

A Guide to the Choice Gas Program

Nebraska 2017

Deadline for selections:
Thursday, April 27, 2017

Para información en español sobre el programa
"Choice Gas" favor de llamar al número gratis

877-245-3506

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Questions and answers

What is the Choice Gas Program?

The Choice Gas Program is an annual program Black Hills Energy administers that gives you the chance to choose your natural gas supplier and pricing option that best suits your needs.

Para información en español sobre el programa “Choice Gas” favor de llamar al número gratis 877-245-3506.

What is the benefit of the Choice Gas Program?

Because the Choice Gas Program allows you to choose your natural gas supplier and pricing option, you have an opportunity to manage gas supply price risk and market volatility to meet your needs.

Where can I get more information about the 2017-18 Choice Gas Program?

You can use this guide or access websites and phone numbers for each supplier for information about the supplier and their pricing options. See page 10 of this guide for more information.

How do I select my supplier?

This guide explains the steps necessary to submit a selection. You can automatically roll over to your current supplier and pricing option or submit a selection through the internet, directly through your chosen supplier or through the mail. (These choices are referred to as “accepted submission methods” throughout this guide). **The Nebraska Choice Gas Program selection period starts Thursday, April 13, and ends Thursday, April 27, 2017.**

What’s a “valid” selection?

A selection is considered valid when you submit your choice through one of the accepted submission methods on or before Thursday, April 27, 2017. Confirmation codes are time-sensitive, so check with your supplier about its expiration date. The first valid selection Black Hills Energy receives will be considered your final choice. Record your verification number if submitting your selection through the internet. **You’ll need to sign any mailed selection forms for them to be valid.**

What if I don't make a selection?

If you don't submit a valid selection on or before Thursday, April 27, 2017, your account automatically rolls over to your current supplier and pricing option, at a price the Choice Gas supplier determines. If you roll over any Choice Gas pricing option, the final rate will be made publicly available no later than 15 days after the selection period ends. The natural gas commodity price that Choice Gas rollover customers will be charged will not carry over from the previous year unless the suppliers agrees to do so. We encourage you to participate in the selection process so you know the price of the gas commodity you'll receive for the upcoming year.

What happens if I move during the Choice Gas Program year?

If you move from one service address to another, or a new customer moves to a service address within the Choice Gas Program territory, that customer will continue with the supplier previously selected for that address. New construction customers will be provided with a selection packet by mail. For additional questions about service address issues, call **888-890-5554**.

Does the Choice Gas Program affect the quality of distribution service?

No. Regardless of your selection, Black Hills Energy will continue to provide meter reading and billing services, respond to gas leaks, and ensure the safety and reliability of the gas supply to Choice Gas Program communities.

Are the suppliers reliable?

Yes. Participating suppliers must meet requirements in Black Hills Energy's tariff and approved by the Nebraska Public Service Commission.

Where can I find more information about the suppliers?

You can find more information about the suppliers, such as websites and phone numbers, on page 10 of this guide.

Is Budget Billing available to all customers?

Yes. Black Hills Energy's Budget Billing plan will calculate your monthly bill based on a "rolling average" of current and historical costs, based on a period of at least 360 days and an adjustment factor. This monthly rolling adjustment will help protect against larger fluctuations you may have experienced in the past. Your "New Balance Due" will adjust from month to month as a result of the calculation process. The monthly adjustment eliminates the need for an annual true-up of your account. If at any time you decide to end your Budget Billing plan, your balance will be updated to reflect your "settle-up" amount. **Please note: Budget Billing doesn't mean you'll get a fixed monthly bill. If you're a Budget Billing customer and select a fixed monthly bill price option a supplier offers, your outstanding Budget Billing balance will be due in full. You can find the current balance on your Budget Billing plan on page two of your most recent bill.**

What is the difference between Black Hills Energy and Black Hills Energy Services?

Black Hills Energy Services ("BHES") (formerly SourceGas Energy Services) is a non-regulated competitive gas supplier. Black Hills Gas Distribution, Inc. (formerly SourceGas Distribution) is a regulated utility and administrator of the Choice Gas Program conducting its business under the name of "Black Hills Energy." BHES is affiliated with Black Hills Energy. Although the names of the two affiliated businesses are similar, the non-regulated competitive supply services provided by BHES are legally separate and distinct from the regulated Choice Gas program provided by Black Hills Energy.

**For issues or questions not addressed in this guide, please call
888-890-5554.**

Additional features of the Choice Gas Program

Multi-year selection option:

With our Choice Gas Program, you can now choose a supplier and pricing option for up to three years.* If you select this option through your supplier, you'll know your pricing option and rate not only for the new program year (June-May) but for future program years as well.

If you select a multi-year term, you won't, during the term of your selection:

- Receive an annual selection packet
- Receive supplier marketing contact
- Be eligible to make another selection

All Choice Gas selections are specific to your current service address and are nontransferable. Multi-year selection options are customer and service address specific, so if you move during the term of a multi-year selection, you will be eligible to make a selection at your new service address during the next annual Choice Gas selection period.

*** A residential customer may select a term up to two years, and a commercial or industrial customer may select a term up to three years. Check with your supplier regarding any applicable terms and conditions or early termination charges or fees that may apply.**

We encourage you to participate in the Choice Gas Program, choosing a natural gas supplier, pricing option and term that best suits your needs. For more information about multi-year options, please contact one of the participating suppliers on page 10 of this guide.

Supplier marketing and customer contact information:

The natural gas market can be volatile, with available rates changing frequently during the selection period. To give you timely information to help you make the Choice Gas selection that best suits your needs, the participating suppliers may call or email you to share their individual offerings. We provide all suppliers the phone number and email address you provided for your Black Hills Energy account.

Although we want you to have the opportunity to receive this additional information, we also understand you may not welcome these calls and emails. Each supplier is limited to how often they can contact you. If you don't want to receive these communications, ask to be removed from their call list or opt out of email communications. After you've completed a successful selection for your service address, you shouldn't receive any more contact from suppliers.

Suggested questions to ask a supplier

New for 2017:

- ✓ Please explain each of your available Pricing options and tell me if the pricing option is a fixed rate or a market rate that changes.
- ✓ How does a confirmation code relate to pricing options, and how long is it valid?
- ✓ Are there any built in increases, decreases or caps in the pricing options?
- ✓ What is the price per therm for the fixed rate option?
- ✓ If the price changes with the market, how often does it change? How does it change?
- ✓ Does the price on any of the pricing options depend upon how much or when I use natural gas?
- ✓ Are there additional cost components to this price that I should be aware of?
- ✓ If I am satisfied with what I had last year, do I need to make a selection again this year? If I don't make a selection, how will my natural gas price be determined?
- ✓ Are there termination fees associated with any of your price options?

Supplier gas pricing options

The natural gas suppliers participating in the Choice Gas Program offer you a variety of pricing options, including the ones below. Suppliers may offer additional pricing options with caps and/or floors to make sure your rate will not go above or below a certain price. Check each suppliers' websites listed on page 10 for details about these and other pricing options.

Fixed rate per therm

A 12-month gas price per therm that is fixed or "locked-in." So, even if market prices change, your gas price per therm is locked in for the entire Choice Gas Program year. Your gas bill will vary based upon gas usage only.

Market index rate

A month-to-month market gas price per therm that changes each month based on market price fluctuations. This price includes two components you should consider when comparing market index prices: the market index value used and the adder.

The index value of your price follows market changes each month, while the adder remains constant throughout the Choice Gas Program year.

Market index rate with a cap

A month-to-month market gas price per therm that changes each month based on market price fluctuations. This price includes three components that you should consider when comparing market index prices with caps: The market index value used, the adder and the price cap. A cap may apply to either the market index value or to the combined total of the market index plus the adder.

Blended rate

A combination of monthly market index and/or fixed prices per therm. If a fixed price component is included, a portion of your gas usage is locked in at a fixed price. The gas price for the remaining portion of your gas usage will follow market changes during the Choice Gas Program year.

Fixed monthly bill

Please note this is not the same as Budget Billing. A fixed monthly bill that includes your commodity costs, customer charges, distribution fees and the associated taxes and fees. The fixed monthly amount will not change during the Choice Gas Program year, regardless of changes to gas prices or weather-related gas usage, subject to terms and conditions. Unlike Budget Billing, there is no monthly or periodic adjustment.

Rollover rate

If you do not submit a selection on or before April 27, 2017, you will roll over to your current supplier at your current pricing option. The price is set by your supplier after the selection period ends unless your supplier notifies you otherwise.

If you roll over any pricing option, your final rate will be determined within 15 days after the selection period ends. So, the final rollover price may be different from the prices quoted during the selection period.

Understanding your bill

Your bill has the following components: **commodity charge, customer charge, distribution charge**, tax and franchise fees and usage factor as described below.

Commodity charge — This charge recovers the commodity cost of your natural gas supplies. Wholesale natural gas prices are deregulated pursuant to federal law and are established in the competitive free market. You are buying directly from suppliers under their various offerings through the Choice Gas Program. The commodity charge on your bill also reflects the price being charged to you by your selected Choice Gas Program supplier. The commodity charge includes any applicable upstream costs, such as gathering and processing, and interstate transmission.

Customer charge — This charge is billed each month as a flat fee and doesn't change based on how much natural gas you use. This fixed charge applies regardless of whether or not you use any gas in a particular month. This charge recovers certain Black Hills Energy fixed costs of standing ready to provide service. Fixed costs include meter reading, billing, accounting, collection services, and having facilities in place, ready to serve. Changes in the customer charge may occur from time to time and are subject to the approval of the Nebraska Public Service Commission.

Distribution charge — This charge covers Black Hills Energy's cost to deliver your gas supply through the local distribution pipeline system. This includes cost items such as facilities, operation and maintenance, customer service and safety services. All customers are subject to the same distribution tariff rate applicable to their respective service area and class of service, regardless of who provides their gas supply. Changes in distribution rates may occur from time to time and are subject to the approval of the Nebraska Public Service Commission.

Tax and franchise fees — These fees, if applicable, recover local and state taxes and municipal franchise fees charged by your local and state governments. They are applied to each customer's monthly billing. Black Hills Energy collects these taxes and fees and remits them to the applicable local and state governments.

Usage factor — The natural gas meter at your address measures your consumption in hundreds of cubic feet — or CCF. Black Hills Energy converts this volume-based measurement into a heat-value measurement called therms. Therms are measures of the energy content in natural gas. The impact of this heat content and the delivery pressure is reflected in the "Usage Factor" displayed on your bill. The volume, shown in the "Metered Difference" portion of your bill, is multiplied by the usage factor to determine the number of therms you've used. The "Billed Usage" amount on your bill reflects the units of energy you've used rather than the volume of gas we've delivered.

Participating suppliers



ConstellationSM
An Exelon Company

Constellation Energy
877-274-5710
www.NebraskaGas.com



Black Hills
ENERGY SERVICES

Black Hills Energy Services
800-215-3035
(Se habla español)
www.ChooseBHES.com



CenterPoint[®]
Energy

CenterPoint Energy Services, Inc.
877-807-5193
[www.centerpointenergyretail.com/
NebraskaChoice](http://www.centerpointenergyretail.com/NebraskaChoice)



WoodRiver
Energy LLC

WoodRiver Energy, LLC
888-510-9315
www.woodriverenergy.com



PUBLIC ALLIANCE FOR COMMUNITY ENERGY
ACE

**ACE (Public Alliance for
Community Energy)**
800-454-4759
(Se habla español)
www.ACEenergy.org



VISTA
ENERGY

Vista Energy Marketing
888-508-4782
(Se habla español)
VistaEnergyMarketing.com

Understanding the selection process

Customers are given the opportunity to select a Choice Gas Program supplier and pricing option for the commodity rate of their natural gas bill.

If you are satisfied with your current supplier and pricing option, you don't have to make a selection. Simply do nothing, and you will automatically roll over to your current supplier and pricing option. If you roll over any pricing option, your final rate will be determined no later than 15 days after the selection period has ended. Your final rollover price doesn't carry over from the previous year unless the supplier agrees to do so, and it may be different from prices quoted during the selection period.

If you would like to choose a new supplier and/or pricing option:

1. Use the worksheet on page 16 of this guide to make sure you have all required information before submitting your selection.
2. Contact each supplier by calling them or through their websites. Contact information is on page 10 of this guide.
3. Choose a supplier and pricing option, and obtain the applicable confirmation code from your supplier. Verify with your supplier how long the confirmation code is valid.
4. Choose a submission method. Instructions for each method are provided on the following pages.
5. Submit your selection.
6. Keep the worksheet for your records. DO NOT MAIL TO YOUR SUPPLIER.

If you experience any problems, or have questions, please call 877-245-3506.

Getting pricing information

Before submitting a selection, you'll need to decide which supplier and pricing option is right for you. Contact each participating supplier by phone or through their websites.

Confirmation codes are time sensitive, so please check with your supplier on its expiration date. For contact information for participating suppliers, refer to page 10 of this guide.

Automatic rollover

If you're satisfied with your current supplier and pricing option, you don't have to make a selection. Simply do nothing, and you will automatically roll over to your current supplier and pricing option. If you roll over any pricing option, your final rate will be determined no later than 15 days after the selection period has ended. Your final rollover price doesn't carry over from the previous year unless the supplier agrees to, and it may be different from prices quoted during the selection period.

Submitting your selection online

To submit a valid selection online, you'll need a current web browser — e.g. Chrome, Safari or Internet Explorer, etc.

You'll also need the following information before submitting your selection. For your convenience, we suggest you complete the following fields before logging on.

- Account number (can be found on your selection form in your packet or call 877-245-3506 to obtain it).
(Example account number: 100000023456)
My account number is: _____
- Control number found on the selection form in your packet. You can also call 877-245-3506 to obtain it. You'll be asked to provide the account number and the last four digits of the account holder's Social Security number or tax identification number.
(Example control number: 123456789)
My control number is: _____
- Five-digit confirmation code provided to you by your supplier
_____ Expiration date _____
for your information only.
(Example confirmation code: 50110)
My supplier selected: _____
- Go to **www.ChoiceGas.com**
- Click on Nebraska selection, then "Submit your Selection" button and follow the step-by-step instructions between Thursday, April 13, and midnight CT on Thursday, April 27, 2017.

You will be provided with a verification number. Please record it here:

Or print the verification page and retain for your records.

Submitting your selection by mail

Use the mail-in form included in this packet or call **877-245-3506** to have a form mailed to you. Selection forms are also available at **www.ChoiceGas.com**.

Follow all instructions on the form and mail in the postage-paid return envelope provided.

**YOUR SUBMISSION MUST BE POSTMARKED
ON OR BEFORE THURSDAY, APRIL 27, 2017.**

You must sign your mailed selection forms for them to be considered valid.

Submitting your selection through your supplier

You can request that your supplier submit your annual Choice Gas Program selection for you.

- If you want to have your chosen supplier submit your selection, you'll be asked to provide them your account number and control number, which are shown on the enclosed selection form. If you have your account number but need your control number, call 877-245-3506. **You will be asked to provide the account number and the last four digits of the account holder's Social Security number or tax identification number.**

My account number is: _____

My control number is: _____

My confirmation code is: _____

Your control number is specific to your service address and is used to make sure that no other party can submit your selection for you. By providing your control number to a supplier, you authorize that supplier to submit your Choice Gas Program selection for you.

Worksheet

This worksheet is meant to help you select the supplier and pricing option that best suits your needs. Please keep this sheet for your records and don't send it to your supplier.

Constellation Energy www.NebraskaGas.com

Energy Pricing Options:

- Fixed Rate Per Therm (1 or 2 year)
- Market Index Rate (1 or 2 year)
- Budget Assist (Fixed Monthly Bill) (1 or 2 year)

877-274-5710

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

Black Hills Energy Services www.ChooseBHES.com

Energy pricing options:

- WinterGuard® (Fixed Monthly Bill) (1 or 2 year)
- Fixed Rate Per Therm (1 or 2 year)
- Market Index Rate (1 or 2 year)
- Blended Rate (1 or 2 year)

800-215-3035

(Se habla español)

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

CenterPoint Energy Services, Inc. www.centerpointenergyretail.com/NebraskaChoice

Energy Pricing Options:

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

877-807-5193

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

WoodRiver Energy, LLC www.woodriverenergy.com

Energy Pricing Options:

- Secure Fixed Rate (Fixed Monthly Bill) (1 or 2 year)
- Guaranteed Fixed Rate Per Therm (1 or 2 year)
- Guaranteed Index (1 or 2 year)

888-510-9315

(Se habla español)

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

ACE (Public Alliance for Community Energy) www.ACEenergy.org

Energy Pricing Options:

- Ace WeatherShield™ (Fixed Monthly Bill) (1 or 2 year)
- Guaranteed Fixed Rate Per Therm (1 or 2 year)
- Market Index Rate (1 or 2 year)

800-454-4759

(Se habla español)

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

Vista Energy Marketing www.VistaEnergyMarketing.com

Energy Pricing Options:

- 1 & Done Fixed Bill Unlimited Usage (1 or 2 year)
- Market Index Rate (1 or 2 year)
- Fixed Rate Per Therm (1 or 2 year)

888-508-4782

(Se habla español)

Confirmation Code: Quote:

_____	_____
_____	_____
_____	_____

Choice Gas Program
www.ChoiceGas.com
877-245-3506
2017 hours:

Thursday, April 138 a.m. - 7:30 p.m. CDT
Friday, April 14.....8 a.m. - 7:30 p.m. CDT
Monday, April 17 - Friday, April 21.....8 a.m. - 7:30 p.m. CDT
Monday, April 24 - Thursday, April 27 8 a.m. - 9 p.m. CDT

*Para información en español sobre el programa
"Choice Gas" favor de llamar al número gratis
877-245-3506*