distribution’s Choice Gas Program by providing gas commodity supply service to Customers and to be bound by the provisions of this Agreement and the Tariff under Rate Schedules CGS and ACGS-NSS , as amended from time to time..

2. Registration Fee: Suppliers providing gas commodity supply service to Customers under this Agreement, including any affiliate of Black Hills Gas Distribution, shall pay an initial one-time registration fee of \$5,000.00 to Black Hills Gas Distribution. Black Hills Gas Distribution shall retain this fee to help defray costs associated with implementing the Choice Gas Program.

3. Minimum Customer Level: In order to qualify as a supplier for serving Customers under the Choice Gas Program, Supplier must achieve a minimum subscription level of 300,000 Dth annual projected customer sales. The total number of participating suppliers under the Choice Gas Program, however, shall be limited to the first ten (10) suppliers executing

a supplier participation agreement. Suppliers first must obtain a Competitive Natural Gas Provider certificate from the Nebraska Public Service Commission (the “Commission”) in order to be deemed eligible to participate in the Choice Gas Program.

4. **Firm Supply Commitment:** Supplier agrees to sell gas to Customers on a firm basis. Supplier shall deliver daily quantities on a firm basis into Black Hills Gas Distribution’s distribution system at the Receipt Point(s) set forth on Exhibit A attached hereto and made a part hereof, up to the Customer’s actual maximum daily usage plus Retention Quantity, as that term is defined in the Tariff.

5. **Firm Supply Warranty:** Supplier warrants the firm sale and delivery of gas to Customers under this Agreement at the Receipt Points set forth on Exhibit A attached hereto and made a part hereof. Supplier shall be deemed to have delivered on any day such quantities of gas allocated to Supplier by Tallgrass Interstate Gas Transmission, LLC (“TIGT”), its successor, or other transporting pipeline.

6. **Choice Gas Supplier Fee:** Black Hills Gas Distribution shall withhold the Supplier Fee, as that term is defined in the Tariff, from the monthly payment to Supplier, per premise billed, per month as set forth in this Agreement. The Supplier Fee shall be as stated in the Tariff effective June 1st of the applicable Choice Gas Program year.

7. **Payment:** Supplier shall make any payment due Black Hills Gas Distribution under Paragraph 2 above within 15 days after receipt of invoice, and interest at the rate of 1.5% per month shall accrue and be paid on any late payments. In the event of suit or other action to recover money due under this Agreement, Black Hills Gas Distribution shall be entitled to recover its reasonable costs of collection, including attorneys’ fees, as permitted by law. Without limiting any other remedy Black Hills Gas Distribution may have, Black Hills Gas Distribution shall have the right to offset any unpaid amounts due Black Hills Gas Distribution from the payments Black Hills Gas Distribution remits to Supplier.

8. **Performance Assurances:** Supplier agrees to provide to Black Hills Gas Distribution performance assurances of Supplier’s ability to perform its obligations and meet its commitments under this Agreement. Such assurances shall be in the form of a Letter of Credit that is in a form acceptable to Black Hills Gas Distribution or in the form of an unconditional Parent Guaranty, attached hereto and made a part hereof, for any subsidiary debt in lieu of the Letter of Credit; provided, the parent company holds an investment grade credit rating.

9. **Rates to Customers:** Supplier’s rates shall be established by Supplier in the competitive marketplace, subject only to such requirements as are reasonably necessary to allow Black Hills Gas Distribution to efficiently administer the billing and collection of such rates from Customers without incurring undue added costs. All rates which are stated as a rate per unit shall be stated in therms. Supplier agrees to notify Black Hills Gas Distribution at least one full day prior to the next monthly billing cycle regarding any change in Supplier’s rates to Customers.

10. **Gas Quality and Tariff Requirements:** Supplier agrees to comply with all tariff provisions, rules, regulations, and service agreement provisions regarding gas quality, transportation, delivery, and storage of TIGT or other upstream pipelines delivering gas at any

Receipt Point hereunder, including, but not limited to, compliance with the appropriate tariff provisions that will allow Supplier to retain the maximum released No-Notice Contractual Maximum Daily Withdrawal Quantity between November 1 and March 31 of each year. Supplier authorizes Black Hills Gas Distribution to obtain no-notice storage balances, at any time, from TIGT or other upstream pipelines and agrees to execute any documents required by TIGT or other upstream pipelines to allow Black Hills Gas Distribution access to such information. All applicable tariff provisions of TIGT or other upstream pipelines, including definitions, are incorporated herein and made a part hereof by reference; provided, however, that the provisions of this Agreement shall govern in the event of any conflict with the tariff provisions of TIGT or other upstream pipelines.

11. Equal Treatment: Black Hills Gas Distribution will give fair and equitable treatment in its customer and public communications and in its administration of the Choice Gas Program to all participating suppliers. Black Hills Gas Distribution will inform its customers that the participating suppliers have met specified qualification standards.

12. General Supplier Representations and Warranties: Supplier hereby represents and warrants that it is experienced in providing firm natural gas supply service; that it has prior to executing this Agreement obtained a Competitive Natural Gas Provider certificate from the Commission; that it has adequate firm gas supplies to meet its obligations hereunder; that it is capable of meeting the financial assurances required hereunder; and that it presently has and will maintain adequate resources, full-time personnel, facilities and equipment, including computers, communication equipment, electronic bulletin board interface capabilities, and 24-hour on-call gas control capabilities.

Supplier also represents and warrants that it will meet all tariff requirements and directives of TIGT or other upstream pipelines with respect to required storage inventories. Supplier agrees to allow Black Hills Gas Distribution to seek such information directly from the applicable upstream pipeline.

Supplier, to the extent that it is serving Customers under this Agreement under multi-year agreements, also represents and warrants that it will take those actions necessary to remain eligible to execute, and will execute, supplier participation agreements in the future that permit it to fulfill its obligations under its existing multi-year deals.

13. Supplier Authorizations: Supplier authorizes Black Hills Gas Distribution, and Black Hills Gas Distribution agrees:

- a) To receive and transport Supplier's gas on Black Hills Gas Distribution's distribution pipeline facilities,
- b) To deliver Supplier's gas less Retention Quantity to Supplier's Customers,
- c) To measure the quantities of gas delivered to Customers using meters owned and operated by Black Hills Gas Distribution and located on or near Customers' premises,

- d) To invoice Supplier's Customers as a separate line item on Black Hills Gas Distribution's gas utility service bill, for gas quantities delivered to Customers at the prices offered by Supplier and accepted by Customers, as provided to Black Hills Gas Distribution by Supplier and reflected in the account information for said Customers,
- e) To collect payment from Supplier's Customers for the gas supply they purchase from Supplier and are billed by Black Hills Gas Distribution,
- f) To remit payment to Supplier by electronic transfer on or before the 20th of the month for Supplier's gas supplies billed to Customers in the preceding month,
- g) To be responsible for any collections and bad debt expenses associated with Customers billed by Black Hills Gas Distribution not collected through the Supplier Fee,
- h) That all rate and volume prior period adjustments that occur within the current Choice Gas Program year will be reflected on the Supplier's monthly payment, if any, and
- i) To charge the Supplier a Supplier Fee per premise, billed per month, to recover costs associated with the Choice Gas Program under this Agreement. The Supplier Fee shall be revised annually and stated in the Tariff, and shall be an offset to Supplier's monthly payment otherwise due from Black Hills Gas Distribution.

14. Title, Possession, Taxes and Liability: Supplier shall retain title to its gas until the point of sale and delivery to Supplier's Customers at the Delivery Point located on or near Customers' premises, at which point title will then pass to Customer. Black Hills Gas Distribution will not purchase or take title to Supplier's gas under this Agreement, but at the Receipt Points will receive gas from Supplier for the account of Supplier's Customers. Supplier grants to Black Hills Gas Distribution such authorizations as may be required to receive such gas, and to arrange for the receipt, transportation, commingling, and delivery of such gas to Supplier's Customers. Supplier warrants that it has the right to sell the natural gas delivered hereunder and that the natural gas is free from liens and adverse claims of any kind. Supplier will save and hold Black Hills Gas Distribution and Customers harmless from all loss, damage and expense due to adverse claims against them for the title of the natural gas delivered hereunder. Supplier will pay or cause to be paid all royalties, taxes and other sums due on production and transportation of the natural gas prior to its delivery at the Receipt Points. As between Black Hills Gas Distribution and Supplier, Supplier shall be deemed to be in control and possession of the natural gas, and responsible for any damage or injuries caused thereby until the natural gas is delivered at the Receipt Point(s), except for injuries and damage caused by the negligence of Black Hills Gas Distribution, and Black Hills Gas Distribution shall be deemed to be in control and possession of the natural gas and responsible for any damage or injuries caused thereby after the natural gas is delivered at the Receipt Point(s) and before it is delivered to

Customers, except for injuries and damage caused by the negligence of Supplier. Neither Party hereto shall be liable for incidental or consequential damages.

15. Upstream Pipeline Capacity: Supplier shall utilize firm transportation service and no-notice service on the upstream pipeline as released by Black Hills Gas Distribution to Supplier under this Agreement, to deliver Customers' supply to the Receipt Point(s). Supplier shall transact business directly with the upstream pipeline as related to the upstream firm transportation service and no-notice service. The level of firm transportation service and no-notice service are set forth on Exhibit A as determined by Black Hills Gas Distribution according to the Tariff and this Agreement. Supplier may also be required to purchase gas supply in storage from Black Hills Gas Distribution as set forth in the Tariff and this Agreement. Supplier is obligated to execute the appropriate release agreements with the upstream pipeline in order to facilitate the release. No release by the Supplier to a replacement shipper shall release Supplier's obligation to provide firm supply.

16. Communications and Notices: Supplier will maintain a 24-hour toll free phone line which can be directly accessed by Customers or by Black Hills Gas Distribution for purposes of forwarding Customers' inquiries.

17. Indemnification: Black Hills Gas Distribution shall perform the services described herein in conformance with, and subject to the Tariff under Rate Schedules CGS and ACGS-NSS. As a material consideration to Black Hills Gas Distribution for entering into this Agreement, Supplier specifically agrees that Black Hills Gas Distribution shall not be liable for, and Supplier shall indemnify, keep whole, and hold Black Hills Gas Distribution harmless from and against any and all claims, damages, injuries, losses, penalties, fines, awards, assessments or liabilities of any kind with respect to the services to be performed by Black Hills Gas Distribution hereunder and which occur as the result of any cause whatsoever, except to the extent such liability is the result of a material breach of this Agreement by, or willful and wanton misconduct on the part of, Black Hills Gas Distribution during the term of this Agreement.

18. Force Majeure: If either Party is rendered unable, wholly or in part, by reason of force majeure to carry out its obligations under this Agreement, it shall give notice to the other Party of the force majeure with reasonably full particulars; whereupon, the obligations of a Party claiming force majeure so far as they are affected by the force majeure shall be suspended during, but not longer than, the continuance of the force majeure. The claiming Party shall use all possible diligence to remove the force majeure as quickly as possible. However, the requirement to remedy shall not require the settlement of strikes, walkouts, or other labor difficulty; all such difficulties shall be resolved entirely by the sole discretion of the claiming Party. The term "force majeure" as herein employed shall mean any act of God, strike, walkout, or other industrial disturbance, act of the public enemy, war, riot, lightning, fire, storm, flood, earthquake, explosion, repair or maintenance, governmental regulation or restraint, inability to obtain any required governmental permits or authorizations, interruptions of firm transportation service, or any other cause, whether of the kind specifically enumerated above or otherwise, which is not reasonably within the control of the claiming Party. The obligation to make monetary payments hereunder shall not be suspended by reason of any force majeure.

19. Fuel and Lost and Unaccounted For Gas Percentage. On or before January 31, 2019, Black Hills Gas Distribution will inform Supplier of the stated fuel, lost and unaccounted for gas (“FL&U”) percentage that Black Hills Gas Distribution has calculated for the upcoming Choice Gas Program year. During the Choice Gas Program year, the balancing provisions described in Section 13 of Rate Schedule CGS of the Tariff shall apply. After the end of each Choice Gas Program year, Black Hills Gas Distribution shall reconcile the difference between the stated FL&U percentage in effect for that Choice Gas Program year and the actual FL&U percentage realized during that Choice Gas Program year relative to Supplier, as follows:

1. Black Hills Gas Distribution shall calculate the FL&U volume that Black Hills Gas Distribution would have retained from Supplier during the most recently ended Choice Gas Program year by applying the stated FL&U percentage in effect for that Choice Gas Program year to the summation of the allocated delivery volumes set forth in the monthly statements.
2. Black Hills Gas Distribution shall calculate the actual FL&U volume delivered but not billed by subtracting:
 - i. The summation of the allocated delivery volumes of Supplier as set forth in the monthly statements by,
 - ii. The summation of the billed customer volumes for the applicable months of Supplier. The billed customer volumes for the applicable months shall be set forth in Supplier’s monthly payment files.
3. Black Hills Gas Distribution shall subtract the FL&U volume that it would have retained (as calculated in paragraph 1) by the actual FL&U volume that Supplier delivered during the most recently ended Choice Gas Program year but that was not billed to customers (as calculated in paragraph 2).
4. Black Hills Gas Distribution shall multiply the weighted average price of the Colorado Interstate Company (CIG) – Rocky Mountains first of month index prices, as published in the Inside FERC’s “Gas Market Report” monthly publication, to the difference, either positive or negative, between the FL&U volume that Black Hills Gas Distribution should have retained and the actual FL&U volume that Supplier delivered during the most recently ended Choice Gas Program year but that was not billed to customers. The weighted average price shall be based on the total allocated delivery volumes for all participating suppliers. The same weighted average price shall be used for all participating suppliers.
5. Black Hills Gas Distribution shall be entitled to make ratable adjustments to the final reconciliation amount due to or from Supplier for its actual gas cost associated with any operations purchases that Black Hills Gas Distribution is required to make during the Choice Gas Program year.
6. Black Hills Gas Distribution’s calculation shall produce a dollar amount, either positive or negative, for each participating supplier. If the dollar amount is positive,

Black Hills Gas Distribution shall owe that dollar amount to Supplier. If the dollar amount is negative, Supplier shall owe that dollar amount to Black Hills Gas Distribution.

7. On or before August 1 of each year, Black Hills Gas Distribution shall communicate to Supplier the dollar amount owed to or owed by Supplier. The dollar amount owed to or owed by Supplier, respectively, shall be added to or netted against the payment that Black Hills Gas Distribution shall remit to the Supplier by electronic transfer in August of each year. In the event that a Supplier's participation in the Residential/Commercial Choice Gas Program terminates during or at the end of the program year covered by this Agreement, Black Hills Gas Distribution may withhold the final payment owed to the Supplier for a period sufficient to allow the foregoing calculation to be made and communicated to the Supplier.

20. Term: This Agreement shall be effective on the date first above stated and shall continue in effect until May 31, 2020, unless terminated earlier in accordance with this Agreement.

21. Termination: Black Hills Gas Distribution may terminate this Agreement upon one day's notice or longer to Supplier upon any of the following conditions: i) if Supplier fails to deliver gas in accordance with this Agreement, ii) if Customer terminates its contractual arrangement with Black Hills Gas Distribution, iii) if Customer submits notification to change suppliers, or iv) if Supplier fails to comply with any other provisions of this Agreement or the Tariff, including submitting false information to Black Hills Gas Distribution regarding Customer subscription and lack of confirmation with Customer, and Supplier shall be barred from any further participation in the Choice Gas Program. If this Agreement is terminated due to non-performance by the Supplier, Supplier is obligated to reimburse Black Hills Gas Distribution for the net gas supply costs and upstream transportation costs which Black Hills Gas Distribution may have incurred to continue delivery to Supplier's Customers. Black Hills Gas Distribution shall invoice Supplier for the reimbursement amount, if any, and payment shall be due to Black Hills Gas Distribution thirty (30) days after the invoice date. Interest shall accrue on the reimbursement amount from the termination of this Agreement to the date payment is made by Supplier to Black Hills Gas Distribution.

22. Entire Agreement: This Agreement will supersede and replace any and all previous contracts between Black Hills Gas Distribution and Supplier addressing Supplier's rights and obligations under the Choice Gas Program.

23. Remedies: All rights and remedies provided in this Agreement are cumulative and not exclusive of any other rights or remedies that may be available to the parties, whether provided by law, equity, statute, in any other agreement between the parties or otherwise.

24. Assignment: This Agreement shall extend to and be binding upon the Parties hereto, their respective successors and assigns, provided, however, that no assignment hereof shall be made by either Party without written notification to the other Party and the receipt of written consent by the other Party.

25. **Severability**: Any provision of this Agreement, which is determined to be invalid or unenforceable, will be ineffective to the extent of such determination without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such remaining provisions.

26. **Survival**: The indemnification, warranties, liability and financial assurance provisions set forth herein shall survive any termination of this Agreement.

27. **Governing Law**: This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Nebraska.

28. **Amendments**: Modifications or amendments to this Agreement shall only be valid and enforceable when made in writing and executed by both Parties hereto.

29. **Miscellaneous**: No waiver by either Party with respect to any breach or default, or of any right or remedy, and no course of dealing, shall be deemed to constitute a continuing waiver of any other breach or default, or of any such right or remedy, unless such waivers be expressed in writing signed by the Party to be bound. The entire Agreement is contained herein, and no statement or agreements, oral or written, made prior to or at the signing hereof, shall vary or modify the written terms hereof. The terms of this Agreement shall not be varied, modified, explained or supplemented by evidence of usage of trade or course of performance or dealing. To the extent that the terms of this Agreement are inconsistent with the applicable Black Hills Gas Distribution Tariff provisions, the provisions of the Tariff shall govern. Exchange by facsimile transmission of this signed Agreement or Appendix, Schedule, Exhibit, or any amendment hereto shall constitute evidence of a binding Agreement which is legally enforceable.

EXECUTED TO BE EFFECTIVE the day and year first above written.

“SUPPLIER”

BY:

Name:

Title:

BLACK HILLS GAS DISTRIBUTION LLC

BY:

Name:

Title:

EXHIBIT A TO SUPPLIER PARTICIPATION AGREEMENT

EXHIBIT A

CHOICE GAS TRANSPORTATION FOR NEBRASKA RECEIPT POINTS AND ASSIGNED UPSTREAM CAPACITY

RECEIPT POINTS INTO BLACK HILLS GAS DISTRIBUTION:

The Receipt Points to be used by Supplier hereunder are included in the Receipt Point data shown on Exhibit A to the Supplier Participation Agreement for Jurisdictional Residential and Commercial, Non-Contract Industrial and Non-Irrigation and Non-Grain Drying Agricultural Customers executed by Supplier and Black Hills Gas Distribution.

UPSTREAM ASSIGNED CAPACITY; VOLUME AND POINTS

The Upstream Assigned Capacity; Volume and Points applicable to Supplier hereunder are included in the Upstream Assigned Capacity; Volume and Points shown on Exhibit A to the Supplier Participation Agreement for Jurisdictional Residential and Commercial, Non-Contract Industrial and Non-Irrigation and Non-Grain Drying Agricultural Customers executed by Supplier and Black Hills Gas Distribution.

Accepted and agreed to this ____ day of _____, 20__, and incorporated into and made a part of the Choice Gas Service Supplier Participation Agreement between the Parties dated _____.

BLACK HILLS GAS DISTRIBUTION, LLC (“SUPPLIER”)

By: _____

By: _____

Name:

Name:

Title:

Title:

EXHIBIT B TO SUPPLIER PARTICIPATION AGREEMENT

BLACK HILLS GAS DISTRIBUTION LLC

CHOICE GAS RESIDENTIAL and COMMERCIAL PROGRAM

2019-2020 Program Year

AGREEMENT REGARDING MAILING LIST AND MARKETING PRACTICES

(Addendum to Supplier Participation Agreement)

The undersigned, for _____, (the Supplier), a competitive natural gas commodity supplier participating in the Choice Gas Residential and Commercial Program under a Supplier Participation Agreement with Black Hills Gas Distribution LLC ("BHGD"), hereby represents, warrants and agrees as follows:

1. The Supplier desires to use the lists of names and addresses of BHGD's customers eligible to participate in BHGD's Choice Gas Residential and Commercial Program for communicating with Choice Gas Program customers. During the time periods set forth below and on Exhibit A of this Agreement, the Supplier may advertise and market the Supplier's natural gas services and prices. The Supplier's marketing practices should be designed to assist Choice Gas Program customers in selecting a commodity supplier, and informing the customers of the Supplier's natural gas supply offerings available to the customer.
2. BHGD shall furnish the Supplier with a Choice Gas Program customer list containing the current customer accounts, contact addresses and historical usage, in BHGD's Nebraska and Wyoming retail natural gas service territory. The customer information provided by BHGD will include those Customers eligible to participate in BHGD's Choice Gas Residential and Commercial Program. BHGD will not provide the Choice Gas Program customer information prior to February 1st, so that BHGD may provide the most current annual historical customer data. The Supplier shall forward two executed originals of this Agreement to BHGD to the attention of the Choice Gas Administrator at the Cheyenne, WY office at 1301 W 24th St, Cheyenne, WY 82001. BHGD shall execute the two original Agreements and will return one fully executed original Agreement to the Supplier.
3. The Choice Gas Program customer list furnished to the Supplier in the form of a fully useable Microsoft Excel spreadsheet. BHGD will not charge the Supplier for the Choice Gas Program customer list.
4. As a precondition to obtain the Choice Gas Program Customer list, the Supplier agrees that the customer list will be used by the Supplier, or its contractors or agents, only for the purposes of participating in BHGD's Choice Gas Residential and Commercial Program. Supplier warrants and agrees that it will not give, rent, sell or otherwise disclose, share, or communicate the Choice Gas Program Customer list in any way, in whole or in part, to any other person(s) or entity for any purpose other than permitted herein. Supplier warrants and agrees that it will not use the Choice Gas Program Customer list for any business purpose not directly a part of the Choice Gas Residential and Commercial Program. Supplier warrants and agrees that it will retain the list in its sole possession or its contractors and agent's possession at all times for purposes set forth above, and that it and its designee will maintain complete and effective confidentiality and security for the Choice Gas Program Customer list at all times.
5. Supplier acknowledges and agrees that in communicating with customers in BHGD's Choice Gas Residential and Commercial Program, it will comply with all applicable legal requirements, including but not limited to, **requirements** of the Nebraska Public Service Commission, and/or the Wyoming Public Service Commission, Supplier Codes of Conduct, the Federal Trade Commission, "Do Not Call" requirements and the Federal Communications Commission.

6. **IN ADDITION, SUPPLIER ACKNOWLEDGES AND AGREES THAT FOR THE ANNUAL SELECTION PERIOD:**

- a) Exhibit A of this Agreement Regarding Mailing List and Marketing Practices contains a summary of many of the provisions provided below and is provided to assist the Supplier on the frequency and time periods for soliciting and marketing the Supplier's gas supply options to BHGD's Choice Gas Program Customers. Exhibit A is incorporated into this Agreement by reference herein.
- b) The Supplier agrees to cease direct solicitation and direct marketing to individual Residential and Commercial Choice Gas Program customers effective with the last date of eligibility of customers to select a Supplier for the upcoming Choice Gas Program year, as provided for by the concluding eligible customer file. This marketing and mailing limitation applies to all Residential and Commercial customers.
- c) The Supplier may respond to any Customer who initiates contact with the Supplier. In addition, the Supplier's response may include discussion of future program year price options and prices including the execution of a Delegation Agreement if requested by the Choice Gas Program Customer.
- d) If the Supplier uses a Delegation Agreement via any methods, then prior to the full execution of the Delegation Agreement, the Supplier will include an additional message and instruction to the Choice Gas Program Customer which states as follows: "with the submission of this signed Delegation Agreement, I am hereby allowing the Supplier to make a selection on my behalf."
- e) If the Supplier uses a Delegation Agreement via any methods, then the Supplier will subsequently provide the Choice Gas Customer a confirmation of the pricing option and term of the Choice Gas Program Customer's selection. The confirmation must be sent to the Choice Gas Program Customer of record as provided to the Supplier in the eligible customer file, within 5 days of the date that the delegation agreement is received by the Supplier. Such dated confirmation communication will be provided to BHGD upon request.
- f) The Supplier must be able to provide a fully executed Delegation Agreement signed by a Customer, upon Choice Gas Administration request for the originally signed document
- g) The Supplier's communication attempts are defined as any and all direct outbound telephonic and electronic events; including but not limited to, telephonic attempts resulting in no contact, delivered voice mail/e-mail/text messages, delivered telephonic message to person other than account holder and delivered telephonic message to account holder, all communication types of which are prohibited on Sundays unless otherwise specifically directed by the customer. All e-mail and text communications will provide a viable opt out clause that will end the communication type through the conclusion of the annual selection period, and the terms and conditions relative to the Suppliers pricing options that customer can utilize.
- h) As related to the annual selection period and temporary enrollment periods, limit telephonic communication attempts with a Residential customer to no more than one (1) attempt per every six (6) days to begin Monday and end Saturday, unless otherwise specifically directed by the customer, regardless of the number of accounts in customer's name.
- i) As related to the annual selection period and temporary enrollment periods, limit telephonic communication attempts with a Commercial customer to no more than two (2) attempts per six (6) days to begin Monday and end Saturday, unless otherwise specifically directed by the customer, regardless of the number of accounts in customer's name.

- j) As related to the annual selection period and temporary enrollment periods, limit non-telephonic communication attempts with a Residential or Commercial customer to no more than two (2) attempts per six (6) days, unless otherwise specifically directed by the customer, regardless of the number of accounts in the customer's name.
 - k) As related to the annual selection period and temporary enrollment periods, only initiate telephonic communications with a Residential or Commercial customer to begin Monday and end Saturday between the hours of 9:00 am and 8:00 pm. On Saturdays, telephonic communication with a Residential and Commercial Customer may only occur between 10:00 am to 6:00 pm, in the Customer's time zone, unless otherwise specifically directed by the Choice Gas Program Customer.
 - l) As related to all marketing activity, the Supplier will provide BHGD with the Supplier's marketing and Choice Gas Program customer solicitation materials, prior to the Supplier's use of such materials. The Supplier's marketing and Choice Gas Program customer solicitation materials will be subject to reasonable approval or changes as deemed appropriate or reasonably necessary by BHGD. BHGD will attempt to provide such approval or changes to the Supplier within 48 hours of receipt of the materials from the Supplier. Any changes to the Suppliers Choice Gas Program marketing materials originally provided for BHGD's approval, either at the Supplier's or BHGD's discretion, will also require approval prior to use by the Supplier.
 - m) Direct Marketing is defined as any marketing that is directly addressed to a customer via telephonically or non-telephonically and is not allowed during the restricted marketing period between June 1st and December 31st. This restriction includes Suppliers existing customers. As of January 1st direct and non-direct marketing can resume but cannot have a postmark or a date prior to January 1st.
 - n) As related to the annual selection period and temporary enrollment periods, the Supplier may not initiate any marketing communication with any customer that has completed a successful selection as reported daily to all Choice Gas Program Suppliers by BHGD during the annual selection period.
 - o) Suppliers must be able to provide, upon Choice Gas Administration request, either a log of outbound communication attempts, telephonic and electronic (e-mail or text messages, or in lieu of a log, if the supplier records customer telephonic communications, the recorded call would be provided to Choice Gas Administration. The log must include a time/date stamp and the telephone number or email address associated with the contact attempt. The recorded telephonic log and/or actual customer recorded communications may be required to be submitted to the Choice Gas Administration and/or a governing regulatory agency possessing competent jurisdiction over the subject matter related to the communication.
 - p) Supplier agrees to be bound to the terms and conditions of this Agreement and its provisions as applicable to marketing to customers who become eligible during the Choice Gas Program year, as provided for in the temporary enrollment process and corresponding eligible files. Delegation Agreements will not be accepted by BHGD for use as related to the temporary enrollment period or process.
7. Supplier acknowledges and agrees that material non-compliance with any part of this agreement will result in a notification to the Supplier in accordance with applicable Supplier Codes of Conduct. Subject to applicable Supplier Codes of Conduct or other legal requirements, any subsequent material breach may result in the immediate suspension of the Supplier's marketing privileges in its entirety for the remainder of the current Choice Gas Program year and the duration of the selection period currently being marketed in which the second material breach occurs.
8. Unless directed by the Customer to do so, the Supplier shall not approach or communicate in person with Residential customers on the Customer's private property.

9. The Supplier's marketing practices not specifically provided for within this Agreement are prohibited without prior express consent from BHGD's Choice Gas Administration.
10. This Agreement Regarding Mailing List and Marketing Practices will become a part of the Supplier Participation Agreement under which the Supplier participates in the Choice Gas Residential and Commercial Program.
11. A material breach of this Agreement would subject the Supplier to all legal and equitable remedies and penalties available to BHGD or its affected Choice Gas Program customers. A material breach of this Agreement by the Supplier also constitutes a material breach of the Supplier Participation Agreement.
12. Supplier and BHGD represent that the persons executing this Agreement are fully authorized to do so.

Dated: January 1, 2019

SUPPLIER

BLACK HILLS GAS DISTRIBUTION, LLC

[INSERT NAME HERE]

By: _____

By: _____

Title: _____

Title: _____

Witness: _____

Witness: _____

Title: _____

Title: _____

Exhibit A
Mailing and Marketing Practices Chart

	Residential- During Annual Enrollment Period	Residential <u>Temporary</u> of Enrollment Period	Commercial - During Annual Enrollment Period	Commercial - <u>Temporary</u> Enrollment Period
Telephonic	1 per 6 days beginning Monday - Saturday regardless of # of accounts	1 per 6 days beginning Monday- Saturday regardless of # of accounts	2 per 6 days beginning Monday- Saturday regardless of # of accounts	2 per 6 days beginning Monday- Saturday regardless of # of accounts
Non-Telephonic	2 per 6 days	2 per 6 days	2 per 6 days	2 per 6 days
Days	No on Sundays	No Sundays	No Sundays	No Sundays
Time	10 a.m. -6 p.m. on Saturdays- Weekdays from 9 am to 8 pm	10 a.m.-6 p.m. on Saturdays- Weekdays from 9 a.m. to 8 p.m.	10 a.m. - 6 p.m. on Saturdays- Weekdays from 9 am to 8 pm	10 a.m. - 6 p.m. on Saturdays- Weekdays from 9 a.m. to 8 p.m.
Open Marketing Period for <u>Direct and Indirect Marketing</u> – all eligible customers	Jan 1 st - June 1 st Eligible Premise file available Feb. 1st	Outlined in the temporary enrollment file with the given expiration date.	Jan 1 st - June 1 st Eligible Premise file available Feb. 1st	Outlined in the temporary enrollment file with the given expiration date.
Open for <u>Indirect Marketing ONLY</u> (i.e, radio, billboards etc)	June 1 st – December 31 st	June 1 st – December 31 st	June 1 st – December 31 st	June 1 st – December 31 st
Communication Approvals	Must have prior notice and approval for all marketing materials		Must have prior notice and approval for all marketing materials	
Direct Marketing	All postmarks, emailing , direct contacts and delegation agreements must be postmarked or signed no earlier than January 1st.		All postmarks, emailing , direct contacts and delegation agreements must be postmarked or signed no earlier than January 1st.	

EXHIBIT C TO SUPPLIER PARTICIPATION AGREEMENT

APPENDIX C PARENT GUARANTY (NEBRASKA AND WYOMING)

This GUARANTY (“Guaranty”) is made this __ day of _____, 20__, by _____, a [State] [entity type] (“Guarantor”), in favor of Black Hills Gas Distribution LLC, a Delaware limited liability company (“Beneficiary”).

WHEREAS, _____ (“Company”) and Beneficiary and its subsidiaries and affiliates (“Beneficiary”), have entered, or may enter into a certain agreement(s) regarding Company’s participation as a supplier in the Beneficiary’s Choice Gas Transportation Service Program (“Choice Gas Program”) (the “Agreement”); and

WHEREAS, Guarantor will directly or indirectly benefit from the Agreement;

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, including inducing Beneficiary to enter into the Agreement with the Company, the Guarantor hereby covenants and agrees as follows:

1. Guaranty. Subject to the terms and conditions hereof, Guarantor hereby irrevocably, absolutely and unconditionally guarantees the timely payment when due, subject to any applicable grace period, of all of the present and future obligations and liabilities of every kind of Company to Beneficiary under or in connection with the Agreement (the “Obligations”). To the extent that Company shall fail to pay any Obligation, Guarantor shall promptly pay to Beneficiary the amount due upon Beneficiary’s demand therefor. This Guaranty shall constitute a guarantee of payment and not of collection. Guarantor shall also be liable for the payment, on demand, of the fees and expenses of Beneficiary (including, without limitation, the reasonable fees and expenses of Beneficiary’s external counsel) incurred in any effort to collect or enforce any of the Obligations, or for the protection of Beneficiary’s rights, under this Guaranty; provided, however, that Guarantor shall not be liable for any such expenses of Beneficiary if no payment on account of the Obligations is then due hereunder.

2. Limitations. Guarantor’s liability hereunder shall be limited to payments expressly required to be made by Company under the Agreement (even if such payments are deemed to be damages) and in no event shall Guarantor be subject hereunder to indirect, special, consequential, exemplary, equitable, loss of profits, punitive, or any other damages, except to the extent specifically provided in this Guaranty or the Agreement. The aggregate amount of Obligations covered by this Guaranty shall not exceed U.S. \$_____, plus the fees and expenses of Beneficiary payable by Guarantor as provided in Section 1 above.

3. Termination. The term of this Guaranty shall begin on January 1, 2018, and shall continue for so long as Company’s contractual obligations to the Beneficiary are in effect; provided however that Guarantor shall remain fully liable hereunder for Obligations of Company accruing prior to the end of the term of this Guaranty.

4. Subrogation and Subordination.

(a) Guarantor waives its right to be subrogated to the rights of Beneficiary with respect to any Obligations paid or performed by Guarantor until all Obligations have been fully and indefeasibly paid to Beneficiary, subject to no rescission or right of return and Guarantor has fully and indefeasibly satisfied all of Guarantor’s obligations under this Guaranty.

(b) Without limiting Beneficiary's or Guarantor's rights under any other agreement, any liabilities owed by Company to Guarantor in connection with any financial accommodation by Guarantor to or for the account of Company (including amounts paid by Guarantor hereunder with respect to the Obligations) are hereby subordinated to the payment in full of the Obligations, and such liabilities of Company to Guarantor, if Beneficiary so requests upon a breach of the Agreement, shall be collected, enforced and received by Guarantor as trustee for Beneficiary and shall be paid over to Beneficiary on account of the Obligations, but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this Guaranty.

5. Waivers. Guarantor hereby waives: (a) notice of acceptance of this Guaranty; (b) presentment and demand concerning the liabilities of Company or Guarantor; (c) notice of any dishonor or default by, or disputes with, Company; (d) diligence; (e) promptness; (f) all other notices required by law (except notice of Company's default); and (g) any right to require that Beneficiary bring any action or proceeding against Company or any other person, or to require that Beneficiary seek enforcement of any performance against Company or any other person, prior to any demand for payment or other action against Guarantor under the terms hereof. Guarantor agrees that Beneficiary may, at any time and from time to time, without notice to or consent of Guarantor and without impairing or releasing the liability and obligations of Guarantor hereunder: (i) renew, increase, compromise, extend, accelerate or otherwise modify the terms of the Obligations; (ii) take or fail to take any action of any kind in respect of any collateral for any Obligation or liability of Company to Beneficiary; (iii) compromise or subordinate any Obligation or liability of Company to Beneficiary, including any collateral therefor; and (iv) change, modify or waive any of the terms of the Agreement. Except as to applicable statutes of limitation, no delay of Beneficiary in the exercise of or failure to exercise any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights, or a release of Guarantor from any obligations hereunder.

6. Reservations. Guarantor reserves to itself all right, setoffs, counterclaims and other defenses to which Company may have to payment of any indebtedness under the Agreement, other than (a) defenses arising from the bankruptcy or insolvency of Company, (b) illegality, and (c) any other defenses expressly waived by Company in its Agreement with the Beneficiary or otherwise waived in this Guaranty.

7. Notice. Any payment demand, notice, correspondence or other document or communication to be given hereunder by any party to another (herein collectively called "Notice") shall be in writing and delivered personally or mailed by certified mail, postage prepaid and return receipt requested, or by facsimile, to the following addresses:

If to Guarantor:

_____, _____

Attn: _____
Fax No. (____) ____ - ____.
Email:
Phone:

If to Beneficiary:

Black Hills Gas Distribution LLC
Treasury Department
7001 Mt. Rushmore Rd
Rapid City, SD 57701
Attn: Chief Risk Manager

Notice given by personal delivery, email, or mail shall be effective upon actual receipt. If receipt by personal delivery is refused or rejected, then notice shall be effective upon attempted delivery. Notice given by facsimile or by email shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. All Notices by facsimile or email shall be confirmed by the sender promptly after transmission in writing by mail or personal delivery. Any party may change any address to which Notice is to be given to it by giving Notice as provided above of such change of address.

8. Miscellaneous. THE GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE SOUTH DAKOTA AND IS INTENDED TO BE PERFORMED IN ACCORDANCE WITH AND TO THE EXTENT PERMITTED BY SUCH LAWS. No term or provision of this Guaranty shall be amended or modified except in a writing signed by Guarantor and Beneficiary. This Guaranty may not be assigned by a party without the prior written consent of the other party. Subject to the foregoing, this Guaranty shall be binding upon Guarantor, its successors, and permitted assigns, and shall inure to the benefit of and be enforceable by Beneficiary, its successors and permitted assigns. This Guaranty embodies the entire agreement and understanding between Guarantor and Beneficiary, and supersedes all prior communications between Guarantor and Beneficiary, whether written or oral, concerning the subject matter hereof.

[Signature page follows.]

IN WITNESS HEREOF, Guarantor has duly executed this Guaranty this __ day of _____, 20__.

[GUARANTOR]

BY: _____

NAME: _____

TITLE: _____

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

BH GAS DISTRIBUTION EXHIBIT B

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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.TrustBHES.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.

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)

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)

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)

Black Hills Energy Services

www.TrustBHES.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)

CenterPoint Energy Services, Inc.

www.BetterNEGas.com

Energy Pricing Options:

- Fixed Rate Per Therm (1 or 2 year)
- Market Index Rate (1 or 2 year)
- Managed (1 or 2 year)

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)

800-454-4759

(Se habla español)

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

888-508-4782

(Se habla español)

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

877-274-5710

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

800-215-3035

(Se habla español)

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____
_____	_____

888-200-3788

(Se habla español)

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

888-510-9315

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

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*



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.TrustBHES.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

DELEGATION AGREEMENT (Program Year Commencing In 2020)

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 Customer with agreed upon pricing details along with a complete and true copy of this Delegation Agreement. By signing this Agreement, Customer acknowledges that it has not signed a Delegation Agreement with another Supplier for this Choice Gas year, is in receipt of a complete copy of this Delegation Agreement and has been provided with pricing details from Supplier.

By: _____
 (Customer Signature)

By: _____
 (Supplier Signature)

Name: _____
 (Customer Print Name)

Name: _____
 (Supplier Print Name)

Title: _____

Title: _____

Address: _____

Phone No.: _____

Date: _____

DELEGATION AGREEMENT CONFIRMATION
INCLUDING
CUSTOMER PRICE & TERM OF PRICE

Thank you for allowing _____ to serve you. We are in receipt of your signed Delegation Agreement indicating your permission for _____ to make your 20____ Choice Gas selection on the first day of the selection period, April _____, 20____. Please be aware that up to April _____, you may continue to receiving marketing communications from other participating Choice Gas Suppliers, however, you may request that they discontinue marketing you by letting them know you have completed a Delegation Agreement, which prohibits you from submitting a Delegation Agreement with another Supplier.

This letter confirms the agreed to price and term (1, 2 or 3 years), which will begin billing effective June 1, 20____, for your service address(s) or service point id(s) of _____:

Fixed Rate Per Therm of .41/therm for 2 years (2019/2020)

You should not receive a Choice Gas selection packet from Black Hills Gas Distribution, LLC., due to submission of the enclosed copy of your signed Delegation Agreement. If _____ should experience any issues with successful completion of your Choice Gas selection in April, you will be contacted so we can assist you in resolving the problem.

Should you have any questions, please feel free to contact us at 1.800.xxx.xxxx.