

ARKANSAS PUBLIC SERVICE COMMISSION

<u>Second Revised</u> <u>Sheet No.1 of 4</u> <u>Replacing First Revised</u> <u>Sheet No.1 of 4</u>	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)	
Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u> Title: <u>Table of Contents</u>	PSC File Mark Only

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UTILITY INFORMATION

Utility Official:

Tom Stevens, Director Regulatory

Mailing Address:

655 E. Millsap Road – Suite 104
Fayetteville, Arkansas 72703

Telephone Number:

(479)-582-7822

E-mail:

Tom.Stevens@blackhillscorp.com

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EXEMPTIONS

The Commission's Rules provide that any amendments or exemptions to the Commission's General Service Rules and Special Rules—Gas may be granted by the Commission in conformity with the Rules of Practice and Procedure or as provided by the General Service Rules and the Special Rules—Gas. However, no amendment or exemption shall be in conflict with the Arkansas Gas Pipeline Code.

Current Status:

- (1) Variance from General Service Rule 5.19A - Billing Corrections: Variance established a three percent (3%) meter error tolerance before corrections to customer billings are required. The Company received approval in conjunction with approval of tariffs in Docket Nos. 95-077-TF and 95-078-TF, pursuant to Order No. 7 of Docket No. 92-248-R.
- (2) Variance from Rule 7.04A.(1) of the Commission's Special Rules - Gas, Accuracy Requirements and Testing Schedules for Diaphragm, Orifice, Rotary, Turbine, and Diaphragm meters under 500 CFH: Variance approved in Docket No. 17-011-U to allow for longer service life of meters by changing meters based upon a sampling testing procedure rather than every 10 years.
- (3) Variance from General Service Rule 5.21 - Transferring Past Due Balances to Other Accounts: Variance approved in Docket No. 98-148-TF to allow the following language in addition to GSR 5.21 to accommodate requests to transfer a past-due balance to a requesting Customer's account from any other account when the Customer to whose account the balance is to be transferred makes written request.

An account of any Customer, of any class, when the Company receives a written request to have a balance transferred to the requesting Customer's account and when the following information is stated in the letter of request:

- (1) Name and account number of the Customer requesting that a balance is to be transferred to their account;

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- (2) Name and account number of the Customer whose balance is to be transferred;
- (3) A statement that the requesting Customer understands that their own service may be terminated for non-payment if the transferred balance is not paid in full in accordance with any agreed upon payment arrangements.
- (4) Variance from General Service Rule 4.01B.(1): Variance established to calculate an applicant's deposit under the provisions of Rule 4.03B when the applicant's previous 12 months history cannot be electronically retrieved. Variance approved in Docket No. 06-009-U.
- (5) Variance from General Service Rule 4.02B: Variance established to calculate a customer's deposit under the provisions of Rule 4.03B when the customer's previous 12 months history cannot be electronically retrieved. Variance approved in Docket No. 06-009-U.
- (6) Variance from Rule 4.03A: Variance established to calculate a customer's or applicant's deposit under the provisions of Rule 4.03B when the customer's or applicant's previous 12 months history cannot be electronically retrieved. Variance approved in Docket No. 06-009-U.
- (7) Variance from Rule 7.01B.(1): Variance established to not maintain the current address of an applicant for service. Variance approved in Docket No. 06-009-U.
- (8) Variance from Rule General Service Rule 5.08: Variance established to modify the calculation of a customer's estimated usage if metered usage is not available. Variance approved in Docket No. 16-035-TF

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Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
General Schedule No.: <u>1.4</u>		
Title: <u>Index to Rules and Regulations</u>		PSC File Mark Only

INDEX TO RULES AND REGULATIONS

	<u>Item Number</u>	<u>Sheet Number</u>
Consumer Responsibility for a Gas Piping System	1	2
Company Responsibility for Connecting Consumer to Company's Gas Line	2	2
Point of Delivery Definition; Consumer Responsibility After Receipt of Gas; Limitation of company Liability	3	3
Consumer Responsibility for Gas Metered by Company	4	3
Consumer Limitations on Use of Gas Purchased from Company;	5	3
Refusal to Connect and/or Disconnect Consumer With Dual Fuel Systems Unless Approved by Company	6	3
Estimating Consumption	7	4
Delivery of Customer Billings	8	4
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Units of Gas Measurement and Billing	10	4
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RULES AND REGULATIONS GOVERNING GAS SERVICE

These Rules and Regulations state the conditions, requirements, rights and obligations of the Company and its customers governing gas service by the Company. Strict compliance with these Rules must be observed by both Company and consumer before gas service is authorized. These rules are in addition to those established by the regulatory body having jurisdiction and are prepared in addition to the Arkansas Public Service Commission General Service Rules, Special Rules-Gas, and Rules of Practice and Procedure.

Consumer Responsibility for a Gas Piping System:

1. The consumer shall provide a gas piping system within the building(s) or structure(s) to be served for the connection of gas appliances and equipment. As part of the consumer gas piping, a service pipe shall be extended to a meter location specified by the Gas Company and all or part of the meter loop will be furnished by the consumer.

Before Company will commence to serve a consumer, the consumer's piping must conform to the requirements of the Arkansas State Gas Code and all other city, county, federal and state laws. In the absence of a qualified inspector, the Company may act as the inspection agency. Full responsibility for maintaining a safe system of piping and appliances is assumed by and rests wholly with the consumer. The Company is not responsible for the safe condition or operation of this system of piping or appliances on the premises of the consumer.

Company Responsibility for Connecting Consumer to Company's Gas Line:

2. The Company will make the necessary connection(s) of the consumer's gas piping to the Company's gas line. The Company will furnish, install and own the gas meter. Before a gas meter may be installed, the consumer must have complied with all rules and regulations governing the gas piping system and appliances, including the requirements of the Arkansas Public Service Commission General Service Rules, Special Rules-Gas, and Rules of Practice and Procedure and must have at least one gas appliance connected to the gas piping system.

The determination of the location of the gas meter shall be within the sole discretion of the Company and shall be in conformance with all federal, state and local laws and ordinances.

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Point of Delivery Definition, Consumer Responsibility After Receipt of Gas, and Limitation of Company Liability:

3. The point of delivery of all gas purchased or transported shall be at the point of connection to the consumer's service line, even where a meter is installed down stream of such connection. All gas delivered shall be considered to be in the possession and control of the consumer at and beyond the point of delivery. The Company shall not be responsible for any damage or injury to person or property caused by the gas, or facilities used to convey or measure the gas, at or beyond the point of delivery unless such damage or injury is proximately caused by the negligence, recklessness or intentional misconduct of the Company. In case the supply of natural gas should fail, whether from natural causes, bursting of pipes or accident in any way, the Company shall not be liable for damage by reason of such failure.

Consumer Responsibility for Gas Metered by Company:

4. The consumer shall pay for all gas passing through the meter, whether the same be used or wasted through leaks in pipes, apparatus, or otherwise, and shall be bound by the true reading of the meter.

Consumer Limitations on Use of Gas Purchased From Company:

5. The consumer shall use the gas delivered hereunder for his own purposes only, and shall not, under any circumstances, resell any gas delivered hereunder unless permitted by tariff. Service shall be through one or more meters, at the option of the Company and pursuant to Rule 5.20 of the Arkansas Public Service Commission General Service Rules.

Refusal to Connect and/or Disconnect Consumer With Dual Fuel Systems Unless Approved by Company:

6. The Company will not connect gas service to any consumer using a private gas well or propane system within the same gas piping system. This restriction does not apply to certain commercial and industrial customers having a standby fuel system approved by the Company. The intent of this rule is to avoid any switching back and forth from natural gas supplied by the Company and another gaseous fuel that may or may not be compatible with the appliance in which it is used. If this condition is discovered, the Company will discontinue its natural gas service until the situation is resolved.

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Estimating Consumption:

7. In case a meter ceases to register, the quantity consumed will be determined by the amount consumed during the corresponding periods for the previous year, giving due consideration to the weather and changes in customer's service.

Delivery of Customer Billings:

8. Statements will be delivered to the location at which gas is supplied by an employee of the Company, or posted in the United States mail, unless the customer has directed the Company to send statements to another address. The terms "delivered" or "rendered" as used in this context shall not be construed as an obligation on the part of the Company to deliver or render statements to the consumer in person, or to other occupants of the premises. Failure to receive statements for any reason whatsoever will not entitle the consumer to any additional time within which to pay the account or avoid discontinuation of gas supply if the account is overdue.

Right of Access:

9. The authorized agents of the Company shall have the right to enter upon the premises of the consumer to inspect or test lines, furnaces and appliances, read or disconnect the meter or shut off the gas.

Units of Gas Measurement and Billing:

10. Meters will be read to the nearest hundred cubic feet and bills computed on this basis. When a customer changes locations, the consumption at each location will be billed separately.

Contracts for Gas Services:

11. Formal written contracts are not required but the relationship between Company and customer is based on an oral contract. The responsibilities and obligations of both parties are non-transferable.

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Meter Test Billing Correction:

12. Billing Test Meter Corrections: A correction to a customer's account shall be made after testing of the customer's meter either by the Commission or the Company only when the meter is found to be in error in excess of three (3) percent over or under 100 percent accuracy.

Expansion of Facilities:

13. Subject to the availability of capital funds, the Company shall expand its existing facilities to serve additional load where the cost of the Company's capital investment is economically feasible. Determination of whether a proposed expansion is economically feasible shall be made through the use of an economic model that shall consider the following factors:

Construction cost estimate
 Non-gas revenue
 Depreciation
 Incremental operating costs; and
 Any other factors relevant to economic feasibility of the project

If it is determined that the Company's return on investment (ROI) on the proposed expansion will equal or exceed the Company's cost of funding capital projects, the extension will be made at no cost to the customer. If it is determined that the Company's ROI will be less than the Company's cost of funding capital projects, the customer shall be required to pay an amount sufficient to ensure that the Company is able to earn an ROI equal to its cost of funding capital projects. The Company may enter into an agreement with the customer to refund the customer contribution. Refunds will be based only on changes in the factors considered in the economic model under which the investment was originally made.

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General Schedule No.: <u>1.6</u> Title: <u>Summary of Base Rates</u>		

SUMMARY OF BASE RATES 1/

<u>Type of Service</u>	<u>Rate Schedule No.</u>	<u>Base Rate</u>
<u>SALES SERVICE:</u>		
Residential <u>2/</u> Customer Charge Delivery Charge	2.1 & 2.13	\$12.33 / Month \$0.453182 / Ccf
Business 1 – Sales <u>3/</u> Annual usage of 0 to 10,000 Ccf Customer Charge Delivery Charge	2.2 & 2.11 & 2.13	\$23.04 / Month \$0.392956 / Ccf
Business 2 – Sales <u>3/</u> Annual usage of 10,001 to 50,000 Ccf Customer Charge Delivery Charge	2.3 & 2.11 & 2.13	\$108.72 / Month \$0.320121 / Ccf
Business 3 -- Sales <u>3/</u> Annual usage of 50,001 to 300,000 Ccf Customer Charge Delivery Charge	2.4 & 2.11 & 2.13	\$355.41 / Month \$0.217722 / Ccf
Business 4 – Sales <u>3/</u> Annual usage of 300,001 to 700,000 Ccf Customer Charge Delivery Charge	2.5 & 2.11 & 2.13	\$1,335.49 / Month \$0.153839 / Ccf

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General Schedule No.: <u>1.6</u> Title: <u>Summary of Base Rates</u>		

<u>Type of Service</u>	<u>Rate Schedule No.</u>	<u>Base Rate</u>
Business 5 – Sales 3/ Annual usage of 700,001 Ccf and above Customer Charge Delivery Charge Demand Charge	2.6 & 2.11 & 2.13	\$1,376.45 / Month \$0.093724 / Ccf \$6.08960 / MMBtu
Irrigation – Sales Based on annual usage (January-December) Minimum annual take of 425 Ccf with true-up First 1,000 Ccf per year 1,001 – 10,000 Ccf per year Over 10,000 Ccf per year	2.12	\$0.818595 / Ccf \$0.448964 / Ccf \$0.376131 / Ccf
Gas Lights – Unmetered Sales Customer Charge Delivery Charge	2.8	\$21.51 / Month \$0.093516 / Ccf
Local Distribution Company – Sales 3/ (Refer to B1 through B5 sales rates based on annual volumes)	2.11	<u>3/</u>
Natural Gas Vehicles – Sales 2/ and 3/ (Refer to B1 through B5 sales rates based on annual volumes)	2.13	<u>2/</u> and <u>3/</u>

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General Schedule No.: <u>1.6</u> Title: <u>Summary of Base Rates</u>		

<u>Type of Service</u>	<u>Rate Schedule No.</u>	<u>Base Rate</u>
<u>TRANSPORTATION SERVICE:</u>		
Business 1 – Transportation	2.7	
Annual usage of 0 to 10,000 Ccf		
Customer Charge		\$23.04 / Month
Administrative Fee		\$139.00/ Month
Delivery Charge		\$0.392956 / Ccf
Business 2 – Transportation	2.7	
Annual usage of 10,001 to 50,000 Ccf		
Customer Charge		\$108.72 / Month
Administrative Fee		\$139.00 / Month
Delivery Charge		\$0.320121 / Ccf
Business 3 -- Transportation	2.7	
Annual usage of 50,001 to 300,000 Ccf		
Customer Charge		\$355.41/ Month
Administrative Fee		\$139.00 / Month
Delivery Charge		\$0.217722 / Ccf
Business 4 – Transportation	2.7	
Annual usage of 300,001 to 700,000 Ccf		
Customer Charge		\$1,335.49 / Month
Administrative Fee		\$139.00 / Month
Delivery Charge		\$0.153839 / Ccf

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<u>Type of Service</u>	<u>Rate Schedule No.</u>	<u>Base Rate</u>
Business 5 – Transportation	2.7	
Annual usage of 700,001 Ccf and above		
Customer Charge		\$1,376.45 / Month
Administrative Fee		\$139.00 / Month
Delivery Charge		\$0.093724 / Ccf
Demand Charge		\$6.08960 / MMBtu
Market Center Services (MCS) 4/	2.16	
Parked or Loaned Quantity		
Maximum Rate		\$0.66446 / MMBtu
Minimum Rate		\$0.00000 / MMBtu 4/
Unparked or Loan Payment Quantity		
Maximum Rate		\$0.66446 / MMBtu
Minimum Rate		\$0.00000 / MMBtu 4/
Accumulated Parked or Loaned Quantity		
Maximum Rate		\$0.66446 / MMBtu
Minimum Rate		\$0.00000 / MMBtu 4/
Title Tracking Transfer and/or Wheeling		
Maximum Rate		\$0.66446 / MMBtu
Minimum Rate		\$0.00000 / MMBtu 4/

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General Schedule No.: <u>1.6</u> Title: <u>Summary of Base Rates</u>		

Footnotes:

1. The before-mentioned base rates do not include charges for any applicable Rider Schedules. The applicable Rider Schedules are listed in the "Additional Charges" section of the individual tariffs.
2. Base rates apply to residential customers (Rate Schedule No. 2.1) as well as residential natural gas vehicle customers (Rate Schedule No. 2.13).
3. Base rates apply to commercial/industrial customers (Rate Schedule Nos. 2.2 through 2.6) as well as commercial/industrial natural gas vehicle customers (Rate Schedule No. 2.13), and local distribution company customers (Rate Schedule No. 2.11). Level of service is determined by annual volumes.
4. The total MMBtu Transaction will be at or above \$0.0100 per MMBtu

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RESIDENTIAL SALES SERVICE -- (R-1)**Availability:**

Natural gas service is available under this rate schedule to any individually metered residential customer. Gas service is not available under this rate schedule for resale to others or for stand-by service.

Character of Service:

Service hereunder will not normally be subject to curtailment except as may become necessary under the terms of Company tariff Policy Schedule No. 4.1 - Curtailment Policy. The average heating value for gas delivered to customers shall not be less than 975 Btu per cubic foot at 14.65 psia and 60 degrees Fahrenheit. The established absolute pressure base for all deliveries shall be 14.65 psia. The normal gauge pressure for all deliveries shall be four (4) ounces gauge pressure per square inch above 14.4 psia assumed atmospheric pressure. The Company, at its option, may provide service at a pressure higher than normal pressure to an individual customer who so requests.

Base Rates:

Base rates are listed on General Schedule 1.6.

Additional Charges:

In addition to the base rates stated on General Schedule No. 1.6, service under this rate schedule is subject to the charges of the following Company Rider Schedules:

1. Rider Schedule No. 3.4 -- Weather Normalization Adjustment Rider
2. Rider Schedule No. 3.6 -- Billing Determinant Rate Adjustment Rider
3. Rider Schedule No. 3.7 -- Cost of Gas Rider
4. Rider Schedule No. 3.8 -- Act 310 Surcharge Rider (Act 310)
5. Rider Schedule No. 3.9 -- Tax and Fee Rider
6. Rider Schedule No. 3.10 -- Energy Efficiency Cost Recovery Rider -- (EECR)
7. Rider Schedule No. 3.11 -- Main Replacement Program Rider (MRP)
8. Rider Schedule No. 3.12 -- At-Risk Meter Relocation Program Rider (ARMRP)

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Minimum Charges:

Customers shall pay a monthly minimum bill equal to the Customer Charge. Bills will be issued on a monthly basis.

Reconnect Charge:

This rate schedule is a continuous service schedule. If service is disconnected at the request of the consumer and thereafter restored at the same location for the same occupant within the twelve month period following the date service was disconnected, a Reconnect Charge will become due and payable when service is restored. The Reconnect Charge shall be computed by multiplying the Customer Charge by the number of months and fractions of months that service was disconnected.

Terms of Payment:

All bills are due and payable twenty-two (22) days after the date the bills are mailed. Both the date the bill was mailed and the date the bill is due will be printed on the bill.

Late Payment Charge:

The Company may bill an additional charge (Late Payment Charge), if the payment of a billing is not received by the Company or its authorized agent for payment before the close of business on the due date as shown on the bill. The Late Payment Charge shall be calculated on only the overdue amount of the bill and will be determined as follows: ten percent (10%) of the first \$30.00 plus two percent (2%) of the remaining unpaid balance. The amount of the Late Payment Charge and when it will apply will be printed on the bill.

Rules and Regulations:

Service will be rendered in accordance with the Company tariff General Schedule No. 1.4 -- Rules and Regulations Governing Gas Service on file with the Arkansas Public Service Commission and in accordance with the Rules and Regulations established by the Arkansas Public Service Commission.

ARKANSAS PUBLIC SERVICE COMMISSION

Second Revised	Sheet No. 1 of 2	
Replacing First Revised	Sheet No. 1 of 2	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial/Industrial</u>	
Rate Schedule No.: <u>2.2</u>		
Title: <u>Business 1 Sales Service (B-1)</u>		PSC File Mark Only

BUSINESS 1 SALES SERVICE -- (B-1)**Availability:**

Natural gas service is available under this rate schedule to any commercial or industrial customer using zero to ten thousand (0 – 10,000) Ccf annually. Gas service is not available under this rate schedule for resale or stand-by service. Eligibility for service under this rate schedule will be determined upon commencement of service for new customers at new locations and reviewed annually. The annual review for eligibility will be based on three years of historical usage. If three years of historical usage is not available, the Company will review as much historical information as available. If it is determined that the customer does not meet the eligibility parameters for this rate schedule, the customer will be reclassified.

Character of Service:

Service hereunder will not normally be subject to curtailment except as may become necessary under the terms of Company tariff Policy Schedule No. 4.1 - Curtailment Policy. The average heating value for gas delivered to customers shall not be less than 975 Btu per cubic foot at 14.65 psia and 60 degrees Fahrenheit. The established absolute pressure base for all deliveries shall be 14.65 psia. The normal gauge pressure for all deliveries shall be four (4) ounces gauge pressure per square inch above 14.4 psia assumed atmospheric pressure. The Company, at its option, may provide service at a pressure higher than normal pressure to an individual customer who so requests.

Base Rates:

Base rates are listed on General Schedule No. 1.6.

Additional Charges:

In addition to the base rates stated on General Schedule No. 1.6, service under this rate schedule is subject to the charges of the following Company Rider Schedules:

1. Rider Schedule No. 3.4 -- Weather Normalization Adjustment Rider
2. Rider Schedule No. 3.6 -- Billing Determinant Rate Adjustment Rider
3. Rider Schedule No. 3.7 -- Cost of Gas Rider
4. Rider Schedule No. 3.8 -- Act 310 Surcharge Rider (Act 310)
5. Rider Schedule No. 3.9 -- Tax and Fee Rider
6. Rider Schedule No. 3.10 -- Energy Efficiency Cost Recovery Rider (EECR)
7. Rider Schedule No. 3.11 -- Main Replacement Program Rider (MRP)
8. Rider Schedule No. 3.12 -- At-Risk Meter Relocation Program Rider (ARMRP)

THIS SPACE FOR PSC USE

ARKANSAS PUBLIC SERVICE COMMISSION

Second Revised	Sheet No. 2 of 2	
Replacing First Revised	Sheet No. 2 of 2	
 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u>		
Rate Schedule No.: <u>2.2</u>		
Title: <u>Business 1 Sales Service (B-1)</u>		PSC File Mark Only

Minimum Charges:

Customers shall pay a monthly minimum bill equal to the Customer Charge. Bills will be issued on a monthly basis.

Reconnect Charge:

This rate schedule is a continuous service schedule. If service is disconnected at the request of the consumer and thereafter restored at the same location for the same occupant within the twelve month period following the date service was disconnected, a Reconnect Charge will become due and payable when service is restored. The Reconnect Charge shall be computed by multiplying the Customer Charge by the number of months and fractions of months that service was disconnected.

Terms of Payment:

All bills are due and payable twenty-two (22) days after the date the bills are mailed. Both the date the bill was mailed and the date the bill is due will be printed on the bill.

Late Payment Charge:

The Company may bill an additional charge (Late Payment Charge), if the payment of a billing is not received by the Company or its authorized agent for payment before the close of business on the due date as shown on the bill. The Late Payment Charge shall be calculated on only the overdue amount of the bill and will be determined as follows: ten percent (10%) of the first \$30.00 plus two percent (2%) of the remaining unpaid balance. The amount of the Late Payment Charge and when it will apply will be printed on the bill.

Rules and Regulations:

Service will be rendered in accordance with the Company tariff General Schedule No. 1.4 -- Rules and Regulations Governing Gas Service on file with the Arkansas Public Service Commission and in accordance with the Rules and Regulations established by the Arkansas Public Service Commission.

ARKANSAS PUBLIC SERVICE COMMISSION

<u>Second Revised</u> Sheet No.1 of 2 <u>Replacing First Revised</u> Sheet No.1 of 2 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u> Rate Schedule No.: <u>2.3</u> Title: <u>Business 2 Sales Service (B-2)</u>	PSC File Mark Only
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BUSINESS 2 SALES SERVICE-(B-2)**Availability:**

Natural gas service is available under this rate schedule to any commercial or industrial customer using ten thousand one to fifty thousand (10,001 – 50,000) Ccf annually. Gas service is not available under this rate schedule for resale or stand-by service. Eligibility for service under this rate schedule will be determined upon commencement of service for new customers at new locations and reviewed annually. The Company will review annually each customer's usage to determine if the customer meets the eligibility parameters for this rate schedule. The evaluation will be based on three years of historical usage. If three years of historical usage is not available, the Company will review as much historical information as available. If it is determined that the customer does not meet the eligibility parameters for this rate schedule, the customer will be reclassified.

Character of Service:

Service hereunder will not normally be subject to curtailment except as may become necessary under the terms of Company tariff Policy Schedule No. 4.1 - Curtailment Policy. The average heating value for gas delivered to customers shall not be less than 975 Btu per cubic foot at 14.65 psia and 60 degrees Fahrenheit. The established absolute pressure base for all deliveries shall be 14.65 psia. The normal gauge pressure for all deliveries shall be four (4) ounces gauge pressure per square inch above 14.4 psia assumed atmospheric pressure. The Company, at its option, may provide service at a pressure higher than normal pressure to an individual customer who so requests.

Base Rates:

Base rates are listed on General Schedule No. 1.6.

Additional Charges:

In addition to the base rates stated on General Schedule No. 1.6, service under this rate schedule is subject to the charges of the following Company Rider Schedules:

1. Rider Schedule No. 3.4 -- Weather Normalization Adjustment Rider
2. Rider Schedule No. 3.6 -- Billing Determinant Rate Adjustment Rider
3. Rider Schedule No. 3.7 -- Cost of Gas Rider
4. Rider Schedule No. 3.8 -- Act 310 Surcharge Rider (Act 310)
5. Rider Schedule No. 3.9 -- Tax and Fee Rider
6. Rider Schedule No. 3.10 -- Energy Efficiency Cost Recovery Rider (EECR)
7. Rider Schedule No. 3.11 -- Main Replacement Program Rider (MRP)
8. Rider Schedule No. 3.12 -- At-Risk Meter Relocation Program Rider (ARMRP)

THIS SPACE FOR PSC USE

ARKANSAS PUBLIC SERVICE COMMISSION

<u>Second Revised</u> <u>Sheet No.2 of 2</u> <u>Replacing First Revised</u> <u>Sheet No.2 of 2</u>	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)	
Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u>	
Rate Schedule No.: <u>2.3</u>	
Title: <u>Business 2 Sales Service (B-2)</u>	PSC File Mark Only

Minimum Charges:

Customers shall pay a monthly minimum bill equal to the Customer Charge. Bills will be issued on a monthly basis.

Reconnect Charge:

This rate schedule is a continuous service schedule. If service is disconnected at the request of the consumer and thereafter restored at the same location for the same occupant within the twelve month period following the date service was disconnected, a Reconnect Charge will become due and payable when service is restored. The Reconnect Charge shall be computed by multiplying the Customer Charge by the number of months and fractions of months that service was disconnected.

Terms of Payment:

All bills are due and payable twenty-two (22) days after the date the bills are mailed. Both the date the bill was mailed and the date the bill is due will be printed on the bill.

Late Payment Charge:

The Company may bill an additional charge (Late Payment Charge), if the payment of a billing is not received by the Company or its authorized agent for payment before the close of business on the due date as shown on the bill. The Late Payment Charge shall be calculated on only the overdue amount of the bill and will be determined as follows: ten percent (10%) of the first \$30.00 plus two percent (2%) of the remaining unpaid balance. The amount of the Late Payment Charge and when it will apply will be printed on the bill.

Rules and Regulations:

Service will be rendered in accordance with the Company tariff General Schedule No. 1.4 -- Rules and Regulations Governing Gas Service on file with the Arkansas Public Service Commission and in accordance with the Rules and Regulations established by the Arkansas Public Service Commission.

ARKANSAS PUBLIC SERVICE COMMISSION

Third Revised	Sheet No.1 of 2
Replacing Second Revised	Sheet No.1 of 2
 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)	
Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u>	
Rate Schedule No. <u>2.4</u>	
Title: <u>Business 3 Sales Service (B-3)</u>	
	PSC File Mark Only

BUSINESS 3 SALES SERVICE-(B-3)**Availability:**

Natural gas service is available under this rate schedule to any commercial or industrial customer using fifty thousand one to three hundred thousand (50,001 – 300,000) Ccf annually. Gas service is not available under this rate schedule for resale or stand-by service. Eligibility for service under this rate schedule will be determined upon commencement of service for new customers at new locations and reviewed annually. The Company will review annually each customer's usage to determine if the customer meets the eligibility parameters for this rate schedule. The evaluation will be based on three years of historical usage. If three years of historical usage is not available, the Company will review as much historical information as available. If it is determined that the customer does not meet the eligibility parameters for this rate schedule, the customer will be reclassified.

Character of Service:

Service hereunder will not normally be subject to curtailment except as may become necessary under the terms of Company tariff Policy Schedule No. 4.1 - Curtailment Policy. The average heating value for gas delivered to customers shall not be less than 975 Btu per cubic foot at 14.65 psia and 60 degrees Fahrenheit. The established absolute pressure base for all deliveries shall be 14.65 psia. The normal gauge pressure for all deliveries shall be four (4) ounces gauge pressure per square inch above 14.4 psia assumed atmospheric pressure. The Company, at its option, may provide service at a pressure higher than normal pressure to an individual customer who so requests.

Base Rates:

Base rates are listed on General Schedule No. 1.6.

Additional Charges:

In addition to the base rates as stated on General Schedule No. 1.6, service under this rate schedule is subject to the charges of the following Company Rider Schedules:

1. Rider Schedule No. 3.6 – Billing Determinant Rate Adjustment Rider
2. Rider Schedule No. 3.7 – Cost of Gas Rider
3. Rider Schedule No. 3.8 -- Act 310 Surcharge Rider (Act 310)
4. Rider Schedule No. 3.9 – Tax and Fee Rider
5. Rider Schedule No. 3.10 – Energy Efficiency Cost Recovery Rider (EECR)
6. Rider Schedule No. 3.11 – Main Replacement Program Rider (MRP)
7. Rider Schedule No. 3.12 – At-Risk Meter Relocation Program Rider (ARMRP)

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ARKANSAS PUBLIC SERVICE COMMISSION

Third Revised	Sheet No.2 of 2
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 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)	
Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u>	
Rate Schedule No. <u>2.4</u>	
Title: <u>Business 3 Sales Service (B-3)</u>	
PSC File Mark Only	

Minimum Charges:

Customers shall pay a monthly minimum bill equal to the Customer Charge. Bills will be issued on a monthly basis.

Reconnect Charge:

This rate schedule is a continuous service schedule. If service is disconnected at the request of the consumer and thereafter restored at the same location for the same occupant within the twelve month period following the date service was disconnected, a Reconnect Charge will become due and payable when service is restored. The Reconnect Charge shall be computed by multiplying the Customer Charge by the number of months and fractions of months that service was disconnected.

Terms of Payment:

All bills are due and payable twenty-two (22) days after the date the bills are mailed. Both the date the bill was mailed and the date the bill is due will be printed on the bill.

Late Payment Charge:

The Company may bill an additional charge (Late Payment Charge), if the payment of a billing is not received by the Company or its authorized agent for payment before the close of business on the due date as shown on the bill. The Late Payment Charge shall be calculated on only the overdue amount of the bill and will be determined as follows: ten percent (10%) of the first \$30.00 plus two percent (2%) of the remaining unpaid balance. The amount of the Late Payment Charge and when it will apply will be printed on the bill.

Rules and Regulations:

Service will be rendered in accordance with the Company tariff General Schedule No. 1.4 -- Rules and Regulations Governing Gas Service on file with the Arkansas Public Service Commission and in accordance with the Rules and Regulations established by the Arkansas Public Service Commission.

ARKANSAS PUBLIC SERVICE COMMISSION

Third Revised _____ Sheet No.1 of 2 Replacing Second Revised _____ Sheet No.1 of 2 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u> Rate Schedule No. <u>2.5</u> Title: <u>Business 4 Sales Service (B-4)</u>	PSC File Mark Only
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BUSINESS 4 SALES SERVICE-(B-4)**Availability:**

Natural gas service is available under this rate schedule to any commercial or industrial customer using three hundred thousand one to seven hundred thousand (300,001–700,000) Ccf annually. Gas service is not available under this rate schedule for resale or stand-by service. Eligibility for service under this rate schedule will be determined upon commencement of service for new customers at new locations and reviewed annually. The Company will review annually each customer's usage to determine if the customer meets the eligibility parameters for this rate schedule. The evaluation will be based on three years of historical usage. If three years of historical usage is not available, the Company will review as much historical information as available. If it is determined that the customer does not meet the eligibility parameters for this rate schedule, the customer will be reclassified.

Character of Service:

Service hereunder will not normally be subject to curtailment except as may become necessary under the terms of Company tariff Policy Schedule No. 4.1 - Curtailment Policy. The average heating value for gas delivered to customers shall not be less than 975 Btu per cubic foot at 14.65 psia and 60 degrees Fahrenheit. The established absolute pressure base for all deliveries shall be 14.65 psia. The normal gauge pressure for all deliveries shall be four (4) ounces gauge pressure per square inch above 14.4 psia assumed atmospheric pressure. The Company, at its option, may provide service at a pressure higher than normal pressure to an individual customer who so requests.

Base Rates:

Base rates are listed on General Schedule No. 1.6

Additional Charges:

In addition to the base rates stated on General Schedule No. 1.6, service under this rate schedule is subject to the charges of the following Company Rider Schedules:

1. Rider Schedule No. 3.6 – Billing Determinant Rate Adjustment Rider
2. Rider Schedule No. 3.7 -- Cost of Gas Rider
3. Rider Schedule No. 3.8 -- Act 310 Surcharge Rider (Act 310)
4. Rider Schedule No. 3.9 -- Tax and Fee Rider
5. Rider Schedule No. 3.10 – Energy Efficiency Cost Recovery Rider (EECR)
6. Rider Schedule No. 3.11 – Main Replacement Program Rider (MRP)
7. Rider Schedule No. 3.12 -- At-Risk Meter Relocation Program Rider (ARMRP)

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ARKANSAS PUBLIC SERVICE COMMISSION

Third Revised _____ Sheet No.2 of 2 Replacing Second Revised _____ Sheet No.2 of 2 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u> Rate Schedule No. <u>2.5</u> Title: <u>Business 4 Sales Service (B-4)</u>	PSC File Mark Only
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Minimum Charges:

Customers shall pay a monthly minimum bill equal to the Customer Charge. Bills will be issued on a monthly basis.

Reconnect Charge:

This rate schedule is a continuous service schedule. If service is disconnected at the request of the consumer and thereafter restored at the same location for the same occupant within the twelve month period following the date service was disconnected, a Reconnect Charge will become due and payable when service is restored. The Reconnect Charge shall be computed by multiplying the Customer Charge by the number of months and fractions of months that service was disconnected.

Terms of Payment:

All bills are due and payable twenty-two (22) days after the date the bills are mailed. Both the date the bill was mailed and the date the bill is due will be printed on the bill.

Late Payment Charge:

The Company may bill an additional charge (Late Payment Charge), if the payment of a billing is not received by the Company or its authorized agent for payment before the close of business on the due date as shown on the bill. The Late Payment Charge shall be calculated on only the overdue amount of the bill and will be determined as follows: ten percent (10%) of the first \$30.00 plus two percent (2%) of the remaining unpaid balance. The amount of the Late Payment Charge and when it will apply will be printed on the bill.

Rules and Regulations:

Service will be rendered in accordance with the Company tariff General Schedule No. 1.4 -- Rules and Regulations Governing Gas Service on file with the Arkansas Public Service Commission and in accordance with the Rules and Regulations established by the Arkansas Public Service Commission.

ARKANSAS PUBLIC SERVICE COMMISSION

Third Revised	Sheet No.1 of 2
Replacing Second Revised	Sheet No.1 of 2

Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy
(Name of Company)

Kind of Service: Natural Gas Class of Service: Commercial/Industrial

Rate Schedule No.: 2.6

Title: Business 5 Sales Service (B-5)

PSC File Mark Only

BUSINESS 5 SALES SERVICE-(B-5)**Availability:**

Natural gas service is available under this rate schedule to any commercial or industrial customer using seven hundred thousand one or more (700,001 or more) Ccf annually. Gas service is not available under this rate schedule for resale or stand-by service. Eligibility for service under this rate schedule will be determined upon commencement of service for new customers at new locations and reviewed annually. The Company will review annually each customer's usage to determine if the customer meets the eligibility parameters for this rate schedule. The evaluation will be based on three years of historical usage. If three years of historical usage is not available, the Company will review as much historical information as available. If it is determined that the customer does not meet the eligibility parameters for this rate schedule, the customer will be reclassified.

Character of Service:

Service hereunder will not normally be subject to curtailment except as may become necessary under the terms of Company tariff Policy Schedule No. 4.1 - Curtailment Policy. The average heating value for gas delivered to customers shall not be less than 975 Btu per cubic foot at 14.65 psia and 60 degrees Fahrenheit. The established absolute pressure base for all deliveries shall be 14.65 psia. The normal gauge pressure for all deliveries shall be four (4) ounces gauge pressure per square inch above 14.4 psia assumed atmospheric pressure. The Company, at its option, may provide service at a pressure higher than normal pressure to an individual customer who so requests.

Base Rates:

Base rates are listed on General Schedule No. 1.6.

Additional Charges:

In addition to the base rates stated on General Schedule No. 1.6, service under this rate schedule is subject to the charges of the following Company Rider Schedules:

1. Rider Schedule No. 3.6 – Billing Determinant Rate Adjustment Rider
2. Rider Schedule No. 3.7 -- Cost of Gas Rider
3. Rider Schedule No. 3.8 -- Act 310 Surcharge Rider (Act 310)
4. Rider Schedule No. 3.9 -- Tax and Fee Rider
5. Rider Schedule No. 3.10 – Energy Efficiency Cost Recovery Rider (EECR)
6. Rider Schedule No. 3.11 – Main Replacement Program Rider (MRP)
7. Rider Schedule No. 3.12 – At-Risk Meter Relocation Program Rider (ARMRP)

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ARKANSAS PUBLIC SERVICE COMMISSION

Third Revised	Sheet No. 1 of 15	PSC File Mark Only
Replacing Second Revised	Sheet No. 1 of 15	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.7</u>		
Title: <u>Natural Gas Transportation Service --- (NGT)</u>		

NATURAL GAS TRANSPORTATION SERVICE – (NGT)**Availability:**

Natural gas transportation service is available to any business Customer which: (I) agrees to nominate and use a minimum volume of 50,001 Ccf annually, or (II) has multiple business accounts under common ownership whose aggregated annual volume exceeds 200,000 Ccf. The aggregated annual volume shall be equal to the sum of the annual consumption of all aggregated accounts (under any of the commercial or industrial rate schedules) under common ownership.

An existing sales service Customer may elect transportation service by providing written notice on or before February 15 for service to begin June 1. A Customer electing service under this rate schedule must meet all requirements set forth in this tariff and otherwise necessary to effectuate transportation service, and must execute a Gas Transportation and Back-Up Sales Service Contract (Contract) with the Company in substantially the same form as Appendix "A" attached hereto. Such Contract will have a minimum term of at least 12 months, and will have an expiration date of May 31 of a subsequent year agreed upon by the Customer and the Company. If the Customer wishes to terminate the Contract as of the original expiration date, the Customer must provide the Company written notice of termination on or before the February 15 preceding the original expiration date. After the initial contract term, if the Contract is not terminated as provided for above, then, unless the Contract is terminated pursuant to Article XI of the Contract, the Contract shall continue in effect until it is terminated by the Customer. Such termination may only be effective as of May 31 of a given year, and requires written notice of termination from Customer on or before the February 15 preceding that May 31.

A new Customer may elect transportation service beginning the first day of the month following initial delivery of gas to Customer's facility, contingent on contract execution and all other requirements set forth in this tariff and otherwise necessary to effectuate transportation service. A Customer electing transportation service must do so for a minimum term of at least 12 months, and the Contract will have an expiration date of May 31 of a subsequent year agreed upon by the Customer and the Company. If the Customer wishes to terminate the Contract as of the original expiration date, the Customer must provide the Company written notice of termination on or before the February 15 preceding the original expiration date. After the initial contract term, if the Contract is not terminated as provided for above, then, unless the Contract is terminated pursuant to Article XI of the Contract, the Contract shall continue in effect until it is terminated by the Customer. Such termination may only be effective as of May 31 of a given year, and requires written notice of termination from Customer on or before the February 15 preceding that May 31.

THIS SPACE FOR PSC USE

ARKANSAS PUBLIC SERVICE COMMISSION

Third Revised	Sheet No. 2 of 15	PSC File Mark Only
Replacing Second Revised	Sheet No. 2 of 15	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.7</u>		
Title: <u>Natural Gas Transportation Service --- (NGT)</u>		

Natural gas service is not available under this schedule for resale unless the natural gas is used for fueling natural gas vehicles (NGV), and only with the express written permission of the Company. Receiving gas under this schedule for fueling NGVs prohibits service for any end-use of gas other than for vehicular use, such as space heating, water heating, processing, or boiler fuel use, and therefore requires a separate meter. The sale price to the public of natural gas compressed and resold by a customer of the Company for use in a NGV is not set by the Company or the Arkansas Public Service Commission.

Eligibility for service under this rate schedule will be determined at the beginning of each Contract period and annually thereafter or upon commencement of service for new Customers at new locations.

Transportation service shall be extended to requested increases in such service on the same basis as transportation service will be made available to new Customers (Customers connecting to the Company's system subsequent to the effective date of this schedule) as set forth in the paragraph below.

Transportation service under this schedule will be made available to eligible new Customers (Customers connecting to the Company's system subsequent to the effective date of this schedule) upon request when the Company has sufficient pipeline capacity. If the Company determines that it does not have sufficient pipeline capacity to provide the requested service it will, within 30 days of receiving a request for transportation service, provide to the Customer requesting such service a written explanation of its capacity determination and a preliminary indication of changes to facilities, approximate cost and time required to provide the requested transportation. Any costs other than those incurred under the Company's normal extension policy will be paid by the Customer.

This schedule shall continue in effect until terminated or superseded by a revised schedule approved by the Commission. The Gas Transportation and Back-Up Sales Service Contract shall specify that the rates, charges and terms of the transportation arrangement are subject to modification upon the approval by the Commission of any schedule which supersedes the rates, charges and terms set forth in this schedule.

Character of Service:

In the event service interruptions are necessitated because of capacity constraints or other operating limitations on the Company's system, Customers receiving transportation service under this schedule will be interrupted under the terms of Company tariff Policy Schedule No. 4.1 – Curtailment Policy.

THIS SPACE FOR PSC USE

ARKANSAS PUBLIC SERVICE COMMISSION

Third Revised	Sheet No. 3 of 15	PSC File Mark Only
Replacing Second Revised	Sheet No. 3 of 15	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.7</u>		
Title: <u>Natural Gas Transportation Service --- (NGT)</u>		

Conditions of Service:

Customer shall enter into a Contract in substantially the same form as Appendix "A" attached hereto.

Each Customer or its designated agent shall nominate monthly a total volume for its transportation accounts.

The Customer or its designated agent shall make nominations monthly of the average daily volume of gas to be transported to meet the anticipated gas load of each facility owned or operated by that Customer. The initial nomination for each month must be submitted to the Company three (3) business days prior to the beginning of that month. Customer or its designated agent shall have the right to increase or decrease the average daily volume of gas to be delivered hereunder by giving notice of such change by 11:00 a.m. of any regular business day prior to the day such change is to become effective. The Company shall accept all nominations except those that deviate more than 50% of the average daily volume previously confirmed by the Company, not to exceed the contract MDQ. However, amended nominations may be allowed to reflect attempts to eliminate existing imbalances, subject to the Company's ability to receive or deliver the amended nomination.

Once a nomination is made and confirmed by the Company, that nomination shall remain in effect through the end of the month or until changed by the Customer or it's designated agent.

The Company may accept a zero nomination in the event of a scheduled or unscheduled plant shutdown with the understanding that a nomination of at least twenty-five (25%) of the initial nomination for each month must be made as soon as normal operations resume.

Original and amended nominations shall be completed via the Company's standard nomination platform or submitted via e-mail or facsimile to the Company's Gas Supply Department in the event such platform is unavailable. The Company and Customer may agree on other means of submitting nominations.

In the event that nominations for delivery to Customer's facilities or nominations for receipts into the Company's system exceed the capacity available at the applicable locations, the Company shall notify Customer of the unavailability of such capacity within twenty-four (24) hours of the time the Company becomes aware of such condition.

ARKANSAS PUBLIC SERVICE COMMISSION

Third Revised	Sheet No. 4 of 15	PSC File Mark Only
Replacing Second Revised	Sheet No. 4 of 15	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.7</u>		
Title: <u>Natural Gas Transportation Service --- (NGT)</u>		

Rates:

Individually metered facilities shall be considered separate transportation service accounts or Customers for rate application purposes. Base rates are stated on General Schedule No. 1.6 (Summary of Base Rates). If Customer receives both transportation service and back-up sales service during any month, only one Customer charge will be billed for the month.

Additional Charges:

In addition to the rates as stated above service under this rate schedule is subject to the charges of the following Company tariffs:

1. Rider Schedule No. 3.4 – Weather Normalization Adjustment Rider applies to Business 1 Natural Gas Transportation Service and Business 2 Natural Gas Transportation Service accounts that qualify for Rate Schedule No. 2.7 – Natural Gas Transportation Service only through aggregation with other accounts under common ownership.
2. Rider Schedule No. 3.6 – Billing Determinant Rate Adjustment Rider (BDA) applies to B1 through B5 transportation rate classes.
3. Rider Schedule No. 3.8 – Act 310 Surcharge Rider (Act 310)
4. Rider Schedule No. 3.9 – Tax and Fee Rider
5. Rider Schedule No. 3.10 – Energy Efficiency Cost Recovery Rider (EECR)
6. Rider Schedule No. 3.11 – Main Replacement Program Rider (MRP)
7. Rider Schedule No. 3.12 -- At-Risk Meter Relocation Program Rider (ARMRP)

Back-up Sales Service:

In the event of failure of a Customer's gas supply for reasons beyond the Customer's control, the Company will provide back-up sales service to the Customer on a best efforts basis. Customer may purchase up to 100% of its monthly gas requirements from the Company under the sales service rate schedule applicable to the account in question, except that the amount billed for the cost of purchased gas shall be the greater of: 1) the Total Cost of Gas Adjustment as reflected in the Cost of Gas filing applicable for the month in which the back-up sales are made applied to the back-up sales volumes; or 2) the Company's actual cost of acquiring gas to provide the back-up service.

ARKANSAS PUBLIC SERVICE COMMISSION

Third Revised	Sheet No. 5 of 15	PSC File Mark Only
Replacing Second Revised	Sheet No. 5 of 15	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.7</u>		
Title: <u>Natural Gas Transportation Service --- (NGT)</u>		

If Customer receives both transportation and back-up sales service during any month, only one Customer Charge will be billed for the month. For aggregated accounts or combined billed accounts each facility shall be considered a separate Customer.

Back-up service will not be available under circumstances where Customer fails to contract for sufficient gas to meet its requirements or to adjust its nominations to reflect changes in its requirements. These situations will result in imbalances.

Minimum Charges:

Customer shall pay a monthly minimum bill equal to the Customer Charge plus the Administrative Fee. For Shippers under Business 5 Natural Gas Transportation Service, the monthly minimum bill shall also include the Demand Charge. The number of demand units assigned to a B5 customer will be based on the customer's peak day for a recent 2-year period. The Company will review the demand unit levels for all B5 customers annually and adjust the level of demand assigned to a B5 customer if the customer's 2-year peak day has changed since the last review. Each facility shall be considered a separate Customer for minimum bill calculations. Bills will be issued on a monthly basis.

Combined Billing:

Any Customer owning more than one facility or owning the business being operated in more than one facility receiving service under this rate schedule shall have the right to combine deliveries for billing purposes. In this event, each facility shall be billed at the applicable rate for that facility's consumption level as stated under the Rates section. The billings so determined shall be combined for the single bill.

Reconnect Charge:

This schedule is a continuous service schedule. If service is disconnected at the request of the Customer and thereafter restored at the same location for the same occupant within the twelve month period following the date service is disconnected, a Reconnect Charge will become due and payable when service is restored. This charge shall be computed by multiplying the monthly Customer Charge by the number of months and fractions of months that service was disconnected. For aggregated accounts or combined billed accounts each facility shall be considered a separate Customer for purposes of determining the Reconnect Charge.

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ARKANSAS PUBLIC SERVICE COMMISSION

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Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.7</u>		
Title: <u>Natural Gas Transportation Service --- (NGT)</u>		

Terms of Payment:

All bills are due and payable twenty two (22) days after the date the bills are mailed. Both the date the bill was mailed and the date the bill is due will be printed on the bill.

Late Payment Charge:

The Company may bill an additional charge (Late Payment Charge), if the payment of a billing is not received by the Company or its authorized agent for payment before the close of business on the due date as shown on the bill. The Late Payment Charge shall be calculated on only the overdue amount of the bill and will be determined as follows: ten percent (10%) of the first \$30.00 plus two percent (2%) of the remaining unpaid balance. The amount of the Late Payment Charge and when it will apply will be printed on the bill.

GENERAL TERMS AND CONDITIONS**Fuel and LUFG:**

In addition to payments made under the Rates section for transportation of gas, Customer will also compensate the Company in kind for fuel and lost and unaccounted for gas (LUFG) associated with the gas transported. The volume to be used for fuel and LUFG for each month shall be determined using the fuel and LUFG percentage filed by the Company with the Arkansas Public Service in Docket No. 07-045-U before November 1 of each year concurrent with its Winter Season Cost of Gas filing effective on November 1, multiplied times the volume of gas received by Company for Customer.

Conversion Cost:

Customers that convert from sales service to transportation service shall be required to pay the net cost (inclusive of both costs and credits) associated with the conversion. The Company shall publish a "Good Faith Estimate of Conversion Costs" at the Customer's request. The net cost shall include only the allocated portion of the Company's pipeline demand charges for a period of 12 months, after providing the Company with written notice of intent to convert to transportation service, plus or minus an allocated portion of any deferred gas costs or credits. The 12-month period shall be inclusive of the notification period.

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<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.7</u>		
Title: <u>Natural Gas Transportation Service --- (NGT)</u>		

Pipeline Capacity Release:

The Company will temporarily release its capacity on upstream pipelines, on a first come – first served basis, to Customers who pay an allocated portion of the Company's pipeline demand costs as part of their Conversion Costs. All such releases will be in accordance with applicable pipeline tariffs and the regulations of the Federal Energy Regulatory Commission or other regulatory body having jurisdiction. The term of such release shall coincide with the period for which pipeline demand charges are allocated to Customer. Customers using the Company's released capacity will be required to pay the pipeline commodity rates, fuel and LUFG, and any other variable costs associated with use of such capacity. Customers will be required to use the Company's primary receipt and delivery points and path requirements, and be required to indemnify and hold the Company harmless against any increase in rates or other charges resulting from the capacity release or Customer's failure to operate within the Company's primary receipt and delivery point and path requirements.

Quantity:

The Maximum Daily Quantity (MDQ) of gas to be transported under this rate schedule shall be specified in the Contract. The Company's obligation to transport gas under this rate schedule shall be limited to volumes which the Company's available system capacity will accommodate subject to the provisions of Company tariff Policy Schedule No. 4.1 - Curtailment Policy.

When both transported volumes and back-up service sales volumes are being delivered in a given month, transported volumes shall be considered to be the first volumes through the meter during the month.

Monthly Balancing:

Balancing of gas received by the Company and the gas delivered to the transportation Customer shall be accomplished under the following provisions. "Gas Delivered" shall be the volume of gas delivered to a Customer as measured by the Company's metering equipment at the Customer's facilities.

Balancing and Penalties (Large Customer Pool):

An individual transportation account with total annual volumes of 700,000 Ccf or greater and each group of transportation accounts under common ownership with a total annual aggregate volume of 700,000 Ccf or greater shall be considered a "Large Customer Pool". The balancing of receipts and deliveries of transportation, as adjusted for fuel and LUFG, shall be accomplished as follows:

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Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.7</u>		
Title: <u>Natural Gas Transportation Service --- (NGT)</u>		

The cumulative level of imbalance shall be the difference between the amount of gas supplies received by Company for Customer less in-kind amounts of fuel and LUFG less the amount of gas delivered to the Customer. Customers owning more than one facility or owning the business operating in more than one facility shall have the right to combine nominations and deliveries for balancing purposes.

A credit balance will occur when receipts for the Customer adjusted for fuel and LUFG are greater than the Gas Delivered to the Customer. A debit balance will occur when receipts for the Customer adjusted for fuel and LUFG are less than the Gas Delivered to the Customer. Balancing of monthly credit or debit balances shall be accomplished as follows:

Credit Balance:

1. Credit balances up to 5% of the Gas Delivered: No Penalty
2. Credit balances greater than 5% and less than or equal to 10% of the Gas Delivered: \$0.50 per Mcf Penalty
3. Credit balances greater than 10% of Gas Delivered: \$5.00 per Mcf Penalty

Debit Balance:

1. Debit balances up to 5% of the Gas Delivered: No Penalty
2. In the event the monthly delivery balance is a debit amount which exceeds 5% of the Gas Delivered to the Customer during the month, the balance shall be adjusted to a debit balance equal to 5% of the Gas Delivered during the month. The adjustment volumes shall be billed at a rate per Ccf equal to 130% of the total Cost of Gas Adjustment as reflected in the Cost of Gas filing applicable for the month in which the imbalance is incurred.

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<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.7</u>		
Title: <u>Natural Gas Transportation Service --- (NGT)</u>		

In the event transportation is terminated by Customer, Commission Order or Contract termination, any delivery balance will be adjusted to zero in the following manner:

1. If a credit balance exists, the Company may, at its option, deliver such volumes to the Customer in the next succeeding month or pay the Customer for each Ccf at a rate equal to the average purchase price paid by the Customer for Gas Delivered by the Company in the preceding month.
2. If a debit balance exists, the Customer shall pay the Company for each Ccf at rate equal to 130% of the total Cost of Gas Adjustment as reflected in the Cost of Gas filing applicable for the month in which the imbalance is incurred.

Balancing and Penalties (Small Customer Pool):

An individual transportation account with total annual volumes less than 700,000 Ccf and each group of transportation accounts under common ownership with a total annual aggregate volume less than 700,000 Ccf shall be considered a "Small Customer Pool". Each "Small Customer Pool" shall be cash balanced monthly as follows:

The cumulative level of imbalance shall be the difference between the amount of gas supplies received by the Company for Customer less in-kind amount of fuel and LUFG less the amount of gas delivered to the customer. Customers owning more than one facility or owning the business operating in more than one facility shall have the right to combine nominations and deliveries for balancing purposes.

A credit balance will occur when receipts for the Customer adjusted for fuel and LUFG are greater than the Gas Delivered to the Customer. A debit balance will occur when receipts for the Customer adjusted for fuel and LUFG are less than the Gas Delivered to the Customer. Balancing of monthly credit or debit balances shall be accomplished as follows:

Credit Balance:

1. Credit balances up to 5% of the Gas Delivered: The Company shall purchase the credit balance at a price equal to the Company's Total Cost of Gas Adjustment as reflected in the Cost of Gas filing applicable for the month in which the imbalance occurs.

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Rate Schedule No.: <u>2.7</u>		
Title: <u>Natural Gas Transportation Service --- (NGT)</u>		

2. Credit balances greater than 5% and less than or equal to 10% of the Gas Delivered: The Company shall purchase the credit balance at a price equal to 85% of the Company's Total Cost of Gas Adjustment as reflected in the Cost of Gas filing applicable for the month in which the imbalance occurs.
3. Credit balances greater than 10% of the Gas Delivered: The Company shall purchase the credit balance at a price equal to 70% of the Company's Total Cost of Gas Adjustment as reflected in the Cost of Gas filing applicable to the month in which the imbalance occurs.

Debit Balance:

1. Debit balances up to 5% of the Gas Delivered: The Customer shall purchase the debit balance at a price equal to the Company's Total Cost of Gas Adjustment as reflected in the Cost of Gas filing applicable for the month in which the imbalance occurs.
2. Debit balances greater than 5% and less than or equal to 10% of the Gas Delivered: The Customer shall purchase the debit balance at a price equal to 115% of the Company's Total Cost of Gas Adjustment as reflected in the Cost of Gas filing applicable for the month in which the imbalance occurs.
3. Debit balances greater than 10% of the Gas Delivered: The Customer shall purchase the debit balance at a price equal to 130% of the Company's Total Cost of Gas Adjustment as reflected in the Cost of Gas filing applicable for the month in which the imbalance occurs.

Verification Rights:

The Customer and the Company shall each have the right at all reasonable times to examine and audit the records, books of account, and charts of the other party, their Agent(s) or Supplier(s) to the extent necessary to verify the accuracy of any computation or statement related to the quantity, quality and price of volumes delivered to the Company for transportation. The Customer shall also secure the same right for the Company from the Customers suppliers of gas for transportation as well as any natural gas pipeline delivering gas to the Company to be transported to the Customer.

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Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.7</u>		
Title: <u>Natural Gas Transportation Service --- (NGT)</u>		

Good Faith:

Customers shall make a good faith effort to minimize imbalances. Customers shall also make a good faith effort to correct any such imbalances as soon as practical.

If a Customer has a cumulative monthly imbalance greater than 10% of the Gas Delivered during the service month, for a period of time greater than three (3) consecutive months, the Company shall have the right, after providing 24 hours notice to the Customer and Customer's agent, to take corrective action as required to eliminate the imbalance by restricting deliveries, receipts, and nominations as indicated below. The Company shall not have the right to restrict deliveries, receipts and nominations at any other time, except as otherwise provided herein, in Company tariff Policy Schedule No. 4.1 - Curtailment Policy or other tariffs, by Arkansas Public Service Commission rules or by law. The Company shall not be obligated to deliver a greater volume of gas to a transportation Customer than is nominated and confirmed for delivery to that Customer, unless such action is an attempt to correct an existing imbalance. The Company shall also not be obligated to confirm a nomination that is greater than the amount of natural gas that is delivered to the Customer unless such action is an attempt to correct an existing imbalance. The Company shall remain obligated to deliver to the Customer all gas supplies that are nominated (confirmed nominations only) by the Customer or their agent.

Special Provisions:

All revenue collected by the Company associated with cash balancing, conversion costs, and imbalance penalties for the period of October 1, through September 30, shall be credited to the Company's Cost of Gas.

Measuring Equipment:

The Company shall provide and maintain recognized standard meters and regulators at the Point(s) of Delivery for the accurate measurement and regulation of all gas volumes transported for and/or sold to the Customer.

Each new transportation account under 200,000 Ccf/Year shall be required to install cellular SCADA equipment or other equipment approved by the Company, in its sole discretion, which is capable of transmitting data in a manner satisfactory to the Company. The Company shall install or have installed, own and operate the equipment. The Customer will make a non-refundable contribution to the Company equal to the cost to install the equipment.

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Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.7</u>		
Title: <u>Natural Gas Transportation Service --- (NGT)</u>		

Each new transportation account over 200,000 Ccf/Year shall be required to install cellular SCADA equipment with electronic corrector or other equipment approved by the Company, in its sole discretion, which is capable of transmitting data in manner satisfactory to the Company. The Company shall install or have installed, own and operate the equipment. The Customer will make a non-refundable contribution to the Company equal to the cost to install the equipment. In event that cellular service is not available to customer or unacceptable, the Customer shall furnish at the Customer's expense a dedicated telephone data line within six feet (6') of the metering device or pay any costs incurred for the cost of collection and transmission of data using the Company approved alternative equipment. The Company shall furnish Customer, or Customer's agent, electronic access to the same measurement data.

The accuracy of all measuring equipment, whether owned by a producer, pipeline or the Company, shall be subject to test at the request of either the Company or the Customer. At any such test, the party requesting the test may have a representative present if it so desires. If, upon test, any error in the measuring equipment is found to affect volumes being measured by not more than three percent (3%), previous recordings of such equipment shall be considered as being correct in measuring deliveries of gas. If, upon test, any error in measuring is found to affect volumes being measured by more than three percent (3%) previous recordings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon. In case the period is not known definitely or not agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of the last test, not exceeding a correction period of six (6) months. Such equipment shall be adjusted to record accurately. If, for any reason, meters are in disrepair or out of service so that the amount of gas delivered cannot be ascertained or computed from a reading thereof, the gas delivered during the period such meters were in disrepair or out of service shall be estimated upon the basis of the best data available using the first of the following methods which is feasible:

- (a) By using the registration of any check meter(s), if installed and accurately registering.
- (b) By correcting the error, if the percentage of error is ascertainable by calibration, test, or mathematical calculation.
- (c) By estimating the quantity based upon deliveries made during preceding periods under similar conditions when the meter was registering accurately.

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Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.7</u>		
Title: <u>Natural Gas Transportation Service --- (NGT)</u>		

The Company shall have access to any measuring equipment through which gas is delivered into its system at all reasonable times. If the Company has installed and is operating such measuring equipment, it shall be responsible for reading, calibrating, adjusting, and changing charts on said equipment. The Company shall make its charts and readings available to the Customer for purposes of auditing the volumes transported and/or sold under this rate schedule. When deliveries of natural gas are made through facilities owned or operated by a pipeline supplier, such measurement shall be subject to the same rules which are applied to any other deliveries of gas from said supplier.

The title to all meters, appliances, equipment, etc., placed on the Customer's premises and not sold to the Customer shall remain with the Company, with right of removal, and no charge shall be made by the Customer for use of premises occupied by same.

If the Company is required to add any facilities in order to provide service under this rate schedule, the Customer shall pay all costs of such added facilities.

Measurement Factors and Definitions:

The volumetric unit of measurement shall be 100 cubic feet (Ccf) of gas at an assumed temperature of sixty degrees Fahrenheit and at a pressure of 14.65 pounds per square inch absolute (psia). The atmospheric pressure shall be assumed to be 14.4 pounds per square inch. The Company shall have the right to correct volumes for temperature variations above or below 60 degrees Fahrenheit should it deem such correction to be necessary.

The heating value unit of measurement hereunder shall be the British Thermal Unit (Btu). The standard cubic foot of gas for testing gas for Btu content shall be that quantity of gas saturated with water vapor, which occupies one cubic foot at a temperature of 60 degrees Fahrenheit and under a pressure of 14.65 pounds per square inch absolute (psia).

If volumes delivered under this rate schedule are measured by an orifice meter, the coefficients shall be based on the basic orifice flow factor last published and approved by the Gas Measurement Committee of the American Gas Association. It shall be assumed that the values of the Reynolds number factor, the manometer factor, and the expansion factor are one (1). The specific gravity determinations for the purpose of volume measurement computations shall be based upon the arithmetical average of the hourly specific gravities, if available, or upon periodic tests of said gravity.

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<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.7</u>		
Title: <u>Natural Gas Transportation Service --- (NGT)</u>		

Quality and Pressure of Gas Delivered for Transportation:

The gas delivered by a producer or supplier to the Company for transportation to Customer shall at all times be merchantable gas continuously conforming to the pipeline quality and safety requirements of the Company.

If the Customer contracts for the purchase of gas from a producer or pipeline who is not now delivering gas to the Company and such gas is to be delivered directly into the Company's system at the Point(s) of Receipt, the Customer will bear all reasonable expense connected with the determination of the quality of the gas being delivered.

The gas delivered by the Company to Customer at its premises shall at all times conform to the standards of quality and safety prescribed by the regulatory agencies having jurisdiction.

The Btu content of the gas delivered to Customer by the Company shall be the Btu content available in the system at the point of delivery to the Customer at the time of delivery. The Btu content at the Company's various delivery points will vary from point to point and from time to time and nothing herein contained shall be construed as obligating the Company to alter the usual operation of its system to achieve deliveries of a prescribed heating value at any point or points. The Btu adjustment factor may be assumed to be one (1) for measurement computations.

Delivery pressures to Customer shall be mutually agreed upon from time to time based on system capacity, Customer requirements, and other pertinent factors. The maintenance of delivery pressure shall be subject to the demands of Customers of the Company being served at any particular time. The delivery pressures to Customer may be reduced or transportation deliveries interrupted under emergency conditions if the demands of higher priority Customers of the Company may so require, subject to the applicable provisions of the tariffs dealing with curtailment.

ARKANSAS PUBLIC SERVICE COMMISSION

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<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.7</u>		
Title: <u>Natural Gas Transportation Service --- (NGT)</u>		

Force Majeure:

In the event of either party being rendered unable wholly or in part by *force majeure* to carry out its obligations under the Contract, other than to make payments of amounts due under the Contract, it is agreed that upon such party giving notice and full particulars of such *force majeure* in writing or by telephone (if by telephone to be subsequently confirmed in writing) to the other party as soon as possible after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such *force majeure*, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause, as far as possible, shall be remedied with all reasonable dispatch. The term "*force majeure*," as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, acts of terrorism (domestic or foreign in origin) epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, arrests, priority limitation or restraining orders of any kind of the government of the United States or a State or of any civil or military authority, civil disturbances, explosions, breakage, accidents, tests, maintenance or repairs to machinery or lines of pipe, freezing of wells or lines or pipe, partial or entire failure of natural gas wells including storage wells, inability to obtain or unavoidable delay in obtaining material and equipment, and any other causes, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of strikes or lockouts or other labor difficulties shall be entirely within the discretion of the party having the difficulty and the above requirement that any *force majeure* shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or other labor disturbances by acceding to the demands of opposing party when such course is inadvisable in discretion of the party having the difficulty.

Rate Schedule 2.7
Natural Gas Transportation Service
APPENDIX A

GAS TRANSPORTATION AND BACK-UP SALES SERVICE CONTRACT

THIS AGREEMENT, made and entered into this _____ day of _____, 20____, by and between Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy (formerly known as SourceGas Arkansas Inc. and as Arkansas Western Gas Company), a corporation, its successors or assigns, hereinafter referred to as "Black Hills Energy," and the Customer, [CUSTOMER], its successors or assigns, hereinafter referred to as "Customer." Customer accounts covered under this contract are as follows:

Account #	Meter #	Premise Location for Account
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See Exhibit "A" attached

WITNESSETH:

WHEREAS, Black Hills Energy owns and operates facilities for the distribution of natural gas to Customer's premises; and

WHEREAS, Customer may enter into contracts for the purchase of its natural gas requirements directly from a third party, for the delivery of said gas to Black Hills Energy's Point of Receipt for delivery to Customer at the Point of Delivery; and

WHEREAS, to the extent (a) that it may lawfully do so, and (b) that there is sufficient capacity in its existing facilities to do so, Black Hills Energy has agreed to transport and Customer has agreed to purchase such transportation service from Black Hills Energy subject to the terms

and conditions hereinafter stated and the terms and conditions stated in the Natural Gas Transportation Service tariff, P.S.C. Schedule No. 2.7, on file with the Arkansas Public Service Commission.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I - RATES

1.1 Subject to all of the terms and conditions hereinafter stated, Black Hills Energy agrees to accept and to transport volumes of natural gas delivered to it for Customer and Customer agrees to pay Black Hills Energy for such transportation at the rates stated on General Schedule No. 1.6 (Summary of Base Rates), on file with the Arkansas Public Service Commission as the same may be revised from time to time.

1.2 Black Hills Energy also agrees to provide back-up sales service, if Customer so requests and such gas is available. Such service shall be the sale of such volumes of natural gas as Customer requires as described in the Back-up sales provision of P.S.C. Schedule No. 2.7 – Natural Gas Transportation Service.

1.3 Subject to the terms and conditions hereinafter stated, Black Hills Energy agrees to deliver such gas to Customer at the Point of Delivery, and Customer agrees to reimburse Black Hills Energy all reasonable expenses necessary to have gas transported to Black Hills Energy's Point of Receipt, not otherwise collected under the provisions of paragraphs 1.1 and 1.2.

1.4 It is understood that in addition to all payments made by Customer under paragraphs 1.1 and 1.3 for transportation of gas, Customer shall also compensate for fuel and lost and unaccounted for gas associated with transportation of said gas. The volume to be used for fuel and lost and unaccounted for gas for each month of this Agreement shall be based upon the fuel and lost and unaccounted for percentage underlying the rates approved in Black Hills Energy's most recent rate proceedings.

1.5 If Customer receives both transportation and back-up sales service

during any month in which this Agreement is in effect, Customer shall pay only one customer charge in such month for services rendered hereunder (i.e. the customer will not be required to pay a customer charge for being a transportation customer and another customer charge for being a back-up sales customer).

1.6 Nothing contained herein shall be construed as affecting in any way the right of Black Hills Energy to unilaterally make application for a change in its rates and/or general terms and conditions of service to the regulatory authority having jurisdiction over the service provided hereunder. If such application affects the transportation service only, Black Hills Energy shall notify the Customer of such application. If such application is part of an application that affects all services, then the notification rules prescribed by the Public Service Commission shall apply.

1.7 Transportation charges will apply to all gas transported for Customer pursuant to paragraphs 1.1, 1.2 and 1.3 of this agreement.

ARTICLE II - TERM

2.1 This Agreement shall be effective for a contract term not less than one year, expiring on May 31, 20___. If Customer wishes to terminate this Agreement as of the original expiration date, Customer must provide the Company written notice of termination on or before the February 15 preceding the original expiration date. After the initial contract term, if this Agreement is not terminated as provided for above, then, unless the Agreement is terminated pursuant to Article XI of the Agreement, the Agreement shall continue in effect until it is terminated by Customer. Such termination may only be effective as of May 31 of a given year, and requires written notice of termination from Customer on or before the February 15 preceding that May 31.

2.2 In the event Customer terminates this Agreement and fails to pay the monthly minimum bill, then Customer's right to future service will depend upon the execution of another Agreement between the parties with terms and conditions to be determined at the time of its reconnection to the system, and if the reconnection occurs within twelve months of the termination of service, payment of the reconnect fee provided for in the Natural Gas Transportation Service

tariff, P.S.C. Schedule No. 2.7.

ARTICLE III - POINT OF DELIVERY

3.1 The Point of Delivery hereunder for transported gas shall be at the outlet side of Black Hills Energy's meter at the Customer's plant(s).

ARTICLE IV - POINT(S) OF RECEIPT

4.1 Customer's gas supplies shall be delivered to the Point(s) of Receipt at a mutually agreeable point on Black Hills Energy's utility system that connects to Customer's facilities. The Point(s) of Receipt hereunder shall be:

Any mutually agreeable wellhead or interconnect points or the market transfer pool.

ARTICLE V - RECORDS

5.1 Customer agrees to maintain for three (3) years full and complete records of the volumes of gas delivered to Black Hills Energy.

5.2 In the event an error is discovered in any statement provided for herein, such error shall be corrected and proper adjustment made within thirty (30) days of the discovery thereof; provided that no adjustment shall be made after the lapse of three (3) years from the date of the statement.

ARTICLE VI - TITLE TO GAS

6.1 It is understood and agreed by the parties that in the performance of this Agreement, that ownership of transported volumes contracted by Customer will at all times remain vested in Customer.

6.2 Customer hereby warrants its title to all gas delivered to Black Hills Energy hereunder and that such gas shall be free and clear from all liens, claims, and encumbrances whatsoever.

6.3 Customer and Black Hills Energy shall be responsible for any damage or injury arising as a result of its negligence while in control and possession of the gas delivered by such party hereunder until the same shall have been delivered to the other party at the point(s) of receipt or delivery.

ARTICLE VII - LIABILITIES

7.1 Each party assumes full responsibility and liability for its negligence in the operation of facilities owned by it or otherwise in connection with the transportation of gas.

ARTICLE VIII – FORCE MAJEURE

8.1 In the event of either party being rendered unable wholly or in part by *force majeure* to carry out its obligations hereunder, other than to make payments of amounts due hereunder, it is agreed that upon such party giving notice and full particulars of such *force majeure* in writing or by telephone (if by telephone to be subsequently confirmed in writing) to the other party as soon as possible after the occurrence of the cause relied on, the obligations of the party giving such notice, so far as they are affected by such *force majeure*, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause, as far as possible, shall be remedied with all reasonable dispatch. The term “*force majeure*,” as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, acts of terrorism (domestic or foreign) epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, arrests, priority limitation or restraining orders of any kind of the government of the United States or a State or of any civil or military authority, civil disturbances, explosions, breakage, accidents, tests, maintenance or repairs to machinery or lines of pipe, freezing of wells or lines or pipe, partial or entire failure of natural gas wells including storage wells, inability to obtain or unavoidable delay in obtaining material and equipment, and any other causes, whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming suspension. The settlement of

strikes or lockouts or other labor difficulties shall be entirely within the discretion of the party having the difficulty and the above requirement that any *force majeure* shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or other disturbances by acceding to the demands of the opposing party when such course is inadvisable in discretion of the party having the difficulty.

ARTICLE IX – ASSIGNMENT

9.1 This Agreement shall be binding upon the parties hereto, their successors and assigns, provided, however, that this Agreement and/or the rights and obligations hereunder shall not be assignable, in whole or in part, by either party unless such assignment shall be to a purchaser or other successor to substantially all of the assets, properties and business of the assigning party who will carry on the business of the assigning party in substantially the same location.

ARTICLE X - REGULATION AND LAWS

10.1 This Agreement, and the rates charged and service hereunder, shall be subject to regulation by the regulatory authority having jurisdiction; to all applicable present and future state and federal gas rules and regulations; and to all other rules, regulations, and orders of any other regulatory authority having jurisdiction of the subject matter or either of the parties hereto.

10.2 The rates, charges, and terms of this Agreement are subject to modification upon the approval of the Arkansas Public Service Commission of any schedule which supersedes the rates, charges, and terms set forth in the applicable tariffs. In the event such a modification results in a material change in the terms and conditions as set forth in this Agreement, either party may terminate this Agreement upon thirty (30) days prior written notice to the other party.

ARTICLE XI - DEFAULT

11.1 If either party shall fail to perform any of the covenants or obligations imposed upon

it by this Agreement, then in such event the other party may, at its option, terminate this Agreement by proceeding as follows: The party not in default shall cause a written notice to be served on the party in default, stating specifically the cause for terminating the Agreement, and declaring it to be the intention of the party giving the notice to terminate the same; thereupon, the party in default shall have thirty (30) days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the termination notice, and if within said thirty (30) days the party in default does so remove and remedy said cause or causes and fully indemnify the party not in default for any and all consequences of such breach, then such notice shall be withdrawn and this entire Agreement shall continue in full force and effect. In the case the party in default does not remedy and remove the cause or causes or does not indemnify the party giving the notice for any and all consequences of such breach, within said period of thirty (30) days, then this Agreement shall become null and void from and after the expiration of said period.

11.2 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future defaults, whether of a like or of a different character.

ARTICLE XII – MAXIMUM DAILY QUANTITY

12.1 Subject to the other limitation provided herein and in the Natural Gas Transportation Service tariff, P.S.C. Schedule No. 2.7, the Maximum Daily Quantity of gas which Black Hills Energy shall be obligated to transport for Customer and/or sell to Customer as back-up sales service shall be [Quantity] Ccf (hundred cubic feet) winter MDQ and [Quantity] Ccf summer MDQ.

ARTICLE XIII – NOMINATIONS

13.1 Customer agrees to make nomination for gas to be transported herein, as provided in the Natural Gas Transportation Service tariff, P.S.C. Schedule No. 2.7.

ARTICLE XIV – MODIFICATION AND AMENDMENTS

14.1 Any change in the provisions of this Agreement made subsequent to its execution shall be made by formal amendments executed in the same manner as this Agreement.

ARTICLE XV – NOTICES

15.1 Any notice or notices given by either party under the terms of this Agreement shall be sent by certified mail to the following addresses:

To Black Hills Energy:	BLACK HILLS ENERGY 655 E. Millsap Road, Suite 104 Fayetteville, AR 72703-1002
To Customer:	[CUSTOMER] Attn: [CONTACT NAME] [ADDRESS 1] [ADDRESS 2]

or to such other addresses as either party may from time to time designate in writing.

15.2 The parties agree to notify the other of the name and address of the person or persons authorized to act for the party in respect to the routine operating matters under this Agreement and routine operating requests, reports, billings, and other matters of a routine nature shall, upon such notification, be directed to the persons so designated.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Agreement in multiple counterparts by their duly authorized officials as of the day and year first above written.

BLACK HILLS ENERGY

By: _____

Title: _____

[CUSTOMER]

By: _____

Title: _____

BLACK HILLS ENERGY ARKANSAS, INC.
d/b/a/ BLACK HILLS ENERGY
TRANSPORTATION AND BACK-UP SALES CONTRACT

EXHIBIT "A"

This Exhibit "A" is attached to and constitutes part of the Transportation and Back-up Sales Service contract dated _____ by and between BLACK HILLS ENERGY ARKANSAS, INC. d/b/a/ BLACK HILLS ENERGY (formerly known as SourceGas Arkansas Inc. and as Arkansas Western Gas Company) and _____, as customer.

Account #	Legacy Account #	Meter #	Premise Location for Account		

This Exhibit "A" is effective as of _____, and replaces the previous Exhibit "A" dated _____ in its entirety.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____,

BLACK HILLS ENERGY

(CUSTOMER)

By: _____

By: _____

Printed
Name: _____

Printed
Name: _____

Title: _____

Title: _____

ARKANSAS PUBLIC SERVICE COMMISSION

Second Revised Replacing First Revised	Sheet No. 1 of 2 Sheet No. 1 of 2	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company).		
Kind of Service: <u>Natural Gas</u> Class of Service: <u>Unmetered Gas Lights</u>		
Rate Schedule No. <u>2.8</u>		
Title: <u>Unmetered Gas Lights Sales Service (GL)</u>		PSC File Mark Only

UNMETERED GAS LIGHTS SALES SERVICE – (GL)**Availability:**

Natural gas service is available under this rate schedule when metering the lighting fixtures' consumption is not economical. Gas service is not available under this rate schedule for resale to others or for stand-by service.

Each natural gas lighting pole and fixture shall be provided by the Customer and equipped with a regulator approved by the Company and capable of regulating Company's mainline pressure down to no more than nine (9) inches water column pressure. Customer is responsible for all natural gas lighting fixture modifications and maintenance. The Company must approve the natural gas lighting fixture, any fixture modifications, and fixture installation before natural gas service is made available.

Character of Service:

Service hereunder will not normally be subject to curtailment except as may become necessary under the terms of Company tariff Policy Schedule No. 4.1 – Curtailment Policy. The average heating value for gas delivered to customers shall not be less than 975 Btu per cubic foot at 14.65 psia and 60 degrees Fahrenheit. The established absolute pressure base for all deliveries shall be 14.65 psia. The normal gauge pressure for all deliveries shall be four (4) ounces gauge pressure per square inch above 14.4 psia assumed atmospheric pressure. The Company, at its option, may provide service at a pressure higher than normal pressure to an individual customer who so requests.

Base Rates:

Base rates are listed on General Schedule No. 1.6.

Consumption per fixture shall be based upon usage per hour according to the gaslight manufacturer.

Additional Charges:

In addition to the base rates stated on General Schedule No. 1.6, service under this rate schedule is subject to the charges of the following Company Rider Schedules:

1. Rider Schedule No. 3.6 – Billing Determinant Rate Adjustment Rider
2. Rider Schedule No. 3.7 – Cost of Gas Rider
3. Rider Schedule No. 3.8 -- Act 310 Surcharge Rider (Act 310)
4. Rider Schedule No. 3.9 – Tax and Fee Rider
5. Rider Schedule No. 3.10 – Energy Efficiency Cost Recovery Rider (EECR)
6. Rider Schedule No. 3.11 -- Main Replacement Program Rider (MRP)

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

Second Revised <u>Sheet No. 2 of 2</u> Replacing First Revised <u>Sheet No. 2 of 2</u> <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company). Kind of Service: <u>Natural Gas</u> Class of Service: <u>Unmetered Gas Lights</u> Rate Schedule No. <u>2.8</u> Title: <u>Unmetered Gas Lights Sales Service (GL)</u>	PSC File Mark Only
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Reconnect Charge:

This rate schedule is a continuous service schedule. If service is disconnected at the request of the consumer and thereafter restored at the same location for the same occupant within the twelve month period following the date service was disconnected, a Reconnect Charge will become due and payable when service is restored. The Reconnect Charge shall be computed by multiplying the Customer Charge by the number of months and fractions of months that service was disconnected.

Terms of Payment:

All bills are due and payable twenty-two (22) days after the date the bills are mailed. Billing shall be on a monthly basis. Both the date the bill was mailed, and the date the bill is due will be printed on the bill.

Late Payment Charge:

The Company may bill an additional charge (Late Payment Charge), if the payment of a billing is not received by the Company or its authorized agent for payment before the close of business on the due date as shown on the bill. The Late Payment Charge shall be calculated on only the overdue amount of the bill and will be determined as follows: ten percent (10%) of the first \$30.00 plus two percent (2%) of the remaining unpaid balance. The amount of the Late Payment Charge and when it will apply will be printed on the bill.

Rules and Regulations:

Service will be rendered in accordance with the Company tariff General Schedule No. 1.4 – Company Filed Rules and Regulations Governing Gas Service on file with the Arkansas Public Service Commission and in accordance with the Rules and Regulations established by the Arkansas Public Service Commission.

Ark. Public Serv. Comm. ---APPROVED---10/15/2018 Docket: 17-071-U Order No.- 8

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 1 of 4	
Replacing Original	Sheet No. 1 of 4	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company).		PSC File Mark Only
Kind of Service: Natural Gas	Class of Service: <u>All</u>	
Rate Schedule No.: <u>2.9</u>		
Title: <u>Charges Related to Customer Activity (CAC)</u>		

CHARGES RELATED TO CUSTOMER ACTIVITY - (CAC)**Applicability:**

To all customers taking gas service under the Company's rate schedules as they are now or as they may in the future be filed and approved by the Arkansas Public Service Commission. The following charges related to customer activity shall apply:

1. **Service Connection Charge:**

After application for service by a customer, the Company will set a meter for the customer within a reasonable time. Meters will be set at no charge during the Company's regular business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays recognized by the Company (all other hours are considered non-business hours). If undue hardship would result to a customer, the Company, upon customer's request, will set a meter during non-business hours.

Non-Business Hour Charge	\$65.00
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2. **Reconnection Charge:**

If service has been disconnected for any of the reasons contained in the Arkansas Public Service Commission General Service Rule No. 6.01(A)-(R), the Company will not restore service until the reason for the suspension of service has been resolved. The Company will charge the following Reconnection Charges:

Reconnection during normal business hours: 8:00 a.m. through 5:00 p.m. Monday through Friday, excluding holidays recognized by the Company	\$49.00
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Reconnection during hours other than normal business hours	\$82.00
--	---------

If the customer remains off service a sufficient length of time such that the Reconnect Charge as defined on the applicable service rate schedule is greater than the charges stated above, the customer shall be charged a Reconnect Charge as provided for by the service rate schedule. If the customer requests service to be reconnected but at a different service location, a Reconnection Charge of \$49.00 for a normal business hour reconnection or a Reconnection Charge of \$82.00 for an after hour reconnection shall be paid by the customer before service is reconnected.

THIS SPACE FOR PSC USE

First Revised Sheet No. 2 of 4
 Replacing Original Sheet No. 2 of 4

Black Hills Energy Arkansas, Inc. d/b/a Black Hills Energy

Kind of Service: Natural Gas Class of Service: All

Rate Schedule No.: 2.9

Title: Charges Related to Customer Activity (CAC)

PSC File Mark Only

3. **Insufficient Check Charge:**

When payment is made by check and the check is returned to the Company for any reason other than bank error, the Company shall charge the customer the maximum collection fee amount under Arkansas Code Ann. § 4-60-103.

4. **Collection Charge:**

The Company will charge the customer a Collection Charge of \$20.00 if the last day to pay, as printed on the most recent shut-off notice, has passed, and the Company dispatches a Company employee to the customer's premises to terminate service, and service is not terminated for either of the following reasons:

- A. The customer pays the amount owed by means acceptable to the Company (for example, the customer pays online via the Company's website, or via the Company's IVR phone system, or by phone with the assistance of a customer care representative).
- B. The customer makes payment arrangements which are accepted by the Company employee.

5. **Finance Charge On Delayed Payment Agreements:**

The Company may charge a Finance Charge On Delayed Payment Agreements at an annual rate of interest as established by the Arkansas Public Service Commission as required by Ark. Code Ann. § 23-4-206(b).

6. **Late Payment Charge:**

The Company may bill an additional charge (Late Payment Charge), if the payment of a billing is not received by the Company or its authorized agent for payment before the close of business on the due date as shown on the bill. The Late Payment Charge shall be calculated on only the overdue amount of the bill and will be determined as follows: ten percent (10%) of the first \$30.00 plus two percent (2%) of the remaining unpaid balance.

7. **Meter Test Charge**

The Company will test the meter upon the customer's request. If the meter is found to be as accurate as the Commission approved tolerance set for meters before a billing adjustment is required, the Company may charge the customer for the test. The Meter Test Charge shall be the greater of \$40.00 or the cost of labor necessary to remove the meter from the customers premise and test the meter or if the test can be accomplished at the customers premise the charge will be the cost of labor to conduct the test. The cost of labor shall be determined from the Company's standard labor charge schedule.

First Revised Sheet No. 3 of 4
 Replacing Original Sheet No. 3 of 4

Black Hills Energy Arkansas, Inc. d/b/a Black Hills Energy

Kind of Service: Natural Gas Class of Service: All

Rate Schedule No.: 2.9

Title: Charges Related to Customer Activity (CAC)

PSC File Mark Only

8. **Charge for Property Damage:**

If the Company should sustain damage to its property, the Company shall bill the party responsible for such damage the actual cost of the damage or an estimate of the cost if the actual cost is unknown. Said cost to include an estimate of the cost of any gas that may have been lost as a result of the damage.

9. **Charge for Service Work On Customer Premises:**

If the Company personnel or agents provide services to the customer such as, but not limited to, appliance or equipment repair, new piping pressure tests and equipment inspection, the Company will require payment for such service. Labor cost will be based upon the Company's standard labor charge schedule in effect during the period the service is rendered.

10. **Deposit Requirements:**

- A. Deposit Requirements - Residential Applicants: The Company may require a deposit from an applicant as a condition of service in accordance with the Commission's General Service Rules.
- B. Non-Residential Applicant: The Company may require a deposit of a non-residential applicant to guarantee payment for service in accordance with the Commission's General Service Rules.
- C. Existing Customers: The Company may require a new deposit or an increase in the amount of a deposit from a customer in accordance with the Commission's General Service Rules.
- D. Bankruptcy: The Company may require a deposit from a customer due to bankruptcy in accordance with the Commission's General Service Rules and the U. S. Bankruptcy Code.

11. **Customer Account Record Charge:**

The Company may charge a fee of \$5.00 when a customer or any authorized party requests a statement of the customer's account as described in the Commission's General Service Rule No. 7.02.

12. **Energy Consumption Statement Charge:**

The Company may charge a fee of \$5.00 when a customer or any authorized party requests a statement of the customer's energy consumption for the preceding 13 months.

13. **Balanced Billing Plan Withdrawal Charge:**

The Company will not charge a processing fee when a customer withdraws from the Balanced Billing Plan.

First Revised Sheet No. 4 of 4
Replacing Original Sheet No. 4 of 4

Black Hills Energy Arkansas, Inc. d/b/a Black Hills Energy

Kind of Service: Natural Gas Class of Service: All

Rate Schedule No.: 2.9

Title: Charges Related to Customer Activity (CAC)

PSC File Mark Only

14. **Meter Reading Report Charge:**

The Company may charge a Meter Reading Report Charge of \$5.00 if a customer has requested a meter reading report in writing and the customer has already received two free meter reading reports in the last 12 months.

15. **Additional Meter Charge:**

The Company will not levy an Additional Meter Charge. It is the policy of the Company that any meter or meters installed by the Company shall be for the measurement of the gas for Company purposes and that no additional meters shall be provided to the customer. However, this will not prohibit the Company, at its sole discretion, to assist a customer by temporarily installing a meter at the customer's request for a period of short duration. On such occasions, the customer shall reimburse the Company for the cost of installing and removing the meter. Such cost shall be determined by the Company's standard labor schedule in effect during the period the meter is installed.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 1 of 6	
Replacing Original	Sheet No. 1 of 6	
<u>Black Hills Energy Arkansas Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rate Schedule No.: <u>2.10</u>		
Title: <u>Extension of Facilities (EXT)</u>		PSC File Mark Only

EXTENSION OF FACILITIES - (EXT)**Applicability:**

The charges and regulations specified below apply to facilities required to provide service to a site not previously served or accommodate an increase in natural gas consumption from a site currently served. Such charges and regulations apply to all classes and grades of service or facilities furnished by the Company.

For the purpose of this rate schedule, an extension of facilities ("Extension") shall include: (1) installation of new facilities to serve customers or customer locations not currently served, or (2) modification or replacement of existing facilities to accommodate an increase in natural gas consumption from a site currently served.

General Regulation:

The Company will install, own, operate, and maintain all facilities upstream of customer-owned facilities. Customer will provide a suitable outdoor location acceptable to the Company for the necessary above-ground equipment which will be kept readily accessible to employees and agents of the Company for all proper purposes. Customer will protect all company-owned equipment located on customer's premises against reasonably anticipated hazards.

Extension of Mains:

The Company will provide Extensions of gas mains of 100 feet or less from its existing mains without cost to the customer, provided that the customer has made application for gas service, satisfied any applicable deposit requirements, extended gas piping to the point necessary to receive gas service, and has a structure piped for gas service. Exception to the above may be made where local franchises or other agreements are contrary to the above. These requirements are to assure the Company that gas service will be used by a consumer upon completion of the Extension.

Extensions exceeding 100 feet will be made under the following conditions:

- 1) The Company will construct such Extensions at no cost to the customer when it is economically feasible to do so. Extensions will be deemed economically feasible when the net present value of the Extension is greater than zero.

Determination of the economic feasibility of the Extension shall be made through an economic model that shall take into consideration the following elements:

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 2 of 6	
Replacing Original	Sheet No. 2 of 6	
<u>Black Hills Energy Arkansas Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rate Schedule No.: <u>2.10</u>		
Title: <u>Extension of Facilities (EXT)</u>		

- a) total incremental non-gas cost revenue,
 - b) total incremental capital cost of the Extension,
 - c) incremental operation and maintenance expense,
 - d) depreciation,
 - e) return on investment, and
 - f) other costs and factors relevant to the economic feasibility specific to each Extension.
- 2) If a proposed Extension fails to meet the economic feasibility test described in (1) above, a Main Extension Surcharge ("MES") shall be available. Once a customer elects to receive the MES, a monthly charge will be applied to the premises at which the customer will receive gas service in order that the customer at that premises repay the cost of the Extension. The amount of the MES available and the corresponding monthly payment are as follows:
- a) Up to \$2,227 for Customers selecting a \$20 per month MES,
 - b) Up to \$3,340 for Customers selecting a \$30 per month MES,
 - c) Up to \$4,453 for Customers selecting a \$40 per month MES,
 - d) Up to \$5,567 for Customers selecting a \$50 per month MES.
- i) In order to qualify for the MES:
- (1) The total cost of the Extension must exceed the cost of 100 feet of Extension per customer;
 - (2) The homes or structures to receive gas service must have primary gas heat and gas water heating or have gas appliance(s) with comparable annual load;
 - (3) The customer must pay any costs (including installation) in excess of those that are economically feasible, less the amount to be paid through the MES, before construction begins; and
 - (4) The customer requesting the MES must be the property owner at the address of the premises for which the service is requested.
- ii) Repayment Terms:
- 1) The Company shall establish, and the customer electing to receive the MES shall accept, a reimbursement schedule to recover the costs of providing the MES with the reimbursement period not to exceed 180 months and the cost of recovery calculated to take into account the Commission approved pretax rate of return;

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 3 of 6	
Replacing Original	Sheet No. 3 of 6	
<u>Black Hills Energy Arkansas Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rate Schedule No.: <u>2.10</u>		
Title: <u>Extension of Facilities (EXT)</u>		PSC File Mark Only

- 2) Customers have the option to pay off any remaining balance associated with the MES in a lump sum at any time. When requested by a customer, the Company will calculate the lump sum payment amount based upon the remaining unpaid MES at 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 MES payments;
- 3) The liability for the MES remains with the premises, such that in the event a new customer becomes responsible for paying the Company for service at the premises, 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 that the customer's premises is subject to the MES. If the customer does not pay the MES, the Company may suspend service for nonpayment;
- 4) The Company will provide the following information to the customer in writing when presenting the estimated connection costs and available MES:
 - (i) the Commission approved pretax rate of return,
 - (ii) the MES amount and the pretax rate of return amounts over the duration of the payment period,
 - (iii) the fact that the customer has the option to make a lump sum payment at any time during the duration of the repayment period,
 - (iv) a phone number the customer may call in order to address MES questions and the lump sum payment.
- 3) If a proposed Extension fails to meet the economic feasibility test described in (1) above and either the Extension does not qualify for the MES or the customer does not elect the MES option, the customer will be required to make a refundable contribution-in-aid of construction in an amount sufficient for the Extension to meet the economic feasibility test before construction begins. Extensions require that a "Main Extension Agreement" be entered into between the Company and those participants making contributions and eligible for refunds. See "Appendix A" for copy of Main Extension Agreement. The Company will not normally accept proposals for customers furnishing all or part of the ditching or backfilling. There may be circumstances in which the furnishing of ditching by a customer would be acceptable and credit given. These situations must be reviewed on a case by case basis by the operating department before acceptance.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 4 of 6	
Replacing Original	Sheet No. 4 of 6	
<u>Black Hills Energy Arkansas Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rate Schedule No.: <u>2.10</u>		
Title: <u>Extension of Facilities (EXT)</u>		

Extensions to Single Mobile Homes:

Extensions for individual mobile homes not located within a mobile home park but located on property owned by the mobile home owners shall be given the same consideration as any other customer. Extensions for mobile homes situated on property being rented or leased will require a non-refundable contribution-in-aid of construction equal to the amount of the cost of the entire extension.

Extensions to Multiple Housing and Mobile Home Parks:

Service to multiple housing complexes and mobile home parks will be by individual meters at each unit and will require a gas distribution system. These systems will be considered the same as other Extensions, subject to the park owner providing dedicated streets, alleys, easements or private right-of-way grants for the gas line locations. This policy is applicable only to newly constructed facilities and does not apply to conversions from master meter to individual meters where the piping system is replaced in whole or in part. Prior to the gas distribution systems for a newly constructed park being approved, the park owner must present a proposed piping plan to the Company for acceptance.

Conversion of Multiple Housing and Mobile Home Parks from Master Meter to Individual Meters:

For conversions of multiple housing parks and mobile home parks from master meter to individual meters, once the park owner expresses interest in conversion, the Company will conduct an economic feasibility study for the multiple housing or mobile home park in question, taking into account the existing units within the park that are receiving natural gas service at the time of the study. The feasibility study will be based on the following factors:

- a) total incremental non-gas cost revenue,
- b) total incremental capital cost to pipe the park for individual meters,
- c) incremental operation and maintenance expense resulting from the individually metered park,
- d) depreciation,
- e) return on investment, and
- f) other costs and factors relevant to the economic feasibility specific to each conversion.

If a proposed conversion fails to meet the economic feasibility test described above and the park owner elects to proceed with the conversion, the park owner will be required to make a non-refundable contribution-in-aid of construction in an amount sufficient for the conversion to meet the

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 5 of 6	
Replacing Original	Sheet No. 5 of 6	
<u>Black Hills Energy Arkansas Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rate Schedule No.: <u>2.10</u>		
Title: <u>Extension of Facilities (EXT)</u>		

economic feasibility test before construction begins. When such a contribution is required from the park owner, that customer must enter into a "Main Extension Agreement" with the Company.

Refunds:

Extensions requiring a contribution-in-aid of construction are eligible for refunds, except Extensions made to single mobile homes not situated on property owned by the owner of the mobile home and Extensions made in the course of converting a master meter multiple housing park or mobile home park to individual meters. Refunds will be made for a maximum of 3 years from the effective date of the "Main Extension Agreement."

The refund amount may vary depending on investment and rate of return. The total refunds may not exceed the contribution amount on any specific Extension. Refunds are made once each 12 months during the contract term. These Extensions will be surveyed and considered for refund within 90 days following the anniversary of the contract.

Service Line Installation Policy:

When first setting a meter at a customer's premises, the Company will install the first 100 feet of service line (up to one inch in diameter) extending from the distribution main to the inlet side of the meter serving the customer's premises (the "Service Line") at no cost to the customer. The Company will place the meter at or near the customer's primary structure. However, if the Company determines it is preferable to set the meter at another location, it may choose to do so. Such decision will be made at the Company's sole discretion.

Service Line extensions exceeding 100 feet and/or requiring pipe greater than one inch in diameter will be made under the following conditions:

- 1) The Company will construct a service line exceeding 100 feet and/or one inch in diameter at no cost to the customer when it is economically feasible to do so. The Company will perform a REACT analysis to determine if the extension is economically feasible. The estimated cost for the extension to be used in the REACT analysis will be based on the average cost per foot associated with the type of pipe being extended. A service line extension will be deemed economically feasible if the net present value of the extension is greater than zero.

Determination of the economic feasibility of the Extension shall be made through an economic model that shall take into consideration the following elements:

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 6 of 6	
Replacing Original	Sheet No. 6 of 6	
<u>Black Hills Energy Arkansas Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rate Schedule No.: <u>2.10</u>		
Title: <u>Extension of Facilities (EXT)</u>		

- a.) total incremental non-gas cost revenue,
- b.) total incremental capital cost of the Extension,
- c.) incremental operation and maintenance expense,
- d.) depreciation,
- e.) return on investment, and
- f.) other costs and factors relevant to the economic feasibility specific to each Extension.

- 2) If the net present value is zero or less, the customer will be required to make a non-refundable contribution-in-aid-of construction in an amount sufficient for the service line extension to meet the economic feasibility test before construction begins.

The customer will be responsible for installing the gas line running from the outlet side of the meter to the structure receiving gas service.



Rate Schedule 2.10
Extension of Facilities
APPENDIX A

[CUSTOMER]

ARKANSAS MAIN EXTENSION AGREEMENT
 (Agreement Covering Advances in Aid of Construction)

THIS MAIN EXTENSION AGREEMENT ("Agreement"), is made and entered into this _____ day of _____, 201__ ("Effective Date") by and between _____ ("Customer") of _____, and Black Hills Energy Arkansas, Inc. d/b/a Black Hills Energy, an Arkansas corporation ("Company"). In consideration of the promises and other valuable consideration herein acknowledged, the parties agree as follows.

1. Customer is desirous of securing natural gas service, and Company is desirous of furnishing such service to Customer in accordance with the rates, terms, and conditions set forth in Company's applicable tariff filed with the Arkansas Public Service Commission ("Commission"). In addition to the payment as a contribution in aid of construction to be made by Customer to Company as provided for below, Customer must comply with the terms and conditions of Company's applicable Tariff to receive natural gas service.
2. (A) In order to provide the natural gas service, it will be necessary for Company to construct approximately _____ foot of _____ inch gas distribution main to the following premises identified as _____ ("Extension"), which will include, among other work, the trenching and backfilling of the pipeline. The specific boundaries of the development covered by this Agreement, and the proposed routing of the gas main(s) or service line are _____. A sketch of the construction route of the Extension is attached as Addendum C to this Agreement. Upon approval of the Company, Customer, at Customer's cost, may elect to dig or cause to be dug the trench and backfilling work necessary to carry out the Extension. Such work by Customer must be performed in accordance with the specifications described on Addendum A of this Agreement and coordinated in advance with Company. The work performed or caused to be performed by Customer must be acceptable to Company.

For the purposes of this Agreement:

_____ Yes, Customer has elected to and will perform or cause to be performed the trenching and backfilling as provided for above.

_____ No, Customer has elected not to perform the trenching and backfilling and such work will be performed by company and the cost included in the amount of the contribution in aid of construction payment to be made by Customer to Company.

**Rate Schedule 2.10****Extension of Facilities****APPENDIX A****Customer must select either Paragraph 2(B) or Paragraph 2(C).**

☒ (B) Customer shall pay to the Company, in advance of commencement of construction, as a contribution in aid of the construction of the Extension, the amount of \$_____, of which \$_____ may be available for refund to Customer as provided for in Paragraph 3 below. Such payment shall be paid by check payable to Black Hills Energy Arkansas, Inc., and tendered to Company at least thirty (30) days in advance of the start of construction. Company does not authorize Customer to remit, and Customer agrees not to remit, payment to any other person, individual or entity. OR

☐ (C) Customer shall utilize the Company's Main Extension Surcharge to pay a portion or all of the contribution in aid of construction owed by Customer. In total, Customer shall pay **\$Enter Total Contribution Amount** as a contribution in aid of construction. Of that amount, Customer shall pay to the Company **\$Enter Portion of Total Contribution Amount (Paid In Advance)** in advance of commencement of construction, and **\$Enter Portion of Total Contribution Amount (Paid over Time) Through MES** through the Company's Main Extension Surcharge. The amount paid by Customer in advance of commencement of construction shall be paid by check payable to Black Hills Energy Arkansas, Inc. and tendered to Company at least thirty (30) days in advance of the start of construction. Company does not authorize Customer to remit, and Customer agrees not to remit, payment to any other person, individual or entity.

In addition to the **\$Enter Portion Of Total Contribution Amount (Paid Over Time) Through MES** paid by the Customer through the Main Extension Surcharge as all or part of the contribution in aid of construction, the Customer shall also pay Company annual return amounts totaling **\$Enter Total Annual Return Amount Paid by Customer (Use Load Growth's Amortization Model)** through the Main Extension Surcharge. Thus, the total amount paid by Customer through the Main Extension Surcharge is **\$Enter Contribution Amount Paid Through MES + Total Annual Return Amount (Use Load Growth's Amortization Model)**. This amount is in addition to the **\$Enter Portion of Total Contribution Amount (Paid In Advance)** Customer shall pay to Company in advance of commencement of construction. Payment amounts and other details of the Main Extension Surcharge are stated in the Customer Acknowledgement of Main Extension Surcharge attached as Addendum D to this Agreement, if applicable.

Of the **\$Enter Total Contribution Amount** paid by Customer as a contribution in aid of construction, **\$Enter Total Contribution Amount** may be available for refund to Customer as provided for in Paragraph 3 below.



Rate Schedule 2.10
Extension of Facilities
APPENDIX A

3. (A) Company agrees that for all customers of the Company, other than Customer, that connect to the subject Extension and initiate natural gas service from Company within three (3) years from the Effective Date of this Agreement (“Refund Eligibility Period”), Company will make a refund to Customer of an amount equal to \$_____ for each customer so connected. However, the total of all such refunds shall not exceed under any circumstances, and the Company shall have no obligation whatsoever, to refund to Customer any amount in excess of \$_____. On the first, second and third anniversary of the Effective Date of this Agreement, Customer shall provide to Company a list of customers connected to and served off the Extension. Company will verify the information provided by Customer, and shall make any refunds due under this Paragraph within 90 days of receiving said list from Customer. All obligations of Company to make refunds under this Paragraph shall terminate 90 days after the third anniversary of the Effective Date of this Agreement. No liability shall thereafter exist on the part of the Company for any non-refunded part of the contribution in aid of construction set forth in Paragraph 2(B). For the purposes of this Agreement, “customer” is defined as any individually metered end user connected to the Extension with either natural gas as the primary space heating and water heating fuel, or natural gas appliances of comparable annual load, as determined by Company.
- (B) Customer’s entitlement to refunds under this Paragraph 3 shall not apply to any customers connected and served off of any future extension(s), or laterals coming off of the Extension. Customer specifically understands, acknowledges, and agrees that company has the right to make further extension(s) to or laterals off of the Extension, including any extensions or laterals that extend beyond the physical boundaries covered by this Agreement, without any refund obligation whatsoever to Customer.
- (C) Customer expressly authorizes Company to disclose information pertaining to this Agreement to the Commission and to customers seeking to connect to the Extension, as may be required by Commission regulations or the Company’s tariff.
4. The scheduled starting date of construction on the Extension is _____. Company will endeavor to construct the Extension within a reasonable time period, subject to applicable laws, rules and regulations of governmental authorities, and subject to any delay occasioned by lack of right-of-way, availability of materials and supplies, force majeure, or events or conditions of whatsoever nature reasonably beyond the Company’s control, and further conditioned upon the receipt of all required approvals and consents in form and substance acceptable to Company. The estimated completion date of construction on the Extension is _____.



Rate Schedule 2.10
Extension of Facilities
APPENDIX A

5. Company shall not be obligated to commence the construction of the Extension unless and until: (a) the right-of-way for the Extension has been reduced to final grade and cleared of all obstructions of any kind and (b) Customer has paid to Company the full amount of the contribution in aid of construction as set forth in this Agreement.
6. Title and ownership of the Extension, including the main extension or service line, pipes and appurtenances, connections thereto and extensions thereof, and laterals off of, and including the right to use, operate and maintain same, shall forever be and remain exclusively and unconditionally vested in the Company. Customer understands, acknowledges and agrees that Customer shall have no title to, interest in, or ownership of the Extension including the main extension or service line, pipes and appurtenances, connections thereto and extensions thereof, and laterals off of the Extension.
7. The decision to make new connections and provide new natural gas service to future customers off of the Extension shall be at the sole discretion of Company in accordance with its applicable tariff and the rules and regulations of the Commission in effect at the time of such new connection or new natural gas service.
8. Further, if, at any time after the Effective Date of this Agreement, a moratorium on or curtailment of new or additional natural gas service or connections is imposed upon the Company's system, whether by the Company or governmental authority, the Company shall have no obligation or liability whatsoever to Customer for such a moratorium, or for not making any new connections for natural gas service, or for not providing such natural gas service to new customers within the stated Refund Eligibility Period, or to refund to Customer any amount of the contribution in aid of construction made by Customer to Company for the cost of the Extension. Any such moratorium period shall not serve to extend, or be the basis for Customer to assert any extension of, the Refund Eligibility Period. There shall be no extension of the Refund Eligibility Period.
9. Company and Customer acknowledge that there are no agreements or understandings, written or oral, between the parties related to the Extension, including the main or service line, other than as set forth in this Agreement, and that this Agreement (including the attached addenda) contains the entire agreement between the parties hereto. This Agreement may not be amended, altered, or modified except by written amendment signed by both of the parties.



Rate Schedule 2.10
Extension of Facilities
APPENDIX A

10. This Agreement shall be governed in Accordance with the laws of the State of Arkansas, including, but not limited to, all applicable tariffs. In the event of a conflict between this Agreement and any applicable laws, regulations or tariff provisions shall control.
11. The following are by this reference made a part of this Agreement:
- Addendum A – Requirements for Providing Trench and Backfill
 - Addendum B – Scheduling Requirements
 - Addendum C – Sketch of Construction Route of Extension
 - Addendum D – Customer Acknowledgment of Main Extension Surcharge
12. The Agreement shall be binding upon the parties hereto and their respective successors and assigns, provided, however, that the Customer shall not have the right to assign this Agreement without the express prior written consent of Company, which consent will not be unreasonably withheld.
13. In the event Company is required to initiate litigation to enforce the terms and conditions of this Agreement, then Company shall have the right to recover from Customer the Company's cost and expenses of such litigation, including reasonable attorney fees.
14. Customer expressly acknowledges that Customer has been afforded an opportunity to have Customer's lawyer review and explain the terms of this Agreement.

Effective as of the date first set forth above:

BLACK HILLS ENERGY
ARKANSAS, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: VP—Arkansas Operations



Rate Schedule 2.10
Extension of Facilities
APPENDIX A

ADDENDUM A

MINIMUM REQUIREMENTS FOR PROVIDING TRENCH AND BACKFILL

1. Trench depth for all mainlines (gas) will be between twenty four (24) inches and thirty six (36) inches, with thirty (30) inches being the ideal depth. **Note: This depth is from finish grade; Customer to insure final grade determination.**
2. Trench location will be in utility easement (at a point most distant from road), or along county right-of-way, and will be the Developer's responsibility to insure proper location. Customer is responsible for all county permits.
3. Clearances are 5 feet horizontally from underground electric, and 3 feet horizontally from all other underground utilities. A crossing of other utilities or buried structures requires 1-foot vertical separation, while maintaining minimum depth. All ditch crossings will be a minimum depth. All ditch crossings will be a minimum of 3 feet below the bottom of the ditch or at the depth required by the ditch company, whichever is greater. No gas main will be placed under a house, shed or other enclosed structure.
4. Gas line shading (fill directly touching gas line) will be done with native fill, ½ minus bedding or sand that has no rocks or stones larger than ½" (by Hand) to cover the pipe for a depth of between six (6) and twelve (12) inches, at which point the warning tape may be installed over the gas line.
5. Trench filling can be done at this point. **Note: Filling must be completed within 48 hours of energizing of gas line.** Customer is responsible for properly repairing trench settlement for a period of one year after the Extension is installed.
6. All construction within the public right-of-way shall conform to the local jurisdiction's road construction standards.



Rate Schedule 2.10
Extension of Facilities
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ADDENDUM B

SCHEDULING REQUIREMENTS

PURPOSE: In order to be completely fair to all contractors and enable Company to comply with an efficient schedule and continue to provide low cost installation of gas lines, the following policies will be in effect.

INSTALLATION: Company crews, or their designees, will show up on the scheduled starting date of construction and commence work.

SITE NOT READY: When Company crews or their designees show up on the scheduled starting date of construction and the site is not ready for Company to commence work, a charge equal to one crew day will be assessed plus mobilization and de-mobilization charges, and the entire job will need to be rescheduled.

EARLY NOTICE: Early notice to Company of the site not being ready (3 working day advance notice) will eliminate the assessment of the trip charge, but will require the Developer to go to the bottom of the waiting list for rescheduling.

START DATE: The scheduled starting date of construction is: _____

1st reschedule date: _____

2nd reschedule date: _____

3rd reschedule date: _____



Rate Schedule 2.10
Extension of Facilities
APPENDIX A

ADDENDUM C
Sketch of Extension

**Rate Schedule 2.10****Extension of Facilities****APPENDIX A****ADDENDUM D****BLACK HILLS ENERGY ARKANSAS, INC.****CUSTOMER ACKNOWLEDGEMENT OF MAIN EXTENSION SURCHARGE**

I, _____ acknowledge that I have requested gas service at [Insert Address] from Black Hills Energy Arkansas, Inc. ("BHEA"), and that in order to provide gas service to that address; BHEA will be required to construct an extension to one of its gas mains ("Extension"). I understand that I will be required to pay \$[Insert Total CIAC owed] toward the cost of constructing the Extension. Of the \$[Insert Total CIAC owed] that I will be required to pay, I will pay \$[Insert portion of CIAC to be paid up front] toward the cost of construction before BHEA begins construction of the Extension, and will pay \$[Insert portion of CIAC to be paid through MES] toward the cost of construction over time through BHEA's Main Extension Surcharge ("MES") option.

Under the MES option, I will pay [☐ \$20 or ☐ \$30 or ☐ \$40 or ☐ \$50] per month, for **Enter Number of Months MES Will Be Paid (Use Load Growth's Amortization Model)** months. I understand that the **\$Enter Appropriate Monthly Payment (Use Load Growth's Amortization Model)** per month MES will be in addition to the amount billed monthly by BHEA for gas utility service. I further understand that although I am paying **\$Enter Contribution Amount to Be Paid over Time through MES** toward the cost of construction through the MES option, I am also paying BHEA an annual return of 5.6153% on that amount. Thus, by paying **\$Enter Appropriate Monthly Payment (Use Load Growth's Amortization Model)** each month for **Enter Number of Months MES Will Be Paid (Use Load Growth's Amortization Model)** months, I will actually pay **\$Enter Contribution Amount Paid Through MES + Total Annual Return Amount (Use Load Growth's Amortization Model)** in total MES charges (**\$Enter Contribution Amount To Be Paid Over Time Through MES** toward the cost of construction, and **\$Enter Total Annual Return Amount Paid by Customer (Use Load Growth's Amortization Model)** in annual return amounts). I understand that I can lower the amount of total MES charges by paying off the remaining balance owed under the MES option any time before the end of the **Enter Number of Months MES Will Be Paid (Use Load Growth's Amortization Model)** month period. (The sooner I pay off the remaining balance owed under the MES option, the less I will pay in total MES charges.) I understand that I am required to make monthly payments to BHEA under the MES option until the earlier of: 1) I have paid all amounts owed under the MES option (both the amount owed toward the cost of construction, and annual return amounts); or 2) I cease to be a customer of BHEA at **Enter Service Address**. I understand that if I am no longer a customer of BHEA at **Enter Service Address**, I am no longer responsible for paying the MES, and that any new customer of BHEA at that address will then be responsible for paying any remaining amounts owned under the MES option.



**Rate Schedule 2.10
Extension of Facilities
APPENDIX A**

I understand that I will also be required to execute BHEA's Main Extension Agreement, and may be required to execute BHEA's Service Line Agreement.

Finally, I understand that I can call _____ should I have questions regarding the MES option or lump sum payments under that option.

Acknowledged by:

[Customer Name]
[Customer Address]
[date]

ARKANSAS PUBLIC SERVICE COMMISSION

Second Revised _____ Sheet No. 1 of 3 Replacing First Revised _____ Sheet No. 1 of 3 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Local Distribution Company</u> Rate Schedule No.: <u>2.11</u> Title: <u>Local Distribution Company – Sales Service Only (LDC)</u>	PSC File Mark Only
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LOCAL DISTRIBUTION COMPANY - SALES SERVICE ONLY - (LDC)**Availability:**

Natural gas service is available under this rate schedule for sales service only to any natural gas local distribution company (LDC). Eligibility for service under this rate schedule will be determined upon commencement of service for new customers at new locations and the customer's service level will be reviewed annually. The annual review will be based on three years of historical usage. If three years of historical usage are not available, the Company will review as much historical information as available. If it is determined that the customer's annual usage is not within the parameters of the customer's current service level, the customer will be reclassified. Service levels are as follows:

<u>Level</u>	<u>Annual Volumes</u>
LDC-1	0 to 10,000 Ccf
LDC-2	10,001 to 50,000 Ccf
LDC-3	50,001 to 300,000 Ccf
LDC-4	300,001 to 700,000 Ccf
LDC-5	700,001 Ccf and above

Character of Service:

Service hereunder will not normally be subject to curtailment except as may become necessary under the terms of Company tariff Policy Schedule No. 4.1 - Curtailment Policy. The average heating value for gas delivered to customers shall not be less than 975 Btu per cubic foot at 14.65 psi and 60 degrees Fahrenheit. The established absolute pressure base for all deliveries shall be 14.65 psi. The normal gauge pressure for all deliveries shall be four (4) ounces gauge pressure per square inch above 14.4 psi assumed atmospheric pressure. The Company, at its option, may provide service at a pressure higher than normal pressure to an individual customer who so requests.

Base Rates:

Base rates are listed on General Schedule No. 1.6.

THIS SPACE FOR PSC USE

ARKANSAS PUBLIC SERVICE COMMISSION

Second Revised	Sheet No. 2 of 3	
Replacing First Revised	Sheet No. 2 of 3	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Local Distribution Company</u>	
Rate Schedule No.: <u>2.11</u>		PSC File Mark Only
Title: <u>Local Distribution Company – Sales Service Only (LDC)</u>		

Additional Charges

In addition to the base rates stated on General Schedule No. 1.6, service under this rate schedule is subject to the charges of the following Company Rider Schedules:

1. Rider Schedule 3.4 – Weather Normalization Adjustment Rider
(Applicable Degree Day Factors Determined annually in accordance with annual usages less than 50,001 Ccf annually)
2. Rider Schedule No. 3.6 – Billing Determinant Rate Adjustment Rider
3. Rider Schedule No. 3.7 – Cost of Gas Rider
4. Rider Schedule No. 3.8 – Act 310 Surcharge Rider (Act 310)
5. Rider Schedule No. 3.9 – Tax and Fee Rider
6. Rider Schedule No. 3.10 – Energy Efficiency Cost Recovery Rider (EECR)
7. Rider Schedule No. 3.11 – Main Replacement Program Rider (MRP)
8. Rider Schedule No. 3.12 -- At Risk Meter Relocation Program Rider (ARMRP)

Minimum Charges:

Customers shall pay a monthly minimum bill equal to the Customer Charge. Bills will be issued on a monthly basis.

Reconnect Charge:

This rate schedule is a continuous service schedule. If service is disconnected at the request of the consumer and thereafter restored at the same location for the same occupant within the twelve month period following the date service was disconnected, a Reconnect Charge will become due and payable when service is restored. The Reconnect Charge shall be computed by multiplying the Customer Charge by the number of months and fractions of months that service was disconnected.

Terms of Payment:

All bills are due and payable twenty-two (22) days after the date the bills are mailed. Both the date the bill was mailed and the date the bill is due will be printed on the bill.

ARKANSAS PUBLIC SERVICE COMMISSION

Second Revised	Sheet No. 3 of 3	PSC File Mark Only
Replacing First Revised	Sheet No. 3 of 3	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Local Distribution Company</u>	
Rate Schedule No.: <u>2.11</u>		
Title: <u>Local Distribution Company – Sales Service Only (LDC)</u>		

Late Payment Charge:

The Company may bill an additional charge (Late Payment Charge), if the payment of a billing is not received by the Company or its authorized agent for payment before the close of business on the due date as shown on the bill. The Late Payment Charge shall be calculated on only the overdue amount of the bill and will be determined as follows: ten percent (10%) of the first \$30.00 plus two percent (2%) of the remaining unpaid balance. The amount of the Late Payment Charge and when it will apply will be printed on the bill.

Rules and Regulations:

Service will be rendered in accordance with the Company tariff General Schedule No. 1.4 -- Rules and Regulations Governing Gas Service on file with the Arkansas Public Service Commission and in accordance with the Rules and Regulations established by the Arkansas Public Service Commission.

Ark. Public Serv. Comm. ---APPROVED---10/15/2018 Docket: 17-071-U Order No. - 8

ARKANSAS PUBLIC SERVICE COMMISSION

Second Revised	Sheet No. 1 of 2	
Replacing First Revised	Sheet No. 1 of 2	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.12</u>		
Title: <u>Irrigation Sales Service (I-1)</u>		

IRRIGATION SALES SERVICE (I-1)**Availability:**

Natural gas service is available under this rate schedule to any customer for the purpose of fueling equipment used in the irrigation of crops, provided that such usage of natural gas occurs primarily during the months of May-October. Gas service under this rate schedule is not available for resale or stand-by service.

Character of Service:

Service hereunder will not normally be subject to curtailment except as may become necessary under the terms of Company tariff Policy Schedule No. 4.1 - Curtailment Policy. The average heating value for gas delivered to customers shall not be less than 975 Btu per cubic foot at 14.65 psia and 60 degrees Fahrenheit. The established absolute pressure base for all deliveries shall be 14.65. The normal gauge pressure for all deliveries shall be four (4) ounces gauge pressure per square inch above 14.4 assumed atmospheric pressure. The Company, at its option, may provide service at a pressure higher than normal pressure to an individual customer who so requests.

Base Rates:

Base rates are listed on General Schedule No. 1.6.

Annual Minimum Billings:

Customer will have an annual minimum take requirement of 425 Ccf per each metered location. Any deficiencies in the minimum annual volumes will be billed to the customer in January of each year for the previous calendar year.

Additional Charges:

In addition to the base rates stated on General Schedule No. 1.6, service under this rate schedule is subject to the charges of the following Company Rider Schedules:

1. Rider Schedule No. 3.6 – Billing Determinant Rate Adjustment Rider
2. Rider Schedule No. 3.7 -- Cost of Gas Rider
3. Rider Schedule No. 3.8 -- Act 310 Surcharge Rider (Act 310)
4. Rider Schedule No. 3.9 -- Tax and Fee Rider
5. Rider Schedule No. 3.10 – Energy Efficiency Cost Recovery Rider
6. Rider Schedule No. 3.11 – Main Replacement Program Rider (MRP)
7. Rider Schedule No. 3.12 – At-Risk Meter Relocation Program Rider (ARMRP)

THIS SPACE FOR PSC USE

ARKANSAS PUBLIC SERVICE COMMISSION

Second Revised	Sheet No. 2 of 2	
Replacing First Revised	Sheet No. 2 of 2	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial / Industrial</u>	
Rate Schedule No.: <u>2.12</u>		
Title: <u>Irrigation Sales Service (I-1)</u>		PSC File Mark Only

Reconnect Charge:

This rate schedule is a continuous service schedule. If service is disconnected at the request of the consumer and thereafter restored at the same location for the same occupant within the twelve month period following the date service was disconnected, a Reconnect Charge will become due and payable when service is restored. The Reconnect Charge shall be computed by multiplying the delivery rate times the deficiency volumes for the customer. The deficiency volumes will be defined as the difference between the minimum annual take requirement of 425 Ccf and the volume actually consumed by the customer.

Terms of Payment:

All bills are due and payable twenty-two (22) days after the date the bills are mailed. Both the date the bill was mailed and the date the bill is due will be printed on the bill.

Late Payment Charge:

The Company may bill an additional charge (Late Payment Charge), if the payment of a billing is not received by the Company or its authorized agent for payment before the close of business on the due date as shown on the bill. The Late Payment Charge shall be calculated on only the overdue amount of the bill and will be determined as follows: ten percent (10%) of the first \$30.00 plus two percent (2%) of the remaining unpaid balance. The amount of the Late Payment Charge and when it will apply will be printed on the bill.

Rules and Regulations:

Service will be rendered in accordance with the Company tariff General Schedule No. 1.4 -- Rules and Regulations Governing Gas Service -- on file with the Arkansas Public Service Commission and in accordance with the Rules and Regulations established by the Arkansas Public Service Commission.

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Second Revised	Sheet No. 1 of 3	
Replacing First Revised	Sheet No. 1 of 3	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u>		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rate Schedule No.: <u>2.13</u>		
Title: <u>Natural Gas Vehicle (NGV)</u>		PSC File Mark Only

NATURAL GAS VEHICLE (NGV)**Availability:**

Natural gas service is available under this rate schedule through a separate meter, for the exclusive purpose of fueling NGVs, to any residential, commercial, or industrial customer. Service for any end-use of gas other than for vehicular use, such as space heating, water heating, processing, or boiler fuel use, is not permitted under this rate schedule. Eligibility for service under this rate schedule will be determined upon commencement of service for new customers at new locations and customer's service level will be reviewed annually. The annual review will be based on three years of historical usage. If three years of historical usage are not available, the Company will review as much historical information as available. If it is determined that the customer's annual usage is not within the parameters of the customer's current service level, the customer will be reclassified. Service levels are as follows:

<u>Class</u>	<u>Level</u>	<u>Annual Volumes</u>
Residential	NGV-R1	All Ccf
Comm/Indust	NGV-B1	0 to 10,000 Ccf
Comm/Indust	NGV-B2	10,001 to 50,000 Ccf
Comm/Indust	NGV-B3	50,001 to 300,000 Ccf
Comm/Indust	NGV-B4	300,001 to 700,000 Ccf
Comm/Indust	NGV-B5	700,001 Ccf and above

Natural gas is available for resale to the public under this schedule, but only with the express written permission of the Company.

The sale price to the public of natural gas compressed and resold by a customer of the Company for use in a NGV is not set by the Company or the Arkansas Public Service Commission.

Character of Service:

Service hereunder will not normally be subject to curtailment except as may become necessary under the terms of Company tariff Policy Schedule No. 4.1 – Curtailment Policy. The average heating value for gas delivered to customers shall not be less than 975 BTU per cubic foot at 14.65 psi and 60 degrees Fahrenheit. The established absolute pressure base for all deliveries shall be 14.65 psi. The normal gauge pressure for all deliveries shall be four (4) ounces gauge pressure per square inch above 14.4 psi assumed atmospheric pressure. The Company, at its

ARKANSAS PUBLIC SERVICE COMMISSION

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Replacing First Revised	Sheet No. 2 of 3	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u>		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rate Schedule No.: <u>2.13</u>		
Title: <u>Natural Gas Vehicle (NGV)</u>		

option, may provide service at a pressure higher than normal pressure to an individual customer who so requests.

Base Rates:

Base rates are listed on General Schedule No. 1.6.

Additional Charges:

In addition to the base rates stated in General Schedule No. 1.6, service under this rate is subject to the charges of the following Company Rider Schedules:

1. Rider Schedule 3.6 – Billing Determinant Rate Adjustment Rider –
2. Rider Schedule 3.7 – Cost of Gas Rider
3. Rider Schedule 3.8 – Act 310 Surcharge Rider (Act 310)
4. Rider Schedule 3.9 – Tax and Fee Rider
5. Rider Schedule 3.10 – Energy Efficiency Cost Recovery Rider (EECR)
6. Rider Schedule 3.11 – Main Replacement Program Rider (MRP)
7. Rider Schedule 3.12 -- At-Risk Meter Relocation Program Rider (ARMRP)

Minimum Charges:

Customers shall pay a monthly minimum bill equal to the Customer Charge. Bills will be issued on a monthly basis.

Reconnect Charge:

This rate schedule is a continuous service schedule. If service is disconnected at the request of the consumer and thereafter restored at the same location for the same occupant within the twelve month period following the date service was disconnected, a Reconnect Charge shall be computed by multiplying the Customer Charge by the number of months and fractions of months that service was disconnected.

Terms of Payment:

All bills are due and payable twenty-two (22) days after the date the bills are mailed. Both the date the bill was mailed and the date the bill is due will be printed on the bill.

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<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u>		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rate Schedule No.: <u>2.13</u>		
Title: <u>Natural Gas Vehicle (NGV)</u>		

Late Payment Charge:

The Company may bill an additional charge (Late Payment Charge), if the payment of a billing is not received by the Company or its authorized agent for payment before the close of business on the due date as shown on the bill. The Late Payment Charge shall be calculated on only the overdue amount of the bill and will be determined as follows: ten percent (10%) of the first \$30.00 plus two percent (2%) of the remaining unpaid balance. The amount of the Late Payment Charge and when it will apply will be printed on the bill.

Rules and Regulations:

Service will be rendered in accordance with the Company tariff General Schedule No. 1.4 – Rules and Regulations Governing Gas Service on file with the Arkansas Public Service Commission and in accordance with the Rules and Regulations established by the Arkansas Public Service Commission.

ARKANSAS PUBLIC SERVICE COMMISSION

<p>Original _____ Sheet No. 1 of 1 <u>Replacing</u></p> <p><u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)</p> <p>Kind of Service: <u>Natural Gas</u> Class of Service: _____</p> <p>Rate Schedule No.: <u>2.14</u></p> <p>Title: <u>Reserved For Future Use</u></p>	<p>PSC File Mark Only</p>
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RESERVED FOR FUTURE USE

ARKANSAS PUBLIC SERVICE COMMISSION

<p>Original _____ Sheet No. 1 of 1 <u>Replacing</u></p> <p><u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)</p> <p>Kind of Service: <u>Natural Gas</u> Class of Service: _____</p> <p>Rate Schedule No.: <u>2.15</u></p> <p>Title: <u>Reserved For Future Use</u></p>	<p>PSC File Mark Only</p>
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RESERVED FOR FUTURE USE

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____ Sheet No. 1 of 18 Replacing Original _____ Sheet No. 1 of 18 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u> Rate Schedule No.: <u>2.16</u> Title: <u>Interruptible Market Center Services (MCS)</u>	PSC File Mark Only
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Interruptible Market Center Services (MCS)

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ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____ Sheet No. 2 of 18 Replacing Original _____ Sheet No. 2 of 18 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u> Rate Schedule No.: <u>2.16</u> Title: <u>Interruptible Market Center Services (MCS)</u>	PSC File Mark Only
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INTERRUPTIBLE MARKET CENTER SERVICES (MCS)**1. AVAILABILITY.**

1.1. This Rate Schedule is available to any Shipper. This Rate Schedule provides for Parking, Loaning, Wheeling and Title Tracking Transfer ("TTT") services at and/or between a Park Point and Loan Point, subject to available operational flexibility and capacity, when Shipper desires Parking, Loaning, Wheeling and/or TTT service, and when:

- A. Shipper has requested service under this Rate Schedule by submitting to the Company a request for service.
- B. The Company has the operational flexibility to provide MCS services without detriment or disadvantage to system operational needs and to its customers using other Rate Schedules under the Company's Tariff.
- C. Shipper has completed, executed and submitted to the Company a Master Market Center Services Agreement ("Master MCS Agreement") in substantially the same form as Appendix "A" appended hereto and by this reference made a part hereof.
- D. Shipper has completed, executed and submitted to the Company a Transaction Request ("MCS Transaction Request" or "Transaction Request") in substantially the same form as the Exhibit that is part of the Master MCS Agreement, which request, upon acceptance by the Company, is attached as an exhibit to the Master MCS Agreement. Park Transaction Requests must be entered into separately from Loan Transaction Requests. No single Transaction Request may provide for both Park activity and Loan activity.
- E. Shipper has met the Company's creditworthiness requirements for the financial obligations of the Transaction Request quantities. For purposes of credit requirements, the Master MCS Agreement shall list a maximum credit quantity and the Company may limit Shipper's ability to schedule Parked gas or Loaned gas if the maximum credit quantity has been exceeded. The Company may require Shipper to provide a service deposit or other credit assurance to the Company.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 3 of 18	
Replacing Original	Sheet No. 3 of 18	
Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial/Industrial</u>	
Rate Schedule No.: <u>2.16</u>		
Title: <u>Interruptible Market Center Services (MCS)</u>		

2. DEFINITIONS. The following terms shall have the meanings defined below:

- 2.1. "Arkansas Public Service Commission" or the "Commission" means the Arkansas Public Service Commission and any other governmental body or bodies succeeding to, lawfully exercising, or superseding, any powers of said commission.
- 2.2. "Company" means Black Hills Energy Arkansas, Inc. d/b/a Black Hills Energy, and its successors or assigns.
- 2.3. "Gas Day" means a period of twenty-four (24) consecutive hours beginning and ending at nine o'clock (9:00) a.m., Central Clock Time ("CCT").
- 2.4. "Loan", "Loaned", or "Loaning" means the Company's advancement of quantities of gas to Shipper from the Company's system assets at a Loan Point pursuant to this Rate Schedule.
- 2.5. "Loan Payback," "Loan Redelivery" or "Redeliver" means the receipt of gas to Shipper's Loaning account from a Service Agreement of Shipper or another Shipper under this Rate Schedule.
- 2.6. "Loan Point" means a nomination point determined by the Company at which quantities may be Loaned pursuant to an Agreement under this Rate Schedule.
- 2.7. "Market Center Services" or "MCS" means Parking, Loaning, Wheeling or Title Tracking Transfer services provided in accordance with this Rate Schedule.
- 2.8. "Park", "Parked" or "Parking" means acceptance by the Company of quantities of gas tendered by Shipper at a Park Point for delivery pursuant to this Rate Schedule.
- 2.9. "Park Point" means a nomination point determined by the Company at which quantities may be Parked pursuant to a Service Agreement under this Rate Schedule.
- 2.10. "Service Agreement" or "Agreement" means a written agreement and any exhibits, attachments and/or amendments thereto, for, or related to, gas service, which is executed by the Company and Shipper.
- 2.11. "Shipper" means that party that has executed a Service Agreement providing for service under this Rate Schedule.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 4 of 18	
Replacing Original	Sheet No. 4 of 18	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial/Industrial</u>	
Rate Schedule No.: <u>2.16</u>		PSC File Mark Only
Title: <u>Interruptible Market Center Services (MCS)</u>		

- 2.12. "Tariff" means the Company's tariff approved by and on file with the Commission, including, but not limited to, all General Schedules, Rate Schedules, Rider Schedules, Policy Statements and any and all other components of the tariff.
- 2.13. "Title Tracking Transfer" or "TTT" means service provided in accordance with this Rate Schedule that consists of the transfer of Parked or Loaned quantities between MCS Shippers from one Shipper's MCS Transaction Request account to another Shipper's MCS Transaction Request account, prior to the time the quantities are Unparked or Redelivered.
- 2.14. "Transaction Request" means the Exhibit to the Master MCS Agreement the form of which is attached as an exhibit to this Rate Schedule.
- 2.15. "Unpark" means the delivery of gas from a Shipper's Parking account to a Service Agreement of Shipper or to a Service Agreement of another Shipper.
- 2.16. "Wheeling" means service provided in accordance with this Rate Schedule that allows the Unparked or Loan Redelivery quantity to occur at a system location other than the original Park Point or Loan Point, by exchange or displacement and subject to operational flexibility, as detailed in the Transaction Request.
3. APPLICABILITY AND CHARACTER OF SERVICES.
- 3.1. This Rate Schedule shall apply to Parking, Loaning, Wheeling and TTT services rendered by the Company to Shipper on an interruptible basis subject to the limitations set forth in the Master MCS Agreement, the MCS Transaction Request(s) and this Rate Schedule.
- A. Parking, Loaning and Wheeling services are subject to interruption at any time and such interruptions may be in effect for extended periods of time. Interruptions may include decreasing, temporarily suspending or discontinuing the receipt or delivery of gas if the Company, in the Company's sole and reasonable judgment, determines that such action is necessary to maintain system integrity or when a higher priority service so requires.
- B. The Master MCS Agreement shall state a total quantity that may be Parked or Loaned at any one time under the sum total of all MCS Transaction Requests.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 5 of 18	
Replacing Original	Sheet No. 5 of 18	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial/Industrial</u>	
Rate Schedule No.: <u>2.16</u>		
Title: <u>Interruptible Market Center Services (MCS)</u>		

- C. Each MCS Transaction Request shall state a maximum and minimum Gas Day Park quantity or a maximum and minimum Gas Day Loan quantity associated with such request, the maximum and minimum total accumulated Park quantity or total accumulated Loan quantity, the maximum and minimum Gas Day Unpark quantity or Loan Redelivery quantity, the term, timing and duration of the Park or Loan, the Park Point or the Loan Point and the Unpark Point or the Loan Redelivery Point and the rate(s) for each request.
- 3.2. Parking, Loaning, Wheeling and TTT services available under this Rate Schedule include:
- A. Parking service – Parking service shall consist of (1) the receipt of gas by the Company (when nominated by Shipper) at a Park Point, the holding of the Parked quantity for Shipper's account for a specified period of time, and (2) the Unparking (when nominated by Shipper) of the Parked quantities to Shipper by the Company at the original Park Point, including treating the Unparking as a nominated delivery at the Park Point. Requests to Unpark Parked quantities at a point other than the original Park Point shall be treated as Wheeling and must be negotiated simultaneously with the Park transaction.
- B. Loaning service – Loaning service shall consist of (1) the advancement of gas by the Company (when nominated by Shipper) at a Loan Point, for Shipper's account for a specified period of time and, (2) the Loan Payback (also called Loan Redelivery) (when nominated by Shipper) of the Loan quantity(s) to the Company by Shipper at the original Loan Point, including treating the Loan Payback (also called Loan Redelivery) as a nominated receipt at the Loan Point. Requests to Redeliver Loaned quantities at a point other than the original Loan Point shall be treated as Wheeling and must be negotiated simultaneously with the Loan transaction.
- C. Wheeling service – Wheeling service shall allow the Unparked or Loan Redelivery quantity to occur at a system location other than the original Park Point or Loan Point, by exchange or displacement and subject to operational flexibility, as detailed in the Transaction Request. The Wheeling service must be agreed to at the time of the initial request. Any later request to use a system location other than the original Park Point or Loan Point shall be considered transportation and must be accomplished by nomination and scheduling under a

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 6 of 18	
Replacing Original	Sheet No. 6 of 18	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial/Industrial</u>	
Rate Schedule No.: <u>2.16</u>		
Title: <u>Interruptible Market Center Services (MCS)</u>		

Rate Schedule No. 2.7 Natural Gas Transportation Service (NGT) Gas Transportation and Back-Up Sales Service Contract.

- D. TTT service – TTT service shall consist of the transfer of Parked or Loaned quantities between MCS Shippers from one Shipper's MCS Transaction Request account to another Shipper's MCS Transaction Request account, prior to the time the quantities are Unparked or Redelivered.
- 3.3. Service rendered under a MCS Transaction Request under this Rate Schedule shall be provided for a minimum one (1) Gas Day term.
- A. The Master MCS Agreement term shall be set forth in the Master MCS Agreement.
- B. The term of each MCS Transaction Request shall be set forth in each Transaction Request.
- 3.4. In the event that Park quantities have not been returned to Shipper or Loan quantities have not been returned to the Company at the termination date of the MCS Transaction Request, the Company and Shipper may mutually agree to an extended time frame and/or modified terms including the rate(s), by amending the existing MCS Transaction Request or by executing a new MCS Transaction Request to permit Shipper to payback or the Company to return such quantities.
- A. In the event any Parked quantity has not been Redelivered to Shipper by the Transaction Request termination date and no mutually agreed extension described in Section 3.4 above has occurred, the Parked quantity shall become the property of the Company at no cost to the Company free and clear of any and all adverse claims.
- B. In the event any Loan quantity has not been Redelivered to the Company by the Transaction Request termination date and no mutually agreed extension described in Section 3.4 above has occurred, the Loan quantity shall be cashed out at the highest of the following based on the actual price or the Gas Day Cash Out Index Price. This cash out amount shall be invoiced at the next billing cycle.
1. The Gas Day Cash Out Index Price on the Gas Day the Loan occurred.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____ Sheet No. 7 of 18 Replacing Original _____ Sheet No. 7 of 18 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u> Rate Schedule No.: <u>2.16</u> Title: <u>Interruptible Market Center Services (MCS)</u>	PSC File Mark Only
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2. The Gas Day Cash Out Index Price on the termination date of the MCS Transaction Request.
3. The Gas Day Cash Out Index Price on the Gas Day the Company made replacement purchases for the Loan amount.
4. The average Gas Day Cash Out Index Price for the month in which the Loan occurred.
5. The average Gas Day Cash Out Index Price for the month in which the MCS Transaction Request terminated.

For the purpose of paragraphs 1. through 5. above, the "Gas Day Cash Out Index Price" shall be the Gas Day price survey, Mid-point Price (for date of physical gas flow) as published by *Platts' Gas Daily* for the "Spot Prices Delivered to Pipelines" relative to the Oklahoma Enable Gas, East.

4. RATES AND CHARGES FOR SERVICES.

- 4.1. BASE RATES. The applicable base rates, including surcharges, for services under this Rate Schedule are set forth in General Schedule No. 1.6 (Summary of Base Rates) of the Tariff, as revised from time to time.

- A. The rate(s) may be discounted equal to or less than the stated maximum rate and equal to or greater than the minimum rate on a not unduly discriminatory basis. Any discounted rate(s) shall be at or above the minimum rate(s) and at or below the maximum rate(s) and shall be stated in the MCS Transaction Request and effective upon acceptance by the Company.
- B. Shipper may elect to pre-pay the anticipated charges for service under this Rate Schedule at any time.

- 4.2. The maximum Gas Day service charge may have up to four rate components. Each component may be discounted to zero but the sum of the four components for any Gas Day shall not be less than the minimum rate. The Gas Day charges may include:

- A. A Gas Day charge for the amount Parked or Loaned on that Gas Day.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____ Sheet No. 8 of 18 Replacing Original _____ Sheet No. 8 of 18 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u> Rate Schedule No.: <u>2.16</u> Title: <u>Interruptible Market Center Services (MCS)</u>	PSC File Mark Only
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- B. A Gas Day charge for the amount Unparked or Loan Payback (also called Loan Redelivery) on that Gas Day.
 - C. A Gas Day charge for the total accumulated Park quantity or total accumulated Loan quantity as determined at the end of each Gas Day at each Park Point or Loan Point for Shipper's account. Separate quantities resulting from separate Parking Transaction Requests and Loan Transaction Requests shall not be netted in determining this charge.
 - D. A Gas Day charge for the amount transferred by TTT or exchanged or displaced by Wheeling on that Gas Day.
- 4.3. Lost and unaccounted for gas (LUFG) shall not be assessed with respect to service rendered under this Rate Schedule.
- 4.4. Shipper shall not redeliver more than the quantity Loaned and shall not Unpark more than the quantity Parked under the MCS Transaction Request. In the event Shipper fails to adhere to any of the terms described in the MCS Transaction Request, Shipper shall be charged up to the maximum allowable Tariff rate for the service and quantity outside the parameters set forth in the MCS Transaction Request. Shipper may request to amend its MCS Transaction Request; such requests shall be accepted at the sole and reasonable discretion of the Company in a not unduly discriminatory manner.
- 4.5. If on any Gas Day the Company cannot accept a nomination for an Unpark quantity or a Loan Redelivery quantity, the Gas Day charge on the total accumulated Park quantity or total accumulated Loan quantity for that Gas Day shall be \$0.000, unless otherwise agreed. Further, the term of the MCS Transaction Request may be extended Gas Day-for-Gas Day by the number of Gas Days for which such Unpark nominations or Loan Redelivery nominations were not accepted, if such extension has been mutually agreed.
- 4.6. **OTHER RATES, CHARGES AND FEES.** The Company shall add to Shipper's monthly bill any other rates, charges, fees or assessments that the Company is authorized to charge Shipper, including reimbursement of any banking fees related to insufficient payment of bills.
- 4.7. **BILLING AND PAYMENT.** Bills shall be issued on a monthly basis. All charges to Shipper are due and payable twenty-two (22) days after issuance of Shipper's invoice. Both the date the bill was issued and the date the bill is due shall be printed on the bill.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____ Sheet No. 9 of 18 Replacing Original _____ Sheet No. 9 of 18 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u> Rate Schedule No.: <u>2.16</u> Title: <u>Interruptible Market Center Services (MCS)</u>	PSC File Mark Only
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- 4.8. LATE PAYMENT CHARGE. The Company may issue an additional charge ("Late Payment Charge"), if the payment of an invoice is not received by the Company or its authorized agent for payment before the close of business on the due date as described above. The Late Payment Charge shall be calculated on only the overdue amount of the bill and shall be determined as follows: ten percent (10%) of the first \$30.00 plus two percent (2%) of the remaining unpaid balance. The amount of the Late Payment Charge and when it shall apply shall be printed on the bill.
- 4.9. FORCE MAJEURE AND BILLING. In the event of a force majeure occurrence, Shipper shall not be relieved of its obligations to make payment of amounts then due or which become due hereunder. The term "force majeure," as employed herein, shall be as defined in Rate Schedule No. 2.7.
- 4.10. CHANGES IN RATES.
- A. The Company shall have the unilateral right to file with the Commission and make changes effective in: (1) the rates and charges applicable under this Rate Schedule, including both the level and design of such rates and charges; or (2) the terms and conditions of this Rate Schedule.
- B. If, at any time and from time to time, the Commission allows or permits the Company to collect, or to negotiate to collect, a higher rate for the service hereunder, the rate shall, unless otherwise agreed to by the Company in writing, be increased to the highest such rate. Should additional documentation be required in order for the Company to collect such highest rate, Shipper shall execute or provide such documentation within ten (10) calendar days after a written request by the Company. Likewise, if, at any time the Commission requires the Company to charge a higher or lower rate for service hereunder, the rate shall be increased or decreased to such level.
5. SCHEDULING OF MCS SERVICES.
- 5.1. Shipper shall nominate MCS services under this Rate Schedule in accordance with the currently accepted nomination procedures of the North American Energy Standards Board shown in Appendix "B" of this Rate Schedule, as may be revised from time to time. MCS services shall be the last quantities scheduled on the system and shall be scheduled in priority by total revenue over the term of the MCS Transaction Request.

ARKANSAS PUBLIC SERVICE COMMISSION

<p>First Revised _____ Sheet No. 10 of 18</p> <p>Replacing Original _____ Sheet No. 10 of 18</p> <p><u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)</p> <p>Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u></p> <p>Rate Schedule No.: <u>2.16</u></p> <p>Title: <u>Interruptible Market Center Services (MCS)</u></p>	<p>PSC File Mark Only</p>
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6. REVENUE CREDIT. Sixty percent (60%) of net revenue actually received by the Company for service rendered under this Rate Schedule shall be credited to the Company's Cost of Gas through October 21, 2020, and thereafter fifty percent (50%) of net revenue actually received by the Company for service rendered under this Rate Schedule shall be credited to the Company's Cost of Gas.

ARKANSAS PUBLIC SERVICE COMMISSION

<u>First Revised</u> <u>Sheet No. 11 of 18</u> <u>Replacing Original</u> <u>Sheet No. 11 of 18</u> <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u> Rate Schedule No.: <u>2.16</u> Title: <u>Interruptible Market Center Services (MCS)</u>	PSC File Mark Only
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APPENDIX "A"
FORM OF MASTER MARKET CENTER SERVICES (MCS) AGREEMENT
APPLICABLE TO RATE SCHEDULE NO. 2.16 (MCS)

Master MCS Agreement (or Agreement) #: _____

By and between

Black Hills Energy Arkansas, Inc. d/b/a Black Hills Energy (an Arkansas corporation)

And

(Shipper)

State of Incorporation: _____

Effective Date: _____

Primary Term Ending: _____; and then month to month thereafter unless terminated by either party, upon a minimum of thirty (30) calendar days' written notice. Each Market Center Services ("MCS") Transaction Request as discussed more fully herein and in Rate Schedule No. 2.16 (MCS) shall also state its own separate primary term.

Credit Application Received: _____ **Approved:** _____

Pre-granted Credit Quantity and/ or Amount: _____. The Company may not allow any quantities to be Parked or Loaned or Wheeled or Title Tracking Transferred under any MCS Transaction Request once such Credit Amount has been exhausted.

1. SERVICE HEREUNDER:

1.1 Upon Shipper's request, the Company may, on any Gas Day and on an interruptible basis, (a) hold (Park) the quantity nominated from Shipper at the Park Point(s), hold the nominated Parked quantity for the specified period and Unpark such quantity at the original Park Point(s) or at a Wheeling or Title Tracking Transfer ("TTT") Point(s) as specified in the MCS Transaction Request; or (b) advance (Loan) the quantity nominated from Shipper at the Loan Point(s) and accept Loan Payback of such quantity at the original Loan Point(s) or at a Wheeling or TTT Point(s) as specified in the MCS Transaction Request.

1.2 Shipper may nominate from the Park or Loan Point which shall be listed on Shipper's MCS Transaction Request.

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____	Sheet No. 12 of 18	PSC File Mark Only
Replacing Original _____	Sheet No. 12 of 18	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial/Industrial</u>	
Rate Schedule No.: <u>2.16</u>		
Title: <u>Interruptible Market Center Services (MCS)</u>		

APPENDIX "A"
FORM OF MASTER MARKET CENTER SERVICES (MCS) AGREEMENT
APPLICABLE TO RATE SCHEDULE NO. 2.16 (MCS)
(Continued)

1.3 This Agreement shall be supplemented with a Transaction Request for each individual Parking, Loaning, Wheeling or TTT action. Each Transaction Request shall be posted as a new Exhibit to the Agreement and such transaction shall not require any amendment to the Agreement. Each Transaction Request shall include the stated quantity to be Parked, Loaned, Wheeled, Title Tracking Transferred, Unparked or Loan Paybacked, the point of Parking, Loaning, Wheeling or TTT, the Transaction Rate(s) including specificity on each associated rate type and the primary term of the Parking or Loaning Transaction Request period.

2. RATES AND CHARGES FOR SERVICE:

2.1 Shipper shall pay the Company for all services rendered hereunder at the rates specified in the Exhibit(s) to this Agreement or, if no rates are specified in the Exhibit(s) to this Agreement, then Shipper shall pay the Company for all services rendered hereunder at the maximum rate(s) for Rate Schedule No. 2.16 (MCS) set forth in General Schedule No. 1.6 (Summary of Base Rates) of the Company's Tariff. The Exhibit(s) to this Agreement is/are by this reference made a part of this Agreement.

2.2 The rates to be charged Shipper for services under this Agreement shall be the maximum rates filed under the General Schedule No. 1.6 (Summary of Base Rates) and as the same may be revised or changed for that service unless Shipper and the Company have otherwise agreed in writing.

2.3 The rates charged Shipper for services hereunder shall not be more than the maximum rates applicable to such service, nor less than the minimum rates for such service.

2.4 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of the Company's Rate Schedule No. 2.16 (MCS) on file with the Arkansas Public Service Commission (the "Commission"), and as the same may be legally amended or superseded. Rate Schedule No. 2.16 (MCS) is by this reference made a part hereof.

3. CHANGES IN RATES AND TERMS AND CONDITIONS OF SERVICE: The Company shall have the right to propose to the Commission such changes in its maximum and/or minimum rates and in its terms of service as the Company deems necessary and this Agreement shall be deemed to include any changes made pursuant to Commission orders or regulations or provisions of law, without prejudice to Shipper's right to protest the same.

4. CERTIFICATIONS: By executing this Agreement, Shipper certifies that: (1) Shipper has title to, or a current contractual right to acquire such title to, the gas to be Parked, Loaned, Title Tracking Transferred or Wheeled by the Company; and (2) Shipper has, or will have, entered into all arrangements necessary for the commitment of deliveries to the Company or deliveries from the Company.

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____	Sheet No. 13 of 18	
Replacing Original _____	Sheet No. 13 of 18	
Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial/Industrial</u>	
Rate Schedule No.: <u>2.16</u>		
Title: <u>Interruptible Market Center Services (MCS)</u>		

APPENDIX "A"
FORM OF MASTER MARKET CENTER SERVICES (MCS) AGREEMENT
APPLICABLE TO RATE SCHEDULE NO. 2.16 (MCS)
(Continued)

5. **BILLING AND PAYMENT:** Bills shall be rendered, and payments shall be due in accordance with Rate Schedule No. 2.16 (MCS).
6. **NOTICES AND COMMUNICATION:** All notices and communications with respect to this Agreement shall be in writing by mail, e-mail, fax, or by telephone, or other means agreed to by the parties, and sent to the addresses stated below or to any other such address(es) as may be designated in writing by mail, e-mail, or fax, or other means similarly agreed to.
7. **ARKANSAS PUBLIC SERVICE COMMISSION JURISDICTION:** This Agreement, and all its rates, terms and conditions as set out in this Agreement and as set out in the Rate Schedules and General Schedules that are incorporated into this Agreement by reference shall at all times be subject to modification by order of the Commission upon notice and hearing and a finding of good cause therefore. In the event that any party to this Agreement requests the Commission to take action which could cause a modification in the conditions of this Agreement, the party shall provide written notice to the other parties at the time of filing the request with the Commission.
8. **DEFAULT:** If either party shall fail to perform any of the covenants or obligations imposed upon it by this Agreement, then in such event the other party may, at its option, terminate this Agreement by proceeding as follows: The party not in default shall cause a written notice to be served on the party in default, stating specifically the cause for terminating this Agreement, and declaring it to be the intention of the party giving the notice to terminate the same; thereupon, the party in default shall have thirty (30) calendar days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the termination notice, and if within said thirty (30) calendar days the party in default does so remove and remedy said cause or causes and fully indemnifies the party not in default for any and all consequences of such breach, then such notice shall be withdrawn and this entire Agreement shall continue in full force and effect. In the case the party in default does not remedy and remove the cause or causes or does not indemnify the party giving the notice for any and all consequences of such breach, within said period of thirty (30) calendar days, then this Agreement shall become null and void from and after the expiration of said period.
9. **ASSIGNMENT:** This Agreement shall be binding upon and inure to the benefit of any successor(s) to either the Company or Shipper by merger, consolidation or acquisition. Either the Company or Shipper may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed or trust, indenture or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, neither the Company nor Shipper shall assign this Agreement or any of its rights hereunder without first having obtained formal written consent of the other(s). Such consent shall not be unreasonably withheld.
10. **GOVERNING LAW:** The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Arkansas.

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____ Sheet No. 14 of 18 Replacing Original _____ Sheet No. 14 of 18 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u> Rate Schedule No.: <u>2.16</u> Title: <u>Interruptible Market Center Services (MCS)</u>	PSC File Mark Only
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APPENDIX "A"
FORM OF MASTER MARKET CENTER SERVICES (MCS) AGREEMENT
APPLICABLE TO RATE SCHEDULE NO. 2.16 (MCS)
(Continued)

11. **SOVEREIGN IMMUNITY:** To the extent applicable, nothing in this Agreement shall serve to waive the sovereign immunity of the State of Arkansas or its affiliated agencies, which is guaranteed under Article 5, Section 20 of the Arkansas Constitution.
12. **AGREEMENTS BEING SUPERSEDED:** When this Agreement becomes effective it shall supersede and cancel any other MCS Agreements between the parties for the same service.
13. **MISCELLANEOUS:** No waiver by either party to this Agreement of any one or more defaults by the other in the performance of this Agreement shall operate or be construed as a waiver of any continuing or future default(s), whether of a like or a different character.

Shipper Confirmation and Company Acceptance / Authorization: Shipper shall confirm Shipper's agreement to the terms and conditions of this Agreement by returning two executed originals of this Agreement to the Company. This Agreement shall be accepted and authorized upon the Company's counter execution of this Agreement, and the Company shall communicate acceptance of this Agreement by sending a copy of the fully executed Agreement to Shipper.

AGREED TO BY:

The individual signing this Agreement on behalf of Shipper represents and warrants that he or she is an officer of Shipper or otherwise possesses the requisite authority to do so and thereby bind Shipper to this Agreement, and agrees to indemnify and hold harmless the Company from any claim that such authority did not exist.

The Company:
 Black Hills Energy Arkansas, Inc.
 655 E. Millsap Road, Suite 104
 Fayetteville, AR 72703-1002

Shipper: (Shipper's Name and Address)

 Attn: _____

By: _____
 Title: _____

By: _____
 Title: _____

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____ Sheet No. 15 of 18 Replacing Original _____ Sheet No. 15 of 18 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u> Rate Schedule No.: <u>2.16</u> Title: <u>Interruptible Market Center Services (MCS)</u>	PSC File Mark Only
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EXHIBIT NO. _____
 TO
**FORM OF MASTER MARKET CENTER SERVICES (MCS) AGREEMENT
 APPLICABLE TO RATE SCHEDULE NO. 2.16 (MCS)**

Shipper Name: _____ Master MCS Agreement #: _____

Transaction Date: _____ Transaction Confirmation #: _____

Each Transaction Request requires a separate Exhibit Number. Each Transaction Request Exhibit may be displayed in chart or spreadsheet format.

Transaction Type: ☐ Park
☐ Loan
☐ Wheel
☐ Title Tracking Transfer

Park or Loan Period as applicable: _____ to _____.

If gas is not Unparked or Loan Paybacked or Wheeled or Title Tracking Transferred as agreed by this end date, the Company shall exercise its rights to this gas as provided for under Rate Schedule No. 2.16 (MCS).

Applicable Rate Schedule: _____

Total Transaction Quantity: _____ Minimum _____ Maximum

Other Terms and Conditions (if applicable):

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____ Sheet No. 16 of 18 Replacing Original _____ Sheet No. 16 of 18 Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial/Industrial</u> Rate Schedule No.: <u>2.16</u> Title: <u>Interruptible Market Center Services (MCS)</u>	PSC File Mark Only
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EXHIBIT NO. _____
 TO
FORM OF MASTER MARKET CENTER SERVICES (MCS) AGREEMENT
APPLICABLE TO RATE SCHEDULE NO. 2.16 (MCS)
 (Continued)

Dates of Service		Daily Quantity (MMBtu)					
		Park or Loan Point			Unpark or Loan Payback Point		
From	Through	Point	Minimum	Maximum	Point	Minimum	Maximum

Rates (indicate each as applicable to Transaction Request negotiation):

On Daily Ending Balance: Rate: _____ (1)
 Term: From: _____ Through: _____

On Daily Park, Unpark, Loan, Loan Payback, Wheeling or Title Tracking Transfer Activity:
 Rate: _____ (1)
 Service: _____
 Term: From: _____ Through: _____
 Rate: _____ (1)
 Service: _____
 Term: From: _____ Through: _____

Note (1): If applicable to discounted contract rates, although the discounted contract rates are stated individually above, the Agreement provides for a total effective MCS unit charge and resulting associated amount based on the Transaction Request volume and the Transaction Request term. At any time during the Transaction Request term, the Company may adjust the stated rate component(s) as required, so long as the component change results in maintaining value of the original Agreement and so long as each modified rate component remains within the minimum and maximum posted Tariff rates.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____	Sheet No. 17 of 18	PSC File Mark Only
Replacing Original _____	Sheet No. 17 of 18	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial/Industrial</u>	
Rate Schedule No.: <u>2.16</u>		
Title: <u>Interruptible Market Center Services (MCS)</u>		

EXHIBIT NO. _____
TO
FORM OF MASTER MARKET CENTER SERVICES (MCS) AGREEMENT
APPLICABLE TO RATE SCHEDULE NO. 2.16 (MCS)
(Continued)

Shipper Confirmation and Company Acceptance / Authorization: Shipper shall confirm Shipper's agreement to the terms and conditions of this Exhibit by returning two executed originals of this Exhibit to the Company. This Exhibit shall be accepted and authorized upon the Company's counter execution of this Exhibit, and the Company shall communicate acceptance of this Exhibit by sending a copy of the fully executed Exhibit to Shipper.

AGREED TO BY:

The individual signing this Exhibit on behalf of Shipper represents and warrants that he or she is an officer of Shipper or otherwise possesses the requisite authority to do so and thereby bind Shipper to this Exhibit, and agrees to indemnify and hold harmless the Company from any claim that such authority did not exist.

The Company:

Black Hills Energy Arkansas Inc.
655 E. Millsap Road, Suite 104
Fayetteville, AR 72703-1002

By: _____

Title: _____

Shipper: (Shipper's Name and Address)

Attn: _____

By: _____

Title: _____

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____	Sheet No. 18 of 18	PSC File Mark Only
Replacing Original _____	Sheet No. 18 of 18	
Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Commercial/Industrial</u>	
Rate Schedule No.: <u>2.16</u>		
Title: <u>Interruptible Market Center Services (MCS)</u>		

APPENDIX "B"

**CHART DEPICTING SCHEDULING CYCLES IN ACCORDANCE WITH ACCEPTED NOMINATION
PROCEDURES OF THE NORTH AMERICAN ENERGY STANDARDS BOARD
APPLICABLE TO RATE SCHEDULE NO. 2.16 (MCS)**

Scheduling Cycles (all times shown in Central Clock Time):

Gas Day affected by Intra-Day Nomination begins	Timely for Next Gas Day*	Evening for Next Gas Day*	Intra-Day 1 for Current Gas Day*	Intra-Day 2 for Current Gas Day*	Intra-Day 3 for Current Gas Day**
Nomination Period Ends	1:00 p.m.	6:00 p.m.	10:00 a.m.	2:30 p.m.	7:00 p.m.
Completion of Upstream and Downstream interconnect Confirmations	4:30 p.m.	8:30 p.m.	12:30 p.m.	5:00 p.m.	9:30 p.m.
Posting of Report of Confirmed Nominations and Notice to Bumped Parties	5:00 p.m.	9:00 p.m.	1:00 p.m.	5:30 p.m.	10:00 p.m.
Nomination Effective Time	9:00 a.m.	9:00 a.m.	2:00 p.m.	6:00 p.m.	10:00 p.m.

*bumpable

** no bump

ARKANSAS PUBLIC SERVICE COMMISSION

<p>Original _____ Sheet No.1 of 1 <u>Replacing</u></p> <p><u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)</p> <p>Kind of Service: <u>Natural Gas</u> Class of Service: _____</p> <p>Rider Schedule No.: <u>3.1</u></p> <p>Title: <u>Reserved for Future Use</u></p>	<p>PSC File Mark Only</p>
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RESERVED FOR FUTURE USE

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ARKANSAS PUBLIC SERVICE COMMISSION

<p>First Revised _____ Sheet No. 1 of 1 Replacing Original _____ Sheet No. 1 of 1</p> <p><u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)</p> <p>Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial / Industrial</u></p> <p>Rider Schedule No.: <u>3.2</u></p> <p>Title: <u>Reserved for Future Use</u></p>	<p>PSC File Mark Only</p>
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Ark. Public Serv. Comm. ---APPROVED---10/15/2018 Docket: 17-071-U Order No.- 8

RESERVED FOR FUTURE USE

ARKANSAS PUBLIC SERVICE COMMISSION

<u>Second Revised</u> <u>Sheet No. 1 of 3</u> <u>Replacing First Revised</u> <u>Sheet No. 1 of 3</u>	PSC File Mark Only
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)	
Kind of Service: <u>Natural Gas</u> Class of Service: <u>Residential, B-1, B-2</u>	
Rider Schedule No.: <u>3.4</u>	
Title: <u>Weather Normalization Adjustment Rider (WNA)</u>	

WEATHER NORMALIZATION ADJUSTMENT RIDER-(WNA)**Weather Normalization Adjustment Rider:**

Service rendered under the Company's Residential Sales Service, Business 1 Sales and Transportation Services, and Business 2 Sales and Transportation Services shall be subject to increases or decreases under the Weather Normalization Adjustment (WNA) Rider. Business customers whose gas usage is solely for irrigation pursuant to Rate Schedule 2.12, cotton ginning, grain drying, glass blowing, or the making of other products requiring a gas-fired kiln are exempt from the WNA. Also exempt are all customers receiving service pursuant to Rate Schedule 2.13 Natural Gas Vehicle. The purpose of the WNA is to adjust customer billings to reflect the heating degree day (HDD) variations from the normal HDD levels used to set the delivery rate component of the rate schedules applicable to this clause. The WNA is applicable to billings calculated from meters read between November 1 and April 30.

A WNA shall be determined for each rate schedule subject to the WNA Rider and will be expressed as a rate per Ccf. A WNA shall be determined for each service period within a billing cycle and applied to all billings within that service period. In order to calculate the respective WNAs, the HDD deviation from the normal HDDs will be determined and multiplied by the weather sensitive Ccf per customer per HDD as determined in the most recent rate application. The resulting product shall be multiplied by the applicable rate schedule delivery rate to determine a dollar per Ccf weather factor. The WNA shall be determined by dividing the dollar per Ccf weather factor by the average Ccf per customer. The WNA shall be stated separately on the customer bills.

Calculation of the Weather Normalization Adjustment:

$$WNA_i = \frac{R_i(DDF_i(NDD - ADD))}{AAU_i}$$

Where WNA_i = Weather Normalization Dollar Amount per Ccf

Where i = Applicable rate class subject to the WNA

ARKANSAS PUBLIC SERVICE COMMISSION

<u>Second Revised</u> <u>Sheet No. 2 of 3</u> <u>Replacing First Revised</u> <u>Sheet No. 2 of 3</u> <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Residential, B-1, B-2</u> Rider Schedule No.: <u>3.4</u> Title: <u>Weather Normalization Adjustment Rider (WNA)</u>	PSC File Mark Only
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Where R = Applicable Delivery Rate per Ccf

Where DDFi = Weather Sensitive Gas Use (Ccf) per Customer per Degree Day.
The weather sensitive factors by rate schedule are:

<u>Rate Schedule</u>	<u>Ccf/Customer/HDD</u>
Residential	0.115163
Business 1 Sales and Transportation	0.274473
Business 2 Sales and Transportation	3.055640

Where NDD = Normal Degree Days for the Service Period

Where ADD = Actual Degree Days for the Service Period

Where AAUi = The actual average use per customer for all bills calculated on the same date determined by dividing the total usage by the total number of billings for all billings with a service period not less than 25 days nor more than 35 days.

Definitions:

Heating Degree Day - The positive difference between the average of the daily high and low temperature subtracted from 65°F.

Normal Degree Days - The heating degree days which are based on the 30-year average ending August 31, 2017. The normal degree days are attached as Appendix No. 1.

ARKANSAS PUBLIC SERVICE COMMISSION

<u>Second Revised</u> <u>Sheet No. 3 of 3</u> <u>Replacing First Revised</u> <u>Sheet No. 3 of 3</u> <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Residential, B-1, B-2</u> Rider Schedule No.: <u>3.4</u> Title: <u>Weather Normalization Adjustment Rider (WNA)</u>	PSC File Mark Only
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Actual Degree Days -

The actual degree days reported at the Fayetteville Experiment Station for the National Climate Data Center. The actual degree days will be defined as the average of the daily maximum and minimum temperatures in a 24 hour period subtracted from 65 degrees Fahrenheit. This is consistent with NOAA's HDD definition of maximum and minimum which forms the basis for the normal HDD as used in the table and the actual HDD reported.

Annual Review:

The Company will file annually in Docket No. 17-071-U by July 31 a comparison of actual and normal heating degree days by month and by season, total WNA revenues by class by month and by season, WNA bill analysis for varying levels of usage by rate schedule by month and by season, WNA complaints, and a definition of HDD.

Applicable Rate Schedules:

1. Rate Schedule No. 2.1 - Residential Sales Service
2. Rate Schedule No. 2.2 - Business 1 Sales Service
3. Rate Schedule No. 2.3 - Business 2 Sales Service
4. Rate Schedule No. 2.7 - Business 1 transportation accounts with annual usage of 0 to 10,000 Ccf that qualify for transportation service only through aggregation with other accounts under common ownership.
5. Rate Schedule No. 2.7 - Business 2 transportation accounts with annual usage of 10,001 to 50,000 Ccf that qualify for transportation service only through aggregation with other accounts under common ownership.
6. Rate Schedule No. 2.11 – Local Distribution Company Sales Service (applicable annual usages less than 50,001 Ccf)

Rider Schedule 3.4
2018 11-14-2018 AM
APPENDIX NO. 1

BLACK HILLS ENERGY ARKANSAS, INC. d/b/a/ BLACK HILLS ENERGY
THIRTY YEAR DAILY NORMAL HEATING DEGREE DAYS
(Based on 30 years Ending August 31, 2017)
FAYETTEVILLE

Month	Day	HDD	Month	Day	HDD	Month	Day	HDD	Month	Day	HDD
9	15	1	11	1	10	1	1	27	3	1	23
9	16	2	11	2	11	1	2	28	3	2	22
9	17	1	11	3	13	1	3	27	3	3	24
9	18	0	11	4	13	1	4	28	3	4	24
9	19	1	11	5	13	1	5	31	3	5	19
9	20	1	11	6	14	1	6	30	3	6	18
9	21	1	11	7	15	1	7	32	3	7	17
9	22	2	11	8	14	1	8	31	3	8	17
9	23	3	11	9	13	1	9	30	3	9	19
9	24	3	11	10	13	1	10	29	3	10	19
9	25	4	11	11	14	1	11	29	3	11	18
9	26	3	11	12	15	1	12	25	3	12	17
9	27	3	11	13	16	1	13	28	3	13	15
9	28	2	11	14	14	1	14	31	3	14	16
9	29	2	11	15	14	1	15	29	3	15	16
9	30	3	11	16	17	1	16	28	3	16	16
10	1	3	11	17	19	1	17	27	3	17	14
10	2	3	11	18	17	1	18	29	3	18	12
10	3	4	11	19	16	1	19	31	3	19	14
10	4	4	11	20	16	1	20	27	3	20	16
10	5	3	11	21	17	1	21	29	3	21	15
10	6	4	11	22	18	1	22	29	3	22	14
10	7	7	11	23	18	1	23	28	3	23	13
10	8	7	11	24	19	1	24	28	3	24	13
10	9	7	11	25	20	1	25	27	3	25	14
10	10	6	11	26	21	1	26	26	3	26	16
10	11	7	11	27	20	1	27	27	3	27	14
10	12	6	11	28	22	1	28	26	3	28	13
10	13	5	11	29	21	1	29	25	3	29	14
10	14	6	11	30	22	1	30	27	3	30	13
10	15	5	12	1	24	1	31	27	3	31	14
10	16	5	12	2	22	2	1	24	4	1	12
10	17	6	12	3	20	2	2	25	4	2	9
10	18	7	12	4	22	2	3	28	4	3	9
10	19	9	12	5	24	2	4	29	4	4	10
10	20	9	12	6	25	2	5	30	4	5	12
10	21	8	12	7	25	2	6	29	4	6	11
10	22	8	12	8	26	2	7	26	4	7	11
10	23	8	12	9	26	2	8	25	4	8	9
10	24	9	12	10	27	2	9	27	4	9	9
10	25	8	12	11	26	2	10	28	4	10	8
10	26	8	12	12	25	2	11	27	4	11	9
10	27	10	12	13	24	2	12	28	4	12	10
10	28	12	12	14	23	2	13	27	4	13	9
10	29	10	12	15	26	2	14	23	4	14	8
10	30	8	12	16	28	2	15	22	4	15	8
10	31	10	12	17	27	2	16	26	4	16	8
			12	18	26	2	17	27	4	17	6
			12	19	26	2	18	23	4	18	5
			12	20	26	2	19	21	4	19	6
			12	21	26	2	20	19	4	20	5
			12	22	28	2	21	17	4	21	6
			12	23	30	2	22	21	4	22	6
			12	24	31	2	23	21	4	23	6
			12	25	31	2	24	22	4	24	6
			12	26	30	2	25	22	4	25	5
			12	27	26	2	26	23	4	26	5
			12	28	27	2	27	23	4	27	7
			12	29	27	2	28	22	4	28	7
			12	30	26	2	29	16	4	29	4
			12	31	26				4	30	4
<u>244</u>			<u>1,291</u>			<u>1,577</u>			<u>739</u>		

Ark. Public Serv. Comm.---APPROVED---10/15/2018 Docket: 17-071-U Order No.- 8

ARKANSAS PUBLIC SERVICE COMMISSION

<u>First Revised</u> <u>Sheet No. 1 of 1</u> <u>Replacing Original</u> <u>Sheet No. 1 of 1</u>	
 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)	
Kind of Service: <u>Natural Gas</u> Class of Service: <u>Commercial / Industrial</u>	
Rider Schedule No.: <u>3.5</u>	
Title: <u>Reserved for Future Use</u>	PSC File Mark Only

RESERVED FOR FUTURE USE

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 1 of 6	
Replacing Original	Sheet No. 1 of 6	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service <u>All</u>	
Rider Schedule No.: <u>3.6</u>		
Title: <u>Billing Determinant Rate Adjustment Rider (BDA Rider)</u>		

BILLING DETERMINANT RATE ADJUSTMENT RIDER (BDA RIDER)**A. Purpose**

The purpose of the Billing Determinant Rate Adjustment Rider ("BDA Rider") is to account for a decline in billing determinants, which results in a decline in Non-Gas Revenues ("Base Revenues") by the Company subsequent to rates being established in the Docket No. 17-071-U. The base revenues in any given evaluation period shall be compared to the base revenues as approved in the Final Order of Docket No. 17-071-U. To the extent that a Revenue Shortfall exists, the BDA Rider rate adjustment shall be determined as described in Section D(3) Methodology.

The impact on rates resulting from the decline in billed volumes due to warmer-than-normal heating degree days is accounted for through the Weather Normalization Adjustment Rider (WNA).

No rate adjustment (BDA Rider rate adjustment will be set at zero) shall be made to an applicable rate classification if:

- (1) The actual Base Revenue for any applicable rate classification for the Evaluation Period is equal to or greater than the corresponding Base Revenues established in the Final Order in Docket No. 17-071-U for that rate classification; or,
- (2) The allocated Revenue Surplus for any applicable rate classification is greater than the Initial Revenue Shortfall for that rate classification

The BDA Rider as described in this rider shall apply to all sales and transportation rate schedules: Residential (R1), Business 1 (B1), Business 2 (B2), Business 3 (B3), Business 4 (B4), Business 5 (B5), Local Distribution Company (LDC), Irrigation (I-1), Gas Lights (GL) and Natural Gas Vehicles (NGV).

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 2 of 6	
Replacing Original	Sheet No. 2 of 6	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service <u>All</u>	
Rider Schedule No.: <u>3.6</u>		
Title: <u>Billing Determinant Rate Adjustment Rider (BDA Rider)</u>		

Evaluation Report Filing and Review

The Evaluation Period shall be the 12 months ending July 31. No later than October 1 of each year, the Company shall file with the Commission an Evaluation Report ("Evaluation Report") prepared in accordance with the provisions described in Section D (Base Revenue Analysis). The Company shall provide the Staff with workpapers supporting the data and calculations reflected in the Evaluation Report.

The benchmark non-gas revenues, gas volumes, and customer counts on the "Evaluation Report" will be equal to the non-gas revenues, gas volumes and customer counts approved in Docket 17-071-U.

The collection period for the BDA Rider shall be the 12-month period beginning with bills having meter read dates on or after January 1 following filing of the Evaluation Report and terminate with the bills rendered for the meters read on December 31.

In the event the Staff disputes any portion of the rate adjustment proposed, the undisputed portion of the BDA Rider rate adjustment shall become effective with the meters read on or after January 1 following the filing of the Evaluation Report. However, to the extent that the Commission ultimately supports a finding in excess of the undisputed portion, the unrecognized portion of the increase shall be collectable.

Any initially contested amounts that are ultimately supported by the Commission shall be recoverable during the current annual collection period unless ratepayer impact would indicate that the recovery time frame be lengthened, in which case the recovery period will not exceed twelve months.

The Company shall record its best estimate of the amounts to be recognized under the BDA Rider so as to reflect in its books and records a fair representation of actual earnings for the accounting period. Such estimate shall be adjusted, if necessary, upon filing the BDA Rider computations with the Commission, and again upon final Commission approval.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 3 of 6	
Replacing Original	Sheet No. 3 of 6	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service <u>All</u>	
Rider Schedule No.: <u>3.6</u>		
Title: <u>Billing Determinant Rate Adjustment Rider (BDA Rider)</u>		

C. Rate Case Filings

If, prior to the annual October 1 reporting date, the Company files an Application for a general rate change, the BDA Rider adjustment in place at that time shall continue through the 12-month collection period.

The BDA Evaluation Report due October 1 following the issuance of a Final Order in a general rate case filing will reflect new benchmark values for revenues, customer counts and volumes established in that Order and will not include any of the pro forma months (report may be for less than 12 months). Subsequent BDA Evaluation Reports will be due October 1 for the 12 months ending July 31 until the next general rate case filing.

D. Revenue Analysis**(1) Evaluation Period**

The annual Evaluation Period shall reflect the twelve-month period ended July 31 immediately preceding the filing of the associated Evaluation Report. All data provided in the Evaluation Report shall be based on actual results for the Evaluation Period as recorded on the books of the Company in accordance with the Uniform System of Accounts.

(2) Evaluation Period Adjustments

Actual (per book) data for each Evaluation Period shall be adjusted to exclude the revenues associated with the Cost of Gas Rider (COG), the BDA Rider (BDA), the Act 310 Surcharge Rider (Act 310), the Energy Efficiency Cost Recovery (EECR) Rider (except for the Lost Contributions to Fixed Cost (LCFC) component which shall be included), and non-rate class specific revenues.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 4 of 6	
Replacing Original	Sheet No. 4 of 6	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service <u>All</u>	
Rider Schedule No.: <u>3.6</u>		
Title: <u>Billing Determinant Rate Adjustment Rider (BDA Rider)</u>		

(3) Methodology

The BDA Rider rate adjustment for any Evaluation Period shall be determined in accordance with the methodology set out in Attachment A. Actual (per book) data shall be utilized for each Evaluation Period, subject to the weather normalization of weather-sensitive gas sales, as determined in accordance with the weather normalization methodology set out in Attachment B.

- a. If the Non-Gas Revenues from the Evaluation Period for applicable BDA rate classes (as listed in Section A and shown on Attachment A) are equal to or greater than the Benchmark Revenues for these same rate classifications (as reflected on Attachments A and C), the BDA Rider rate adjustment for that class shall be set at zero.
- b. Any Revenue Surplus by rate classification included shall be netted against any Initial Revenue Shortfall that might exist in any other rate classifications(s) also included.
- c. If, as determined on Attachment A, a Revenue Surplus exists in any of the non-applicable rate classes, the Revenue Surplus shall be netted against any Initial Revenue Shortfall that exists in the applicable rate classes (R1, B1, and B2 rates classes). In the event that an Initial Revenue Shortfall exists in more than one of the applicable rate classes, then the Revenue Surplus from the non-applicable rate classes shall be netted against the Revenue Shortfalls in the applicable rate classes on a pro-rata basis.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 5 of 6	
Replacing Original	Sheet No. 5 of 6	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service <u>All</u>	
Rider Schedule No.: <u>3.6</u>		
Title: <u>Billing Determinant Rate Adjustment Rider (BDA Rider)</u>		

E. Definition of Terms**(1) Non-Gas Revenues**

The actual (per book) data for each Evaluation Period adjusted to exclude the revenues associated with the COG Rider, the BDA Rider, Act 310 Surcharge Rider, EECR Rider (except for the LCFC Component, which shall be included in non-gas revenues), and non-rate class specific revenues.

(2) Initial Revenue Shortfall

The Initial Revenue Shortfall for any applicable rate classification included herein for the Evaluation Period, if any, shall be determined using the Initial Revenue Shortfall formula set out in Section 1 of Attachment A.

(3) Final Revenue Shortfall

The Final Revenue Shortfall for any applicable rate classification included herein for the Evaluation Period, if any, shall be determined using the methodology set out in Section 2 of Attachment A.

(4) Revenue Surplus

The Revenue Surplus for any applicable rate classification included herein for the Evaluation Period, if any, shall be determined using the Revenue Surplus Formula set out in Section 2 of Attachment A.

(5) Evaluation Period Volumes

The Evaluation Period Volumes for the calendar year shall be the volumes associated with the non-gas revenues reported on the Company's books and records.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 6 of 6	
Replacing Original	Sheet No. 6 of 6	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service <u>All</u>	
Rider Schedule No.: <u>3.6</u>		
Title: <u>Billing Determinant Rate Adjustment Rider (BDA Rider)</u>		PSC File Mark Only

(6) Benchmark Value

For the purposes of this rider, the Benchmark Value shall mean the non-gas rate schedule requirement established in the Final Rate Case Order in Docket No. 17-071-U.

(7) Weather Normalization of Gas Sales

The Weather Normalization of weather sensitive gas sales and transportation volumes by rate classification shall be determined using the Weather Normalization Formula set out in Attachment B. The weather normalized volumes for a rate classification shall be divided into the Final Revenue Shortfall for that rate classification to determine the BDA Rider rate adjustment for that rate classification.

F. Applicable Rate Schedules:

1. Residential (R-1)
2. Business 1 – Sales and Transport (B-1)
3. Business 2 – Sales and Transport (B-2)
4. Business 3 – Sales and Transport (B-3)
5. Business 4 – Sales and Transport (B-4)
6. Business 5 – Sales and Transport (B-5)
7. Local Distribution Company Sales Service (LDC) (all service levels)
8. Irrigation Sales Service (I-1)
9. Natural Gas Vehicle – (NGV) (all service levels)
10. Unmetered Gas Light Sales Service (GL)

BLACK HILLS ENERGY ARKANSAS, INC. d/b/a/ BLACK HILLS ENERGY
DETERMINATION OF BILLING DETERMINANT ADJUSTMENT RATE TARIFF
EVALUATION PERIOD ENDING July 31, 20__

SECTION 1

BILLING DETERMINANT RATE ADJUSTMENT TARIFF (BDA) CALCULATION

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Description	Reference	Residential & NGV	Business-1 & NGV	Business-2 & NGV	Business-3 & NGV	Business-4 & NGV	Business-5 & LDC & NGV	Irrigation	Gas Lights	Total
1 Non-Gas Revenues for Evaluation Period	Per Books 1/									\$0
2 Non-Gas Rate Schedule Requirement	Docket 17-071-U									\$0
3 Initial Revenue Shortfall	Line 1 - Line 2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 If Line 3 < 0, then Go to Section 2, Otherwise No Adjustment		No Shortfall	No Shortfall	No Shortfall	No Shortfall	No Shortfall	No Shortfall	No Shortfall	No Shortfall	

1/ Includes Lost Contribution to Fixed Costs (LCFC) and Weather Normalization Adjustment (WNA) revenues

SECTION 2

BILLING DETERMINANT RATE ADJUSTMENT TARIFF (BDA TARIFF) CALCULATION

Description	Reference	Residential & NGV	Business-1 & NGV	Business-2 & NGV	Business-3 & NGV	Business-4 & NGV	Business-5 & LDC & NGV	Irrigation	Gas Lights	Total
5 Revenue Surplus	If Line 3 < 0, then 0, else line 3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Revenue Surplus Allocation Factors	If line 3 < 0, then line 3 / (sum of line 3 negative values), else 0	0%	0%	0%	0%	0%	0%	0%	0%	0%
7 Revenue Surplus Allocation	Line 6 * (sum of Line 5 positive values)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Final Revenue Shortfall	Line 3 negative values + Line 7	No Shortfall	No Shortfall	No Shortfall	No Shortfall	No Shortfall	No Shortfall	No Shortfall	No Shortfall	\$0
9 Volumes: Per book	Line 13	0 Ccf	0 Ccf	0 Ccf	0 Ccf	0 Ccf	0 Ccf	0 Ccf	0	0
10 Adjustment for Weather	Attachment B, Page 1, Lines 13, 26 & 39	0 Ccf	0 Ccf	0 Ccf	Ccf	Ccf	Ccf	Ccf	Ccf	0
11 Volumes for BDA Calculation	Line 9 + Line 10	0 Ccf	0 Ccf	0 Ccf	0 Ccf	0 Ccf	0 Ccf	0 Ccf	0	0
12 BDA Calculation	-(Line 8 / Line 11)	\$0.000000 per Ccf	\$0.000000 per Ccf	\$0.000000 per Ccf	\$0.000000 per Ccf	\$0.000000 per Ccf	\$0.000000 per Ccf	\$0.000000 per Ccf	\$0.000000 per Ccf	\$0.000000 per Ccf

SECTION 3

(For Informational Purposes Only)

Line No.	Description	Reference	Residential & NGV	Business-1 & NGV	Business-2 & NGV	Business-3 & NGV	Business-4 & NGV	Business-5 & LDC & NGV	Irrigation	Gas Lights	Total
13	Gas Volumes - Evaluation Period	Per Books	Ccf	Ccf	Ccf	Ccf	Ccf	Ccf	Ccf	Ccf	0
14	Gas Volumes - Benchmark Value	Docket No. 17-071-U	Ccf	Ccf	Ccf	Ccf	Ccf	Ccf	Ccf	Ccf	0
15	Volume Deficiency	Line 14 - Line 15	0	0	0	0	0	0	0	0	0
16	Customer Count - Evaluation Period	Per Books									0
17	Customer Count - Benchmark Value	Docket No. 17-071-U									0
18	Customer Count Deficiency	Line 17 - Line 18	0	0	0	0	0	0	0	0	0

BLACK HILLS ENERGY ARKANSAS, INC. d/b/a BLACK HILLS ENERGY
CALCULATION OF WEATHER ADJUSTMENT FACTOR
EVALUATION PERIOD ENDING July 31, 20__

RESIDENTIAL:

Line No.	Month	Evaluation Period Actual HDD	Normal HDD 1/	HDD Variance	Ccf/HDD/Cust Factor 1/	Volume Adjust Per Customer	Monthly Customers	Weather Adjustment Volumes
		(a)	(b)	(c) = (b - a)	(d)	(e) = (c * d)	(f)	(g) = (e * f)
1	August		0		0	0.00		0
2	September		17		0	0.00		0
3	October		123		0.059122	0.00		0
4	November		349		0.115163	0.00		0
5	December		646		0.115163	0.00		0
6	January		841		0.115163	0.00		0
7	February		789		0.115163	0.00		0
8	March		605		0.115163	0.00		0
9	April		370		0.115163	0.00		0
10	May		162		0.059122	0.00		0
11	June		49		0.059122	0.00		0
12	July		2		0	0.00		0
13	Annual	0	3,953	0				0

BUSINESS 1:

Line No.	Month	Evaluation Period Actual HDD	Normal HDD 1/	HDD Variance	Ccf/HDD/Cust Factor 1/	Volume Adjust Per Customer	Monthly Customers	Weather Adjustment Volumes
		(a)	(b)	(c) = (b - a)	(d)	(e) = (c * d)	(f)	(g) = (e * f)
14	August	0	0		0	0.00		0
15	September	0	17		0	0.00		0
16	October	0	123		0.106351	0.00		0
17	November	0	349		0.274473	0.00		0
18	December	0	646		0.274473	0.00		0
19	January	0	841		0.274473	0.00		0
20	February	0	789		0.274473	0.00		0
21	March	0	605		0.274473	0.00		0
22	April	0	370		0.274473	0.00		0
23	May	0	162		0.106351	0.00		0
24	June	0	49		0.106351	0.00		0
25	July	0	2		0	0.00		0
26	Annual	0	3,953	0				0

BUSINESS 2:

Line No.	Month	Evaluation Period Actual HDD	Normal HDD 1/	HDD Variance	Ccf/HDD/Cust Factor 1/	Volume Adjust Per Customer	Monthly Customers	Weather Adjustment Volumes
		(a)	(b)	(c) = (b - a)	(d)	(e) = (c * d)	(f)	(g) = (e * f)
27	August	0	0		0	0.00		0
28	September	0	17		0	0.00		0
29	October	0	123		2.221871	0.00		0
30	November	0	349		3.055640	0.00		0
31	December	0	646		3.055640	0.00		0
32	January	0	841		3.055640	0.00		0
33	February	0	789		3.055640	0.00		0
34	March	0	605		3.055640	0.00		0
35	April	0	370		3.055640	0.00		0
36	May	0	162		2.221871	0.00		0
37	June	0	49		2.221871	0.00		0
38	July	0	2		0	0.00		0
39	Annual	0	3,953	0				0

BUSINESS 3: Not applicable

BUSINESS 4: Not applicable

BUSINESS 5: Not applicable

Gas Lights: Not applicable

1/ Columns (b) and (d) are from Docket No. 17-071-U.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____ Sheet No. 1 of 6 Replacing Original _____ Sheet No. 1 of 6 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u> Rider Schedule No.: <u>3.7</u> Title: <u>Cost of Gas Rider – (COG)</u>	PSC File Mark Only
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COST OF GAS RIDER – (COG)**A. Applicability and Requirements:**

This Rider is applicable to all the Company's effective system supply natural gas sales service rate schedules on file with the Arkansas Public Service Commission (APSC). The Company's system supply gas sales service rate schedules shall be subject to the cost of acquiring, transporting and storing natural gas supplies pursuant to this Rider.

B. Definitions:

- (1) Cost of Gas – The Cost of Gas during a month shall be the sum of all gas purchased, transportation and storage charges not included in the non-gas cost of service, the cost of gas withdrawn from storage less the cost of gas injected into storage, and any fees, gains or losses and other transaction costs associated with the use of various financial instruments to stabilize gas prices.
- (2) Fixed Transportation Charges – Charges incurred for transporting gas to the Company's system that do not vary with the volume of gas being transported. Examples include pipeline demand and/or reservation fees.
- (3) Fixed Storage Charges – Charges incurred for storing gas that do not vary with the volume of gas injected into or withdrawn from storage and that are not included in the non-gas cost of service. Examples include third party storage demand and/or reservation fees.
- (4) Fixed Gas Supply Charges – Charges incurred for the acquisition of gas supply that do not vary with the volume of gas purchased. Examples include supply demand and/or reservation fees.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____ Sheet No. 2 of 6 Replacing Original _____ Sheet No. 2 of 6 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u> Rider Schedule No.: <u>3.7</u> Title: <u>Cost of Gas Rider – (COG)</u>	PSC File Mark Only
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C. COG Filings:**(1) Scheduled COG Filings:**

The Company shall make two Scheduled COG Filings each year: a Winter Season COG and a Summer Season COG. The Winter Season COG shall be effective for billings to customers with a meter read date during the months of November through the following March. The Summer Season COG shall be effective for billings to customers with a meter read date during the months of April through the following October.

The Winter Season COG Filing shall contain rates reflecting: (1) the then current estimate of gas cost revenue requirement for the period of November through March (primary adjustment factor), and (2) the calculation of the Secondary Adjustment Factor (SAF), and (3) any refund amounts.

The Summer Season COG Filing shall contain rates reflecting: (1) the then current estimate of gas cost revenue requirements for the period of April through October (primary adjustment factor), and (2) maintaining the Secondary Adjustment Factor and any refund amounts filed with the immediately preceding Scheduled Winter COG Filing.

(2) Unscheduled COG Filings:

Should a projected under or over recovery balance arise during any seasonal COG period which exceeds ten percent (10%) of the projected annual gas cost per the most recent Scheduled COG Filing, then either the Arkansas Public Service Commission General Staff or the Company may propose an Unscheduled COG Filing. If an Unscheduled COG Filing is made, that Filing: (1) must contain rates reflecting the then current estimate of the gas cost revenue requirement for the period from the effective date of such Filing to the next scheduled Filing (Primary Adjustment Factor), and (2) must maintain the Secondary Adjustment Factor and any refund amounts filed with the immediately preceding Scheduled Winter COG Filing.

The Unscheduled COG Filing shall remain in effect only until the next Scheduled COG Filing.

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First Revised _____ Sheet No. 3 of 6 Replacing Original _____ Sheet No. 3 of 6	PSC File Mark Only
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)	
Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u>	
Rider Schedule No.: <u>3.7</u>	
Title: <u>Cost of Gas Rider – (COG)</u>	

- (3) Scheduled and any Unscheduled COG Filings shall be filed with the Commission by the last business day of the month immediately preceding the month the proposed new Winter, Summer, or Unscheduled COG Filing will be implemented.
- (4) The Scheduled and Unscheduled COG Filings provide the COG Rate to be applied to customer usage volumes for billings to customers. The COG Rate is the sum of the Primary Adjustment Factor, the Secondary Adjustment Factor, and any refund amounts. The COG Rate shall be rounded to the nearest \$0.000001 per Ccf.

D. Primary Adjustment Factor (PAF) Calculation:**(1) Calculation of Demand Cost Component:**

Calculating demand costs - The demand gas cost revenue requirement component of the PAF shall be the annual total of the gas costs that do not vary with the actual consumption, including, but not limited to, Fixed Transportation Charges, Storage Charges, and Fixed Gas Supply Charges.

Calculating demand cost factor - The demand cost factor for both the Winter and Summer PAF shall be calculated by dividing the total annual demand gas cost revenue requirement component by the annual estimated normalized level of system supply sales volumes measured in Ccf's as shown in the COG Filing. The result shall be rounded to the nearest \$0.000001 per Ccf.

(2) Calculation of Commodity Cost Component:

Calculating commodity costs by season - The commodity gas cost revenue requirement component of the Winter Season PAF shall be the sum of all Winter Season gas costs other than the Winter Season demand costs, including, but not limited to, variable transportation costs, gas supply commodity costs, and any fees, gains or losses and other transaction costs associated with the use of various financial instruments purchased by the Company to stabilize gas prices. The Winter Season commodity gas costs shall include the commodity cost of storage withdrawals less the commodity cost of storage injections. The commodity gas cost

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First Revised _____ Sheet No. 4 of 6	
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<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)	
Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u>	
Rider Schedule No.: <u>3.7</u>	
Title: <u>Cost of Gas Rider – (COG)</u>	PSC File Mark Only

revenue requirement component of the Summer Season PAF shall be the sum of all Summer Season gas costs other than the Summer Season demand costs, including, but not limited to, variable transportation costs, gas supply commodity costs, and any fees, gains or losses and other transaction costs associated with the use of various financial instruments purchased by the Company to stabilize gas prices. The Summer Season commodity gas costs shall include the commodity cost of storage withdrawals less the commodity cost of storage injections. The Company will utilize any technique or method it deems reasonable for purposes of estimating the commodity gas cost revenue requirement component of each seasonal PAF.

Calculating commodity cost factor - The commodity cost factor for the Winter and Summer PAF shall be calculated by dividing the estimated commodity gas cost revenue requirement component for the applicable season by the estimated normalized level of system supply sales volumes measured in Ccf's for the applicable season as shown in the COG Filing. The result shall be rounded to the nearest \$0.000001 per CCF.

(3) PAF Calculation:

The PAF for each season shall be determined by adding together the demand cost factor and the applicable season commodity cost factor as calculated above.

E. Secondary Adjustment Factor (SAF) Calculation:

The Company shall establish and maintain a Deferred Gas Cost Account(s) in which shall be recorded any over or under recovery resulting from the operation of the COG procedure. Such over or under recovery shall be determined monthly by comparison of the actual Cost of Gas, as defined above, for each cost month to the gas cost revenue recovery for the same revenue month as the cost month. The accumulated balance of over or under recovered gas costs, plus the carrying charge described below, shall be used to determine the Secondary Adjustment Factor (SAF). The SAF shall be computed annually by dividing the cumulative balance of the over recoveries or under recoveries as of the end of each October by the estimated volumes of sales during the twelve-month period beginning each November. (For SAF calculation purposes the over or under recovery for the month of October shall be an estimate.) The SAF shall be filed annually and will be included with the

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____ Sheet No. 5 of 6 Replacing Original _____ Sheet No. 5 of 6 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u> Rider Schedule No.: <u>3.7</u> Title: <u>Cost of Gas Rider – (COG)</u>	PSC File Mark Only
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Scheduled Winter Season COG Filing and shall be rounded to the nearest \$0.000001 per Ccf. The SAF shall remain in effect until the earlier of: (1) superseded by a subsequent SAF calculated according to this provision or, (2) the beginning of the second revenue month following the month in which the full recovery or refund is accomplished, if such full recovery or refund is accomplished prior to the end of the established recovery period.

A carrying charge shall be included in the monthly under or over recovery balance resulting from the monthly comparison of the actual Cost of Gas to the revenue recovery resulting from the application of the PAF, and a carrying charge shall be included in the monthly under or over recovery balance applicable to the SAF. The monthly carrying charge shall be determined by multiplying the average of the beginning and ending month balance of under or over recovery for the cost month times the annual Commission approved rate of interest applicable to customer deposits.

F. Refund Provision:

If an increase in the cost of gas paid or payable to the Company shall be reduced by the final order of a duly constituted regulatory body or the final decree of a court, if appealed thereto, and such increase shall have been reflected in the Company's rate to the extent and in the manner specified in this COG, the Company shall report to the Commission the receipt of any refunds resulting from such final order or decree. Thereupon, the Company shall submit for the Commission's approval a plan to make equitable disposition of such refund monies to the extent such monies represent increased charges paid by its customers as a result of this COG; provided, however, that if the amount to be refunded to customers hereunder with respect to a particular refund received does not amount to more than one-tenth cent per Ccf, then the Company will apply that refund as a credit in its COG computations hereunder for the month in which it receives the refund from its supplier. Nothing in this clause shall be construed to require refunds or a reduction of the Company's rate as a result of such an order reducing the COG where the original increase in the COG has not been reflected in the Company's billings for its sales to customers under this rate schedule.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____ Sheet No. 6 of 6 Replacing Original _____ Sheet No. 6 of 6 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u> Rider Schedule No.: <u>3.7</u> Title: <u>Cost of Gas Rider – (COG)</u>	PSC File Mark Only
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G. Transition Provision:

If this tariff is superseded, then in the discretion of the Company and with notification to the Commission, for any under or over recovery of costs accumulated at the date of transition, the Company may increase or decrease the period over which those costs are included in the Cost of Gas.

H. Applicable Rate Schedules:

1. Rate Schedule No. 2.1 – Residential Sales Service
2. Rate Schedule No. 2.2 – Business 1 Sales Service
3. Rate Schedule No. 2.3 – Business 2 Sales Service
4. Rate Schedule No. 2.4 – Business 3 Sales Service
5. Rate Schedule No. 2.5 – Business 4 Sales Service
6. Rate Schedule No. 2.6 – Business 5 Sales Service
7. Rate Schedule No. 2.8 – Unmetered Gas Lights Sales Service
8. Rate Schedule No. 2.11 – Local Distribution Company Sales Service
9. Rate Schedule No. 2.12 – Irrigation Sales Service
10. Rate Schedule No. 2.13 – Natural Gas Vehicle

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 1 of 2	
Replacing Original	Sheet No. 1 of 2	
 <u>Black Hills Energy Arkansas, Inc. d/b/a Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rider Schedule No.: <u>3.8</u>		
Title: <u>Act 310 Surcharge Rider (Act 310)</u>		PSC File Mark Only

Act 310 Surcharge Rider (Act 310)**Purpose:**

To recover, pursuant to the provisions of Ark. Code Ann. § 23-4-501, *et seq.*, expenditures incurred as a direct result of legislative or regulatory requirements relating to the protection of the public health, safety or the environment.

Application:

To all gas service provided under any rate schedule, whether metered or unmetered, subject to the jurisdiction of the Arkansas Public Service Commission. The prudence of expenditures which form the basis for this surcharge shall be addressed in general rate case proceedings. If any expenditure is found imprudent in a general rate case proceeding, all associated surcharge collections will be refunded with interest.

Rates:

The following surcharges by rate schedule shall be applied to customer bills on and after the date this tariff is filed.

Applicable Rate Schedules and Surcharge:

Residential & NGV	\$.000000 Per Ccf
Business 1 Sales, Transportation & NGV	\$.000000 Per Ccf
Business 2 Sales, Transportation & NGV	\$.000000 Per Ccf
Business 3 Sales, Transportation & NGV	\$.000000 Per Ccf
Business 4 Sales, Transportation & NGV	\$.000000 Per Ccf
Business 5 Sales, Transportation, NGV & LDC	\$.000000 Per Ccf
Irrigation	\$.000000 Per Ccf
Unmetered Gas Light	\$.000000 Per Ccf

Calculation of the Act 310 Surcharge

The Act 310 Surcharge shall be determined by application of rate formula set out in the Attachment A to this rider.

THIS SPACE FOR PSC USE

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 2 of 2	
Replacing Original	Sheet No. 2 of 2	
<u>Black Hills Energy Arkansas, Inc. d/b/a Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rider Schedule No.: <u>3.8</u>		
Title: <u>Act 310 Surcharge Rider (Act 310)</u>		

Future Rate Case Applications

In the event the Company files a general rate application, all qualifying Act 310 investments upon which a return was recovered pursuant to this Rider (Act 310 Surcharge Rider) shall be included in the rate base net of depreciation in calculating the revenue requirement and the current Act 310 surcharge rate will become \$0.0000 per Ccf. The rate will remain \$0.000 per ccf until Company submits a new filing to cover incremental investments covered under the Act 310 Surcharge Rider.

Separate Line Item on the Customer's Bill

The Company will list the Rider Act 310 Surcharge as a separate line item on customer bills labeled "Act 310 Surcharge."

Rider Schedule 3.8

ATTACHMENT A

Black Hills Energy Arkansas, Inc.
Calculation of Act 310 Revenue Requirement

Effective Date: _____

Line No.	Description	Reference	Amount
1	Adjusted Rate Base		\$
2	Required Operating Income (a)	Line 1 * ____%	\$
3	Operating Expenses		\$
4	Depreciation Expense Increase		\$
5	Property Tax Expense Increase		\$
6	Fixed Charges (b)	Line 1 * ____%	\$
7	Taxes		\$
8	Income Tax Expense (c)	Line 7 * ____%	\$
9	Operating Income Reduction	Line 3 + Line 4 + Line 5 - Line 8	\$
10	Revenue Deficiency	Line 2 + Line 9	\$
11	Revenue Conversion Factor (d)		
12	Revenue Requirement	Line 10 * Line 11	<u>\$</u>

NOTES:

(a) Overall Rate of Return from Docket No. _____

(b) Weighted Cost of Debt from Docket No. _____

(c) Combined State and Federal Tax Rate

(d) Revenue Conversion factor from Docket No. _____

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ARKANSAS PUBLIC SERVICE COMMISSION

Original Replacing	Sheet No. 1 of 1	PSC File Mark Only
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rider Schedule No.: <u>3.9</u>		
Title: <u>Tax and Fee Rider -- (TAX)</u>		

TAX AND FEE RIDER - (TAX)**Purpose:**

The purpose of this Rider is to recover (pass through) taxes or franchise fees levied or imposed on the Company by laws or ordinances by any city, town, community, county, district, or other taxing authority for sale of natural gas. These taxes include, but are not limited to: municipal, excise, sales, gross receipts, license, privilege, occupation, Arkansas Alternative Fuel Tax, or franchise tax/fee (except ad valorem or income taxes). The applicable tax or fee, including any adjustments, will appear on the bill of those customers whose premise is located within the jurisdictional boundaries of the taxing authority.

Franchise Taxes/Fees:

Franchise Tax/Fee rates paid by the Company to municipalities within its service area are listed as Attachment A to this Rider. The Company will update Attachment A annually on May 1, beginning in 2017.

Applicable Rate Schedules:

1. Rate Schedule No. 2.1 – Residential Sales Service
2. Rate Schedule No. 2.2 – Business 1 Sales Service
3. Rate Schedule No. 2.3 – Business 2 Sales Service
4. Rate Schedule No. 2.4 – Business 3 Sales Service
5. Rate Schedule No. 2.5 – Business 4 Sales Service
6. Rate Schedule No. 2.6 – Business 5 Sales Service
7. Rate Schedule No. 2.7 – Natural Gas Transportation Service
8. Rate Schedule No. 2.8 – Unmetered Gas Lights Sales Service
9. Rate Schedule No. 2.9 – Charges Related to Customer Activity
10. Rate Schedule No. 2.10 – Extension of Facilities
11. Rate Schedule No. 2.11 – Local Distribution Company Sales Service
12. Rate Schedule No. 2.12 – Irrigation Sales Service
13. Rate Schedule No. 2.13 – Natural Gas Vehicle

Rider Schedule 3.9
Attachment ABLACK HILLS ENERGY ARKANSAS, INC. d/b/a/ BLACK HILLS ENERGY
Franchise Taxes by Community

Item No.	Town/City	Franchise Tax	Item No.	Town/City	Franchise Tax
1	Alpena	4%	44	Joiner	5%
2	Altus	4%	45	Keiser	4.25%
3	Bassett	5%	46	Lake City	5%
4	Bella Vista	4.25%	47	Lamar	4%
5	Bellefonte	3%	48	Leachville	5%
6	Bentonville	4%	49	Lincoln	4.25%
7	Bethel Heights	2%	50	Little Flock	2%
8	Black Oak	5%	51	Lowell -- Res/Comm	4%
9	Blytheville	5%	52	Lowell -- Industrial	1%
10	Branch	2%	53	Luxora -- Res/Comm	5%
11	Burdette	5%	54	Manila	5%
12	Caraway	5%	55	Marmaduke	5%
13	Caulksville	2%	56	Melbourne	4.25%
14	Cave Springs	3%	57	Monette	5%
15	Centerton	4%	58	Mountain Home	4.25%
16	Charleston	2%	59	Mountain View	4%
17	Clarksville -- Comm/Ind	4%	60	Mulberry	4%
18	Coal Hill	4%	61	Norfolk	3%
19	Cotter	4%	62	Osceola	5%
20	Decatur	4%	63	Ozark	4%
21	Dell	5%	64	Paris	3%
22	Denning	2%	65	Pea Ridge	2%
23	Dyer	2%	66	Piggott	5%
24	Elkins	2%	67	Prairie Grove	4.25%
25	Elm Springs	4.25%	68	Ratcliff	2%
26	Eureka Springs	5%	69	Rector	5%
27	Farmington	4.25%	70	Rogers -- Res/Comm	2%
28	Fayetteville -- Res/Comm	3%	71	Rogers -- Industrial	1%
29	Fayetteville -- Industrial	1%	72	Saint Francis	5%
30	Flippin	3%	73	Saint Paul	2%
31	Gentry	4%	74	Salesville	4%
32	Goshen	3%	75	Siloam Springs	2%
33	Gosnell	5%	76	Springdale -- Res/Comm	4%
34	Gravette	4%	77	Springdale -- Industrial	1%
35	Green Forest -- Res/Comm	4%	78	Springtown	4%
36	Green Forest -- Industrial	2%	79	Subiaco	2%
37	Greenland	2%	80	Sulphur Springs	4%
38	Greenway	5%	81	Summit	4%
39	Harrison	4.5%	82	Tontitown	2%
40	Hartman	2%	83	Victoria	5%
41	Highfill	2%	84	West Fork	4.25%
42	Huntsville	5%	85	Wilson	6%
43	Johnson	4%	86	Yellville	4%

Updated 5/1/19

ARKANSAS PUBLIC SERVICE COMMISSION

Original _____ Sheet No. 1 of 3
 Replacing _____

Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy
 (Name of Company)

Kind of Service: Natural Gas Class of Service: All

Rider Schedule No.: 3.10

Title: Energy Efficiency Cost Recovery Rider – (EECR)

PSC File Mark Only

ENERGY EFFICIENCY COST RECOVERY RIDER (EECR)

Purpose

The purpose of the Energy Efficiency Cost Recovery Rate (“EECR”) Rider is to establish the EECR Rate(s) by which the Company will recover its energy efficiency program costs approved by the Commission in Docket No. 07-078-TF; including, but not limited to: (1) incremental energy efficiency program costs (“Incremental Program Costs”); (2) lost contributions to fixed costs (“LCFC”) as described and approved by the Commission in Order No. 14 issued in Docket No. 08-137-U; (3) utility incentive as described and approved by the Commission in Order No. 15 issued in Docket No. 08-137-U; and (4) a “true-up” adjustment (collectively, the “Recoverable Costs”). Recovery of Incremental Program Costs is limited to the incremental costs which represent the direct program costs that are not already included in the then current rates of the Company. The EECR Rate(s) will be calculated to recover the Company’s Recoverable Costs over the period in which the EECR Rate(s) will be in effect.

Annual Re-determination

On or before May 1 of each year, re-determined EECR Rate(s) shall be filed by the Company with the Commission in accordance with the provisions of Section 7 of the Commission’s *Rules for Conservation and Energy Efficiency Programs*. The re-determined EECR Rate(s) shall be determined by application of the EECR Rate Formula set out in Attachment A to this Rider. Each such revised EECR Rate shall be filed in Docket No. 07-078-TF and shall be accompanied by supporting testimony and a set of work papers sufficient to fully document the calculations of the revised EECR Rate(s).

The re-determined EECR Rate(s) shall reflect projected Recoverable Cost for the next calendar year (the “Recoverable Year”); including, but not limited to: (1) the approved Incremental Program Costs for the Recoverable Year; (2) the projected LCFC for the Recoverable Year; (3) the incentive earned in the prior calendar year (the “Reporting Year”), if any; and (4) a true-up adjustment reflecting the over-recovery or under-recovery of the EECR Recoverable Costs for the Reporting Year. The true-up adjustment will be calculated to include the effect of carrying costs using the Company’s most recently approved rate of return on rate base. The EECR Rate(s) so re-determined shall be effective for bills rendered on and after the first billing cycle of January of the Recoverable Year and shall then remain in effect for twelve (12) months (EECR Cycle), except as otherwise provided for below.

THIS SPACE FOR PSC USE

ARKANSAS PUBLIC SERVICE COMMISSION

Original _____ Sheet No. 2 of 3
Replacing

Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy
 (Name of Company)

Kind of Service: Natural Gas Class of Service: All

Rider Schedule No.: 3.10

Title: Energy Efficiency Cost Recovery Rider – (EECR)

PSC File Mark Only

Interim Adjustment

Should a cumulative over-recovery or under-recovery balance arise during any EECR Cycle which exceeds ten (10) percent of the EECR Recoverable Costs determined for the EECR Cycle included in the most recently filed rate re-determination under this EECR Rider, then either the Commission General Staff or the Company may propose an interim revision to the then currently effective EECR Rate(s).

Tracking and Monitoring Program Costs and Benefits

The Company shall develop and implement appropriate accounting procedures, subject to the review of the Commission General Staff, which provide for separate tracking, accounting, and reporting of all program costs incurred by the Company. The procedures shall enable energy efficiency program costs to be readily identified and clearly separated from all other costs. The Company shall secure and retain all documents necessary to verify the validity of the program costs for which it is seeking recovery. Such documents shall include, but shall not be limited to, vouchers, journal entries, and the date the participant's project was completed.

The Company shall develop and implement appropriate accounting procedures, subject to the review of the Commission General Staff, which provide for separate tracking, accounting, and reporting of revenues collected through the EECR Rider. The procedures shall enable the EECR revenues to be readily identified and clearly separated from all other revenues. The Company shall secure and retain all documents necessary to verify the accuracy of the EECR revenues. Such documents shall include, but not be limited to, billing determinants, journal entries, and summary revenue reports.

For the purpose of assessing the benefits and effectiveness of the programs, the Company shall develop and implement appropriate procedures, subject to the review of the Commission General Staff, which provide for separate tracking of the benefits and the effectiveness of the programs. The data that shall be tracked shall include, but shall not be limited to, information that will enable the Commission to assess the effectiveness of the programs. The Company shall secure and retain all documents necessary to verify its assessments.

THIS SPACE FOR PSC USE

ARKANSAS PUBLIC SERVICE COMMISSION

Original _____ Sheet No. 3 of 3
Replacing

Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy
 (Name of Company)

Kind of Service: Natural Gas Class of Service: All

Rider Schedule No.: 3.10

Title: Energy Efficiency Cost Recovery Rider – (EECR)

PSC File Mark Only

Tracking and Monitoring LCFC and Incentive

The Company shall track and monitor LCFC and Incentives in accordance with Order Nos. 14 and 15, respectively, issued in Docket No. 08-137-U and in future Orders addressing LCFC and Incentives.

Term

This EECR Rider shall remain in effect until modified or terminated in accordance with the provisions of the EECR Rider or applicable regulations or laws.

If this EECR Rider is terminated by a future order of the Commission, the EECR Rate(s) then in effect shall continue to be applied until the Commission approves an alternative mechanism by which the Company can recover its energy efficiency costs. At that time, any cumulative over-recovery or under-recovery resulting from application of the just terminated EECR Rate(s) shall be applied to customer billings over the twelve (12) month billing period beginning on the first billing cycle of the second month following the termination of the EECR Rider in a manner prescribed by the Commission.

Applicable Rate Schedules

Rate Schedule No. 2.1 – Residential Sales Service
 Rate Schedule No. 2.2 – Business 1 Sales Service
 Rate Schedule No. 2.3 – Business 2 Sales Service
 Rate Schedule No. 2.4 – Business 3 Sales Service
 Rate Schedule No. 2.5 – Business 4 Sales Service
 Rate Schedule No. 2.6 – Business 5 Sales Service
 Rate Schedule No. 2.7 – Natural Gas Transportation Service
 Rate Schedule No. 2.8 – Unmetered Gas Lights Sales Service
 Special Contract Services
 Rate Schedule No. 2.11 – Local Distribution Company Sales Service
 Rate Schedule No. 2.12 – Irrigation Sales Service
 Rate Schedule No. 2.13 – Natural Gas Vehicle

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Black Hills Energy Arkansas, Inc.
 Energy Efficiency Cost Recovery Filing
 For the Projected Energy Efficiency Cost period ended December 2019

Rider Schedule 3.10
 Attachment A

EECR Rate by Rate Class

Line No.	Description	Total	Residential	Small Commercial		Large Commercial		
			R-1 (i)	B-1 (ii)	B-2 (iii)	B-3 (iv)	B-4	B-5 (v)
1	Budgeted Energy Efficiency Program Costs - 2019	\$ 3,574,144	\$ 1,938,335		\$ 840,013.81			\$ 795,795
2	Budgeted Energy Efficiency Lost Contribution to Fixed Costs - Program Year 2019	\$ 129,327	\$ 68,443		\$ 46,413			\$ 14,470
3	2017 Utility Performance Incentive	\$ 263,470	\$ 113,156		\$ 66,545			\$ 83,769
4	(Over)/Under Collection Prior Period As of Dec 2017	\$ (87,338)	\$ 183,271		\$ (357,630)			\$ 87,020
5	Total (Line 1 + Line 2 + Line 3 + Line 4 + Line 5)	\$ 3,879,603	\$ 2,303,205		\$ 595,343			\$ 981,055
6	Projected 2019 CCF Sales	206,029,080	88,485,783		52,037,290			65,506,007
7	Revised EECR per CCF (Line 5 / Line 6)		\$ 0.026029		\$ 0.011441			\$ 0.014977
8	Current EECR per CCF (Currently Approved EECR)		\$ 0.0300	\$ 0.0151	\$ 0.0182	\$ 0.0128	\$ 0.0231	\$ 0.0239
9	Adjustment (Line 7 - Line 8)		\$ (0.003931)	\$ (0.003620)	\$ (0.006759)	\$ 0.002154	\$ (0.008123)	\$ (0.008923)

Notes:

- (i) R1 Customers include NGV
 (ii) B1 Customers include Gas Lights, Irrigation, and NGV
 (iii) B2 Customers include NGV
 (iv) B3 Customers include NGV
 (v) B5 Customers include Special Contracts

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____	Sheet No. 1 of 5	
Replacing Original _____	Sheet No. 1 of 5	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rider Schedule No.: <u>3.11</u>		
Title: <u>Main Replacement Program Rider (MRP Rider)</u>		

MAIN REPLACEMENT PROGRAM RIDER (MRP RIDER)**A. Purpose:**

The primary purpose of the MRP Rider is to support the expedited replacement of Subject Mains and Associated Services. Subject Mains are: 1) bare steel mains; 2) coated steel mains that are not cathodically protected; and 3) mains that are the subject of an advisory issued by a federal or state agency and which the Company has determined to be in unsatisfactory condition. Associated Services are services that are associated with Subject Mains.

To accomplish this purpose, the MRP Rider provides: (1) a return on the net investment (gross plant less accumulated depreciation) in new mains and new services, which was not included in the Company's most recent rate determination and which was made to replace Subject Mains and Associated Services, by applying the approved pre-tax rate of return to the net investment (gross plant less accumulated depreciation) in new mains and new services, and (2) a return of the investment which was not included in the Company's most recent rate determination and which was made in new mains and new services to replace Subject Mains and Associated Services, by applying the approved depreciation rates to the investment in new mains and services, and (3) incremental property tax expense.

B. Records and Reports:

Qualifying replacements are defined as amounts that are in-service, and all materials, labor, other costs, and adjustments related thereto must be recorded in the Gross Plant in Service FERC Account No. 367 Mains-Transmission, FERC Account No. 365.2 Rights of Way, FERC Account No. 376 Mains-Distribution, FERC Account No. 374 Land or Land Rights, or FERC Account No. 380 Services before being included in the MRP Rider.

Each month the Company shall calculate its MRP Revenue Requirement in the manner prescribed by Sections C and D of this Rider and shall file an adjustment and the supporting documentation identified below with the Commission by the last business day of the month immediately preceding the month the rate will become effective. The portion of the adjustment that is not in dispute shall become effective for all meters read on or after the first day of the month that the rate will become effective, and shall be recovered from customers through the Company's Base Rate Adjustment as defined in Step 3 of Section D of this Rider. Any disputed amount will not go into effect as filed.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____	Sheet No. 2 of 5	
Replacing Original _____	Sheet No. 2 of 5	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rider Schedule No.: <u>3.11</u>		
Title: <u>Main Replacement Program Rider (MRP Rider)</u>		

Simultaneously with the filing of each adjustment, the Company will file information that:

- Separately identifies whether each project included in the filing was to replace Subject Mains or was to replace Associated Services;
- Specifically identifies the percentage of the total cost of each such project that will be included in the MRP Rider;
- Specifically identifies the date plant costs are first included in the MRP Rider;
- Specifically identifies for each project included in the filing the number of feet of new mains (i.e. plastic mains or coated steel mains) installed by month per books and the number of feet of retired mains (i.e. bare steel mains, coated steel mains that are not cathodically protected, mains that are the subject of an advisory issued by a federal or state agency and which the Company has determined to be in unsatisfactory condition, and other mains not qualifying for the MRP Rider) by month per books;
- Specifically identifies for each project included in the filing the number of new services installed by month per books and number of Associated Services retired by month per books, and

The MRP Rider establishes monthly Base Rate Adjustments for natural gas service provided under the Company's rate schedules specified in Section H. Such Base Rate Adjustments shall be recovered from customers in accordance with Step 3 of Section D.

The Commission shall hear and resolve any amounts that are in dispute with regard to the application of the MRP Rider. The Company shall accept Commission rulings as final for purposes of the MRP Rider.

The MRP Rider will not include any retirements of assets, cost of removal (except the cost of removal component comprehended in the approved depreciation rates), depreciation rates applied to cost of removal, pre-tax rate of return applied to cost of removal, or any costs otherwise included in current base rates.

C. MRP Revenue Requirement:

The MRP Rider is to provide recovery of the MRP Revenue Requirement which shall only include:

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Ark. Public Serv. Comm. ---APPROVED---10/15/2018 Docket: 17-071-U Order No.- 8

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____	Sheet No. 3 of 5	
Replacing Original _____	Sheet No. 3 of 5	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rider Schedule No.: <u>3.11</u>		
Title: <u>Main Replacement Program Rider (MRP Rider)</u>		

- Investment in new mains which was not included in the Company's most recent rate determination and which was made to replace Subject Mains (Account Nos. 367, 365.2, 374 and/or 376), times the appropriate depreciation rate(s) approved in the Company's most recent rate determination. The depreciation rate(s) will be applied consistently with the calculation of depreciation expense for book accounting purposes. All amounts calculated pursuant to this provision will ultimately be recorded in the accumulated depreciation accounts corresponding to Account Nos. 367, 365.2, 374, and 376.
- Net investment (gross plant less accumulated depreciation) which was not included in the Company's most recent rate determination and which was made in new mains to replace Subject Mains (Account Nos. 367, 365.2, 374, and/or 376), times the pre-tax rate of return approved in the Company's most recent rate determination.
- Investment which was not included in the Company's most recent rate determination and which was made in new services to replace Associated Services (Account No. 380), times the depreciation rate approved in the Company's most recent rate determination. The depreciation rate will be applied consistently with the calculation of depreciation expense for book accounting purposes. All amounts calculated pursuant to this provision will ultimately be recorded in the accumulated depreciation account corresponding to Account No. 380.
- Net investment (gross plant less accumulated depreciation) which was not included in the Company's most recent rate determination and which was made in new services to replace Associated Services (Account No. 380), times the pre-tax rate of return approved in the Company's most recent rate determination.
- Incremental Property tax expense associated with the Gross Plant in Service

D. Calculation of the MRP Revenue Requirement

The Rate Adjustments for each class shall be calculated as follows:

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ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 4 of 5	
Replacing Original	Sheet No. 4 of 5	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rider Schedule No.: <u>3.11</u>		
Title: <u>Main Replacement Program Rider (MRP Rider)</u>		

Step 1: MRP Revenue Requirement.

The MRP Revenue Requirement shall be calculated on an annual basis as set out in Attachment 1.

Step 2: Allocation of MRP Revenue Requirement by Class.

The MRP Revenue Requirement determined under Step 1 shall be allocated to customer classes based on the allocations approved in the Company's most recent rate determination for FERC Account No. 367, 365.2, 374, and 376.

Step 3: Base Rate Adjustments.

- a. Base Rate Adjustment for B-3 Sales and Transportation, B-4 Sales and Transportation, and B-5 Sales and Transportation

The Base Rate Adjustment for B-3 Sales and Transportation, B-4 Sales and Transportation, and B-5 Sales and Transportation rate schedules will be a flat charge per customer that is determined by dividing the MRP Revenue Requirement by Customer Class determined in Step 2 by the customer counts for each of those Customer Classes used to design the rates approved in the Company's most recent rate determination.

- b. Base Rate Adjustment for All Other Rate Schedules

The Base Rate Adjustment for all other rate schedules will be a per Ccf rate that is determined by dividing the MRP Revenue Requirement by Customer Class determined in Step 2 by the annual volumes by customer class used to design the rates approved in the Company's most recent rate determination.

E. Future Rate Case Applications

In the event the Company files a general rate application, all qualifying replacements upon which a return was recovered pursuant to this MRP Rider shall be included in rate base net of depreciation in calculating the revenue requirement in the general rate application.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 5 of 5	
Replacing Original	Sheet No. 5 of 5	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Rider Schedule No.: <u>3.11</u>		
Title: <u>Main Replacement Program Rider (MRP Rider)</u>		

F. Compliance Audits

Each monthly filing under the MRP Rider will be subject to a compliance audit for a period of five (5) years after the date of the filing (the "Compliance Audit Period"). If the Company does not timely provide the supporting documents identified herein, the five year Compliance Audit Period will be extended for a period of time equal to the period of any such delay. Any pre-implementation review of monthly filings for mechanical correctness does not constitute a compliance audit. Interim inquiries, questions, informal conversations, and other communications do not constitute a compliance audit.

Staff will advise the Company in writing when it begins a compliance audit and will identify to the Company the MRP Rider filings that will be subject to such an audit. At the conclusion of its compliance audit, Staff will report its findings to the Company and will file the results with the Commission. All charges under the MRP Rider not conforming to the specific tariff language shall be subject to refund.

G. Separate Line Item on the Customer's Bill

The Company will list the MRP Rider as a separate line item on customer bills labeled "Main Replacement".

H. Applicable Rate Schedules

1. Residential
2. Business 1 Sales and Transportation
3. Business 2 Sales and Transportation
4. Business 3 Sales and Transportation
5. Business 4 Sales and Transportation
6. Business 5 Sales and Transportation
7. Unmetered Gas Light
8. Local Distribution Company
9. Irrigation
10. Natural Gas Vehicles

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BLACK HILLS ENERGY ARKANSAS, INC
MAIN REPLACEMENT PROGRAM (MRP) RIDER
MRP REVENUE REQUIREMENT
ACCOUNTING ACTIVITY FROM MM/DD/YYYY THROUGH MM/DD/YYYY

Attachment 1
Rider Schedule 3.11

Line Number	Description (A)	Reference (B)	Qualifying Replacements of Mains & Services					Total (H)
			Transmission (Account 367) (C)	Transmission (Account 365.2) (D)	Distribution (Account 376) (E)	Distribution (Account 374) (F)	Services (Account 380) (G)	
1	Gross Plant		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Accumulated Depreciation	(Line 5 / 12) + Previous Month's Balance	-	-	-	-	-	-
3	Net Investment	(Line 1 - Line 2)	-	-	-	-	-	-
4	Pre-Tax Rate of Return	(Line 3 x Approved Pre-Tax rate of Return)	-		-		-	-
5	Depreciation Expense		(Line 1 Column (C) x Approved Depreciation Rate for FERC Account No. 367)	(Line 1 Column (D) x Approved Depreciation Rate for FERC Account No. 365.2)	(Line 1 Column (E) x Approved Depreciation Rate for FERC Account No. 376)	(Line 1 Column (F) x Approved Depreciation Rate for FERC Account No. 374)	(Line 1 Column (G) x Approved Depreciation Rate for FERC Account No. 380)	-
6	Incremental Property Tax Expense	(Line 1 * Property Tax Rate of 0.8186%)						
7	Rider MRP Revenue Requirement	(Line 4 + Line 5 + Line 6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ARKANSAS PUBLIC SERVICE COMMISSION

Second Revised _____ Sheet No. 1 of 5 Replacing First Revised _____ Sheet No. 1 of 5 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u> Rider Schedule No: <u>3.12</u> Title: <u>At-Risk Meter Relocation Program Rider (ARMRP)</u>	PSC File Mark Only
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AT-RISK METER RELOCATION PROGRAM RIDER (ARMRP RIDER)**A. Purpose:**

The primary purpose of the ARMRP Rider is to support the expedited relocation of At-Risk Meters, the installation of New Services and the retirement of Old Services. An At-Risk Meter is a meter that the Company has identified as being situated at a location that makes the meter susceptible to being struck by a motor vehicle. A New Service is a service line, or an extension to an existing service line, that is installed by the Company when the Company relocates an At-Risk Meter. An Old Service is a service line that is retired by the Company when the Company relocates an At-Risk Meter.

The Company will give priority to the relocation of meters and replacement of the associated service lines found to pose the greatest risk pursuant to its most recent Distribution Integrity Management Plan. While the Company will give priority to the relocation of the meters that pose the greatest risk, it will conduct the meter relocations and replacement of the associated service lines in a manner that also promotes the economic and cost effective relocation of meters and associated service lines.

Pursuant to the terms set forth herein, the ARMRP Rider is intended to provide cost recovery associated with relocating approximately 30,000 At-Risk Meters and replacing the associated service lines over a 20 year period. The ARMRP Rider will allow cost recovery of up to 4,700 At-Risk Meters and replacement of associated service lines during any period of three consecutive years. This limit may be waived upon a showing by the Company that exceeding the cap would be more cost-effective than not exceeding it.

To accomplish this purpose, the ARMRP Rider provides: (1) a return on the net investment (gross plant less accumulated depreciation) in New Services, which was not included in the Company's most recent rate determination, by applying the approved pre-tax rate of return to the net investment (gross plant less accumulated depreciation) in New Services, (2) a return of the investment which was not included in the Company's most recent rate determination and which was made in New Services, by applying the approved depreciation rate to the investment in New Services and (3) incremental property tax expense.

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ARKANSAS PUBLIC SERVICE COMMISSION

Second Revised _____ Sheet No. 2 of 5 Replacing First Revised _____ Sheet No. 2 of 5 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u> Rider Schedule No: <u>3.12</u> Title: <u>At-Risk Meter Relocation Program Rider (ARMRP)</u>	PSC File Mark Only
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B. Records and Reports:

Qualifying installations are defined as amounts that are in-service, and all materials, labor, other costs, and adjustments related thereto must be recorded in the Gross Plant in Service FERC Account No. 380-Services before being included in the ARMRP Rider.

Each month, the Company shall calculate its ARMRP Revenue Requirement in the manner prescribed by Sections C and D of this Rider and shall file an adjustment and the supporting documentation identified below with the Commission by the last business day of the month immediately preceding the month the rate will become effective. The portion of the adjustment that is not in dispute shall become effective for all meters read on or after the first day of the month that the rate will become effective, and shall be recovered from customers through the Company's Base Rate Adjustment as defined in Step 3 of Section D of this Rider. Any disputed amount will not go into effect as filed.

Simultaneously with the filing of each adjustment, the Company will file information that:

- Separately identifies whether each project included in the filing was to relocate an At-Risk Meter;
- Specifically identifies the percentage of the total cost of each such project that will be included in the ARMRP Rider;
- Specifically identifies the date plant costs are first included in the ARMRP Rider; and
- Specifically identifies for each project included in the filing the number of feet of New Services installed by month per books and the number of feet of Old Services retired by month per books.

At the end of each calendar quarter, the Company shall identify the approximate number of At-Risk Meters scheduled for relocation during the following quarter. The "Upcoming At-Risk Meter Relocation Report" shall be filed in the underlying rate case docket.

The ARMRP Rider establishes monthly Base Rate Adjustments for natural gas service provided under the Company's rate schedules specified in Section H. Such Base Rate Adjustments shall be recovered from customers in accordance with Step 3 of Section D.

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ARKANSAS PUBLIC SERVICE COMMISSION

Second Revised _____ Sheet No. 3 of 5 Replacing First Revised _____ Sheet No. 3 of 5 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u> Rider Schedule No: <u>3.12</u> Title: <u>At-Risk Meter Relocation Program Rider (ARMRP)</u>	PSC File Mark Only
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The Commission shall hear and resolve any amounts that are in dispute with regard to the application of the ARMRP Rider. The Company shall accept Commission rulings as final for purposes of the ARMRP Rider.

The ARMRP Rider will not include any retirements of assets, cost of removal (except the cost of removal component comprehended in the approved depreciation rates), depreciation rates applied to cost of removal, pre-tax rate of return applied to cost of removal, or any costs otherwise included in current base rates.

C. ARMRP Revenue Requirement:

The ARMRP Rider is to provide recovery of the ARMRP Revenue Requirement which shall only include:

- Investment in New Services (Account No. 380) which was not included in the Company's most recent rate determination, times the depreciation rate approved in the Company's most recent rate determination. The depreciation rate will be applied consistently with the calculation of depreciation expense for book accounting purposes. All amounts calculated pursuant to this provision will ultimately be recorded in the accumulated depreciation accounts corresponding to Account No. 380.
- Net investment (gross plant less accumulated depreciation) which was not included in the Company's most recent rate determination and which was made in New Services (Account No. 380), times the pre-tax rate of return approved in the Company's most recent rate determination.
- Incremental Property tax expense associated with Gross Plant in Service.

ARKANSAS PUBLIC SERVICE COMMISSION

Second Revised _____ Sheet No. 4 of 5 Replacing First Revised _____ Sheet No. 4 of 5 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u> Rider Schedule No: <u>3.12</u> Title: <u>At-Risk Meter Relocation Program Rider (ARMRP)</u>	PSC File Mark Only
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D. Calculation of the ARMRP Revenue Requirement

The Rate Adjustments for each class shall be calculated as follows:

Step 1: ARMRP Revenue Requirement.

The ARMRP Revenue Requirement shall be calculated on an annual basis as set out in Attachment 1.

Step 2: Allocation of ARMRP Revenue Requirement by Class.

The ARMRP Revenue Requirement determined under Step 1 shall be assigned to each customer class based on the footage of service lines added for each customer class.

Step 3: Base Rate Adjustments.

The Base Rate Adjustment will be a per Ccf rate that is determined by dividing the ARMRP Revenue Requirement by Customer Class determined in Step 2 by the annual volumes by customer class used to design the rates approved in the Company's most recent rate determination.

E. Future Rate Case Applications

In the event the Company files a general rate application, all qualifying installations upon which a return was recovered pursuant to this ARMRP Rider shall be included in rate base net of depreciation in calculating the revenue requirement in the general rate application.

ARKANSAS PUBLIC SERVICE COMMISSION

Second Revised _____ Sheet No. 5 of 5 Replacing First Revised _____ Sheet No. 5 of 5 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u> Rider Schedule No: <u>3.12</u> Title: <u>At-Risk Meter Relocation Program Rider (ARMRP)</u>	PSC File Mark Only
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F. Compliance Audits

Each monthly filing under the ARMRP Rider will be subject to a compliance audit for a period of five (5) years after the date of the filing (the "Compliance Audit Period"). If the Company does not timely provide the supporting documents identified herein, the five year Compliance Audit Period will be extended for a period of time equal to the period of any such delay. Any pre-implementation review of monthly filings for mechanical correctness does not constitute a compliance audit. Interim inquiries, questions, informal conversations, and other communications do not constitute a compliance audit.

Staff will advise the Company in writing when it begins a compliance audit and will identify to the Company the ARMRP Rider filings that will be subject to such an audit. At the conclusion of its compliance audit, Staff will report its findings to the Company and will file the results with the Commission. All charges under the ARMRP Rider not conforming to the specific tariff language shall be subject to refund.

G. Separate Line Item on the Customer's Bill

The Company will list the ARMRP Rider as a separate line item on customer bills labeled "Meter Relocation".

H. Applicable Rate Schedules

1. Residential
2. Business 1 Sales and Transportation
3. Business 2 Sales and Transportation
4. Business 3 Sales and Transportation
5. Business 4 Sales and Transportation
6. Business 5 Sales and Transportation
7. Local Distribution Company
8. Irrigation
9. Natural Gas Vehicles

THIS SPACE FOR PSC USE

BLACK HILLS ENERGY ARKANSAS, INC
AT RISK METER RELOCATION PROGRAM (ARMRP) RIDER
ARMRP REVENUE REQUIREMENT
ACCOUNTING ACTIVITY FROM MM/DD/YYYY THROUGH MM/DD/YYYY

Attachment 1
Rider Schedule 3.12

Line Number	Description (A)	Reference (B)	Services (Account 380) (C)	Total (D)
1	Gross Plant		\$ -	\$ -
2	Accumulated Depreciation	(Line 5 /12) + Previous Month's Balance	-	\$ -
3	Net Investment	(Line 1 - Line 2)	-	-
4	Pre-Tax Rate of Return	(Line 3 x Approved Pre-Tax rate of Return)	-	-
5	Depreciation Expense		(Line 1 Column (C) x Approved Depreciation Rate for FERC Account No. 380)	-
6	Incremental Property Tax Expense	(Line 1 * Property Tax Rate of 0.8186%)		-
7	Rider ARMRP Revenue Requirement	(Line 4 + Line 5 + Line 6)	\$ -	\$ -

ARKANSAS PUBLIC SERVICE COMMISSION

<u>First Revised</u>	<u>Sheet No.1 of 1</u>
<u>Replacing Original</u>	<u>Sheet No.1 of 1</u>
 <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u>	
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>
Rate Schedule No.: <u>3.13</u>	
Title: <u>Reserved for Future Use</u>	
PSC File Mark Only	

RESERVED FOR FUTURE USE

Ark. Public Serv. Comm. ---APPROVED---10/15/2018 Docket: 17-071-U Order No.- 8

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____ Sheet No.1 of 3 <u>Replacing Original</u> <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u> Rider Schedule No. <u>3.14</u> Title: <u>Tax Adjustment Rider (TA)</u>	PSC File Mark Only
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TAX ADJUSTMENT RIDER (TA)**A. Purpose**

The purpose of this rider is to provide retail customers with certain tax benefits associated with the Tax Cuts and Jobs Act of 2017 (TCJA). The TCJA reduces the maximum corporate income tax rate from 35 percent to 21 percent beginning January 1, 2018. TA flows back to customers the estimated 1) excess income taxes collected in the Company's base rates, including those excess current income taxes collected as a result of the Weather Normalization Adjustment Rider ("WNA"), between January 1, 2018 and the date that new base rates are approved in Docket No. 17-071-U, which will occur on or around October 15, 2018 ("New Rate Implementation Date"); 2) excess income taxes collected in the Company's Main Replacement Program ("MRP") Rider, At-Risk Meter Relocation Program ("ARMRP") Rider, and Stockton Storage ("SS") Rider between January 1, 2018 and the New Rate Implementation Date; and 3) Excess Deferred Federal Income Tax ("EDFIT") amounts not subject to the normalization provision of the Internal Revenue Code ("Unprotected EDFIT"), other than Unprotected EDFIT associated with a Net Operating Loss.

B. Application

TA applies to all natural gas service provided under any rate schedule subject to the jurisdiction of the Arkansas Public Service Commission, including service provided pursuant to a Special Rate Contract, if the rate being charged under the Contract adjusts after new rates are issued following a Company rate case.

In addition to the rates and charges applicable to service under other rate schedules and riders, monthly base rate billings will be reduced by the percentage rates in Section F of this TA. These percentage rates shall initially become effective concurrent with the New Rate Implementation Date (the "Effective Date"). Monthly billing will continue for seven months from the Effective Date (the "Refund Period"), with a true-up billing in August, 2019 pursuant to the true-up provision in Section D.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____ Sheet No.2 of 3 <u>Replacing Original</u> <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u> Rider Schedule No. <u>3.14</u> Title: <u>Tax Adjustment Rider (TA)</u>	PSC File Mark Only
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C. Redetermination

On or before December 1, 2018, the Company would determine the revised TA percentage rates for all rate classes based on 1) the actual excess income taxes collected through base rates for the period from January 1, 2018 through the Effective Date, including carrying charges; 2) the actual excess income taxes collected through the MRP Rider, ARM RP Rider, and SS Rider for the period from January 1, 2018 through the Effective Date, including carrying charges; and 3) the final Unprotected EDFIT amounts based upon its 2017 income tax return. A revised Section F to the TA Rider that contains the revised percentage rates would be filed with the Commission along with the redetermination calculation by December 1, 2018. The revised rates would become effective on January 1, 2019, and continue for the remainder of the Refund Period. If the final Unprotected EDFIT amounts are not known on or before December 1, 2018, then the redetermination filing would instead occur on or before January 1, 2019, with the revised rates effective on February 1, 2019.

D. True-Up

The TA Rider will expire at the end of the Refund Period. A determination of the net over- or under- refund actually made shall be determined by July 1, 2019. On or before July 1, 2019, the Company would file a true-up calculation using the amounts actually returned to customers during the Refund Period. Any over- or under- returned amounts would then be credited or billed to customers based on a fixed amount per bill during the billing month of August 2019. After that, any residual over-or under-returned amounts from August 2019 would be flowed through the Company's November 2019 Cost of Gas Filing.

Ark. Public Serv. Comm. ---APPROVED---12/18/2018 Docket: 18-052-TF Order No.- 2

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised _____ Sheet No.3 of 3 <u>Replacing Original</u> <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u> Rider Schedule No. <u>3.14</u> Title: <u>Tax Adjustment Rider (TA)</u>	PSC File Mark Only
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E. Carrying Charges

Carrying charges will be applied on a monthly basis to the balance of amounts to be refunded through the TA Rider, beginning with the Effective Date, using the pre-tax rate of return from the Company's most recent rate determination, Docket No. 17-071-U.

F. Applicable Rate Schedules and Rates

Residential & NGV	-9.84%
Business 1 Sales, Transportation, Irrigation & NGV	-10.30%
Business 2 Sales, Transportation & NGV	-9.47%
Business 3 Sales, Transportation & NGV	-10.00%
Business 4 Sales, Transportation & NGV	-11.12%
Business 5 Sales, Transportation, LDC & NGV	-11.81%
Unmetered Gas Lights	-10.71%

ARKANSAS PUBLIC SERVICE COMMISSION

<p>Original <u>Sheet No. 1 of 3</u> <u>Replacing</u></p> <p><u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)</p> <p>Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u></p> <p>Policy Schedule No.: <u>4.1</u></p> <p>Title: <u>Curtailment Policy – (PS-1)</u></p>	<p>PSC File Mark Only</p>
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CURTAILMENT POLICY-(PS-1)

Whenever the supply of natural gas, upstream pipeline capacity or the capacity of the Company's transmission or distribution system in any area is less than the amount required to meet the needs of all customers in that area, the Company shall have the right to curtail the use of natural gas by its customers in the area where the shortage exists. The Company shall not be liable for any loss or damage that may be sustained by any customer by reason of curtailment. If continuity of energy supply is required by any customer, the customer should install and maintain whatever back-up energy system that may be needed.

The order for curtailment of customers shall be based upon the annual consumption during current or preceding year. If there is not sufficient consumption history to establish the annual consumption for prioritizing curtailment, the Company, in its sole discretion reasonably exercised, will estimate the annual consumption. Those customers having the highest annual consumption in the area where the shortage exists shall be subject to curtailment first. To further define curtailment, the following shall be the applicable order of curtailment:

Curtailment Due To Gas Supply and Upstream Pipeline Capacity:

If the reason for the curtailment is due to a shortage of gas supply and/or upstream pipeline capacity, curtailments shall be made as follows:

System Supply Customers:

1. Class 1 – Curtailment: Non-exempt system supply customers (see Exemption below) whose annual consumption is in excess of 300,000 Ccf shall be first to curtail.
2. Class 2 – Curtailment: Non-exempt system supply customers (see Exemption below) whose annual consumption is in excess of 50,000 Ccf but less than 300,001 Ccf shall be curtailed after Class 1 curtailments.
3. Class 3 – Curtailment: All other non-exempt system supply customers (see Exemption below).
4. Class 4 – Curtailment: All remaining system supply customers.

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ARKANSAS PUBLIC SERVICE COMMISSION

Original <u>Replacing</u> <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u> Policy Schedule No.: <u>4.1</u> Title: <u>Curtailment Policy – (PS-1)</u>	PSC File Mark Only
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Transportation Customers:

Transportation customers whose supply of natural gas is delivered to the Company's transmission or distribution system shall not be subject to curtailment due to a shortage of gas supply and/or upstream pipeline capacity.

Curtailment Due to Company Transmission and/or Distribution Capacity Constraints:

If the reason for the need to curtail is due to capacity constraints on the Company's own transmission or distribution system, curtailment shall be made in the following order:

1. Class 1 – Curtailment: Non-exempt system supply and transportation customers (see Exemption below) whose annual consumption is in excess of 300,000 Ccf shall be first to curtail.
2. Class 2 – Curtailment: Non-exempt system supply customers and transportation customers (see Exemption below) whose annual consumption is in excess of 50,000 Ccf but less than 300,001 Ccf shall be curtailed after Class 1 curtailments.
3. Class 3 – Curtailment: All other non-exempt system supply and transportation customers.
4. Class 4 – Curtailment: All remaining system supply and transportation customers.

Exemption:

Human needs customers shall be exempt from curtailment. Human needs include hospitals, housing, greenhouses, poultry farms, public and private schools (except colleges and/or universities having central boiler plants for heating and an alternative fuel source). However human needs customers in the Class 1 and Class 2 curtailment category that have a back-up energy system installed that can replace natural gas as the energy source for all of the facility's human needs requirements and provide the Company an affidavit stating such and releasing the Company from any liability shall have the right to request that it not be considered as an exempt customer and therefore be subject to curtailment.

THIS SPACE FOR PSC USE

ARKANSAS PUBLIC SERVICE COMMISSION

<p>Original <u>Sheet No. 3 of 3</u> <u>Replacing</u></p> <p><u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)</p> <p>Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u></p> <p>Policy Schedule No.: <u>4.1</u></p> <p>Title: <u>Curtailment Policy – (PS-1)</u></p>	<p>PSC File Mark Only</p>
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Penalty for Non-Interruption:

To the extent possible, the Company shall allow a minimum of consumption during periods of curtailment, for such heating necessary to avoid physical damage. All other gas usage must be discontinued during specified periods of curtailment.

If a customer fails to curtail his use of natural gas hereunder when required to do so by the Company, gas service may be discontinued and/or the customer will be charged for all gas consumed during such period of curtailment at a rate of \$10.00 per Mcf. Failure to curtail is when gas usage during the period of curtailment exceeds minimum heating requirements as described herein.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 1 of 2	
Replacing Original	Sheet No. 1 of 2	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name Change)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Policy Schedule No.: <u>4.2</u>		
Title: <u>Balanced Billing Plan Policy – (PS-2)</u>		

BALANCED BILLING PLAN POLICY- (PS-2)**Availability:**

The Balanced Billing Plan provided for under this Rider is available, upon request, to eligible customers for whom continuous service is anticipated under the Rate Schedule No. 2.1 - Residential Sales Service and for commercial and industrial customers whose projected monthly average billing is \$1,200.00 or less and who receive service under the Rate Schedule No. 2.2 - Business 1 Sales Service or Rate Schedule No. 2.3 - Business 2 Sales Service. Customers who have had their service terminated for any lawful reason within twelve (12) months of the customer's request for this Balanced Billing Plan, shall be deemed ineligible for the plan. However, the Company, at its sole discretion, may determine that circumstances exist making it desirable to waive this provision and provide this plan to such customers. The purpose of this plan is to equalize, to the extent practical, the monthly amounts to be paid by the customer during the year.

Billing:

The customer's monthly bill will be computed in accordance with the applicable rate schedule each month.

Monthly Balanced Bill:

The amount payable in the current month shall be the total costs in at least the previous 360 days divided by the number of days in those periods (at least 360 days) billed to the Customer ending with the current month times the number of days in the current billing month plus or minus four percent (4%) of the accumulated difference between the actual amounts billed and the average payments. Where the Customer does not have at least 360 days of billing history at the Customer's premise for the account being averaged or, in the Company's opinion the billing history is not representative, the Company may estimate the monthly billed amount for the sole purpose of determining the average payment.

ARKANSAS PUBLIC SERVICE COMMISSION

First Revised	Sheet No. 2 of 2	
Replacing Original	Sheet No. 2 of 2	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name Change)		PSC File Mark Only
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>All</u>	
Policy Schedule No.: <u>4.2</u>		
Title: <u>Balanced Billing Plan Policy – (PS-2)</u>		

Termination and Settlement:

Billing under this Rider may be terminated by either party at any time by giving reasonable notice to the other party and shall be automatically terminated due to any of the following reasons:

1. Suspension of service for any lawful reason; or
2. A commercial/Industrial customer's average billing amount equals or exceeds \$1,600.00.

In the event billing under this Rider is terminated, settlement for the balance of the customer's account shall be accomplished as follows:

1. Customer Owing Company:

The amount owed the Company may either be paid by customer upon leaving the plan or have the amount owed appear on the next month's bill and be payable by the due date of that billing. If the customer is leaving the Company's service and will no longer be a customer of the Company, the amount owed will be included and payable on the customer's final billing. If the customer is not leaving the Company's service, the amount owed may be paid under a delayed payment agreement.

2. Company Owing Customer:

The amount owed to the customer by the Company will be credited to the customer's account and will be shown as a credit on the next month's billing. If the customer is leaving the Company's service and will no longer be a customer of the Company, the amount owed will be used to offset any amounts owed by the customer to the Company. If any amount remains that is owed to the customer, the Company shall refund said amount by refund check.

Other Provisions:

Except as modified herein, all terms and conditions of the Rate Schedules applicable to this Rider shall continue to apply.

ARKANSAS PUBLIC SERVICE COMMISSION

<u>Original</u> <u>Sheet No. 1 of 1</u> <u>Replacing</u> <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: Natural Gas Class of Service: Residential Policy Schedule No.: <u>4.3</u> Title: <u>Provisions for Landlords and Tenants – (PS-3)</u>	PSC File Mark Only
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PROVISIONS FOR LANDLORDS AND TENANTS -- (PS-3)**General Purpose:**

The purpose of this policy is to ensure that a tenant receives notification of any pending suspension of service where the service address is different from the mailing address of the bill or for master metered accounts and the payment for service is the responsibility of the landlord.

Account Identification:

Upon request for service by the applicant, Company personnel will inquire as to whether a landlord tenant relationship exists when the service address is different from the mailing address of the bill or the account is master metered. This information will be entered as part of the account history and will be accessed through the Company's customer information system. This identification will determine the applicability of this policy.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Replacing	Sheet No. 1 of 1	
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Residential</u>	
Policy Schedule No.: <u>4.4</u>		
Title: <u>Extended Absence Plan – (PS-4)</u>		PSC File Mark Only

EXTENDED ABSENCE PLAN -- (PS-4)**General Purpose:**

The purpose of this plan is to provide customers with options to avoid suspension of service during periods of extended absences.

Payment Options:

1. Pre-Payment Plan: Prior to the extended absence, the customer may pay an amount of money to be credited to the customer's account from which the monthly billings during the extended absence may be subtracted. The credit will be carried forward on the customer's account until credit is reduced to zero. If the advance payment is less than the actual billings during the extended absence, the balance owed will be carried forward on the customer's account until the customer returns and the customer will have no suspension of service.
2. Bank Draft Plan: The customer may request that the Company draw a bank draft each month during the period of extended absence. The monthly bank draft shall be equal to the monthly billing.
3. Third Party Notice Plan: The customer may request that the Company mail the bill to a third party or to an alternate address during the period of absence. It shall be understood that the customer will not be relieved of the responsibility to make payments by the due date shown on the bill if this plan is chosen. If payment is not received on or before the close of business on the due date, the Company shall initiate the procedures for suspension of service in the same manner as if the customer were not on an extended absence.

The customer must notify the Company in order to take advantage of any of these extended absence payment plans.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Replacing	Sheet No. 1 of 1	PSC File Mark Only
<u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)		
Kind of Service: <u>Natural Gas</u>	Class of Service: <u>Residential</u>	
Policy Schedule No.: <u>4.5</u>		
Title: <u>Extended Due Date Plan – (PS-5)</u>		

EXTENDED DUE DATE PLAN -- (PS-5)**General Purpose:**

The purpose of this plan is to allow qualifying residential customers an opportunity to extend their due date to allow bill payment to coincide more closely with the receipt of their income.

Qualifications:

Customers who meet one or more of the following may qualify for an extended due date:

1. Customer receives Aid to Families with Dependent Children (AFDC) or Aid to the Aged, Blind and Disabled (AABD).
2. Customer receives Supplemental Security Income (SSI).
3. Customers whose primary source of income is Social Security or Veterans Administration disability or retirement income.

Application:

To apply a customer must contact our local office and request an extended due date. The Company will provide the customer an explanation of the policy and provide a written copy of the policy. The Company may require verification of the source(s) of income.

Accounts meeting the above conditions whose bills have a due date that normally falls between the 25th and the 5th of any given calendar month may qualify for an extended due date. Bills issued for qualified accounts will have a predetermined due date of the first work day on or immediately after the 7th of the month. If payment is received on or before the extended due date, no delinquency will be created and no penalty will be applied to the account.

All extended due date bills will be assessed a late payment penalty if the bill is received later than the seventh (7th) of the month.

The Company may remove a customer from the "Extended Due Date Plan" should the customer pay past the extended due date more than four (4) times in a twelve month period.

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ARKANSAS PUBLIC SERVICE COMMISSION

<u>Original</u> Sheet No. 1 of 1 <u>Replacing</u> <u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company) Kind of Service: <u>Natural Gas</u> Class of Service: <u>Residential</u> Policy Schedule No.: <u>4.6</u> Title: <u>Penalty Waiver Plan – (PS-6)</u>	PSC File Mark Only
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PENALTY WAIVER PLAN -- (PS-6)**General Purpose:**

The purpose of this plan is to provide exemption from the late payment charge on bills paid after the due date of the bill for qualifying residential customers.

Qualifications:

1. Residential Customer - To be eligible the customer must qualify for the “elderly or individuals with disabilities” classification. The customer or an acceptable representative of the customer must complete an application form and may be required to provide proof of age and/or disability. Acceptable proof for the status of age or disability would be:

1. Photo ID which has date of birth printed on it;
2. Social Security check or check stub; or,
3. Physician's certificate or a signed statement from a licensed health care facility verifying the disability.

Exception: No residential customer shall be allowed to receive service under the Company's Extended Due Date plan and the Penalty Waiver plan at the same time.

ARKANSAS PUBLIC SERVICE COMMISSION

<p><u>Original</u> <u>Sheet No. 1 of 1</u> <u>Replacing</u></p> <p><u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)</p> <p>Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u></p> <p>Policy Schedule No.: <u>4.7</u></p> <p>Title: <u>Gas and Measurement Standards – (PS-7)</u></p>	<p>PSC File Mark Only</p>
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GAS AND MEASUREMENT STANDARDS -- (PS-7)**General Purpose:**

The purpose of this tariff is to set forth the gas and measurement standards required to be tarified by the Arkansas Public Service Commission's Special Rules-Gas and the Rules of Practice and Procedure.

1. Minimum Heating Value For Gas: The average heating value for gas delivered to customers shall not be less than 975 Btu per cubic foot at 14.65 psia and 60 degrees Fahrenheit.
2. Base or Absolute Pressure: The established absolute pressure base for all deliveries shall be 14.65.
3. Normal Gauge Pressure For Gas: The normal gauge pressure for all deliveries shall be four (4) ounces gauge pressure per square inch above 14.4 assumed atmospheric pressure. The Company, at its option, may provide service at a pressure higher than normal pressure to an individual customer who so requests.

<p>First Revised Sheet No. 1 of 1</p> <p>Replacing Original Sheet No. 1 of 1</p>	
<p><u>Black Hills Energy Arkansas, Inc. d/b/a/ Black Hills Energy</u> (Name of Company)</p>	
<p>Kind of Service: <u>Natural Gas</u> Class of Service: <u>All</u></p>	
<p>Policy Schedule No.: <u>4.8</u></p>	
<p>Title: <u>Authorized Payment Outlets – (PS-8)</u></p>	<p>PSC File Mark Only</p>

AUTHORIZED PAYMENT OUTLETS -- (PS-8)

General Purpose:

The purpose of this tariff is to provide for authorized payment outlets of the Company, many of which will charge a fee for their services. Authorized payment outlets are non-Company owned retail businesses or municipal offices at which a customer can pay his or her Black Hills Energy Arkansas bill.

1. The Company provides many authorized payment outlets where a customer may present and pay his or her Black Hills Energy Arkansas bill without charge.
2. The Company also provides a number of authorized payment outlets that charge a fee when a customer pays his or her Black Hills Energy Arkansas bill.
3. Within the Company's service territory, there is a no-charge authorized payment outlet within a reasonable driving distance of every authorized payment outlet that charges a fee. Information regarding authorized payment outlets provided by the Company may be obtained by dialing 1-800-563-0012.
4. This Policy Schedule does not modify or supersede any of the provisions of any of the Company's filed and approved rate schedules, in particular, the requirement that the Customer must pay the full amount of the invoice by its due date to avoid penalty remains unchanged. The Company assumes no responsibility for late payments when such payments are received after the due date.
5. This Policy Schedule is subject to the terms and conditions of the Company and the rules of the Arkansas Public Service Commission.