

CNGP Aggregation Procedures for Black Hills Nebraska Gas Utility

General Information – Communication

All Competitive Natural Gas Providers (CNGPs) providing or seeking to provide natural gas service to customers in Rate Areas 1-3 of Black Hills/Nebraska Gas Utility Company, LLC d/b/a Black Hills Energy (“Black Hills Energy”) shall comply with the required procedures of Black Hills Energy set forth herein. All communications relating to CNGP participation in the Energy Options Program (EO) in Black Hills Energy Base Rate Areas 1-3 shall be directed to:

Sue Bukacek-Pollmiller at sue.bukacekpollmiller@blackhillscorp.com

Allan Babcock at allan.babcock@blackhillscorp.com

Scope of Transportation Services

Black Hills Energy is an open access natural gas transportation service provider in Nebraska. The Energy Options Program (EO) in Black Hills Energy’s Rate Areas 1-3 allows Commercial customers to transport their own natural gas supplies through Black Hills Energy’s gas distribution system in accordance with the applicable Company tariff rates, terms, and conditions of service for that class of customers.

Energy Options Program (EO) participants must select a CNGP who has met all the requirements of (a) the State Natural Gas Regulations Act (Neb. Rev. Stats. §§ 66-1848 and 66-1849), Nebraska Public Service Commission (“Commission”) rules, regulations and orders (291 Neb. Admin. Ch. 9), and (b) Black Hills Energy’s tariffs, contracts, practices, and policies.

Black Hills Energy will apply the Supplier Code of Conduct set forth in the Commission regulations and Black Hills Energy’s Tariff, including but not limited to (1) Black Hills Energy refusal to endorse any specific CNGP in Nebraska, or (2) Black Hills Energy prohibition against any CNGP’s use of Black Hills Energy’s name or logo in any CNGP promotional or solicitation material or advertising without its knowledge, consent, and prior written approval.

Competitive Natural Gas Provider (CNGP) – Nebraska Public Service

In accordance with the State Natural Gas Regulation Act found at Neb. Rev. Stats. §§ 66-1801 et. seq., any party providing natural gas supply and other services within the State of Nebraska must obtain and maintain a CNGP certificate from the Nebraska Public Service Commission (“Commission”). CNGP certification is a prerequisite to providing natural gas supply and other natural gas services to customers of Black Hills Energy in Nebraska. Neb. Rev. Stats. §§ 66-1848 and 66-1849.

Energy Options Transportation Tariff

Black Hill Energy’s rate schedules and tariffs for Energy Options will govern small volume commercial transportation services. Prior to soliciting customers for service in Nebraska, each CNGP is required to enter into a Nebraska Non-Telemetered and/or a Nebraska Telemetered Marketer Aggregation Agreement, as applicable. Customers are required to sign an end-user designation form, which is provided as an Exhibit to the CNGP Marketer Aggregation Agreement. Any communication regarding the Energy Options or High Volume Customer End-User Forms should be directed to the transportation services team:

Energy Options Customers: BHETransportationServices@blackhillscorp.com

High Volume Transportation Tariff

High Volume customer transportation service is authorized by Neb. Rev. Stat. 66-1802 (9). High Volume natural gas service provided by Black Hills Energy is not strictly governed by the Commission or Black Hills Energy Tariff. Instead, High Volume customer transportation service is governed by Black Hills Energy’s Nebraska Transportation Service Agreement, practices, and policies.

High Volume customers are required to execute the Black Hills Energy Nebraska Transportation Service Agreement to transport natural gas. In addition, the High Volume customer’s selected natural gas CNGP (i.e., Marketer/Supplier) is required to enter into a Nebraska Non-Telemetered and/or a Nebraska Telemetered Marketer Aggregation Agreement, as applicable. Customers are required to sign an end-user designation form, which is provided as an exhibit to the CNGP Marketer Aggregation Agreement. Any communication regarding the High Volume Customer End-User Forms should be directed to the following program managers and the transportation services:

Account Managers:

- Dustin Snyder: dustin.snyder@blackhillscorp.com
- Scott Zaruba scott.zaruba@blackhillscorp.com

End User Transportation Forms: BHETransportationServices@blackhillscorp.com

Online Electronic Bulletin Board (EBB)

Black Hills Energy uses an electronic bulletin board (EBB) which marketers are required to use to manage customer enrollments, nominations and scheduling. All new CNGPs will be required to enter into an EBB user access agreement and meet all requirements of that agreement.

CNGP Aggregation Agreements

As noted above, to aggregate transportation customers, a CNGP must execute applicable a required Black Hills Energy CNGP Aggregation Agreement.

BHE Marketer Aggregation Account Numbers and Invoicing

Each aggregation pool will be assigned an account number. Invoices for each account number are rendered monthly. Any penalties and/or monthly imbalance cash outs are included in the monthly invoice.

Daily Gas Volumes Reports

Daily gas volume reports are currently available to marketers who have both Telemetered and Non-Telemetered aggregation pools. To preserve customer information confidentiality, all reports are sent out in an encrypted format. Marketers must have compatible software to access the information in the reports.

Calling to MDQ and Interruption Procedures

Black Hills Energy may, in the Company's sole determination and discretion, call/require a customer or a shipper to the allowed Maximum Daily Quantity ("MDQ") of the firm interstate natural gas transportation capacity released to the CNGP assigned for serving customers. Should a shipper elect to interrupt a customer's services, notice must be provided to Black Hills Energy at least 24 hours prior to the possible interruption. Should a shipper not provide the requested MDQ, applicable charges may apply. Black Hills Energy will apply this provision in compliance with the State Natural Gas Regulation Act, the Federal Energy Regulatory Commission, Black Hills Energy's contractual terms, practices and policies, and the applicable interstate natural gas pipeline tariffs, practices and policies.

Procedure for BHE Customers Converting from Sales to Transportation or Changing CNGPs

General Transportation Process Information – Nebraska Customers

- All questions from either natural gas CNGPs or Black Hills Energy customers pertaining to natural gas transportation in Nebraska should be directed to the Nebraska Transportation Services Team identified above.
- Any Customer requesting information from Black Hills Energy about a CNGP certificated in Nebraska pursuant to the State Natural Gas Regulation Act is directed to the Nebraska Public Service Commission web site. The web address for the Nebraska PSC CNGP list is: <https://psc.nebraska.gov/natural-gas/natural-gas-information>.
- Black Hills Energy does not endorse or provide comment on any specific CNGP in Nebraska.
- For Energy Options customers (Small Volume Transportation customers), CNGPs must sign a CNGP Aggregation Agreement prepared by Black Hills Energy to provide CNGP services to customers of Nebraska Non-Telemetered and/or a Nebraska Telemetered, as applicable.
- CNGPs and Customers are responsible for their own contractual relationships, including notice by a Customer to its existing CNGP of termination of existing CNGP services and replacement of CNGP services by a new CNGP.

Energy Options (Small Commercial Customers)

- Black Hills Energy's Energy Options Rate Schedules and Tariff govern Black Hills Energy transportation service.
- Customer must select a Commission-approved CNGP.
- Customer and CNGP/Marketer enter into CNGP's natural gas service/supply agreement.
- Customer signs end user authorization form required by Black Hills Energy CNGP Aggregation Agreement.
- CNGP sends End User Authorization form to Black Hills Energy's Transportation Services representative.
- Customer is enrolled in CNGP's applicable aggregation pool.
- Black Hills Energy conditionally releases applicable firm interstate pipeline transportation to CNGP required by the CNGP Aggregation Agreement between CNGP and Black Hills Energy.

- Black Hills Energy bills Customer directly for all applicable tariff charges.
- CNGP bills Customer for gas supply and/or other CNGP services.
- CNGPs are required to take assignment of released firm pipeline capacity as follows:
 - On Northern Natural Gas Company (NNG) / Natural Gas Pipeline Company of America (NGPL) - Firm capacity is released to CNGP for five months: November 1 to March 31. Pursuant to the non-Telemetered Aggregation Agreement, CNGP is obligated to take assignment of firm capacity in an amount set forth in the Agreement as administered by Company.
 - On Tallgrass Interstate Gas Transmission (TIGT)- Firm pipeline capacity is released to CNGP for 12 months. Pursuant to the non-Telemetered Aggregation Agreement, CNGP is obligated to take assignment of firm capacity in an amount set forth in the Agreement as administered by Company.
- A CNGP may enroll or unenroll Small Volume Energy Options customers from CNGP's Marketer Aggregation pool on the following dates:
 - Black Hills Energy Customers downstream of NNG/NGPL may be enrolled or unenrolled April 1st to October 1st for program year.
 - Black Hills Energy Customers downstream of TIGT may be enrolled or unenrolled on May 1st or October 1st for program year.

High Volume Customers

- Customer selects and signs CNGP service/supply agreement with CNGP.
- Customer enters into a transportation agreement with Black Hills Energy.
- High Volume Customer's CNGP enters into required Marketer Aggregation Agreement if pooling customers.
- Black Hills Energy may revise its Marketer Aggregation Agreement from time to time.
- Customer sends End User Authorization form to Black Hills Energy's Transportation Account Manager.
- Customer is enrolled or unenrolled to CNGP's aggregation pool; if applicable.
- Black Hills Energy bills High Volume Customer for all applicable tariff charges.
- CNGP bills Customer for gas supply and/or other CNGP services.
- CNGP may currently enroll or unenroll customers from its CNGP Aggregation pool year-round subject to administration process established by Black Hills Energy for these customers.