Nebraska Propane Conversion Incentive

Project Overview
Started with an Idea

*The ask*....

Create materials to support frontline employees during propane conversion conversations ➔ Propane Conversion Incentive ➔ Coming soon! Conversion Calculator
Communications to help you

- Door Tag
- Postcard
- Leave Behind
- Website

Coming Soon......Conversion Calculator
What is it??

The Nebraska Propane Conversion Incentive is an incentive program that is available to residential customers that currently utilize propane to provide energy to their appliances and will be converting to natural gas.
Incentive Overview

Potential customers can convert up to 3 propane appliances to natural gas and receive a rebate up to $500.00.

Example:

<table>
<thead>
<tr>
<th>Burner Tip</th>
<th>Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>One approved burner tips</td>
<td>$200</td>
</tr>
<tr>
<td>Two approved burner tips</td>
<td>$400</td>
</tr>
<tr>
<td>Three or more approved burner tips</td>
<td>$500</td>
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</tbody>
</table>

Maximum Incentive Amount $500.00
Approved Natural Gas Appliances

Furnace, Tank Water Heater, Tankless On-Demand Water Heater, Range or Cooktop, Gas Fireplace, Gas Dryer, Outdoor appliance, or Heating Systems

Furnace-Minimum BTU 40,000 or AFUE 80%**
Water Heater-Minimum BTU 30,000 or FEU 80%**
ARMR Disconnection Process/Procedure
Single Family Residential Service

• BHE’s contractor has completed a permitted ROW area and notifies BHE that they have been unsuccessful scheduling an inside meter move out and has exhausted all steps of their process.
• BHE attempts to contact the customer and sends “urgent” notice to the customer. Document in CIS+.
• If the customer has not contacted BHE to arrange a meter move out within two weeks, BHE sends “final” notice via certified mail. Document in CIS+. Copy of final notice and return receipt will be retained.
ARMR Disconnection Process/Procedure

Continued

• BHE schedules the underground locates and hangs a door tag 48 hours before the disconnect date.

• If the customer has not contacted BHE to arrange a meter move out within two weeks, BHE disconnects service at the curb. Document in CIS+ and hang a door tag.

• When the customer contacts BHE after disconnection, BHE will coordinate with the customer to schedule the meter move out. BHE’s contractor will perform the work.
Supply Chain Update

Given the likelihood for continuing disruptions to global S/Cs many economists are projecting pricing and lead time impacts into 2023.
June summary

Strong demand, labor shortages, transportation bottlenecks and raw material constraints remain key drivers of global disruptions.

We do not anticipate that global supply chains will fully return to a previously normal environment in the next 2-3 years and probability for current pricing and lead time challenges to push into 2023 is increasing.
Environmental impacts, potential to pressure existing disruptions

• As of May, the Climate Prediction Center (CPC) at the National Oceanic and Atmospheric Administration (NOAA) forecasts a 65% chance for an above-normal season, predicting that there is a 70% chance of having 14 to 21 named storms, of which six to 10 could develop into hurricanes, including three to six major hurricanes (Categories 3-5).

• The 2022 Atlantic hurricane season runs from June 1 to November 30.
EEI Supply Chain Working Group

- Seventy-five percent of investor-owned utilities reported having lower inventories of either pad-mounted or pole-mounted distribution transformers this year than in 2018.

- Depleted inventories of critical equipment and the inability to purchase new equipment raise concerns about the feasibility of responding to and recovering from another potentially catastrophic hurricane or wildfire season in 2022, even with robust mutual assistance and equipment sharing programs in place.

- Many new infrastructure projects, including projects that advance the industry’s clean energy objectives, have been delayed or canceled because supplies are not available.

- EEI has established a Chief Procurement Officers Executive Advisory Committee to provide strategic guidance and expertise on policy and operational issues.
Gartner June indices Heat Map

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>▲ ▼ ▼ % Change</th>
<th>▲ ▼ ▼ % Change</th>
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<tr>
<td><strong>Global</strong></td>
<td></td>
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<td>Materials: Commodity Price - Food (IMI)</td>
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**U.S.**

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<tr>
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<tr>
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<tr>
<td>Labor: Manufacturing Labor Cost (BLS)</td>
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<tr>
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**China**

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**Europe**

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<tbody>
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<td>153.0</td>
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**NOTE:**% Change represent latest month trend in comparison to previous month.
Category Challenges – Price and Lead time risk high

Electric and natural gas utility categories

• Wire and cable – 600V aluminum, bare overhead distribution and transmission, primary underground
• Transformers, capacitors and voltage regulators
• Fiber optic cable
• HDPE conduit
• Anchors and pole line hardware
• Fiberglass crossarms
• Fiberglass box pads and enclosures
• Transmission insulators and related hardware
• Gas pipe
• Gas regulators
• Excess flow valves
• Meter risers and meter set assemblies
• Anodes
New & updates

• The Uyghur Forced Labor Prevention Act is expected to impact already strained supply chains because 10% of companies globally that do any kind of manufacturing touch the Xinjiang region in some ways, according to estimates. (WSJ)

• President Joe Biden signed the Ocean Shipping Reform Act of 2022 into law, promising sweeping changes to the ocean shipping industry after more than two years of port congestion, delays and rising costs. (SourceToday)

• Infrastructure Investment and Jobs Act (IIJA), with the passage of this spending bill an estimated $550B of new federal spending to support US infrastructure and domestic manufacturing will support long term growth, a side impact may include short term pressuring of demand on producers of commodities, building materials, steel, aluminum and copper. (PWC)

• The contract governing West Coast dockworkers runs out July 1st. Some importers are already rerouting cargo away from the big trans-Pacific gateways amid fears of slowdowns and disruptions. (WSJ)

• Consumer Price Index (CPI) for all items rises 1.3% in June; gasoline, shelter, food indexes rise: In June, the Consumer Price Index for All Urban Consumers rose 1.3 percent, seasonally adjusted, and rose 9.1 percent over the last 12 months, not seasonally adjusted. The index for all items less food and energy increased 0.7 percent in June (SA); up 5.9 percent over the year (NSA). (Bureau of Labor).
Bill redesign
Why redesign our bill?

- One of the most important touchpoints with customers
- New technology available
- Deliver more personalization
- Customer feedback
Bill redesign guiding principles

• Draw attention to most important information on the bill.
• Use front as a summary of monthly bill, saving detail for the back.
• Deliver personalization wherever possible.
• Promote website resources.
• Connect customers to Black Hills Energy brand.
Redesign process

Ask the experts
  • Interviewed contact center to understand customer pain points
  • Customer satisfaction survey feedback

Review the art of the possible
  • Study other billing experiences (utility and non-utility bills)

Test prototypes
  • Unmoderated customer survey
  • Focus group with contact center

Iterate, iterate, iterate
Current bill vs. new bill

Current bill
- No clear hierarchy of information
- Most important information is difficult to spot (amount due, due date, account number)
- Minimal use of color to capture attention
- Dated design and layout
- No option for personalization
- No bill insights

New bill
- Amount due and due date easily identified
- Account number easier to find
- Visual breakdown of costs
- Usage easily comparable to previous year
- Bill insights (reasons you bill may have changed)
- Personalized did you know info
- Links for self-service options and other useful information
- Contact info grouped at the top
Current bill vs. new bill (gas)

**Current bill**
- No clear hierarchy of information
- Bill details not grouped to show how costs are allocated
- Payment info in bottom left not in proximity to other payment info on the front of the bill

**New bill**
- Categorized bill details.
- Messages called out in their own section.
- Headers break up the page into groups to make information easier to find.
- Bill detail categories match bill summary pie chart on front
- Bill category subtotals for easy calculation
- Alternative ways to pay highlighted
- 12-months of usage history coupled with bill history
Appendix
Other bill templates

Budget billing

Auto Pay
Other bill templates

Past due

Disconnect notice
Other bill templates

Multi-service / Business
Other bill templates

Bill details

Rate Schedule Residential General Service (A4000)
Meter: 91916273044
Current read: 9717 - Previous Read: 9711 + 24 CCF
Meter read dates: 5/3/2022 - 6/2/2022

Delivery & Distribution: $22.00
Billing Details for 05/02/22 - 06/02/22, 30 days:

- Customer Charge: $19.25
- Service Rate: $0.19005
- Peak Demand: $5.75
- Energy supply:
  - Billing Details for 05/02/22 - 06/02/22, 30 days:
    - PGA 27 terms at $0.5098, 2/30 days
    - PGA 27 terms at $0.8585, 2/70 days
    - 2021 Polar Vortex 27 terms at $0.33904
  - $24.56
- Taxes & Fees:
  - Billing Details for 05/02/22 - 06/02/22, 30 days:
    - Franchise Fee $47.06 at 2%
    - $0.94
- Other costs:
  - Billing Details for 05/02/22 - 06/02/22, 30 days:
    - EECF 27 terms at $0.05485
    - Rate Case Expense
    - $0.40
    - $0.10

Total due by 7/10/2022: $79.00

Bill details (continued)

Actual charges this month: $79.00
Budget charges this month: $79.00

You have a deferred balance of $270.17
The deferred balance is the difference between your actual charges over the last 12 months and your Budget Billing amount paid during that time.

Messages
If you smell natural gas, leave the area immediately and call 911 and then call Black Hills Energy at 888-899-5954.
A $19 late fee will be charged if full payment is not received by the due date.

Black Hills Cares provides an opportunity to help families in our community pay their energy bills. To give, select the round-up option to round your bill to the next dollar and donate the difference, or consider giving a monthly or one-time donation. Visit blackhilserenergy.com/blackhillscares for details.

Manage your account at blackhilserenergy.com/my-account
Ways to pay your bill at blackhilserenergy.com/pay

If we’re unable to resolve your issue, you have the right to contact the Iowa Utilities Board by calling 515-725-7201 or toll-free at 877-945-4428; writing to 1335 E Court Ave., Rm 69, Des Moines, Iowa 50319, or emailing consumer@iub.iowa.gov. Tariff and rate schedule information is available at blackhilserenergy.com/tariffs.
Nebraska Corporate Income Tax Reductions

1. Nebraska LB432 (May 1, 2021)
   • 2021 – 7.81%
   • 2022 – 7.50%
   • 2023 – 7.25%

2. Nebraska LB 873 (April 13, 2022)
   • 2024 – 6.50%
   • 2025 – 6.24%
   • 2026 – 6.00%
   • 2027 – 5.84%