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September 30, 2011

VIA HAND DELIVERY

Mr. Mike Hybl
Executive Director
Nebraska Public Service Commission
1200 "N" Street, Suite 300
Lincoln, NE 68508

RE: *Application of SourceGas Distribution LLC for Approval of a General Rate Increase,*
Docket No. NG-0067

Dear Mr. Hybl:

As counsel for SourceGas Distribution LLC ("SourceGas Distribution" or the "Company"), I am pleased to present for immediate filing the Company's Application for Approval of General Rate Increase (the "Application"). I understand that the Application will be assigned the docket number of NG-0067.

Please note that the Company has prepared and organized the Application consistent with the Commission's Second Set of Proposed Rules in Commission Docket Rule and Regulation No. 179.

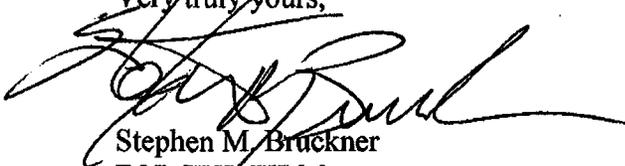
In connection with this filing, I enclose:

1. One original and eight (8) copies of the Application, which consists of three (3) volumes, and contains SourceGas Distribution's proposed Tariff revisions, along with all schedules, exhibits, and pre-filed testimony supporting the Company's requested rate increase;
2. Two (2) sets of CDs which contain:
 - a. An electronic copy of the Application in PDF format;
 - b. An electronic copy of all text documents appearing in the Application (in Word format) and all spreadsheets appearing in the Application (in Excel format); and

- c. An electronic copy of all workpapers used to prepare the analysis and data submitted in support of the Application and any source documents referenced in the Application, prefiled testimony, or exhibits.
3. Motion for Protective Order and Partial Waiver of Requirements Set Forth in Rule 006, along with a Proposed Protective Order governing the exchange of confidential materials in this matter;
4. Two (2) CDs, each marked as "HIGHLY CONFIDENTIAL – RESTRICTED REVIEW ONLY", pursuant to the Proposed Protective Order. These CDs contain confidential exhibits and workpapers not included with the above-described items; and
5. Check in the amount of \$200 for the Commission's filing fee.

Please feel free to contact me with any questions or concerns you may have.

Very truly yours,



Stephen M. Bruckner
FOR THE FIRM

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NEBRASKA**

**SOURCEGAS DISTRIBUTION LLC
APPLICATION FOR GENERAL RATE INCREASE**

Docket No. NG-0067

September 30, 2011

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Exhibit VII – Tariffs

Exhibit VIII – Prefiled Direct Testimony & Exhibits (Volume 2 and Volume 3)

VOLUME 2 Prefiled Direct Testimony & Exhibits

Mr. Lewis M. Binswanger

Dr. Roger A. Morin

Ms. Margaret (Lynn) L. Norsworthy

Mr. Stephen L. Rocheleau

VOLUME 3 Prefiled Direct Testimony & Exhibits

Mr. Jason R. Pickett

Dr. Robert Livezey

Mr. Larry W. Loos

Mr. Jerrad S. Hammer

Mr. Thomas J. Sullivan

Mr. Verlyn R. Engler

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of)
SourceGas Distribution LLC for) Docket No. NG-0067
Approval of a General Rate Increase.)

APPLICATION FOR GENERAL RATE INCREASE

SourceGas Distribution LLC ("SourceGas Distribution" or the "Company"), pursuant to the State Natural Gas Regulation Act, Neb. Rev. Stat. §§ 66-1801, et seq. (the "Act"), and specifically, Section 66-1838 of the Act, hereby applies to the Nebraska Public Service Commission (the "Commission") for an order authorizing it to increase its rates for natural gas service for all SourceGas Distribution jurisdictional Residential and Commercial customers in Nebraska. In support of this Application, SourceGas Distribution states as follows:

I. DESCRIPTION OF SOURCEGAS DISTRIBUTION

1. SourceGas Distribution is a "jurisdictional utility" as defined in Section 66-1802(10) of the Act. SourceGas Distribution provides natural gas retail distribution and transportation services, through its 5,865 miles of natural gas pipeline, to approximately 86,633 customers in a consolidated rate area spanning 184 communities across the predominately rural western two-thirds of Nebraska. A map of SourceGas Distribution's Nebraska service territory is provided in Exhibit VII, Schedule C, proposed Fourth Revised Sheet No. 6.

2. SourceGas Distribution's customer base consists of approximately 67,944 customers taking Residential Service, 10,120 customers taking Small Commercial Service, and 1,490 customers taking Large Commercial Service. SourceGas Distribution also has approximately 7,035 customers taking Agricultural Service and 44 customers taking High Volume Service. The rates for the Agricultural and High-Volume customers are not being adjusted in this proceeding.

3. SourceGas Distribution's current rates in Nebraska for natural gas service for Residential and Commercial customers are those that the Commission approved in the Company's last general rate case, filed in 2009 at Docket No. NG-0060, and pursuant to the remand from the

District Court of Lancaster County, Nebraska. Those rates went into effect on April 1, 2011.

4. SourceGas Distribution has invested approximately \$175.7 million of utility plant in service in Nebraska. SourceGas employs 199 individuals in Nebraska. SourceGas Distribution has division offices in Albion, Alliance, Holdrege, Kearney, McCook, Scottsbluff, Sidney and Sutton, Nebraska, and SourceGas operates its four-state dispatch services from Scottsbluff, Nebraska.

5. SourceGas Distribution also provides retail natural gas service to customers in Colorado and Wyoming. A SourceGas Distribution affiliate, SourceGas Arkansas Inc., provides retail natural gas service to customers in Arkansas.

II. CONTENT OF APPLICATION AND COMMUNICATIONS

A. Content of Application

6. SourceGas Distribution developed this Application in accordance with the Act, the Commission's Natural Gas and Pipelines Rules and Regulations, Title 291, Chapter 9 of the Nebraska Administrative Code (the "Commission Rules"), Nebraska common law and generally accepted accounting and ratemaking principles.

7. This Application consists of the documents contained within Volumes 1 through 3, and includes the proposed revisions to SourceGas Distribution's Nebraska Gas Tariff ("Tariff"), and all schedules, exhibits and prefiled direct testimony required by the Act and the Commission Rules.

8. This Application is consistent with and organized as set forth in the Commission's second set of proposed rules in Rule and Regulation No. 179. SourceGas Distribution has prepared its revenue requirement and associated schedules and exhibits according to Proposed Rules 004.02 (Exhibit I – General Information), 004.03 (Exhibit II – Rate Base Schedules), 004.04 (Exhibit III – Operating Expense Schedules), 004.05 (Exhibit IV – Rate of Return and Cost of Capital Schedules), 004.06 (Exhibit V – Revenue Schedules), 004.07 (Exhibit VI – Cost of Service Study) and 004.08 (Exhibit VIII – Prefiled Direct Testimony and Exhibits). Exhibit VII contains clean and redlined versions of SourceGas Distribution's Tariff sheets for interim rates and proposed Tariff sheets for final rates. Immediately before the Exhibit I tab is a sheet listing

and describing each of the Schedules contained in Exhibits I through VII, and the witness(es) sponsoring each Schedule. Exhibit I, Schedule G contains information about the witnesses providing prefiled direct testimony and exhibits under Proposed Rule 004.08 (Exhibit VIII). The Company has labeled these exhibits (including with roman numerals) to match the designations in the Commission's second set of proposed rules in Rule and Regulation No. 179.

9. Pursuant to Section 66-1838(3) of the Act, SourceGas Distribution herewith provides notice that it will forego the negotiation process described in Section 66-1838(2) of the Act, and will proceed directly with the Commission's review and approval of this Application.

10. Pursuant to Section 66-1829 of the Act and Commission Rule 006.01, SourceGas Distribution is filing contemporaneously with this Application a Motion for Protective Order regarding certain confidential and/or proprietary information that is being, and over the course of this proceeding may be, produced in connection with this case.

11. SourceGas Distribution is not proposing in this Application to adjust rates for its agricultural customers in Nebraska. The rate setting process for such customers is governed by Section 66-1810(2) of the Act.

B. Communications

12. Communications regarding this Application should be addressed to:

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III. OVERVIEW OF APPLICATION

13. The "Base Year" is the twelve months beginning April 1, 2010 and ending March 31, 2011. In accordance with Commission Rule 001.01L, the "Test Year" is the Base Year ended March 31, 2011, adjusted for known and measurable changes occurring within one year of the end of the Base Year.

14. SourceGas Distribution's existing rates and rate structure do not allow it to generate the return on investment to which it is entitled under the Act and which is necessary for SourceGas Distribution to provide adequate and efficient natural gas service to its Nebraska jurisdictional customers. SourceGas Distribution's Test Year results show that it currently is earning a pro forma overall rate of return on rate base of 4.51%. (Exhibit I, Schedule C1, Row 23, Column D). This return is far below the fair and reasonable return required under the Act and applicable case law. This rate proceeding will permit SourceGas Distribution to obtain the just and reasonable rates required by the Act and existing case law.

15. SourceGas Distribution is requesting an annual revenue increase of approximately \$8.279 million. SourceGas Distribution's proposed annual revenue increase is consistent with Section 66-1825(3) of the Act, which requires the Commission to "give due consideration to the public need for adequate, efficient, and reasonable natural gas service and to the need of the jurisdictional utility for revenue sufficient to enable it to meet the cost of furnishing the service, including adequate provisions for depreciation of its utility property used and useful in rendering service to the public, and to earn a fair and reasonable return upon the investment in such property."

16. This annual revenue increase is based upon a capital structure of 51.43% common equity and 48.57% long-term debt, which is addressed in the prefiled direct testimony of Lewis M. Binswanger and calculated in Exhibit IV, and a return on common equity of 11.00%, which is supported by the prefiled direct testimony and exhibits of Dr. Roger A. Morin. If the Commission grants this Application, SourceGas Distribution will have an opportunity to earn an overall return on its total Nebraska jurisdictional rate base of 8.40%, which is calculated in Exhibit IV.

IV. REASONS FOR INCREASE IN REVENUE REQUIREMENT

17. Table 1 below summarizes the revenue requirement increase since the last rate case. Exhibit I, Schedule B3, contains the calculations supporting Table 1.

Table 1: Primary Drivers for Proposed Revenue Requirement Increase

	<u>\$</u> <u>(Millions)</u>
Cost Drivers Since Previous Rate Case	
Investment in Plant and Equipment	\$ 2.20
Operating Cost Increases	\$ 3.28
Provision for Income Tax	\$ 0.91
Ad Valorem and Other Tax Increase	\$ 0.38
Total Cost Change	\$ 6.77
Revenue Drivers Since Previous Rate Case	
Decrease in Jurisdictional Base Rate Revenue	\$ 0.90
Increase in Non-Jurisdictional Base Rate Revenue	\$ (1.22)
Increase in Other Revenues	\$ (0.07)
Total Revenue Change	\$ (0.39)
Total State Revenue Deficiency	\$ 6.38
Cost of Service Study Allocations	\$ 1.90
Total Proposed Increase	\$ 8.28

18. As shown in Table 1, \$2.20 million of the \$6.38 million total state revenue deficiency is related to the Company's investment in plant and equipment made to provide safe, efficient, and reliable natural gas service to customers in Nebraska. The testimony of Mr. Hammer, Mr. Pickett and Mr. Rocheleau address aspects of the Company's investment in plant and equipment. Increases in operating costs, which are addressed in Mr. Rocheleau's testimony, account for another \$3.28 million. Changes in the provision for income tax, ad valorem tax and other tax account for another \$1.29 million, as addressed in the testimony of Mr. Rocheleau.

19. The total \$6.77 million in cost increases is moderated slightly by a \$0.39 million

increase in revenues (the components of which are addressed in the testimony of Mr. Hammer, Mr. Rocheleau and Mr. Engler), for a total state revenue deficiency of \$6.38 million.

20. The total proposed revenue requirement increase is \$8.28 million after reflecting the \$1.90 million of cost of service study allocations that are fully discussed in the testimony of Mr. Sullivan.

21. SourceGas Distribution requires the rate relief in order to continue to meet its fundamental obligation to serve its customers safely and reliably, while recovering its costs and providing a reasonable opportunity to earn a fair and reasonable return on its investment.

V. RATE STRUCTURE AND EFFECTIVENESS

22. SourceGas Distribution's proposed rate design is addressed in Mr. Sullivan's testimony, and presented in Exhibit I, Schedule B2. SourceGas Distribution is proposing to increase its monthly Customer Charge for Residential Service to \$15.00 (from \$12.25), for Small Commercial Service to \$25.00 (from \$14.50) and for Large Commercial Service to \$60.00 (from \$44.60). SourceGas Distribution is proposing to retain its two-tier Distribution Charges, and to adjust the First Tier to \$0.5407 per therm (from \$0.4220 per therm) and the Second Tier to \$0.1548 per therm (from \$0.1208 per therm).

23. Consistent with the Commission's decision in the Company's last rate case to apply the District Court ordered revenue increase "equally among the categories of rates for each class of ratepayers," the proposed percentage increases to the Customer Charges and the Distribution Charges are comparable for the Residential and Large Commercial customer groups. (Docket No. NG-0060, Order Approving Recalculated Rates and Refund Plan, entered March 29, 2011, page 6). Because the current Customer Charge for the Small Commercial customer group is far below the customer related cost of service, SourceGas Distribution is proposing a percentage increase in that Customer Charge that is much greater than the percentage increase in the Distribution Charges. The clean and redlined versions of SourceGas Distribution's Tariff containing these rates are provided in Exhibit VII, Schedules C and D,

respectively.

24. The bill impacts are explained further by Mr. Sullivan, and presented in Exhibit I, Schedule B2. Under SourceGas Distribution's proposed rate design, the average monthly bill for Residential customers on a statewide basis will increase \$6.14, from the current level of \$59.56 to \$65.70, which represents an increase of 10.3%. The average monthly bill for Small Commercial customers on a statewide basis will increase under the Company's proposed rate design by \$17.06, from the current level of \$116.72 to \$133.78, which represents an increase of 14.6%.

25. SourceGas Distribution intends to collect interim rates, subject to refund upon the adoption of final rates, beginning on January 1, 2012. The interim rates will be set based upon the annual revenue increase that SourceGas Distribution seeks in this case, adjusted to reflect the current Commission-authorized return on common equity of 9.60%. SourceGas Distribution has decided to set interim rates based upon the current Commission-authorized return on common equity rather than the 11.00% return on common equity requested in this case so as not to presuppose the Commission's ultimate decision in this case on the proper level of the Company's return on common equity. With that said, SourceGas Distribution has provided the required evidence, through the testimony of Dr. Morin and related exhibits, that an 11.00% return on common equity is needed to produce a fair and reasonable return on SourceGas Distribution's rate base assets.

VI. TARIFF CHANGES AND SUPPORTING DOCUMENTATION

26. In support of this Application, and as provided in Section 66-1838 of the Act, SourceGas Distribution submits herewith the proposed revisions to its Tariff to implement its proposed rate increases and other charges. The revised sections of the Tariff are attached to this Application. (Application, Volume 1, Exhibit VII). Exhibit VII includes Tariff sheets containing interim rates in clean and redlined format (Exhibit VII, Schedules A and B, respectively) and proposed final rates in clean and redlined format (contained in Exhibit VII, Schedules C and D, respectively).

27. Mr. Hammer describes Exhibit JSH-12, the Statement of Nature, Reasons and Basis For Revisions to the Tariff. The Company's proposed changes to the Tariff fall into six principal areas. The first area consists of the changes in customer and distribution charges in the Tariff necessary to implement the increase in revenue requirement and changes in rate design proposed by SourceGas Distribution in its general rate filing herein. The second area involves the Company's proposal to implement two rate adjustment mechanisms, the Customer Adjustment Rider and the Use Per Customer Adjustment Rider, that address the long-standing problems faced by SourceGas Distribution with respect to customer losses and declining average annual usage per customer, respectively. The third area involves changes that the Company is proposing to enhance its High Energy Assistance Tool ("HEAT") program. The fourth area involves changes that SourceGas Distribution is proposing to its Choice Gas Program rate schedules in order to increase administrative efficiencies. The fifth area involves changes to conform the Tariff to the requirements of rules adopted by the Commission in recent years. The sixth, and final, area reflects miscellaneous Tariff changes to clarify provisions or to eliminate obsolete text. For example, SourceGas Distribution proposes to update its Regular Construction Allowance to \$1,275 from \$1,210, and to add three new payment options for customers to choose from when electing to avail themselves of the Extra Construction Allowance, applicable to main and service line extensions.

VII. WITNESSES

28. SourceGas Distribution's direct case consists of the testimony and exhibits of the following witnesses contained in Volumes 2 and 3 of this Application, the Schedules contained in Volume 1 of this Application, and the proposed Tariff revisions contained in Volume 1.

a. **Lewis M. Binswanger**, Vice President – Regulatory and Governmental Affairs. Mr. Binswanger provides an overview of SourceGas LLC and SourceGas Distribution, including its operations and the business environment in Nebraska. He provides an overview of SourceGas Distribution's rate case filing, describes generally the authority and principles that

SourceGas Distribution employed in preparing this rate case, and identifies the primary drivers of this case. Mr. Binswanger addresses the capital structure, cost of debt and overall rate of return that SourceGas Distribution is proposing in this case. Mr. Binswanger also addresses matters related to energy efficiency, in particular SourceGas Distribution's HEAT program, its relation to the use per customer adjustment mechanism that SourceGas Distribution is proposing in this case, and the important energy efficiency benefits that natural gas provides to Nebraska. In addition, Mr. Binswanger discusses SourceGas Distribution's proposal for the recovery of Commission assessment costs and rate case expenses. Furthermore, he discusses SourceGas Distribution's customer service accomplishments over the last one and one-half years, in support of SourceGas Distribution's commitment of dollars associated with customer service functions. Finally, he supports SourceGas Distribution's request to recover costs associated with variable compensation through its Short-Term Incentive Plan program, by describing the program and its underlying policy. (Application, Volume 2).

b. **Dr. Roger A. Morin**, Emeritus Professor of Finance at the Robinson College of Business, Georgia State University and Professor of Finance for Regulated Industry at the Center for the Study of Regulated Industry at Georgia State University, and a principal in Utility Research International. Dr. Morin presents an independent appraisal of the fair and reasonable rate of return on equity capital that is committed to SourceGas Distribution's Nebraska gas distribution assets. (Application, Volume 2).

c. **Margaret (Lynn) L. Norsworthy**, Manager, Regulatory Accounting. Ms. Norsworthy testifies on cost assignments and allocations, including the updated Cost Assignment and Allocation Manual. (Application, Volume 2).

d. **Stephen L. Rocheleau**, Controller. Mr. Rocheleau testifies on SourceGas Distribution's proposed overall revenue requirement, including operating expenses, depreciation, taxes and other revenue. (Application, Volume 2).

e. **Jason R. Pickett**, Director, Asset Management in Nebraska. Mr. Pickett supports construction work in progress in Nebraska and rate base pro forma adjustments. (Application, Volume 3).

f. **Dr. Robert Livezey**, an independent consultant since retiring as Chief of National Weather Service Climate Services in 2008. Dr. Livezey explains climate normals, reviews his research and conclusions regarding changing climate normals, compares various methods for predicting the current climate, and makes a recommendation for defining “normal” weather for purposes of ratemaking in this case. (Application, Volume 3).

g. **Larry W. Loos**, an independent contractor to Black & Veatch Management Consulting. Mr. Loos addresses the issue of the most appropriate basis upon which to weather-normalize Test Year sales. (Application, Volume 3).

h. **Jerrad S. Hammer**, Manager, Regulatory. Mr. Hammer calculates SourceGas Distribution’s billing determinants and revenues, addresses plant in service and related components, sponsors updates to the Company’s Regular Construction Allowance and Extra Construction Allowance, and discusses the revisions being proposed to SourceGas Distribution’s Tariff. (Application, Volume 3).

i. **Thomas J. Sullivan**, of Navillus Utility Consulting LLC and formerly with Black & Veatch Management Consulting. Mr. Sullivan sponsors the cost of service study used to determine the jurisdictional and non-jurisdictional class cost of service. He also designs the Company’s interim rates and proposed final rates, and sponsors SourceGas Distribution’s proposed Customer Adjustment and Use Per Customer Adjustment riders. (Application, Volume 3).

j. **Verlyn R. Engler**, Senior Manager, Load Growth & Products and Services. Mr. Engler describes SourceGas Distribution’s Agricultural and High Volume customer load in Nebraska, discusses competition from other energy sources for agricultural load, addresses SourceGas Distribution’s policy with respect to setting rates for Agricultural and High Volume

customer load, testifies about the loss of Agricultural and High Volume customers despite SourceGas Distribution's efforts to retain them, supports certain information and assumptions in SourceGas Distribution's cost of service study, and supports the proposed change in payment options with respect to the Company's Extra Construction Allowance. (Application, Volume 3).

IX. SUMMARY

29. SourceGas Distribution respectfully requests that the Commission:

a. Authorize the proposed annual retail natural gas rate increase in the amount of \$8.279 million, based upon the Test Year ended March 31, 2011, adjusted for known and measurable changes, as shown in Exhibit I, Schedule B1 (Volume I);

b. Authorize and approve the changes proposed to SourceGas Distribution's Tariff, and the just and reasonable rates set forth therein, as shown in Exhibit VII (Volume I); and

c. Grant such other and further relief as the Commission deems just and reasonable.

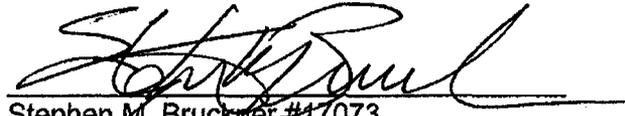
30. SourceGas Distribution further respectfully requests that the rates set forth in Exhibit VII, Schedule C, submitted with this Application, be made effective after Commission approval pursuant to Neb. Rev. Stat. § 66-1838(16). Pursuant to Neb. Rev. Stat. § 66-1838(10)(a), SourceGas Distribution intends to collect the interim rates set forth in Exhibit VII, Schedule A, subject to refund, beginning on January 1, 2012.

September 30, 2011

Respectfully Submitted,

SOURCEGAS DISTRIBUTION LLC, Applicant.

BY:



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Russell A. Westerhold #22498

Fraser Stryker PC LLO

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And

Michael Noone

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(303) 243-3425

Attorneys for SourceGas Distribution LLC

VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF JEFFERSON)

Lewis M. Binswanger, being of lawful age and having been first duly sworn, states that he is the Vice President, Regulatory and Governmental Affairs, for Applicant SourceGas Distribution LLC, and that he has read the Application, Volumes 1 through 3, knows the contents thereof, and that the statements and allegations contained therein are true to the best of his information, knowledge and belief.

Lewis M. Binswanger

SUBSCRIBED AND SWORN to before me this 28th day of September, 2011.

Elaine D. Hegler

Notary Public

My Commission Expires: 11-17-14



SourceGas Distribution LLC - Nebraska
 2011 Nebraska Rate Case (MFR schedules)
 Comparison to Nebraska Proposed Rule No. 179

Exhibit/Schedule	Description	Nebraska Proposed Rule No. 179 Reference	Witness
EXHIBIT I	GENERAL INFORMATION	SECTION I	
Exhibit I - Schedule A	Description of Base Year, Test Year	SECTION I - 004.02A	Binswanger
Exhibit I - Schedule B1	Calculation of Revenue Deficiency	SECTION I - 004.02B	Rocheleau, Sullivan
Exhibit I - Schedule B2	Bill Comparisons	SECTION I - 004.02B	Sullivan
Exhibit I - Schedule B3	Reasons for Proposed Revenue Requirement Increase	SECTION I - 004.02B	Binswanger
Exhibit I - Schedule C1	Total State - Revenue Requirement	SECTION I - 004.02C	Rocheleau
Exhibit I - Schedule C2	Jurisdictional - Revenue Requirement	SECTION I - 004.02C	Rocheleau
Exhibit I - Schedule D	Diagram and Description of Corporate Structure, Affiliates, and Shared Resource Affiliates	SECTION I - 004.02D	Norsworthy
Exhibit I - Schedule E	CONFIDENTIAL Financial Statements for Most Recent Fiscal Year	SECTION I - 004.02E	Rocheleau
Exhibit I - Schedule F	Most Recent Annual Report to Stockholders	SECTION I - 004.02F	Not Applicable
Exhibit I - Schedule G	List of Witnesses and their Subjects	SECTION I - 004.02G	Binswanger
EXHIBIT II	RATE BASE	SECTION II	
Exhibit II - Schedule A	Rate Base	SECTION II - 004.03B	Hammer
Exhibit II - Schedule B1	Total State - Plant in Service	SECTION II - 004.03A1, 004.03B	Hammer
Exhibit II - Schedule B2	Jurisdictional - Plant in Service	SECTION II - 004.03A1, 004.03B	Hammer
Exhibit II - Schedule C	Accumulated Reserve for Depreciation, Depletion and Amortization	SECTION II - 004.03A1, 004.03B	Hammer
Exhibit II - Schedule D	Working Capital Summary	SECTION II - 004.03A2, 004.03B	Hammer
Exhibit II - Schedule E	Accumulated Deferred Income Taxes	SECTION II - 004.03A3, 004.03B	Hammer
Exhibit II - Schedule F1	CWIP - Nebraska Specific CWIP	SECTION II - 004.03C	Pickett
Exhibit II - Schedule F2	CWIP - Utility General CWIP	SECTION II - 004.03C	Pickett
Exhibit II - Schedule F3	CWIP - Corporate General CWIP	SECTION II - 004.03C	Hammer/Pickett
EXHIBIT III	OPERATING EXPENSE	SECTION III	
Exhibit III - Schedule A	Operating Expenses	SECTION III - 004.04A	Rocheleau
Exhibit III - Schedule B	Federal and State Income Taxes	SECTION III - 004.04A	Rocheleau
Exhibit III - Schedule C	Depreciation and Amortization Expense	SECTION III - 004.04A	Rocheleau
Exhibit III - Schedule D-E	Legislative Advocacy Expenses and Funds Expended - Political, Religious, etc.	SECTION III - 004.04B-E	Rocheleau
Exhibit III - Schedule F	Affiliate transactions	SECTION III - 004.04F	Norsworthy
Exhibit III - Schedule G	CAAM Including Descriptions of any Changes Made Since Last CAAM Approval	SECTION III - 004.04G	Norsworthy
EXHIBIT IV	RATE OF RETURN AND COST OF CAPITAL	SECTION IV	
Exhibit IV - Schedule A	Rate of Return and Cost of Capital - Summary	SECTION IV - 004.05A	Binswanger
Exhibit IV - Schedule B	Average Cost of Debt	SECTION IV - 004.05B	Binswanger
Exhibit IV - Schedule C	Debt and Equity	SECTION IV - 004.05B	Binswanger
EXHIBIT V	REVENUE	SECTION V	
Exhibit V - Schedule A	Base Year Revenues Under Current Rates	SECTION V - 004.06A	Hammer
Exhibit V - Schedule B	Revenues Pro Forma Adjustments	SECTION V - 004.06B1	Hammer
Exhibit V - Schedule C	Test Year Revenues Under Current Rates	SECTION V - 004.06B1	Hammer
Exhibit V - Schedule D	Other Operating Revenue	NO RULE REFERENCE	Rocheleau/Engler
Exhibit V - Schedule E	Proposed Rates and Test Year Revenues Under Current Rates and Proposed Rates	SECTION V - 004.06B2	Sullivan
EXHIBIT VI	COST OF SERVICE STUDY	SECTION VI	
Exhibit VI - Schedule A	FUNCTIONALIZATION	SECTION VI - 004.07	Sullivan
Table 1	Functionalization Classification of Rate Base and Cost of Service	SECTION VI - 004.07	Sullivan
Table 2	Functionalization Classification of Rate Base	SECTION VI - 004.07	Sullivan
Table 3	Functionalization Classification of Operation and Maintenance Expenses	SECTION VI - 004.07	Sullivan
Table 4	Functionalization Classification of Other Cost of Service Components	SECTION VI - 004.07	Sullivan
Exhibit VI - Schedule B	ALLOCATION	SECTION VI - 004.07	Sullivan
Table 1	Rate of Return Under Current and Proposed Rates	SECTION VI - 004.07	Sullivan
Table 2	Allocation of Cost of Service	SECTION VI - 004.07	Sullivan
Table 3	Allocation of Rate Base	SECTION VI - 004.07	Sullivan
Table 4	Class Allocation Basis	SECTION VI - 004.07	Sullivan
Table 5	Unit Cost of Service	SECTION VI - 004.07	Sullivan
EXHIBIT VII	TARIFFS	SECTION VII - DOES NOT EXIST	
Exhibit VII - Schedule A	Interim Tariffs	NO RULE REFERENCE	Hammer
Exhibit VII - Schedule B	Interim Red-Lined Tariffs	NO RULE REFERENCE	Hammer
Exhibit VII - Schedule C	Final Tariffs	NO RULE REFERENCE	Hammer, Sullivan, Binswanger
Exhibit VII - Schedule D	Final Red-Lined Tariffs	NO RULE REFERENCE	Hammer, Sullivan, Binswanger

**SourceGas Distribution LLC – Nebraska
Description of Base Year and Test Year
For the Test Year Ended March 31, 2011**

**Exhibit I
Schedule A
Page 1 of 1**

Base Year

The Base Year is the twelve months ended March 31, 2011.

Test Year

In accordance with Commission Rule 001.01L, the Test Year is the Base Year ended March 31, 2011, adjusted for known and measurable changes occurring within one year of the end of the Base Year.

Total State

Line No.	Description	Adjusted Base Year	Test Year		Reference Schedule No.
	(A)	(B)	(C)	(D)	(E)
1	Rate Base	\$87,906,548	\$98,403,822		Exhibit II, Schedule A, Line 10
2	Return on Rate Base	8.40%	8.40%		Exhibit IV, Schedule A, Line 6
3	Earnings Required	\$7,381,999	\$8,263,513		(Line 1 x Line 2)
4	Net Operating Earnings	\$6,304,511	\$4,440,733		Exhibit I, Schedule C1, Line 21
5	Deficiency / (Excess)	\$1,077,488	\$3,822,780		(Line 3 - Line 4)
6	Gross Up	1.668794	1.668794		(Based on a Combined Federal and State Income Tax Rate of 40.08%)
7	Revenue Increase / (Decrease)	\$1,798,106	\$6,379,434		(Line 5 * Line 6)

Total Jurisdictional

Line No.	Description	Adjusted Base Year	Test Year	Proposed	Reference Schedule No.
	(A)	(B)	(C)	(D)	(E)
8	Rate Base	\$70,223,650	\$78,778,341	\$78,778,341	Exhibit II, Schedule A, Line 21
9	Return on Rate Base	8.40%	8.40%	8.40%	Exhibit IV, Schedule A, Line 6
10	Earnings Required	\$5,897,068	\$6,615,453	\$6,615,453	(Line 8 x Line 9)
11	Net Jurisdictional Operating Earnings	\$3,375,434	\$1,654,309	\$6,615,453	Exhibit I, Schedule C2, Line 20
12	Deficiency / (Excess)	\$2,521,634	\$4,961,144	(\$0)	(Line 10 - Line 11)
13	Gross Up	1.668794	1.668794	1.668794	(Based on a Combined Federal and State Income Tax Rate of 40.08%)
14	Revenue Increase / (Decrease)	\$4,208,089	\$8,279,130	\$0	(Line 12 * Line 13)

SourceGas Distribution LLC - Nebraska
 Monthly Bills Under Current and Proposed Rates and Bill Impact Comparisons
 Test Year Ended March 31, 2011

Exhibit I
 Schedule B2
 Page 1 of 1

Line No.	[A] Description	[B] Total Company	[C] Residential	[D] Small Commercial	[E] Large Commercial
1	# of Customers	78,327	66,864	9,975	1,488
2	Volumes - therms				
3	First Tier <u>/1</u>	17,654,648	13,177,434	2,952,157	1,525,057
4	Second Tier <u>/2</u>	71,884,677	33,976,313	12,789,650	25,118,714
5	Total Volumes	89,539,326	47,153,747	15,741,807	26,643,771
6	Average Monthly Usage - therms				
7	First Tier		16	25	85
8	Second Tier		42	107	1,407
9	Total Volumes		59	132	1,492
10	Current Rates				
11	Cost of Gas - \$/therm		\$ 0.6000	\$ 0.6000	\$ 0.6000
12	Customer Charge - \$/Bill		\$ 12.25	\$ 14.50	\$ 44.60
13	Distribution Charge - \$/therm				
14	First Tier <u>/1</u>		\$ 0.4220	\$ 0.4220	\$ 0.4220
15	Second Tier <u>/2</u>		\$ 0.1208	\$ 0.1208	\$ 0.1208
16	Proposed Rates				
17	Cost of Gas - \$/therm		\$ 0.6000	\$ 0.6000	\$ 0.6000
18	Customer Charge - \$/Bill		\$ 15.00	\$ 25.00	\$ 60.00
19	Distribution Charge - \$/therm				
20	First Tier <u>/1</u>		\$ 0.5407	\$ 0.5407	\$ 0.5407
21	Second Tier <u>/2</u>		\$ 0.1548	\$ 0.1548	\$ 0.1548
22	Current Average Monthly Bill - \$		59.56	116.72	1,145.86
23	Proposed Average Monthly Bill - \$		65.70	133.78	1,219.23
24	Proposed Change in Average Monthly Bill - \$		6.14	17.06	73.37
25	Proposed Change in Average Monthly Bill - %		10.3%	14.6%	6.4%

Notes:

/1 First Tier - Residential is First 20 therms, for Small Commercial First 40 therms, and for Large Commercial First 80 therms.

/2 Second Tier - Residential is Over 20 therms, for Small Commercial Over 40 therms, and for Large Commercial Over 80 therms.

Reasons for Total State Revenue Requirement Increase and Proposed Increase

The table below summarizes the total state revenue requirement increase since the last rate case and the proposed increase.

Primary Drivers for Revenue Requirement Increase

	\$ (Millions)
Cost Drivers Since Previous Rate Case	
Investment in Plant and Equipment	\$ 2.20
Operating Cost Increases	\$ 3.28
Provision for Income Tax	\$ 0.91
Ad Valorem and Other Tax Increase	<u>\$ 0.38</u>
Total Cost Change	\$ 6.77
 Revenue Drivers Since Previous Rate Case	
Decrease in Jurisdictional Base Rate Revenue	\$ 0.90
Increase in Non-Jurisdictional Base Rate Revenue	\$ (1.22)
Increase in Other Revenues	<u>\$ (0.07)</u>
Total Revenue Change	\$ (0.39)
 Total State Revenue Deficiency	
	\$ 6.38
Cost of Service Study Allocations	<u>\$ 1.90</u>
Total Proposed Increase	\$ 8.28

As shown above, \$2.20 million of the \$6.38 million total state revenue deficiency is related to the Company's investment in plant and equipment made to provide safe, efficient, and reliable natural gas service to customers in Nebraska. The testimony of Mr. Hammer, Mr. Pickett, and Mr. Rocheleau address aspects of the Company's investment in plant and equipment. Increases in operating costs, which are addressed in Mr. Rocheleau's testimony, account for another \$3.28 million. Changes in the provision for income tax, ad valorem tax and other tax account for another \$1.29 million, as addressed in the testimony of Mr. Rocheleau. The total \$6.77 million in cost increases is moderated slightly by a \$0.39 million increase in revenues (the components of which are addressed in the testimony of Mr. Hammer, Mr. Rocheleau, and Mr. Engler), for a total state revenue deficiency of \$6.38 million. The total proposed revenue requirement increase is \$8.28 million after reflecting the \$1.90 million of cost of service study allocations that are fully discussed in the testimony of Mr. Sullivan.

SourceGas Distribution LLC - Nebraska
Reasons for Proposed Revenue Requirement Increase
For the Test Year Ended March 31, 2011

Exhibit I
Schedule B3
Page 2 of 2

(A) Line No.	(B) Item	(C) After Appeal	(D) Test Year	(E) Difference
1	O&M Expense	\$ 13,559,177	\$ 15,438,010	\$ 1,878,833
2	A&G Expense	\$ 8,066,391	\$ 9,465,856	\$ 1,399,465
3	Depreciation	\$ 6,927,327	\$ 7,973,796	\$ 1,046,469
4	Other Taxes	\$ 2,301,525	\$ 2,681,776	\$ 380,251
5	Provision for Income Tax	\$ 2,813,606	\$ 3,723,088	\$ 909,482
6	Return	\$ 7,111,421	\$ 8,263,513	\$ 1,152,092
7	Total Revenue Requirement	<u>\$ 40,779,447</u>	<u>\$ 47,546,038</u>	<u>\$ 6,766,591</u>
8	Jurisdictional Base Rate Revenue	\$ 29,401,172	28,496,079	(905,093)
9	Non-Jurisdictional Base Rate Revenue	\$ 9,147,577	10,368,945	1,221,368
10	Other Revenues	\$ 2,230,698	2,301,581	70,883
11	Total Revenues	<u>\$ 40,779,447</u>	<u>\$ 41,166,605</u>	<u>\$ 387,158</u>
12	Total State Revenue Deficiency		\$ 6,379,434	\$ 6,379,434
13	Cost of Service Study Allocations		\$ 1,899,696	\$ 1,899,696
14	Total Proposed Increase		<u>\$ 8,279,130</u>	<u>\$ 8,279,130</u>
15	Investment in plant and equipment			\$ 2,198,561
16	Operating Cost Increases			\$ 3,278,298
17	Provision for Income Tax Increases			\$ 909,482
18	Ad Valorem and Other tax increases			\$ 380,251
19	Decrease in Jurisdictional Base Rate Revenue			\$ 905,093
20	Increase in Non-Jurisdictional Base Rate Revenue			\$ (1,221,368)
21	Increase in Other Revenues			\$ (70,883)
22	Total State Revenue Deficiency			<u>\$ 6,379,434</u>
23	Cost of Service Study Allocations			<u>\$ 1,899,696</u>
24	Total Proposed Increase			<u>\$ 8,279,130</u>

SourceGas Distribution LLC - Nebraska
 Total State Revenue Requirement
 For the Test Year Ended March 31, 2011

Exhibit I
 Schedule C1
 Page 1 of 1

Line No.	Description	Adjusted Base Year	Pro Forma Adjustments	Test Year
	(A)	(B)	(C)	(D)
1	Operating Revenues			
2	Jurisdictional Base Rate Revenue	\$28,919,133 _{2/}	(\$423,054) _{4/}	\$28,496,079
3	Non-Jurisdictional Base Rate Revenue	\$10,356,620 _{3/}	\$12,325 _{5/}	\$10,368,945
4	Other Gas Revenues	\$2,111,935	\$189,646	\$2,301,581
5	Total Operating Revenues	\$41,387,687	(\$221,083)	\$41,166,605
6	Operation & Maintenance Expenses	\$14,535,980	\$902,030	\$15,438,010
7	Total O&M	\$14,535,980	\$902,030	\$15,438,010
8	Administrative & General Expenses	\$8,070,450	\$1,395,405	\$9,465,856
9	Total A&G	\$8,070,450	\$1,395,405	\$9,465,856
10	Depreciation and Amortization Expense	\$7,565,365	\$408,431	\$7,973,796
11	Total Depreciation Expense	\$7,565,365	\$408,431	\$7,973,796
12	Taxes Other Than Income			
13	Payroll Taxes	\$860,953	\$128,932	\$989,885
14	Ad Valorem and Other Taxes	\$1,445,120	\$246,771	\$1,691,891
15	Total Taxes Other Than Income	\$2,306,074	\$375,702	\$2,681,776
16	Total Operating Deductions	\$32,477,869	\$3,081,569	\$35,559,437
17	Operating Earnings	\$8,909,818	(\$3,302,651)	\$5,607,167
18	Income Taxes			
19	Federal and State Income Tax _{1/}	\$2,605,308	(\$1,438,873)	\$1,166,434
20	Total Income Taxes	\$2,605,308	(\$1,438,873)	\$1,166,434
21	Net Operating Earnings	\$6,304,511	(\$1,863,778)	\$4,440,733
22	Total Rate Base	\$87,906,548	\$10,497,274	\$98,403,822
23	Rate of Return	7.17%		4.51%
24	Return on Equity	8.62%		3.45%

Notes
_{1/} Income Tax (Federal and State) Calculated at the Following Rate----- 40.08%
 Federal Tax Rate - 35.00%
 State Tax Rate - 7.81%
Combined Rate = 35.00% + 7.81% - (35.00% x 7.81%) = 40.08%

_{2/} Exhibit V, Schedule B, Column C, Line 5

_{3/} Exhibit V, Schedule B, Column D, Line 5

_{4/} Exhibit V, Schedule B, Column C, Lines 6 through 8

_{5/} Exhibit V, Schedule B, Column D, Lines 6 through 8

SourceGas Distribution LLC - Nebraska
 Total Jurisdictional Revenue Requirement
 For the Test Year Ended March 31, 2011

Exhibit 1
 Schedule C2
 Page 1 of 1

Line No.	Description	Adjusted Base Year	Pro Forma Adjustments	Test Year	Revenue Change	Test Year After Revenue Change
	(A)	(B)	(C)	(D)	(E)	(F)
1	Operating Revenues					
2	Jurisdictional Base Rate Revenue	\$28,919,133 <u>_2/</u>	(\$423,054) <u>_3/</u>	\$28,496,079	\$8,279,130	\$36,775,209
3	Other Gas Revenues	\$1,894,989	\$138,914	\$2,033,903	\$0	\$2,033,903
4	Total Operating Revenues	\$30,814,122	(\$284,139)	\$30,529,982	\$8,279,130	\$38,809,112
5	Operation & Maintenance Expenses	\$11,879,229	\$813,707	\$12,692,936	\$0	\$12,692,936
6	Total O&M	\$11,879,229	\$813,707	\$12,692,936	\$0	\$12,692,936
7	Administrative & General Expenses	\$6,593,575	\$1,293,450	\$7,887,025	\$0	\$7,887,025
8	Total A&G	\$6,593,575	\$1,293,450	\$7,887,025	\$0	\$7,887,025
9	Depreciation and Amortization Expense	\$6,134,802	\$330,253	\$6,465,055	\$0	\$6,465,055
10	Total Depreciation Expense	\$6,134,802	\$330,253	\$6,465,055	\$0	\$6,465,055
11	Taxes Other Than Income					
12	Payroll Taxes	\$701,952	\$110,378	\$812,329	\$0	\$812,329
13	Ad Valorem and Other Taxes	\$1,158,688	\$197,063	\$1,355,751	\$0	\$1,355,751
14	Total Taxes Other Than Income	\$1,860,640	\$307,441	\$2,168,080	\$0	\$2,168,080
15	Total Operating Deductions	\$26,468,245	\$2,744,851	\$29,213,096	\$0	\$29,213,096
16	Operating Earnings	\$4,345,876	(\$3,028,991)	\$1,316,886	\$8,279,130	\$9,596,016
17	Income Taxes					
18	Federal and State Income Tax <u>_1/</u>	\$970,443	(\$1,307,866)	(\$337,423)	\$3,317,986	\$2,980,563
19	Total Income Taxes	\$970,443	(\$1,307,866)	(\$337,423)	\$3,317,986	\$2,980,563
20	Net Jurisdictional Operating Earnings	\$3,375,434	(\$1,721,125)	\$1,654,309	\$4,961,144	\$6,615,453
21	Total Rate Base	\$70,223,650	\$8,554,690	\$78,778,341		\$78,778,341
22	Rate of Return	4.81%		2.10%		8.40%
23	Return on Equity	4.02%		-1.25%		11.00%

Notes
_1/ Income Tax (Federal and State) Calculated at the Following Rate---- 40.08%
 Federal Tax Rate - 35.00%
 State Tax Rate - 7.81%
 Combined Rate = 35.00% + 7.81% - (35.00% x 7.81%) = 40.08%

_2/ Exhibit V, Schedule B, Column C, Line 5

_3/ Exhibit V, Schedule B, Column C, Lines 6 through 8

**SourceGas Distribution LLC – Nebraska
Diagram and Description of Corporate Structure,
Affiliates, and Shared Resource Affiliates
For the Test Year Ended March 31, 2011**

**Exhibit I
Schedule D
Page 1 of 1**

Diagram and Description of Corporate Structure, Affiliates, and Shared Resource Affiliates

Please refer to the Cost Assignment and Allocation Manual – Exhibit III – Schedule G, Page 12.

SourceGas Distribution LLC – Nebraska
CONFIDENTIAL Financial Statements for Most Recent Fiscal Year
For the Test Year Ended March 31, 2011

Exhibit I
Schedule E
Page 1 of 1

CONFIDENTIAL Financial Statements for Most Recent Fiscal Year

Attached is Exhibit I – Schedule E, which includes the confidential financial statement for the most recent fiscal year for SourceGas LLC.

**SourceGas Distribution LLC – Nebraska
Most Recent Annual Report to Stockholders
For the Test Year Ended March 31, 2011**

**Exhibit I
Schedule F
Page 1 of 1**

Most Recent Annual Report to Stockholders

This is not applicable to SourceGas Distribution LLC.

List of Witnesses and their Subjects

SourceGas Distribution presents ten witnesses providing direct testimony on the subject matters described below.

Mr. Lewis M. Binswanger, Vice President – Regulatory and Governmental Affairs, provides an overview of SourceGas and SourceGas Distribution, including its operations and the business environment in Nebraska. He also provides an overview of this rate case filing, describes generally the authority and principles that the Company employed in preparing this rate case, and identifies the primary drivers of this case. He addresses the capital structure, cost of debt and overall rate of return that the Company is proposing in this case. He also addresses matters related to energy efficiency, in particular the Company's High Efficiency Assistance Tool ("HEAT") program, its relation to the use per customer adjustment mechanism that the Company is proposing in this case, and the important energy efficiency benefits that natural gas provides to Nebraska. He also discusses the Company's proposal for the recovery of Commission assessment costs and rate case expenses, discusses the Company's customer service accomplishments over the last one and one-half years, in support of the Company's commitment of dollars associated with customer service functions, and finally, supports the Company's request to recover costs associated with variable compensation through its Short-Term Incentive Plan ("STIP") program, by describing the STIP program and its underlying policy.

Dr. Roger A. Morin, Emeritus Professor of Finance at the Robinson College of Business, Georgia State University and Professor of Finance for Regulated Industry at the Center for the Study of Regulated Industry at Georgia State University, and a principal in Utility Research International, presents an independent appraisal of the fair and reasonable rate of return on common equity capital that is committed to SourceGas Distribution's Nebraska gas distribution assets.

Ms. Margaret (Lynn) L. Norsworthy, Manager, Regulatory Accounting, testifies on cost assignments and allocations, including the updated Cost Assignment and Allocation Manual.

Mr. Stephen L. Rocheleau, Controller, testifies on SourceGas Distribution's proposed overall revenue requirement, including operating expenses, depreciation, taxes and other revenue.

Mr. Jason R. Pickett, Director, Asset Management, sponsors testimony in this case related to construction work in progress in Nebraska and rate base pro forma adjustments.

Dr. Robert Livezey, an independent consultant since retiring as Chief of National Weather Service Climate Services in 2008, explains climate normals, reviews his research and conclusions regarding changing climate normals, compares various methods for predicting the current climate, and makes a recommendation for defining "normal" weather for purposes of ratemaking in this case.

Mr. Larry W. Loos, an independent contractor to Black & Veatch Management Consulting, addresses the issue of the most appropriate basis upon which to weather-normalize test year sales.

**SourceGas Distribution LLC – Nebraska
List of Witnesses and their Subjects
For the Test Year Ended March 31, 2011**

**Exhibit I
Schedule G
Page 2 of 2**

Mr. Jerrad S. Hammer, Manager, Regulatory, calculates SourceGas Distribution's billing determinants and revenues, addresses plant in service and related components, sponsors updates to the Company's Regular and Extra Construction Allowances, and discusses the tariff revisions being proposed in this proceeding.

Mr. Thomas J. Sullivan, of Navillus Utility Consulting LLC and formerly with Black & Veatch Management Consulting, sponsors SourceGas Distribution's fully-allocated class cost of service study, proposed final and interim rates, and proposed Customer Adjustment and Use Per Customer Adjustment riders.

Mr. Verlyn R. Engler, Senior Manager, Load Growth & Products and Services, describes SourceGas Distribution's Agricultural and High Volume customer load in Nebraska, discusses competition from other energy sources for agricultural load, addresses the Company's policy with respect to setting rates for Agricultural and High Volume customer load and testifies about the loss of Agricultural and High Volume customers despite SourceGas Distribution's efforts to retain them. Mr. Engler also supports certain information and assumptions in the Company's fully-allocated class cost of service study, and supports the proposed change in payment options with respect to the Company's Extra Construction Allowance.

Total State

Line No.	Description	Base Year		Pro Forma Adjustments	Test Year	Reference
		Beginning Balance	Ending Balance			
	(A)	(B)	(C)	(D)	(E)	(F)
1	Per Books Utility Plant in Service	\$184,328,281	\$186,040,640	\$574,414	\$186,615,054	Exhibit II, Schedule B1
2	Construction Work in Progress	\$4,867,893	\$4,542,070	\$9,654,414	\$14,196,485	Exhibit II, Schedule B1
3	Utility Plant in Service	\$189,196,174	\$190,582,710	\$10,228,828	\$200,811,539	Line 1 + Line 2
4	Less Accumulated Depreciation, Depletion and Amortization	(\$94,264,101)	(\$93,751,878)	(\$745,439)	(\$94,497,317)	Exhibit II, Schedule C
5	Less: Customer Advances	(\$542,887)	(\$99,333)	(\$1,404)	(\$100,737)	Exhibit JSH-8, Line 49
6	Net Utility Plant in Service	\$94,389,186	\$96,731,500	\$9,481,985	\$106,213,485	Line 3 + Line 4 + Line 5
7	Less: Accumulated Deferred Income Taxes	(\$5,981,366)	(\$7,106,098)	(\$120,412)	(\$7,226,510)	Exhibit II, Schedule E
8	Less: Customer Deposits	(\$3,301,027)	(2,654,075)	\$389,591	(\$2,264,484)	Exhibit JSH-8, Line 61
9	Plus: Total Working Capital	\$953,283	\$935,222	\$746,110	\$1,681,332	Exhibit II, Schedule D
10	Total Rate Base	\$86,060,077	\$87,906,548	\$10,497,274	\$98,403,822	Line 6 + Line 7 + Line 8 + Line 9
11	Return on Rate Base		\$7,381,999		\$8,263,513	Line 10 x 8.40%

Total Jurisdictional

Line No.	Description	Base Year		Pro Forma Adjustments	Test Year	Reference
		Beginning Balance	Ending Balance			
	(A)	(B)	(C)	(D)	(E)	(F)
12	Per Books Utility Plant in Service	\$147,009,869	\$148,181,157	\$273,951	\$148,455,108	Exhibit II, Schedule B2
13	Construction Work in Progress	\$3,849,469	\$3,605,552	\$7,713,418	\$11,318,969	Exhibit II, Schedule B2
14	Utility Plant in Service	\$150,859,338	\$151,786,709	\$7,987,369	\$159,774,077	Line 12 + Line 13
15	Less Accumulated Depreciation, Depletion and Amortization	(\$74,474,208)	(\$74,144,642)	(\$433,733)	(\$74,578,375)	Exhibit II, Schedule C
16	Less: Customer Advances	(\$455,866)	(\$83,411)	(\$1,004)	(\$84,415)	Cost of Service Study
17	Net Utility Plant in Service	\$75,929,264	\$77,558,656	\$7,552,631	\$85,111,287	Line 14 + Line 15 + Line 16
18	Less: Accumulated Deferred Income Taxes	(\$4,795,818)	(\$5,697,621)	(\$93,147)	(\$5,790,767)	Exhibit II, Schedule E
19	Less: Customer Deposits	(\$2,965,941)	(\$2,384,661)	\$353,552	(\$2,031,109)	Cost of Service Study
20	Plus: Total Working Capital	\$761,974	\$747,276	\$741,653	\$1,488,929	Exhibit II, Schedule D
21	Total Rate Base	\$68,929,480	\$70,223,650	\$8,554,690	\$78,778,341	Line 17 + Line 18 + Line 19 + Line 20
22	Return on Rate Base		\$5,897,068		\$6,615,453	Line 21 x 8.40%

SourceGas Distribution LLC - Nebraska
 Total State Plant In Service
 For the Test Year Ended March 31, 2011

Exhibit II
 Schedule B1
 Page 1 of 1

Line No.	Account Number	Description	Base Year		Pro Forma Adjustments	Test Year
			Beginning Balance	Ending Balance		
	(A)	(B)	(C)	(D)	(E)	(F)
						[(D) + (E)]
1		Account No. 101 Plant:				
2		Intangible Plant				
3	30100	Organization	\$0	\$0	\$0	\$0
4	30200	Franchise and Consents	\$32,990	\$32,990	\$0	\$32,990
5	30300	Miscellaneous Intangible Plant	\$642,445	\$642,445	\$0	\$642,445
6		Total Intangible Plant	\$675,434	\$675,434	\$0	\$675,434
7		Distribution Plant				
8	37401	Land	\$991,585	\$991,585	\$0	\$991,585
9	37402	Land Rights	\$1,961,895	\$2,318,154	\$0	\$2,318,154
10	37501	Structure & Improvements - Offices	\$3,874,794	\$4,267,083	\$0	\$4,267,083
11	37600	Mains	\$85,693,015	\$89,396,934	\$0	\$89,396,934
12	37800	Measuring and Regulating Station Equip.	\$2,560,356	\$2,700,763	\$0	\$2,700,763
13	37900	City Gate Check Stations	\$2,720,615	\$2,882,010	\$0	\$2,882,010
14	38000	Services	\$19,085,965	\$19,330,028	\$0	\$19,330,028
15	38100	Meters	\$14,691,265	\$14,705,454	\$0	\$14,705,454
16	38110	AMR Equipment	\$6,715,157	\$6,773,487	\$0	\$6,773,487
17	38200	Meter Installations	\$4,253,466	\$4,345,454	\$0	\$4,345,454
18	38300	House Regulators	\$5,000,360	\$5,043,947	\$0	\$5,043,947
19	38400	House Regulator Installations	\$1,654,399	\$1,674,688	\$0	\$1,674,688
20	38500	Ind Meas & Reg Sta Equip	\$718,336	\$796,221	\$0	\$796,221
21	38600	Other Property on Customer Premises	\$53,136	\$53,166	\$0	\$53,166
22	38700	Other Equipment	\$64,327	\$66,270	\$0	\$66,270
23		Subtotal Distribution Plant	\$150,038,672	\$155,345,244	\$0	\$155,345,244
24		Distribution Construction Work in Progress	\$4,189,370	\$3,649,784	\$7,723,331	\$11,373,115
25		Total Distribution Plant	\$154,228,043	\$158,995,027	\$7,723,331	\$166,718,358
26		General Plant				
27	38901	Land	\$56,282	\$56,282	\$0	\$56,282
28	39001	Structures and Improvements	\$946,440	956,217	\$1,647	\$957,864
29	39101	Office Machines	\$907,843	\$900,012	\$18,203	\$918,215
30	39102	Office, Furniture and Fixtures	\$681,490	\$718,836	\$11,204	\$730,041
31	39103	Computer Equipment	\$11,039,402	\$10,624,678	\$431,087	\$11,055,765
32	39104	Computer Equipment 3yr	\$3,588,681	\$1,446,548	\$53,250	\$1,499,798
33	39105	Computer Equipment 5yr	\$1,039,960	\$1,378,584	\$58,400	\$1,436,984
34	39201	Automobiles	\$1,381,308	\$2,262,654	\$424	\$2,263,079
35	39202	Light Trucks	\$3,121,999	\$2,848,160	\$0	\$2,848,160
36	39203	Heavy Trucks	\$2,322,636	\$2,301,528	\$0	\$2,301,528
37	39205	Trailers	\$387,367	\$399,680	\$0	\$399,680
38	39300	Stores Equipment	\$12,719	\$4,778	\$0	\$4,778
39	39400	Tools, Shop, and Garage Equipment	\$5,171,161	\$3,998,977	\$0	\$3,998,977
40	39500	Laboratory Equipment	\$2,867	\$0	\$0	\$0
41	39600	Power Operated Equipment	\$2,283,324	\$1,622,965	\$0	\$1,622,965
42	39700	Communication Equipment	\$258,434	\$109,851	\$199	\$110,049
43	39710	Communication Equipment	\$87,854	\$87,854	\$0	\$87,854
44	39800	Miscellaneous Equipment	\$224,089	\$202,699	\$0	\$202,699
45	39900	Other Tangible Property	\$100,319	\$99,660	\$0	\$99,660
46		Subtotal General Plant	\$33,614,174	\$30,019,962	\$574,414	\$30,594,376
47		General Plant Construction Work in Progress	\$678,523	\$892,286	\$1,931,084	\$2,823,370
48		Total General Plant	\$34,292,697	\$30,912,249	\$2,505,497	\$33,417,746
49		Total Utility Plant in Service	\$189,196,174	\$190,582,710	\$10,228,828	\$200,811,539
50		Per Books Utility Plant in Service	\$184,328,281	\$186,040,640	\$574,414	\$186,615,054
51		Construction Work in Progress	\$4,867,893	\$4,542,070	\$9,654,414	\$14,196,485
52		Total Utility Plant in Service	\$189,196,174	\$190,582,710	\$10,228,828	\$200,811,539

SourceGas Distribution LLC - Nebraska
 Total Jurisdictional Plant In Service
 For the Test Year Ended March 31, 2011

Exhibit II
 Schedule B2
 Page 1 of 1

Line No.	Account Number	Description	Base Year		Pro Forma Adjustments	Test Year
			Beginning Balance	Ending Balance		
(A)	(B)	(C)	(D)	(E)	(F)	
						[(D) + (E)]
1	Account No. 101 Plant:					
2	Intangible Plant					
3	30100	Organization	\$0	\$0	\$0	\$0
4	30200	Franchise and Consents	\$26,897	\$26,897	\$175	\$27,072
5	30300	Miscellaneous Intangible Plant	\$523,798	\$523,798	\$3,412	\$527,210
6	Total Intangible Plant		\$550,695	\$550,695	\$3,587	\$554,282
7	Distribution Plant					
8	37401	Land	\$715,514	\$715,514	(\$2,370)	\$713,145
9	37402	Land Rights	\$1,415,677	\$1,672,749	(\$5,540)	\$1,667,209
10	37501	Structure & Improvements - Offices	\$2,796,000	\$3,079,070	(\$10,198)	\$3,068,872
11	37600	Mains	\$65,197,975	\$68,016,034	(\$205,922)	\$67,810,112
12	37800	Measuring and Regulating Station Equip.	\$1,847,519	\$1,948,835	(\$6,455)	\$1,942,380
13	37900	City Gate Check Stations	\$1,963,160	\$2,079,620	(\$6,888)	\$2,072,732
14	38000	Services	\$19,085,965	\$19,330,028	\$0	\$19,330,028
15	38100	Meters	\$11,275,669	\$11,286,559	(\$41,539)	\$11,245,020
16	38110	AMR Equipment	\$5,153,939	\$5,198,708	(\$19,133)	\$5,179,575
17	38200	Meter Installations	\$3,264,570	\$3,335,172	(\$12,275)	\$3,322,897
18	38300	House Regulators	\$3,837,818	\$3,871,271	(\$14,248)	\$3,857,024
19	38400	House Regulator Installations	\$1,269,765	\$1,285,337	(\$4,731)	\$1,280,606
20	38500	Ind Meas & Reg Sta Equip	\$551,329	\$611,106	(\$2,249)	\$608,857
21	38600	Other Property on Customer Premises	\$40,782	\$40,805	(\$150)	\$40,655
22	38700	Other Equipment	\$49,220	\$50,707	(\$154)	\$50,553
23	Subtotal Distribution Plant		\$118,464,903	\$122,521,516	(\$331,851)	\$122,189,665
24	Distribution Construction Work in Progress		\$3,281,947	\$2,859,236	\$6,087,006	\$8,946,242
25	Total Distribution Plant		\$121,746,850	\$125,380,752	\$5,755,155	\$131,135,907
26	General Plant					
27	38901	Land	\$45,887	\$45,887	\$299	\$46,186
28	39001	Structures and Improvements	\$771,651	\$779,622	\$6,430	\$786,052
29	39101	Office Machines	\$740,182	\$733,797	\$19,718	\$753,515
30	39102	Office, Furniture and Fixtures	\$555,632	\$586,081	\$13,012	\$599,093
31	39103	Computer Equipment	\$9,590,963	\$9,295,598	\$381,587	\$9,677,185
32	39104	Computer Equipment 3yr	\$2,925,920	\$1,179,398	\$51,381	\$1,230,779
33	39105	Computer Equipment 5yr	\$847,899	\$1,123,986	\$55,247	\$1,179,233
34	39201	Automobiles	\$1,126,207	\$1,844,786	\$12,365	\$1,857,151
35	39202	Light Trucks	\$2,545,426	\$2,322,159	\$15,127	\$2,337,286
36	39203	Heavy Trucks	\$1,893,690	\$1,876,480	\$12,223	\$1,888,703
37	39205	Trailers	\$315,827	\$325,867	\$2,123	\$327,990
38	39300	Stores Equipment	\$10,370	\$3,896	\$25	\$3,921
39	39400	Tools, Shop, and Garage Equipment	\$4,216,147	\$3,260,443	\$21,239	\$3,281,681
40	39500	Laboratory Equipment	\$0	\$0	\$0	\$0
41	39600	Power Operated Equipment	\$1,861,638	\$1,323,235	\$8,620	\$1,331,855
42	39700	Communication Equipment	\$210,706	\$89,563	\$746	\$90,310
43	39710	Communication Equipment	\$71,629	\$71,629	\$467	\$72,095
44	39800	Miscellaneous Equipment	\$182,704	\$165,264	\$1,077	\$166,341
45	39900	Other Tangible Property	\$81,792	\$81,254	\$529	\$81,784
46	Subtotal General Plant		\$27,994,271	\$25,108,946	\$602,215	\$25,711,161
47	General Plant Construction Work in Progress		\$567,522	\$746,316	\$1,626,412	\$2,372,728
48	Total General Plant		\$28,561,793	\$25,855,262	\$2,228,627	\$28,083,889
49	Total Utility Plant in Service		\$150,859,338	\$151,786,709	\$7,987,369	\$159,774,077
50	Per Books Utility Plant in Service		\$147,009,869	\$148,181,157	\$273,951	\$148,455,108
51	Construction Work in Progress		\$3,849,469	\$3,605,552	\$7,713,418	\$11,318,969
52	Total Utility Plant in Service		\$150,859,338	\$151,786,709	\$7,987,369	\$159,774,077

Total State

Line No.	Description	Base Year		Pro Forma Adjustments	Test Year
		Beginning Balance	Ending Balance		
	(A)	(B)	(C)	(D)	(E)
1	Distribution	(\$91,587,713)	(\$89,515,306)	(\$341,193)	(\$89,856,499)
2	General	(\$2,676,388)	(\$4,236,572)	(\$404,245)	(\$4,640,817)
3	Total	(\$94,264,101)	(\$93,751,878)	(\$745,439)	(\$94,497,317)

Total Jurisdictional

Line No.	Description	Base Year		Pro Forma Adjustments	Test Year
		Beginning Balance	Ending Balance		
	(A)	(B)	(C)	(D)	(E)
4	Distribution	(\$72,235,655)	(\$70,601,138)	(\$77,148)	(\$70,678,286)
5	General	(\$2,238,553)	(\$3,543,504)	(\$356,585)	(\$3,900,089)
6	Total	(\$74,474,208)	(\$74,144,642)	(\$433,733)	(\$74,578,375)

Total State

Line No.	Description	Base Year		Pro Forma Adjustments	Test Year
		Beginning Balance	Ending Balance		
	(A)	(B)	(C)	(D)	(E)
1	Materials & Supplies _1/	\$446,011	\$486,886	\$0	\$486,886
2	Prepays _1/	\$507,272	\$448,336	\$18,962	\$467,298
3	Regulatory Asset	\$0	\$0	\$727,148	\$727,148
4	Total Working Capital	\$953,283	\$935,222	\$746,110	\$1,681,332

Notes:

_1/ Amounts based on 13-month average.

Total Jurisdictional

Line No.	Description	Base Year		Pro Forma Adjustments	Test Year
		Beginning Balance	Ending Balance		
	(A)	(B)	(C)	(D)	(E)
5	Materials & Supplies _1/	\$355,247	\$387,804	(\$479)	\$387,325
6	Prepays _1/	\$406,727	\$359,473	\$14,984	\$374,457
7	Regulatory Asset	\$0	\$0	\$727,148	\$727,148
8	Total Working Capital	\$761,974	\$747,276	\$741,653	\$1,488,929

Notes:

_1/ Amounts based on 13-month average.

Total State

Line No.	Description	Base Year		Pro Forma Adjustments	Test Year
		Beginning Balance	Ending Balance		
	(A)	(B)	(C)	(D)	(E)
1	Account 190	\$170,218	\$106,986	-	\$106,986
2	Account 282	(\$6,151,583)	(\$7,213,084)	(\$120,412)	(\$7,333,496)
3	Total	(\$5,981,366)	(\$7,106,098)	(\$120,412)	(\$7,226,510)

Total Jurisdictional

Line No.	Description	Base Year		Pro Forma Adjustments	Test Year
		Beginning Balance	Ending Balance		
	(A)	(B)	(C)	(D)	(E)
4	Account 190	\$136,479	\$85,780	(\$50)	\$85,730
5	Account 282	(\$4,932,297)	(\$5,783,401)	(\$93,096)	(\$5,876,497)
6	Total	(\$4,795,818)	(\$5,697,621)	(\$93,147)	(\$5,790,767)

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	
Line No.	Order Number	Location	Description	Work Start	Work End	Per Books CWIP 3.31.11	Pro Forma Budgeted	Total Project Cost	Revenue	Retirements
1	1000150	Sutton	Hastings RDS's	n/a	n/a	393.03		393.03	n/a	n/a
2	1000151	Sutton	Clay Center	n/a	n/a	1,937.44		1,937.44	n/a	n/a
3	1000152	Sutton	Harvard	n/a	n/a	1,018.04		1,018.04	n/a	n/a
4	1000153	Sutton	Trumbull	n/a	n/a	16.14		16.14	n/a	n/a
5	1000154	Sutton	Doniphan	n/a	n/a	1,174.09		1,174.09	n/a	n/a
6	1000155	Sutton	Glenvil	n/a	n/a	184.66		184.66	n/a	n/a
7	1000156	Sutton	Juniata	n/a	n/a	(2.76)		(2.76)	n/a	n/a
8	1000157	Sutton	Kenesaw	n/a	n/a	48.97		48.97	n/a	n/a
9	1000158	Sutton	Chester	n/a	n/a	187.97		187.97	n/a	n/a
10	1000159	Sutton	Davenport	n/a	n/a	69.73		69.73	n/a	n/a
11	1000160	Sutton	Deshler	n/a	n/a	(53.07)		(53.07)	n/a	n/a
12	1000161	Sutton	Edgar	n/a	n/a	914.21		914.21	n/a	n/a
13	1000162	Sutton	Fairfield	n/a	n/a	169.68		169.68	n/a	n/a
14	1000163	Sutton	Nelson	n/a	n/a	(0.06)		(0.06)	n/a	n/a
15	1000166	Sutton	Hebron	n/a	n/a	1,824.49		1,824.49	n/a	n/a
16	1000167	Sutton	Henderson	n/a	n/a	700.05		700.05	n/a	n/a
17	1000168	Sutton	Milligan	n/a	n/a	2.99		2.99	n/a	n/a
18	1000169	Sutton	Saronville	n/a	n/a	1,930.86		1,930.86	n/a	n/a
19	1000170	Sutton	Sutton	n/a	n/a	2,489.11		2,489.11	n/a	n/a
20	1000171	Sutton	Utica	n/a	n/a	130.29		130.29	n/a	n/a
21	1000172	Sutton	Waco	n/a	n/a	(23.79)		(23.79)	n/a	n/a
22	1000173	Sutton	Western	n/a	n/a	(110.00)		(110.00)	n/a	n/a
23	1000176	Sutton	Phillips, NE	n/a	n/a	55.89		55.89	n/a	n/a
24	1000178	Sutton	Marquette	n/a	n/a	927.80		927.80	n/a	n/a
25	1000179	Sutton	Polk	n/a	n/a	3,311.27		3,311.27	n/a	n/a
26	1000181	Sutton	Doniphan Rural	n/a	n/a	3,488.14		3,488.14	n/a	n/a
27	1000182	Sutton	Glenvil Rural	n/a	n/a	760.93		760.93	n/a	n/a
28	1000183	Sutton	Juniata Rural	n/a	n/a	905.16		905.16	n/a	n/a
29	1000184	Sutton	Davenport Rural	n/a	n/a	(1,415.31)		(1,415.31)	n/a	n/a
30	1000185	Sutton	Fairfield Rural	n/a	n/a	2,166.78		2,166.78	n/a	n/a
31	1000186	Sutton	Hebron Rural	n/a	n/a	144.62		144.62	n/a	n/a
32	1000187	Sutton	Henderson Rural	n/a	n/a	1,645.37		1,645.37	n/a	n/a
33	1000188	Sutton	Milligan Rural	n/a	n/a	(376.63)		(376.63)	n/a	n/a
34	1000189	Sutton	Saronville Rural	n/a	n/a	95.05		95.05	n/a	n/a
35	1000190	Sutton	Sutton Rural	n/a	n/a	9,943.10		9,943.10	n/a	n/a
36	1000191	Sutton	Utica Rural	n/a	n/a	378.99		378.99	n/a	n/a
37	1000192	Sutton	Waco Rural	n/a	n/a	517.57		517.57	n/a	n/a
38	1000193	Sutton	Giltner Rural	n/a	n/a	899.70		899.70	n/a	n/a
39	1000194	Sutton	Phillips Rural	n/a	n/a	588.68		588.68	n/a	n/a
40	1000195	Sutton	Benedict Rural	n/a	n/a	619.70		619.70	n/a	n/a
41	1000196	Sutton	Marquette Rural	n/a	n/a	1,586.80		1,586.80	n/a	n/a
42	1000197	Sutton	Polk Rural	n/a	n/a	287.26		287.26	n/a	n/a
43	1000215	McCook	Bartley	n/a	n/a	135.44		135.44	n/a	n/a
44	1000216	McCook	Cambridge	n/a	n/a	215.17		215.17	n/a	n/a
45	1000218	McCook	Curtis	n/a	n/a	(14.21)		(14.21)	n/a	n/a
46	1000220	McCook	Danbury	n/a	n/a	(48.36)		(48.36)	n/a	n/a
47	1000221	McCook	McCook	n/a	n/a	9,251.10		9,251.10	n/a	n/a
48	1000222	McCook	Big Springs	n/a	n/a	1,114.19		1,114.19	n/a	n/a
49	1000223	McCook	Benkelman	n/a	n/a	273.70		273.70	n/a	n/a
50	1000224	McCook	Imperial	n/a	n/a	(2,971.35)		(2,971.35)	n/a	n/a
51	1000225	McCook	Venango	n/a	n/a	(0.42)		(0.42)	n/a	n/a
52	1000226	McCook	Ogallala	n/a	n/a	8,362.24		8,362.24	n/a	n/a
53	1000228	McCook	Grant	n/a	n/a	1,051.46		1,051.46	n/a	n/a
54	1000229	McCook	Hershey	n/a	n/a	92.53		92.53	n/a	n/a
55	1000230	McCook	Roscoe	n/a	n/a	93.14		93.14	n/a	n/a
56	1000231	McCook	Paxton	n/a	n/a	244.56		244.56	n/a	n/a
57	1000232	McCook	Sutherland	n/a	n/a	56.71		56.71	n/a	n/a
58	1000233	McCook	Benkelman Rural / Chase Co.	n/a	n/a	7.98		7.98	n/a	n/a
59	1000241	McCook	Danbury Rural	n/a	n/a	69.55		69.55	n/a	n/a
60	1000242	McCook	McCook Rural	n/a	n/a	167.42		167.42	n/a	n/a
61	1000243	McCook	Big Springs Rural	n/a	n/a	0.05		0.05	n/a	n/a
62	1000244	McCook	Benkelman Rural	n/a	n/a	11.88		11.88	n/a	n/a
63	1000245	McCook	Imperial Rural	n/a	n/a	8,493.16		8,493.16	n/a	n/a
64	1000248	McCook	Brule Rural	n/a	n/a	206.12		206.12	n/a	n/a
65	1000256	Holdrege	Elwood NE	n/a	n/a	(16.76)		(16.76)	n/a	n/a
66	1000257	Holdrege	Cozad NE	n/a	n/a	2,976.38		2,976.38	n/a	n/a
67	1000258	Holdrege	Beaver City NE	n/a	n/a	(732.48)		(732.48)	n/a	n/a
68	1000259	Holdrege	Edison NE	n/a	n/a	161.88		161.88	n/a	n/a
69	1000260	Holdrege	Holbrook NE	n/a	n/a	(1.42)		(1.42)	n/a	n/a
70	1000261	Holdrege	Orleans NE	n/a	n/a	277.57		277.57	n/a	n/a
71	1000262	Holdrege	Stamford	n/a	n/a	56.91		56.91	n/a	n/a
72	1000263	Holdrege	Arapahoe NE	n/a	n/a	46.20		46.20	n/a	n/a
73	1000264	Holdrege	Oxford NE	n/a	n/a	134.26		134.26	n/a	n/a

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	
Line No.	Order Number	Location	Description	Work Start	Work End	Per Books CWIP 3.31.11	Pro Forma Budgeted	Total Project Cost	Revenue	Retirements
74	1000266	Holdrege	Lexington NE	n/a	n/a	2,801.58		2,801.58	n/a	n/a
75	1000267	Holdrege	Overton NE	n/a	n/a	839.02		839.02	n/a	n/a
76	1000270	Holdrege	Gothenburg NE	n/a	n/a	325.02		325.02	n/a	n/a
77	1000271	Holdrege	Brady NE	n/a	n/a	121.06		121.06	n/a	n/a
78	1000272	Holdrege	Maxwell NE	n/a	n/a	(820.40)		(820.40)	n/a	n/a
79	1000273	Holdrege	Bertrand NE	n/a	n/a	0.84		0.84	n/a	n/a
80	1000274	Holdrege	Funk NE	n/a	n/a	(3.82)		(3.82)	n/a	n/a
81	1000275	Holdrege	Loomis NE	n/a	n/a	(12.49)		(12.49)	n/a	n/a
82	1000277	Holdrege	Holdrege NE	n/a	n/a	12,693.80		12,693.80	n/a	n/a
83	1000279	Holdrege	Elwood Rurals	n/a	n/a	(7.96)		(7.96)	n/a	n/a
84	1000280	Holdrege	Cozad Rurals	n/a	n/a	536.72		536.72	n/a	n/a
85	1000281	Holdrege	Beaver City NE Rurals	n/a	n/a	474.96		474.96	n/a	n/a
86	1000284	Holdrege	Oxford Rurals	n/a	n/a	(191.50)		(191.50)	n/a	n/a
87	1000286	Holdrege	Funk NE Rurals	n/a	n/a	2.59		2.59	n/a	n/a
88	1000287	Holdrege	Loomis Rurals	n/a	n/a	356.36		356.36	n/a	n/a
89	1000288	Holdrege	Ragan NE Rurals	n/a	n/a	27.12		27.12	n/a	n/a
90	1000289	Holdrege	Holdrege Rurals	n/a	n/a	3,668.05		3,668.05	n/a	n/a
91	1000290	Albion	Ainsworth NE	n/a	n/a	2,364.84		2,364.84	n/a	n/a
92	1000291	Albion	Bassett NE	n/a	n/a	1,022.81		1,022.81	n/a	n/a
93	1000292	Albion	Long Pine NE	n/a	n/a	149.23		149.23	n/a	n/a
94	1000293	Albion	Newport NE	n/a	n/a	(1.20)		(1.20)	n/a	n/a
95	1000294	Albion	Albion NE	n/a	n/a	2,820.01		2,820.01	n/a	n/a
96	1000295	Albion	Cedar Rapids NE	n/a	n/a	(160.95)		(160.95)	n/a	n/a
97	1000297	Albion	Petersburg NE	n/a	n/a	(6.00)		(6.00)	n/a	n/a
98	1000298	Albion	St. Edward NE	n/a	n/a	(282.79)		(282.79)	n/a	n/a
99	1000299	Albion	Spalding NE	n/a	n/a	(3.06)		(3.06)	n/a	n/a
100	1000300	Albion	Belgrade NE	n/a	n/a	914.60		914.60	n/a	n/a
101	1000301	Albion	Fullerton NE	n/a	n/a	(181.31)		(181.31)	n/a	n/a
102	1000302	Albion	Genoa NE	n/a	n/a	315.62		315.62	n/a	n/a
103	1000303	Albion	Bloomfield NE	n/a	n/a	1,218.53		1,218.53	n/a	n/a
104	1000304	Albion	Coleridge NE	n/a	n/a	260.33		260.33	n/a	n/a
105	1000305	Albion	Crofton NE	n/a	n/a	107.20		107.20	n/a	n/a
106	1000306	Albion	Hartington NE	n/a	n/a	1,091.75		1,091.75	n/a	n/a
107	1000307	Albion	Wausa NE	n/a	n/a	105.42		105.42	n/a	n/a
108	1000308	Albion	Clearwater NE	n/a	n/a	535.41		535.41	n/a	n/a
109	1000309	Albion	Elgin NE	n/a	n/a	(356.04)		(356.04)	n/a	n/a
110	1000310	Albion	Neligh NE	n/a	n/a	1,493.36		1,493.36	n/a	n/a
111	1000311	Albion	Oakdale NE	n/a	n/a	74.04		74.04	n/a	n/a
112	1000312	Albion	Atkinson NE	n/a	n/a	4,300.68		4,300.68	n/a	n/a
113	1000313	Albion	Emmet NE	n/a	n/a	1,377.02		1,377.02	n/a	n/a
114	1000314	Albion	Ewing NE	n/a	n/a	34.81		34.81	n/a	n/a
115	1000315	Albion	Inman NE	n/a	n/a	120.42		120.42	n/a	n/a
116	1000316	Albion	O'Neill NE	n/a	n/a	(1,055.59)		(1,055.59)	n/a	n/a
117	1000317	Albion	Orchard NE	n/a	n/a	179.53		179.53	n/a	n/a
118	1000318	Albion	Creighton NE	n/a	n/a	(311.69)		(311.69)	n/a	n/a
119	1000319	Albion	Foster NE	n/a	n/a	2,446.77		2,446.77	n/a	n/a
120	1000320	Albion	Osmond NE	n/a	n/a	512.85		512.85	n/a	n/a
121	1000321	Albion	Plainview NE	n/a	n/a	(74.39)		(74.39)	n/a	n/a
122	1000322	Albion	Belden NE	n/a	n/a	727.97		727.97	n/a	n/a
123	1000323	Albion	Laurel NE	n/a	n/a	(228.31)		(228.31)	n/a	n/a
124	1000324	Albion	Randolph NE	n/a	n/a	(394.08)		(394.08)	n/a	n/a
125	1000325	Albion	Winside NE	n/a	n/a	19.47		19.47	n/a	n/a
126	1000326	Albion	Dannebrog NE	n/a	n/a	15.52		15.52	n/a	n/a
127	1000327	Albion	Greeley NE	n/a	n/a	141.57		141.57	n/a	n/a
128	1000328	Albion	Palmer NE	n/a	n/a	48.76		48.76	n/a	n/a
129	1000329	Albion	St. Paul NE	n/a	n/a	1,890.30		1,890.30	n/a	n/a
130	1000330	Albion	Antelope Co NE rurals	n/a	n/a	482.93		482.93	n/a	n/a
131	1000331	Albion	Madison Co NE rurals	n/a	n/a	2,722.71		2,722.71	n/a	n/a
132	1000332	Albion	Platte Co NE rurals	n/a	n/a	(29.10)		(29.10)	n/a	n/a
133	1000333	Albion	Boone Co NE rurals	n/a	n/a	1,300.63		1,300.63	n/a	n/a
134	1000335	Albion	Stanton Co NE Rurals	n/a	n/a	67.04		67.04	n/a	n/a
135	1000337	Albion	Rock Co NE Rurals	n/a	n/a	8.66		8.66	n/a	n/a
136	1000338	Albion	Nance Co NE rurals	n/a	n/a	313.45		313.45	n/a	n/a
137	1000339	Albion	Holt Co NE Rurals	n/a	n/a	2,099.41		2,099.41	n/a	n/a
138	1000341	Albion	Pierce Co Rurals	n/a	n/a	162.49		162.49	n/a	n/a
139	1000343	Albion	Wayne Co NE Rurals	n/a	n/a	4.26		4.26	n/a	n/a
140	1000345	Albion	Merrick Co NE Rurals	n/a	n/a	134.10		134.10	n/a	n/a
141	1000346	Albion	Howard Co NE Rurals	n/a	n/a	31.62		31.62	n/a	n/a
142	1000348	Kearney	Kearney	n/a	n/a	1,679.47		1,679.47	n/a	n/a
143	1000351	Kearney	Republican City	n/a	n/a	0.86		0.86	n/a	n/a
144	1000352	Kearney	Blue Hill	n/a	n/a	2,020.41		2,020.41	n/a	n/a
145	1000353	Kearney	Bloomington	n/a	n/a	(402.28)		(402.28)	n/a	n/a
146	1000354	Kearney	Red Cloud	n/a	n/a	398.20		398.20	n/a	n/a

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	
Line No.	Order Number	Location	Description	Work Start	Work End	Per Books CWIP 3.31.11	Pro Forma Budgeted	Total Project Cost	Revenue	Retirements
147	1000355	Kearney	Franklin	n/a	n/a	210.19	n/a	210.19	n/a	n/a
148	1000358	Kearney	Riverton, NE	n/a	n/a	3.34	n/a	3.34	n/a	n/a
149	1000359	Kearney	Lawrence	n/a	n/a	(298.57)	n/a	(298.57)	n/a	n/a
150	1000360	Kearney	Bladen	n/a	n/a	1.58	n/a	1.58	n/a	n/a
151	1000361	Kearney	Holstein	n/a	n/a	(280.86)	n/a	(280.86)	n/a	n/a
152	1000362	Kearney	Roseland	n/a	n/a	16.78	n/a	16.78	n/a	n/a
153	1000364	Kearney	Gibbon	n/a	n/a	315.69	n/a	315.69	n/a	n/a
154	1000365	Kearney	Shelton	n/a	n/a	32.05	n/a	32.05	n/a	n/a
155	1000366	Kearney	Riverdale	n/a	n/a	(1.24)	n/a	(1.24)	n/a	n/a
156	1000367	Kearney	Wood River	n/a	n/a	84.91	n/a	84.91	n/a	n/a
157	1000368	Kearney	Axtell	n/a	n/a	(491.47)	n/a	(491.47)	n/a	n/a
158	1000369	Kearney	Campbell	n/a	n/a	(0.02)	n/a	(0.02)	n/a	n/a
159	1000371	Kearney	Hildreth NE	n/a	n/a	(8.82)	n/a	(8.82)	n/a	n/a
160	1000373	Kearney	Wilcox	n/a	n/a	416.36	n/a	416.36	n/a	n/a
161	1000374	Kearney	Minden	n/a	n/a	326.84	n/a	326.84	n/a	n/a
162	1000375	Kearney	Ansley	n/a	n/a	(369.95)	n/a	(369.95)	n/a	n/a
163	1000377	Kearney	Broken Bow	n/a	n/a	943.96	n/a	943.96	n/a	n/a
164	1000379	Kearney	Mason City	n/a	n/a	61.70	n/a	61.70	n/a	n/a
165	1000380	Kearney	Cairo	n/a	n/a	(143.71)	n/a	(143.71)	n/a	n/a
166	1000382	Kearney	Pleasanton	n/a	n/a	(6.46)	n/a	(6.46)	n/a	n/a
167	1000383	Kearney	Ravenna	n/a	n/a	(150.16)	n/a	(150.16)	n/a	n/a
168	1000384	Kearney	Loup City	n/a	n/a	(1,021.70)	n/a	(1,021.70)	n/a	n/a
169	1000385	Kearney	Burwell	n/a	n/a	(382.10)	n/a	(382.10)	n/a	n/a
170	1000386	Kearney	Comstock	n/a	n/a	(161.07)	n/a	(161.07)	n/a	n/a
171	1000388	Kearney	North Loop	n/a	n/a	99.49	n/a	99.49	n/a	n/a
172	1000389	Kearney	Ord	n/a	n/a	69.24	n/a	69.24	n/a	n/a
173	1000391	Kearney	Scotia	n/a	n/a	1.15	n/a	1.15	n/a	n/a
174	1000392	Kearney	Arcadia	n/a	n/a	608.44	n/a	608.44	n/a	n/a
175	1000394	Kearney	Hastings Rural	n/a	n/a	254.18	n/a	254.18	n/a	n/a
176	1000395	Kearney	Minden Rural - Kearney Co	n/a	n/a	176.07	n/a	176.07	n/a	n/a
177	1000396	Kearney	Kearney Rural	n/a	n/a	31.95	n/a	31.95	n/a	n/a
178	1000398	Kearney	Huntley, NE Rurals	n/a	n/a	4.32	n/a	4.32	n/a	n/a
179	1000399	Kearney	Republican City Rural	n/a	n/a	79.88	n/a	79.88	n/a	n/a
180	1000403	Kearney	Franklin Rural	n/a	n/a	6.75	n/a	6.75	n/a	n/a
181	1000408	Kearney	Bladen Rural	n/a	n/a	566.59	n/a	566.59	n/a	n/a
182	1000411	Kearney	Amherst Rural	n/a	n/a	826.20	n/a	826.20	n/a	n/a
183	1000413	Kearney	Shelton Rural	n/a	n/a	9.13	n/a	9.13	n/a	n/a
184	1000414	Kearney	Riverdale Rural	n/a	n/a	1,093.87	n/a	1,093.87	n/a	n/a
185	1000416	Kearney	Axtell Rural	n/a	n/a	89.79	n/a	89.79	n/a	n/a
186	1000417	Kearney	Campbell Rural	n/a	n/a	78.70	n/a	78.70	n/a	n/a
187	1000419	Kearney	Hildreth Rural	n/a	n/a	317.76	n/a	317.76	n/a	n/a
188	1000421	Kearney	Wilcox Rural	n/a	n/a	252.53	n/a	252.53	n/a	n/a
189	1000422	Kearney	Minden Rural - Franklin Co	n/a	n/a	1,400.40	n/a	1,400.40	n/a	n/a
190	1000426	Kearney	Litchfield Rural	n/a	n/a	6.03	n/a	6.03	n/a	n/a
191	1000427	Kearney	Mason City Rural	n/a	n/a	970.66	n/a	970.66	n/a	n/a
192	1000428	Kearney	Cairo Rural	n/a	n/a	6.47	n/a	6.47	n/a	n/a
193	1000429	Kearney	Hazard Rural	n/a	n/a	183.68	n/a	183.68	n/a	n/a
194	1000430	Kearney	Pleasanton Rural	n/a	n/a	379.25	n/a	379.25	n/a	n/a
195	1000437	Kearney	Ord Rural	n/a	n/a	666.85	n/a	666.85	n/a	n/a
196	1000440	Kearney	Arcadia Rural	n/a	n/a	22.23	n/a	22.23	n/a	n/a
197	1000464	Sidney	Chappell	n/a	n/a	1,421.52	n/a	1,421.52	n/a	n/a
198	1000466	Sidney	Gurley	n/a	n/a	(11.12)	n/a	(11.12)	n/a	n/a
199	1000467	Sidney	Lodgepole	n/a	n/a	551.37	n/a	551.37	n/a	n/a
200	1000468	Sidney	Sidney	n/a	n/a	7,304.93	n/a	7,304.93	n/a	n/a
201	1000469	Sidney	Kimball	n/a	n/a	183.87	n/a	183.87	n/a	n/a
202	1000485	Sidney	Sidney rural	n/a	n/a	13,628.23	n/a	13,628.23	n/a	n/a
203	1000497	Alliance	Fort Robinson	n/a	n/a	98.99	n/a	98.99	n/a	n/a
204	1000499	Alliance	Gordon	n/a	n/a	99.24	n/a	99.24	n/a	n/a
205	1000501	Alliance	Lewellen	n/a	n/a	(16.40)	n/a	(16.40)	n/a	n/a
206	1000504	Alliance	Bayard	n/a	n/a	0.95	n/a	0.95	n/a	n/a
207	1000505	Alliance	Bridgeport	n/a	n/a	1,440.78	n/a	1,440.78	n/a	n/a
208	1000507	Alliance	Alliance	n/a	n/a	704.33	n/a	704.33	n/a	n/a
209	1000508	Alliance	Hemingford	n/a	n/a	216.25	n/a	216.25	n/a	n/a
210	1000509	Alliance	Crawford, NE	n/a	n/a	62.32	n/a	62.32	n/a	n/a
211	1000510	Alliance	Chadron	n/a	n/a	203.12	n/a	203.12	n/a	n/a
212	1000511	Alliance	Hay Springs	n/a	n/a	(0.42)	n/a	(0.42)	n/a	n/a
213	1000515	Alliance	Gordon rural	n/a	n/a	31,383.21	n/a	31,383.21	n/a	n/a
214	1000516	Alliance	Rushville rural	n/a	n/a	107.52	n/a	107.52	n/a	n/a
215	1000520	Alliance	Bayard rural	n/a	n/a	147.37	n/a	147.37	n/a	n/a
216	1000521	Alliance	Bridgeport rural	n/a	n/a	390.30	n/a	390.30	n/a	n/a
217	1000522	Alliance	Broadwater rural	n/a	n/a	(0.55)	n/a	(0.55)	n/a	n/a
218	1000525	Alliance	Crawford, NE rural	n/a	n/a	(0.75)	n/a	(0.75)	n/a	n/a
219	1000526	Alliance	Chadron rural	n/a	n/a	337.68	n/a	337.68	n/a	n/a

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	
Line No.	Order Number	Location	Description	Work Start	Work End	Per Books CWIP 3.31.11	Pro Forma Budgeted	Total Project Cost	Revenue	Retirements
220	1000528	Scottsbluff	Gering	n/a	n/a	10,265.90		10,265.90	n/a	n/a
221	1000529	Scottsbluff	Henry	n/a	n/a	747.64		747.64	n/a	n/a
222	1000530	Scottsbluff	Lyman	n/a	n/a	(1.33)		(1.33)	n/a	n/a
223	1000531	Scottsbluff	Mitchell	n/a	n/a	683.81		683.81	n/a	n/a
224	1000532	Scottsbluff	Morrill	n/a	n/a	997.18		997.18	n/a	n/a
225	1000533	Scottsbluff	Scottsbluff	n/a	n/a	20,303.06		20,303.06	n/a	n/a
226	1000534	Scottsbluff	Minatare	n/a	n/a	6,766.08		6,766.08	n/a	n/a
227	1000542	Scottsbluff	Henry Rural	n/a	n/a	112.29		112.29	n/a	n/a
228	1000544	Scottsbluff	Mitchell rural	n/a	n/a	(8.37)		(8.37)	n/a	n/a
229	1000545	Scottsbluff	Morrill rural	n/a	n/a	(4.78)		(4.78)	n/a	n/a
230	1000546	Scottsbluff	Scottsbluff rural	n/a	n/a	(5,765.06)		(5,765.06)	n/a	n/a
231	1000561	Nebraska	Residential meter purchase NE sustaining	n/a	n/a	59,392.56	198,099.57	257,492.13	n/a	n/a
232	1000562	Nebraska	Residential meter purchase NE expansion	n/a	n/a		145,525.32	145,525.32	n/a	n/a
233	1000567	Nebraska	LC meter purchase NE sustaining	n/a	n/a	12,626.69	241,998.16	254,624.85	n/a	n/a
234	1000568	Nebraska	LC meter purchase NE expansion	n/a	n/a	3,000.80	145,972.54	148,973.34	n/a	n/a
235	1000573	Nebraska	ERT purchase NE sustaining	n/a	n/a	18,524.31	94,313.19	112,837.50	n/a	n/a
236	1000574	Nebraska	ERT purchase NE expansion	n/a	n/a	0.00	119,018.67	119,018.67	n/a	n/a
237	1000579	Nebraska	Regulator purchase NE sustaining	n/a	n/a	5,576.09	157,499.97	163,076.06	n/a	n/a
238	1000580	Nebraska	Regulator purchase NE expansion	n/a	n/a	0.00	120,000.00	120,000.00	n/a	n/a
239	1000617	McCook	Install 2 rectifier beds in Ogallala, NE	03/01/2007	6/10/2010	11,082.96		11,082.96	n/a	n/a
240	1000620	McCook	Replace line heater at Gerald Gentleman	12/10/2007	6/11/2010	15,667.92		15,667.92	n/a	1,007.32
241	1000647	Sutton	Purchase a 2006 Bobcat S175 skid steer 1	12/01/2007	6/17/2010	22,256.00		22,256.00	n/a	n/a
242	1000653	Albion	Upgrade rectifiers in rate area	03/01/2008	12/3/2008	20,687.93		20,687.93	n/a	n/a
243	1000668	Kearney	Purchase GOFXL2002 Software	11/01/2007	5/24/2010	4,000.00		4,000.00	n/a	n/a
244	1000673	Kearney	Replacement MDSI Equipment	12/17/2007	5/18/2010	796.60		796.60	n/a	n/a
245	1000686	Kearney	Extend Shelton, Nebraska Distribution sy	09/11/2006	7/2/2008	(300.00)		(300.00)	n/a	n/a
246	1000694	Nebraska	Purchase Yamaha 4-wheelers	01/01/2008	4/14/2008	206.96		206.96	n/a	n/a
247	1000699	Sutton	Replace the roof and install new gutters	10/16/2007	6/17/2010	10,689.50		10,689.50	n/a	n/a
248	1000710	Kearney	Tap 61 Ravenna Distribution Main in Bloc	11/25/2003	7/2/2008	(42.81)		(42.81)	n/a	n/a
249	1000721	McCook	Install rectifier in Imperial Distributi	03/01/2007	6/11/2010	5,727.80		5,727.80	n/a	n/a
250	1001772	McCook	Purchase two cargo trailers	01/01/2008	6/11/2010	11,209.00		11,209.00	n/a	n/a
251	1001852	Nebraska	Communication Upgrade	03/01/2008	2/2/2009	18,421.66		18,421.66	n/a	n/a
252	1003127	Sutton	New Hastings Warehouse	09/25/2008	1/6/2009	13,106.10		13,106.10	n/a	n/a
253	1003140	Sidney	City of Sidney - Landfill Extension	10/04/2008	2/5/2009	4,906.15		4,906.15	n/a	n/a
254	1003161	Kearney	Connect Gangwish Dryer in Shelton, Nebra	10/13/2008	4/1/2009	(3,059.00)		(3,059.00)	n/a	n/a
255	1003319	McCook	Purchase tools for the McCook Div.	12/05/2008	10/14/2009	18,430.07		18,430.07	n/a	n/a
256	1003331	Kearney	Install stub to Broken Bow Hospital	12/08/2008	4/1/2009	5,576.18		5,576.18	n/a	n/a
257	1003513	Kearney	Poole Line Abandonment	03/03/2009	9/24/2009	1,477.98		1,477.98	n/a	4,791.17
258	1003516	Sutton	2009 Sutton Division corrosion needs	02/09/2009	11/23/2009	39.62		39.62	n/a	n/a
259	1003517	Sidney	Mainline Extension Prairie Winds	02/09/2009	9/8/2009	(5,578.05)		(5,578.05)	n/a	n/a
260	1003717	Sidney	Purchase Replacement Rectifiers - Sidney	03/06/2009	9/10/2009	4,639.16		4,639.16	n/a	n/a
261	1003726	Holdrege	Ground Beds for Holdrege Division	03/17/2009	11/17/2010	15,152.61		15,152.61	n/a	n/a
262	1003792	McCook	New surface ground bed for Cambridge, NE	03/31/2009	6/1/2010	1,291.09		1,291.09	n/a	n/a
263	1003796	Albion	Septic Tank installation at Albion Office	04/07/2009	11/2/2009	6,224.40		6,224.40	n/a	n/a
264	1003879	Kearney	Install Service Valley Co Hospital Ord	05/15/2009	9/24/2009	5,643.75		5,643.75	n/a	n/a
265	1003945	Kearney	Install security fence area 7	06/22/2009	11/11/2009	5,506.20		5,506.20	n/a	n/a
266	1003974	Sutton	Hastings Utilities Line Relocation	09/15/2009	12/1/2009	(26,790.21)		(26,790.21)	n/a	n/a
267	1004004	Alliance	Purchase lawn care equipment	07/11/2009	9/8/2009	6,970.34		6,970.34	n/a	n/a
268	1004005	Albion	Fullerton CVA Dryer New Connect	08/01/2009	10/19/2009	(3,196.07)		(3,196.07)	n/a	n/a
269	1004029	Alliance	Alliance Division Pipe Stands	07/20/2009	12/2/2009	9,830.96		9,830.96	n/a	n/a
270	1004055	Holdrege	Abandon 6" main in Darr Nebraskas	08/11/2009	5/26/2010	809.65		809.65	n/a	n/a
271	1004140	Alliance	Install pipe stands to HP line	08/25/2009	12/2/2009	6,098.35		6,098.35	n/a	n/a
272	1004247	Albion	Albion Div Flame Pack 400 Purchase	09/21/2009	11/10/2009	5,941.11		5,941.11	n/a	n/a
273	1004254	Alliance	Crawford lat. and Chadron 4" TOG replace	09/16/2009	3/25/2011	20,162.69		20,162.69	n/a	217,732.08
274	1004255	Alliance	Hay Springs TOG replacement	09/16/2009	2/10/2011	10,443.44		10,443.44	n/a	120,898.50
275	1004286	McCook	Purchase 5 RKI 3 Gas Monitors	09/22/2009	6/11/2010	7,926.06		7,926.06	n/a	n/a
276	1004291	Sidney	Install Reg Station - Lodgepole Lateral	09/28/2009	3/23/2010	5,800.01		5,800.01	n/a	n/a
277	1004415	McCook	Uprate the MAOP on the Danbury Lateral	12/01/2009	12/27/2010	13,647.19	10.18	13,657.37	n/a	n/a
278	1004417	McCook	Replace 10# TOG to the Ogallala Airport	11/30/2009	12/27/2010	366.38		366.38	n/a	16,213.23
279	1004432	Scottsbluff	replace 9 windows in Scottsbluff office	11/19/2009	4/8/2010	7,697.22		7,697.22	n/a	n/a
280	1004469	Sidney	Replace Pipe Supports - Sidney Div Nebr	12/01/2009	11/30/2010	29,705.38		29,705.38	n/a	n/a
281	1004479	Albion	Albion Office Electrical Improvements	12/21/2009	5/20/2010	11,105.04		11,105.04	n/a	n/a
282	1004508	Wood River Engines	Lawn Mower purchase	12/01/2009	6/28/2010	1,978.13		1,978.13	n/a	n/a
283	1004669	McCook	Build and install 4" valve set, MCK HCA	02/16/2010	12/27/2010	1,576.44	19.66	1,596.10	n/a	n/a
284	1004672	Kearney	Corrosion Project - Raegan Line	03/16/2010	7/14/2010	3,482.19		3,482.19	n/a	n/a
285	1004674	Kearney	Corrosion Project - Cost Center 330	03/16/2010	9/7/2010	13,012.68		13,012.68	n/a	n/a
286	1004675	Kearney	Safety Equipment - SCBA Packs	03/01/2010	3/22/2010	9,071.19		9,071.19	n/a	n/a
287	1004708	McCook	Install 4 remote monitoring units	03/01/2010	12/27/2010	5,534.60		5,534.60	n/a	n/a
288	1004717	McCook	To purchase 4 SCBAs w/case	02/22/2010	12/20/2010	9,535.74		9,535.74	n/a	n/a
289	1004723	Scottsbluff	Purchase Pierce Arrow equip, Scottsbluff	02/18/2010	4/12/2010	7,174.14		7,174.14	n/a	n/a
290	1004731	Albion	Albion Division Span Replacements 2010	04/01/2010	11/24/2010	45,017.23		45,017.23	n/a	n/a
291	1004740	Holdrege	Install Groundbed Plum Creek 280-1666	03/01/2010	11/17/2010	9,177.82		9,177.82	n/a	n/a
292	1004741	Scottsbluff	Replace 2 deep wells, Scottsbluff	03/01/2010	9/28/2010	66,603.58		66,603.58	n/a	6,648.93

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	
Line No.	Order Number	Location	Description	Work Start	Work End	Per Books CWIP 3.31.11	Pro Forma Budgeted	Total Project Cost	Revenue	Retirements
293	1004742	Holdrege	Groundbed Oxford Northwest #1 480-1792	03/01/2010	11/17/2010	16,368.36		16,368.36	n/a	n/a
294	1004822	Nebraska	Super Rapter Iron Meter Reading Dev(NE)	03/09/2010	04/06/2010	87,163.55		87,163.55	n/a	n/a
295	1004823	Sutton	Sutton Corrosion 2010	03/10/2010	8/11/2010	33,069.31		33,069.31	n/a	n/a
296	1004849	Kearney	Security Fence for Loup City TBS site	04/01/2010	6/8/2010	5,299.46		5,299.46	n/a	n/a
297	1004867	Kearney	Install security fence at Rep City TBS	04/01/2010	6/8/2010	6,081.25		6,081.25	n/a	n/a
298	1004899	Holdrege	Arapahoe Main Extension 2010	04/12/2010	11/29/2010	3,655.66		3,655.66	n/a	n/a
299	1004901	Albion	410-8022 Albion Cargil Upgrade 2010	05/17/2010	10/19/2010	23,995.80		23,995.80	n/a	n/a
300	1004940	Sidney	Lower 3" Dist Gas Main - Sidney NE	04/08/2010	7/21/2010	4,912.09		4,912.09	n/a	n/a
301	1004945	Kearney	Trimble Locator for Cost Center 336	06/01/2010	8/19/2010	8,968.83		8,968.83	n/a	n/a
302	1004956	Kearney	Smart Manometer Kit - LCM Equipment	03/31/2010	5/20/2010	1,969.45	224.60	2,194.05	n/a	n/a
303	1004992	Sidney	Install 3" Main Ext to FVC - Chappell	05/06/2010	11/30/2010	22,662.56		22,662.56	n/a	n/a
304	1005009	Albion	KMIGT MBS INSTALLS - ALBION DIVISION	05/10/2010	10/18/2010	33,829.31		33,829.31	n/a	n/a
305	1005010	Sutton	KMIGT MBS INSTALLS - SUTTON DIVISION	05/10/2010	10/22/2010	31,764.07		31,764.07	n/a	n/a
306	1005011	Kearney	KMIGT MBS INSTALLS - KEARNEY DIVISION	05/10/2010	12/9/2010	34,681.05		34,681.05	n/a	n/a
307	1005012	Holdrege	KMIGT MBS INSTALLS - Holdrege Division	05/10/2010	12/7/2010	1,107.19		1,107.19	n/a	n/a
308	1005016	Holdrege	Elm Creek MBS	05/21/2010	4/6/2011	7,029.55		7,029.55	n/a	n/a
309	1005029	McCook	Install Service to Irr. and dryer/Brule	05/24/2010	01/31/2011	32,400.66		32,400.66	n/a	n/a
310	1005047	Kearney	Building Improvement Kearney Office	06/01/2010	8/19/2010	9,892.50		9,892.50	n/a	n/a
311	1005049	Albion	Line Segment 440-2519 Piggville Expansi	06/01/2010	6/29/2011	343,464.43		343,464.43	n/a	n/a
312	1005088	Albion	Winside Lateral TOG Replacement	06/15/2010	6/28/2011	682,377.69	59,878.48	742,256.17	n/a	205,986.28
313	1005106	Sutton	Edgar Blk 43 Line Replacement	06/14/2010	8/26/2010	12,870.49		12,870.49	n/a	2,017.90
314	1005114	Sidney	Roof Replacement Sidney Division Office	06/15/2010	10/22/2010	41,041.58		41,041.58	n/a	n/a
315	1005115	Kearney	Replace rural Kearney TOG proj 240-1540	07/15/2010	06/30/2011	463,560.93	50,542.90	514,103.83	n/a	248,797.22
316	1005117	McCook	To purchase a FC300 Handheld Computer	06/21/2010	12/20/2010	6,768.68		6,768.68	n/a	n/a
317	1005119	Albion	NEDAK-Olson Project Interconnect	06/14/2010	9/1/2010		85.11	85.11	n/a	n/a
318	1005121	Albion	Purchase Trailer for CTs 4 Wheeler	06/22/2010	11/1/2010	1,375.00		1,375.00	n/a	n/a
319	1005207	Holdrege	Pressure monitor for Beaver City NE.	07/10/2010	12/28/2010	3,195.93		3,195.93	n/a	n/a
320	1005227	McCook	Purchase 8 Eagle pressure monitors	07/20/2010	01/31/2011	23,986.12		23,986.12	n/a	n/a
321	1005237	Kearney	Install Upland Belltime	07/19/2010	9/14/2010	15,529.78	15.64	15,545.42	n/a	n/a
322	1005241	Albion	O'Neill Garden Fresh Expansion	08/01/2010	12/15/2010	39,226.41		39,226.41	n/a	n/a
323	1005261	Albion	Purchase Central Easy Fuse Processor	07/19/2010	12/7/2010	3,498.75		3,498.75	n/a	n/a
324	1005265	McCook	Install service to new Army Reserve Cent	07/26/2010	12/23/2010	9,045.69		9,045.69	n/a	n/a
325	1005300	Holdrege	Upgrade Elm Creek MBS	08/17/2010	12/15/2010	73,984.61	2,238.13	76,222.74	n/a	n/a
326	1005341	Scottsbluff	Lower 8" main Ave B SCB	09/03/2010	10/19/2010	15,858.28		15,858.28	n/a	n/a
327	1005375	Alliance	Install 2" PC pipe to loop west Alliance	10/04/2010	10/15/2010	12,301.81	303.38	12,605.19	n/a	n/a
328	1005387	Sidney	Sidney Pipe Replacement Block 334	09/22/2010	12/14/2010	8,807.77		8,807.77	n/a	2,314.58
329	1005391	Kearney	Install Stewart Service in Minden NE	10/05/2010	12/9/2010	4,119.02	(3,367.48)	751.54	n/a	n/a
330	1005427	Albion	Albion Div Capital Tool Purchase 2010	10/01/2010	12/15/2010	32,391.01		32,391.01	n/a	n/a
331	1005432	Scottsbluff	Purchase PE equip, Scottsbluff division	10/02/2010	12/13/2010	17,471.53		17,471.53	n/a	n/a
332	1005609	Kearney	Kearney Equipment - 4 Wheeler & trailer	10/01/2010	12/3/2010	10,370.29		10,370.29	n/a	n/a
333	1005611	Kearney	Tools for Kearney Division	10/01/2010	12/13/2010	5,796.51		5,796.51	n/a	n/a
334	1005616	Sidney	Tool Purchase 2010 - 4th Qtr - Nebraska	10/02/2010	12/3/2010	29,628.36		29,628.36	n/a	n/a
335	1005624	Alliance	Tools and equipment for Alliance Div	10/07/2010	12/9/2010	12,356.18		12,356.18	n/a	n/a
336	1005627	McCook	Purchase 6- RKI 3 Gas Monitors	10/05/2010	12/20/2010	10,809.93		10,809.93	n/a	n/a
337	1005628	McCook	Purchase 2 - Ridgid 65R-TC Hand Pipe Thr	10/05/2010	12/21/2010	2,086.26		2,086.26	n/a	n/a
338	1005629	McCook	Purchase 2 - Central Easy Fuse Processor	10/05/2010	12/23/2010	7,809.36		7,809.36	n/a	n/a
339	1005630	McCook	Purchase a 950R Ditch Witch Line Locator	10/05/2010	12/21/2010	4,353.48		4,353.48	n/a	n/a
340	1005631	McCook	Purchase 2 Nordstrom Grease Guns HP	10/05/2010	12/21/2010	1,992.11		1,992.11	n/a	n/a
341	1005632	McCook	Purchase 8 Oberon Extraction Suits	10/05/2010	12/20/2010	6,136.34		6,136.34	n/a	n/a
342	1005633	McCook	Purchase 2 Ridgid power threaders	10/05/2010	12/21/2010	5,558.20		5,558.20	n/a	n/a
343	1005635	McCook	Purchase a new Flame Pack #400	10/05/2010	12/20/2010	5,583.75		5,583.75	n/a	n/a
344	1005637	McCook	Purchase a Trimble GEO XH GPS	10/05/2010	12/27/2010	9,086.76		9,086.76	n/a	n/a
345	1005638	McCook	Purchase Rangefinder	10/05/2010	12/27/2010	2,040.36		2,040.36	n/a	n/a
346	1005639	McCook	McCook Division Office building repairs	10/05/2010	12/21/2010	6,920.00		6,920.00	n/a	n/a
347	1005640	Sutton	MC3 Mobile Collector	10/06/2010	12/28/2010	44,185.15		44,185.15	n/a	n/a
348	1005658	Albion	Replace Fence Plainview, Wausa, Osmond TBS	11/01/2010	12/15/2010	17,138.21		17,138.21	n/a	n/a
349	1005669	Holdrege	Purchase new mobile collector for Cozad	10/18/2010	1/10/2011	44,179.94		44,179.94	n/a	n/a
350	1005677	Sutton	Gas Tracker Locator	10/15/2010	11/22/2010	20,625.00	1,155.00	21,780.00	n/a	n/a
351	1005681	McCook	Purchase new Welder for Unit #70006	10/20/2010	12/7/2010	15,345.29		15,345.29	n/a	n/a
352	1005683	McCook	Materials for customer's service	10/22/2010	12/27/2010	9,656.10	(6,025.27)	3,630.83	n/a	n/a
353	1005686	Kearney	Kearney Tie Across	11/01/2010	07/29/2011	6,283.44	21,572.08	27,855.52	n/a	1,833.25
354	1005688	Sutton	2010 Fall Tools	10/26/2010	12/15/2010	32,912.57		32,912.57	n/a	n/a
355	1005708	Scottsbluff	instl shelving, purch drill, SCB east	11/01/2010	12/16/2010	4,438.48		4,438.48	n/a	n/a
356	1005716	Holdrege	Replace faulty rectifier on line250-0020	11/03/2010	12/7/2010	3,119.56		3,119.56	n/a	n/a
357	1005718	Sutton	500-2516 Sec C PVC Line Replacement	11/08/2010	12/28/2010	20,150.90	164.24	20,315.14	n/a	2,504.59
358	1005758	Holdrege	Purchase skid loader for Holdrege	11/22/2010	12/15/2010	45,394.20		45,394.20	n/a	n/a
359	1005777	McCook	Purchase Portable Generator Compressor	12/13/2010	1/7/2011	3,476.16		3,476.16	n/a	n/a
360	1005778	McCook	To purchase non-sparking tools	12/13/2010	2/14/2011	1,316.74		1,316.74	n/a	n/a
361	1005779	McCook	To purchase 2 - 950 R line locators	12/13/2010	12/21/2010	8,693.75		8,693.75	n/a	n/a
362	1005780	McCook	Purchase Utility Trailer	12/13/2010	12/23/2010	1,618.75		1,618.75	n/a	n/a
363	1005782	McCook	Purchase 3 Oberon Extraction Suits	12/13/2010	01/31/2011	3,499.05		3,499.05	n/a	n/a
364	1005783	Albion	ALB Ingersol Rand Air Ratchet Purchase	01/01/2011	3/7/2011	4,166.31		4,166.31	n/a	n/a
365	1005789	Sidney	Purchase ROW for Existing Pipeline & Reg	12/16/2010	1/10/2011	29,705.95		29,705.95	n/a	n/a

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	
Line No.	Order Number	Location	Description	Work Start	Work End	Per Books CWP 3.31.11	Pro Forma Budgeted	Total Project Cost	Revenue	Retirements
366	1005803	Alliance	Hay Springs - Gordon TOG 4" Changeout	01/11/2011	09/30/2011	16,801.44	2,042,683.22	2,059,484.66	n/a	248,873.22
367	1005812	Kearney	Wilcox Lateral TOG replacement	02/01/2011	09/01/2011	26,663.36	681,147.05	707,810.41	n/a	21,773.93
368	1005815	Kearney	Naponee Jct to Rep City takeoff TOG Repl	02/01/2011	09/01/2011	12,062.99	254,090.93	266,153.92	n/a	2,493.61
369	1005836	Holdrege	Atlanta-McClymont feeding town and wells	01/17/2011	07/01/2011	39,782.42	165,817.32	205,599.74	n/a	n/a
370	1005856	Scottsbluff	Replace Main, block 80, Mitchell	04/04/2011	12/29/2011		23,083.96	23,083.96	n/a	1,809.80
371	1005857	Scottsbluff	Replace 3 blks main, Scottsbluff	03/01/2011	12/29/2011		25,054.41	25,054.41	n/a	5,336.70
372	1005858	Sidney	Replace Rectifier - Dalton Nebraska	01/18/2011	6/15/2011	2,511.78	545.24	3,057.02	n/a	n/a
373	1005860	Scottsbluff	Replace odorizer - Potter NE	01/18/2011	06/30/2011	2,662.33		2,662.33	n/a	n/a
374	1005865	Scottsbluff	Replace rectifier Gering blk 109	02/01/2011	6/22/2011	2,565.86		2,565.86	n/a	n/a
375	1005876	McCook	McCook 5# system replacement, Phase 1	04/01/2011	11/30/2011	14,899.58	605,140.05	620,039.63	n/a	22,469.50
376	1005893	Sutton	York Truck Center Service Stub	02/01/2011	3/7/2011	4,915.57		4,915.57	n/a	n/a
377	1005894	Kearney	CP Compliance Projects Cost Center 330	02/15/2011	06/30/2011		11,632.27	11,632.27	n/a	n/a
378	1005895	Kearney	CP Compliance Projects C0336 2011	02/15/2011	06/30/2011		24,460.21	24,460.21	n/a	n/a
379	1005896	Sutton	Sutton Corrosion Construction 2011	03/01/2011	07/30/2011		34,018.56	34,018.56	n/a	n/a
380	1005897	Sutton	Sutton Division TBS Filters 2011	02/15/2011	12/01/2011		10,547.23	10,547.23	n/a	n/a
381	1005899	Sutton	Sutton Division Barricades 2011	02/15/2011	12/01/2011		51,514.27	51,514.27	n/a	n/a
382	1005904	Sutton	Ruskin Hwy Project - State of Nebraska	03/01/2011	3/25/2011	1,378.22		1,378.22	n/a	n/a
383	1005905	Albion	Neligh Cugas Main Replacement 2011	05/02/2011	10/31/2011	17,746.73	145,830.49	163,577.22	n/a	6,659.85
384	1005939	Holdrege	Welder for Holdrege Division	02/07/2011	3/17/2011	17,983.53		17,983.53	n/a	n/a
385	1005948	Holdrege	Lexington Hwy 283	03/01/2011	09/01/2011		45,059.99	45,059.99	n/a	n/a
386	1005955	Albion	Albion Division 2011 Cathode upgrade	03/01/2011	7/31/2011		15,576.00	15,576.00	n/a	n/a
387	1005956	Albion	Albion Division 2011 Cathodic Upgrade	03/01/2011	11/30/2011	1,888.13	29,056.71	30,944.84	n/a	n/a
388	1005957	Alliance	Purchase Ditch Witch line locators	02/15/2011	3/14/2011	11,049.77		11,049.77	n/a	n/a
389	1005962	Alliance	Alliance, NE TBS #2	02/14/2011	10/28/2011	32,211.17	335,833.43	368,044.60	n/a	n/a
390	1005970	Sidney	Purchase Equipment - Sidney C&M	02/16/2011	5/24/2011	8,449.00	13,316.65	21,765.65	n/a	n/a
391	1005975	Scottsbluff	Frank Implement main extension SCB	03/14/2011	12/30/2011	535.50	10,094.91	10,630.41	1,494.00	n/a
392	1005982	Scottsbluff	Ave B relocation, SCB	03/01/2011	12/30/2011	1,326.89		1,326.89	n/a	n/a
393	1005985	Albion	Purchase R410A Refrigeration Equipment	04/05/2011	4/11/2011	4,871.45	756.49	5,627.94	n/a	n/a
394	1005987	Albion	Prchse & instl Gas Filters at 3 TBS Site	05/03/2011	08/27/2011		10,507.23	10,507.23	n/a	n/a
395	1005990	Alliance	Purchase mobile communication equipment	03/01/2011	4/4/2011	7,136.33		7,136.33	n/a	n/a
396	1006016	Albion	Install Heaters at Husker Ag#2 & NEDAK	04/01/2011	06/30/2011		20,676.09	20,676.09	n/a	n/a
397	1006017	McCook	Surface Ground Bed/McCook #23	03/07/2011	12/31/2011		7,516.78	7,516.78	n/a	n/a
398	1006018	Albion	install Fence to Surround TBS at 3 Sites	03/15/2011	9/30/2011		14,147.00	14,147.00	n/a	n/a
399	1006019	McCook	Anode Bed/Silver Creek #1	03/07/2011	12/31/2011		5,061.00	5,061.00	n/a	n/a
400	1006020	McCook	Anode Bed/Silver Creek #2	03/07/2011	12/31/2011		5,061.00	5,061.00	n/a	n/a
401	1006021	McCook	McCook Office basement upgrade	03/07/2011	06/30/2011		25,207.85	25,207.85	n/a	n/a
402	1006032	Holdrege	Install Groundbed on Segment 280-2452	03/05/2011	12/1/2011		505.10	505.10	n/a	n/a
403	1006035	Holdrege	Install Groundbed on Segment 280-1722	03/05/2011	4/30/2011		505.11	505.11	n/a	n/a
404	1006038	Holdrege	Purchase new trencher for Cozad NE.	03/05/2011	5/18/2011	13,956.34	-	13,956.34	n/a	n/a
405	1006051	Alliance	Hay Springs HCA Reroute	03/08/2011	10/17/2011	348.30	68,414.92	68,763.22	n/a	3,820.66
406	1006057	Kearney	Blue Hill Cass Street Relocate	03/21/2011	6/29/2011	33.32	23,050.81	23,084.13	n/a	1,718.60
407	1006059	Kearney	MidPlains Community College Extension BB	03/21/2011	6/17/2011	2,347.91	9,499.39	11,847.30	3,336.00	n/a
408	1006105	McCook	Differential Tester Purchase	03/19/2011	04/30/2011		1,320.97	1,320.97	n/a	n/a
409	1006117	Alliance	Job Corp HCA 2011 Test	07/01/2011	07/31/2011		126.31	126.31	n/a	n/a
410	1006118	Alliance	Pepsi Distribution Facility Alliance	04/04/2011	04/30/2011		5,109.90	5,109.90	8,098.00	n/a
411	1006120	Holdrege	Sargent Irrigation	04/11/2011	07/16/2011		10,347.69	10,347.69	3,961.00	n/a
412	1006140	McCook	Greenbrier Connection Project	04/11/2011	06/30/2011		2,811.72	2,811.72	4,552.00	n/a
413	1006153	Kearney	Gibbon Main Upgrade Block #3	04/18/2011	6/17/2011		8,078.76	8,078.76	n/a	4,465.00
414	1006231	Albion	Garden Fresh & Fuller Reg Stat Upgrade	05/18/2011	09/30/2011		20,990.34	20,990.34	n/a	n/a
415	1006269	Kearney	Install Service for Thunderhead Brewing	06/21/2011	7/30/2011		14,325.01	14,325.01	4,476.00	n/a
416	1006280	Kearney	Ansley School Relocation for Gymnasium	06/15/2011	8/15/2011		7,403.35	7,403.35	n/a	167.90
417	1006281	Scottsbluff	Purchase Bobcat mini X and Trailer	06/01/2011	12/1/2011		51,000.00	51,000.00	n/a	n/a
418	1006282	Scottsbluff	Purchase Heath DPIR leak detector	06/01/2011	12/1/2011		11,014.45	11,014.45	n/a	n/a
419	1006301	Kearney	410 A Refrigerant Tools - Kearney Division	06/25/2011	8/19/2011		4,715.00	4,715.00	n/a	n/a
420	1006311	Scottsbluff	Lyman lateral bridge reroute	06/20/2011	7/29/2011		11,803.85	11,803.85	n/a	n/a
421	N/A	Nebraska	Routines	01/01/2011	03/31/2012		1,509,627.70	1,509,627.70	n/a	n/a
422	Grand Total					3,649,783.83	7,723,330.79	11,373,114.62	25,917.00	1,150,333.82

SourceGas Distribution LLC - Nebraska
 Detail of Utility General Construction Work in Progress
 Test Year Ended March 31, 2011

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	
Line No.	Order Number	Location	Description	Work Start	Work End	Per Books CWIP 3.31.11	Pro-Forma Budgeted	Total Project Cost	Revenue
1	1000622	SGD	Labor and material costs	04/01/2007	9/25/2008	22,136.49		22,136.49	n/a
2	1000626	SGD	Labor and material costs	01/01/2008	9/25/2008	146.79		146.79	n/a
3	1001767	Colorado	Track cost for Roaring Fork II issues	01/00/1900	7/12/2010	131,310.47		131,310.47	n/a
4	1001828	SGD	Test Software for OQ Testing	03/24/2008	6/15/2009	14,804.90		14,804.90	n/a
5	1003538	SGD	ESRI GIS Software	03/02/2009	10/21/2009	92,904.78		92,904.78	n/a
6	1005819	Colorado	2011 Vehicles - CO	01/01/2011	12/31/2011	32,028.55	373,050.99	405,079.54	n/a
7	1005820	Nebraska	2011 Vehicles - NE	01/01/2011	12/31/2011	72,108.26	444,335.49	516,443.75	n/a
8	1005821	Wyoming	2011 Vehicles - WY	01/01/2011	12/31/2011	(7,854.00)	462,501.42	454,647.42	n/a
9	1005974	SGD	Mobile Cell Project	03/15/2011	12/31/2011	627,843.15	110,156.54	737,999.69	n/a
10	Grand Total					985,429.39	1,390,044.44	2,375,473.83	-
11	Total Nebraska Specific					72,108.26	444,335.49	516,443.75	
12	Total Colorado Specific					163,339.02	373,050.99	536,390.01	
13	Total Wyoming Specific					(7,854.00)	462,501.42	454,647.42	
14	Total SGD to Allocate					757,836.11	110,156.54	867,992.65	
15	Grand Total					985,429.39	1,390,044.44	2,375,473.83	-

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	
Line No.	Order Number	Location	Description	Work Start	Work End	Per Books CWIP 3.31.11	Pro Forma Budgeted	Total Project Cost	Revenue
1	1001829	Corporate	Gas Control SCADA and Voice Recorder	04/08/2008	2/2/2009	17,036.54	-	17,036.54	n/a
2	1001875	Corporate	Capitalized Labor/Burden Allocation	01/01/2008	12/31/2020	1,484,394.82	910,096.27	2,394,491.09	n/a
3	1003138	Corporate	AutoSol upgrage config/install modems	10/01/2008	11/17/2009	(5,793.37)	-	(5,793.37)	n/a
4	1003395	Corporate	Five Workstations for SGEN Trading Room	12/15/2008	1/20/2009	17,852.02	-	17,852.02	n/a
5	1003929	Corporate	Arkansas Router T3 Card	06/15/2009	7/29/2009	5,850.94	-	5,850.94	n/a
6	1004149	Corporate	SQL Monitoring Tool	08/20/2009	9/14/2009	8,399.99	-	8,399.99	n/a
7	1004393	Corporate	Installation of 5 monitors-Call Center	10/31/2009	6/17/2010	7,116.37	-	7,116.37	n/a
8	1004394	Corporate	UPS Backups-Call Center	08/19/2009	6/17/2010	2,641.27	-	2,641.27	n/a
9	1004408	Corporate	IT Network Equipment	11/10/2009	12/1/2009	5,569.69	-	5,569.69	n/a
10	1004446	Corporate	Purchase and install of batch scheduling	12/01/2009	12/20/2010	86,683.44	-	86,683.44	n/a
11	1004488	Corporate	CommVault	12/15/2009	1/11/2010	8,458.80	-	8,458.80	n/a
12	1004507	Corporate	Credit Check Software	12/22/2009	3/8/2010	17,023.50	-	17,023.50	n/a
13	1004509	Corporate	Network Monitoring Software	12/29/2009	1/11/2010	15,060.00	-	15,060.00	n/a
14	1004636	Corporate	2010 PC, Laptop and Printer Replacements	02/01/2010	1/5/2011	273,247.74	(9,081.51)	264,166.23	n/a
15	1004637	Corporate	2010 Network Equipment Replacements	02/01/2010	12/31/2010	-	28,754.13	28,754.13	n/a
16	1004638	Corporate	2010 Storage Additions	02/02/2010	1/5/2011	201,443.77	7,466.15	208,909.92	n/a
17	1004639	Corporate	2010 Servers,Memory,Processors & Virtual	02/02/2010	1/5/2011	235,483.17	-	235,483.17	n/a
18	1004686	Corporate	SAP development and reporting	01/01/2010	1/11/2011	138,940.00	(138,940.00)	-	n/a
19	1004767	Corporate	GPS Data Collection for Trans and D1st	03/01/2010	6/30/2011	71,420.57	50,038.10	121,458.67	n/a
20	1004802	Corporate	Purchase Systems Furniture - Lakewood	03/15/2010	12/15/2010	(12,600.39)	12,600.39	-	n/a
21	1004868	Corporate	Axceler - ControlPoint Sharepoint Admin.	03/15/2010	8/23/2010	14,225.00	-	14,225.00	n/a
22	1004960	Corporate	Video conferencing	05/04/2010	8/23/2010	2,919.49	(2,335.59)	583.90	n/a
23	1005048	Corporate	Verint Workforce management software	06/01/2010	1/11/2011	154,071.06	(152,476.32)	1,594.74	n/a
24	1005225	Corporate	Communication / SCADA Upgrades	07/01/2010	2/11/2011	20,677.18	-	20,677.18	n/a
25	1005258	Corporate	Cased pipe Integrity Assurance Model	08/02/2010	12/3/2010	2,058.00	-	2,058.00	n/a
26	1005260	Corporate	NCS Integrity Alignment Sheet Template	08/02/2010	12/29/2010	5,830.00	-	5,830.00	n/a
27	1005263	Corporate	ILI Data Alignment for Baker Hughes	08/02/2010	12/29/2010	3,000.00	-	3,000.00	n/a
28	1005319	Corporate	DR MDSI	09/01/2010	12/7/2010	22,267.47	-	22,267.47	n/a
29	1005322	Corporate	Exchange 2010 Migration	09/20/2010	1/5/2011	65,931.69	-	65,931.69	n/a
30	1005324	Corporate	Network Monitoring	08/27/2010	1/5/2011	32,814.49	-	32,814.49	n/a
31	1005354	Corporate	Satellite and VHF Radio for CRC	09/08/2010	2/11/2011	12,361.04	593.45	12,954.49	n/a
32	1005393	Corporate	Radio Frequency Monitors X 2	09/23/2010	2/11/2011	2,383.90	-	2,383.90	n/a
33	1005395	Corporate	Service Monitor - Communications	09/23/2010	12/31/2010	5,816.85	-	5,816.85	n/a
34	1005396	Corporate	Oscilloscope - Communications	09/23/2010	12/31/2010	3,177.63	-	3,177.63	n/a
35	1005397	Corporate	Miscellaneous tools - Communications	09/23/2010	2/11/2011	3,775.01	-	3,775.01	n/a
36	1005398	Corporate	Transmission Tester - Communications	09/23/2010	12/31/2010	1,638.75	-	1,638.75	n/a
37	1005399	Corporate	Radio's -Unit 0053 - Communications	09/23/2010	2/11/2011	11,463.91	-	11,463.91	n/a
38	1005655	Corporate	MDSI Upgrade	10/01/2010	12/31/2011	31,856.80	2,068,143.20	2,100,000.00	n/a
39	1005794	Corporate	Bit9 Parity Software for API 1164	12/27/2010	2/11/2011	14,355.81	-	14,355.81	n/a
40	1005805	Corporate	2011 PC Replacements	01/05/2011	12/31/2011	5,868.82	135,814.00	141,682.82	n/a
41	1005806	Corporate	Server Virtualization	01/05/2011	12/31/2011	-	65,451.90	65,451.90	n/a
42	1005807	Corporate	Network equipment	01/05/2011	12/31/2011	38,430.62	60,226.93	98,657.55	n/a
43	1005808	Corporate	Wireless Expansion	03/01/2011	12/31/2011	-	26,167.00	26,167.00	n/a
44	1005809	Corporate	Microsoft Applications	06/01/2011	12/31/2011	-	462,266.94	462,266.94	n/a
45	1005810	Corporate	Video conferencing	04/01/2011	7/1/2011	-	10,000.00	10,000.00	n/a
46	1005814	Corporate	Contract and Records management	01/06/2011	12/31/2011	140,650.96	396,148.96	536,799.92	n/a
47	1005831	Corporate	Implementation of SRA for DIMP	01/17/2011	11/25/2011	30.56	0.08	30.64	n/a
48	1005884	Corporate	SCADA / Communications Upgrade - 1041	01/25/2011	12/31/2011	51,951.15	12,748.76	64,699.91	n/a
49	1005908	Corporate	Business Continuity	01/01/2011	12/31/2011	20,571.48	59,982.28	80,553.76	n/a
50	1005909	Corporate	Verint Speech Recognition	01/01/2011	6/30/2011	180,905.98	1,508.58	182,414.56	n/a
51	1005910	Corporate	Business Objects reporting	01/01/2011	12/31/2011	70,203.44	517,706.45	587,909.89	n/a
52	1005911	Corporate	SAP knowledgebase	01/01/2011	6/30/2011	85,390.89	49,464.91	134,855.80	n/a
53	1005912	Corporate	SAP interactive scripting	01/01/2011	6/30/2011	18,251.64	106,479.01	124,730.65	n/a
54	1005913	Corporate	SAP process improvements	01/01/2011	12/31/2011	305,052.10	467,485.55	772,537.65	n/a
55	1005947	Corporate	AI - Proposal for PCS/Allegro Upgrade	02/15/2011	6/30/2011	-	102,324.84	102,324.84	n/a
56	1005953	Corporate	Allegro Phase 3 - 2011	01/01/2011	12/31/2011	15,477.37	51,372.29	66,849.66	n/a
57	1005972	Corporate	Lync Prototype	02/21/2011	12/31/2011	23,770.30	103,585.82	127,356.12	n/a
58	1005976	Corporate	Storage Additions	03/01/2011	12/31/2011	-	70,977.78	70,977.78	n/a
59	1006003	Corporate	Purchase Calc IT software	02/23/2011	7/1/2011	2,375.00	4,350.00	6,725.00	n/a
60	1006109	Corporate	Fayetteville Meter Shop Transition	03/01/2011	6/30/2011	4,222.34	10,043.74	14,266.08	n/a
61	1006206	Corporate	Wireless connections for Four States	05/06/2011	7/29/2011	-	10,008.00	10,008.00	n/a
62	1006214	Corporate	Telecom Improvements	05/09/2011	12/31/2011	-	75,000.00	75,000.00	n/a
63	1006215	Corporate	Network Monitoring	06/01/2011	12/31/2011	-	35,000.00	35,000.00	n/a
64	1006216	Corporate	Windows 7	05/01/2011	12/31/2011	-	60,000.00	60,000.00	n/a
65	N/A	Corporate	New Corporate Office	-	-	-	1,500,000.00	1,500,000.00	n/a
66	Grand Total					3,952,005.60	7,168,972.09	11,120,977.69	-
67	Removal of Capitalized Labor/Burder Allocations					1,484,394.82	910,096.27	2,394,491.09	
68	Removal of SGEN Assets					17,852.02	-	17,852.02	
69	Total Removals					1,502,246.84	910,096.27	2,412,343.11	
70	Total Amount to Allocate					2,449,758.76	6,258,875.82	8,708,634.58	
71	SAP Billing System					295,826.88	378,766.45	674,593.33	
72	Call Center					605,117.54	471,546.60	1,076,664.14	
73	Other Assets					1,548,814.34	5,408,562.77	6,957,377.11	
74	Total					2,449,758.76	6,258,875.82	8,708,634.58	

SourceGas Distribution LLC - Nebraska
 Operating Expenses
 For the Test Year Ended March 31, 2011

Exhibit III
 Schedule A
 Page 1 of 2

Line No.	FERC Account Description	FERC Account	Total State					Total Jurisdictional	
			Base Year	Total Base Year Adjustments	Adjusted Base Year	Total Pro Forma Adjustments	Test Year	Adjusted Base Year	Test Year
			(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	Transmission Expense								
2	Operation Supervision & Engineering	850	373,295	(383,400)	(10,105)	10,105	(0)	(6,866)	(0)
3	System Control & Load Dispatching	851	185,296	(229,175)	(43,879)	43,879	0	(29,816)	0
4	Mains Expense	856	55	(100)	(45)	45	(0)	(30)	(0)
5	Measuring & Regulating Station Expense	857	35	(8)	27	(27)	(0)	18	(0)
6	Transmission and Compression by Others	858	17,000	(17,000)	-	-	-	-	-
7	Other Expense	859	158	(158)	-	-	-	-	-
8	Maintenance of Mains	863	81	(81)	-	(0)	(0)	-	(0)
9	Maintenance of Measuring & Regulating Station E	865	29	(29)	-	0	0	-	0
10	Distribution Expense								
11	Operation Supervision & Engineering	870	1,461,058	380,078	1,841,136	(319,553)	1,521,583	1,459,435	1,210,819
12	Distribution Load Dispatching	871	94,683	228,648	323,331	(203,771)	119,560	206,384	75,978
13	Mains & Services Expense	874	3,600,169	9,759	3,609,928	185,230	3,795,158	2,900,044	3,041,661
14	Measuring & Regulating Station Expense -General	875	460,127	376	460,503	(14,800)	445,703	332,293	320,548
15	Measuring & Regulating Station Expense - Industr	876	33,548	1,794	35,342	748	36,089	27,125	27,597
16	Measuring & Regulating Station Expense - City G	877	781	2	783	9	792	565	570
17	Meter & House Regulator Expense	878	518,211	17,265	535,475	17,969	553,444	410,982	423,209
18	Customer Installation Expense	879	202,969	931	203,900	11,738	215,638	203,900	215,638
19	Reg Training	879.7	104,976	(2,074)	102,902	(11,819)	91,083	102,902	91,083
20	Other Expense	880	1,274,174	(5,355)	1,268,819	100,169	1,368,988	1,000,723	1,076,802
21	Rents	881	133,590	3,395	136,985	3,425	140,410	108,041	110,442
22	Maintenance Supervision & Engineering	885	-	(1,477)	(1,477)	13,386	11,909	(1,128)	9,023
23	Maintenance of Structures & Improvements	886	534,743	-	534,743	-	534,743	385,863	384,585
24	Maintenance of Mains	887	221,767	(141)	221,626	9,689	231,315	168,620	175,459
25	Maintenance of Services	892	78,802	809	79,611	(34,187)	45,424	79,611	45,424
26	Maintenance of Meters & House Regulators	893	1,245,522	(1,934)	1,243,588	79,121	1,322,710	954,464	1,011,454
27	Maintenance of Other Equipment	894	222	11	233	6	239	184	188
28	Customer Accounts Expense, Customer Service and Information and Sales								
29	Meter Reading Expense	902	476,460	2,036	478,495	29,021	507,516	429,924	455,212
30	Customer Records & Collection Expenses	903	3,016,469	(18,250)	2,998,219	936,598	3,934,817	2,693,871	3,529,299
31	Uncollectible Accounts	904	864,738	(487,068)	377,670	-	377,670	339,332	338,747
32	Miscellaneous Customer Accounts Expenses	905	14,993	(7,768)	7,225	2,247	9,473	6,492	8,496
33	Informational & Instructional Advertising Expense	909	112	-	112	42,198	42,309	91	34,262
34	Miscellaneous Customer Service & Informational	910	10,788	33	10,821	663	11,484	8,784	9,300
35	Demonstration & Selling Expense	912	57	7	63	(57)	6	51	5
36	Advertising Expense	913	191	119,757	119,948	-	119,948	97,369	97,133

SourceGas Distribution LLC - Nebraska
 Operating Expenses
 For the Test Year Ended March 31, 2011

Line No.	FERC Account Description	FERC Account	Total State					Total Jurisdictional		
			Base Year	Total Base Year Adjustments	Adjusted Base Year	Total Pro Forma Adjustments	Test Year	Adjusted Base Year	Test Year	
			(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
37	Administrative and General									
38	Administrative & General Salaries	920	2,665,067	(689)	2,664,378	148,550	2,812,928	2,172,318	2,308,374	
39	Office Supplies & Expenses	921	1,200,799	96,798	1,297,597	105,490	1,403,086	1,057,956	1,151,415	
40	Outside Services Employed	923	557,282	80,185	637,467	98,877	736,345	519,739	604,267	
41	Property Insurance	924	546,391	43,840	590,230	302	590,533	473,243	473,207	
42	Employee Pensions & Benefits	926	2,231,550	61,746	2,293,297	336,727	2,630,023	1,869,769	2,158,277	
43	Franchise Requirements	927	171	-	171	-	171	171	171	
44	Regulatory Commission Expenses	928	116,598	-	116,598	610,550	727,148	116,598	727,148	
45	Miscellaneous General Expenses	930.2	363,921	(121,698)	242,223	6,056	248,278	197,489	203,745	
46	Rents	931	226,833	1,656	228,489	88,854	317,343	186,292	260,421	
47	Taxes, other than income	408.1	2,395,389	(89,315)	2,306,074	375,702	2,681,776	1,860,640	2,168,080	
48	Labor - Payroll Taxes		862,054	(1,101)	860,953	128,932	989,885	701,952	812,329	
49	Ad Valorem Tax Expense		1,533,335	(88,214)	1,445,120	246,771	1,691,891	1,158,688	1,355,751	
50	TOTAL OPERATING EXPENSE		25,229,099	(316,595)	24,912,504	2,673,138	27,585,642	20,333,443	22,748,041	

SourceGas Distribution LLC - Nebraska
 Federal & State Income Taxes
 For the Test Year Ended March 31, 2011

Exhibit III
 Schedule B
 Page 1 of 1

Line No.	Description	Adjusted Base Year		Test Year	
		Total State	Total Jurisdictional	Total State	Total Jurisdictional
	(A)	(B)	(C)	(D)	(E)
1	Rate Base_1/	\$87,906,548	\$70,223,650	\$98,403,822	\$78,778,341
2	Return on Rate Base Percentage_2/	8.40%	8.40%	8.40%	8.40%
3	Return on Rate Base	\$7,381,999	\$5,897,068	\$8,263,513	\$6,615,453
4	Adjustments for Tax Purposes:				
5	Interest & Debt Expense Percentage_3/	2.74%	2.74%	2.74%	2.74%
6	Interest & Debt Expense	(\$2,408,982)	(\$1,924,401)	(\$2,696,648)	(\$2,158,833)
7	Taxable Rate Base Earnings	\$4,973,017	\$3,972,667	\$5,566,865	\$4,456,620
8	Income Tax (Factor 66.87944%)_4/	\$3,325,926	\$2,656,897	\$3,723,088	\$2,980,562
9	Total Income Taxes	\$3,325,926	\$2,656,897	\$3,723,088	\$2,980,562

Notes

Combined (Federal and State) Income Tax Rate 40.08%
 Federal Tax Rate - 35.00%
 State Tax Rate - 7.81%
Combined Rate = 35.00% + 7.81% - (35.00% x 7.81%) = 40.08%

_1/ Refer to Exhibit II, Schedule A

_2/ Refer to Exhibit IV, Schedule A

_3/ Refer to Exhibit IV, Schedule A

_4/ Using a combined income tax rate of 40.08% with the following gross-up factor:

Tax rate/(1-tax rate)

SourceGas Distribution LLC - Nebraska
 Depreciation & Amortization Expense
 For the Test Year Ended March 31, 2011

Exhibit III
 Schedule C
 Page 1 of 1

		Test Year					Total Jurisdictional
		Total State				Total Jurisdictional	
Line No.	Function	Gross Plant As Adjusted <u>1/</u>	Less: CWIP Retirements <u>2/</u>	Depreciable Plant As Adjusted	Current Depreciation Rate	Depreciation Expense at Current Rates	Depreciation Expense at Current Rates
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	Distribution	\$158,953,286	1,150,334	\$157,802,952	3.00%	\$4,734,089	\$3,723,685
2	Distribution - AMR	\$6,773,487	\$0	\$6,773,487	5.00%	\$338,674	\$258,979
3	General	\$25,440,039	\$0	\$25,440,039	8.21%	\$2,088,627	\$1,755,258
4	General - Billing	\$7,921,426	\$0	\$7,921,426	10.00%	\$792,143	\$710,505
5	Intangible	\$675,434	\$0	\$675,434	3.00%	\$20,263	\$16,628
6	Total	\$199,763,672	\$1,150,334	\$198,613,338		\$7,973,796	\$6,465,055

Notes

1/ Refer to Exhibit II, Schedule B1, Column F, excluding land plant accounts.

2/ Refer to Exhibit II, Schedule F1, Line 422, Column J.

		Adjusted Base Year					Total Jurisdictional
		Total State				Total Jurisdictional	
Line No.	Function	Gross Plant As Adjusted <u>3/</u>	Less: CWIP Retirements	Depreciable Plant As Adjusted	Current Depreciation Rate	Depreciation Expense at Current Rates	Depreciation Expense at Current Rates
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	Distribution	\$151,229,955	\$0	\$151,229,955	3.00%	\$4,536,899	\$3,578,273
2	Distribution - AMR	\$6,773,487	\$0	\$6,773,487	5.00%	\$338,674	\$259,935
3	General	\$23,244,028	\$0	\$23,244,028	8.21%	\$1,908,335	\$1,596,147
4	General - Billing	7,611,939	\$0	\$7,611,939	10.00%	\$761,194	\$683,925
5	Intangible	\$675,434	\$0	\$675,434	3.00%	\$20,263	\$16,521
6	Total	\$189,534,844	\$0	\$189,534,844		\$7,565,365	\$6,134,802

Notes

3/ Refer to Exhibit II, Schedule B1, Column D, excluding land plant accounts.

**SourceGas Distribution LLC – Nebraska
Legislative Advocacy Expenses and Funds
Expended – Political, Religious, etc.
For the Test Year Ended March 31, 2011**

**Exhibit III
Schedule D-E
Page 1 of 1**

Legislative Advocacy Expenses and Funds Expended – Political, Religious, etc.

There are no expenses in these categories being sought in this application.

**SourceGas Distribution LLC – Nebraska
Affiliate Transactions
For the Test Year Ended March 31, 2011**

**Exhibit III
Schedule F
Page 1 of 1**

Affiliate Transactions

Please refer to the Cost Allocation Manual – Exhibit III – Schedule G, Appendix 3, Page 1 and Appendix 1, Page 1. See also Confidential Exhibit III – Schedule F, Page 1 of 1.



Cost Assignment and Allocation Manual

Submitted: September 30, 2011

Cost Assignment and Allocation Manual

SourceGas LLC and Affiliates

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**Cost Assignment and Allocation Manual
SourceGas LLC and Affiliates**

APPENDICES

Cost Assignment and Allocation Manual SourceGas LLC and Affiliates

Introduction

Purpose of Manual

This Cost Assignment and Allocation Manual documents and guides the cost assignment and allocation processes used at SourceGas to account for and record costs in each of the appropriate reporting units of the business, particularly the Regulated Utility units.

This Manual serves three important purposes to support the proper recording and valuation of revenues, expenses, assets and liabilities in financial reports of the SourceGas Companies.

First, in Section I, the Manual provides a description of the SourceGas Companies. The corporate structure includes both jurisdictionally regulated utilities and non-utility operations, sometimes within a single company. Among these companies, several engage in business activities with one another, causing the need for pricing practices that assure the tariffs on file for the Regulated Utility contains no subsidies that benefit non-regulated business activities.

Next, Section II describes and explains the processes SourceGas uses to value transactions among the various business entities that make up the SourceGas family of companies. The processes and procedures ensure compliance with Commission requirements to account for Affiliate Transactions throughout the SourceGas operating territory.

Finally, Section III documents and explains the processes at SourceGas that assure each jurisdiction, or other relevant unit of a SourceGas company, reflects an appropriate level of shared resource costs incurred on behalf of more than one affiliated company.

This Manual complies with the applicable statutes and regulations in the four state jurisdictions in which SourceGas and its Regulated utilities operate: Arkansas¹, Colorado², Nebraska³ and Wyoming.⁴

¹ Arkansas Public Service Commission's Affiliate Transaction Rules, as revised in Docket 06-112-R.

² Colorado Public Utilities Commission's Affiliate Rules for Gas Utilities and Pipeline Operators, published at 4 CCR 723-4, Rules 4500 et seq.

³ Section 66-1825 of the Nebraska State Natural Gas Regulation Act, published at Neb. Rev. Stat. §§66-1801 et seq.; see also Rule and Regulation No. 179, In the Matter of the Commission, on its own Motion, seeking to amend Title 291, Chapter 9, Natural Gas and Pipeline Rules and Regulations, to adopt rules regarding General Rate Filing; Rate Principles; Affiliate Transactions and Tariff Filings.

⁴ Wyoming Revised Statutes, §§ 37-101 et seq.

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Acronyms, Abbreviations and Definitions

As used in this Manual, the following acronyms, abbreviations and definitions apply:

Acronyms and Abbreviations

A&G	Administrative and General Expenses
APSC	Arkansas Public Service Commission
CAAM	Cost Assignment & Allocation Manual
CAPP®	SGD's Customer Appliance Protection Plan
CPUC	Public Utilities Commission of the State of Colorado
CPU	A computer's Central Processing Unit
FERC	Federal Energy Regulatory Commission
FICA	Federal Insurance Contributions Act (Social Security Taxes)
FUTA	Federal Unemployment Tax Act
Holdings Company	SourceGas Holdings LLC
NPSC	Nebraska Public Service Commission
O&M	Operations and Maintenance Expenses
RMNG	Rocky Mountain Natural Gas LLC
SGA	SourceGas Arkansas, Inc., formerly Arkansas Western Gas Co
SGD or SourceGas Distribution	SourceGas Distribution LLC
SGES	SourceGas Energy Services Company
SGGSSI	SourceGas Gas Supply Services Inc.
SGI	SourceGas Inc.
SGII	SourceGas International, Inc.
SGS	SourceGas Storage LLC
SourceGas or Parent Company	SourceGas LLC
SUTA	State Unemployment Tax Act
WPSC	Wyoming Public Service Commission

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Definitions of Terms and Concepts

Activity – a business action, product, or service, whether offered by a Regulated Utility, a unit within a Regulated Utility, or an Affiliate of a Regulated Utility. Throughout this Manual, SourceGas will use both the words “Services” and “Activities” in connection with this definition.

Affiliate –

- 1) a subsidiary of a Regulated Utility;
- 2) a parent company of a Regulated Utility;
- 3) a joint venture organized as a separate company or partnership to the extent of the Regulated Utility's involvement in the joint venture;
- 4) a subsidiary of a parent company of a Regulated Utility (sister company); or
- 5) an entity over which the Regulated Utility or the parent company has a controlling interest.

Within this Manual, an Affiliate may include a division, separate business activity or operating part that is within the Regulated Utility (called a unit throughout this Manual) and that provides assets, goods, services, information having competitive value, personnel, or resources other than, or in addition to, the utility's regulated service.

Affiliate Transaction – the purchase, sale, trade or lease of a good, service, cost or asset (tangible or intangible) from the Regulated Utility to an Affiliate, Regulated or Non-Regulated, other than a Shared Resources Affiliate,⁵ or from an Affiliate other than a Shared Resources Affiliate to the Regulated Utility, as defined in state rules.

Common or General Asset – an asset owned by one unit that benefits one or more units. Common assets owned by a Regulated Utility are often called Utility General Assets. SourceGas assigns or allocates the benefits these assets provide using factors developed for the Regulated Utility. Common assets owned by the Parent Company are called Corporate General Assets. SourceGas assigns or allocates the benefits these assets provide using factors developed for the parent company or by a cost causative method.

Common Cost – a cost incurred by one Affiliate that benefits one or more units and the nature of which is more general than costs that are Directly Assigned or that use Cost Causative Assignment.

Cost Allocation – the distribution of a Common Cost among benefited Units using a Three-Factor Allocator.

Cost Assignment and Allocation Manual (CAAM or Manual) - the indexed document that describes and explains the cost assignment and allocation methods used to segregate and account for revenues, expenses, assets, liabilities, and rate base cost components among jurisdictions, between Regulated and Non-Regulated Units, and between and among Affiliates.

Cost Causative Assignment – attribution of a cost affecting more than one unit, to the affected units by using a cost causation method of assignment. This Assignment method applies to any cost that fails to meet the definition of a Common Cost or cannot be Directly Assigned. To the extent practicable and feasible, SourceGas uses this assignment method over allocation.

⁵ This Shared Resources Affiliate exception may not apply in all SourceGas states.

Cost Assignment and Allocation Manual SourceGas LLC and Affiliates

Cost Center – For state operations, the unit that is responsible for operations and maintenance within a defined geographical area. For Shared Resources activities, a functional unit performing specific services for the benefit of various business units.

Direct Assignment – a charge for a cost to a single unit that requires no assignment or allocation factor. To the extent practicable and feasible, SourceGas uses this assignment method as its primary method of recording costs.

Distribution Utility – a Regulated Utility that provides regulated retail gas services through its distribution network.

Factor – a ratio represented by the determinants of each Cost Causative assignment method or Three-Factor Allocation method.

FERC Accounts – the Uniform System of Accounts prescribed for natural gas companies subject to the provisions of the Natural Gas Act, published at Title 18 of the Code of Federal Regulations, Subchapter F, Part 201.

Fully Distributed Cost – the value of a product, service or activity, including an allowance for a return on investment and other asset costs such as depreciation, property taxes and insurance, and which reflects all proper assignments and allocations made to all applicable affiliates and units.

Market Price – the price determined as the amount a Regulated Utility would receive for providing or a Non-Regulated Affiliate would pay for receiving a good or service in an Affiliate Transaction based on comparisons of similar transactions with, or the price of similar goods and services available from, unrelated third parties. Tariffs, surveys, specific price inquiries, benchmarking, competitive bids or any other reasonable method may determine Market Price.

Net Book Value – the original cost of a long-lived asset, less the accumulated depreciation charged against that cost.

Non-Regulated Activity/Service – any Activity or Service not offered as a public utility service⁶ and not price regulated by a state utility commission or the FERC.

Non-Regulated Affiliate – an Affiliate that is not a Regulated Utility.

Non-Utility Asset – any asset used to provide Non-Regulated Service or perform a Non-Regulated Activity.

Regulated Activity/Service – any Activity or Service offered as a public utility service⁷ regulated by a state utility commission or the FERC, and in Colorado, any non-jurisdictional activity that meets the criteria specified in CPUC Rule 4502(j).

Regulated Utility – The Regulated Utilities encompassed by this CAAM are RMNG, SGA and SGD, which are dedicated to regulated retail or wholesale utility services.

⁶ See Title 40, Articles 1 to 7, C.R.S., or comparable provisions in other states

⁷ See Title 40, Articles 1 to 7, C.R.S., or comparable provisions in other states

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Salary Split – any of several methods, all described in the next sub-section, that SourceGas uses to assign or allocate salary and benefit costs between capital and expense, between Regulated and Non-Regulated units, and to the proper natural or FERC accounts..

Shared Asset – an asset serving both Regulated and Non-Regulated services or activities.

Shared Resources Activities – Activities performed by a Shared Resources affiliate or unit on behalf of one or more Regulated and/or Non-Regulated Affiliates. These activities may occur within the Regulated Utility or at the Parent Company level. Shared Resources activity cost centers include, but are not limited to, the following: accounting, business and government affairs, codes and standards, customer accounting, billing, collection and service, customer care center, demand side management, dispatch, enterprise solutions, environmental health, safety and training, executive, financial planning and analysis, gas control, human resources, internal audit, legal, load growth, measurement, meter shop, project management, purchasing/supply chain management, regulatory affairs, risk management, tax and treasury.

Shared Resources Affiliate – an Affiliate or a unit within an Affiliate, that provides services to one or more Regulated and/or Non-Regulated Affiliates.

Unit – a company, business, division, jurisdiction, service area or type of service (regulated or non-regulated), or any other subdivision thereof. As used in this Manual, a Unit represents any of the wide variety of ways SourceGas views its component parts.

Utility Asset – an asset used solely in support of Regulated Utility service delivery to customers.

For ease of reading the Manual, defined terms such as “Activity,” “Allocate,” “Assign,” “Factor,” “Method,” “Services” and “Unit” generally are not capitalized hereafter.

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Definitions of Factors, Assignments, Allocators and Methods

The following definitions, arranged topically, apply throughout this Manual. The first category of definitions relates to the methods SourceGas uses to determine the portion of wages and benefits appropriate to capitalize. Each employee is subject to one of the following described capitalization methods.

Labor Capitalization – All Salaries and Wages before Expense Assignment or Allocation

Direct Labor Capitalization – In each state located cost center, employees who use automated time sheets to report their work time may code work performed on capital projects directly to the individual project through the time reporting tool. The total time posted to capital projects by these field employees is the numerator for the Corporate and Field capitalization rates. The only Shared Resources cost centers allowed to post time directly to a capital project are enterprise solutions and project management. This time does not appear in the numerator for other factors. All other cost centers must use one of the remaining capitalization methods.

Corporate Capitalized Labor – The factor used in this method is: Positive time reporting of operations labor costs coded directly to capital projects divided by the total of all labor costs. Corporate Capitalized Labor Assignment applies this factor to employee salaries in cost centers performing Shared Resources activities whose work does not directly support field O&M. Cost centers using this method are accounting (corporate, operational, technical and regulatory), business and government affairs, customer accounting, billing, collection and services, customer care center, financial planning and analysis, gas supply and shipper services, human resources, internal audit, legal, regulatory affairs, risk management, taxes and treasury.

Field Capitalized Labor Assignment – the Field Capitalized Labor factor applies in cost centers that support field operations directly. The formula for this factor is positive time reporting of operations labor costs coded directly to capital projects divided by total operations labor. The overall average Field Capitalized Labor factor applies to cost centers performing Shared Resources activities in the following areas: codes and standards, dispatch, environmental health, safety and training, gas control and measurement.

Cost Causative Capitalized Labor Assignment – the application of a factor to the salaries in cost centers providing Shared Resources services for which a specific Cost Causative factor exists. The Cost Causative factor is either one defined for use by specific cost centers or units or alternatively, other timesheet information or work activities used to substantiate the capitalization factor for that unit. The Controller must pre-approve the alternative substantiation option. Cost centers using a Cost Causative factor are accounts payable, engineering, engineering GIS, enterprise solutions, environmental health, safety and training, load growth, project management, property accounting, and purchasing/supply chain management. Details of the factors identified are in Appendix 4.

Calculated Capitalization for Supervisors – For supervising managers, the capitalization rate of each employee's salary is the average of the capitalization rate of all the people in a direct reporting

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arrangement. While virtually every cost center includes at least one supervisory person with a calculated capitalization rate, cost centers relying primarily or exclusively on calculated capitalization are chief executive officer, chief financial officer, director of technical services, directors of transmission operations, gas field operations and senior vice president of operations,

The remaining methods relate to the expense portions of labor, benefits and other costs incurred by SourceGas employees in all units. Each employee is subject to one of the following defined method groups. Appendix 5 provides a FERC account mapping for salary and wage expense.

Labor Treated as Expense – All Salaries and Wages after Capitalization

Customer Accounting, Billing, Collection and Services (Billing Services)

Customer Billing Assignment – a cost causative assignment that combines the Customer Accounts Billed factors weighted, as necessary, by the CPU Usage factors (both defined immediately below), to assign the customer accounting, billing, collection and customer service activities among the states and between Regulated and Non-Regulated units.

Customer Invoices Factor – Number of invoices billed within a unit divided by the number of invoices billed to all units. As used in this context, customer invoices fall into three categories: those for regulated services only; those for non-regulated services only; and combined bills that include both regulated service and non-regulated service line items.

CPU Usage Factor – The average CPU time, in seconds, required to generate invoices for Regulated (or Non-Regulated) service divided by the total CPU time dedicated to all billing activity. SourceGas applies this factor only to customer invoices that show both Regulated and Non-Regulated services on a single invoice.

Customer Care and Dispatch (Customer Care)

Customer Care Assignment – the application of all the Call Duration factors to assign the customer care center and dispatch activity costs among the states and between Regulated and Non-Regulated units.

Call Duration Factor – The call durations of a single unit divided by the call durations of all units.

Regulated Operations Only

Regulated Direct Labor Assignment – Selected cost centers or portions of cost centers support the work of the Regulated Utilities. These cost centers assign labor cost using the Regulated Direct Labor factor. The Regulated Direct Labor factor is the regulated direct labor for a single units divided by the Regulated Direct Labor of all units. The following cost centers or functions use this assignment method: business and government affairs, codes and standards, engineering, engineering GIS, environmental health, safety and training, gas control, gas supply and shipper

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services, measurement, meter shop, project management, regulatory accounting and regulatory affairs.

Calculated Expense for Supervisors

Calculated Labor Expense – this applies to the employees and cost centers that use a calculated capitalization factor. Again, virtually every cost center includes at least one employee with calculated labor expense. Cost centers that rely primarily or exclusively on calculated averages: chief executive officer, chief financial officer, director of technical services, directors of transmission operations, gas field operations and senior vice president of operations,

Other Salary Costs

Direct Assignment – Field operations hourly employees code time directly through an automated payroll reporting tool. The time reported in this tool for non-capital work time is a direct assignment to the geographic location where the employee has performed services. More detail about this process is located in Section III.

Three-Factor Allocation/Allocator – SourceGas uses a Three-Factor Allocator developed by averaging three individual factors: direct labor, gross margin and gross plant. Cost centers using this method are accounting (accounts payable, corporate accounting, technical accounting and operational accounting), enterprise solutions, financial planning and analysis, human resources, internal audit, legal, purchasing/supply chain management, risk management, tax and treasury.

Direct Labor Factor – Direct labor dollars for a single unit divided by the direct labor dollars of all units. In addition to being an element of the Three-Factor Allocator, this factor, assigns insurance expense for Workers' Compensation.

Gross Margin Factor – Gross margin (total sales less the cost of gas or other goods sold) of a single unit divided by the total gross margin of all units

Gross Plant Factor – Gross plant in service for a single unit divided by the total of all gross plant in service. In addition to being an element of the Three-Factor Allocator, this factor assigns insurance expense on plant assets.

Employee Benefits

All benefits, all employees – Benefits follow the capital/expense split of individual salaries as already defined. However, the benefit amounts post to FERC account 926 rather than following the multiple FERC expense account splits that may exist for some employees. Capitalized salary posts to FERC account 107.

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Other (Residual) Departmental Costs

Unless other expenses are directly assigned, they will follow one of four methods for distribution among states and between Regulated and Non-Regulated units, as appropriate.

Customer Accounting, Billing, Collection and Services – SourceGas applies the same factors to residual expense and assets as it does the expense portion of salaries.

Customer Care and Dispatch – SourceGas applies the same factors to residual expense and call center assets as it does the expense portion of salaries.

Regulated Direct – Cost centers that use the Regulated Direct Labor factor for salaries expensed also use this factor for assignment of residual costs. The only addition to the list included in the Regulated Operations item above is the Director of Operations and Transmission. Second, regulatory accounting does not appear on the Regulated Direct Residual list. The remaining Shared Resources units listed in this category for salary expense are not repeated here.

Three-Factor Allocation – This category of costs uses the Three-Factor allocator discussed above. In addition to the groups listed in the salary expense listing, this category also includes the entire accounting unit, and all the remaining units from the calculated salary expense listing except the Director noted in the Regulated Direct listing in this category.

Vehicles Factor – a ratio of vehicles located within a single unit divided by the total number of vehicles. This factor assigns vehicle insurance expense to the various units.

General Plant Common Assets

These assets are recorded on Distribution Utility's or Shared Resources Affiliate's books. Assets are allocated to multiple jurisdictions using the three-factor allocator associated with one of the following calculations:

1. Three-Factor Allocator for common assets used by all the Distribution Utilities;
2. Three-Factor Allocator for common assets within a Distribution Utility; or
3. Three-Factor Allocator for the Shared Resources Affiliate.

Factors and their resulting assignment or allocation methods undergo review, analysis and update using twelve months' data ended in September of each year. In the case where 12 months are not available, SourceGas uses the greatest amount of relevant data available at the time the factor is developed. Newly updated factors, assignment methods and allocators apply to transactions beginning on January 1 of the next year. However, if business operations warrant a change, the CAAM principles will be evaluated.

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Section I

Organization Structure

The SourceGas corporate structure includes both Regulated Utilities and Non-Regulated Affiliates. The Regulated Utilities are SourceGas Distribution LLC, Rocky Mountain Natural Gas LLC and SourceGas Arkansas Inc. that together provide service in four states. All three Regulated Utilities engage in providing both Regulated Services and Non-Regulated activities. Other companies within the SourceGas corporate structure engage in Non-Regulated activities, or do not conduct business as of the date of this Manual. An organization chart indicating the entities making up the SourceGas family appears on page 12.

Following are brief descriptions of each entity. Detailed service offerings appear in Appendix 2.

Overview of Services Provided by the SourceGas Companies

SourceGas Holdings LLC– Holdings Company is the non-operating entity that serves as the holding company for the entire SourceGas family.

SourceGas LLC – SourceGas is the Parent Company for SourceGas Regulated Utilities and Non-Regulated activities. This company incurs costs as a Shared Resources Affiliate for the benefit of its subsidiary companies in the SourceGas corporate structure, except for SGGSSI.

SourceGas Distribution LLC – SGD is a Distribution Utility that provides natural gas Regulated Services (sales, transportation, and distribution) to retail customers in Colorado, Nebraska and Wyoming, as well as off-system transportation in interstate commerce pursuant to Section 311 of the federal Natural Gas Policy Act.

SGD also provides Non-Regulated activities in the form of merchandising products and services to retail and third party customers in its service areas. Such products and services include, but are not limited to, “white” goods such as washers and dryers, “brown” goods like water heaters, air conditioners, barbecues, appliance repair, servicing and maintenance, and Customer Appliance Protection Plan (“CAPP”®) service contracts.

Rocky Mountain Natural Gas LLC – RMNG is a Colorado intrastate pipeline company providing regulated wholesale natural gas sales service to SourceGas Distribution at town border stations in western Colorado and transportation services to natural gas producers, shippers and industrial customers. RMNG also provides off-system transportation in interstate commerce pursuant to Section 311 of the federal Natural Gas Policy Act. RMNG owns 50% of a Non-Regulated natural gas processing facility (“Rifle”).

SourceGas Storage LLC – SGS is a wholly owned subsidiary of SourceGas LLC formed to provide gas storage services pursuant to State and/or FERC authority. As of the date of this CAAM, SGS has no Utility (or other) assets, provides no storage service, and is not subject to state or federal regulation.

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SourceGas Inc. - This is the parent company for the corporate-structured subsidiaries. It does not offer any public services or activities.

SourceGas Arkansas Inc. (formerly Arkansas Western Gas Company) – SGA, a Distribution Utility, provides natural gas utility Regulated services (sales, transmission, transportation and distribution) to retail customers in Arkansas as well as off-system transportation in interstate commerce pursuant to Section 311 of the federal Natural Gas Policy Act.

SGA also provides Non-Regulated activities in the form of merchandising products and services and appliance repair and maintenance to retail and third party customers in its service areas.

SourceGas Energy Services Company – SGE is a Non-Regulated Affiliate that markets natural gas to retail distribution customers enrolled in SGD's Wyoming and Nebraska Choice Gas Programs, as well as to third-party customers. SGE owns a Non-Regulated gas processing plant ("Piceance") in Colorado that processes gas owned by RMNG, and owns a Non-Regulated underground gas storage facility ("Wolf Creek") operated by RMNG in Colorado.

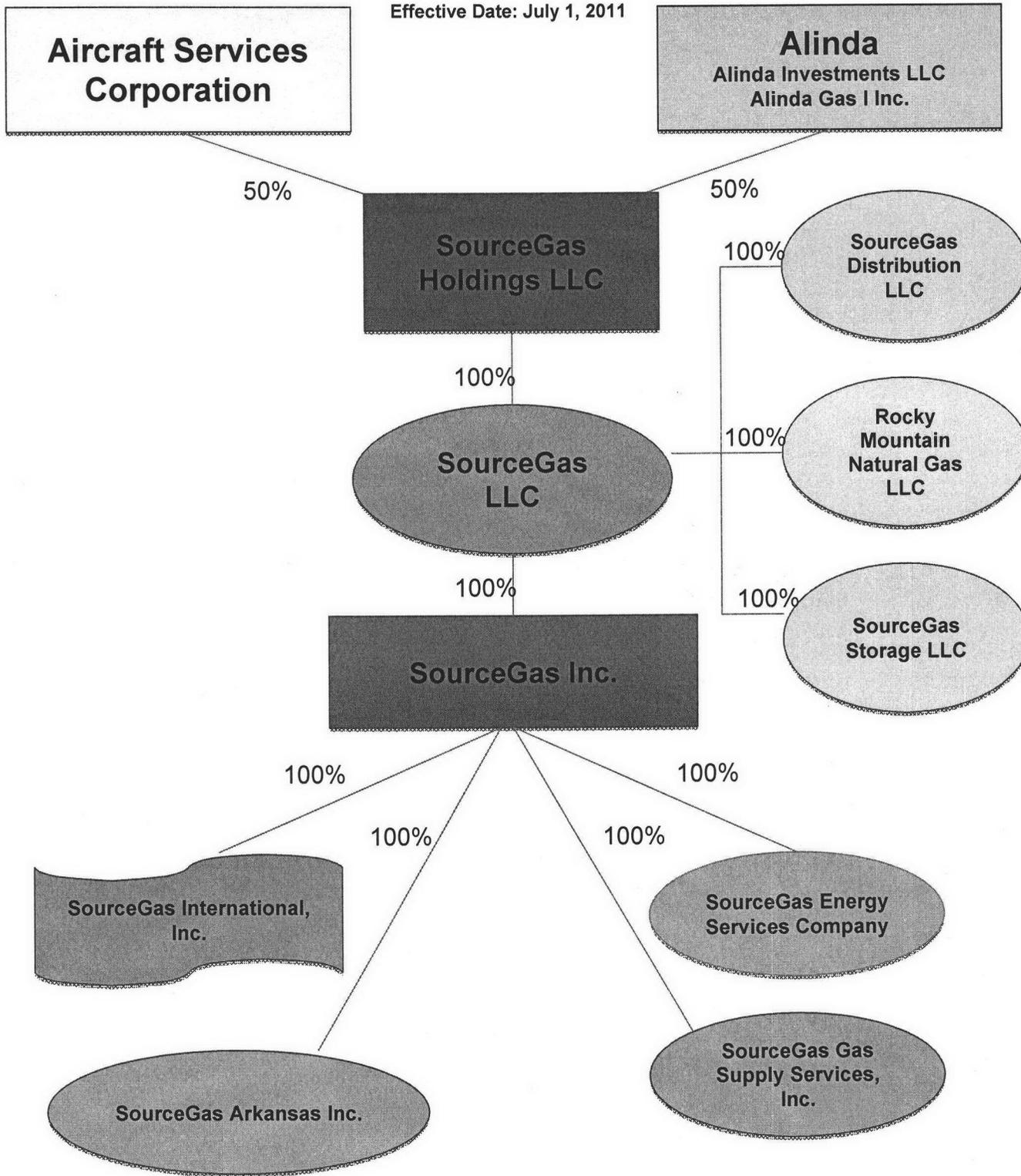
SourceGas Gas Supply Services, Inc. – SGGSSI is a Non-Regulated Affiliate that purchases natural gas under certain legacy gas purchase contracts, and sells it on the open market.

SourceGas International, Inc. – SGII was the international parent company of certain foreign subsidiaries. SourceGas sold those subsidiaries in 2009. As of the date of this CAAM, SGII has no Utility (or other) assets. This entity does not provide any services to SourceGas Regulated Utilities or Non-Regulated affiliates.

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Effective Date: July 1, 2011



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Section II

Affiliate Transaction Costing and Pricing Principles

One of the major principles guiding SourceGas in developing this Manual is to assure that the prices of transactions between affiliates are fair, reasonable and consistent with regulatory commission rules and regulations.

Shared Resources Activities

Consistent with traditional ratemaking practice, SourceGas prices Shared Resources activities using the assignment and allocation principles, methods and factors set forth in this Manual rather than using the intercompany pricing as otherwise set forth in this Section II.

Affiliate Transactions Originating at a Regulated Utility, Provided to a Non-Regulated Affiliate

If the Regulated Utility provides a service that is in one of its approved tariffs, the tariff price is the price the Regulated Utility charges its Non-Regulated Affiliate.

When the Regulated Utility provides a service or the *use* of a Utility Asset for which there is no tariff price, the transaction must be valued at the **higher** of the Regulated Utility's Fully Distributed Cost of the service or the prevailing Market Price (higher of Fully Distributed Cost or Net Book Value for transactions involving a *transfer* of fixed Utility Assets).

Transactions Originating at a Non-Regulated Affiliate, Provided to a Regulated Utility

When a Regulated Utility receives service or uses an asset of a Non-Regulated Affiliate, the price it pays is the **lower** of the providing Non-Regulated Affiliate's Fully Distributed Cost or the Market Price (lower of Fully Distributed Cost or Net Book Value for transactions involving *transfer* of fixed assets).

Transactions between Regulated Utility Entities

When a Regulated Utility provides a service that is in one of its approved tariffs to another Regulated Utility, the providing Regulated Utility charges its tariff price to the Regulated Utility receiving the service.

When the Regulated Utility provides a service that is not available in an effective tariff, the price between the Regulated Utilities is the Fully Distributed Cost of the providing Regulated Utility.

When the transaction between affiliated Regulated Utilities involves both Regulated Service and Non-Regulated activity components, SourceGas allocates the total price between the Regulated and the Non-Regulated activity components using the methods described in this Section II.

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Nature of Transactions among SourceGas Affiliated Companies

SourceGas Regulated Utilities provide Regulated services and Non-Regulated activity and services to retail customers and to affiliates as requested. Similarly, Non-Regulated Affiliates perform Non-Regulated activities for the Regulated Utilities. In all these cases, pricing rules for transactions between Affiliates apply. This CAAM includes a series of appendices that detail the nature of services and activities that may occur between affiliates.

Appendix 1 is a table that shows which affiliates provide services to or receive services from the Regulated Utilities. Appendix 2 is a detailed listing of the services and activities each SourceGas company provides, separated between Regulated services and Non-Regulated activities. Appendix 3 displays the services or activities exchanged among affiliates, the frequency of such exchanges, and the pricing that prevails in those transactions, and includes many examples of Shared Resources activities priced through assignment and allocation.

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Section III

Cost Assignment and Allocation

This section of the Manual describes the various methods SourceGas employs to assign or allocate costs from the unit incurring the cost to the unit or units that benefit from that cost. In general, when a direct assignment is not possible, SourceGas seeks to determine a reasonable Cost Causation method as the basis for assigning a cost to the units that benefit. Where no single factor or group of factors applies, SourceGas requires substantiation using other timesheet information or work activities or uses the Three-Factor Allocator.

Principles of Cost Assignment

For all activities that SourceGas reflects in its financial results, it uses the following principles to develop the appropriate factor(s) or method(s) for assigning each cost to the various companies, state jurisdictions or other unit and between Regulated and Non-Regulated units.

SourceGas uses the causation concepts of Variability, Traceability and Benefit, as defined below, to guide it in identifying the methods it uses to assign costs.

Variability – If the total cost varies with its quantity or other clear measurement (size or volume, for example), each activity or unit that incurs the cost bears a portion of the cost.

Traceability – If a logical or observable correlation exists between a cost and its cause or location, each bears a portion of the cost.

Benefit – activities, units or locations that receive value for a cost bear a portion of the cost.

Following this guidance, SourceGas has identified three methods by which it assigns or allocates costs among the various services and activities of the SourceGas companies.

Direct Assignment – The cost occurs in and relates to a single unit, account or other relevant measure without the need to apply an allocator. An example of this cost is an hourly field employee who completes a daily timesheet. Each entry results in a direct charge to the designated capital or expense account, whether regulated or non-regulated, in the appropriate geographic jurisdiction.

Cost Causative Assignment – Identifiable factors drive the level of cost, and each unit that participates in causing or benefiting from the cost bears a portion of the cost. The cost causative assignments defined and used in this Manual are the Customer Billing, Customer Care, Regulated Direct Labor and the substantiation using other timesheet information or work activities.

Cost Allocation – For costs that do not meet the requirements of one of the first two methods, SourceGas accumulates the costs into pools of similar nature, and allocates each pool using a Three-Factor Allocator. Many of the Shared Resources A&G costs fall into this category. Functions in this category benefit multiple units, but do not lend themselves readily to application of a specific assignment method or factor. Therefore, they accumulate in this category for Three-Factor Allocation among the SourceGas companies.

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Appendix 4 contains descriptions, providers and users, and assignment or allocation methods associated with SourceGas expense and capitalization activities.

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Operating Procedures Supporting Cost Assignment Requirements

The following describes the primary practices and procedures in place at SourceGas to provide for and sustain proper accounting and reporting of investments, expenses and revenues at each unit.

Time Reporting (Positive and Exception)

Positive Time Reporting

SourceGas non-supervisory field and warehouse personnel (hourly O&M employees) enter their time spent traveling to and performing work on behalf of Regulated and Non-Regulated activities using an automated payroll reporting tool. The majority of SourceGas field and warehouse personnel labor costs are directly attributable to work performed for SourceGas Regulated Utility services, or construction of Regulated Utility rate base components, in the jurisdictions where the employees work.

Positive time reporting also accommodates field and warehouse time reporting when employees perform Non-Regulated activities. In this case, time sheet coding directly charges the labor cost to the Non-Regulated activity. When hourly employees record non-productive time (vacation or illness, for example), that time charges to capital, Regulated and Non-Regulated categories in proportion to productive reported time developed using the most recent annual factor update. Productive time is considered Regulated unless it is associated with a Non-Regulated work activity.

Each employee using Positive Time Reporting must submit his or her time report to a supervisor on a fixed schedule for review and approval before processing.

Exception Time Reporting

SourceGas salaried employees (supervisory personnel, both corporate and field, office personnel, and employees performing Shared Resources activities) use an "exception" time reporting system to record work activities performed on behalf of Regulated Utilities and Non-Regulated Affiliates. These employees work an assumed regular schedule unless they report time away from the office or other exception to it. Salaried employees may not code their expense time directly, except for enterprise solutions employees who may post time directly to capital projects). Rather, SourceGas develops a pre-defined cost-causative salary assignment method or accumulates the salaries in a cost pool subject to the Three-Factor allocator.

Procurement Cards (P-cards)

SourceGas provides a number of charge cards, called P-Cards, to authorized employees. Charging limits on the cards preclude employees from purchasing materials the SourceGas purchasing/supply chain management unit oversees. Further, SourceGas policy prohibits employees from using P-cards to purchase items for personal use. This part of the Manual describes each type of card and the associated accounting.

Authorized P-Cards and Usage Limitations

Fleet P-Card – This card belongs with a particular vehicle, not an employee, and allows the driver to charge car washes, repair and preventive maintenance, as well as replacement parts consistent with manufacturer specifications.

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Fuel P-Card – Employees may purchase fuel solely for company vehicles or equipment.

Brown Goods P-Card – Employees may purchase Non-Regulated brown goods (furnaces, air conditioners, grills and similar assets) for immediate resale to customers. Employees may not use this P-Card to purchase goods for inventory.

Regulated P-Card – Authorized employees may apply for a Regulated P-Card. With the card, employees may purchase office supplies and incur employment-related costs such as travel, subscriptions, training and registration fees, lodging and meals associated with business travel and similar items consistent with their job descriptions, limited in many cases to preferred providers.

Non-Regulated P-Card – Authorized employees performing Non-Regulated activities may apply for this card, which allows the holder to purchase parts and non-inventoried materials for appliances and other goods associated with Non-Regulated activities.

Accounting for P-Card Purchases

Each cardholder, except for a Fuel P-Card holder, receives a monthly statement that he or she must reconcile and support with original receipts. The completed reconciliation goes to the person's supervisor for review, override account coding if applicable and approval.

Fuel P-Card holders do not receive individual statements. Instead, the supervisor gets a statement that combines charges for all the equipment under his or her supervision. The supervisor reviews the statement using individual fueling receipts and approves it. The accounting system codes fuel purchases directly to the proper capital and O&M expense account(s), based on the salary split of the employee identified with the Fuel P-Card.

For Brown Goods and Non-Regulated P-Cards, the accounting system assigns all charges to non-regulated FERC account 416 (Non-Regulated Activities), costs and expenses of merchandising, jobbing and contract work.

For each Regulated P-Card and Fleet P-Card, the accounting system maintains a one-line record defining the default distribution of costs incurred on the card, which is the same as the associated employee's salary split. The reviewing manager may override the default distribution if there is a purchase associated with a capital or tracked expense project using a tracking code. The accounting system does not recognize any other override coding.

Purchasing / Supply Chain Management

Employees performing these Shared Resources activities procure all major inventories for capital projects and for any significant purchases of equipment, outside services and supplies, whether capital or expense. Each purchase for a capital project or qualifying expense requires documentation adequate to identify the specific project or projects requiring the purchase. The purchasing unit may not order any materials, services, equipment or capital components without proper justification and documentary support. Depending on the magnitude and/or nature of the order, informal or formal bid procedures apply. Upon receipt of the order, confirmation it is complete and in expected condition, and consistent with Accounts Payable unit processes, the invoice payment request includes detailed account coding for the purchased items or services. Purchases associated with capital projects must include an Internal Order (project) number if the

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acquisition is capital in nature. Without an Internal Order number, the expenditure will post as expense.

General Ledger

The general ledger system account-numbering options accommodate both a “natural” account structure for SourceGas Non-Regulated activities and a FERC account structure for the Regulated Utilities. Using 18 C.F.R., Subchapter F, Part 201, SourceGas has implemented both the natural account structure and the FERC account structure, and settles the FERC basis reports with the natural account reports each month. In this way, SourceGas assures its results of operations for Regulated and Non-Regulated activities match the net income reported through the natural accounts. For each transaction affecting the Regulated Utilities, the accounting record contains both a natural account code and FERC code that determines the target accounts for the transaction.

At a minimum, the following fields relate to FERC account coding, as described below:

Company Code 4 digit	Cost Center up to 11	FERC Account/Sub-Account 4 digit
XXXX	XXXX(XXXXXXXX) /	XXXX

Each separate company, as represented on the SourceGas organization chart on page 12, has a unique Company Code:

SGGSSI	1011	Holdings Company	1043
SGES	1015	SGI	1044
SGD	1017	SGA	1048
SGII	1021	RMNG	1061
SourceGas	1041		

SGD, SGA and RMNG (1017, 1048 and 1061, respectively) require FERC account coding in all transaction records. Other entities incorporate FERC coding as well, especially SourceGas (Company Code 1041), which assigns or allocates 100% of its costs to Regulated and Non-Regulated activities. Further, FERC coding is necessary to settle the FERC and natural account financial reports to one another, as well as to complete certain required reports.

The Cost Center is the location that incurs the expenditure. When appropriate, a Cost Center may also receive a cost allocation. Each Cost Center number is unique, and consists of either three or four numeric digits.

Within SGA and SGD, for example, Cost Centers coincide with geographic service locations in each state. Colorado’s Cost Centers begin with 1, Wyoming’s with 2, Nebraska’s with 3 and Arkansas’ with 5. The second and third digits indicate the geographic location in the state, and sometimes whether the cost is direct, shared O&M or shared A&G. Shared Resources cost centers are four digits and begin with 8. An entry to recognize an SGD supervisor’s salary in Gillette, Wyoming, for example, would include the following values:

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Company	Cost Center	FERC Account	
1017	C210 /	8700	SGD is Company 1017. Cost Center 210 corresponds to Gillette Direct Costs, and FERC account 8700 is Distribution Operation Supervision and Engineering.

For capital transactions, the coding format differs slightly, but is comparable to the expense example above. Each capital transaction includes a 7-digit Internal Order (project) number in the Cost Center field. Internal Orders begin with the digits "10" to distinguish them from expense items or Cost Centers. Capital purchases code initially to an expense account. During each month-end closing process, the accounting system identifies the Internal Order components in the expense accounts and reclassifies those components to Account 1070, Construction Work in Process. When capital projects are complete, field representatives notify the accounting department. Once monthly charges to the Internal Order cease, property accountants use the Internal Order information and the details of the project expenditures to reclassify the utility asset into the proper FERC 300 series detailed property, plant and equipment account or accounts. Coding to account for purchasing a valve for a capital project in Clarksville, Arkansas would be:

Company	Cost Center	FERC Account	
1048	1021234	8570	Company 1048 is SGA. The cost center field holds the project number. The interim account number is an expense account. During the monthly close process, all the activity associated with an Internal Order reclassifies to FERC account 1070.

In the above example, there is no indication of the cost center associated with the Internal Order. Property accountants rely upon the detailed information included in the Internal Order itself, rather than each capital transaction, to transfer Construction Work in Process to Plant in Service, and maintain property records that include location as well as other essential information.

Appendices

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Appendix 1: Identification of Utility Affiliates that Assign Costs to or Receive Costs from a Regulated Utility – By State

Affiliate Name	Utility?	Colorado		Nebraska		Wyoming		Arkansas	
		Transactions to a Utility	Transactions from a Utility	Transactions to a Utility	Transactions from a Utility	Transactions to a Utility	Transactions from a Utility	Transactions to a Utility	Transactions from a Utility
SourceGas Holdings LLC	No	No	No	No	No	No	No	No	No
SourceGas LLC	No	Yes *	No	Yes *	No	Yes *	No	Yes *	No
SourceGas Distribution LLC	Yes	Yes	Yes	No	No	No	No	No	No
Rocky Mountain Natural Gas, LLC	Yes	Yes	Yes	No	No	No	No	No	No
SourceGas Storage LLC	No	No	No	No	No	No	No	No	No
SourceGas Inc.	No	No	No	No	No	No	No	No	No
SourceGas Arkansas, Inc	Yes	No	No	No	No	No	No	No	No
SourceGas Energy Services Co	No	No	No	No	Yes	No	Yes	No	No
SourceGas Gas Supply Services Inc	No	No	No	No	No	No	No	No	No
SourceGas International Inc.	No	No	No	No	No	No	No	No	No

* Where such differentiation exists, this "Yes" entry indicates shared resource assignments to the utilities. All other "Yes" entries indicate affiliate transactions.

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**Appendix 2: Regulated and Non-Regulated Activities Provided by Each
SourceGas Affiliate**

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Regulated Services

SourceGas Distribution LLC

SourceGas Distribution, a local Distribution Utility, provides the Regulated Activities listed below (with the exception of its O&M Services) to customers, including Affiliates, at approved rates set forth in tariffs on file with the applicable Commission and the FERC.

Gas – Residential

Residential gas service is the provision of natural gas service to residential customers within SourceGas Distribution's service territories. Costs associated with this service include, but are not limited to, the purchase and delivery of gas through SourceGas Distribution-owned facilities, O&M, depreciation and A&G costs.

Gas – Commercial and Industrial

Commercial and industrial gas service is the provision of natural gas service to commercial and industrial customers within SourceGas Distribution's service territories. Costs associated with this service include, but are not limited to, the purchase and delivery of gas through SourceGas Distribution-owned facilities, O&M, depreciation and A&G costs.

Gas – Irrigation

Irrigation gas service is the provision of natural gas service to irrigation customers within SourceGas Distribution's service territories. Costs associated with this service include, but are not limited to, the purchase and delivery of gas through SourceGas Distribution-owned facilities, O&M, depreciation and A&G costs.

Gas – Grain-Drying

Grain-drying service is the provision of natural gas service to grain-drying customers within SourceGas Distribution's service territories. Costs associated with this service include, but are not limited to, the purchase and delivery of gas through SourceGas Distribution-owned facilities, O&M, depreciation and A&G costs.

Gas – Transportation

Gas transportation service is the provision of gas transportation to end-use customers, Affiliates and third-party suppliers or marketers. Costs associated with this service include, but are not limited to, O&M, depreciation and A&G costs.

Choice Gas Program

In Wyoming, SourceGas Distribution's retail customers may elect to purchase gas commodity under SGD's Choice Gas Program from SGESC or non-Affiliated gas suppliers or gas marketers, or remain under SourceGas Distribution's Pass-On Rate [Regulated Rate] Option. In Nebraska, retail customers purchase gas commodity from SGESC or non-Affiliated gas suppliers or marketers. SourceGas Distribution does not currently offer a Choice Gas Program in Colorado.

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The Customer Services and Billing Unit within SourceGas Distribution administer the Choice Gas Programs in Nebraska and Wyoming. Administrative costs include, but are not limited to, labor and benefits costs and non-labor costs recorded in FERC Customer Accounts, Customer Service and A&G (Accounts 901-905, 907-910 and 920-932, respectively).

Gas – Miscellaneous Services

Miscellaneous services include, but are not limited to, services related to customer disconnection and reconnection, insufficient funds check, bill collection, and meter test charges. Costs associated with this service include, but are not limited to, O&M, customer accounting costs and A&G costs.

O&M Services

SAG bills all Choice Gas suppliers, including SGESC, for billing and collection of each supplier's sales to its Choice customers in Nebraska and Wyoming.

SourceGas Arkansas Inc.

SGA, a local Distribution Utility, provides the Regulated Activities listed below to customers at approved rates set forth in tariffs on file with the APSC or FERC, as applicable.

Gas – Residential

Residential gas sales service is available to residential end-use customers within SGA's service territories. Costs associated with this service include, but are not limited to, the purchase and delivery of gas, O&M, depreciation and A&G costs.

Gas – Commercial and Industrial

Commercial and industrial gas sales service is available to commercial and industrial end-use customers within SGA's service territories. Costs associated with this service include, but are not limited to, the purchase and delivery of gas, O&M, depreciation and A&G costs.

Gas – Transportation (On-System)

Gas transportation service is available to business customers within SGA's service territories that meet certain annual volume requirements. Costs associated with this service include, but are not limited to, O&M, depreciation and A&G costs.

Gas – Transportation (Off-System)

SGA provides limited transportation service in interstate commerce at rates established by FERC under Section 311 of the Federal Natural Gas Policy Act. Revenue from this service reduces the revenue requirement to the benefit of Arkansas ratepayers in general rate cases.

Unmetered Gas Lights Sales Service

This tariff service is available for "unmetered natural gas lighting" when it is not economical to set meters for gas lighting fixtures.

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Air Conditioning Rider

This rider applies to billings with meter read dates of June through September for customers with approved natural gas air conditioning installed on their premises.

Rocky Mountain Natural Gas LLC

RMNG provides the following services to customers and Affiliates at approved rates set forth in tariffs on file with the CPUC or the FERC.

General Resale Service

This service includes the wholesale sale and delivery of gas to SourceGas Distribution. Costs associated with this service include, but are not limited to, the purchase and delivery of gas, O&M, depreciation and A&G costs.

Transportation Service

This service includes gas transportation service provided to gas producers, shippers and industrial customers. Costs associated with this service include, but are not limited to, O&M, depreciation and A&G costs.

Incidental Services

SourceGas does not currently provide any Incidental Services. Incidental Services are non-tariff services or Non-Regulated Activities that have traditionally been offered incidentally to the provision of tariff services where the revenues for all such services and activities do not exceed: (i) the greater of \$100,000 or one percent of the Regulated Utility's total annual state operating revenues for Regulated activities; or (ii) such amount established by a Commission considering the nature and frequency of the particular non-tariff service or Non-Regulated activity. If Incidental Services are provided in the future, they will be treated for purposes of this CAAM in accordance with the instructions and limits provided in Rules 4501(h) and 4502(j) of the CPUC's Rules Regulating Gas Utilities and Pipeline Operators and/or similar provisions in other operating jurisdictions of the Regulated Utilities, as may appear in statutes, rules and regulations.

Non-Regulated Activities

SourceGas Distribution LLC

Merchandise

SGD's Non-Regulated Activities include a merchandising operation offering products and services to SGD retail customers and third parties. Principal services provided include:

- Purchases and sales of appliances and equipment including washers, dryers, furnaces, water heaters, gas grills, and irrigation engines,
- Repairs and maintenance of appliances and equipment, and
- CAPP® service contracts.

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The costs associated with SGD's merchandising include, but are not limited to, appliance and equipment purchases (cost of goods sold), O&M, depreciation, property taxes and other miscellaneous costs. The revenues and costs associated with SGD's merchandising operations are recorded to Account 415, revenues from merchandizing, jobbing and contract work and 416, costs and expenses of merchandizing, jobbing and contract work, respectively, in the FERC Chart of Accounts. These revenues and costs are not included in the determination of revenue requirements in SourceGas Distribution's Colorado, Nebraska, or Wyoming regulatory jurisdictions.

SourceGas Arkansas Inc.

Tower Leasing Activities

SGA leases space on one communications tower to third parties under contract arrangements. All assets and expenses related to the communications tower are reported in rate base and O&M expense, and all lease revenues received are reported as other operating income. SGA's customers receive the full benefit of the lease revenues exceeding any allocated expense as a net reduction in the cost of service.

Appliance Merchandising Business Activities

SGA's Non-Regulated operations include a merchandising operation offering products and services to its retail customers and third parties. Principal services provided include:

- Purchases and sales of appliances and equipment, and
- Repairs and maintenance of appliances and equipment.

Like SGD above, SGA isolates the revenues and costs from these merchandising activities in the FERC Accounts set aside for non-regulated revenue and expense. Time reporting and relevant cost assignments and allocations assure costs applicable to non-regulated activities reside in the proper accounts.

Storage Field Services

SGA performs O&M functions for the Stockton Storage facility pursuant to the Stockton Storage Facility Service Agreement.

Oil Field Services

SGA performs minor gas field service work pursuant to the Oil Field Services Agreement.

Gathering Services

SGA performs gathering services pursuant to the Natural Gas Service Agreement.

Rocky Mountain Natural Gas LLC

Rifle Gas Processing Facility

RMNG and Public Service Company of Colorado ("PSCo") jointly own the Rifle gas processing facility in equal shares. PSCo operates the plant under an operating agreement between PSCo and RMNG. PSCo bills RMNG its share of PSCo's operating costs. PSCo and RMNG share the revenues associated with the sales of the gas liquids and by-products produced by Rifle. RMNG's share of the revenues and expenses is included in its revenue requirement computations.

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Piceance Gas Processing Facility

As previously discussed in this Manual, SourceGas employees provide O&M regulated services associated with the operation of Piceance, the costs of which are Direct Assignments as operating costs to RMNG. RMNG recovers these operating costs through an operations fee charged to SGESC. RMNG also pays a processing fee to SGESC for its gas processed through this facility. Sales of RMNG's gas from this facility are reflected on RMNG's books, and are included in its revenue requirement calculation..

Wolf Creek Storage Facility

RMNG owns certain aboveground equipment related to this underground storage facility. SourceGas employees provide O&M regulated services related to this equipment on behalf of RMNG. The costs associated with the repairs and maintenance activities include are Direct Assignments as operating costs to RMNG. RMNG nets its costs against the storage fee paid by RMNG to SGESC, the owner of the storage facility.

SourceGas Energy Services Company

Gas Commodity Purchasing and Sales

SGESC activities include the purchase of gas commodity on behalf of retail customers in Wyoming and Nebraska enrolled in SGD's Choice Gas Program, as well as gas commodity purchases and sales to non-affiliated gas suppliers and gas marketers. The costs associated with this activity include, but are not limited to, labor and benefits costs and A&G costs.

Piceance Gas Processing Facility

SGESC charges RMNG a processing fee for the RMNG gas processed through this facility. The revenues generated by the sales of gas liquids and by-products produced by this facility are recorded by RMNG. RMNG charges an operation fee to SGESC to recover routine operating and maintenance costs.

Wolf Creek Storage Facility

SGESC owns the underground storage facilities used to store gas owned by RMNG. SGESC charges RMNG a fee for the use of this facility. In exchange, RMNG charges SGESC for operating and maintenance expenses.

SourceGas Gas Supply Services, Inc.

SGGSSI is a Non-Regulated Affiliate that purchases natural gas under certain legacy gas purchase contracts, and sells it on the open market.

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**Appendix 3: Matrix of Affiliate Services and Activities Provided,
Frequency and Pricing**

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Appendix 3 - Matrix of Affiliate Services Provided, Frequency and Pricing**

Receiving Company/Division	Originating Company/Division									
	SourceGas Distribution, LLC (SGD - Regulated Services)	SourceGas Distribution, LLC (SGD - Non-Regulated Services)	SourceGas Shared Resources (SGD Shared)	SourceGas Arkansas, Inc. (SGA - Regulated Services)	SourceGas Arkansas, Inc. (SGA Non-Regulated Services)	Rocky Mountain Natural Gas (RMNG)	SourceGas, LLC (SourceGas) (Shared Resources)	SourceGas Energy Services (SGES)	SourceGas Gas Supply Services, Inc (SGGSSI)	
SourceGas Distribution, LLC (SGD - Regulated Services)			A&G/Ongoing/FDC	None	None	Gas Sales / Ongoing / Tariff	A&G / Ongoing / LCM Customer Accts & Svc / Ongoing / LCM	Choice Gas Program Inventory/Ongoing/LCM	None	
SourceGas Distribution, LLC (SGD - Non-Regulated Services)			A&G/Ongoing/FDC	None	None	None	A&G / Ongoing / LCM Customer Accts & Svc / Ongoing / LCM	None	None	
SourceGas Arkansas, Inc. (SGA - Regulated Services)	None	None	None		None	None	A&G / Ongoing / LCM Customer Accts & Svc / Ongoing / LCM	None	None	
SourceGas Arkansas, Inc. (SGA - Non-Regulated Services)	None	None	None		None	None	A&G / Ongoing / LCM Customer Accts & Svc / Ongoing / LCM	None	None	
Rocky Mountain Natural Gas (RMNG)	None	None	A&G/Ongoing/FDC	None	None		A&G / Ongoing / LCM Customer Accts & Svc / Ongoing / LCM	Gas Processing / Ongoing / LCM Storage and Rent / Ongoing / LCM	None	
SourceGas Energy Services (SGES)	Billing Services for Choice Gas customers of SGES	None	None	None	None	O&M / Ongoing / HCM	A&G / Ongoing / LCM Customer Accts & Svc / Ongoing / LCM		None	
SourceGas Gas Supply Services, Inc (SGGSSI)	None	None	None	None	None	None	None	None	None	

Key:
 HCM - higher of fully distributed cost or market price/value
 LCM - lower of fully distributed cost or market price/value
 NBV - net book value
 Mkt - market price/value
 FDC - Fully distributed cost
 Ongoing - services provided daily
 Frequent - services provided monthly to weekly
 Infrequent - services provided from time to time through a year

Notes:
 Neither SourceGas Storage nor SourceGas International, Inc. provides services to any party, affiliated or not.

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**Appendix 4: Details of Expense and Capital Activities Identifying
Assignment and Allocation Methods**

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Cost Category	Wage and Salary Capitalization
Description of Service	Portions of employee time are coded directly to capital activities. Twelve months of labor data form the basis for developing capitalization rates. Each assignment or allocation method, other than direct assignment, appears below.
Service Provider	SourceGas
Service Consumer	Capital projects
Assignment or Allocation Method and Rationale	<p>Field Capitalized Labor Rate: Positive time reporting of operations labor costs coded directly to capital projects divided by the total of operations labor costs. Each hourly field employee codes his capital work directly on daily timesheets. Corporate units that directly support operations use the field capitalization rate averaged over all hourly employees.</p> <p>Cost Causative Capitalized Labor Rate: the share of salaries of those employees performing Shared Resources activities for whom a specific capital Cost Causative Factor exists, which varies among units. Units using a cost causative factor are:</p> <ol style="list-style-type: none"> 1) accounts payable (ratio of capital invoices processed to all invoices processed); 2) engineering (managers 100% capital; administrative support 100% expense); 3) engineering GIS, environmental health, safety and training, load growth, project management (other timesheet information to substantiate work activities); 4) enterprise solutions (direct charges to assigned capital projects); 5) property accounting (100% capital); 6) purchasing/supply chain management (ratio of capital purchase orders to all purchase orders). <p>Calculated Capitalized Labor Rate: For supervisory personnel, whether in the field or in shared resource units, the capitalization rate is the average capitalization rate of all the people in a direct reporting arrangement. Virtually every cost center includes at least one supervisory person whose salary capitalization rate is calculated.</p> <p>Corporate Capitalized Labor Rate: Positive time reporting of field operations labor costs coded directly to capital projects divided by total gross salaries and wages. This applies to most Shared Resources units.</p>
Formula	<p>Field Rate: Positive reporting of operations labor costs coded directly to capital projects divided by the total operations labor costs</p> <p>Corporate Rate: positive reporting of field operations labor costs coded directly to capital projects divided by total gross salaries and wages</p>
FERC Accounts	107 – Construction work in process when associated with a particular project 920 – Capital burden (see description on page 6 in this Appendix 4) for costs not associated with a particular project.

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Cost Category	Customer Accounting, Billing, Collection and Services (Billing Services)
Description of Service	The customer accounting, billing, collection and service unit bills customers of SGA and SGD for Regulated and Non-Regulated services through the customer billing information system, including administration and billing of SGD's Wyoming and Nebraska Choice Gas program customers.
Service Provider	SourceGas employees providing Shared Resources billing services
Service Consumer	SGA's and SGD's Regulated and Non-Regulated customers
Assignment or Allocation Method and Rationale	<p>Cost-Causative Assignment of billing costs to the states begins with the number of Customer invoices billed to each state.</p> <p>Once assigned to states, invoices fall into one of three categories: Regulated service only, Non-Regulated service only and combined bills for both Regulated and Non-Regulated services. SourceGas applies the CPU Usage Factor to the combined invoices to assign that category to the Regulated and Non-Regulated categories.</p> <p>This assignment method is appropriate because the quantity of customer invoices bears a direct relationship to billing services performed. It is appropriate to weight the Regulated invoice components more heavily than the Non-Regulated components because Regulated Service components are more complex to generate and therefore require more CPU time.</p>
Formula	<p>Combined invoice count assigned to Regulated category: Total combined invoice count multiplied by Regulated CPU Time and divided by Total CPU Time</p> <p>Combined invoice count assigned to Non-Regulated category: Total combined invoices minus combined invoice count assigned to Regulated invoice category</p>
FERC Accounts	<p>901 – Supervision</p> <p>903 – Customer records and collection expenses</p> <p>905 – Miscellaneous customer accounts expense</p> <p>416 – Costs and expenses of merchandising, jobbing and contract work</p>

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Cost Category	Customer Care Center and Dispatch (Customer Care)
Description of Service	The customer care center and dispatch units provide customer service support for retail customers of Regulated and Non-Regulated services in all the SourceGas states.
Service Provider	SourceGas employees providing Shared Resource services activities related to customer care
Service Consumer	SGA's and SGD's Regulated and Non-Regulated retail service customers
Assignment or Allocation Method and Rationale	<p>The customer care center maintains daily records of call duration by state and by subject – Regulated activity, Non-Regulated activity or both Regulated and Non-Regulated activity. SourceGas converts total call duration into one regulated and one non-regulated factor each for Arkansas, Colorado, Nebraska and Wyoming. The resulting Customer Care Assignment assigns all customer care center and dispatch costs to the appropriate jurisdiction and Regulated or Non-Regulated unit.</p> <p>Call duration is a reasonable basis for Cost Assignment because costs are closely correlated with the length of time each representative devotes to each type of customer. Because the dispatch unit also provides call-based customer service, this is a reasonable method by which to distribute dispatch costs as well.</p>
Formula	<p>Regulated service: Subtotal of call duration minutes for any state and Regulated combination divided by total call duration minutes.</p> <p>Non-Regulated service: Subtotal of call duration minutes for any state and Non-Regulated combination divided by total call duration minutes</p>
FERC Accounts	<p>901 – Supervision</p> <p>903 – Customer records and collection expenses</p> <p>416 – Costs and expenses of merchandising, jobbing and contract work</p>

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Cost Category	Choice Gas Cost Records
Description of Service	Certain SourceGas employees spend a portion of their time on Choice Gas programs. State reporting requires the company to provide the portion of salary and benefit costs associated with the Choice Gas programs.
Service Provider	SourceGas employees whose work assignments include Choice Gas programs
Service Consumer	SGD's Choice Gas programs in Nebraska and Wyoming
Assignment or Allocation Method and Rationale	This assignment applies to only a few employees. They keep a record of their time spent on Choice Gas activities, and convert the total to a percentage of their annual work time. SourceGas then associates an expense tracking code to each affected employee's payroll record to allot Choice Gas expenses. This allocation does not change the expense nature of salary, but does allow SourceGas to report the separate costs of the Choice Gas program appropriately.
Formula	Individualized expense tracking code, expressed as a percentage of salary multiplied by the related individual's salary
FERC Accounts	920 – Administrative Salaries

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Cost Category	Benefits
Description of Service	<p>SourceGas employee benefit costs include, but are not limited to, the following:</p> <ol style="list-style-type: none"> 1) vacation and sick time as well as other special out-of-office allowances; 2) holidays; 3) pension and other post-retirement employee benefits; 4) medical, dental, vision and prescription care (Accounting Standard 106) 5) workers' compensation 6) employee incentives 7) payroll taxes (FICA, FUTA, SUTA) 8) short- and long-term disability
Service Provider	SourceGas
Service Consumer	All affiliates incurring labor and benefits expenses
Assignment or Allocation Method and Rationale	<p>SourceGas develops an annual benefits loading rate that it uses to distribute benefit costs to Regulated and Non-Regulated units. All regular (permanent) employees who provide labor to the SourceGas Regulated Utilities and Non-Regulated affiliates receive benefits. Because benefits are directly attributable to labor, benefit distribution follows the associated labor cost distribution.</p> <p>Similarly, incentive compensation accruals accumulate in a cost pool for employees eligible for incentive compensation.</p> <p>SourceGas monitors the employee benefits category to assure all costs in this pool are assigned or allocated each month.</p>
Formula	<p>Benefits loading rate: Total annual estimated benefits cost divided by total payroll Incentive accrual rate: Total annual estimated incentive compensation divided by total eligible payroll</p>
FERC Accounts	<p>Various supervision and direct labor expense accounts (700-932 FERC account range) See also Appendix 5 408 – Taxes other than income taxes (payroll taxes) 416 – Costs and expenses of merchandising, jobbing and contract work 926 – Employee pensions and benefits</p>

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Cost Category	Capital Overhead Loading (Capital Burden)
Description of Service	This cost pool includes labor and other costs that relate to capital project activities and that are not associated directly to particular capital projects
Service Provider	SourceGas
Service Consumer	Affiliate capital projects
Assignment or Allocation Method and Rationale	<p>The capital burden loading rate is the total annual estimated capital overhead expenses divided by total annual expected capital expenditures. Each month, SourceGas uses the capital burden loading rate to charge active capital projects with current month pooled costs.</p> <p>This is a reasonable factor because it associates the capital burden to individual capital projects.</p> <p>SourceGas monitors this cost pool to assure the unassigned overhead charge falls within 5% or \$500,000 of the total expected annual overhead charge.</p>
Formula	Burden percentage to apply to open capital projects: Estimated annual charges to burden divided by estimated annual capital expenditures, multiplied by monthly capital expenditures
FERC Accounts	920 – administrative & general salaries to pool capital overhead loading costs 107 – Construction work in progress, then to individual property, plant and equipment accounts (300 series)

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Cost Category	Money Pool / Cash Management
Description of Service	SourceGas maintains a centralized money pool for funds collected from its customers. Treasury and Accounting oversee the money pool / cash management activities. Fund deposits in the money pool accounts are available to fund short-term operating and capital project requirements of Regulated and Non-Regulated units. SourceGas invests available funds in liquid instruments that earn income until such funds are required for Affiliate operations or capital projects.
Service Provider	SourceGas employees providing Shared Resources services
Service Consumer	SourceGas Regulated Utilities and Non-Regulated Affiliates
Assignment or Allocation Method and Rationale	Affiliates borrow from (intercompany account payable) or make loans to (intercompany accounts receivable) the money pool with appropriate intercompany accounts maintained at both the participating Affiliate and the Parent Company. Interest expense / income is charged or credited directly, as appropriate for the participating affiliate.
Formula	Direct Assignment (charge or credit)
FERC Accounts	135 – Working funds 136 – Temporary cash investments 146 – Accounts receivable from associated companies 223 – Advances from associated companies 234 – Accounts payable to associated companies 419 – Interest and dividend income 430 – Interest on debt to associated companies

**Cost Assignment and Allocation Manual
SourceGas LLC and Affiliates**

Cost Category	General Plant Common Assets
Description of Service	<p>General Assets are capital assets owned by a single SourceGas affiliate that benefit multiple units. General Assets include, but are not limited to</p> <ol style="list-style-type: none"> 1) Office buildings; 2) Office furniture and equipment; 3) Computer and communications equipment; 4) Accounting systems and software applications; 5) Operating and mobile dispatch systems; 6) Intangible assets; and 7) Vehicles and construction equipment <p>Costs associated with General Plant Common Assets include, but are not limited to, rents, depreciation and amortization, property taxes and capital lease amortizations</p> <p>Each Regulated Utility has a Utility General Asset category on its books. When these assets benefit multiple jurisdictions, SourceGas assigns or allocates the costs to the units that benefit. Similarly, there are Corporate General Assets held by the parent company that benefit more than one Regulated Utility or a combination of Regulated and Non-Regulated units.</p>
Service Provider	SourceGas, SGD and SGA
Service Consumer	SourceGas Regulated Utilities and Non-Regulated Affiliates
Assignment or Allocation Method and Rationale	<p>Expenses associated with General Plant Common Assets are allocated to Regulated Utilities and Non-Regulated affiliates, Distribution Utilities, or within a single Distribution Utility using the Three-Factor Allocator applicable to the beneficiaries of the asset.</p> <p>SourceGas also imputes revenue to its operations for non-regulated asset use when and where it occurs.</p>
Formula	<p>Three-Factor Allocator for the appropriate units benefiting from the asset OR A revenue credit to account for non-regulated use of property held by a Regulated Utility</p>
FERC Accounts	<p>101 – Plant in service 108 – Accumulated provision for depreciation and amortization 227 and 243 – Obligations under capital leases 282 – Accumulated deferred income taxes 408 – Property tax 931 – Rents (unless accounted for elsewhere in this Appendix) 932 – Maintenance of general plant 416 – Costs and expense of merchandising, jobbing and contract work</p>

**Cost Assignment and Allocation Manual
SourceGas LLC and Affiliates**

Cost Category	Rents
Description of Service	SourceGas operates in several locations, and the rent assignment or allocation varies depending on the nature of the facility and its location
Service Provider	SourceGas
Service Consumer	SourceGas Regulated Utilities and Non-Regulated Affiliates
Assignment or Allocation Method and Rationale	<p>Expenses related to facilities located and dedicated to service in a single state directly assign to that state or unit.</p> <p>Wherever possible, rents assign the same way the underlying unit splits its non-payroll costs. For example, customer care center occupancy costs use Customer Care Center Assignment described on page 3 in this Appendix 4.</p> <p>For other shared service locations, such as the headquarters building, SourceGas uses the Three-Factor Allocator to allocate the costs to the various units.</p>
Formula	Cost Allocation method varies depending on the location and use of each rented facility
FERC Accounts	<p>Various rent accounts by unit, including</p> <p>860 – Transmission rents</p> <p>881 – Distribution rents</p> <p>931 – A&G rents</p> <p>416 – Costs and expenses of merchandising, jobbing and contract work</p>

**Cost Assignment and Allocation Manual
SourceGas LLC and Affiliates**

Cost Category	Insurance
Description of Service	SourceGas purchases many forms of insurance. Assignment or allocation of insurance cost depends upon the type of insurance. Assignment and allocation methods are unique for each insurance type, including but not limited to, the following categories: 1) Property; 2) Wyoming workers' compensation; 3) All other workers' compensation; 4) Vehicles; and 5) General and excess liability, crime, well control, director and officer and other
Service Provider	SourceGas
Service Consumer	SourceGas Regulated Utilities and Non-Regulated Affiliates
Assignment or Allocation Method and Rationale	For each insurance category, the selected assignment or allocation method applies because each type of insurance relates to a clear Cost Causative factor, except the final category, which uses the Three-Factor Allocator. Property insurance – Gross Plant Factors Wyoming workers' compensation – a separate policy for Wyoming employees only, directly assigned to Wyoming Other workers' compensation – Gross Labor Factor after removing Wyoming components Vehicles – Vehicle Count Factor All other insurance –Three-Factor Allocator
Formula	Assignment or allocation method varies depending on the type of insurance
FERC Accounts	241 – Tax collections payable (all workers' compensation) 924 – Property insurance (for property and vehicles) 925 – Injuries and damages (general) 416 – Costs and expenses of merchandising, jobbing and contract work

**Cost Assignment and Allocation Manual
SourceGas LLC and Affiliates**

Cost Category	Vehicles
Description of Service	SourceGas owns a fleet of service vehicles and equipment for use throughout its operating territory
Service Provider	SourceGas
Service Consumer	SourceGas Regulated Utilities and Non-Regulated Affiliates
Assignment or Allocation Method and Rationale	Vehicles located and dedicated to service in a single state directly assign costs to that state. Shared Resource vehicles follow Common Asset allocation (see page 8 of this Appendix 4).
Formula	Direct Assignment or Three-Factor Allocator The Regulated Utility recognizes a revenue credit to regulated operations for non-regulated use.
FERC Accounts	184 – Clearing accounts 394 - Vehicles 932 – Maintenance of other equipment 416 – Costs and expenses of merchandising, jobbing and contract work

Cost Category	Property Taxes
Description of Service	SourceGas incurs property or similar tax assessments on all its physical assets.
Service Provider	SourceGas, Regulated Utilities and Non-Regulated Affiliates
Service Consumer	SourceGas Regulated Utilities and Non-Regulated Affiliates
Assignment or Allocation Method and Rationale	Property taxes associated with property dedicated to service in a single state charge directly to that state. For example, the property taxes assessed on distribution plant located in Arkansas assign directly to Arkansas. Common asset property taxes follow the underlying asset allocation, consistent with the discussion on Page 8 of this Appendix 4.
Formula	Direct Assignment or Three-Factor Allocator
FERC Accounts	408 – Taxes other than income taxes 416 – Costs and expenses of merchandising, jobbing and contract work

**Cost Assignment and Allocation Manual
SourceGas LLC and Affiliates**

Cost Category	All Other Shared Resources Costs
Description of Service	<p>This cost pool includes all residual expenses not assigned or allocated by any of the other methods outlined herein and includes, but is not limited to, the following:</p> <ol style="list-style-type: none"> 1) accounting; 2) business and government affairs; 3) codes and standards; 4) customer accounting, billing, collection and service; 5) customer care services; 6) demand-side management; 7) dispatch; 8) enterprise solutions; 9) environmental health, safety and training 10) financial planning and analysis; 11) gas control; 12) human resources; 13) internal audit; 14) legal; 15) load growth; 16) measurement; 17) meter shop; 18) project management; 19) purchasing/supply chain management; 20) regulatory affairs; 21) risk management; 22) tax; and 23) treasury
Service Provider	SourceGas employees performing Shared Resources services
Service Consumer	SourceGas Regulated Utilities and Non-Regulated Affiliates
Allocation Method and Rationale	<p>Costs in this category, to the extent not assigned or allocated using one of the methods covered in earlier pages of this Appendix, are pooled for assignment or allocation. Several units provide service exclusively to the Regulated Utilities, while other units provide service to Regulated Utilities and Non-Regulated Affiliates. Cost-causative formula for risk management.</p>
Formula	<p>Service to Regulated Utilities only: Regulated Direct Labor Assignment Service to Regulated Utilities and Non-Regulated affiliates: Three-Factor Allocator. Other time reporting to substantiate work activities (performed for a non-utility)</p>
FERC Accounts	<p>920 – Administrative and general salaries 921 – Office supplies and expenses 923 – Outside services employed 408 – Taxes other than income taxes 416 – Costs and expenses of merchandising, jobbing and contract work</p>

**Cost Assignment and Allocation Manual
SourceGas LLC and Affiliates**

Appendix 5: FERC Account Payroll Hierarchy
Field to Supervisor to Shared Services

FERC Account Roll-up for Wage and Salary Calculations

Non-Supervisor FERC Account	Supervisor FERC Account	Corporate FERC Account	Expense Category
700	700	920	Ops Steam Prod
701	700	920	
704	700	920	
705	705	920	Maint Steam Prod
706	705	920	
707	705	920	
708	705	920	
710	710	920	Ops Man. Gas Prod
713	710	920	
714	710	920	
715	710	920	
716	710	920	
717	710	920	
718	710	920	
730	710	920	
732	710	920	
733	710	920	
734	710	920	
735	710	920	
740	740	920	
741	740	920	
742	740	920	
750	750	920	Ops Prod & Gathering
751	750	920	
752	750	920	
753	750	920	
754	750	920	
756	750	920	
757	750	920	
759	750	920	
761	761	920	
762	761	920	
763	761	920	
764	761	920	
765	761	920	
766	761	920	
767	761	920	
768	761	920	
769	761	920	

FERC Account Roll-up for Wage and Salary Calculations

Non-Supervisor FERC Account	Supervisor FERC Account	Corporate FERC Account	Expense Category
770	770	920	Ops Extraction
771	770	920	
776	770	920	
779	770	920	
784	784	920	Maint Extraction
785	784	920	
786	784	920	
787	784	920	
788	784	920	
789	784	920	
790	784	920	
791	784	920	
796	796	920	Ops Exploration
798	798	920	
800-812			Non Payroll Only
813	813	920	Ops Other Gas Supply
814	814	920	Ops Storage
815	814	920	
816	814	920	
817	814	920	
818	814	920	
820	814	920	
821	814	920	
822	814	920	
824	814	920	
830	830	920	Maint Storage
831	830	920	
832	830	920	
833	830	920	
834	830	920	
835	830	920	
836	830	920	
837	830	920	
840	840	920	Ops Other Storage
841	840	920	

FERC Account Roll-up for Wage and Salary Calculations

Non-Supervisor FERC Account	Supervisor FERC Account	Corporate FERC Account	Expense Category
843.1	843.1	920	Maint Other Storage
843.2	843.1	920	
843.3	843.1	920	
843.4	843.1	920	
843.5	843.1	920	
843.6	843.1	920	
843.7	843.1	920	
843.8	843.1	920	
843.9	843.1	920	
844.1	844.1	920	Ops LNG
844.2	844.1	920	
844.3	844.1	920	
844.4	844.1	920	
844.5	844.1	920	
844.6	844.1	920	
844.7	844.1	920	
844.8	844.1	920	
846.2	844.1	920	
847.1	847.1	920	Maint LNG
847.2	847.1	920	
847.3	847.1	920	
847.4	847.1	920	
847.5	847.1	920	
847.6	847.1	920	
847.7	847.1	920	
847.8	847.1	920	
850	850	920	Ops Transmission
851	850	920	
852	850	920	
853	850	920	
856	850	920	
857	850	920	
859	850	920	
861	861	920	Maint Transmission
862	861	920	
863	861	920	
864	861	920	
865	861	920	
866	861	920	
867	861	920	

FERC Account Roll-up for Wage and Salary Calculations

Non-Supervisor FERC Account	Supervisor FERC Account	Corporate FERC Account	Expense Category
870	870	920	Ops Distribution
871	870	920	
872	870	920	
874	870	920	
875	870	920	
876	870	920	
877	870	920	
878	870	920	
879	870	920	
880	870	920	
885	885	920	Maint Distribution
886	885	920	
887	885	920	
888	885	920	
889	885	920	
890	885	920	
891	885	920	
892	885	920	
893	885	920	
894	885	920	
902	901	920	Cust Accounts
903	901	920	
905	901	920	
908	907	920	Cust Svc & Info
909	907	920	
910	907	920	
912	911	920	Sales
913	911	920	
916	911	920	
920	920	920	Ops Admin & General
928	920	920	
930.1	920	920	
930.2	920	920	
932	932	920	

**SourceGas Distribution LLC - Nebraska
Rate of Return & Cost of Capital
For the Test Year Ended March 31, 2011**

**Exhibit IV
Schedule A
Page 1 of 1**

Line No.	Actual Capital Categories	Capitalization	Percent of Total	Cost of Capital	Weighted Cost of Capital	Reference Schedule No.
	(A)	(B)	(C)	(D)	(E)	(F)

Base Year Beginning Balances

1	Long Term Debt	\$450,000,000	48.97%	5.642%	2.76%	
2	Equity	\$468,890,065	51.03%	11.00%	5.61%	
3	Total Capital	\$918,890,065	100.00%		8.38%	

Base Year Ending Balances and Test Year

4	Long Term Debt	\$450,000,000	48.57%	5.642%	2.74%	Exhibit IV, Schedule B
5	Equity	\$476,474,206	51.43%	11.00%	5.66%	Exhibit IV, Schedule C
6	Total Capital	\$926,474,206	100.00%		8.40%	

SourceGas Distribution LLC - Nebraska
Average Cost of Debt
For the Test Year Ended March 31, 2011

Exhibit IV
Schedule B
Page 1 of 1

Line No	Description	Interest Rate	Principal	Annual Interest Expense	Amortization of Issuance Cost	Total Issuance Expense
	(A)	(B)=(F)/(C)	(C)	(D)	(E)	(F)=(D)+(E)
1	Term loan	4.752%	\$125,000,000	\$5,744,167	\$196,135	\$5,940,302
2	Senior Notes	5.985%	\$325,000,000	\$19,175,000	\$274,798	\$19,449,798
3	Weighted Average Cost Of Debt	5.642%	\$450,000,000	\$24,919,167	\$470,933	\$25,390,100

SourceGas Distribution LLC - Nebraska
Debt and Equity
For the Test Year Ended March 31, 2011

Exhibit IV
Schedule C
Page 1 of 1

Line No.	Description	Amount
	(A)	(B)
1		
2	Outstanding Notes and Debentures	\$450,000,000
3		
4		
5	Total Debt	\$450,000,000
6		
7	Member's Capital	\$455,253,980
8	Current Period Net Income (Loss)	\$28,878,351
9	Accumulated Comprehensive Loss	(\$7,658,125)
10	Total Equity	\$476,474,206
11	Total Invested Capital	\$926,474,206

SourceGas Distribution LLC- Nebraska
 Base Year Revenues Under Current Rates
 Test Year Ended March 31, 2011

Line No.	Description	[A]	[B]	[C]	[D]	[E]		[F]	[G]	[H]	[I]		[J]
		Total State	Residential	Small Commercial	Maximum Rate	Negotiated Rate /4	Agricultural	Full Tariff	Negotiated /4	Super High Volume /4			
1	A. Base Year Billing Determinants												
2	Number of Premises Billed	1,039,590	815,322	121,443	17,819	36	84,419	252	167	132			
3	Average Number of Monthly Premises Billed	86,633	67,944	10,120	1,485	3	7,035	21	14	11			
4	Volumes- therms												
5	First Tier /1	153,598,447	13,536,360	3,030,694	1,483,912	21,499	6,459,107	19,045	22,932,080	106,115,750			
6	Second Tier /2	95,022,156	35,315,394	12,789,108	24,437,502	-	16,916,767	5,563,385	-	-			
7	Third Tier /3	7,013,443	-	-	-	-	7,013,443	-	-	-			
8	Total Base Year Volumes	255,634,046	48,851,754	15,819,802	25,921,414	21,499	30,389,317	5,582,430	22,932,080	106,115,750			
9	B. Current Rates												
10	Cost of Gas- \$/therm		\$ 0.6000	\$ 0.6000	\$ 0.6000	\$ 0.6000	\$ 0.6000	\$ 0.6000					
11	Distribution Charge - \$/therm												
12	First Tier		\$ 0.4220	\$ 0.4220	\$ 0.4220	\$ 0.0213	\$ 0.3490	\$ 0.4220	\$ 0.0263	\$ 0.0105			
13	Second Tier		\$ 0.1208	\$ 0.1208	\$ 0.1208	\$ -	\$ 0.1800	\$ 0.1208	\$ -	\$ -			
14	Third Tier		\$ -	\$ -	\$ -	\$ -	\$ 0.1458	\$ -	\$ -	\$ -			
15	Customer Charge- \$/month		\$ 12.25	\$ 14.50	\$ 44.60	\$ 20.28	\$ -	\$ 44.60	\$ 41.68	\$ 15.20			
16	Administrative Charge \$/month		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200.00	\$ 200.00	\$ 200.00			
17	C. Base Year Revenues												
18	Cost of Gas - \$	72,602,271	29,311,052	9,491,881	15,552,848	12,899	18,233,590	-	-	-			
19	Distribution Charge - \$												
20	First Tier	11,596,935	5,712,344	1,278,953	626,211	457	2,254,228	8,037	603,981	1,112,724			
21	Second Tier	12,480,149	4,266,100	1,544,924	2,952,050	-	3,045,018	672,057	-	-			
22	Third Tier	1,022,732	-	-	-	-	1,022,732	-	-	-			
23	Total Distribution Charge Revenue	25,099,816	9,978,444	2,823,877	3,578,261	457	6,321,979	680,094	603,981	1,112,724			
24	Customer Charge - \$	12,564,282	9,987,695	1,760,924	794,727	730	-	11,239	6,961	2,006			
25	Administrative Charge \$	107,800	-	-	-	-	-	50,400	33,400	24,000			
26	Total Base Year Margin - \$	37,771,899	19,966,138	4,584,801	4,372,988	1,188	6,321,979	741,733	644,342	1,138,730			
27	Total Base Year Revenue - \$	110,374,170	49,277,190	14,076,682	19,925,837	14,087	24,555,569	741,733	644,342	1,138,730			

Notes

- /1 First Tier - Residential is First 20 therms, for Small Commercial First 40 therms, for Large Commercial First 80 therms, for Agricultural is First 1,000, for High Volume Full Tariff is First 80, and for Negotiated Rate all therms.
- /2 Second Tier - Residential is Over 20 therms, for Small Commercial Over 40 therms, for Large Commercial Over 80 therms, for Agricultural is next 8,000 therms, and for High Volume Full Tariff is Over 80 therms.
- /3 Third Tier - Agricultural is Over 9,000 therms.
- /4 Rates for Negotiated Rate customers are a blended rate of all individual customers in the customer group. Please see Confidential Workpaper for the calculation of the blended rates.

SourceGas Distribution LLC- Nebraska
 Summary of Pro Forma Revenue Adjustments
 Test Year Ended March 31, 2011

Exhibit V
 Schedule B
 Page 1 of 1

	[A]	[B]	[C]	[D]	[E]
Line No.	Description	Total State	Jurisdictional	Non-Jurisdictional	Reference
1	Base Year Revenue - \$	37,771,899	28,925,115	8,846,784	Exhibit V Schedule A Line 26
2	Customer Class Changes - \$	(4,800)	45,751	(50,551)	Exhibit JSH-7 Lines 19 + 23 + 34 + 38
3	Heat Normalization - \$	(51,732)	(51,732)	-	Exhibit JSH-7 Line 24
4	Ag Adjustment - \$	1,560,386	-	1,560,386	Exhibit JSH-4 Line 14
5	Subtotal - Adjusted Base Year - \$	<u>39,275,753</u>	<u>28,919,133</u>	<u>10,356,620</u>	Line 1 + Line 2 + Line 3 + Line 4
6	Change in Number of Customers - \$	(392,056)	(392,056)	-	Exhibit JSH-7 Line 55
7	Change in Use per Customer - \$	(43,471)	(43,471)	-	Exhibit JSH-7 Line 62
8	Village of Atlanta Customer Additions - \$	24,798	12,473	12,325	Exhibit JSH-7 Line 72
9	Test Year Revenue - \$	<u>38,865,024</u>	<u>28,496,079</u>	<u>10,368,945</u>	Line 5 + Line 6 + Line 7 + Line 8

Line No.	Description	[B] Total State	[C] Residential	[D] Small Commercial	[E]		[G] Agricultural	[H]			[K] Reference
					[F] Large Commercial			[I] High Volume			
					Maximum Rate	Negotiated Rate /4		Full Tariff	Negotiated /4	Super High Volume /4	
1	A. Test Year Billing Determinants										
2	Number of Premises Billed	1,025,034	802,362	119,703	17,855	36	84,551	228	167	132	Exhibit JSH-5 Line 63
3	Average Number of Monthly Premises Billed	85,420	66,864	9,975	1,488	3	7,046	19	14	11	Line 2 / 12
4	Volumes- therms										
5	First Tier /1	153,210,384	13,177,434	2,952,157	1,525,057	21,499	6,469,207	17,200	22,932,080	106,115,750	Exhibit JSH-5 Line 67
6	Second Tier /2	100,527,262	33,976,313	12,789,650	25,118,714	-	23,442,625	5,199,960	-	-	Exhibit JSH-5 Line 68
7	Third Tier /3	9,718,968	-	-	-	-	9,718,968	-	-	-	Exhibit JSH-5 Line 69
8	Total Base Year Volumes	263,456,614	47,153,747	15,741,807	26,643,771	21,499	39,630,800	5,217,160	22,932,080	106,115,750	Line 5 + Line 6 + Line 7
9	B. Current Rates										
10	Cost of Gas- \$/therm		\$ 0.6000	\$ 0.6000	\$ 0.6000	\$ 0.6000	\$ 0.6000				
11	Distribution Charge - \$/therm								1,716,705	129,047,830	
12	First Tier		\$ 0.4220	\$ 0.4220	\$ 0.4220	\$ 0.0213	\$ 0.3490	\$ 0.4220	\$ 0.0263	\$ 0.0105	
13	Second Tier		\$ 0.1208	\$ 0.1208	\$ 0.1208	-	\$ 0.1800	\$ 0.1208	-	-	
14	Third Tier		\$ -	\$ -	\$ -	-	\$ 0.1458	-	-	-	
15	Customer Charge- \$/month		\$ 12.25	\$ 14.50	\$ 44.60	\$ 20.28	-	\$ 44.60	\$ 41.68	\$ 15.20	
16	Administrative Charge \$/month		\$ -	\$ -	\$ -	\$ -	-	\$ 200.00	\$ 200.00	\$ 200.00	
17	C. Test Year Revenues										
18	Cost of Gas - \$	77,514,975	28,292,248	9,445,084	15,986,263	12,899	23,778,480	-	-	-	Line 8 x Line 10
19	Distribution Charge - \$										
20	First Tier	11,432,435	5,560,877	1,245,810	643,574	457	2,257,753	7,258	603,981	1,112,724	Line 5 x Line 12
21	Second Tier	13,531,497	4,104,339	1,544,990	3,034,341	-	4,219,673	628,155	-	-	Line 6 x Line 13
22	Third Tier	1,417,264	-	-	-	-	1,417,264	-	-	-	Line 7 x Line 14
23	Total Distribution Charge Revenue	26,381,196	9,665,216	2,790,800	3,677,915	457	7,894,690	635,414	603,981	1,112,724	Line 20 + Line 21 + Line 22
24	Customer Charge - \$	12,380,827	9,828,935	1,735,694	796,333	730	-	10,169	6,961	2,006	Line 2 x Line 15
25	Administrative Charge \$	103,000	-	-	-	-	-	45,600	33,400	24,000	Line 2 x Line 16
26	Total Test Year Margin - \$	38,865,024	19,494,150	4,526,494	4,474,248	1,188	7,894,690	691,182	644,342	1,138,730	Line 23 + Line 24 + Line 25
27	Total Test Year Revenue - \$	116,379,998	47,786,399	13,971,578	20,460,510	14,087	31,673,170	691,182	644,342	1,138,730	Line 18 + Line 26

Notes

/1 First Tier - Residential is First 20 therms, for Small Commercial First 40 therms, for Large Commercial First 80 therms, for Agricultural is First 1,000, for High Volume Full Tariff is First 80, and for Negotiated Rate all therms.

/2 Second Tier - Residential is Over 20 therms, for Small Commercial Over 40 therms, for Large Commercial Over 80 therms, for Agricultural is next 8,000 therms, and for High Volume Full Tariff is Over 80 therms.

/3 Third Tier - Agricultural is Over 9,000 therms.

/4 Rates for Negotiated Rate customers are a blended rate of all individual customers in the customer group. Please see Confidential Workpaper for the calculation of the blended rates.

Total State

Line No.	Description	Account 487	Account 488	Interdepartmental Rents	CWIP Revenue	Total Other Revenue
		Forfeited Discounts	Miscellaneous Service Fee Revenue			
	(A)	(B)	(C)	(D)	(E)	(F)
1	Total Other Revenue	(\$257,677)	(\$1,854,257)	\$0	\$0	(\$2,111,935)
2	Adjustments		(\$26,034)	(\$137,696)	(\$25,917)	(\$189,646)
3	Total Other Revenue as Adjusted	(\$257,677)	(\$1,880,291)	(\$137,696)	(\$25,917)	(\$2,301,581)

Total Jurisdictional

Line No.	Description	Account 487	Account 488	Interdepartmental Rents	CWIP Revenue	Total Other Revenue
		Forfeited Discounts	Miscellaneous Service Fee Revenue			
	(A)	(B)	(C)	(D)	(E)	(F)
4	Total Other Revenue	(\$232,378)	(\$1,662,611)	\$0	\$0	(\$1,894,989)
5	Adjustments	\$0	\$0	(\$112,997)	(\$25,917)	(\$138,914)
6	Total Other Revenue as Adjusted	(\$232,378)	(\$1,662,611)	(\$112,997)	(\$25,917)	(\$2,033,903)

SourceGas Distribution LLC - Nebraska
Proposed Rates and Revenues Under Current and Proposed Rate Design
Test Year Ended March 31, 2011

Line No.	[A] Description	[B] Total Jurisdictional	[C] Residential	[D] Small Commercial	[E] Large Commercial		[F] /3
					Maximum Rate	Negotiated Rate	
1	A. Test Year Revenues						
2	Cost of Gas - \$	53,736,495	28,292,248	9,445,084	15,986,263		12,899
3	Distribution Charge - \$						
4	First Tier	7,450,719	5,560,877	1,245,810	643,574		457
5	Second Tier	8,683,669	4,104,339	1,544,990	3,034,341		-
6	Total Distribution Charge Revenue	16,134,388	9,665,216	2,790,800	3,677,915		457
7	Customer Charge - \$	12,361,691	9,828,935	1,735,694	796,333		730
8	Total Test Year Margin - \$	28,496,079	19,494,150	4,526,494	4,474,248		1,188
9	Total Test Year Revenue - \$	82,232,574	47,786,399	13,971,578	20,460,510		14,087
10	B. Test Year Billing Determinants						
11	Number of Premises Billed	939,956	802,362	119,703	17,855		36
12	Volumes- therms						
13	First Tier _/1	17,676,147	13,177,434	2,952,157	1,525,057		21,499
14	Second Tier _/2	71,884,677	33,976,313	12,789,650	25,118,714		-
15	Total Base Year Volumes	89,560,825	47,153,747	15,741,807	26,643,771		21,499
16	C. Proposed Rates						
17	Cost of Gas- \$/therm		\$ 0.6000	\$ 0.6000	\$ 0.6000	\$	0.6000
18	Distribution Charge - \$/therm						
19	First Tier		\$ 0.5407	\$ 0.5407	\$ 0.5407	\$	0.0213
20	Second Tier		\$ 0.1548	\$ 0.1548	\$ 0.1548	\$	-
21	Customer Charge- \$/month		\$ 15.00	\$ 25.00	\$ 60.00	\$	20.28
22	D. Proposed Revenues						
23	Cost of Gas - \$	53,736,495	28,292,248	9,445,084	15,986,263		12,899
24	Distribution Charge - \$						
25	First Tier	9,546,326	7,125,039	1,596,232	824,598		457
26	Second Tier	11,127,748	5,259,533	1,979,838	3,888,377		-
27	Total Distribution Charge Revenue	20,674,074	12,384,572	3,576,069	4,712,975		457
28	Customer Charge - \$	16,100,035	12,035,430	2,992,575	1,071,300		730
29	Total Test Year Margin - \$	36,774,109	24,420,002	6,568,644	5,784,275		1,188
30	Total Test Year Revenue - \$	90,510,604	52,712,250	16,013,729	21,770,538		14,087
31	E. Difference (Proposed - Test Year)						
32	Cost of Gas - \$		-	-	-		-
33	Distribution Charge - \$						
34	First Tier	2,095,607	1,564,161	350,421	181,024		-
35	Second Tier	2,444,079	1,155,195	434,848	854,036		-
36	Customer Charge - \$	3,738,344	2,206,496	1,256,882	274,967		-
37	Total	8,278,030	4,925,852	2,042,151	1,310,028		-

Notes:

_/1 First Tier - Residential is First 20 therms, for Small Commercial First 40 therms, and for Large Commercial First 80 therms.

_/2 Second Tier - Residential is Over 20 therms, for Small Commercial Over 40 therms, and for Large Commercial Over 80 therms.

_/3 Rates for Negotiated Rate customers are a blended rate of all individual customers in the customer group. Please see Confidential Workpaper for the calculation of the blended rates.

SourceGas Distribution, LLC - Nebraska
 Functional Classification of Rate Base and Cost of Service
 Test Year Ended March 31, 2011

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]
Line No.	Acct. No.	Description	Total Nebraska	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Direct	Super High Vol. Direct	Allocation Basis or Reference
				Demand	Commodity	Demand	Commodity	Customer						
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1		<u>Summary</u>												
2		Rate Base	98,403,822	8,742,049	8,742,049	16,236,046	7,502,862	15,205,765	11,010,322	18,904,857	11,058,506	727,148	274,218	Table 2 Line 57
3		Rate of Return	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	8.40%	
4		Total Cost of Service												
5		Operation & Maintenance Expenses	24,903,866	1,566,224	1,566,224	2,949,808	1,753,536	2,554,473	2,342,894	3,878,647	7,518,639	727,319	46,102	Table 3 Line 64
6		Depreciation Expenses	7,973,796	585,898	585,898	1,090,563	507,582	1,019,429	742,731	1,610,315	1,812,991	-	18,389	Table 4 Line 7
7		Taxes Other Than Income Taxes	2,681,776	212,323	212,323	396,091	199,835	362,000	283,342	480,307	529,025	-	6,530	Table 4 Line 11
8		Return	8,263,513	734,118	734,118	1,363,431	630,057	1,276,912	924,598	1,587,545	928,644	61,063	23,028	Line 2 x Line 3
9		Income Taxes	3,723,088	330,754	330,754	614,287	283,869	575,307	416,573	715,261	418,396	27,511	10,375	Rate Base
10		Other Operating Revenues	(2,301,581)	(8,955)	(8,955)	(16,876)	(10,133)	(14,561)	(13,493)	(22,305)	(42,155)	(2,163,885)	(263)	Table 4 Line 17
11		Total Cost of Service	45,244,458	3,420,362	3,420,362	6,397,304	3,364,746	5,773,561	4,696,645	8,249,769	11,165,541	(1,347,992)	104,161	Sum of Lines 5 thru 10

SourceGas Distribution, LLC - Nebraska
 Functional Classification of Rate Base
 Test Year Ended March 31, 2011

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[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]
Line No.	Acct. No.	Description	Total Nebraska	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Direct	Super High Vol. Direct	Allocation Basis or Reference
				Demand	Commodity	Demand	Commodity	Customer						
1		Gas Plant in Service												
2		Intangible Plant												
3	301	Organization	-	-	-	-	-	-	-	-	-	-	-	Supervised O&M
4	302	Franchises & Consents	32,990	2,145	2,145	4,043	2,428	3,489	3,233	5,344	10,100	-	63	Supervised O&M
5	303	Miscellaneous Intangible Plant	642,445	41,782	41,782	78,740	47,278	67,936	62,952	104,070	196,680	-	1,226	Supervised O&M
6		Total Intangible Plant	675,434	43,927	43,927	82,783	49,706	71,424	66,184	109,414	206,780	-	1,289	Sum of Lines 3 thru 5
7		Distribution Plant												
8	374	Land & Land Rights	3,309,739	514,664	514,664	1,140,205	1,140,205	-	-	-	-	-	-	31.1% Trans, 68.9% Dist; 50% Dem, 50% Comm
9	375	Structures & Improvements	4,267,083	663,531	663,531	1,470,010	1,470,010	-	-	-	-	-	-	31.1% Trans, 68.9% Dist; 50% Dem, 50% Comm
10	376	Mains	89,396,934	13,822,660	13,822,660	24,927,279	8,329,508	27,989,598	-	-	-	-	505,230	31.1% T, 50-50; 68.9% D, 40.7 Dem, 13.6 Comm, 45.7 Cust
11	378	Meas. & Reg. Sta. Equip.	2,700,763	419,969	419,969	930,413	930,413	-	-	-	-	-	-	31.1% Trans, 68.9% Dist; 50% Dem, 50% Comm
12	379	City Gate Check Stations	2,882,010	448,153	448,153	992,852	992,852	-	-	-	-	-	-	31.1% Trans, 68.9% Dist; 50% Dem, 50% Comm
13	380	Services	19,330,028	-	-	-	-	-	19,330,028	-	-	-	-	Direct - Services
14	381	Meters	21,478,942	-	-	-	-	-	-	21,478,942	-	-	-	Direct - Meters and Regulators
15	382	Meter Installations	4,345,454	-	-	-	-	-	-	4,345,454	-	-	-	Direct - Meters and Regulators
16	383	House Regulators	5,043,947	-	-	-	-	-	-	5,043,947	-	-	-	Direct - Meters and Regulators
17	384	House Reg. Installations	1,674,688	-	-	-	-	-	-	1,674,688	-	-	-	Direct - Meters and Regulators
18	385	Indust. Meas. & Reg. Sta. Equip.	796,221	-	-	-	-	-	-	796,221	-	-	-	Direct - Meters and Regulators
19	386	Other Property on Cust. Premises	53,166	-	-	-	-	-	-	53,166	-	-	-	Direct - Meters and Regulators
20	387	Other Equipment	66,270	10,305	10,305	18,584	6,210	20,867	-	-	-	-	-	31.1% T, 50-50; 68.9% D, 40.7 Dem, 13.6 Comm, 45.7 Cust
21		Total Distribution Plant	155,345,244	15,879,282	15,879,282	29,479,342	12,869,198	28,010,464	19,330,028	33,392,417	-	-	505,230	Sum of Lines 8 thru 20
22		General Plant												
23	389	Land & Land Rights	56,282	3,660	3,660	6,898	4,142	5,952	5,515	9,117	17,230	-	107	Supervised O&M
24	390	Structures and Improvements	957,864	62,295	62,295	117,398	70,490	101,290	93,859	155,165	293,244	-	1,828	Supervised O&M
25	391	Office Furniture & Equipment	7,719,376	502,033	502,033	946,104	568,073	816,293	756,406	1,250,466	2,363,236	-	14,732	Supervised O&M
26	391.1	Computer Equip. - Billing System	7,921,426	-	-	-	-	-	-	-	7,921,426	-	-	Customer Accounts
27	392	Transportation Equipment	7,812,447	508,086	508,086	957,511	574,922	826,134	765,526	1,265,543	2,391,729	-	14,910	Supervised O&M
28	393	Stores Equipment	4,778	311	311	586	352	505	468	774	1,463	-	9	Supervised O&M
29	394	Tools & Work Equipment	3,998,977	260,075	260,075	490,124	294,287	422,875	391,852	647,797	1,224,260	-	7,632	Supervised O&M
30	396	Power Operated Equipment	1,622,965	105,550	105,550	198,914	119,435	171,622	159,031	262,905	496,860	-	3,097	Supervised O&M
31	397	Communication Equipment	197,903	12,871	12,871	24,255	14,564	20,927	19,392	32,058	60,587	-	378	Supervised O&M
32	398	Misc. Equipment	202,699	13,183	13,183	24,843	14,917	21,435	19,862	32,835	62,055	-	387	Supervised O&M
33	399	Other Tangible Property	99,660	6,481	6,481	12,215	7,334	10,539	9,765	16,144	30,510	-	190	Supervised O&M
34		Total General Plant	30,594,376	1,474,545	1,474,545	2,778,849	1,668,513	2,397,572	2,221,677	3,672,805	14,862,599	-	43,271	Sum of Lines 23 thru 33
35		Total Plant in Service	186,615,054	17,397,754	17,397,754	32,340,974	14,587,417	30,479,461	21,617,889	37,174,636	15,069,379	-	549,790	Line 6 + Line 21 + Line 34

SourceGas Distribution, LLC - Nebraska
 Functional Classification of Rate Base
 Test Year Ended March 31, 2011

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[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]
Line No.	Acct. No.	Description	Total Nebraska \$	Transmission		Distribution			Services \$	Meters and Regulators \$	Customer Accounts \$	Direct \$	Super High Vol. Direct \$	Allocation Basis or Reference
				Demand \$	Commodity \$	Demand \$	Commodity \$	Customer \$						
36		Construction Work In Progress												
37		Distribution Plant	11,373,115	1,162,618	1,162,618	2,158,360	942,232	2,050,815	1,415,268	2,444,860	-	-	36,344	Distribution Plant; Super High Vol - Direct Assign
38		General Plant	2,823,370	136,077	136,077	256,443	153,977	221,257	205,025	338,941	1,371,579	-	3,993	General Plant
39		Total CWIP	14,196,485	1,298,695	1,298,695	2,414,803	1,096,209	2,272,072	1,620,293	2,783,801	1,371,579	-	40,337	Sum of Lines 37 thru 38
40		Contributions In Aid of Construction												
41		Distribution Plant	(61,886)	-	-	(20,341)	(8,880)	(19,327)	(13,338)	-	-	-	-	Distribution and Services Plant
42		General Plant	(38,851)	-	-	(12,770)	(5,575)	(12,133)	(8,373)	-	-	-	-	Distribution and Services Plant
43		Total CIAC	(100,737)	-	-	(33,111)	(14,454)	(31,461)	(21,711)	-	-	-	-	Sum of Lines 41 thru 42
44		Total Plant in Service w/ CWIP & CIAC	200,710,801	18,696,449	18,696,449	34,722,667	15,669,171	32,720,072	23,216,471	39,958,437	16,440,958	-	590,127	Line 35 + Line 39 + Line 43
45		<u>Accumulated Depreciation and Amortization</u>												
46		Distribution Plant	89,856,499	9,185,068	9,185,068	17,051,765	7,443,943	16,202,120	11,181,087	19,315,208	-	-	292,240	Distribution Plant
47		General Plant	4,640,817	223,672	223,672	421,520	253,094	363,684	337,003	557,122	2,254,486	-	6,564	General Plant
48		Total Accumulated Depr. & Amort.	94,497,317	9,408,740	9,408,740	17,473,284	7,697,037	16,565,804	11,518,090	19,872,331	2,254,486	-	298,804	Sum of Lines 46 thru 47
49		Net Plant	106,213,485	9,287,709	9,287,709	17,249,383	7,972,134	16,154,268	11,698,381	20,086,106	14,186,472	-	291,323	Line 44 - Line 48
50		<u>Other Rate Base Items</u>												
51		Customer Deposits	(2,264,484)	-	-	-	-	-	-	-	(2,264,484)	-	-	Customer Accounts
52		Accum. Deferred Income Taxes	(7,226,510)	(631,913)	(631,913)	(1,173,607)	(542,405)	(1,099,098)	(795,930)	(1,366,610)	(965,213)	-	(19,821)	Net Plant
53		Materials & Supplies	486,886	45,391	45,391	84,379	38,059	79,522	56,402	96,990	39,317	-	1,434	Plant in Service
54		Prepayments	467,298	40,862	40,862	75,891	35,074	71,073	51,468	88,371	62,415	-	1,282	Net Plant
55		Regulatory Asset	727,148	-	-	-	-	-	-	-	-	727,148	-	Direct - Jurisdictional
56		Total Other Rate Base Items	(7,809,663)	(545,660)	(545,660)	(1,013,337)	(469,271)	(948,503)	(688,060)	(1,181,249)	(3,127,966)	727,148	(17,105)	Sum of Lines 51 thru 55
57		Total Rate Base	98,403,822	8,742,049	8,742,049	16,236,046	7,502,862	15,205,765	11,010,322	18,904,857	11,058,506	727,148	274,218	Line 49 + Line 56

SourceGas Distribution, LLC - Nebraska
Functional Classification of Operation and Maintenance Expenses
Test Year Ended March 31, 2011

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[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]
Line No.	Acct. No.	Description	Total Nebraska	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Direct	Super High Vol. Direct	Allocation Basis or Reference
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1		O & M Expenses												
2		Transmission Expenses												
3		Operation												
4	850	Supervision & Engineering	(0)	(0)	(0)	-	-	-	-	-	-	-	-	50 % Demand, 50 % Commodity
5	851	Sys. Control & Load Dispatch.	0	0	0	-	-	-	-	-	-	-	-	50 % Demand, 50 % Commodity
6	856	Mains Expenses	(0)	(0)	(0)	-	-	-	-	-	-	-	-	50 % Demand, 50 % Commodity
7	857	Meas. & Reg. Sta. Expenses	(0)	(0)	(0)	-	-	-	-	-	-	-	-	50 % Demand, 50 % Commodity
8	858	Compression of Gas Expenses	-	-	-	-	-	-	-	-	-	-	-	50 % Demand, 50 % Commodity
9	859	Other Expenses	-	-	-	-	-	-	-	-	-	-	-	50 % Demand, 50 % Commodity
10		Total Operation	(0)	(0)	(0)	-	-	-	-	-	-	-	-	Sum of Lines 4 thru 9
11		Maintenance												
12	863	Mains	(0)	(0)	(0)	-	-	-	-	-	-	-	-	50 % Demand, 50 % Commodity
13	865	Meas. & Reg. Sta. Equip.	0	0	0	-	-	-	-	-	-	-	-	50 % Demand, 50 % Commodity
14		Total Maintenance	(0)	(0)	(0)	-	-	-	-	-	-	-	-	Sum of Lines 12 thru 13
15		Total Transmission Expenses	(0)	(0)	(0)	-	-	-	-	-	-	-	-	Line 10 + Line 14
16		Distribution Expenses												
17		Operation												
18	870	Supervision & Engineering	1,521,583	158,865	158,865	294,767	155,577	281,019	264,477	202,942	-	-	5,072	Accounts 871 - 880
19	871	Load Dispatching	119,560	-	-	-	119,560	-	-	-	-	-	-	Direct - Distribution Commodity
20	874	Mains & Services	3,795,158	482,485	482,485	870,097	290,745	976,988	674,722	-	-	-	17,635	Accounts 376 and 380
21	875	Meas. & Reg. Sta. Equip. - General	445,703	69,307	69,307	153,545	153,545	-	-	-	-	-	-	Account 378
22	876	Meas. & Reg. Sta. Equip. - Ind.	36,089	-	-	-	-	-	-	36,089	-	-	-	Account 385
23	877	Meas. & Reg. Sta. Equip. - CG	792	123	123	273	273	-	-	-	-	-	-	Account 379
24	878	Meters & House Regulators	553,444	-	-	-	-	-	-	553,444	-	-	-	Direct - Meters and Regulators
25	879	Customer Installation Expenses	306,721	-	-	-	-	-	306,721	-	-	-	-	Direct - Services
26	880	Other Expenses	1,368,988	139,937	139,937	259,788	113,410	246,844	170,347	294,272	-	-	4,452	Distribution Plant
27	881	Rents	140,410	14,353	14,353	26,645	11,632	25,317	17,472	30,182	-	-	457	Distribution Plant
28		Total Operation	8,288,447	865,070	865,070	1,605,114	844,741	1,530,168	1,433,738	1,116,929	-	-	27,616	Sum of Lines 18 thru 27
29		Maintenance												
30	885	Supervision & Engineering	11,909	664	664	1,388	1,148	404	254	7,380	-	-	7	Accounts 886 - 894
31	886	Structures & Improvements	534,743	83,152	83,152	184,219	184,219	-	-	-	-	-	-	Account 375
32	887	Mains	231,315	35,766	35,766	64,500	21,553	72,423	-	-	-	-	1,307	Account 376
33	892	Services	45,424	-	-	-	-	-	45,424	-	-	-	-	Direct - Services
34	893	Meters & House Regulators	1,322,710	-	-	-	-	-	-	1,322,710	-	-	-	Direct - Meters and Regulators
35	894	Other Equipment	239	24	24	45	20	43	30	51	-	-	1	Distribution Plant
36		Total Maintenance	2,146,340	119,607	119,607	250,152	206,940	72,871	45,708	1,330,141	-	-	1,315	Sum of Lines 30 thru 35
37		Total Distribution	10,434,787	984,677	984,677	1,855,266	1,051,681	1,603,039	1,479,446	2,447,070	-	-	28,931	Line 28 + Line 36

SourceGas Distribution, LLC - Nebraska
Functional Classification of Operation and Maintenance Expenses
Test Year Ended March 31, 2011

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[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]
Line No.	Acct. No.	Description	Total Nebraska	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Direct	Super High Vol. Direct	Allocation Basis or Reference
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
38		Customer Accounts Expenses												
39	902	Meter Reading Expenses	507,516	-	-	-	-	-	-	-	507,516	-	-	Direct - Customer Accounts
40	903	Customer Records & Collection	3,934,817	-	-	-	-	-	-	-	3,934,817	-	-	Direct - Customer Accounts
41	904	Uncollectible Accounts	377,670	-	-	-	-	-	-	-	377,670	-	-	Direct - Customer Accounts
42	905	Miscellaneous	9,473	-	-	-	-	-	-	-	9,473	-	-	Direct - Customer Accounts
43		Total Customer Accounts Expenses	4,829,475	-	4,829,475	-	-	Sum of Lines 39 thru 42						
44		Customer Service & Inform. Exp.												
45	909	Information & Instruction Exp.	42,309	-	-	-	14,103	-	-	-	28,206	-	-	1/3 Dist. Commodity, 2/3 Customer Accounts
46	910	Miscellaneous	11,484	-	-	-	3,828	-	-	-	7,656	-	-	1/3 Dist. Commodity, 2/3 Customer Accounts
47		Total Cust. Service & Inf. Exp.	53,793	-	-	-	17,931	-	-	-	35,862	-	-	Sum of Lines 45 thru 46
48		Sales Expenses												
49	912	Demonstrating & Selling Exp.	6	-	-	-	2	-	-	-	4	-	-	1/3 Dist. Commodity, 2/3 Customer Accounts
50	913	Advertising Expenses	119,948	-	-	-	39,983	-	-	-	79,965	-	-	1/3 Dist. Commodity, 2/3 Customer Accounts
51		Total Sales Expenses	119,955	-	-	-	39,985	-	-	-	79,970	-	-	Sum of Lines 49 thru 50
52		Administrative & General Expenses												
53		Operation												
54	920	A & G Salaries	2,812,928	182,940	182,940	344,759	207,005	297,456	275,633	455,668	861,159	-	5,368	Supervised O&M
55	921	Office Supplies & Expenses	1,403,086	91,250	91,250	171,965	103,254	148,371	137,486	227,287	429,546	-	2,678	Supervised O&M
56	923	Outside Services Employed	736,345	47,888	47,888	90,248	54,188	77,865	72,153	119,281	225,427	-	1,405	Supervised O&M
57	924	Property Insurance	590,533	51,638	51,638	95,904	44,324	89,816	65,041	111,676	78,875	-	1,620	Net Plant
58	926	Employee Pensions & Benefits	2,630,023	171,045	171,045	322,342	193,545	278,114	257,711	426,039	805,164	-	5,019	Supervised O&M
59	927	Franchise Requirements	171	-	-	-	-	-	-	-	-	171	-	Direct - Jurisdictional
60	928	Regulatory Commission Expense	727,148	-	-	-	-	-	-	-	-	727,148	-	Direct - Jurisdictional
61	930	Miscellaneous	248,278	16,147	16,147	30,430	18,271	26,254	24,328	40,219	76,009	-	474	Supervised O&M
62	931	Rents	317,343	20,639	20,639	38,894	23,353	33,558	31,096	51,407	97,153	-	606	Supervised O&M
63		Total A & G Expenses	9,465,856	581,547	581,547	1,094,542	643,939	951,434	863,448	1,431,576	2,573,332	727,319	17,170	Sum of Lines 54 thru 62
64		Total Operation & Maintenance	24,903,866	1,566,224	1,566,224	2,949,808	1,753,536	2,554,473	2,342,894	3,878,647	7,518,639	727,319	46,102	Sum of Lines 15, 37, 43, 47, 51 and 63
65		Supervised O & M before General	14,919,931	970,324	970,324	1,828,621	1,097,965	1,577,722	1,461,974	2,416,888	4,567,638	-	28,475	Sum of Lines 15, 37, 43, 47, 51, Less 27 & 41

SourceGas Distribution, LLC - Nebraska
 Functional Classification of Other Cost of Service Components
 Test Year Ended March 31, 2011

Exhibit VI, Schedule A
 Table 4 of 4
 Page 1 of 1

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]
Line No.	Acct. No.	Description	Total Nebraska	Transmission		Distribution			Services	Meters and Regulators	Customer Accounts	Direct	Super High Vol. Direct	Allocation Basis or Reference
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1		<u>Depreciation Expense</u>												
2		Intangible	20,263	1,318	1,318	2,483	1,491	2,143	1,986	3,282	6,203	-	39	Intangible Plant
3		Distribution	4,734,089	483,915	483,915	898,372	392,184	853,608	589,075	1,017,621	-	-	15,397	Distribution Plant
4		Distribution - AMR	338,674	-	-	-	-	-	-	338,674	-	-	-	Account 381
5		General	2,088,627	100,665	100,665	189,707	113,907	163,678	151,670	250,736	1,014,645	-	2,954	General Plant
6		General - Billing	792,143	-	-	-	-	-	-	-	792,143	-	-	Account 391.1
7		Total Depreciation Expense	7,973,796	585,898	585,898	1,090,563	507,582	1,019,429	742,731	1,610,315	1,812,991	-	18,389	Sum of Lines 2 thru 6
8		<u>Taxes Other Than Income Taxes</u>												
9		Payroll Taxes	989,885	64,378	64,378	121,323	72,846	104,676	96,997	160,352	303,047	-	1,889	Supervised O&M
10		Ad Valorem Taxes	1,691,891	147,945	147,945	274,768	126,989	257,324	186,345	319,955	225,978	-	4,641	Net Plant
11		Total Taxes Other than Income Taxes	2,681,776	212,323	212,323	396,091	199,835	362,000	283,342	480,307	529,025	-	6,530	Sum of Lines 9 thru 10
12		<u>Other Operating Revenues</u>												
13	487	Forfeited Discounts	257,677	-	-	-	-	-	-	-	-	257,677	-	Direct
14	488	Misc. Service Revenues	1,880,291	-	-	-	-	-	-	-	-	1,880,291	-	Direct
15		Interdepartmental Rents	137,696	8,955	8,955	16,876	10,133	14,561	13,493	22,305	42,155	-	263	Supervised O&M
16		CWIP Revenue	25,917	-	-	-	-	-	-	-	-	25,917	-	Jurisdictional Direct
17		Total Other Operating Revenues	2,301,581	8,955	8,955	16,876	10,133	14,561	13,493	22,305	42,155	2,163,885	263	Sum of Lines 13 thru 16

SourceGas Distribution, LLC - Nebraska
Rate of Return Under Current and Proposed Rates
Test Year Ended March 31, 2011

Exhibit VI, Schedule B
Table 1 of 5
Page 1 of 1

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line No.	Description	Total Nebraska	Residential Service	Small Commercial Service	Large Commercial Service	Total Jurisdictional	Non-jurisdictional Customer Classes				Total Non-Jurisdictional	Basis of Allocation or Reference	
							Agriculture	Full Tariff	Negotiated-D ⁽¹⁾	Negotiated-T ⁽²⁾			Super HV
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1	Return Under Existing Rates												
2	Rate Base	98,403,822	52,460,433	14,500,831	11,817,077	78,778,341	14,672,627	1,379,249	1,669,875	1,543,496	360,234	19,625,482	
3	Sales Revenues	116,379,998	47,786,399	13,971,578	20,474,597	82,232,574	31,673,170	691,182	201,941	442,401	1,138,730	34,147,424	
4	Cost of Gas	77,514,975	28,292,248	9,445,084	15,999,162	53,736,495	23,778,480	-	-	-	-	23,778,480	
5	Sales Revenues Excluding Gas Cost	38,865,024	19,494,150	4,526,494	4,475,435	28,496,079	7,894,690	691,182	201,941	442,401	1,138,730	10,368,945	
6	Net Cost of Service	45,244,458	25,006,349	6,711,692	5,057,167	36,775,208	6,448,830	560,648	686,912	615,756	157,104	8,469,249	
7	Revenue Deficiency	6,379,434	5,512,199	2,185,198	581,732	8,279,129							
8	Percent		11.54%	15.64%	2.84%	10.07%							
9	Proposed Increase		4,925,852	2,042,151	1,310,028	8,278,030							
10	Percent		10.31%	14.62%	6.40%	10.07%							
11	Incremental Taxes at	40.08%	1,974,109	818,423	525,013	3,317,545							
12	Incremental Return		2,951,743	1,223,728	785,014	4,960,485							
13	Return Under Proposed Rates		4,054,033	1,131,996	1,428,765	6,614,794							
14	Rate of Return Under Proposed Rates		7.73%	7.81%	12.09%	8.40%							
15	Return Under Current Rates	4,440,733	1,102,290	(91,732)	643,751	1,654,309							
16	Rate of Return Under Current Rates	4.51%	2.10%	-0.63%	5.45%	2.10%							

(1) Negotiated-D are negotiated tariff customers served off of the distribution system
(2) Negotiated-T are negotiated tariff customers served off of the transmission system only

SourceGas Distribution, LLC - Nebraska
Allocation of Cost of Service
Test Year Ended March 31, 2011

Exhibit VI, Schedule B
Table 2 of 5
Page 1 of 1

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line No.	Description	Total Nebraska	Residential Service	Small Commercial Service	Large Commercial Service	Total Jurisdictional	Non-Jurisdictional Customer Classes					Total Non-Jurisdictional	Basis of Allocation or Reference
							Agriculture	High Volume		Super HV			
						Full Tariff		Negotiated-D	Negotiated-T				
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1	Total Cost of Service												
2	Transmission												
3	Demand	3,420,362	1,491,402	497,558	694,820	2,683,779	291,016	98,097	118,039	229,430	-	736,582	Winter Period Peak Demand
4	Commodity	3,420,362	1,025,054	342,204	579,664	1,946,922	861,516	113,413	141,831	356,679	-	1,473,439	Commodity
5	Total Transmission	6,840,723	2,516,456	839,762	1,274,484	4,630,702	1,152,532	211,511	259,870	586,109	-	2,210,021	Line 3 + Line 4
6	Distribution												
7	Demand	6,397,304	2,990,021	997,523	1,393,002	5,380,546	583,440	196,670	236,648	-	-	1,016,758	Winter Period Peak Demand
8	Commodity	3,364,746	1,125,784	375,832	636,627	2,138,243	946,176	124,558	155,769	-	-	1,226,503	Commodity
9	Customer	5,773,561	3,341,303	996,966	372,520	4,710,790	1,056,296	4,747	1,728	-	-	1,062,771	Distribution Customer Cost Allocator
10	Total Distribution	15,535,611	7,457,108	2,370,321	2,402,149	12,229,579	2,585,911	325,975	394,146	-	-	3,306,032	Sum of Line 7 through Line 9
11	Services	4,696,645	3,331,270	993,973	371,402	4,696,645	-	-	-	-	-	-	Services Cost Allocator
12	Meters and Regulators	8,249,769	4,699,664	1,037,679	571,120	6,308,463	1,867,052	20,232	15,834	12,379	25,808	1,941,306	Meters & Regulators
13	Customer Accounts	11,165,541	8,247,020	1,537,948	229,864	10,014,832	1,086,314	2,929	17,062	17,268	27,135	1,150,709	Customer Accounts
14	Direct												
15	Franchise Requirements	171	90	30	51	171	-	-	-	-	-	-	Jurisdictional Commodity
16	Regulatory Commission Expense	727,148	382,843	127,808	216,496	727,148	-	-	-	-	-	-	Jurisdictional Commodity
17	Regulatory Asset ⁽³⁾	88,574	46,634	15,568	26,371	88,574	-	-	-	-	-	-	Jurisdictional Commodity
18	Other Revenues												
19	Late Fees	(257,677)	(183,754)	(42,302)	(6,322)	(232,378)	(25,300)	-	-	-	-	(25,300)	Other Revenue Workpaper (SCS&LCS,Cust)
20	Service Fees	(611,774)	(570,465)	(29,570)	(4,420)	(604,455)	(7,320)	-	-	-	-	(7,320)	Other Revenue Workpaper (SCS&LCS, Cust)
21	Supplier Fees	(1,268,516)	(903,260)	(134,756)	(20,141)	(1,058,156)	(210,360)	-	-	-	-	(210,360)	Other Revenue Workpaper (Juris, Cust)
22	CWIP Revenue	(25,917)	(17,259)	(4,771)	(3,888)	(25,917)	-	-	-	-	-	-	Jurisdictional Rate Base
23	Total Direct	(1,347,992)	(1,245,169)	(67,992)	208,148	(1,105,013)	(242,979)	-	-	-	-	(242,979)	Sum of Line 15 through Line 22
24	Super High Volume Direct												
25	Direct	104,161	-	-	-	-	-	-	-	-	104,161	104,161	Direct
26	Total Super High Volume Direct	104,161	-	-	-	-	-	-	-	-	104,161	104,161	Line 25
27	Total Cost of Service	45,244,458	25,006,349	6,711,692	5,057,167	36,775,208	6,448,830	560,648	686,912	615,756	157,104	8,469,249	Sum of Lines 5, 10, 11, 12, 13, 23, and 26

(3) Regulatory Asset expense includes return and taxes on the Regulatory Asset rate base item shown on Table 3, Line 15

SourceGas Distribution, LLC - Nebraska
Allocation of Rate Base
Test Year Ended March 31, 2011

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line No.	Description	Total Nebraska \$	Residential Service \$	Small Commercial Service \$	Large Commercial Service \$	Total Jurisdictional \$	Non-Jurisdictional Customer Classes					Total Non-Jurisdictional \$	Basis of Allocation or Reference
							Agriculture \$	High Volume		Super HV \$			
						Full Tariff \$		Negotiated-D \$	Negotiated-T \$				
1	Rate Base												
2	Transmission												
3	Demand	8,742,049	3,811,852	1,271,700	1,775,879	6,859,431	743,803	250,726	301,693	586,397	-	1,882,619	Winter Period Peak Demand
4	Commodity	8,742,049	2,619,919	874,634	1,481,555	4,976,108	2,201,935	289,872	362,505	911,629	-	3,765,941	Commodity
5	Total Transmission	17,484,099	6,431,771	2,146,334	3,257,434	11,835,539	2,945,738	540,598	664,198	1,498,026	-	5,648,560	Line 3 + Line 4
6	Distribution												
7	Demand	16,236,046	7,588,528	2,531,665	3,535,371	13,655,564	1,480,742	499,138	600,602	-	-	2,580,482	Winter Period Peak Demand
8	Commodity	7,502,862	2,510,325	838,047	1,419,579	4,767,951	2,109,825	277,746	347,341	-	-	2,734,912	Commodity
9	Customer	15,205,765	8,799,953	2,625,700	981,103	12,406,756	2,781,954	12,503	4,552	-	-	2,799,009	Distribution Customer / Services
10	Total Distribution	38,944,673	18,898,806	5,995,411	5,936,053	30,830,270	6,372,522	789,387	952,494	-	-	8,114,403	Sum of Line 7 through Line 9
11	Services	11,010,322	7,809,480	2,330,166	870,676	11,010,322	-	-	-	-	-	-	Distribution Customer / Services
12	Meters and Regulators	18,904,857	10,769,570	2,377,907	1,308,757	14,456,234	4,278,466	46,363	36,285	28,367	59,141	4,448,623	Meters & Regulators
13	Customer Accounts	11,058,506	8,167,962	1,523,205	227,661	9,918,828	1,075,901	2,901	16,899	17,102	26,875	1,139,678	Customer Accounts
14	Direct												
15	Regulatory Asset	727,148	382,843	127,808	216,496	727,148	-	-	-	-	-	-	Jurisdictional Commodity
16	Total Direct	727,148	382,843	127,808	216,496	727,148	-	-	-	-	-	-	Line 15
17	Super High Volume Direct												
18	Direct Customer Assignment	274,218	-	-	-	-	-	-	-	-	274,218	274,218	Direct
19	Total Super High Volume Direct	274,218	-	-	-	-	-	-	-	-	274,218	274,218	Line 18
20	Total Rate Base	98,403,822	52,460,433	14,500,831	11,817,077	78,778,341	14,672,627	1,379,249	1,669,875	1,543,496	360,234	19,625,482	Sum of Lines 5, 10, 11, 12, 13, 16, and 19

SourceGas Distribution, LLC - Nebraska
 Class Allocation Basis
 Test Year Ended March 31, 2011

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line No.	Description	Total Nebraska	Residential Service	Small Commercial Service	Large Commercial Service	Total Jurisdictional	Non-jurisdictional Customer Classes					Total Non-Jurisdictional	Basis of Allocation or Reference
							High Volume						
						Agriculture	Full Tariff	Negotiated-D	Negotiated-T	Super HV			
1	Allocation Bases												
2	Winter Period Peak Demand Load Factor		23.22%	23.23%	28.18%		100.00%						CCOSS Inputs Workpaper
3	Peak Day - therms/Day	1,276,131	556,440	185,638	259,236	1,001,314	108,578	36,600	44,040	85,600			274,818 Line 7 / 365 / Line 2, CCOSS Inputs Workpaper
4	Transmission Allocation Factor	100.0000%	43.6036%	14.5469%	20.3142%	78.4648%	8.5083%	2.8680%	3.4511%	6.7078%			21.5352% Line 3 / Column C, Line 3 excl. Super HV
5	Distribution Allocation Factor	100.0000%	46.7388%	15.5929%	21.7748%	84.1065%	9.1201%	3.0743%	3.6992%				15.8935% Line 3 / Column C, Line 3 excl. Super HV
6	Commodity												
7	Annual Throughput - therms	263,456,614	47,153,747	15,741,807	26,665,270	89,560,825	39,630,800	5,217,160	6,524,420	16,407,660	106,115,750	173,895,790	CCOSS Inputs Workpaper
8	Transmission Allocation Factor	100.0000%	29.9692%	10.0049%	16.9475%	56.9215%	25.1879%	3.3158%	4.1467%	10.4281%			43.0785% Line 7 / Column C, Line 7 excl. Super HV
9	Distribution Allocation Factor	100.0000%	33.4582%	11.1697%	18.9205%	63.5484%	28.1203%	3.7019%	4.6294%				36.4516% Line 7 / Column C, Line 7 excl. Super HV
10	Distribution Customer / Services												
11	Average Number of Customers	85,420	66,864	9,975	1,491	78,330	7,046	19	7	7	11	7,090	CCOSS Inputs Workpaper
12	Weighting Factor		1.00	2.00	5.00		3.00	5.00	5.00				Weighting Factor Study
13	Weighted Number of Customers	115,536	66,864	19,951	7,455	94,269	21,138	95	35			21,267	Line 11 x Line 12
14	Distribution Customer Cost Allocator	100.0000%	57.8725%	17.2678%	6.4522%	81.5924%	18.2954%	0.0822%	0.0299%				18.4076% Line 13 / Column C, Line 13 excl. Neg.-T and Super HV
15	Services Cost Allocator		70.9287%	21.1635%	7.9078%	100.0000%							Line 13 / Column C, Line 13 excl. Neg.-T and Super HV
16	Meters & Regulators												
17	Average Number of Customers	85,420	66,864	9,975	1,491	78,330	7,046	19	7	7	11	7,090	Line 11
18	Weighting Factor		1.00	1.48	5.45		3.77	15.15	32.57	25.16	33.38		Weighting Factor Study
19	Weighted Number of Customers	117,372	66,864	14,763	8,125	89,752	26,563	288	225	176	367	27,620	Line 17 x Line 18
20	Meters & Regulators Cost Allocator	100.0000%	56.9672%	12.5783%	6.9229%	76.4684%	22.6316%	0.2452%	0.1919%	0.1501%	0.3128%	23.5316%	Line 19 / Column C, Line 19
21	Customer Accounts												
22	Average Number of Customers	85,420	66,864	9,975	1,491	78,330	7,046	19	7	7	11	7,090	Line 11
23	Weighting Factor		1.00	1.25	1.25		1.25	1.25	20.00	20.00	20.00		Weighting Factor Study
24	Weighted Number of Customers	90,526	66,864	12,469	1,864	81,196	8,807	24	138	140	220	9,329	Line 22 x Line 23
25	Customer Accounts Cost Allocator	100.0000%	73.8614%	13.7741%	2.0587%	89.6941%	9.7292%	0.0262%	0.1528%	0.1547%	0.2430%	10.3059%	Line 24 / Column C, Line 24
26	Annual Use per Customer - therms		705	1,578	17,885		5,625	274,587	943,290	2,343,951	9,646,886		Line 7 / Line 11

SourceGas Distribution, LLC - Nebraska
Unit Cost of Service
Test Year Ended March 31, 2011

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
Line No.	Description	Total Nebraska	Residential Service	Small Commercial Service	Large Commercial Service	Total Jurisdictional	Non-Jurisdictional Customer Classes				Total Non-Jurisdictional	Basis of Allocation or Reference	
							Agriculture	High Volume		Super HV			
							Full Tariff	Negotiated-D	Negotiated-T				
1	Transmission - Demand - \$		1,491,402	497,558	694,820	2,683,779							Table 2, Line 3
2	\$/therm		0.0316	0.0316	0.0261	0.0300							Line 1 / Table 4, Line 7
3	Transmission - Commodity - \$		1,025,054	342,204	579,664	1,946,922							Table 2, Line 4
4	\$/therm		0.0217	0.0217	0.0217	0.0217							Line 3 / Table 4, Line 7
5	Distribution - Demand - \$		2,990,021	997,523	1,393,002	5,380,546							Table 2, Line 7
6	\$/therm		0.0634	0.0634	0.0522	0.0601							Line 5 / Table 4, Line 7
7	Distribution - Commodity - \$		1,555,352	519,239	879,546	2,954,136							Table 2, Line 8, 15, 16, and 17
8	\$/therm		0.0330	0.0330	0.0330	0.0330							Line 7 / Table 4, Line 7
9	Distribution - Customer - \$		3,341,303	996,966	372,520	4,710,790							Table 2, Line 9
10	\$/therm		0.0709	0.0633	0.0140	0.0526							Line 9 / Table 4, Line 7
11	Services, Meters, and Customer Accounts Related - \$		14,603,217	3,358,202	1,137,616	19,099,035							Table 2, Lines 11, 12, 13, 19, 20, 21, and 22
12	\$/month/customer		18.20	28.05	63.59	20.32							Line 11 / 12 / Table 4, Line 11
13	Total Demand - \$/therm		0.0950	0.0950	0.0783	0.0900							Line 2 + Line 6
14	Total Commodity - \$/therm		0.0547	0.0547	0.0547	0.0547							Line 4 + Line 8
15	Total - \$/therm		0.1498	0.1497	0.1330	0.1448							Line 13 + Line 14
16	Total Cost of Service - \$		25,006,349	6,711,692	5,057,167	36,775,208							Line 1 + Line 3 + Line 5 + Line 7 + Line 9 + Line 11

Schedule A

SCHEDULE OF RATES AND OTHER CHARGES

Rate Schedules CGS and ACGS-NSS

<u>Type of Charge</u>	<u>Non-Gas Base Rate Component</u>	<u>Gas Cost</u>		<u>Total Gas Cost</u>	<u>Total Rate</u>
		<u>Base Rate Component</u>	<u>Surcharge Rate Component 3/</u>		
RESIDENTIAL SERVICE - Minimum Monthly Charge is Equal to the Customer Charge					
Customer Charge 1/,4/	15.00				15.48
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>					
First 20	0.5407	0.0000	0.0272	0.0272	0.5679
Over 20	0.1417	0.0000	0.0272	0.0272	0.1689
SMALL COMMERCIAL SERVICE - Minimum Monthly Charge is Equal to the Customer Charge					
Customer Charge 1/,4/	25.00				25.48
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>					
First 40	0.5407	0.0000	0.0272	0.0272	0.5679
Over 40	0.1417	0.0000	0.0272	0.0272	0.1689
LARGE COMMERCIAL SERVICE - Minimum Monthly Charge is Equal to the Customer Charge					
Customer Charge 1/,4/	60.00				60.48
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>					
First 80	0.5407	0.0000	0.0272	0.0272	0.5679
Over 80	0.1417	0.0000	0.0272	0.0272	0.1689

- 1/ Total Customer Charge is \$/month and includes a charge for the HEAT program of \$0.48.
- 2/ Distribution and Commodity Charges are \$/Per Therm.
- 3/ Rate Component Includes:
 - 1. Contract P-0802 Charge of \$0.0272 per Therm.
- 4/ The Customer Charge shall be increased by \$40.00 per month for premises that avail themselves of the Extra Construction Allowance for the duration of the repayment period.

Schedule B

SCHEDULE OF RATES AND OTHER CHARGES

Rate Schedules CGS and ACGS-NSS

<u>Type of Charge</u>	<u>Non-Gas Base Rate Component</u>	<u>Gas Cost</u>			<u>Total Gas Cost</u>	<u>Total Rate</u>
		<u>Base Rate Component</u>	<u>Surcharge Rate Component 3/</u>			
RESIDENTIAL SERVICE - Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/,4/	12.73				12.73	<u>15.00</u>
				15.48		
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 20	0.42205407 0.44925679	0.0000	0.0272		0.0272	
Over 20	0.12081417 0.14801689	0.0000	0.0272		0.0272	
SMALL COMMERCIAL SERVICE - Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/,4/	14.98				14.98	<u>25.00</u>
				25.48		
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 40	0.42205407 0.44925679	0.0000	0.0272		0.0272	
Over 40	0.12081417 0.14801689	0.0000	0.0272		0.0272	
LARGE COMMERCIAL SERVICE - Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/,4/	45.08				45.08	<u>60.00</u>
				60.48		
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 80	0.42205407 0.44925679	0.0000	0.0272		0.0272	
Over 80	0.12081417 0.14801689	0.0000	0.0272		0.0272	

- 1/ Total Customer Charge is \$/month and includes a charge for the HEAT program of \$0.48.
 2/ Distribution and Commodity Charges are \$/Per Therm.
 3/ Rate Component Includes:
 1. Contract P-0802 Charge of \$0.0272 per Therm.

4/ The Customer Charge shall be increased by \$40.00 per month for premises that avail themselves of the Extra Construction Allowance for the duration of the repayment period.

Schedule C

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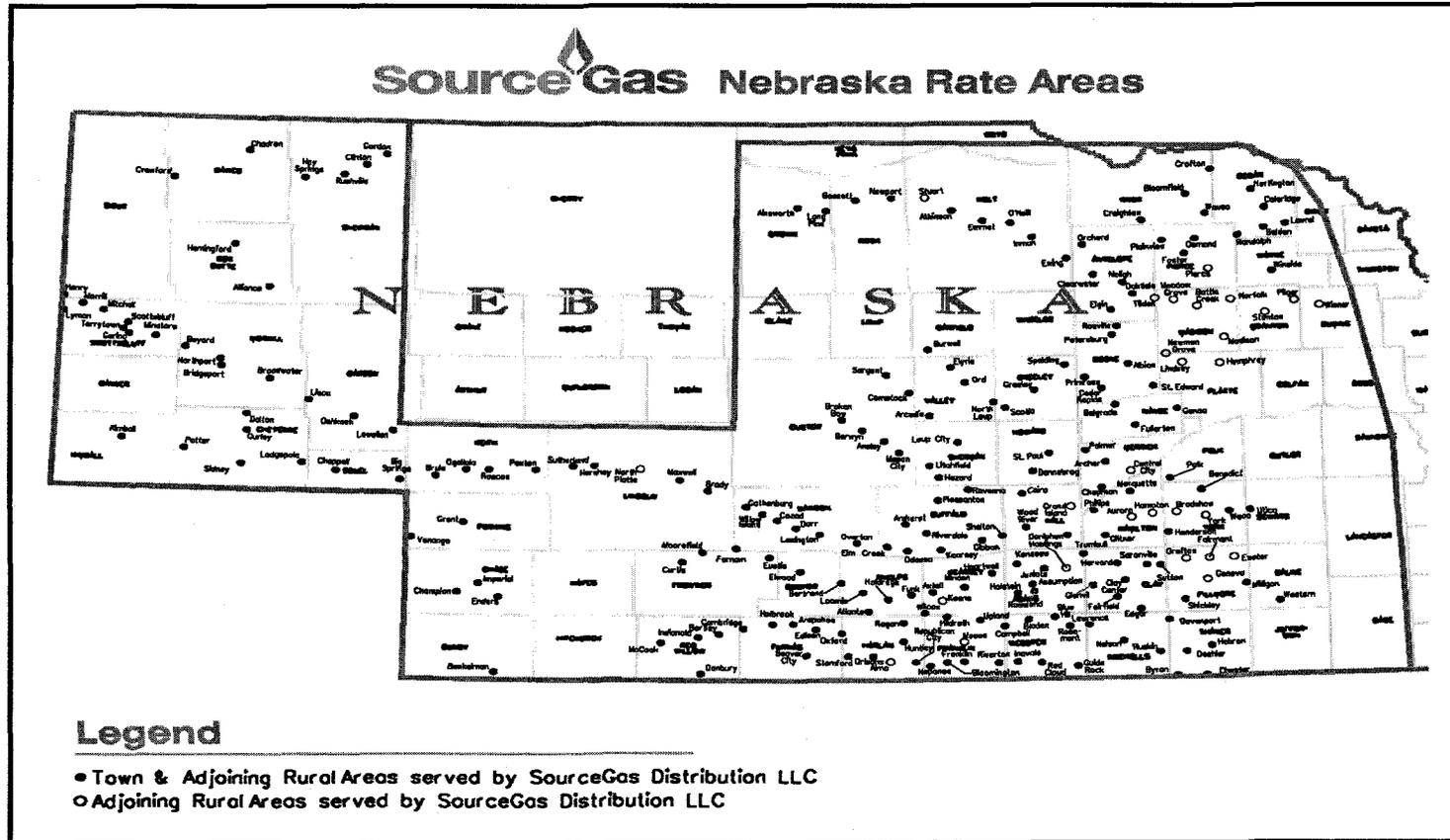
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LIST OF COMMUNITIES SERVED

Ainsworth	Crawford	Holbrook	Overton
Albion	Creighton	Holdrege	Oxford
Alliance	Crofton	Holstein	Palmer
Amherst	Curtis	Huntley	Paxton
Ansley	Dalton	Imperial	Petersburg
Arapahoe	Danbury	Inavale*	Phillips
Arcadia	Dannebrog	Indianola	Plainview
Archer*	Darr*	Inman	Pleasanton
Atlanta	Davenport	Juniata	Polk
Assumption*	Deshler	Kearney	Potter
Atkinson	Doniphan	Keene*	Primrose
Axtell	Edgar	Kenesaw	Raeville*
Bartley	Edison	Kimball	Ragan
Bassett	Elgin	Laurel	Randolph
Bayard	Elm Creek	Lawrence	Ravenna
Beaver City	Elwood	Lewellen	Red Cloud
Belden	Elyria	Lexington	Republican City
Belgrade	Emmet	Lisco*	Riverdale
Benedict	Enders*	Litchfield	Riverton
Benkelman	Eustis	Lodgepole	Roscoe*
Bertrand	Ewing	Long Pine	Roseland
Berwyn	Fairfield	Loomis	Rosemont*
Big Springs	Farnam	Loup City	Rushville
Bladen	Foster	Lyman	Ruskin
Bloomfield	Franklin	Macon*	Sargent
Bloomington	Fullerton	Marquette	Saronville
Blue Hill	Funk	Mason City	Scotia
Brady	Geneva**	Maxwell	Scottsbluff
Bridgeport	Genoa	McCook	Shelton
Broadwater	Gering	Milligan	Shickley
Broken Bow	Gibbon	Minatare	Sidney
Brule	Giltner	Minden	Spalding
Burwell	Glenvil	Mitchell	St. Edward
Byron	Gordon	Moorefield	St. Paul
Cairo	Gothenburg	Morrill	Stamford
Cambridge	Grant	Naponee	Sutherland
Campbell	Greeley	Neligh	Sutton
Cedar Rapids	Guide Rock	Nelson	Terrytown
Chadron	Gurley	Newport	Trumbull
Champion*	Hartington	North Loup	Upland
Chapman	Harvard	Northport	Utica
Chappell	Hay Springs	O'Neill	Venanago
Chester	Hazard	Oakdale	Waco
Clay Center	Heartwell	Odessa*	Wausa
Clearwater	Hebron	Ogallala	Western
Clinton	Hemingford	Orchard	Wilcox
Coleridge	Henderson	Ord	Willow Island*
Comstock	Henry	Orleans	Winside
Cowles	Hershey	Oshkosh	Wood River
Cozad	Hildreth	Osmond	

* Unincorporated

** Applicable annexed area only.



SCHEDULE OF RATES AND OTHER CHARGES

Rate Schedules CGS and ACGS-NSS

<u>Type of Charge</u>	<u>Gas Cost</u>			<u>Total Gas Cost</u>	<u>Adjustment Component 5/</u>	<u>Total Rate</u>
	<u>Non-Gas Base Rate Component</u>	<u>Base Rate Component</u>	<u>Surcharge Rate Component 3/</u>			
RESIDENTIAL SERVICE - Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/,4/	15.00				0.48	15.48
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 20	0.5407	0.0000	0.0272	0.0272	0.0000	0.5679
Over 20	0.1548	0.0000	0.0272	0.0272	0.0000	0.1820
SMALL COMMERCIAL SERVICE - Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/,4/	25.00				0.48	25.48
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 40	0.5407	0.0000	0.0272	0.0272	0.0000	0.5679
Over 40	0.1548	0.0000	0.0272	0.0272	0.0000	0.1820
LARGE COMMERCIAL SERVICE - Minimum Monthly Charge is Equal to the Customer Charge						
Customer Charge 1/,4/	60.00				0.48	60.48
<u>Distribution and Commodity Charges, Based on Usage 2/:</u>						
First 80	0.5407	0.0000	0.0272	0.0272	0.0000	0.5679
Over 80	0.1548	0.0000	0.0272	0.0272	0.0000	0.1820

- 1/ Customer Charge is \$/month and includes a charge for the HEAT program of \$0.48.
- 2/ Distribution and Commodity Charges are \$/Per Therm.
- 3/ Rate Component Includes:
 - 1. Contract P-0802 Charge of \$0.0272 per Therm.
- 4/ In addition to the Customer Charge, an Extra Construction Allowance Charge of \$20.00, \$30.00, \$40.00, or \$50.00 per month will be added to a Customer's bill for premises that avail themselves of the Extra Construction Allowance for the duration of the repayment period and will appear as a separate line item on the Customer's bill.
- 5/ Rate Component Includes:

	<u>Residential</u>	<u>Small Commercial</u>	<u>Large Commercial</u>
1. Customer	0.0000	0.0000	0.0000
2. Use per Customer	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	0.0000	0.0000	0.0000

SCHEDULE OF RATES AND OTHER CHARGES

Other Charges and Fees

Additional Facilities Charge:	As determined by the Company pursuant to Section 8, Additional Facilities, of the General Terms and Conditions, and included in the Facilities Agreement executed by the Company and the Customer(s).
After Hours and Holiday Call-Out Charge:	A charge equal to one-hundred percent (100%) of the applicable hourly rate(s) established by the Company for service calls occurring after normal working hours, and on holidays.
Bill Collection Charge:	A charge equal to fifty percent (50%) of the Company's standard hourly service charge.
Connection Charge:	A charge equal to sixty percent (60%) of the Company's standard hourly service charge.
Customer Deposits:	As determined by the Company pursuant to Section 5, Customer Deposits, of the General Terms and Conditions.
Customer Meter Test Request:	A charge equal to two-hundred (200%) of the Company's standard hourly service charge.
Excess Flow Valve Charge:	As determined by the Company pursuant to Section 37, Excess Flow Valves, of the General Terms and Conditions.
Facilities Relocation Charge:	As determined by the Company pursuant to Section 27, Relocation of Facilities, of the General Terms and Conditions.
Insufficient Funds Check Charge:	A charge equal to the maximum charge allowed by law.

SCHEDULE OF RATES AND OTHER CHARGES

Supplier Fee	Administration <u>1/</u>	Bad Debt <u>2/</u>	Total <u>3/</u>
	\$1.094	\$0.701	\$1.795

1/ This is a fixed fee, per month, per customer billed for each supplier in the Residential and Commercial Choice Gas Program.

2/ The Bad Debt cost portion of the Supplier Fee shall be determined by dividing the total Residential and Commercial Choice Gas Program supplier commodity bad debt write-offs debited to Account No. 144, Accumulated Provision for Uncollectible Accounts during the prior calendar year, by the number of customers billed. The change in this portion of the fee shall be filed with the Commission for their approval by February 15 of each year.

3/ This fee is charged to each Residential and Commercial Choice Gas Program participating supplier each month based on the number of customers billed for that supplier.

SHEET NO. 11 RESERVED FOR FUTURE USE

CUSTOMER ADJUSTMENT RIDER

APPLICABILITY

This rider is applicable to all service provided under Rate Schedules CGS and ACGS-NSS for Residential, Small Commercial and Large Commercial service within the existing SourceGas Distribution service territory. Service is subject to the NOTES AND DEFINITION OF TERMS section below.

NET ANNUAL CHARGE

A Customer Adjustment (CA) Factor shall be applied to all consumption on each monthly bill to refund revenue excesses or collect revenue deficiencies that occur as a result of deviations from the number of customers that formed the basis for the current base rates. The CA Factor shall be calculated by the formulas:

Formula (1):

$$CAF_{ni} = \frac{CA_{ni} + ADJ}{ASalesTot_{ni}}$$

Formula (2):

$$CA_{ni} = (CC_{bi} - CC_{ni}) \times WNUPC_{bi} \times R_{ai} + [CC_{bi} - CC_{ni}] \times R_{cci} \times 12$$

Formula (3):

$$ADJ = \text{Prior Period Calculated CA Revenues} - \text{Actual CA Revenues}$$

Where:

CA_{ni} = Margin revenue shortfall or excess due to changes in number of customers during the CA Calculation Period.

CAF_{ni} = Annualized CA Factor, calculated in accordance with Formula (1) for Service Schedule i.

CC_{ni} = Average annual number of customers during the Calculation Period for Service Schedule i.

CC_{bi} = Average annual number of customers during the base period for Service Schedule i, determined according to provisions approved in Docket No. _____.

$WNUPC_{bi}$ = Weather normalized use per customer for Service Schedule i, determined according to provisions approved in Docket No. _____.

CUSTOMER ADJUSTMENT RIDER (Continued)

R_{ai} = Applicable average margin rate for Service Schedule i.
 R_{cci} = Applicable customer charge for Service Schedule i.
 $ASalesTot_{ni}$ = The sum of actual monthly sales over the current CA Calculation Period applicable to Service Schedule i.
 ADJ = Difference between the CA calculated for the prior Calculation Period and the actual revenues collected/refunded over the prior Collection Period.

Notes and Definition of Terms:

1. All terms and calculations are applicable to each Service Schedule. Formulas (1), (2) and (3) are calculated on an annual basis.
2. The *CA Calculation Period* shall consist of the twelve-month period ending December 31st.
3. Company shall file a report with the Commission on or before March 1st of each year showing the calculation of the CA Factor for the CA Calculation Period.
4. The *CA Collection Period* shall consist of the twelve-month period ending May 31. Therefore, the Annualized CA Factor will appear over the CA Collection Period starting with monthly bills rendered on or after June 1st.
5. The *Prior Period Calculated CA Revenues* are the total revenue excess/deficiency for the prior CA Calculation Period.
6. The *Actual CA Revenues* are the total revenues actually collected/refunded during the prior CA Collection Period.
7. The CA Account Balance may be periodically reviewed by the Company and by the Commission. The CA Factor may be revised by the Commission if it appears at any time on review that the CA Account Balance at the end of the CA Collection Period will be substantial.
8. The CA Factor shall be calculated to the nearest \$0.0001/therm.

USE PER CUSTOMER ADJUSTMENT RIDER

APPLICABILITY

This rider is applicable to all service provided under Rate Schedule CGS and ACGS-NSS for Residential, Small commercial and Large Commercial Service within the existing SourceGas Distribution service territory. Service is subject to the NOTES AND DEFINITION OF TERMS section below.

NET ANNUAL CHARGE

A Use Per Customer Adjustment (UPCA) Factor shall be applied to all consumption on each monthly bill to refund revenue excesses or collect revenue deficiencies that occur as a result of deviations from the weather normalized use per customer that formed the basis for the current base rates. The UPCA Factor shall be calculated by the formulas:

Formula (1):

$$\text{UPCAF}_{ni} = \frac{\text{UPCA}_{ni} + \text{ADJ}}{\text{ASalesTot}_{ni}}$$

Formula (2):

$$\text{UPCA}_{ni} = (\text{WNUPC}_{bi} - \text{WNUPC}_{ni}) \times \text{CC}_{ni} \times \text{R}_{ai}$$

Formula (3):

$$\text{ADJ} = \text{Prior Period Calculated UPCA Revenues} - \text{Actual UPCA Revenues.}$$

Where:

UPCAF_{ni} = Annualized UPCA Factor, calculated in accordance with Formula (1).

UPCA_{ni} = Margin revenue shortfall or excess due to changes in use per customer during the UPCA Calculation Period.

WNUPC_{bi} = Base weather normalized use per customers, applicable to Service Schedule i, as approved in Docket ___.

WNUPC_{ni} = Weather normalized use per customer, applicable to Service Schedule i, during the UPCA Calculation Period.

CC_{ni} = Average annual number of customers, applicable to Service Schedule i, during the UPCA Calculation Period.

USE PER CUSTOMER ADJUSTMENT RIDER (Continued)

r_i = Applicable average margin rate for Service Schedule i as approved in Docket _____.

$ASalesTot_{ni}$ = The sum of actual monthly sales over the current WNA Calculation Period applicable to Service Schedule i .

ADJ = Difference between the UPCA calculated for the prior Calculation Period and the actual revenues collected/refunded over the prior Collection Period.

Notes and Definition of Terms:

1. All terms and calculations are applicable to each Service Schedule. Formulas (1), (2) and (3) are calculated on an annual basis.
2. The UPCA Calculation Period shall consist of the twelve-month period ending December 31st.
3. Company shall file a report with the Commission on or before March 1st of each year showing the calculation of the UPCA Factor for the UPCA Calculation Period.
4. The UPCA Collection Period shall consist of the twelve-month period ending May 31. Therefore, the Annualized UPCA Factor will appear over the UPCA Collection Period starting with monthly bills rendered on or after June 1st.
5. The Prior Period Calculated UPCA Revenues are the total revenues excess/deficiency for the prior UPCA Calculation Period.
6. The Actual UPCA Revenues are the total revenue actually collected/refunded during the prior UPCA Collection Period.
7. The UPCA Account Balance may be periodically reviewed by the Company and by the Commission. The UPCA Factor may be revised by the Commission if it appears at any time on review that the UPCA Account Balance at the end of the UPCA Collection Period will be substantial.
8. The UPCA Factor shall be calculated to the nearest \$0.0001/therm.

SHEET NOS. 14 - 15 RESERVED FOR FUTURE USE

RATE SCHEDULE CGS
CHOICE GAS SERVICE

1. AVAILABILITY

This Rate Schedule is available to all Nebraska jurisdictional residential and commercial Customers served by the Company. Company retains the right to terminate the availability of this Rate Schedule effective with its June billing cycle upon giving ninety (90) days prior written notice to affected Suppliers and Customers and to the PSC.

2. APPLICABILITY

Applicable to residential and commercial service.

3. DESCRIPTION OF SERVICE

The Choice Gas Program provides participating customers the opportunity to select their own gas Suppliers from a pool of qualified competing gas Suppliers. The Customer selects a gas Supplier and notifies the Company of its choice. The Company temporarily releases to such gas Suppliers an amount of firm transportation and no-notice Capacity on the Upstream Pipeline system which will be used by the supplier for the purposes of providing delivery of Customer's gas supply to the Company's system. The Company may retain an amount of firm transportation and no-notice service on the upstream pipeline for backup or emergency use, and recover the cost of such service as provided hereunder. Company agrees to receive from each gas Supplier natural gas for the account of Customer at the Receipt Point(s) and to transport across its system and deliver such volumes of gas, less Retention Quantity, to Customer at the Delivery Point(s).

4. REQUEST FOR SERVICE

Requests for service shall be made in accordance with the General Terms and Conditions of this Tariff. By requesting service, and by accepting such service once initiated, the Customer agrees to abide by, and shall be obligated to comply with, all of the applicable provisions of this Tariff, including the applicable Schedule of Rates and Other Charges, Rate Schedules, and General Terms and Conditions, as amended from time-to-time, as a condition of service.

5. CHOICE GAS PROGRAM RULES

5.1 Service under this rate schedule runs in one-year cycles, from the June billing cycle of one year through the May billing cycle of the succeeding year.

RATE SCHEDULE CGS
CHOICE GAS SERVICE

5.2 Customers must choose their supplier from a pool of qualified Suppliers. Such qualifications are set forth in the Supplier participation agreement executed by the Supplier as a prerequisite to participating as a Supplier under this Rate Schedule. Except for Customers that have subscribed to multi-year supply arrangements as permitted under paragraph 8.6 of this rate schedule, Customers may change their Supplier selection once every twelve months effective at the beginning of the twelve-month program year commencing with the June bill cycle. If the Company does not receive from any Customer, during a selection period applicable to the Customer, a properly completed selection form or other available supplier selection medium that reasonably can be interpreted as to the selection made, such Customer will be served as a default customer during the upcoming twelve-month service period.

5.3 Company will provide Customer lists to Suppliers containing customer names, mailing addresses, telephone numbers, and usage history, by month, for the preceding calendar year; provided, that Suppliers treat the information as confidential, only use such information for purposes directly related to the Choice Gas Program and are expressly prohibited from selling such lists, or otherwise disclosing information from the Customer list to any other person or business entity for any purpose other than marketing of the Choice Gas Program. Company may require Suppliers to sign an agreement protecting the confidentiality of Customer information disclosed under the Choice Gas Program. Information regarding new Customers during the program year will be provided to all Suppliers within five (5) business days of the Company putting the new Customer information into the Company's computer system.

5.4 Absent force majeure, Interruption or Curtailment circumstances, for purposes of billing and allocation of volumes at the Company's custody transfer points with the Upstream Pipeline, Section 13 of this Rate Schedule shall apply. Company shall hold firm transportation and no-notice service on the Upstream Pipeline system, which will be temporarily released to and used by the Customer's Supplier for the purpose of providing delivery of Customer's supply to the Company's system.

5.5 The Supplier Commodity Charge will be remitted by the Company to the Customer's selected gas Supplier.

6. BILLING AND RATES

6.1 The applicable rates for this service are set forth in the Schedule of Rates and Other Charges of this Tariff. Except with respect to rates negotiated under Section 12, Negotiated Rates, of the General Terms and Conditions, each applicable unit rate under this Rate Schedule shall be a rate not in excess of the maximum unit rate(s) set forth in the Schedule of Rates applicable to this Rate Schedule. Company shall be permitted to discount rates to Customers and to negotiate rates with Customers as permitted by the State Natural Gas Regulation Act.

RATE SCHEDULE CGS
CHOICE GAS SERVICE

6.2 Monthly Bill. Except as provided in paragraph 6.1 of this Rate Schedule, commencing with the month in which service begins under this Rate Schedule and each month thereafter, Company shall charge and Customer shall pay Company the following charges and fees, as the same may be amended from time-to-time:

A. Customer Charge. As set forth in the Schedule of Rates and Other Charges applicable to this Rate Schedule. This charge is billed to each customer as a flat fee per month, and does not vary with gas usage.

b. Distribution Charge. As set forth in the Schedule of Rates and Other Charges applicable to this Rate Schedule under the heading Non-Gas Base Rate Component. This charge equals the distribution charge multiplied by billed usage.

C. Gas Supply Cost Adjustment Charge (CGS). As set forth in the Schedule of Rates applicable to this Rate Schedule under the heading Total Gas Cost. The Gas Supply Cost Adjustment Charge is equal to the rate calculated under Section 7, Gas Supply Cost Adjustment (CGS), of the General Terms and Conditions of this Tariff, multiplied by billed usage.

D. Supplier Commodity Charge. This charge equals the applicable rate agreed to by the Customer and its Supplier, and communicated to the Company as prescribed in this rate schedule, multiplied by billed usage. The applicable rate may be changed by agreement of the Customer and its Supplier; provided that the change will not become effective until it is communicated to the Company and reflected in the account information for said Customer. This rate includes, but is not limited to, the cost of Natural Gas and Upstream Pipeline services. The rates charged by Suppliers are established in the competitive free market and are not listed in the Schedule of Rates and Other Charges of this Tariff.

E. Franchise Fee. Franchise fees or charges imposed by any municipality will be charged only to residential and non-industrial, commercial Customers receiving service under this Rate Schedule in such municipality. The appropriate franchise amount shall be set forth as a separate item on that Customer's bill.

F. Other Charges and Fees. In addition to the above charges and fees, any other charges and fees permitted by this Tariff, by PSC order, or by law or regulation may be applied to the Customer's bill, as applicable.

6.3 Notwithstanding any provision of this Section 6, a Supplier may offer a fixed bill pricing option to Customers under which the Customer is billed a fixed monthly amount by the Company and the Supplier pays the Company for all applicable charges that otherwise would have been billed directly to the Customer under this Section.

RATE SCHEDULE CGS
CHOICE GAS SERVICE

7. SUPPLIER QUALIFICATIONS

As a prerequisite to participating in the Choice Gas Program as a qualified Supplier, each Supplier must (a) receive the certification required under the State Natural Gas Regulation Act, and (b) execute, on an annual basis, a Supplier participation agreement in the form tendered by the Company. The conditions for Supplier participation are governed by such Supplier participation agreement. Company may be a Supplier in the Choice Gas Program and will be treated like all other Suppliers under the Code of Conduct Guidelines set forth in Section 38, Code of Conduct, of the General Terms and Conditions of this Tariff.

8. SUPPLIER SELECTION

8.1 All Customers under this Rate Schedule have the option to choose a Gas Supplier from a pool of qualified Suppliers. The list of qualified Suppliers will be provided by the Company. Customer shall pick a gas Supplier from the list and notify the Company of its choice as provided herein.

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.

8.3 A Supplier selection medium(s) will be provided to each Customer before each annual selection period applicable to the Customer. If a Customer does not select a Supplier during the selection period, or if the Company receives an improperly completed selection form which reasonably cannot be interpreted as to the selection made, the Customer's gas supply will be provided during the upcoming twelve (12) month service period by the Customer's current Supplier and price option at a default price that will be determined after the selection period has ended; provided that if such Supplier does not participate as a supplier in the next twelve (12) month program cycle, such Customer will default to the Company as its Supplier. If the Customer chooses to change gas Suppliers to be effective with the June billing cycle of the next twelve (12) month program term, the Customer must notify the Company through an appropriate selection medium returned to the Company, or postmarked, on or before the deadline specified by the Company for the annual selection period. Unless otherwise agreed to by the Customer and the affected Suppliers, in case more than one selection is received from the Customer, the Supplier on the earliest received valid selection will be the Supplier for that Customer.

RATE SCHEDULE CGS
CHOICE GAS SERVICE

8.4 After the completion of Customers' Supplier selections, Suppliers will provide to the Company a list of Customer price options and applicable prices. Suppliers will provide to the Company their default price(s) pursuant to a schedule provided to the Suppliers by the Company. A Supplier may agree during the course of a program year to change the price applicable to one or more of its Customers; provided that the change will not become effective until it is communicated to the Company and reflected in the account information for said Customer(s). Company shall have a reasonable period of time in which to reflect a price change in the account information for a Customer once the change is communicated to the Company. Unless instructed to the contrary by the Supplier, the Company shall bill the Customer the new price on any bill that has begun to be processed after the date that the price change is reflected in the account information for the Customer. Company is entitled to rely upon the pricing information provided to it by Suppliers, and each Supplier must indemnify Company for any costs incurred, or liability arising from, inaccurate pricing information provided to the Company by the Supplier. Company will indemnify a Supplier for any costs incurred, or liability arising from, the Company's failure to bill the price(s) applicable to the Supplier's Customers as communicated to the Company by the Supplier as provided in this section.

8.5 Changes in Gas Suppliers will not be made effective prior to the end of the twelve-month term except as provided herein.

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.

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2.10 "Curtailment" means the inability of a Customer to receive Natural Gas due to a shortage of Natural Gas supply.

2.11 "Customer" means a Jurisdictional end user connected, or requesting to be connected, to the Company's Gas facilities, who has requested sales service or Choice Gas Program service from the Company, executed a Contract for such service with the Company, if required, and complied with all requirements, Contract provisions, applicable Tariff provisions of the Company, and the requirements of any regulatory body having jurisdiction.

2.12 "Customer Charge" means that portion of the amount to be paid monthly by the Customer for sales service, or Choice Gas Program service, which shall be a fixed amount without regard to the sales or Choice Gas Program quantities actually distributed to the Customer by the Company. The Customer Charge applicable to each service offering in this Tariff is set forth in the Schedule of Rates and Other Charges included in this Tariff.

2.13 "Day" or "Daily" means a period of twenty-four (24) consecutive hours beginning at nine o'clock a.m. Central Clock Time and ending at 9:00 a.m. on the following day, or at such other hour as Customer and the Company may agree upon.

2.14 "Distribution" means the movement of Gas through the Company's facilities, including, but not limited to, distribution and transmission facilities.

2.15 "Gas" or "Natural Gas" means any mixture of hydrocarbons or of hydrocarbons and non-combustible gas, in a gaseous state, consisting essentially of methane.

2.16 "Imbalance" means the difference between the Therms of Gas received by the Company for the Customer's or Supplier's account and the Therms of Gas delivered by the Company to the Customer or for the Customer's account at the Customer's Delivery Point(s), with due regard given to the Retention Quantity.

2.17 "Interruption" means a partial or total reduction of the quantities of Gas which the Company otherwise would receive, transport, or deliver to the Customer, whether due to Capacity constraint, construction, maintenance, force majeure, or any other cause whatsoever.

2.18 "Jurisdictional" means any user of Natural Gas with requirements of less than 500 Therms of Natural Gas per Day, based upon average daily usage. "Jurisdictional service" means a service offered by the Company to Jurisdictional Customers. Average daily usage for year-round Customers shall be average daily usage over the prior calendar Year. Average daily usage for seasonal customers shall be average daily usage over the most recent season of Gas usage by the Customer. The Company may elect, in the case of a new Customer or a Customer that is adding additional gas-fired equipment, to make the determination of the Customer's jurisdictional status based upon connected load.

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4.6 In those instances where a single meter measures use for more than one class of service, the class of service provided to the Customer will be deemed to be the service that constitutes the principal use of Natural Gas at such premises; i.e., the service that constitutes more than 50% of the total estimated load. For instance, if 75% of a customer's estimated load is for irrigation service and the remaining 25% represents estimated load for residential service (space heating, cooking, etc.), the Customer will be deemed to be taking irrigation service from the Company.

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5. CUSTOMER DEPOSITS.

5.1 Company may request each Customer to provide credit information to the Company when a request for service is made and may at that time request a security deposit to guarantee payment of current bills. Company also may request a security deposit from an existing Customer. A deposit will be requested if the Company determines that (i) the Customer has an unsatisfactory credit history, (ii) the Customer has established an unsatisfactory payment record with the Company, (iii) the Customer has an outstanding undisputed and unpaid service amount owed the Company, or (iv) the Company otherwise has substantial reason to believe that the Customer represents a payment risk.

5.2 The amount of a security deposit shall not exceed the amount of an average estimated sixty (60) days' bill of the Customer. Company may accept a guarantor, a surety bond or letter of credit in lieu of a deposit. For purposes of establishing deposits and estimating monthly bills, the Company shall consider the length of the time the Customer reasonably can be expected to take service, past consumption history of the subject premises, end use of the service, consumption history of other similar customers, and any applicable provisions of this tariff. If the Company determines that a security deposit previously received from a Customer is insufficient under the criteria of this paragraph, the Company may require an increased deposit from such Customer.

5.3 When the Company requires a deposit or an increased deposit from a Customer, the Customer may pay such deposit or increased deposit in a lump sum, or in up to four (4) equal monthly installments included on the Customer's regular gas service bill. Failure to pay a required deposit is grounds for termination of service by the Company.

5.4 Company is authorized to apply a security deposit to unpaid charges or fees for Gas service authorized by this Tariff at the time that a Customer's service is disconnected for non-payment.

5.5 Simple interest shall be paid by the Company on a Customer deposit. The interest rate will be determined utilizing the U.S. Treasury constant maturities average for the previous 12-month period beginning October 1 and ending September 30, as published in the *Federal Reserve Bulletin*, and shall be the same rate utilized in the Company's Colorado service areas. Such interest shall be applied annually to the Customer's account; or upon return of the deposit, for the time the deposit is held by the Company and the Customer is served by the Company.

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10.2 Contents of Bill.

A. Among other information, the Customer's bill will show the meter reading at the beginning and the end of the period for which the billing is rendered; billed usage; the date of the last reading; the date of the bill; the volume of gas supplied or delivered; the amount of franchise or similar fees, sales tax and fees/tax total due; the amount of any additional charges which are past due, collection, connection, or disconnection charges, installment payments, and other utility charges authorized by Tariff or rule; and the net amount of the bill. If the payment is being made pursuant to Section 11, Balanced Billing Plan, of the General Terms and Conditions, the bill will indicate the accumulated total of actual amounts paid to date as compared to the accumulated total Customer billings determined by the meter usage.

B. Company may include on the bill for utility services other charges for special services. Special services are those not authorized expressly by Tariff, including but not limited to, the sale of merchandise, installation or services performed in connection with merchandising and other non-regulated services. Charges for special services shall be indicated separately from charges for utility service.

10.3 Estimated Bills.

A. Billings of Customer consumption based on estimated usage may be issued under circumstances which include, but are not limited to, extreme weather conditions, emergencies, work stoppages, equipment failures, or other circumstances beyond the Company's control which prevent actual meter readings; when the Company is unable to reasonably obtain access to the Customer's premises for reading the meter. Failure of a Customer to provide the Company access to its meter is grounds for discontinuing service to the Customer under Section 14, Conditions for Refusal or Discontinuance of Service, of these General Terms and Conditions.

B. When the Company issues a bill based on estimated usage, it shall maintain accurate records concerning such estimates, shall indicate on the billing that the usage was estimated, and shall make any appropriate adjustments upon a subsequent reading of the meter in accordance with paragraph 10.4 of this section.

10.4 Adjusted Bills. The Company will adjust bills as permitted or required by the Commission's Natural Gas Pipeline Rules and Regulations. All adjusted bills shall show the credit due to the Customer for amounts paid, or shall show the balance due and payable. A credit may be applied against subsequent billings, and if the amount is greater than \$10.00, the Customer may request a refund. When a balance is due and payable to the Company, the Customer may, upon request, pay the amount in equal monthly installments over a period of time mutually agreed upon by the Customer and the Company that does not exceed the period over which the service covered by the adjusted bill was rendered.

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10.5 Bills, Duplicate Bills, and Failure to Receive Bills. Upon request, the Company shall advise the Customer of its approximate billing date each month. If a bill is not received or is lost, the Company shall, upon the Customer's request, issue a duplicate bill. Failure to receive a bill shall not relieve the Customer from making payment of amounts due as provided for in this Tariff.

10.6 Delinquency and Late Payment. Bills for service to Customers become delinquent if payment is not received by the Company within twenty-five (25) days of the bill date specified on the bill. If the bill becomes delinquent, the Company may charge, per month that the bill remains delinquent, a late payment charge. The late payment charge is set forth on the Schedule of Rates and Other Charges included in this Tariff. If the last calendar day for remittance of a bill payment falls on a Sunday, a legal holiday or other day when the offices of the Company are not open to the general public, the final payment date shall be extended through the next business day.

11. BALANCED BILLING PLAN

11.1 The Balanced Billing Plan provides gas customers with a method of paying for natural gas service in a manner that avoids the substantial fluctuations in monthly bills experienced by Customers not participating in the plan.

11.2 MONTHLY BILL CALCULATION. Monthly bills rendered under this Plan will be calculated as follows:

A. The Company determines the Customer's Average Monthly Bill (AMB), which is rounded to the nearest whole dollar amount and is calculated using the following formulas:

Formula (1):

AMB = Average Daily Cost x number of days in current months' billing period

Formula (2):

Average Daily Cost =
$$\frac{\text{Total Costs}}{\text{\# of days in the Total Costs billing periods}}$$

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15.10 At any hearing held pursuant to Section 15.9, the domestic subscriber may:

A. Be represented by legal counsel or other representative or spokesperson;

B. Examine and copy, not less than three business days prior to such hearing, the utility's file and records pertaining to all matters directly relevant to the dispute or utilized in any way by the utility in reaching the decision to propose termination or to take other action which is the subject of the hearing;

C. Present witnesses and offer evidence;

D. Confront and cross-examine such other witnesses as may appear and testify at the hearing; and

E. Make or have made a record of the proceedings at his or her own expense. Neb. Rev. Stat. § 70-1613.

15.11 In any appeal filed pursuant to Section 15.9, the management office designated by the Company shall notify the domestic subscriber of the time, place, and date scheduled for such hearing. The notice requirements, hearing procedures, and other rights of domestic subscribers shall be set forth in the procedures established under Sections 15.9 through 15.10. Neb. Rev. Stat. § 70-1614.

15.12 Sections 15.2 through 15.12 shall not apply to any disconnections or interruptions of services made necessary by the Company for reasons of repair or maintenance or to protect the health or safety of the domestic subscriber or of the general public. Neb. Rev. Stat. § 70-1615.

15.13 The Company will not disconnect natural gas service to a jurisdictional residential customer for non-payment of bills for natural gas service on any Saturday, Sunday, Nebraska legal holiday or day that the Company's business offices are not open to the public. During the period November 1 through March 31, the Company will delay the act of service disconnection for a period of 30 days where the disconnection is a result of a jurisdictional residential customer's failure to pay bills for natural gas service as required under this Tariff. The Company shall abide by any temporary ban on service disconnections lawfully ordered by the Commission.

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15.14 In order to have service restored during the period November 1 through March 31, in cases where service disconnection is the result of a jurisdictional residential customer's failure to pay bills for natural gas service as required under this Tariff, said Customer must:

- (1) Pay one-fourth (1/4th) of the total arrearage plus the bill for consumption during the most recent billing period for which service was rendered; and
- (2) Enter into an installment payment plan for current and future consumption with the arrearage paid in installments over no less than three (3) months, or over such period as otherwise agreed with the Company.
- (3) Nothing in this section shall be construed as preventing the Customer from agreeing to pay an arrearage in a lump sum, or to establish an alternate payment arrangement with the Company.

The Company is entitled to assess a reconnection charge or deposit requirement on any customer whose service has been disconnected, as provided for in the applicable provisions of this Tariff.

15.15 Transfer of Account Balances. In the event of discontinuance or termination of service, the Company may transfer any unpaid balance to another active account of the Customer. In the event of the failure of the Customer to pay a final bill at any metering point, residence or other location, the Company will not allow the Customer to open any successive service accounts unless the unpaid balance is paid in full or the Customer signs a written payment agreement for the unpaid balance on the previous account.

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16. CHARGES FOR MISCELLANEOUS SERVICES.

Unless waived for good cause, the Company may charge Customer the following amounts:

16.1 Connection Charge. The Company may assess a charge for connecting service to a new Customer upon a request for service. The Connection Charge is set forth on the Schedule of Rates and Other Charges included in this Tariff. If connected after normal working hours, the connection charge may be charged in addition to the Company's after hours call out charges.

16.2 Disconnection Charge. The Company may assess a charge for disconnecting service to a Customer under Section 14 of these General Terms and Conditions. The Disconnection Charge is set forth on the Schedule of Rates and Other Charges included in this Tariff. This charge shall be in addition to the reconnection charge, if any, assessed the Customer for restoration of service following disconnection.

16.3 Reconnection Charge. The Company may assess a reconnection charge after the Customer's service has been disconnected under Section 14 of these General Terms and Conditions. The Reconnection Charge is set forth on the Schedule of Rates and Other Charges included in this Tariff. If reconnected after normal working hours, the reconnection charge may be charged in addition to the Company's after hours call out charges. In addition, the Company may require a security deposit as specified in Section 5 before service is reconnected, and payment of all-outstanding bills for utility service of the Customer.

16.4 After Hours and Holiday Call-Out Charge. This charge shall be established by the Company for service calls occurring after normal working hours, including holidays. The After Hours and Holiday Call-Out Charge is set forth on the Schedule of Rates and Other Charges included in this Tariff.

16.5 Reserved for Future Use.

16.6 Bill Collection Charge. A bill collection charge may be collected from the Customer when a service call is made for discontinuance of service and Customer avoids discontinuance by payment of the delinquent bill or by entering into a written payment agreement with the Company to pay the delinquent bill in installments. The Bill Collection Charge is set forth on the Schedule of Rates and Other Charges included in this Tariff.

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16.7 Missed Appointment Charge. A missed appointment charge may be collected from the Customer when a service call is made by Company personnel upon appointment with the Customer and the Customer is not present to permit the schedule work or business to be performed or conducted. The Missed Appointment Charge is set forth on the Schedule of Rates and Other Charges included in this Tariff.

16.8 Insufficient Funds Check Charge. The Company may require from the Customer the charge allowed by law for each check returned for insufficient funds or returned for any other reason.

17. DELIVERY GAS PRESSURE.

All gas will be delivered at the outlet side of the Company's meter at a pressure of not more than four (4) ounces per square inch gauge pressure. The average atmospheric pressure listed by the United States Weather Bureau will be used to establish the absolute pressure; provided, however, that gas delivered to Customers who require a pressure in excess of four (4) ounces shall be delivered at the pressure established by the Company for that particular installation.

18. MEASUREMENTS.

18.1. The unit of volume for the purpose of measurement and for the determination of total heating value shall be the cubic foot of gas as defined in this Tariff. Volumes of gas measured at prevailing meter pressures and temperatures shall be corrected to the unit of volume defined above by the procedures described below:

A. Orifice Meters: Installation and the determination of volumes delivered through orifice meters shall conform to the recommendations in "Gas Measurement Committee Report Number Three" of the American Gas Association, as amended, revised or superseded from time to time. Values of the orifice thermal expansion factor, manometer factor and gauge location factor shall be assumed to be unity.

B. Turbine Meters: Installation and the determination of volumes delivered through turbine meters shall conform to the recommendations in "Transmission Measurement Committee Report Number Seven" of the American Gas Association, as amended, revised or superseded from time-to-time.

C. Positive Displacement Meters: Installation and the determination of volumes delivered shall conform to the recommendations in "Gas Measurement Manual Displacement Measurement Part Number Two" of the American Gas Association, as amended, revised or superseded from time-to-time.

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19. MEASURING EQUIPMENT.

19.1 Company agrees to install, operate and maintain on its pipeline at or near each point of connection of the facilities of Company and Customer (or another party which is distributing the gas on behalf of Customer), a meter or meters of standard type and design to measure all of the gas to be delivered hereunder. Company also agrees to install, operate and maintain at or near each Point of Delivery such pressure regulating equipment as may be necessary.

19.2 Electronic Flow Measurement (EFM) devices may be installed at the Customer's expense when requested by the Customer or where the Company does not have reasonable access to the Customer's meter due to fences, landscaping, potentially menacing animals or for other reasons outside the Company's control. In instances where the Company installs an EFM device, the Customer will enter into a suitable Facilities Agreement with the Company providing for payment of the all-inclusive cost of acquiring and installing the device.

19.3 Customer may install, operate and maintain, at its own expense, check measuring equipment as it shall desire, provided that check meters and equipment shall be installed so as not to interfere with the operation of Company's meters at or near the Point of Delivery. Company shall have access to check measuring equipment at all reasonable hours but the reading, calibrating and adjusting thereof and changing of charts shall be done only by Customer.

20. METER TESTS.

20.1 Company shall test its meters at reasonable intervals in the presence of Customer's representatives, if Customer so elects. Customer, at its sole expense, may have tests or calibrations of the Company's meters made at reasonable times in the presence of Company's representatives. If, upon any test, measuring equipment is found to be not more than two (2) percent fast or slow, previous readings of such equipment shall be considered correct in computing deliveries of gas; the equipment shall be properly adjusted to record accurately.

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20.2 If for any reason the Company's meters are out of service or out of repair so that the quantity of gas delivered is not correctly indicated by the reading thereof, the gas delivered during the period such meters are out of service or out of repair shall be estimated and agreed upon on the basis of the best data available, using the first of the following methods which shall be feasible:

A. By using the registration of any check meter or meters if installed and accurately registering;

B. By correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation; or

C. By estimating the quantity of delivery by deliveries during preceding period under similar conditions when the meter was registering accurately.

20.3 If the Company institutes a new method or technique of gas measurement, such new method or technique may be substituted by Company in the exercise of its reasonable judgment. Company shall promptly notify Customer of any such new technique adopted and the date of its implementation.

21. INACCURACY OF REGISTRATION AND METER FAILURE.

21.1 Should any meter installed for the account of a Customer fail to register or register inaccurately and during a subsequent test be found to be more than two percent (2%) fast, the Company will refund to the Customer the percentage of the inaccuracy of the billed amount. The Company will refund the percentage of the inaccuracy of the billed amount for the period the meter exceeded the allowed tolerance stated in this section.

21.2 If during the test the Customer's meter is found to be more than two percent (2%) slow, the Company may collect from the Customer the amount estimated to be due for gas not charged for previously billed amounts for a period equal to one-half (1/2) of the time that the meter was in service, but not to exceed twelve months.

22. CUSTOMER METER TEST REQUESTS.

If the Customer requests a test of the accuracy of the Company's meter, the following provisions shall apply:

22.1 If the Company is required under its established testing schedule to make a test of the meter within a period of twelve (12) months from the date of the Customer request, the Company shall make the test requested within a reasonable time and without charge to the Customer.

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22.2 If the Company is not required to make a test of the meter within twelve (12) months, the Company shall notify the Customer that, upon receipt from the Customer of an amount equal to two (2) times the Company's then current standard hourly service charge, the Company will make the test. When tested, if the meter is found to be in error by more than two percent (2%) fast, the Company shall refund to the customer the amount previously advanced. If the meter is not found to be in error by more than two percent (2%) fast, the Company may retain the amount advanced by the customer for the test.

22.3 The Customer may be present when the Company conducts the test or may send an expert or other representative. Following the completion of any such test, the Company shall promptly advise the customer of the date of removal of the meter, the date tested, and the result of the testing.

22.4 If any gas service meter tested is found to be more than two percent (2%) in error, either fast or slow, proper correction shall be made to previous billings for the periods set forth in Section 21.1 or 21.2 of these General Terms and Conditions. If the meter shall have been shown to be in error by the test, an adjusted bill(s) shall be rendered. No refund is required from the Company except to the customer as served by the meter prior to the testing.

23. INSPECTION BY COMPANY.

Customer, when notified in advance, shall permit employees and agents of the Company, when properly identified, to enter upon the property and to enter the customer's premises at reasonable hours for the purposes of inspecting or repairing Company facilities and lines, conducting leak and cathodic protection surveys, visually examining the piping, appliances, and other equipment relating to the Company's service, ascertaining connected loads, or making other safety tests or inspections required by state or federal regulation.

24. LIABILITY.

24.1 The Company shall not be liable for damages of any kind, including consequential damages, to any customer, party or to third persons resulting from the use of the gas service on the customer's premises or from the presence of the Company's appliances or equipment on the customer's premises. Customer agrees to protect the Company's property located on the customer's property or premises from damage and to exercise due care with respect thereto.

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26. CUSTOMER SERVICE CONNECTION, SERVICE LINE AND MAIN EXTENSION POLICY FOR DISTRIBUTION CUSTOMERS.

26.1 Meters and Regulators. Company shall furnish typical domestic and small commercial meters and meter connections free of direct cost to the Customer. Non-typical meters, meter connections, automatic meter reading devices, or electronic flow measurement devices, as determined by the Company may be paid for by the Customer at the Company's discretion. Meters and meter connections are to be set and maintained at or near the Customer's structure; however, in some cases it will be more reasonable to set meters on the Customer's property line or other location. Such determinations will be made solely by the Company. Regardless of the location, the Customer agrees to take reasonable precaution to protect Company's property from damage. The meters and meter connections always remain the property of the Company and may be removed when the service is terminated for any cause.

26.2 Service Line and Main Extension Policy.

A. Statement of Policy

Within the Company's service territory, the Company shall make such reasonable, economically-viable extensions of the mains of its system from time to time as warranted by expansion and development of demand, subject to the Customer's compliance with any prior contractual relationships involving the Company. Service line installations shall be made as provided in Section 25 of the General Terms and Conditions of this Tariff. The Company will not extend its mains to make service connections to provide gas service to any premises located outside of the Company's service area as defined in the Certificates of Public Convenience and Necessity, or any extension thereof, issued to the Company by the Commission.

Notwithstanding any other provision in this Section 26.2, the Company may enter into agreements for service line and/or main extensions with any person or firm (such as Customers, Developers, or Builders) as set forth in Section 26.2.C. The Company may provide the Regular Construction Allowance and Extra Construction Allowance provided herein to any person or firm executing a service line and/or main extension agreement; provided that the Company shall offer only one Regular Construction Allowance and only one Extra Construction Allowance per home or structure attached to its system. Once a person or firm qualifies for the incentive(s) with respect to a home or structure, no other person or firm may qualify for an incentive(s) with respect to that home or structure. A Customer, Developer or Builder seeking an allowance under this section will be advised whether they qualify at the time they enter into the applicable agreement set forth in Section 26.2 C.

Main extensions and service line installations will be performed by the Company or a Company-approved third party contractor. Any and all contractors used for excavation, backfill or construction of service lines or main extensions owned or operated by the Company must be approved by the Company.

Allowances under this section shall be provided by the Company in a non-discriminatory manner.

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B. Definitions

1. Customer - As defined in Section 2.11 of the General Terms and Conditions of this Tariff, as any individually metered end user of gas. A Customer may or may not be a Developer or Builder.
2. Developer - A person or firm that enters into a Gas Service Extension Agreement or a Service Line Agreement for the purpose of developing homes or other structures that will attach to the Company's system. A Developer may or may not also be a Customer.
3. Builder - A person or firm engaged in the business of constructing homes or other structures that will attach to the Company's system. A Builder may or may not also be a Customer.

C. Agreements

1. Main Extensions. Unless undertaken on the Company's initiative and at the Company's expense, main extensions requested by a person or firm shall be made in conformance with the terms of a Gas Service Extension Agreement, as the same may be revised from time to time. The Gas Service Extension Agreement shall provide an estimate of the cost of installing the main extension (and service line installations and other additional facilities if requested by such person or firm), which cost must be paid before the main extension and other applicable facilities will be constructed. The Gas Service Extension Agreement shall specify the terms of the entitlement of the person or firm executing said agreement to the Regular Construction Allowance or Extra Construction Allowance for homes or other structures attaching to the main extension that is the subject of the Gas Service Extension Agreement, subject to the following terms and conditions:
 - i. The cost estimate required to be paid in by the person or firm executing the Gas Service Extension Agreement includes a Contribution in Advance of Construction (which is the amount required to be paid-in that may be refundable under the terms of the agreement) and/or a Contribution in Aid of Construction (which is the amount required to be paid-in that will not be refundable under the terms of the agreement).
 - ii. The Contribution in Advance of Construction may be refundable for a three-year period in the amount stipulated in the agreement for each subsequent Customer connected to the main extension where the home or structure has primary gas heat and a gas water heater or has gas appliance(s) with a comparable annual load. The refunds shall not exceed the total amount of the Contribution in Advance of Construction provided for in said agreement.

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- iii. The Company will own and operate all extensions made under the above mentioned agreements and shall have the right and privilege to extend its system from such extensions without any refund obligation whatsoever with respect to future attachments.

2. Service Line Installations. Service line installations shall be made in conformance with the terms of a Service Line Agreement, as the same may be revised from time to time. The Service Line Agreement shall provide an estimate of the cost of installing the service line; provided, however, that the person or firm executing the Service Line Agreement will be invoiced the actual cost of the service line installation, minus the applicable Regular Construction Allowance in the event that the person or firm qualifies for that allowance.

D. Regular Construction Allowance for New Service Lines and/or Main Extensions

The Regular Construction Allowance for new or replacement service lines and/or main extensions offered to any person or firm within the service area shall be up to \$1,275 where the home or structure has primary gas heat and gas water heating or has gas appliance(s) with a comparable annual load. Such person or firm shall pay any costs (including installation) in excess of \$1,275.

E. Extra Construction Allowance. An Extra Construction Allowance for new Main and/or Service Line extensions offered to new Customers within the service territory shall be available in an amount up to a maximum of the cost of connection (including installation) exceeding the Regular Construction Allowance, but not to exceed the Regular Construction Allowance by:

Up to \$1,900 for Customers selecting the \$20 per month Extra Construction Allowance Charge,
Up to \$2,850 for Customers selecting the \$30 per month Extra Construction Allowance Charge,
Up to \$3,800 for Customers selecting the \$40 per month Extra Construction Allowance Charge, or
Up to \$4,750 for Customers selecting the \$50 per month Extra Construction Allowance Charge.

where:

- (1) The total cost of the service lines and/or main extensions exceeds the Regular Construction Allowance;
- (2) The home or structure has primary gas heat and gas water heating or has gas appliance(s) with a comparable annual load. Customer shall pay any costs (including installation) in excess of the sum of the applicable Regular Construction Allowance (in the event that the Customer is eligible for the Regular Construction Allowance) and the Extra Construction Allowance.
- (3) Only the property owner at the address requesting service is eligible to contract for the Extra Construction Allowance;
- (4) The Company shall establish, and the Customer shall accept, a reimbursement schedule to recover the costs of providing the Extra Construction Allowance, with the reimbursement period not to exceed 180 months and with the cost of recovery calculated to account for the time value of money at a rate equal to 8.40 percent;

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- (5) Customers have the option to make lump sum pay off of any remaining balance associated with the Extra Construction Allowance at any time. When requested by a Customer, the Company will calculate the lump sum payment amount based upon the remaining unpaid Extra Construction Allowance on a specified payment date. A lump sum payment made in full on or before the date specified by the Company will eliminate the Customer's obligation to make further Extra Construction Allowance payments; and
- (6) The liability for the Extra Construction Allowance Charge remains with the premise, such that in the event a new customer becomes responsible for paying the Company for service at that premise, that new customer will assume the responsibility for reimbursing the Company for the remainder of the total amount to be reimbursed. The Company will notify any subsequent Customer upon request for service when that Customer's premise is subject to the Extra Construction Allowance Charge.
- (7) The Company will provide in writing the following information to the Customer when presenting the estimated connection costs and Extra Construction Allowance:
 - i. The 8.40 percent Time Value of Money; and
 - ii. The Extra Construction Allowance Amount and the Time Value of Money amounts over the duration of the payment period; and
 - iii. The Customer has the option to make a lump sum payment at any time during the duration of the repayment period; and
 - iv. A phone number to address Extra Construction Allowance questions and the lump sum payment.

F. Customer specifically agrees that the Company may make additional extensions from the original extension, and the Company shall have the right and privilege to do so without any refund obligation whatsoever to the Customer.

G. Nothing contained herein shall be construed as prohibiting the Company from following a more liberal policy concerning allowances for extensions than that set forth herein when, in the sole judgment of the Company, circumstances warrant a more liberal policy. Notwithstanding, under a more liberal policy, there shall be no discrimination as to the applicants under similar circumstances and conditions.

H. In all cases where it is deemed desirable or necessary by the Company to construct a main extension of greater capacity than that which is required for Customer in order to conform with future plans of the Company, the excess construction cost shall be borne by the Company.

I. The main extension and service line policy shall not apply to mobile homes on rented lots. Main extensions and service lines to serve mobile homes on rented lots shall be installed by the Company or a contractor approved by the Company at the expense of the person or firm requesting the connection, and shall be thereafter maintained by the Company.

26.3 Company shall bear the expense of any required maintenance, repair, or replacement of pipeline or facilities owned by the Company, except as otherwise provided in this Tariff.

GENERAL TERMS AND CONDITIONS

27. RELOCATION OF FACILITIES.

Notwithstanding any provision contained within this Tariff, the Customer will bear the cost of relocating facilities used in the provision of gas service which are located downstream of the service line when made at the Customer's request or when necessary to comply with applicable legal requirements or to mitigate potential or existing safety hazards to property or personnel. The Company may assess a charge, pursuant to the Schedule of Rates and Other Charges, at the Company's current standard hourly service charge for all work performed.

28. INCIDENTAL PURCHASE AND SALE.

28.1 Company may buy and sell gas in connection with the provisions of all services rendered under this Tariff. Company may buy and sell gas to the extent necessary to maintain system pressure, to manage upstream storage, to replenish any upstream storage retained by Company for system operations, to maintain line pack and provide additional line pack for new facilities, to implement any cash-out imbalance procedures, and to perform other functions of Company in connection with services provided. Nothing herein shall impose on Company any obligation to provide a supply function to any Customer, supplier or other party.

28.2 Company will sell gas at any point on the system on a non-discriminatory basis. The purchasing party will be required to arrange with Company the necessary transportation agreements from the point of sale.

29. LIMITATIONS ON OBLIGATIONS.

29.1 Force Majeure.

A. It is expressly agreed that the Company shall not be liable on any account whatsoever to Customer for any failure, interruption or diminution in delivery of gas hereunder or any act, omission or circumstance occasioned by or in consequence of accident to or breakage of pipelines, equipment or machinery, explosions, landslides, earthquakes, fires, lightning, floods, washouts, freezing, storms, the elements, the making of repairs, maintenance, alterations or replacements, strikes, lockouts or other industrial disturbances, riots, insurrections, civil disturbances, pestilence, acts of God or the public enemy, war, legal interferences, orders or requirements of any court of competent authority, government agency, depletion or destruction of gas wells or fields, diminution or failure of, or interference, partial or entire, with Company's natural gas supply, or, and without limitation by the foregoing, any other causes beyond reasonable control of Company. In every case, Company shall exercise diligence to remove any such interference with its delivery of gas and shall resume such delivery at the earliest practical time.

GENERAL TERMS AND CONDITIONS

40. CUSTOMER RETENTION AND ENERGY EFFICIENCY INCENTIVE PROGRAM CHARGE

40.1 Description. The customer retention and energy efficiency incentive program, called High Efficiency Assistance Tool (HEAT), enables the Company to offer an incentive to Jurisdictional Residential and Commercial Service Customers to assist with the costs associated with the purchase and installation of a new, natural gas burning space-heating or water heating appliances and with the costs associated with on-site energy efficiency audits. The HEAT program also enables the Company to offer an incentive to income-qualified Residential customers participating in Nebraska's Low Income Weatherization Assistance Program administered by the Nebraska Energy Office.

40.2 HEAT Charge. A flat monthly HEAT Charge shall be added to the monthly Customer Charge for all jurisdictional Residential and Commercial Service Customers on the effective date of the HEAT Charge.

40.3 Determination of HEAT program costs.

- A. Annual Report. On or before November 1, the Company will submit a report to the Commission detailing HEAT program activity and expenses for the 12-month period ending August 31. The resulting HEAT Charge, as determined below, will be assessed to Customers January 1 through December 31. This process will be repeated each year.
- B. HEAT program expenses which are eligible for inclusion in the determination of the HEAT Charge include only the actual incentive amounts paid.
- C. The report filed by November 1 will include the eligible expenses associated with HEAT as well as the allocation of those expenses as described below. Additionally, the report will state the proposed HEAT Charge to be effective January 1 of the upcoming year.
- D. The Company shall reconcile on an annual basis the eligible expenses related to HEAT program activity with the revenues collected through the HEAT Charge.

GENERAL TERMS AND CONDITIONS

40.4 Determination of HEAT Charge.

- A. The Residential and Commercial HEAT Charges will be determined by dividing the number of forecasted annual Residential and Commercial Service bills into the total of HEAT program costs as determined pursuant to Section 40.3 hereof.
- B. The HEAT Charges will be added to the monthly Customer Charge component of the Customer's bill.

40.5 Discounting. If and when the Company discounts service charges or rates in order to maintain or increase system load, the Account 191 Charge, P-802 Charge and the HEAT Charge shall be discounted, in that order, prior to the discounting of any other components of the base rates.

Schedule D

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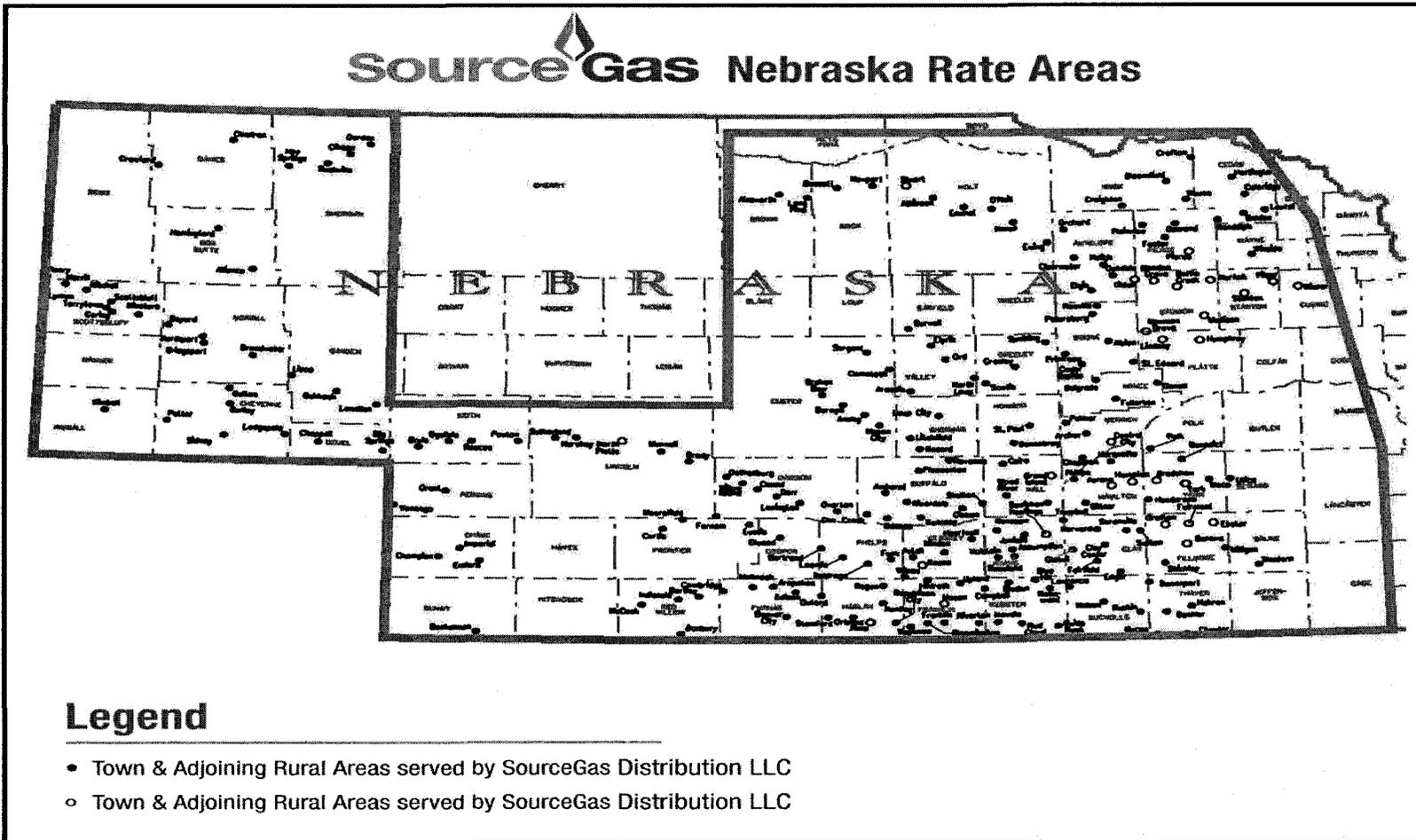
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LIST OF COMMUNITIES SERVED

Ainsworth	Crawford	Holbrook	Overton
Albion	Creighton	Holdrege	Oxford
Alliance	Crofton	Holstein	Palmer
Amherst	Curtis	Huntley	Paxton
Ansley	Dalton	Imperial	Petersburg
Arapahoe	Danbury	Inavale*	Phillips
Arcadia	Dannebrog	Indianola	Plainview
Archer*	Darr*	Inman	Pleasanton
Atlanta	Davenport	Juniata	Polk
Assumption*	Deshler	Kearney	Potter
Atkinson	Doniphan	Keene*	Primrose
Axtell	Edgar	Kenesaw	Raeville*
Bartley	Edison	Kimball	Ragan
Bassett	Elgin	Laurel	Randolph
Bayard	Elm Creek	Lawrence	Ravenna
Beaver City	Elwood	Lewellen	Red Cloud
Belden	Elyria	Lexington	Republican City
Belgrade	Emmet	Lisco*	Riverdale
Benedict	Enders*	Litchfield	Riverton
Benkelman	Eustis	Lodgepole	Roscoe*
Bertrand	Ewing	Long Pine	Roseland
Berwyn	Fairfield	Loomis	Rosemont*
Big Springs	Farnam	Loup City	Rushville
Bladen	Foster	Lyman	Ruskin
Bloomfield	Franklin	Macon*	Sargent
Bloomington	Fullerton	Marquette	Saronville
Blue Hill	Funk	Mason City	Scotia
Brady	Geneva**	Maxwell	Scottsbluff
Bridgeport	Genoa	McCook	Shelton
Broadwater	Gering	Milligan	Shickley
Broken Bow	Gibbon	Minatare	Sidney
Brule	Giltner	Minden	Spalding
Burwell	Glenvil	Mitchell	St. Edward
Byron	Gordon	Moorefield	St. Paul
Cairo	Gothenburg	Morrill	Stamford
Cambridge	Grant	Naponee	Sutherland
Campbell	Greeley	Neligh	Sutton
Cedar Rapids	Guide Rock	Nelson	Terrytown
Chadron	Gurley	Newport	Trumbull
Champion*	Hartington	North Loup	Upland
Chapman	Harvard	Northport	Utica
Chappell	Hay Springs	O'Neill	Venanago
Chester	Hazard	Oakdale	Waco
Clay Center	Heartwell	Odessa*	Wausa
Clearwater	Hebron	Ogallala	Western
Clinton	Hemingford	Orchard	Wilcox
Coleridge	Henderson	Ord	Willow Island*
Comstock	Henry	Orleans	Winside
Cowles	Hershey	Oshkosh	Wood River
Cozad	Hildreth	Osmond	

* Unincorporated

** Applicable annexed area only.



SCHEDULE OF RATES AND OTHER CHARGES

Rate Schedules CGS and ACGS-NSS

Type of Charge	Component	Gas Cost			Total	Adjustment
		Non-Gas Base Rate	Base Rate	Surcharge Rate		

RESIDENTIAL SERVICE - Minimum Monthly Charge is Equal to the Customer Charge

Customer Charge 1/,4/ 15.00 0.48 15.48

Distribution and Commodity Charges, Based on Usage 2/:

First 20	0.5407	0.0000	0.0272	0.0272	0.0000
0.5679					
Over 20	0.1417	0.0000	1548	0.0000	0.0272
0.1689	0.0000	0.1820			

SMALL COMMERCIAL SERVICE - Minimum Monthly Charge is Equal to the Customer Charge

Customer Charge 1/,4/ 25.00 0.48 25.48

Distribution and Commodity Charges, Based on Usage 2/:

First 40	0.5407	0.0000	0.0272	0.0272	0.0000
0.5679					
Over 40	0.1417	0.0000	1548	0.0000	0.0272
0.1689	0.0000	0.1820			

LARGE COMMERCIAL SERVICE - Minimum Monthly Charge is Equal to the Customer Charge

Customer Charge 1/,4/ 60.00 0.48 60.48

Distribution and Commodity Charges, Based on Usage 2/:

First 80	0.5407	0.0000	0.0272	0.0272	0.0000
0.5679					
Over 80	0.1417	0.0000	1548	0.0000	0.0272
0.1689	0.0000	0.1820			

- 1/ Total Customer Charge is \$/month and includes a charge for the HEAT program of \$0.48.
- 2/ Distribution and Commodity Charges are \$/Per Therm.
- 3/ Rate Component Includes:
 1. Contract P-0802 Charge of \$0.0272 per Therm.
- 4/ The In addition to the Customer Charge shall be increased by, an Extra Construction Allowance Charge of \$20.00, \$30.00, \$40.00, or \$50.00 per month will be added to a Customer's bill for premises that avail themselves of the Extra Construction Allowance for the duration of the repayment period, and will appear as a separate line item on the Customer's bill.

5/ Rate Component Includes:

	<u>Residential</u>	<u>Small Commercial</u>	<u>Large Commercial</u>
1. <u>Customer</u>	0.0000	0.0000	0.0000
2. <u>Use per Customer</u>	0.0000	0.0000	0.0000
<u>Total</u>	0.0000	0.0000	0.0000

SCHEDULE OF RATES AND OTHER CHARGES

Other Charges and Fees

Additional Facilities Charge:	As determined by the Company pursuant to Section 8, Additional Facilities, of the General Terms and Conditions, and included in the Facilities Agreement executed by the Company and the Customer(s).
After Hours and Holiday Call-Out Charge:	A charge equal to one-hundred percent (100%) of the applicable hourly rate(s) established by the Company for service calls occurring after normal working hours, and on holidays.
Bill Collection Charge:	A charge equal to fifty percent (50%) of the Company's standard hourly service charge.
Connection Charge:	A charge equal to sixty percent (60%) of the Company's standard hourly service charge.
Continuing Service Charge:	A charge equal to the number of Customer Charges the customer avoided while service was disconnected.
Customer Deposits:	As determined by the Company pursuant to Section 5, Customer Deposits, of the General Terms and Conditions.
Customer Meter Test Request:	A charge equal to two-hundred (200%) of the Company's standard hourly service charge.
Excess Flow Valve Charge:	As determined by the Company pursuant to Section 37, Excess Flow Valves, of the General Terms and Conditions.
Facilities Relocation Charge:	As determined by the Company pursuant to Section 27, Relocation of Facilities, of the General Terms and Conditions.
Insufficient Funds Check Charge:	A charge equal to the maximum charge allowed by law.

SCHEDULE OF RATES AND OTHER CHARGES

Supplier Fee	Administration <u>1/</u>	Bad Debt <u>2/</u>	Total <u>3/</u>
	\$1.094	\$0.701	\$1.795

- 1/ This is a fixed fee, per month, per customer billed for each supplier in the Residential and Commercial Choice Gas Program.
- 2/ The Bad Debt cost portion of the Supplier Fee shall be determined by dividing the total Residential and Commercial Choice Gas Program supplier commodity bad debt write-offs debited to Account No. 144, Accumulated Provision for Uncollectible Accounts during the prior calendar year, by the number of customers billed. The change in this portion of the fee shall be filed with the Commission for their approval by February 15 of each year.
- 3/ This fee is charged to each Residential and Commercial Choice Gas Program participating supplier each month based on the number of customers billed for that supplier.

SHEET NO. 11 RESERVED FOR FUTURE USE

Deleted: S. 10.01 - 15

Issued by: William N. Cantrell, President and CEO
Issued on: September 30, 2011

Effective on: May 1, 2012

RATE SCHEDULE CGS
CHOICE GAS SERVICE

1. AVAILABILITY

This Rate Schedule is available to all Nebraska jurisdictional residential and commercial Customers served by the Company ~~except, through May 31, 2004, to those Customers residing within the corporate boundaries of incorporated Nebraska communities that have not adopted ordinances implementing the Choice Gas Program.~~ Company retains the right to terminate the availability of this Rate Schedule effective with its June billing cycle upon giving ninety (90) days prior written notice to affected Suppliers and Customers and to the PSC.

2. APPLICABILITY

Applicable to residential and commercial service.

3. DESCRIPTION OF SERVICE

The Choice Gas Program provides participating customers the opportunity to select their own gas Suppliers from a pool of qualified competing gas Suppliers. The Customer selects a gas Supplier and notifies the Company of its choice. The Company temporarily releases to such gas Suppliers an amount of firm transportation and no-notice Capacity on the Upstream Pipeline system which will be used by the supplier for the purposes of providing delivery of Customer's gas supply to the Company's system. The Company may retain an amount of firm transportation and no-notice service on the upstream pipeline for backup or emergency use, and recover the cost of such service as provided hereunder. Company agrees to receive from each gas Supplier natural gas for the account of Customer at the Receipt Point(s) and to transport across its system and deliver such volumes of gas, less Retention Quantity, to Customer at the Delivery Point(s).

4. REQUEST FOR SERVICE

Requests for service shall be made in accordance with the General Terms and Conditions of this Tariff. By requesting service, and by accepting such service once initiated, the Customer agrees to abide by, and shall be obligated to comply with, all of the applicable provisions of this Tariff, including the applicable Schedule of Rates and Other Charges, Rate Schedules, and General Terms and Conditions, as amended from time-to-time, as a condition of service.

5. CHOICE GAS PROGRAM RULES

5.1 Service under this rate schedule runs in one-year cycles, from the June billing cycle of one year through the May billing cycle of the succeeding year.

RATE SCHEDULE CGS
CHOICE GAS SERVICE

5.2 Customers must choose their supplier from a pool of qualified Suppliers. Such qualifications are set forth in the Supplier participation agreement executed by the Supplier as a prerequisite to participating as a Supplier under this Rate Schedule. Except for Customers that have subscribed to multi-year supply arrangements as permitted under paragraph 8.6 of this rate schedule, Customers may change their Supplier selection once every twelve months effective at the beginning of the twelve-month program year commencing with the June bill cycle. If the Company does not receive from any Customer, during a selection period applicable to the Customer, a properly completed selection form or other available supplier selection medium that reasonably can be interpreted as to the selection made, such Customer will be served as a default customer during the upcoming twelve-month service period.

5.3 Company will provide Customer lists to Suppliers containing customer names, mailing addresses, telephone numbers, and usage history, by month, for the preceding calendar year; provided, that Suppliers treat the information as confidential, only use such information for purposes directly related to the Choice Gas Program and are expressly prohibited from selling such lists, or otherwise disclosing information from the Customer list to any other person or business entity for any purpose other than marketing of the Choice Gas Program. Company may require Suppliers to sign an agreement protecting the confidentiality of Customer information disclosed under the Choice Gas Program. Information regarding new Customers during the program year will be provided to all Suppliers within five (5) business days of the Company putting the new Customer information into the Company's computer system.

5.4 Absent force majeure, Interruption or Curtailment circumstances, for purposes of billing and allocation of volumes at the Company's custody transfer points with the Upstream Pipeline, Section 13 of this Rate Schedule shall apply. Company shall hold firm transportation and no-notice service on the Upstream Pipeline system, which will be temporarily released to and used by the Customer's Supplier for the purpose of providing delivery of Customer's supply to the Company's system.

5.5 The Supplier Commodity Charge ~~collected from a Supplier's Customers~~ will be ~~forwarded~~ remitted by the Company to the Customer's selected gas Supplier.

6. BILLING AND RATES

6.1 The applicable rates for this service are set forth in the Schedule of Rates and Other Charges of this Tariff. Except with respect to rates negotiated under Section 12, Negotiated Rates, of the General Terms and Conditions, each applicable unit rate under this Rate Schedule shall be a rate not in excess of the maximum unit rate(s) set forth in the Schedule of Rates applicable to this Rate Schedule. Company shall be permitted to discount rates to Customers and to negotiate rates with Customers as permitted by the State Natural Gas Regulation Act.

RATE SCHEDULE CGS
CHOICE GAS SERVICE

6.2 Monthly Bill. Except as provided in paragraph 6.1 of this Rate Schedule, commencing with the month in which service begins under this Rate Schedule and each month thereafter, Company shall charge and Customer shall pay Company the following charges and fees, as the same may be amended from time-to-time:

A. Customer Charge. As set forth in the Schedule of Rates and Other Charges applicable to this Rate Schedule. This charge is billed to each customer as a flat fee per month, and does not vary with gas usage.

b. Distribution Charge. As set forth in the Schedule of Rates and Other Charges applicable to this Rate Schedule under the heading Non-Gas Base Rate Component. This charge equals the distribution charge multiplied by billed usage.

C. Gas Supply Cost Adjustment Charge (CGS). As set forth in the Schedule of Rates applicable to this Rate Schedule under the heading Total Gas Cost. The Gas Supply Cost Adjustment Charge is equal to the rate calculated under Section 7, Gas Supply Cost Adjustment (CGS), of the General Terms and Conditions of this Tariff, multiplied by billed usage.

D. Supplier Commodity Charge. This charge equals the applicable rate agreed to by the Customer and its Supplier, and communicated to the Company as prescribed in this rate schedule, multiplied by billed usage. The applicable rate may be changed by agreement of the Customer and its Supplier; provided that the change will not become effective until it is communicated to the Company and reflected in the account information for said Customer. This rate includes, but is not limited to, the cost of Natural Gas and Upstream Pipeline services. The rates charged by Suppliers are established in the competitive free market and are not listed in the Schedule of Rates and Other Charges of this Tariff.

E. Franchise Fee. Franchise fees or charges imposed by any municipality will be charged only to residential and non-industrial, commercial Customers receiving service under this Rate Schedule in such municipality. The appropriate franchise amount shall be set forth as a separate item on that Customer's bill.

F. Other Charges and Fees. In addition to the above charges and fees, any other charges and fees permitted by this Tariff, by PSC order, or by law or regulation may be applied to the Customer's bill, as applicable.

6.3 Notwithstanding any provision of this Section 6, a Supplier may offer a fixed bill pricing option to Customers under which the Customer is billed a fixed monthly amount by the Company and the Supplier pays the Company for all applicable charges that otherwise would have been billed directly to the Customer under this Section.

RATE SCHEDULE CGS
CHOICE GAS SERVICE

7. SUPPLIER QUALIFICATIONS

As a prerequisite to participating in the Choice Gas Program as a qualified Supplier, each Supplier must (a) receive the certification required under the State Natural Gas Regulation Act, and (b) execute, on an annual basis, a Supplier participation agreement in the form tendered by the Company. The conditions for Supplier participation are governed by such Supplier participation agreement. Company may be a Supplier in the Choice Gas Program and will be treated like all other Suppliers under the Code of Conduct Guidelines set forth in Section 38, Code of Conduct, of the General Terms and Conditions of this Tariff.

8. SUPPLIER SELECTION

8.1 All Customers under this Rate Schedule have the option to choose a Gas Supplier from a pool of qualified Suppliers. The list of qualified Suppliers will be provided by the Company. Customer shall pick a gas Supplier from the list and notify the Company of its choice as provided herein.

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 ~~and any or to such other interested parties~~ 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 ~~an agency authorization~~ 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.

8.3 A Supplier selection medium(s) will be provided to each Customer before each annual selection period applicable to the Customer. If a Customer does not select a Supplier during the selection period, or if the Company receives an improperly completed selection form which reasonably cannot be interpreted as to the selection made, the Customer's gas supply will be provided during the upcoming twelve (12) month service period by the Customer's current Supplier and price option at a default price that will be determined after the selection period has ended; provided that if such Supplier does not participate as a supplier in the next twelve (12) month program cycle, such Customer will default to the Company as its Supplier. If the Customer chooses to change gas Suppliers to be effective with the June billing cycle of the next twelve (12) month program term, the Customer must notify the Company through an appropriate selection medium returned to the Company, or postmarked, on or before the deadline specified by the Company for the annual selection period. Unless otherwise agreed to by the Customer and the affected Suppliers, in

case more than one selection is received from the Customer, the Supplier on the earliest received valid selection will be the Supplier for that Customer.

RATE SCHEDULE CGS
CHOICE GAS SERVICE

~~8.3 A Supplier selection medium(s) will be provided to each Customer annually before each annual selection period. If a Customer does not select a Supplier during the selection period, or if the Company receives an improperly completed selection form which reasonably cannot be interpreted as to the selection made, the Customer's gas supply will be provided during the upcoming twelve (12) month service period by the Customer's current Supplier and price option at a default price that will be determined after the selection period has ended; provided that if such Supplier does not participate as a supplier in the next twelve (12) month program cycle, such Customer will default to the Company as its Supplier. If the Customer chooses to change gas Suppliers to be effective with the June billing cycle of the next twelve (12) month program term, the Customer must notify the Company through an appropriate selection medium returned to the Company, or postmarked, on or before May 1 of the annual selection period. In case more than one selection is received from the Customer, the Supplier on the earliest received valid selection will be the Supplier for that Customer.~~

~~8.4 After the completion of Customers' Supplier selections, Suppliers will provide to the Company a list of Customer price options and applicable prices. All Suppliers will provide to the Company their fixed default price three business days following the date the Suppliers receive the list of default Customers from the Company as a result of the selection form tabulation.~~ 8.4 After the completion of Customers' Supplier selections, Suppliers will provide to the Company a list of Customer price options and applicable prices. Suppliers will provide to the Company their default price(s) pursuant to a schedule provided to the Suppliers by the Company. A Supplier may agree during the course of a program year to change the price applicable to one or more of its Customers; provided that the change will not become effective until it is communicated to the Company and reflected in the account information for said Customer(s). Company shall have a reasonable period of time in which to reflect a price change in the account information for a Customer once the change is communicated to the Company. Unless instructed to the contrary by the Supplier, the Company shall bill the Customer the new price on any bill that has begun to be processed after the date that the price change is reflected in the account information for the Customer. Company is entitled to rely upon the pricing information provided to it by Suppliers, and each Supplier must indemnify Company for any costs incurred, or liability arising from, inaccurate pricing information provided to the Company by the Supplier. Company will indemnify a Supplier for any costs incurred, or liability arising from, the Company's failure to bill the price(s) applicable to the Supplier's Customers as communicated to the Company by the Supplier as provided in this section.

8.5 Changes in Gas Suppliers will not be made effective prior to the end of the twelve-month term except as provided herein.

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.

GENERAL TERMS AND CONDITIONS

2.10 "Curtailment" means the inability of a Customer to receive Natural Gas due to a shortage of Natural Gas supply.

2.11 "Customer" means a Jurisdictional end user connected, or requesting to be connected, to the Company's Gas facilities, who has requested sales service or Choice Gas Program service from the Company, executed a Contract for such service with the Company, if required, and complied with all requirements, Contract provisions, applicable Tariff provisions of the Company, and the requirements of any regulatory body having jurisdiction.

2.12 "Customer Charge" means that portion of the amount to be paid monthly by the Customer for sales service, or Choice Gas Program service, which shall be a fixed amount without regard to the sales or Choice Gas Program quantities actually distributed to the Customer by the Company. The Customer Charge applicable to each service offering in this Tariff is set forth in the Schedule of Rates and Other Charges included in this Tariff.

2.13 "Day" or "Daily" means a period of twenty-four (24) consecutive hours beginning at nine o'clock a.m. Central Clock Time and ending at 9:00 a.m. on the following day, or at such other hour as Customer and the Company may agree upon.

2.14 "Distribution" -means the movement of Gas through the Company's facilities, including, but not limited to, distribution and transmission facilities.

2.15 "Gas" or "Natural Gas" means any mixture of hydrocarbons or of hydrocarbons and non-combustible gas, in a gaseous state, consisting essentially of methane.

2.16 "Imbalance" means the difference between the Therms of Gas received by the Company for the Customer's or Supplier's account and the Therms of Gas delivered by the Company to the Customer or for the Customer's account at the Customer's Delivery Point(s), with due regard given to the Retention Quantity.

2.17 "Interruption" means a partial or total reduction of the quantities of Gas which the Company otherwise would receive, transport, or deliver to the Customer, whether due to Capacity constraint, construction, maintenance, force majeure, or any other cause whatsoever.

2.18 "Jurisdictional" means any user of Natural Gas with requirements of less than 500 Therms of Natural Gas per Day, based upon average daily usage. "Jurisdictional service" means a service offered by the Company to Jurisdictional Customers. Average daily usage for year-round Customers shall be average daily usage over the prior calendar Year. Average daily usage for seasonal customers shall be average daily usage over the most recent season of Gas usage by the Customer. The Company may elect, in the case of a new Customer or a Customer that is adding additional gas-fired equipment, to make the determination of the Customer's jurisdictional status based upon connected load.

GENERAL TERMS AND CONDITIONS

4.6 In those instances where a single meter measures use for more than one class of service, the class of service provided to the Customer will be deemed to be the service that constitutes the principal use of Natural Gas at such premises; i.e., the service that constitutes more than 50% of the total estimated load. For instance, if 75% of a customer's estimated load is for irrigation service and the remaining 25% represents estimated load for residential service (space heating, cooking, etc.), the Customer will be deemed to be taking irrigation service from the Company.

~~4.7 Transportation Service. Any Jurisdictional Customer taking service under a transportation service agreement with the Company as of the effective date of the State Natural Gas Regulation Act shall be permitted to continue service under such agreement through May 31, 2004. Upon the expiration of the transportation service agreement, such Customers shall take service under the applicable Rate Schedule of this Tariff. This extension of transportation service shall apply only to those Jurisdictional Customers that were previously deemed to have exceeded gas usage of 500 Therms per day, as defined in their transportation service agreement.~~

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5. CUSTOMER DEPOSITS.

5.1 Company may request each Customer to provide credit information to the Company when a request for service is made and may at that time request a security deposit to guarantee payment of current bills. Company also may request a security deposit from an existing Customer. A deposit will be requested if the Company determines that (i) the Customer has an unsatisfactory credit history, (ii) the Customer has established an unsatisfactory payment record with the Company, (iii) the Customer has an outstanding undisputed and unpaid service amount owed the Company, or (iv) the Company otherwise has substantial reason to believe that the Customer represents a payment risk.

5.2 The amount of a security deposit shall not exceed the amount of an average estimated ~~ninety (90)~~ ~~sixty (60)~~ days' bill of the Customer. Company may accept a guarantor, a surety bond or letter of credit in lieu of a deposit. For purposes of establishing deposits and estimating monthly bills, the Company shall consider the length of the time the Customer reasonably can be expected to take service, past consumption history of the subject premises, end use of the service, consumption history of other similar customers, and any applicable provisions of this tariff. If the Company determines that a security deposit previously received from a Customer is insufficient under the criteria of this paragraph, the Company may require an increased deposit from such Customer.

5.3 When the Company requires a deposit or an increased deposit from a Customer, the Customer may pay such deposit or increased deposit in a lump sum, or in up to four (4) equal monthly installments included on the Customer's regular gas service bill. Failure to pay a required deposit is grounds for termination of service by the Company.

5.4 Company is authorized to apply a security deposit to unpaid charges or fees for Gas service authorized by this Tariff at the time that a Customer's service is disconnected for non-payment.

5.5 Simple interest shall be paid by the Company on a Customer deposit. The interest rate will be determined utilizing the U.S. Treasury constant maturities average for the previous 12-month period beginning October 1 and ending September 30, as published in the *Federal Reserve Bulletin*, and shall be the same rate utilized in the Company's Colorado service areas. Such interest shall be applied annually to the Customer's account; or upon return of the deposit, for the time the deposit is held by the Company and the Customer is served by the Company.

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10.2 Contents of Bill.

A. Among other information, the Customer's bill will show the meter reading at the beginning and the end of the period for which the billing is rendered; billed usage; the date of the last reading; the date of the bill; the volume of gas supplied or delivered; the amount of franchise or similar fees, sales tax and fees/tax total due; the amount of any additional charges which are past due, collection, connection, or disconnection charges, installment payments, and other utility charges authorized by Tariff or rule; and the net amount of the bill. If the payment is being made pursuant to Section 11, Balanced Billing Plan, of the General Terms and Conditions, the bill will indicate the accumulated total of actual amounts paid to date as compared to the accumulated total Customer billings determined by the meter usage.

B. Company may include on the bill for utility services other charges for special services. Special services are those not authorized expressly by Tariff, including but not limited to, the sale of merchandise, installation or services performed in connection with merchandising and other non-regulated services. Charges for special services shall be indicated separately from charges for utility service.

10.3 Estimated Bills.

A. Billings of Customer consumption based on estimated usage may be issued under circumstances which include, but are not limited to, extreme weather conditions, emergencies, work stoppages, equipment failures, or other circumstances beyond the Company's control which prevent actual meter readings; when the Company is unable to reasonably obtain access to the Customer's premises for reading the meter. Failure of a Customer to provide the Company access to its meter is grounds for discontinuing service to the Customer under Section 14, Conditions for Refusal or Discontinuance of Service, of these General Terms and Conditions.

B. When the Company issues a bill based on estimated usage, it shall maintain accurate records concerning such estimates, shall indicate on the billing that the usage was estimated, and shall make any appropriate adjustments upon a subsequent reading of the meter in accordance with paragraph 10.4 of this section.

10.4 Adjusted Bills. The Company will adjust bills as permitted or required by the Commission's Natural Gas Pipeline Rules and Regulations. All adjusted bills shall show the credit due to the Customer for amounts paid, or shall show the balance due and payable. A credit may be applied against subsequent billings, and if the amount is greater than \$10.00, the Customer may request a refund. When a balance is due and payable to the Company, the Customer may, upon request, pay the amount in equal monthly installments over a period of time mutually agreed upon by the Customer and the Company that does not exceed the period over which the service covered by the adjusted bill was rendered.

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10.5 Bills, Duplicate Bills, and Failure to Receive Bills. Upon request, the Company shall advise the Customer of its approximate billing date each month. If a bill is not received or is lost, the Company shall, upon the Customer's request, issue a duplicate bill. Failure to receive a bill shall not relieve the Customer from making payment of amounts due as provided for in this Tariff.

10.6 Delinquency and Late Payment. Bills for service to Customers become delinquent if payment is not received by the Company within twenty-five (25) days of the bill date specified on the bill. If the bill becomes delinquent, the Company may charge, per month that the bill remains delinquent, a late payment charge ~~of five percent (5%) on the first \$20.00 of the bill, plus two percent (2%) on the excess over \$20.00.~~ The late payment charge is set forth on the Schedule of Rates and Other Charges included in this Tariff. If the last calendar day for remittance of a bill payment falls on a Sunday, a legal holiday or other day when the offices of the Company are not open to the general public, the final payment date shall be extended through the next business day.

11. BALANCED BILLING PLAN

11.1 The Balanced Billing Plan provides gas customers with a method of paying for natural gas service in a manner that avoids the substantial fluctuations in monthly bills experienced by Customers not participating in the plan.

11.2 MONTHLY BILL CALCULATION. Monthly bills rendered under this Plan will be calculated as follows:

A. The Company determines the Customer's Average Monthly Bill (AMB), which is rounded to the nearest whole dollar amount and is calculated using the following formulas:

Formula (1):

AMB = Average Daily Cost x number of days in current months' billing period

Formula (2):

Average Daily Cost =
$$\frac{\text{Total Costs}}{\text{\# of days in the Total Costs billing periods}}$$

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15.10 At any hearing held pursuant to Section 15.9, the domestic subscriber may:

- A. Be represented by legal counsel or other representative or spokesperson;
- B. Examine and copy, not less than three business days prior to such hearing, the utility's file and records pertaining to all matters directly relevant to the dispute or utilized in any way by the utility in reaching the decision to propose termination or to take other action which is the subject of the hearing;
- C. Present witnesses and offer evidence;
- D. Confront and cross-examine such other witnesses as may appear and testify at the hearing; and
- E. Make or have made a record of the proceedings at his or her own expense. Neb. Rev. Stat. § 70-1613.

15.11 In any appeal filed pursuant to Section 15.9, the management office designated by the Company shall notify the domestic subscriber of the time, place, and date scheduled for such hearing. The notice requirements, hearing procedures, and other rights of domestic subscribers shall be set forth in the procedures established under Sections 15.9 through 15.10. Neb. Rev. Stat. § 70-1614.

15.12 Sections 15.2 through 15.12 shall not apply to any disconnections or interruptions of services made necessary by the Company for reasons of repair or maintenance or to protect the health or safety of the domestic subscriber or of the general public. Neb. Rev. Stat. § 70-1615.

15.13 ~~Transfer~~ The Company will not disconnect natural gas service to a jurisdictional residential customer for non-payment of Account Balances. Inbills for natural gas service on any Saturday, Sunday, Nebraska legal holiday or day that the event of discontinuance or termination of service, Company's business offices are not open to the Company may transfer any unpaid balance to another active account of the Customer. In the event of the failure of the Customer to pay a final bill at any metering point, residence or other location, the Company will not allow the Customer to open any successive service accounts unless the unpaid balance is paid in full or the Customer signs a written payment agreement for the unpaid balance on the previous account-public. During the period November 1 through March 31, the Company will delay the act of service disconnection for a period of 30 days where the disconnection is a result of a jurisdictional residential customer's failure to pay bills for natural gas service as required under this Tariff. The Company shall abide by any temporary ban on service disconnections lawfully ordered by the Commission.

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16. CHARGES FOR MISCELLANEOUS SERVICES.

Unless waived for good cause, the Company may charge Customer the following amounts:

16.1 Connection Charge. The Company may assess a charge equal to fifty percent (50%) of the Company's then current standard hourly service charge for connecting service to a new Customer upon a request for service. The Connection Charge is set forth on the Schedule of Rates and Other Charges included in this Tariff. If connected after normal working hours, the connection charge may be charged in addition to the Company's after hours call out charges.

16.2. Disconnection Charge. The Company may assess a charge equal to fifty percent (50%) of the Company's then current standard hourly service charge for disconnecting service to a Customer under Section 1514 of these General Terms and Conditions. The Disconnection Charge is set forth on the Schedule of Rates and Other Charges included in this Tariff. This charge shall be in addition to the reconnection charge, if any, assessed the Customer for restoration of service following disconnection.

16.3 Reconnection Charge. The Company may assess a reconnection charge after the Customer's service has been disconnected under Section 1514 of these General Terms and Conditions shall be one hundred percent (100%) of the Company's then current standard hourly service charge. The Reconnection Charge is set forth on the Schedule of Rates and Other Charges included in this Tariff. If reconnected after normal working hours, the reconnection charge may be charged in addition to the Company's after hours call out charges. In addition, the Company may require a security deposit as specified in Section 5 before service is reconnected, and payment of all-outstanding bills for utility service of the Customer.

16.4 After Hours and Holiday Call-Out Charge. This charge shall be equal to one hundred percent (100%) of the applicable hourly rate(s) established by the Company for service calls occurring after normal working hours, including holidays. The After Hours and Holiday Call-Out Charge is set forth on the Schedule of Rates and Other Charges included in this Tariff.

~~16.5 Continuing Service Charge. If a Customer requests reconnection of service within one (1) year at the same location of a service which the Customer has terminated or has had disconnected, upon reconnection the former Customer will be billed a Continuing Service Charge equal to the number of Customer Charges the Customer avoided while service was disconnected.~~

16.5 Reserved for Future Use.

16.6 Delinquent Bill Collection Charge. A bill collection charge equal to fifty percent (50%) of the Company's then current standard hourly service

~~Charge~~ may be collected from the Customer when a service call is made for discontinuance of service and Customer avoids discontinuance by payment of the delinquent bill or by entering into a written payment agreement with the Company to pay the delinquent bill in installments. The Bill Collection Charge is set forth on the Schedule of Rates and Other Charges included in this Tariff.

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16.7 Missed Appointment Charge. A missed appointment charge ~~equal to fifty (50%) of the Company's then current standard hourly service charge~~ may be collected from the Customer when a service call is made by Company personnel upon appointment with the Customer and the Customer is not present to permit the schedule work or business to be performed or conducted. The Missed Appointment Charge is set forth on the Schedule of Rates and Other Charges included in this Tariff.

16.8 Insufficient Funds Check Charge. The Company may require from the Customer the charge allowed by law for each check returned for insufficient funds or returned for any other reason.

17. DELIVERY GAS PRESSURE.

All gas will be delivered at the outlet side of the Company's meter at a pressure of not more than four (4) ounces per square inch gauge pressure. The average atmospheric pressure listed by the United States Weather Bureau will be used to establish the absolute pressure; provided, however, that gas delivered to Customers who require a pressure in excess of four (4) ounces shall be delivered at the pressure established by the Company for that particular installation.

18. MEASUREMENTS.

18.1. The unit of volume for the purpose of measurement and for the determination of total heating value shall be the cubic foot of gas as defined in this Tariff. Volumes of gas measured at prevailing meter pressures and temperatures shall be corrected to the unit of volume defined above by the procedures described below:

A. Orifice Meters: Installation and the determination of volumes delivered through orifice meters shall conform to the recommendations in "Gas Measurement Committee Report Number Three" of the American Gas Association, as amended, revised or superseded from time to time. Values of the orifice thermal expansion factor, manometer factor and gauge location factor shall be assumed to be unity.

B. Turbine Meters: Installation and the determination of volumes delivered through turbine meters shall conform to the recommendations in "Transmission Measurement Committee Report Number Seven" of the American Gas Association, as amended, revised or superseded from time-to-time.

C. Positive Displacement Meters: Installation and the determination of volumes delivered shall conform to the recommendations in "Gas Measurement Manual Displacement Measurement Part Number Two" of the American Gas Association, as amended, revised or superseded from time-to-time.

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19. MEASURING EQUIPMENT.

19.1 Company agrees to install, operate and maintain on its pipeline at or near each point of connection of the facilities of Company and Customer (or another party which is distributing the gas on behalf of Customer), a meter or meters of standard type and design to measure all of the gas to be delivered hereunder. Company also agrees to install, operate and maintain at or near each Point of Delivery such pressure regulating equipment as may be necessary.

19.2 ~~Automatic Meter Reading (AMR) devices or~~ Electronic Flow Measurement (EFM) devices may be installed at the Customer's expense when requested by the Customer or where the Company does not have reasonable access to the Customer's meter due to fences, landscaping, potentially menacing animals or for other reasons outside the Company's control. In instances where the Company installs an ~~AMR or~~ EFM device, the Customer will enter into a suitable Facilities Agreement with the Company providing for payment of the all-inclusive cost of acquiring and installing the device.

19.3 Customer may install, operate and maintain, at its own expense, check measuring equipment as it shall desire, provided that check meters and equipment shall be installed so as not to interfere with the operation of Company's meters at or near the Point of Delivery. Company shall have access to check measuring equipment at all reasonable hours but the reading, calibrating and adjusting thereof and changing of charts shall be done only by Customer.

20. METER TESTS.

20.1 Company shall test its meters at reasonable intervals in the presence of Customer's representatives, if Customer so elects. Customer, at its sole expense, may have tests or calibrations of the Company's meters made at reasonable times in the presence of Company's representatives. If, upon any test, measuring equipment is found to be not more than two (2) percent fast or slow, previous readings of such equipment shall be considered correct in computing deliveries of gas; the equipment shall be properly adjusted to record accurately.

GENERAL TERMS AND CONDITIONS

20.2 If for any reason the Company's meters are out of service or out of repair so that the quantity of gas delivered is not correctly indicated by the reading thereof, the gas delivered during the period such meters are out of service or out of repair shall be estimated and agreed upon on the basis of the best data available, using the first of the following methods which shall be feasible:

A. By using the registration of any check meter or meters if installed and accurately registering;

B. By correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation; or

C. By estimating the quantity of delivery by deliveries during preceding period under similar conditions when the meter was registering accurately.

20.3 If the Company institutes a new method or technique of gas measurement, such new method or technique may be substituted by Company in the exercise of its reasonable judgment. Company shall promptly notify Customer of any such new technique adopted and the date of its implementation.

21. INACCURACY OF REGISTRATION AND METER FAILURE.

21.1 Should any meter installed for the account of a Customer fail to register or register inaccurately and during a subsequent test be found to be more than two percent (2%) fast, the Company will refund to the Customer the percentage of the inaccuracy of the billed amount. The Company will refund the percentage of the inaccuracy of the billed amount for the period ~~of six (6) months immediately preceding the removal of the meter from service for the test, or for the time the meter was exceeded the allowed tolerance stated in service, but not to exceed six (6) months~~ this section.

21.2 If during the test the Customer's meter is found to be more than two percent (2%) slow, the Company may collect from the Customer the amount estimated to be due for gas not charged for previously billed amounts, ~~but not to exceed the six month for a period prior teequal to one-half (1/2) of the time that the testmeter was in service, but not to exceed twelve months.~~

22. CUSTOMER METER TEST REQUESTS.

If the Customer requests a test of the accuracy of the Company's meter, the following provisions shall apply:

22.1 If the Company is required under its established testing schedule to make a test of the meter within a period of twelve (12) months from the

date of the Customer request, the Company shall make the test requested within a reasonable time and without charge to the Customer.

GENERAL TERMS AND CONDITIONS

22.2 If the Company is not required to make a test of the meter within twelve (12) months, the Company shall notify the Customer that, upon receipt from the Customer of an amount equal to two (2) times the Company's then current standard hourly service charge, the Company will make the test. When tested, if the meter is found to be in error by more than two percent (2%) fast, the Company shall refund to the customer the amount previously advanced. If the meter is not found to be in error by more than two percent (2%) fast, the Company may retain the amount advanced by the customer for the test.

22.3 The Customer may be present when the Company conducts the test or may send an expert or other representative. Following the completion of any such test, the Company shall promptly advise the customer of the date of removal of the meter, the date tested, and the result of the testing.

22.4 If any gas service meter tested is found to be more than two percent (2%) in error, either fast or slow, proper correction shall be made to previous billings for the ~~periods set forth in Section 21.1 or 21.2 of six (6) months immediately preceding the removal of the meter from service for the test, or for the time the meter was in service, but not to exceed six (6) months~~ these General Terms and Conditions. If the meter shall have been shown to be in error by the test, an adjusted bill(s) shall be rendered. No refund is required from the Company except to the customer as served by the meter prior to the testing.

23. INSPECTION BY COMPANY.

Customer, when notified in advance, shall permit employees and agents of the Company, when properly identified, to enter upon the property and to enter the customer's premises at reasonable hours for the purposes of inspecting or repairing Company facilities and lines, conducting leak and cathodic protection surveys, visually examining the piping, appliances, and other equipment relating to the Company's service, ascertaining connected loads, or making other safety tests or inspections required by state or federal regulation.

24. LIABILITY.

24.1 The Company shall not be liable for damages of any kind, including consequential damages, to any customer, party or to third persons resulting from the use of the gas service on the customer's premises or from the presence of the Company's appliances or equipment on the customer's premises. Customer agrees to protect the Company's property located on the customer's property or premises from damage and to exercise due care with respect thereto.

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26. CUSTOMER SERVICE CONNECTION, SERVICE LINE AND MAIN EXTENSION POLICY FOR DISTRIBUTION CUSTOMERS.

26.1 Meters and Regulators. Company shall furnish typical domestic and small commercial meters and meter connections free of direct cost to the Customer. Non-typical meters, meter connections, automatic meter reading devices, or electronic flow measurement devices, as determined by the Company may be paid for by the Customer at the Company's discretion. Meters and meter connections are to be set and maintained at or near the Customer's structure; however, in some cases it will be more reasonable to set meters on the Customer's property line or other location. Such determinations will be made solely by the Company. Regardless of the location, the Customer agrees to take reasonable precaution to protect Company's property from damage. The meters and meter connections always remain the property of the Company and may be removed when the service is terminated for any cause.

26.2 Service Line and Main Extension Policy.

~~A. Within the Company's service territory, the Company shall make such reasonable, economically viable extensions of the mains of its system from time to time as warranted by expansion and development of demand, subject to the Customer's compliance with any prior contractual relationships involving the Company.~~

A. Statement of Policy

~~B. The Regular Construction Allowance for new or replacement service lines and/or main extensions offered to Customers within the service area shall be up to \$1,210 where the home or structure has primary gas heat and gas water heating or has gas appliance(s) with a comparable annual load. Customer shall pay any costs (including installation) in excess of \$1,210. Installation will be performed by the Company or a Company approved third party contractor.~~

Within the Company's service territory, the Company shall make such reasonable, economically-viable extensions of the mains of its system from time to time as warranted by expansion and development of demand, subject to the Customer's compliance with any prior contractual relationships involving the Company. Service line installations shall be made as provided in Section 25 of the General Terms and Conditions of this Tariff. The Company will not extend its mains to make service connections to provide gas service to any premises located outside of the Company's service area as defined in the Certificates of Public Convenience and Necessity, or any extension thereof, issued to the Company by the Commission.

~~C. EXTRA CONSTRUCTION ALLOWANCE. An Extra Construction Allowance for new Main and/or Service Line extensions offered to new Customers within the service territory shall be available in an amount up to a maximum of the cost of connection exceeding Regular Construction Allowance, but not to exceed \$3,960 above the Regular Construction Allowance where:~~

Notwithstanding any other provision in this Section 26.2, the Company may enter into agreements for service line and/or main extensions with any person or firm (such as

Customers, Developers, or Builders) as set forth in Section 26.2.C. The Company may provide the Regular Construction Allowance and Extra Construction Allowance provided herein to any person or firm executing a service line and/or main extension agreement; provided that the Company shall offer only one Regular Construction Allowance and only one Extra Construction Allowance per home or structure attached to its system. Once a person or firm qualifies for the incentive(s) with respect to a home or structure, no other person or firm may qualify for an incentive(s) with respect to that home or structure. A Customer, Developer or Builder seeking an allowance under this section will be advised whether they qualify at the time they enter into the applicable agreement set forth in Section 26.2 C.

~~(1) The cost of service lines and/or main extensions;~~
Main extensions and service line installations will be performed by the Company or a Company-approved third party contractor. Any and all contractors used for excavation, backfill or construction of service lines or main extensions owned or operated by the Company must be approved by the Company.

~~(2) In addition to the other rates paid for service from the Company, the customer has agreed to reimburse the Company at a rate of \$40 per month, until the cost of extending the amount of the connection costs exceeding the sum of the Regular Construction Allowance up to \$3,960 has been recovered, where such monthly payments shall not exceed a total reimbursement of \$7,200.~~
Allowances under this section shall be provided by the Company in a non-discriminatory manner.

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- ~~(3) Only the property owner at the address requesting service is eligible to contract for the Extra Construction Allowance;~~
- ~~(4) The Company shall establish a reimbursement schedule to recover the costs of providing the Extra Construction Allowance, with the reimbursement period not to exceed 180 months and with the cost of recovery calculated to account for the time value of money at a rate equal to the Company's Commission authorized rate of return on ratebase of 7.801 percent;~~
- B. Definitions
- ~~(5) Customer shall pay all costs (including installation) in excess of the applicable Regular Construction Allowance.~~
1. Customer - As defined in Section 2.11 of the General Terms and Conditions of this Tariff, as any individually metered end user of gas. A Customer may or may not be a Developer or Builder.
- ~~(6) Customers have the option to make lump sum pay off of any remaining balance associated with the Extra Construction Allowance at any time. When requested by a Customer, the Company will calculate the lump sum payment amount based upon the remaining unpaid Extra Construction Allowance on a specified payment date. A lump sum payment made in full on or before the date specified by the Company will eliminate the Customer's obligation to make further Extra Construction Allowance payments; and~~
2. Developer - A person or firm that enters into a Gas Service Extension Agreement or a Service Line Agreement for the purpose of developing homes or other structures that will attach to the Company's system. A Developer may or may not also be a Customer.
- ~~(7) The liability for the \$40 per month Extra Construction Allowance Charge remains with the premise, such that in the event a new customer becomes responsible for paying the Company for service at that premise, that new customer will assume the responsibility for reimbursing the Company at a rate of \$40 per month for the remainder of the total amount to be reimbursed not to exceed \$7,200. The Company will notify any subsequent Customer upon request for service when that Customer's premise is subject to the \$40 per month Extra Construction Allowance Charge.~~
3. Builder - A person or firm engaged in the business of constructing homes or other structures that will attach to the Company's system. A Builder may or may not also be a Customer.

~~D. The Customer may request and may be allowed, at the Company's sole discretion, access to additional financial participation by the Company if a Customer has connected loads in excess of 150,000 BTU per hour. Total financial participation by Company shall not exceed \$1,210 in main extension and/or service line contributions, unless the additional investment is made on a sound economic basis, and is applied in a non-discriminatory fashion to all applicants under similar circumstances and conditions.~~

C. Agreements

~~E. Any and all contractors used for excavation, backfill, or construction of service lines or main extensions owned or operated by the Company must be approved by the Company.~~

1. Main Extensions. Unless undertaken on the Company's initiative and at the Company's expense, main extensions requested by a person or firm shall be made in conformance with the terms of a Gas Service Extension Agreement, as the same may be revised from time to time. The Gas Service Extension Agreement shall provide an estimate of the cost of installing the main extension (and service line installations and other additional facilities if requested by such person or firm), which cost must be paid before the main extension and other applicable facilities will be constructed. The Gas Service Extension Agreement shall specify the terms of the entitlement of the person or firm executing said agreement to the Regular Construction Allowance or Extra Construction Allowance for homes or other structures attaching to the main extension that is the subject of the Gas Service Extension Agreement, subject to the following terms and conditions:

i. The cost estimate required to be paid in by the person or firm executing the Gas Service Extension Agreement includes a Contribution in Advance of Construction (which is the amount required to be paid-in that may be refundable under the terms of the agreement) and/or a Contribution in Aid of Construction (which is the amount required to be paid-in that will not be refundable under the terms of the agreement).

ii. The Contribution in Advance of Construction may be refundable for a three-year period in the amount stipulated in the agreement for each subsequent Customer connected to the main extension where the home or structure has primary gas heat and a gas water heater or has gas appliance(s) with a comparable annual load. The refunds shall not exceed the total amount of the Contribution in Advance of Construction provided for in said agreement.

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~~F. The Customer will be responsible for all main extension and service line costs in excess of \$1,210 as described above. In addition, the Customer will sign a three year agreement covering Advances for Construction for the excess cost amount paid to the Company for main extensions. The excess cost paid to the Company may be refundable for the three year period in the amount stipulated in the agreement for each subsequent Customer connected to the main extension where the home or structure has primary gas heat and a gas water heater or has gas appliance(s) with a comparable annual load. The refunds will not exceed the total amount of the contribution in advance to construction.~~

- (5) Customers have the option to make lump sum pay off of any remaining balance associated with the Extra Construction Allowance at any time. When requested by a Customer, the Company will calculate the lump sum payment amount based upon the remaining unpaid Extra Construction Allowance on a specified payment date. A lump sum payment made in full on or before the date specified by the Company will eliminate the Customer's obligation to make further Extra Construction Allowance payments; and

~~G. Customer specifically agrees that the Company may make additional extensions from the original extension, and the Company shall have the right and privilege to do so without any refund obligation whatsoever to the Customer.~~

- (6) The liability for the Extra Construction Allowance Charge remains with the premise, such that in the event a new customer becomes responsible for paying the Company for service at that premise, that new customer will assume the responsibility for reimbursing the Company for the remainder of the total amount to be reimbursed. The Company will notify any subsequent Customer upon request for service when that Customer's premise is subject to the Extra Construction Allowance Charge.

~~H. Nothing contained herein shall be construed as prohibiting the Company from following a more liberal policy concerning free extensions than that set forth herein when, in the sole judgment of the Company, circumstances warrant a more liberal policy. Notwithstanding, under a more liberal policy, there shall be no discrimination as to the applicants under similar circumstances and conditions.~~

- (7) The Company will provide in writing the following information to the Customer when presenting the estimated connection costs and Extra Construction Allowance:

~~I. The Company does not undertake to extend its mains or to make service connections to provide gas service to any Customer's premises located outside of the Company's service area.~~

- i. The 8.40 percent Time Value of Money; and

~~J. In all cases where it is deemed desirable or necessary by the Company to construct a main extension of greater capacity than that which is required for Customer in order to conform with future plans of the Company, the excess construction cost shall be borne by the Company.~~

- ii. The Extra Construction Allowance Amount and the Time Value of Money amounts over the duration of the payment period; and

- iii. The Customer has the option to make a lump sum payment at any time during the duration of the repayment period; and

iv. A phone number to address Extra Construction Allowance questions and the lump sum payment.

~~K. The main extension and service line policy shall not apply to mobile homes on rented lots. Main extensions and service lines to serve mobile homes on rented lots shall be installed by the Company or a contractor approved by the Company at the Customer's expense, and shall be thereafter maintained by the Company.~~

F. Customer specifically agrees that the Company may make additional extensions from the original extension, and the Company shall have the right and privilege to do so without any refund obligation whatsoever to the Customer.

~~26.3 Company shall bear the expense of any required maintenance, repair, or replacement of pipeline or facilities owned by the Company, except as otherwise provided in this Tariff.~~

G. Nothing contained herein shall be construed as prohibiting the Company from following a more liberal policy concerning allowances for extensions than that set forth herein when, in the sole judgment of the Company, circumstances warrant a more liberal policy. Notwithstanding, under a more liberal policy, there shall be no discrimination as to the applicants under similar circumstances and conditions.

H. In all cases where it is deemed desirable or necessary by the Company to construct a main extension of greater capacity than that which is required for Customer in order to conform with future plans of the Company, the excess construction cost shall be borne by the Company.

I. The main extension and service line policy shall not apply to mobile homes on rented lots. Main extensions and service lines to serve mobile homes on rented lots shall be installed by the Company or a contractor approved by the Company at the expense of the person or firm requesting the connection, and shall be thereafter maintained by the Company.

26.3 Company shall bear the expense of any required maintenance, repair, or replacement of pipeline or facilities owned by the Company, except as otherwise provided in this Tariff.

GENERAL TERMS AND CONDITIONS

27. RELOCATION OF FACILITIES.

Notwithstanding any provision contained within this Tariff, the Customer will bear the cost of relocating facilities used in the provision of gas service which are located downstream of the service line when made at the Customer's request or when necessary to comply with applicable legal requirements or to mitigate potential or existing safety hazards to property or personnel. The Company may assess a charge, pursuant to the Schedule of Rates and Other Charges, at the Company's current standard hourly service charge for all work performed.

28. INCIDENTAL PURCHASE AND SALE.

28.1 Company may buy and sell gas in connection with the provisions of all services rendered under this Tariff. Company may buy and sell gas to the extent necessary to maintain system pressure, to manage upstream storage, to replenish any upstream storage retained by Company for system operations, to maintain line pack and provide additional line pack for new facilities, to implement any cash-out imbalance procedures, and to perform other functions of Company in connection with services provided. Nothing herein shall impose on Company any obligation to provide a supply function to any Customer, supplier or other party.

28.2 Company will sell gas at any point on the system on a non-discriminatory basis. The purchasing party will be required to arrange with Company the necessary transportation agreements from the point of sale.

29. LIMITATIONS ON OBLIGATIONS.

29.1 Force Majeure.

A. It is expressly agreed that the Company shall not be liable on any account whatsoever to Customer for any failure, interruption or diminution in delivery of gas hereunder or any act, omission or circumstance occasioned by or in consequence of accident to or breakage of pipelines, equipment or machinery, explosions, landslides, earthquakes, fires, lightning, floods, washouts, freezing, storms, the elements, the making of repairs, maintenance, alterations or replacements, strikes, lockouts or other industrial disturbances, riots, insurrections, civil disturbances, pestilence, acts of God or the public enemy, war, legal interferences, orders or requirements of any court of competent authority, government agency, depletion or destruction of gas wells or fields, diminution or failure of, or interference, partial or entire, with Company's natural gas supply, or, and without limitation by the foregoing, any other causes beyond reasonable control of Company. In every case, Company shall exercise diligence to remove any such interference with its delivery of gas and shall resume such delivery at the earliest practical time.

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40. CUSTOMER RETENTION AND ENERGY EFFICIENCY INCENTIVE PROGRAM CHARGE

40.1 Description. The customer retention and energy efficiency incentive program, called High Efficiency Assistance Tool (HEAT), enables the Company to offer an incentive to Jurisdictional Residential and Commercial Service Customers to assist with the costs associated with the purchase and installation of a new, natural gas burning space-heating or water heating appliances. ~~The HEAT program shall conclude August 31, 2014, and with the HEAT Charge ending December 31, 2015, subject to renewal by the application of the Company and approval by the Commission.~~ costs associated with on-site energy efficiency audits. The HEAT program also enables the Company to offer an incentive to income-qualified Residential customers participating in Nebraska's Low Income Weatherization Assistance Program administered by the Nebraska Energy Office.

40.2 HEAT Charge. A flat monthly HEAT Charge shall be added to the monthly Customer Charge for all jurisdictional Residential and Commercial Service Customers on the effective date of the HEAT Charge.

40.3 Determination of HEAT program costs.

- A. Annual Report. On or before November 1, the Company will submit a report to the Commission detailing HEAT program activity and expenses for the 12-month period ending August 31. The resulting HEAT Charge, as determined below, will be assessed to Customers January 1 through December 31. This process will be repeated each year ~~with the HEAT Charge ending December 31, 2015.~~
- B. HEAT ~~Expenses~~ program expenses which are eligible for inclusion in the determination of the HEAT Charge include only the actual incentive amounts paid.
- C. The report filed by November 1 will include the eligible expenses associated with HEAT as well as the allocation of those expenses as described below. Additionally, the report will state the proposed HEAT Charge to be effective January 1 of the upcoming year.
- D. ~~There will not be a true-up of~~ The Company shall reconcile on an annual basis the eligible expenses related to HEAT costs to those program activity with the revenues collected through the HEAT Charge each year.

GENERAL TERMS AND CONDITIONS

40.4 Determination of HEAT Charge.

- A. The Residential and Commercial HEAT Charges will be determined by dividing the number of forecasted annual Residential and Commercial Service bills ~~by~~ into the ~~amount~~ total of HEAT program costs as determined pursuant to Section 40.3 hereof.
- B. The HEAT Charges will be added to the monthly Customer Charge component of the Customer's bill.

40.5 Discounting. If and when the Company discounts service charges or rates in order to maintain or increase system load, the Account 191 Charge, P-802 Charge and the HEAT Charge shall be discounted, in that order, prior to the discounting of any other components of the base rates.

Exhibit VIII

See Volumes 2 and 3
for Testimonies and Exhibits