

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application of Black Hills/ )  
Kansas Gas Utility Company, LLC, d/b/a Black )  
Hills Energy, For Approval of the Commission ) Docket No. 14-BHCG-593TAR  
For Gas System Reliability Surcharge Per K.S.A. )  
6-2201 through 66-2204 )

**DIRECT TESTIMONY OF STEVEN A. PETERS**

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Steven A. Peters. My business address is 601 North Iowa Street,  
3 Lawrence, KS 66044.

4  
5 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

6 A. I am employed by Black Hills Utility Holdings, Inc. (“BHUH” or “Utility  
7 Holdings”) as a Financial Manager. In my role as a Financial Manager, I provide  
8 financial management support to the Company. The support provided includes  
9 strategic plan development, budget preparation, financial reporting and analysis and  
10 financial counsel to operating management.

11

12 Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND BUSINESS  
13 EXPERIENCE.

14 A. I graduated with honors from Kansas State University with a Bachelor of Science  
15 degree in Accounting. I hold Certified Public Accountant and Certified Internal

1 Auditor certificates. I assumed my present position on July 14, 2008 as a result of  
2 Black Hills Corporation's acquisition of the gas and electric assets of Aquila, Inc. in  
3 Colorado, Iowa, Kansas and Nebraska. Prior to joining Black Hills Corporation, I  
4 was employed by Aquila, Inc. for eighteen years. During my Aquila tenure, I held  
5 various financial positions including: Senior Manager – Financial Reporting, Senior  
6 Manager – Financial Analysis, Director – Treasury Operations, and Manager –  
7 General Ledger. Prior to employment with Aquila, I was a Senior Analyst/Financial  
8 Reporting for Gilbert/Robinson, Inc. and prior to that, I worked in public accounting  
9 as an Auditor for Arthur Andersen & Company.

10  
11 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

12 A. The purpose of my testimony is to support the calculation of the revenue requirement  
13 by customer class for the Black Hills/Kansas Gas Utility Company, LLC, d/b/a  
14 Black Hills Energy ("Black Hills") proposed Gas System Reliability Surcharge  
15 (GSRS).

16  
17 Q. ARE YOU SPONSORING ANY EXHIBITS?

18 A. Yes, I am sponsoring five exhibits. Exhibit SAP-1 shows the calculation of the  
19 proposed GSRS revenue. Exhibit SAP-2 details the plant and deferred taxes.  
20 Exhibit SAP-3 shows the class allocation of the GSRS surcharge, and Exhibit SAP-4  
21 is the tariff sheet.

22  
23 Q. PLEASE EXPLAIN EXHIBIT SAP-1.

1 A. Pursuant to the provisions of K.S.A. 66-2204, Exhibit SAP-1 shows the increase to  
2 rate base and the calculation of the GSRS revenue requirement. In addition to the  
3 new GSRS projects, Exhibit SAP-1 includes an update of the revenue requirement of  
4 the GSRS projects originally included in Docket Nos. 08-AQLG-852-TAR, 09-  
5 BHCG-886-TAR, 10-BHCG-786-TAR, 12-BHCG-055-TAR, and 13-BHCG-404-  
6 TAR to account for an additional year of accumulated depreciation and to account  
7 for current accumulated deferred income taxes. The proposed incremental revenue  
8 increase is \$640,637.

9

10 Q. DOES THE REVENUE REQUIREMENT EXCEED THE MINIMUM REVENUE  
11 REQUIREMENTS SET FORTH IN SENATE BILL 414?

12 A. Yes. K.S.A. 66-2203 states that “the commission may not approve a GSRS to the  
13 extent it would produce total annualized GSRS revenues below the lesser of  
14 \$1,000,000 or 1/2 % of the natural gas public utility’s base revenue level approved  
15 by the commission in the natural gas public utility’s most recent general rate  
16 proceeding.” Based on Black Hills’ most recent general rate proceeding, that  
17 amount would total \$188,826.

18

19 Q. PLEASE EXPLAIN THE COMPONENTS OF THE FILED RATE BASE.

20 A. Components of the rate base calculation include Gross Plant, which is the original  
21 cost of all eligible projects, less any related cost of removal and abandonment of the  
22 existing system; Accumulated Depreciation, which has been calculated by project  
23 based on the approved depreciation rate for that type of plant; and Accumulated

1           Deferred Income Taxes, which has been calculated by project based on the type of  
2           plant. Exhibit SAP-2 details the GSRS net plant calculation and the deferred taxes  
3           calculation.

4  
5   Q.   WERE ANY OF THE ELIGIBLE PROJECTS BEING CONSIDERED INCLUDED  
6           IN BLACK HILLS' LAST GENERAL RATE FILING?

7   A.   No. None of the projects included in the GSRS filing were included in Black Hills'  
8           last rate filing. These projects were completed subsequent to the June 30, 2006 test  
9           period included in Black Hills' last general rate filing. In addition, none of the  
10          projects being considered in this GSRS filing were included in the Company's GSRS  
11          filings in Docket Numbers 08-AQLG-852-TAR, 09-BHCG-886-TAR, 10-BHCG-  
12          786-TAR, 12-BHCG-055-TAR, or 13-BHCG-404-TAR.

13  
14   Q.   HOW WAS THE RATE OF RETURN CALCULATED?

15   A.   The Stipulated Settlement Agreement in Black Hills' most recent rate case, Docket  
16          No. 07-AQLG-431-RTS, establishes the provisions for the return calculation. It  
17          states, "the debt/equity ratio shall be 49.27% / 50.73%, the cost of debt shall be  
18          7.13% and the cost of equity shall be the average of the cost of equity used or agreed  
19          to be used by the commission in calculating the GSRS surcharge for the other  
20          Kansas gas utility companies". The cost of equity included in this filing is 10.2%.

21  
22   Q.   PLEASE EXPLAIN EXHIBIT SAP-3.

1 A. Exhibit SAP-3 shows the allocation of the GSRS revenue by class. The customer  
2 class allocation is pursuant to the Stipulated Settlement Agreement in Docket No.  
3 07-AQLG-431-RTS and is the same as that used in Black Hills' previous GSRS  
4 filings.

5

6 Q. DOES THE ALLOCATION OF THE PROPOSED GSRS SURCHARGE FALL  
7 WITHIN THE PARAMETERS AS SET FORTH IN THE STATUTE?

8 A. Yes. K.S.A 66-2204 (e) (1) states, "A GSRS shall be charged to customers as a  
9 monthly fixed charge and not based on volumetric consumption. Such monthly  
10 charge shall not increase more than \$.40 per residential customer over the base rates  
11 in effect for the initial filing of a GSRS. Thereafter, each filing shall not increase the  
12 monthly charge more than \$.40 per residential customer over the most recent filing  
13 of a GSRS". Exhibits SAP-1 and SAP-3 include an adjustment to reduce the  
14 Company's request for the statutory limit. The proposed GSRS increase is \$0.40 per  
15 month for a residential customer. Added to the current GSRS for a residential  
16 customer, the proposed residential GSRS is \$1.93 per month.

17

18 Q. PLEASE EXPLAIN EXHIBIT SAP-4.

19 A. Exhibit SAP-4 is the tariff sheet for the proposed GSRS surcharge.

20

21 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

22 A. Yes it does.

**VERIFICATION**

STATE OF KANSAS                    )  
                                                  ) ss:  
COUNTY OF DOUGLAS            )

I, STEVEN A. PETERS, being first duly sworn on oath, depose and state that I am the witness identified in the foregoing prepared direct testimony, that I have read the testimony and I am familiar with its contents, and that the facts set forth are true to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
Steven A. Peters

SUBSCRIBED AND SWORN to before me this 17<sup>th</sup> day of June, 2014.

  
\_\_\_\_\_  
Notary Public

Appointment/Commission Expires:



Exhibit SAP-1

BLACK HILLS ENERGY

PROPOSED RATE ADJUSTMENT FOR GSRS

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	
Line No.	TOTAL	New GSRS Projects	UPDATE 404-TAR	UPDATE 055-TAR	UPDATE 786-TAR	UPDATE 886-TAR	UPDATE 852-TAR	
1	GAS PLANT	\$31,912,103	\$ 6,440,271	\$ 7,297,874	\$ 9,798,846	\$ 2,406,658	\$ 3,564,820	\$ 2,403,634
2	ACCUMULATED DEPRECIATION	307,120	(469,834)	(298,961)	620,318	114,529	175,755	165,313
3	NET GAS PLANT	<u>\$31,604,983</u>	<u>\$ 6,910,105</u>	<u>\$ 7,596,835</u>	<u>\$ 9,178,528</u>	<u>\$ 2,292,129</u>	<u>\$ 3,389,065</u>	<u>\$ 2,238,321</u>
4	ACCUMULATED DEFERRED INCOME TAXES	(8,568,735)	(1,388,498)	(2,446,480)	(2,692,862)	(680,570)	(995,258)	(365,067)
5	TOTAL RATE BASE	<u>\$23,036,248</u>	<u>\$ 5,521,607</u>	<u>\$ 5,150,355</u>	<u>\$ 6,485,666</u>	<u>\$ 1,611,559</u>	<u>\$ 2,393,807</u>	<u>\$ 1,873,254</u>
6	RATE BASE	\$23,036,248	\$ 5,521,607	\$ 5,150,355	\$ 6,485,666	\$ 1,611,559	\$ 2,393,807	\$ 1,873,254
7	RATE OF RETURN	8.6867%	8.6867%	8.6867%	8.6867%	8.6867%	8.6867%	8.6867%
8	REQUIRED OPERATING INCOME	\$ 2,001,090	\$ 479,645	\$ 447,396	\$ 563,391	\$ 139,991	\$ 207,943	\$ 162,724
9	OPERATING INCOME AT PRESENT RATES	<u>(42,188)</u>	<u>3,272</u>	<u>(10,650)</u>	<u>(26,652)</u>	<u>(4,714)</u>	<u>(4,179)</u>	<u>735</u>
10	DEFICIENCY	\$ 2,043,278	\$ 476,373	\$ 458,046	\$ 590,043	\$ 144,705	\$ 212,122	\$ 161,989
11	TAX FACTOR	<u>60.45%</u>	<u>60.45%</u>	<u>60.45%</u>	<u>60.45%</u>	<u>60.45%</u>	<u>60.45%</u>	<u>60.45%</u>
12	TOTAL GSRS REVENUE	<u>\$ 3,380,112</u>	<u>\$ 788,045</u>	<u>\$ 757,727</u>	<u>\$ 976,085</u>	<u>\$ 239,380</u>	<u>\$ 350,905</u>	<u>\$ 267,972</u>
13	TRUE-UP OF RECOVERIES THRU 4/2014	<u>\$ (90,441)</u>						
14	GRAND TOTAL	\$ 3,289,671						
15	AUTHORIZED IN DKT 13-BHCG-404-TAR	<u>\$ 2,300,987</u>						
16	INCREMENTAL GSRS REVENUE	\$ 988,684						
17	LESS Statutory Limit Adjustment	<u>\$ (348,047)</u>						
18	INCREMENTAL GSRS REVENUE REQUEST	<u>\$ 640,637</u>						











Black Hills Energy				04/30/14 end of period date										Exhibit SAP-2				
Kansas Gas Utility Company, LLC																		
GSRs Plant Data by Project																		
Period November 1, 2012 through April 30, 2014																		
JAW		Related	FERC	Eng	# of	Associated	Net Orig	Annual		Accum	04/30/14	Depr Less	04/30/14	Unit of	263(A) -			
Exh.		Retirement	Plant	In Srvc	Mos in	Retirement	Cost Less	Depr	Expense	Calculated	Retirement	for Rate	Prop	Unicap				
Proj.	S/	Project #	Project #	Project Description	Acct	Plant Description	Date	srvc	Original	Cost	Retirements	Rate	(L)=(J) X (K)	Accum Depr	Costs	Base	for Tax	for Tax
No.	R	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)
S	Various	Various	Various	GSRs Blanket work orders	376002	Gas Dist-Gas Mains - PE	Oct-13	7.0	\$ 168	\$ -	\$ 168	1.71%	\$ 3	\$ 2	\$ 2	\$ 166		\$ 4
S	Various	Various	Various	GSRs Blanket work orders	376002	Gas Dist-Gas Mains - PE	Nov-13	6.0	\$ 1,088	\$ -	\$ 1,088	1.71%	\$ 19	\$ 9	\$ 9	\$ 1,079		\$ 27
S	Various	Various	Various	GSRs Blanket work orders	376002	Gas Dist-Gas Mains - PE	Dec-13	5.0	\$ 498	\$ -	\$ 498	1.71%	\$ 9	\$ 4	\$ 4	\$ 494		\$ 12
S	Various	Various	Various	GSRs Blanket work orders	376002	Gas Dist-Gas Mains - PE	Apr-14	1.0	\$ 23,157	\$ (885)	\$ 22,272	1.71%	\$ 381	\$ 32	\$ (853)	\$ 23,125		\$ 570
S	Various	Various	Various	GSRs Blanket work orders	376003	Gas Dist-Steel Mains	Nov-12	18.0	\$ -	\$ (135)	\$ (135)	1.77%	\$ (2)	\$ -	\$ (135)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	376003	Gas Dist-Steel Mains	Dec-12	17.0	\$ -	\$ (86)	\$ (86)	1.77%	\$ (2)	\$ -	\$ (86)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	376003	Gas Dist-Steel Mains	Jun-13	11.0	\$ -	\$ (356)	\$ (356)	1.77%	\$ (6)	\$ -	\$ (356)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	376003	Gas Dist-Steel Mains	Dec-13	5.0	\$ -	\$ (2)	\$ (2)	1.77%	\$ -	\$ -	\$ (2)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	376004	Gas Dist-PVC Mains	Nov-13	6.0	\$ 7,774	\$ -	\$ 7,774	1.71%	\$ 133	\$ 66	\$ 66	\$ 7,708		\$ 191
S	Various	Various	Various	GSRs Blanket work orders	376004	Gas Dist-PVC Mains	Apr-13	13.0	\$ -	\$ (57)	\$ (57)	1.71%	\$ (1)	\$ -	\$ (57)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	376004	Gas Dist-PVC Mains	Apr-14	1.0	\$ -	\$ (194)	\$ (194)	1.71%	\$ (3)	\$ -	\$ (194)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	376007	Gas Dist-Mains-Oth Equip	Mar-13	14.0	\$ 4,384	\$ -	\$ 4,384	1.77%	\$ 78	\$ 90	\$ 90	\$ 4,294		\$ 108
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Jan-12	28.0	\$ (17,383)	\$ -	\$ (17,383)	2.28%	\$ (396)	\$ (924)	\$ (924)	\$ (16,459)		\$ (428)
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Feb-12	27.0	\$ 16,588	\$ -	\$ 16,588	2.28%	\$ 378	\$ 850	\$ 850	\$ 15,738		\$ 408
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Mar-12	26.0	\$ 2,595	\$ -	\$ 2,595	2.28%	\$ 59	\$ 128	\$ 128	\$ 2,467		\$ 64
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Apr-12	25.0	\$ (2,863)	\$ -	\$ (2,863)	2.28%	\$ (65)	\$ (136)	\$ (136)	\$ (2,727)		\$ (70)
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Aug-12	21.0	\$ 1,751	\$ -	\$ 1,751	2.28%	\$ 40	\$ 70	\$ 70	\$ 1,681		\$ 43
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Sep-12	20.0	\$ 51,695	\$ -	\$ 51,695	2.28%	\$ 1,179	\$ 1,961	\$ 1,961	\$ 49,734		\$ 1,272
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Oct-12	19.0	\$ 1,511	\$ -	\$ 1,511	2.28%	\$ 34	\$ 54	\$ 54	\$ 1,457		\$ 37
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Nov-12	18.0	\$ -	\$ (110)	\$ (110)	2.28%	\$ (3)	\$ -	\$ (110)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Dec-12	17.0	\$ 17,276	\$ (940)	\$ 16,336	2.28%	\$ 372	\$ 557	\$ (383)	\$ 16,719		\$ 425
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Jan-13	16.0	\$ 54,626	\$ -	\$ 54,626	2.28%	\$ 1,245	\$ 1,657	\$ 1,657	\$ 52,969		\$ 1,344
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Feb-13	15.0	\$ 52,188	\$ (24)	\$ 52,164	2.28%	\$ 1,189	\$ 1,484	\$ 1,460	\$ 50,704		\$ 1,284
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Mar-13	14.0	\$ 19,724	\$ (34)	\$ 19,690	2.28%	\$ 449	\$ 523	\$ 489	\$ 19,201		\$ 485
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Apr-13	13.0	\$ 52,477	\$ (754)	\$ 51,723	2.28%	\$ 1,179	\$ 1,293	\$ 539	\$ 51,184		\$ 1,291
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Jun-13	11.0	\$ 9,495	\$ (943)	\$ 8,552	2.28%	\$ 195	\$ 198	\$ (745)	\$ 9,297		\$ 234
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Jul-13	10.0	\$ 70,154	\$ (16)	\$ 70,138	2.28%	\$ 1,599	\$ 1,328	\$ 1,312	\$ 68,826		\$ 1,726
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Aug-13	9.0	\$ 11,746	\$ (2,060)	\$ 9,686	2.28%	\$ 221	\$ 200	\$ (1,860)	\$ 11,546		\$ 289
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Oct-13	7.0	\$ 6,915	\$ (1,205)	\$ 5,710	2.28%	\$ 130	\$ 92	\$ (1,113)	\$ 6,823		\$ 170
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Nov-13	6.0	\$ 87,163	\$ (101)	\$ 87,062	2.28%	\$ 1,985	\$ 988	\$ 887	\$ 86,175		\$ 2,144
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Dec-13	5.0	\$ 310,509	\$ (712)	\$ 309,797	2.28%	\$ 7,063	\$ 2,930	\$ 2,218	\$ 307,579		\$ 7,639
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Jan-14	4.0	\$ 29,290	\$ (37)	\$ 29,253	2.28%	\$ 667	\$ 221	\$ 184	\$ 29,069		\$ 721
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Feb-14	3.0	\$ 35,305	\$ (12)	\$ 35,293	2.28%	\$ 805	\$ 199	\$ 187	\$ 35,106		\$ 869
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Mar-14	2.0	\$ 8,232	\$ (36)	\$ 8,196	2.28%	\$ 187	\$ 31	\$ (5)	\$ 8,201		\$ 203
S	Various	Various	Various	GSRs Blanket work orders	380002	Gas Dist-Services-PE	Apr-14	1.0	\$ 78,750	\$ (1,024)	\$ 77,726	2.28%	\$ 1,772	\$ 145	\$ (879)	\$ 78,605		\$ 1,937
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Feb-12	27.0	\$ (4,903)	\$ -	\$ (4,903)	2.96%	\$ (145)	\$ (326)	\$ (326)	\$ (4,577)		\$ (121)
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Nov-12	18.0	\$ 504	\$ (1,112)	\$ (608)	2.96%	\$ (18)	\$ 22	\$ (1,090)	\$ 482		\$ 12
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Dec-12	17.0	\$ -	\$ (6,937)	\$ (6,937)	2.96%	\$ (205)	\$ -	\$ (6,937)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Jan-13	16.0	\$ -	\$ (1,295)	\$ (1,295)	2.96%	\$ (38)	\$ -	\$ (1,295)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Feb-13	15.0	\$ -	\$ (34)	\$ (34)	2.96%	\$ (1)	\$ -	\$ (34)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Mar-13	14.0	\$ 24,773	\$ (607)	\$ 24,166	2.96%	\$ 715	\$ 853	\$ 246	\$ 23,920		\$ 609
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Apr-13	13.0	\$ -	\$ (588)	\$ (588)	2.96%	\$ (17)	\$ -	\$ (588)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	May-13	12.0	\$ -	\$ (704)	\$ (704)	2.96%	\$ (21)	\$ -	\$ (704)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Jun-13	11.0	\$ -	\$ (475)	\$ (475)	2.96%	\$ (14)	\$ -	\$ (475)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Jul-13	10.0	\$ -	\$ (1,323)	\$ (1,323)	2.96%	\$ (39)	\$ -	\$ (1,323)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Aug-13	9.0	\$ 127	\$ (50,116)	\$ (49,989)	2.96%	\$ (1,480)	\$ 3	\$ (50,113)	\$ 124		\$ 3
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Sep-13	8.0	\$ -	\$ (16,426)	\$ (16,426)	2.96%	\$ (486)	\$ -	\$ (16,426)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Oct-13	7.0	\$ -	\$ (4,512)	\$ (4,512)	2.96%	\$ (134)	\$ -	\$ (4,512)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Nov-13	6.0	\$ -	\$ (2,540)	\$ (2,540)	2.96%	\$ (75)	\$ -	\$ (2,540)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Dec-13	5.0	\$ -	\$ (1,172)	\$ (1,172)	2.96%	\$ (35)	\$ -	\$ (1,172)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Jan-14	4.0	\$ 237	\$ (3,157)	\$ (2,920)	2.96%	\$ (86)	\$ 2	\$ (3,155)	\$ 235		\$ 6
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Feb-14	3.0	\$ -	\$ (1,760)	\$ (1,760)	2.96%	\$ (52)	\$ -	\$ (1,760)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Mar-14	2.0	\$ -	\$ (1,608)	\$ (1,608)	2.96%	\$ (48)	\$ -	\$ (1,608)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380003	Gas Dist-Services-Steel	Apr-14	1.0	\$ 3,384	\$ (1,804)	\$ 1,580	2.96%	\$ 47	\$ 8	\$ (1,796)	\$ 3,376		\$ 83
S	Various	Various	Various	GSRs Blanket work orders	380004	Gas Dist-Services-PVC	Dec-12	17.0	\$ -	\$ (4)	\$ (4)	2.28%	\$ -	\$ -	\$ (4)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380004	Gas Dist-Services-PVC	Mar-13	14.0	\$ -	\$ (167)	\$ (167)	2.28%	\$ (4)	\$ -	\$ (167)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380004	Gas Dist-Services-PVC	May-13	12.0	\$ -	\$ (288)	\$ (288)	2.28%	\$ (7)	\$ -	\$ (288)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380004	Gas Dist-Services-PVC	Jun-13	11.0	\$ -	\$ (592)	\$ (592)	2.28%	\$ (13)	\$ -	\$ (592)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	380004	Gas Dist-Services-PVC	Apr-14	1.0	\$ -	\$ (82)	\$ (82)	2.28%	\$ (2)	\$ -	\$ (82)	\$ -		\$ -
S	Various	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Jan-12	28.0	\$ (61,794)	\$ -	\$ (61,794)	2.20%	\$ (1,359)	\$ (3,168)	\$ (3,168)	\$ (58,626)		\$ (1,520)

Black Hills Energy													04/30/14 end of period date		Exhibit SAP-2		
Kansas Gas Utility Company, LLC																	
GSRs Plant Data by Project																	
Period November 1, 2012 through April 30, 2014																	
JAW	Related	FERC	Eng	# of	Associated	Net Orig	Annual	Accum	04/30/14	Unit of	263(A) -						
Exh.	Retirement	Plant	In Srvc	Mos in	Retirement	Cost Less	Depr	Depr Less	Calculated	Prop	Unicap						
Proj.	Project #	Project #	Date	srvc	Cost	Retirements	Rate	Expense	Accum Depr	Costs	Base	for Tax					
No.	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Feb-12	27.0	\$ 8,274	\$ -	\$ 8,274	2.20%	\$ 182	\$ 409	\$ 409	\$ 7,865		\$ 204
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Mar-12	26.0	\$ 2,513	\$ -	\$ 2,513	2.20%	\$ 55	\$ 120	\$ 120	\$ 2,393		\$ 62
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Apr-12	25.0	\$ (5,368)	\$ -	\$ (5,368)	2.20%	\$ (118)	\$ (246)	\$ (246)	\$ (5,122)		\$ (132)
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Jun-12	23.0	\$ 6,624	\$ -	\$ 6,624	2.20%	\$ 146	\$ 279	\$ 279	\$ 6,345		\$ 163
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Sep-12	20.0	\$ 14,300	\$ -	\$ 14,300	2.20%	\$ 315	\$ 523	\$ 523	\$ 13,777		\$ 352
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Oct-12	19.0	\$ 180	\$ -	\$ 180	2.20%	\$ 4	\$ 6	\$ 6	\$ 174		\$ 4
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Nov-12	18.0	\$ -	\$ (227)	\$ (227)	2.20%	\$ (5)	\$ -	\$ (227)	\$ -		\$ -
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Dec-12	17.0	\$ 9,421	\$ (1,010)	\$ 8,411	2.20%	\$ 185	\$ 293	\$ (717)	\$ 9,128		\$ 232
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Jan-13	16.0	\$ 157,362	\$ 1,239	\$ 158,601	2.20%	\$ 3,489	\$ 4,606	\$ 5,845	\$ 152,756		\$ 3,871
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Feb-13	15.0	\$ 3,718	\$ (11)	\$ 3,707	2.20%	\$ 82	\$ 102	\$ 91	\$ 3,616		\$ 91
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Mar-13	14.0	\$ 12,497	\$ (188)	\$ 12,309	2.20%	\$ 271	\$ 320	\$ 132	\$ 12,177		\$ 307
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Apr-13	13.0	\$ 30,730	\$ (606)	\$ 30,124	2.20%	\$ 663	\$ 731	\$ 125	\$ 29,999		\$ 756
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	May-13	12.0	\$ 3,724	\$ (37)	\$ 3,687	2.20%	\$ 81	\$ 82	\$ 45	\$ 3,642		\$ 92
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Jun-13	11.0	\$ 4,829	\$ (95)	\$ 4,734	2.20%	\$ 104	\$ 97	\$ 2	\$ 4,732		\$ 119
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Jul-13	10.0	\$ 10,171	\$ (60)	\$ 10,111	2.20%	\$ 222	\$ 186	\$ 126	\$ 9,985		\$ 250
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Aug-13	9.0	\$ 6,045	\$ (215)	\$ 5,830	2.20%	\$ 128	\$ 99	\$ (116)	\$ 5,946		\$ 149
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Sep-13	8.0	\$ 41,215	\$ (80)	\$ 41,135	2.20%	\$ 905	\$ 602	\$ 522	\$ 40,613		\$ 1,014
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Oct-13	7.0	\$ 31,450	\$ (648)	\$ 30,802	2.20%	\$ 678	\$ 402	\$ (246)	\$ 31,048		\$ 774
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Nov-13	6.0	\$ 6,039	\$ (289)	\$ 5,750	2.20%	\$ 127	\$ 66	\$ (223)	\$ 5,973		\$ 149
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Dec-13	5.0	\$ 103,135	\$ (235)	\$ 102,900	2.20%	\$ 2,264	\$ 939	\$ 704	\$ 102,196		\$ 2,537
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Jan-14	4.0	\$ 30,282	\$ (163)	\$ 30,119	2.20%	\$ 663	\$ 220	\$ 57	\$ 30,062		\$ 745
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Feb-14	3.0	\$ 16,052	\$ (48)	\$ 16,004	2.20%	\$ 352	\$ 87	\$ 39	\$ 15,965		\$ 395
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Mar-14	2.0	\$ 9,338	\$ (2)	\$ 9,336	2.20%	\$ 205	\$ 34	\$ 32	\$ 9,304		\$ 230
S	Various	Various	GSRs Blanket work orders	383001	Gas Dist-House Regulator	Apr-14	1.0	\$ 56,181	\$ (187)	\$ 55,994	2.20%	\$ 1,232	\$ 100	\$ (87)	\$ 56,081		\$ 1,382
<b>TOTAL OF PROJECTS</b>																	
								\$7,019,080	\$ (578,809)	\$6,440,271		\$ 121,481	\$108,975	\$ (469,834)	\$6,910,105	\$ -	\$172,669
Explanations of various columns:																	
Col A = The project number is listed more than once if there is more than one FERC plant account for the project and retirement																	
Col F = Date put into service																	
Col G = Number of months the project has been in service based on Col F to the end of the filing period																	
Col H = Amount on our fixed asset system																	
Col I = Amount of retirement on our fixed asset system																	
Col J = Original Cost in Col H less Retirement Cost in Col I																	
Col K = Current depreciation rate in Kansas for applicable plant category																	
Col L = 12 month amount for depreciation expense calculated on original cost less retirements																	
Col M = Accumulated depreciation calculated on the number of months the project has been in service in the filing period times the monthly depr amt.																	
Col N = Accumulated depreciation in Col M netted against the retirements in Col I																	
Col O = Original Cost less retirements in Col J less Accum Depr less retirements in Col N																	
Col P = Unit of Property deduction for tax purposes																	
Col Q = Deductible costs under section 263(A) regulations																	
Col R = Net Plant for Accum Tax Depr = Original cost less Col P Unit of Property amt and less Col Q 263(A) amount if greater than 0																	
Col S thru Z= Tax depreciation rates for 2011 thru 2014 and the calculated tax depreciation																	
Col AA = Accumulated tax depreciation as of 03/31/2014																	
Col AB = Net Tax Basis (Col R less Col W)																	
Special Note:																	
The project numbers will not be consecutive since the blanket work orders have been given a project number. This file is presenting the blanket information by Plant Ferc account and then date to aid in the calculation of the deferred income tax amount.																	
Other Notes:																	
The Engineering In-Service Year determines when tax depr starts. However, due to purchase of Kansas Gas by Black Hills on 7/14/08, all tax depr for projects placed in service prior to that date begin on 7/14/08.																	
Since passage of the Energy Tax Incentives Act, natural gas transmission and distribution assets are 15-year MACRS property until 12/31/2010.																	
Projects with engineering in srvc date of 7/2008 or later qualify for "Unit of Property" deduction for tax purposes; deduction is based upon expected 2010 tax return calc, with immaterial true-up expected in Sept 2011 for 2010 projects.																	
Projects w engineering in srvc date of 9/1/2010 or later qualify for 100% bonus depr deduction for tax purposes until 12/31/2011. Projects with engdate of Jan 1 - Aug 31, 2010 qualify for 50% bonus depr deduction.																	
No projects had CIAC charged against it.																	













Black Hills Energy															04/30/14		Exhibit SAP-2		
Kansas Gas Utility Company, LLC																			
GSRs Plant Data by Project																			
Period November 1, 2012 through April 30, 2014																			
JAW	Related		FERC		Eng		Net Plant		2011		2012		2013		2014		Accum	Net	
Exh.	Retirement		Plant		In Srvc		Accum		Tax Depr		Tax		Tax Depr		Tax		Tax	Tax	
Proj.	S/	Project #	Project #	Project Description		Acct	Plant Description	Date	Tax Depr	Rate	Depr	Rate	Depr	Rate	Depr	Rate	Depr	Depr	Basis
No.	R	(A)	(B)	(C)		(D)	(E)	(F)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)	(Z)	(AA)	(AB)
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Feb-12	\$ 8,070	0.00000	0	0.52500	4,237	0.04750	383	0.04275	115	4,735	\$ 3,335
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Mar-12	\$ 2,451	0.00000	0	0.52500	1,287	0.04750	116	0.04275	35	1,438	\$ 1,013
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Apr-12	\$ -	0.00000	0	0.52500	0	0.04750	0	0.04275	0	0	\$ (5,236)
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Jun-12	\$ 6,461	0.00000	0	0.52500	3,392	0.04750	307	0.04275	92	3,791	\$ 2,670
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Sep-12	\$ 13,948	0.00000	0	0.52500	7,323	0.04750	663	0.04275	199	8,185	\$ 5,763
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Oct-12	\$ 176	0.00000	0	0.52500	92	0.04750	8	0.04275	3	103	\$ 73
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Nov-12	\$ -	0.00000	0	0.52500	0	0.04750	0	0.04275	0	0	\$ -
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Dec-12	\$ 9,189	0.00000	0	0.52500	4,824	0.04750	436	0.04275	131	5,391	\$ 3,798
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Jan-13	\$ 153,491	0.00000	0	-	0	0.51875	79,623	0.036095	1,847	81,470	\$ 72,021
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Feb-13	\$ 3,627	0.00000	0	-	0	0.51875	1,881	0.036095	44	1,925	\$ 1,702
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Mar-13	\$ 12,190	0.00000	0	-	0	0.51875	6,323	0.036095	147	6,470	\$ 5,720
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Apr-13	\$ 29,974	0.00000	0	-	0	0.51875	15,549	0.036095	361	15,910	\$ 14,064
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	May-13	\$ 3,632	0.00000	0	-	0	0.51875	1,884	0.036095	44	1,928	\$ 1,704
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Jun-13	\$ 4,710	0.00000	0	-	0	0.51875	2,443	0.036095	57	2,500	\$ 2,210
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Jul-13	\$ 9,921	0.00000	0	-	0	0.51875	5,146	0.036095	119	5,265	\$ 4,656
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Aug-13	\$ 5,896	0.00000	0	-	0	0.51875	3,059	0.036095	71	3,130	\$ 2,766
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Sep-13	\$ 40,201	0.00000	0	-	0	0.51875	20,854	0.036095	484	21,338	\$ 18,863
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Oct-13	\$ 30,676	0.00000	0	-	0	0.51875	15,913	0.036095	369	16,282	\$ 14,394
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Nov-13	\$ 5,890	0.00000	0	-	0	0.51875	3,056	0.036095	71	3,127	\$ 2,763
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Dec-13	\$ 100,598	0.00000	0	-	0	0.51875	52,185	0.036095	1,210	53,395	\$ 47,203
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Jan-14	\$ 29,537	0.00000	0	-	0	0.00000	0	0.0375	369	369	\$ 29,168
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Feb-14	\$ 15,657	0.00000	0	-	0	0.00000	0	0.0375	196	196	\$ 15,461
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Mar-14	\$ 9,108	0.00000	0	-	0	0.00000	0	0.0375	114	114	\$ 8,994
	S	Various	Various	GSRs Blanket work orders		383001	Gas Dist-House Regulator	Apr-14	\$ 54,799	0.00000	0	-	0	0.00000	0	0.0375	685	685	\$ 54,114
<b>TOTAL OF PROJECTS</b>									<b>\$6,937,225</b>		<b>18,993</b>	<b>684,432</b>	<b>2,657,208</b>	<b>86,414</b>	<b>3,447,047</b>	<b>\$ 3,399,364</b>			
Explanations of various columns:																			
															Net Plant for Rate Base		\$ 6,910,105		
Col A = The project number is listed more than once if there is more than one FERC plant account for the project and retirement															Cumulative Book/Tax Difference		\$(3,510,741)		
Col F = Date put into service															Kansas Effective Tax Rate		0.3955		
Col G = Number of months the project has been in service based on Col F to the end of the filing period																			
Col H = Amount on our fixed asset system																			
Col I = Amount of retirement on our fixed asset system																			
Col J = Original Cost in Col H less Retirement Cost in Col I																			
Col K = Current depreciation rate in Kansas for applicable plant category															Cumulative Deferred Taxes at 04/30/2014		\$(1,388,498)		
Col L = 12 month amount for depreciation expense calculated on original cost less retirements																			
Col M = Accumulated depreciation calculated on the number of months the project has been in service in the filing period times the monthly depr amt.																			
Col N = Accumulated depreciation in Col M netted against the retirements in Col I																			
Col O = Original Cost less retirements in Col J less Accum Depr less retirements in Col N																			
Col P = Unit of Property deduction for tax purposes																			
Col Q = Deductible costs under section 263(A) regulations																			
Col R = Net Plant for Accum Tax Depr = Original cost less Col P Unit of Property amt and less Col Q 263(A) amount if greater than 0																			
Col S thru Z = Tax depreciation rates for 2011 thru 2014 and the calculated tax depreciation																			
Col AA = Accumulated tax depreciation as of 03/31/2014																			
Col AB = Net Tax Basis (Col R less Col W)																			
Special Note:																			
The project numbers will not be consecutive since the blanket work orders have been given a project number. This file is presenting the blanket information by Plant Ferc account and then date to aid in the calculation of the deferred income tax amount.																			
Other Notes:																			
The Engineering In-Service Year determines when tax depr starts. However, due to purchase of Kansas Gas by Black Hills on 7/14/08, all tax depr for projects placed in service prior to that date begin on 7/14/08.																			
Since passage of the Energy Tax Incentives Act, natural gas transmission and distribution assets are 15-year MACRS property until 12/31/2010.																			
Projects with engineering in srvc date of 7/2008 or later qualify for "Unit of Property" deduction for tax purposes; deduction is based upon expected 2010 tax return calc, with immaterial true-up expected in Sept 2011 for 2010 projects.																			
Projects w engineering in srvc date of 9/1/2010 or later qualify for 100% bonus depr deduction for tax purposes until 12/31/2011. Projects with engdate of Jan 1 - Aug 31, 2010 qualify for 50% bonus depr deduction.																			
No projects had CIAC charged against it.																			

**BLACK HILLS ENERGY  
GSRs Allocation**

Line No.	[A] Description	[B] Total Company	[C] Residential	[D] Small Commercial	[E] [F] [G] [H]				[I] [J] [K] [L]			
					Small Volume				Large Volume			
					Firm	Interruptible	Trans.	Total	Firm	Interruptible	Trans.	Total
1	<u>Units*</u>											
2	Number of Customers	104,180	94,010	8,225	1,175	65	526	1,766	33	12	134	179
3	Volume - therms	132,877,466	68,764,710	11,678,410	12,965,980	765,130	5,891,281	19,622,391	2,672,570	1,328,030	28,811,355	32,811,955
4	<u>Rates*</u>											
5	Commodity Charge - \$/therm		0.14524	0.14524	0.12500	0.12500	0.12500		0.05900	0.05900	0.05900	
6	Customer Charge - \$/month		16.00	22.75	40.00	40.00	40.00		256.00	256.00	256.00	
7	<u>Revenue Increase*</u>											
8	Commodity Charge - \$	(273,564)	(401,586)	(68,202)	129,660	7,651	58,913	196,224	0	0	0	0
9	Customer Charge - \$	5,358,513	4,512,480	567,525	141,000	7,800	63,120	211,920	12,400	4,464	49,724	66,588
10	Total - \$	5,084,949	4,110,894	499,323	270,660	15,451	122,033	408,144	12,400	4,464	49,724	66,588
11	<u>GSRs Allocation</u>											
12	Customer Class Allocation Percent		80.84%	9.82%				8.03%				1.31%
13	GSRs Annual Revenue - \$	988,684	799,295	97,085				79,357				12,947
14	Less Statutory Limit Adjustment - \$	(348,047)	(348,047)									
15	Net GSRs Annual Revenue - \$	640,637	451,248	97,085				79,357				12,947
16	Monthly surcharge per customer ((Line 13 / Line 2)/12)		0.40	0.98				3.74				6.03
17	Current surcharge per customer		1.53	3.11				11.80				19.00
18	New surcharge per customer (Line 14 + Line 15)		1.93	4.09				15.54				25.03

\*From Schedule 1 of Stipulated Settlement Agreement in Docket No. 07-AQLG-431-RTS

19 Calculation of Statutory Limit Adjustment - Residential GSRs

20	Incremental Monthly Residential GSRs	0.40
21	Incremental Annual Residential GSRs	4.80
22	Number of Residential Customers	94,010
23	Maximum Incremental Residential GSRs	451,248
24	Less Residential Revenue from Line 13	(799,295)
25	Statutory Limit Adjustment	(348,047)

**THE STATE CORPORATION COMMISSION OF KANSAS**

**BLACK HILLS/KANSAS GAS UTILITY COMPANY, LLC**  
**d/b/a BLACK HILLS ENERGY**

Schedule GSRS Rider, Fifth Revised

(Name of Issuing Utility)

**KANSAS SERVICE AREA**

Replacing: Index No. 17B, GSRS Rider, 4<sup>th</sup> Revised, Sheet 1 of 1  
 which was filed 3/1/2013

(Territory to which schedule is applicable)

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 1 Sheets

**GAS SYSTEM RELIABILITY SURCHARGE RIDER**

**APPLICABILITY**

This rider is applicable to every bill for service provided under each of the Company's sales and transportation rate schedules except where not permitted under a separately negotiated contract with a customer. Not applicable to bills for Irrigation Sales Service, Irrigation Transportation Service, or Wholesale Gas Service.

**RATE**

The Gas System Reliability Surcharge (GSRS) shall be applied to each monthly bill. The surcharge shall be as follows:

- RS-1: \$1.93 per meter per month
- SC-1, SCTS-A: \$4.09 per meter per month
- SVF, SVI, and SVTS-A: \$15.54 per meter per month
- LVF, LVI, LVTS-A, OLVTs-A, and LVTS: \$25.03 per meter per month

**DEFINITIONS AND CONDITIONS**

1. The GSRS is intended to recover charges for natural gas public utility plant projects pursuant to K.S.A. 66-2001 through 66-2204.
2. The monthly GSRS charge shall be allocated among customers in the same manner as approved in Docket No. 07-AQLG-431-RTS.
3. The GSRS shall be charged to customers as a monthly fixed charge and not based on volumetric consumption. Such monthly charge shall not increase more than \$0.40 per residential customer over the base rates in effect for the initial filing of a GSRS. Thereafter, each filing shall not increase the monthly charge for more than \$0.40 per residential customer over the most recent filing of a GSRS.
4. At the end of each twelve-month calendar period the GSRS is in effect, the utility shall reconcile the differences between the revenues resulting from a GSRS and the appropriate pretax revenues as found by the Commission for that period and shall submit the reconciliation and a proposed GSRS adjustment to the Commission for approval to recover or refund the difference through adjustments of the GSRS charge.
5. All provisions of this rider are subject to changes made by order of the Commission.

Issued \_\_\_\_\_  
 Month Day Year

Effective \_\_\_\_\_  
 Month Day Year

By \_\_\_\_\_  
 Signature