

BLACK HILLS/KANSAS GAS UTILITY COMPANY, LLC  
d/b/a BLACK HILLS ENERGY  
(Name of Issuing Utility)

Schedule: EECR Rider

KANSAS SERVICE AREA  
(Territory to which schedule is applicable)

New Schedule

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

Sheet 1 of 2 Sheets

ENERGY EFFICIENCY COST RECOVERY (EECR) 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 EECR for each tariff class shall be a per therm adjustment applicable to all base rates for customers receiving service under the rate schedule for the class. The following formula shall be used:

$$EECR = \frac{(DSM Cost + RNM Cost + DSM Bonus + D)}{SFCST}$$

Where:

- D is the prior period ending balance in the EECR, equal to the sum of prior period balances for all EECR components (DSM Cost, RNM Cost, and DSM Bonus)
- SFCST is forecasted gas sales quantity for the next DSM Period net of the impacts of DSM.
- *DSM Bonus*. The DSM Bonus shall be calculated as 10% of the Total Resource Cost net benefits for the residential and low-income programs calculated using Commission approved costs and savings for the DSM Period.
- *DSM Costs*. All forecasted costs associated with the Company's Commission-approved DSM plan.

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

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

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

Steven M. Jurek Vice President, Regulatory Services

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ENERGY EFFICIENCY COST RECOVERY (EECR) RIDER (Continued)

- *RNM Costs.* The indirect costs of lost revenues resulting from the Company's DSM programs. The RNM is computed by dividing the difference between actual revenue and the normalized test year revenue by the forecasted therm sales applicable to the customer class over a six-month calculation period (e.g., January through June, July through December). The normalized test year revenue is defined as the product of the average revenue per customer approved in the latest base rate proceeding multiplied by the number of customers for the corresponding period.

For purpose of computing the RNM, the following formula will be used:

$$RNM = A - (B \times C)$$

Where:

- A is the actual class revenue
  - B is the average customer class non-commodity revenue per customer
  - C is the actual number of customers for the customer class
- *DSM Period.* Six month periods: January through June, and July through December
  - *DSM Programs.* The energy efficiency programs as approved by the Commission in the Company's DSM plan filings.

FREQUENCY OF CHANGE

The adjustments under this provision shall be computed and filed semi-annually by April 1 and October 1 of each year. The April 1 filing will include prior period G-DSMCA balance, DSM Bonus and RNM Costs for the six months ending December 31 of the preceding year plus the forecasted DSM costs for the 6 month period January 1 to June 30 of the current year. The October 1 filing will include prior period G-DSMCA balance, DSM Bonus and RNM Costs for the six months ending June 30 of the current year plus the forecasted DSM costs for the 6 month period July 1 to December 31 of the current year.

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BLACK HILLS/KANSAS GAS UTILITY COMPANY, LLC  
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Schedule: DSM R-1

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Sheet 1 of 2 Sheets

RESIDENTIAL AUDIT PROGRAM

PURPOSE

The Residential Audit Program is composed of two components: a free audit and a Home Performance with Energy Star (HPwES) audit. The HPwES program is slated to start in 2011. Both audits aim to provide customers with recommendations about ways they can reduce energy consumption in their homes. Audit recommendations may include: suggested behavioral changes; suggestions on implementing low-cost and easy-to-install energy-saving equipment; and suggestions on repairing, upgrading, or replacing larger, relatively expensive equipment or systems.

The Residential Audit program is considered as the entrée into the residential portfolio of programs. This program is the necessary first step for customers interested in participating in the Residential Envelope Measures program.

PROGRAM PROCESS

Black Hills Energy will contract with a third-party auditing firm to deliver this program. While on site, auditors of both audit types of will assess:

- Insulation levels
- Infiltration levels
- Equipment efficiency and operating condition
- Behavior-related factors influencing energy consumption

Auditors will install (or instruct participating customers on how to install) a number of low-cost energy-saving measures. Auditors also will provide participants with educational information on how to manage their energy usage and costs, and will refer participants to Black Hills Energy's other, applicable energy-efficiency programs.

The HPwES audit goes beyond the free audit by performing diagnostic testing (with a blower door and, if requested, an infrared scan) to quantify and more precisely identify air leakage sites. Specially trained contractors, HPwES auditors will conduct two visits per home:

- An initial, "test-in" visit, assessing the home's performance before any energy-saving upgrades have been undertaken. The HPwES auditor will produce a report detailing energy-saving recommendations and will perform, at minimum, the blower-door test.
- A follow-up, "test-out" visit, assessing the home's performance after the participant has installed three of the top five recommended energy-saving measures.

Participants who install building shell measures are eligible to receive incentives through the Black Hills Energy's Envelope Measures Retrofit program. Participants who install three of the top five energy savings measures may be eligible to receive an ENERGY STAR label for their home

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Sheet 2 of 2 Sheets

RESIDENTIAL AUDIT PROGRAM (Continued)

**INCENTIVES**

In addition to covering the cost of the free audit, Black Hills Energy will also cover the cost of low-cost measures distributed during the audit (a total value over \$300 per home). For those choosing an HPwES audit, Black Hills Energy will cover the cost of the audits, less \$100. Black Hills Energy also will offer a \$200 bonus rebate for customers successfully completing both test-in and test-out audits.

Audit participants will be offered the following energy-efficiency measures at no cost:

- Outlet gaskets
- Faucet aerators
- Pipe insulation
- Low-flow showerheads
- Low-cost infiltration measures

On average, a participating customer will receive about \$30 worth of measures during the audit.

**PROGRAM COST**

The total program cost for each of the five years is estimated to be:

Year 1	\$ 120,748
Year 2	\$ 275,890
Year 3	\$ 377,750
Year 4	\$ 373,750
Year 5	\$ 369,750
Total	\$1,517,888

These amounts will provide for incentives, program administration, program evaluation, audit site visit and delivery, marketing and training.

**EVALUATION**

Evaluation, measurement and verification of the Program will be completed consistent with the requirements established by the Commission in Docket No. 08-GIMX-442-GIV.

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**BLACK HILLS/KANSAS GAS UTILITY COMPANY, LLC**  
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Schedule: DSM R-2

**KANSAS SERVICE AREA**

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New Schedule

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Sheet 1 of 2 Sheets

**RESIDENTIAL SPACE AND WATER HEATING PROGRAM**

**PURPOSE**

The Residential Space and Water Heating Program includes several program components:

- R-2.1 – Furnace and Boiler Replacement and Maintenance Services
- R-2.2 – Water Heater Replacement
- R-2.3 – Innovative Space and Water Heating Technologies

While program components under the Residential Space and Water Heating Program umbrella are somewhat independent of the others, they have common elements, which in many cases will require coordination with the same set of trade allies, and are supported by a similar programmatic infrastructure.

The Residential Furnace and Boiler Replacement program will provide incentives to customers who upgrade their existing furnaces and boilers to higher-efficiency units. Incentives are also available for performing prescribed maintenance on gas furnaces and boilers. All residential customers living in structures with one to four units, including manufactured homes, are eligible to participate in the program.

The Water Heater Replacement program offers customers incentives to upgrade to higher efficiency levels when replacing water-heating equipment. As with the Furnace and Boiler Replacement program, incentives are structured to encourage customers to install the highest efficiency level available.

The Residential Innovative Space and Water Heating Technologies program has two purposes: encouraging adoption of more recent-to-market, energy-efficient technologies; and ensuring Black Hills Energy’s energy-efficiency portfolio includes savings opportunities through less common space and water heating applications. Program measures address both space and water heating end uses.

**PROGRAM PROCESS**

This program will be delivered by Black Hills Energy, which will utilize relationships with individual contractors who promote the rebates directly to their customers.

In addition to offering customer incentives, Black Hills Energy will offer dealer/contractor spiffs to encourage quality installation practices. The spiffs will be available to trade allies attending Black Hills Energy-approved training sessions and whose furnace and boiler installations comply with specifications prescribed by Black Hills Energy (e.g., Manual J). Black Hills Energy will encourage customers to achieve greater savings by repairing and sealing ducts at the same time as equipment installation.

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Sheet 2 of 2 Sheets

**RESIDENTIAL SPACE AND WATER HEATING PROGRAM** (Continued)

**INCENTIVES**

Incentives will be offered in accordance with the following tables.

Measure	Efficiency	Customer Incentive	Dealer Spiff
Furnace	94% ≤ AFUE < 96%	\$325	\$125
	AFUE ≥ 96%	\$400	\$155
Boiler	85% ≤ AFUE < 89%	\$150	\$90
	AFUE ≥ 90%	\$400	\$155
Furnace/Boiler Maintenance	NA	\$30	--
Duct repair and sealing	NA	\$200	--
Duct Insulation	R-8	\$150	--
Water Heater	0.67 ≤ EF < 0.80	\$75	\$10
Water Heater	Condensing (EF ≥ 0.80)	\$300	\$60
Water Heater	Tankless water heater (EF ≥ 0.82)	\$300	\$60
Drain Water Heat Recovery	NA	\$300	\$60
Integrated Space and Water Heat	NA	\$500	\$175
Multi-Zone Thermostats	NA	\$300	\$60

**PROGRAM COST**

The total program cost for each of the five years is estimated to be:

Year 1	\$ 344,988
Year 2	\$ 471,309
Year 3	\$ 589,570
Year 4	\$ 590,570
Year 5	\$ 591,570
<b>Total</b>	<b>\$2,588,004</b>

These amounts will provide for incentives, program administration, program evaluation, dealer incentives, marketing and training.

**EVALUATION**

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Schedule: DSM R-3

**KANSAS SERVICE AREA**  
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Sheet 1 of 2 Sheets

**RESIDENTIAL ENVELOPE MEASURES RETROFIT PROGRAM**

**PURPOSE**

The Residential Envelope Measures Retrofit program provides incentives to customers improving their homes' efficiency through installing insulation and other thermal envelope measures. The program covers a wide range of measures, including: ceiling, wall, and foundation insulation and infiltration measures (e.g., caulking, weatherstripping). Incentive levels are set as a percentage of the total cost, and are capped at a specified value that varies by measure.

**PROGRAM PROCESS**

Customers must participate in the audit program to qualify for the Residential Envelope Measures Retrofit program; if customers arrange for installation of insulation or other thermal envelope measures, based on residential audit recommendations, they may be eligible for rebates. To receive rebate payment, a participating customer will provide Black Hills Energy with documentation of materials purchased or work completed.

Black Hills Energy will consider maintaining a list of "qualified" contractors, depending on customers' need for such information.

The program targets Black Hills Energy's residential space heating customers living in older housing, where insulation levels have not been improved or increased.

**INCENTIVES**

Incentives will be offered in accordance with the following tables.

<b>Measure Description</b>	<b>Min Efficiency Level</b>	<b>Rebate Level</b>
Insulation (ceiling)	R-38	70% up to \$750
Insulation (wall)	R-11	70% up to \$750
Insulation (floor)	R-25	70% up to \$750
Insulation (rim and band joist)	R-10	70% up to \$50
Insulation (foundation)	R-13	70% up to \$750
Insulation (duct)	R-8	70% up to \$150
Thermal (Storm) Door	R-5	\$25
Infiltration control (weatherstripping, caulking, etc)		70% up to \$200
Canned lighting air tight sealing		70% up to \$200
Duct repair and sealing		70% up to \$200
Insulation (ceiling)	R-38	70% up to \$750

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Sheet 2 of 2 Sheets

RESIDENTIAL ENVELOPE MEASURES RETROFIT PROGRAM (Continued)

PROGRAM COST

The total program cost for each of the five years is estimated to be:

Year 1	\$ 98,342
Year 2	\$ 159,766
Year 3	\$ 291,666
Year 4	\$ 298,666
Year 5	\$ 295,666
Total	\$1,144,106

These amounts will provide for incentives, program administration, program evaluation, marketing and training.

EVALUATION

Evaluation, measurement and verification of the Program will be completed consistent with the requirements established by the Commission in Docket No. 08-GIMX-442-GIV.

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**BLACK HILLS/KANSAS GAS UTILITY COMPANY, LLC**  
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Schedule: DSM R-4

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Sheet 1 of 4 Sheets

**RESIDENTIAL NEW CONSTRUCTION PROGRAM**

**PURPOSE**

The Residential New Construction Program is designed to promote construction of energy-efficient single- and multifamily homes by providing new home builders with incentives to install high-efficiency, natural gas-fired space and water heating equipment and more robust thermal envelope measures. The Residential New Construction program, using a comprehensive approach to overall efficiency, is designed to minimize lost energy savings opportunities in each structure. The program offers flexibility by allowing each builder to participate through: a prescriptive path, in which the builder must install a specified set of energy-efficiency measures; or a performance path, in which the builder must meet specified energy performance targets. Under either path, qualifying homes may be eligible to receive ENERGY STAR new home labels

**PROGRAM PROCESS**

Through phone, mail, e-mail, in-person visits, and presences at industry meetings and events, extensive outreach to private sector trade allies will be conducted to gain allies' buy-in and support of the program. Black Hills Energy's will emphasize presenting customers with targeted, education-oriented marketing materials to stimulate increased demand for energy-efficient new homes.

For trade allies interested in participating, Black Hills Energy's outreach efforts also will include training sessions and document-preparation and submission assistance.

Inspection of all singly-built homes will be required at the project's completion. For multiple homes built within the same subdivision, Home Energy Rating System (HERS) raters will use the "ENERGY STAR for Homes Revised Sampling Protocol Guidelines" to determine the number of homes that must be inspected. A portion of the HERS Rating cost will be covered by Black Hills Energy.

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Schedule: DSM R-4

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Sheet 2 of 4 Sheets

**RESIDENTIAL NEW CONSTRUCTION PROGRAM** (Continued)

**PROGRAM PROCESS** (Continued)

**Prescriptive Path Requirements**

Equipment Type	Minimum Qualifying Efficiency Level
Heating Equipment	<ul style="list-style-type: none"> <li>▪ 94% AFUE natural gas furnace, or</li> <li>▪ 85% AFUE natural gas boiler, or</li> <li>▪ 0.84 CAE integrated natural gas space and water heater</li> </ul>
Thermostat	<ul style="list-style-type: none"> <li>▪ ENERGY STAR qualified or 5+1+1/5+2/7-day programmable thermostat</li> </ul>
Ductwork	<ul style="list-style-type: none"> <li>▪ ≤ 4 CFM to outdoors per 100 square feet</li> <li>▪ R-6 insulation on ducts in unconditioned spaces</li> <li>▪ All sheet metal joints, supplies, and returns sealed with duct mastic, aluminum tape, or other approved sealant</li> </ul>
Envelope	<ul style="list-style-type: none"> <li>▪ R-38 ceiling insulation</li> <li>▪ R-13 wall insulation</li> <li>▪ R-30 floor insulation (above unheated space)</li> <li>▪ R-10 slab insulation, 2 foot depth</li> <li>▪ R-10 continuous, or R-13 cavity foundation insulation</li> <li>▪ R-5 doors</li> </ul>
Infiltration	<ul style="list-style-type: none"> <li>▪ ≤ 6 air changes per hour based on blower door test at 50 Pascals (ACH50)</li> <li>▪ Mechanical ventilation recommended but not required</li> </ul>
Windows	<ul style="list-style-type: none"> <li>▪ ENERGY STAR qualified windows</li> <li>▪ Windows ≤ 18% of above-grade conditioned floor area</li> </ul>
Water Heater	<ul style="list-style-type: none"> <li>▪ 0.67 EF, or</li> <li>▪ 0.84 CAE integrated natural gas space and water heater</li> </ul>

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Sheet 3 of 4 Sheets

**RESIDENTIAL NEW CONSTRUCTION PROGRAM (Continued)**

**PROGRAM PROCESS (Continued)**

**Performance Path New Construction Requirements**

Measure Description	Equipment Included in Modeling	
	Tier 1 HERS	Tier 2 HERS
AFUE 94% Furnace	X	
AFUE 96% Furnace		X
EF 0.67 Water Heater	X	
EF 0.80 Water Heater (condensing or tankless)		X
Ceiling Insulation R-38	X	X
Floor Insulation R-38		X
Slab Insulation R-13		X
Wall Insulation R-19	X	X
Duct Insulation R-8	X	X

**INCENTIVES**

Incentives will be offered in accordance with the following table:

Path	Efficiency	Customer Incentive
Prescriptive	Measure list specified above	\$1,500
Performance Tier 1	75 < HERS ≤ 85	\$1,500
Performance Tier 2	HERS ≤ 75	\$5,000

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RESIDENTIAL NEW CONSTRUCTION (Continued)

PROGRAM COST

The total program cost for each of the five years is estimated to be:

Year 1	\$ 399,900
Year 2	\$ 411,500
Year 3	\$ 432,100
Year 4	\$ 433,100
Year 5	\$ 433,100
Total	\$2,109,700

These amounts will provide for incentives, program administration, program evaluation, dealer incentives, marketing and training

EVALUATION

Evaluation, measurement and verification of the Program will be completed consistent with the requirements established by the Commission in Docket No. 08-GIMX-442-GIV.

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Schedule DSM NR-1

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Sheet 1 of 1 Sheets

SMALL COMMERCIAL AUDIT PROGRAM

PURPOSE

The Small Commercial Audits Program will promote efficiency for small business customers, including on-site analysis to identify energy-efficiency opportunities. Targeted customers are eligible for a comprehensive energy audit performed by a professional energy auditor. The program will utilize software to assess and develop recommendations for the following energy-use categories:

- Heating system: controls, efficiency, and operating characteristics
- Domestic hot water use
- Thermal envelope factors
- Commercial cooking

PROGRAM PROCESS

The commercial audit program will be delivered through local auditors, contracted by Black Hills Energy. Customers will contact Black Hills Energy to schedule their audit, and will be charged a nominal \$50 fee for scheduling. In turn, the auditor may provide, and in some cases install, low-cost measures during the audit.

INCENTIVES

Low-cost measures the auditor may provide and/or install may include:

- Low-flow spray heads
- Hot water pipe insulation
- Water heater thermostat setback
- Programmable thermostat

PROGRAM COST

The total program cost for each of the five years is estimated to be:

Year 1	\$ 30,300
Year 2	\$ 41,250
Year 3	\$ 61,850
Year 4	\$ 53,850
Year 5	\$ 49,850
Total	\$ 237,100

These amounts will provide for incentives, program administration, program evaluation, audit site visit and delivery, marketing and training.

EVALUATION

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Sheet 1 of 3 Sheets

**NONRESIDENTIAL PRESCRIPTIVE REBATE PROGRAM**

**PURPOSE**

The Nonresidential Prescriptive Rebate Program is designed to provide a full range of energy-efficiency options for space and water heating, and for commercial cooking equipment, again primarily focusing on the small business sector. This program offers cash rebates to nonresidential customers purchasing high-efficiency gas equipment and incentives to dealers selling such equipment.

**PROGRAM PROCESS**

The program will rely on trade ally support for promoting and processing Nonresidential Prescriptive Rebates. This program's targets the equipment change-out market: that is, nonresidential customers whose equipment has stopped working and must be replaced; and dealers of high-efficiency equipment. The target market includes nonresidential customers replacing units in existing buildings and those purchasing equipment for the first time. A number of measures will also target the restaurant segment, including: high-efficiency broilers and conveyor ovens; and ENERGY STAR-rated steam cookers, convection ovens, and fryers. Including trade ally rebates will extend marketing to trade allies.

This program will be delivered by Black Hills Energy, which will utilize relationships with individual contractors who promote the rebates directly to their customers.

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NONRESIDENTIAL PRESCRIPTIVE REBATE PROGRAM (Continued)

INCENTIVES

Incentives will be offered in accordance with the following tables

**Nonresidential Prescriptive Program Measure List**

Measures	Efficiency	Customer Rebate Levels	Dealer Spiffs
Furnace	94% ≤ AFUE < 96%	\$325	\$125
	AFUE ≥ 96%	\$400	\$155
High-Efficiency Boiler (<300 kBtu/h)	85% ≤ AFUE < 89%	\$150	\$90
	AFUE ≥ 90%	\$400	\$155
Storage Water Heater (≤ 60 Gal.)	0.67 ≤ EF < 0.79	\$75	\$10
Condensing Water Heater (≤ 60 gal)	≥ 0.80 EF	\$300	\$60
Tankless Water Heater	≥ 0.82 EF	\$300	\$60
Setback Thermostat (Professional Installation)	ENERGY STAR or 7-day/5+2 day/5+1+1 day scheduling	\$50	
Setback Thermostat (Self-Installation)	ENERGY STAR or 7-day/5+2 day/5+1+1 day scheduling	\$25	
Convection oven	ENERGY STAR	\$200	\$20
Conveyor Oven	High-Efficiency (≥ 23%)	\$500	\$50
Fryer	ENERGY STAR	\$500	\$50
Broiler	High-Efficiency (≥ 34%)	\$100	\$10
Steam Cooker	ENERGY STAR	\$500	\$50
Insulation Upgrades	at least to R-19 floor, R-38 ceiling, and/or R-21 Wall	70% of total cost, max \$10k	
Infiltration Control (weather-stripping)	To 0.35 ACH or better	70% of total cost, max \$1,500	
Vent Damper (for boilers)	NA	\$125	
Swimming Pool Covers	Transparent	\$250	
Spa Covers	≥ R-14	\$50	

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Sheet 3 of 3 Sheets

NONRESIDENTIAL PRESCRIPTIVE REBATE PROGRAM (Continued)

PROGRAM COST

The total program cost for each of the five years is estimated to be:

Year 1	\$ 110,612
Year 2	\$ 193,507
Year 3	\$ 341,711
Year 4	\$ 333,711
Year 5	\$ 327,711
Total	\$1,307,253

These amounts will provide for incentives, program administration, program evaluation, dealer incentives, marketing and training.

EVALUATION

Evaluation, measurement and verification of the Program will be completed consistent with the requirements established by the Commission in Docket No. 08-GIMX-442-GIV.

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

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

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

Steven M. Jurek Vice President, Regulatory Services

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

(Name of Issuing Utility)

Schedule DSM NR-3

KANSAS SERVICE AREA

(Territory to which schedule is applicable)

New Schedule

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

Sheet 1 of 1 Sheets

NON RESIDENTIAL CUSTOM REBATE PROGRAM

PURPOSE

The Nonresidential Custom Rebates Program buys down energy-efficient upgrades to a two-year payback, or up to one-half the incremental cost of the equipment, whichever is less. Specifically, the Custom Rebate Program provides incentives for installing energy-efficient natural gas equipment not specified in the Prescriptive Rebate Program. Generally, this includes measures that widely vary in cost, depending on a facility's specifics, and for large equipment, such as boilers > 300 kBTUh. Because usually the program requires expert analyses to determine potential energy savings, base case, incremental cost, and other project parameters, funding is provided to support this analysis.

PROGRAM PROCESS

The program will be promoted through account management relationships with customers and various trade allies, including engineers and equipment providers. Potential participants will submit an application for consideration. The project will be evaluated based on the same cost-effectiveness criteria used for program analysis. Once approved, the customer would receive a rebate that would ensure a two-year payback, capped at one-half of the measure's incremental cost, upon documentation of the project's completion.

This program will be delivered by Black Hills Energy, which will utilize relationships with individual contractors who promote the rebates directly to their customers.

INCENTIVES

Incentives are based on individual project cost effectiveness analysis and will be set to achieve a two-year payback for the customer subject to a cap of one-half of the measure's incremental cost

PROGRAM COSTS

The total program cost for each of the five years is estimated to be:

Year 1	\$ 60,600
Year 2	\$ 100,600
Year 3	\$ 153,900
Year 4	\$ 146,900
Year 5	\$ 142,900
Total	\$ 604,900

These amounts will provide for incentives, program administration, program evaluation, dealer incentives, marketing and training.

EVALUATION

Evaluation, measurement and verification of the Program will be completed consistent with the requirements established by the Commission in Docket No. 08-GIMX-442-GIV

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Steven M. Jurek Vice President, Regulatory Services

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

(Name of Issuing Utility)

Schedule DSM S-1

KANSAS SERVICE AREA

(Territory to which schedule is applicable)

New Schedule

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

Sheet 1 of 2 Sheets

LOW-INCOME PROGRAM

PURPOSE

Black Hills Energy will offer energy-efficiency programs targeted to the most vulnerable energy customers in their service area, seeking to provide a range of energy-efficiency services to low-income customers:

- Weatherization
- Affordable Housing (New Construction)
- Weatherization Teams

The Weatherization program will provide funding to local organizations to improve weatherization in homes or apartments occupied by low-income customers, utilizing non-profit and community action agencies delivering weatherization in Black Hills Energy's service territory. Part of the funding will be earmarked for agencies to encourage upgrades to high-efficiency space and water heating equipment (i.e., AFUE = 94% or more gas furnaces, and EF=0.67 or more gas water heaters). Given the overlap with American Reinvestment and Recovery Act funds, this program will not be offered until year 2 (and continuing into later years).

The Affordable Housing program offers increased incentives for energy-efficient technologies and building envelope measures in homes built through non-profit organizations, such as Habitat for Humanity, Community Housing Initiatives, and Community Development Corporations. Similar to the Residential New Construction program, Black Hills Energy will provide incentives for homes qualifying for the ENERGY STAR label, under either the performance (Home Energy Rating) or prescriptive (Builder Option Package) options.

Black Hills Energy's Weatherization Teams effort brings together volunteers from company staff and the community to offer simple weatherization measures and services to low-income households across Black Hills Energy's service territory. Black Hills Energy provides a complete energy audit of each selected home prior to the volunteer work day. The audit identifies simple infiltration reduction opportunities, low-cost energy efficiency retrofits, and minor repairs to increase selected homes' energy efficiency.

PROGRAM PROCESS

These programs are delivered through the community action agencies, non-profit affordable home building organizations and internal Black Hills Energy Staff.

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Signature

Steven M. Jurek Vice President, Regulatory Services

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

(Name of Issuing Utility)

Schedule DSM S-1

**KANSAS SERVICE AREA**

(Territory to which schedule is applicable)

New Schedule

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

Sheet 2 of 2 Sheets

LOW-INCOME PROGRAM (Continued)

INCENTIVES

The Affordable Homes program offers homes meeting the ENERGY STAR standard a \$1,500 incentive to cover the increased cost of high-efficiency equipment and thermal envelope upgrades. Additionally, Black Hills Energy will provide a \$100 incentive for ENERGY STAR horizontal clothes washers in homes where high-efficiency gas dryers have been installed.

The Weatherization Team incentives may include:

- Caulking around doors and windows
- Weather stripping around door and windows
- Installing of door sweep(s)
- Installing plastic window film on the interior and exterior
- Filling/sealing holes in sidewalls and foundation
- Hot water heater blankets
- Hot water pipe insulation
- Furnace filter replacements
- High-efficiency showerheads
- Programmable thermostats
- Kitchen and bathroom high-efficiency faucet aerators

Weatherization teams may also perform simple health and safety improvements in homes

PROGRAM COST

The total program cost for each of the five years is estimated to be:

Year 1	\$ 18,262
Year 2	\$ 327,115
Year 3	\$ 343,056
Year 4	\$ 344,056
Year 5	\$ 346,056
Total	\$1,378,545

These amounts will provide for incentives, program administration, and program evaluation.

EVALUATION

Evaluation, measurement and verification of the Program will be completed consistent with the requirements established by the Commission in Docket No. 08-GIMX-442-GIV.

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Signature

Steven M. Jurek Vice President, Regulatory Services

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

(Name of Issuing Utility)

Schedule DSM S-2

**KANSAS SERVICE AREA**

(Territory to which schedule is applicable)

New Schedule

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

Sheet 1 of 2 Sheets

SCHOOL BASED PROGRAM

PURPOSE

The School-Based Energy Education Program seeks long-term energy savings via enhanced energy-efficiency awareness among youth in Black Hills Energy’s service territory. The program centers on the idea that energy-efficiency awareness can be greatly enhanced among the young, who have less formulated ideas about energy consumption and are, therefore, more easily able to develop a conservative mindset regarding home energy use. Engendering these subtle-yet-significant behavioral changes primarily will be conducted through development of a specific curriculum to complement existing natural science-based education.

PROGRAM PROCESS

This program will be delivered by a third-party implementer that provides educational material and measure kits directly to the schools.

The program will include a kit of low-cost measures to help ideas and concepts resonate with participating students. The curriculum and kit will provide hands-on and educational methods for students to evaluate impacts of energy-efficient retrofits and behavioral changes. For example, a flow meter will accompany the low-flow showerhead, permitting students to quantify their use of water before and after installation. Such comparisons will provide a concrete example of how their actions save energy and help the environment

INCENTIVES

The kit, supplied to each student and teacher participating in the program, will include the following measures:

- 14-Watt compact fluorescent lamp (CFL)
- High-efficiency showerhead
- Faucet aerator
- Filter Tone™ alarm
- Electroluminescent LimeLite® Nightlight
- Educational workbooks

Teachers will also receive a complete energy education curriculum, including recommended lesson plans, activities, and tests

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Steven M. Jurek Vice President, Regulatory Services

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

(Name of Issuing Utility)

Schedule DSM S-2

KANSAS SERVICE AREA

(Territory to which schedule is applicable)

New Schedule

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

Sheet 2 of 2 sheets

SCHOOL BASED PROGRAM (Continued)

PROGRAM COST

The total program cost for each of the five years is estimated to be:

Year 1	\$ 18,262
Year 2	\$ 327,115
Year 3	\$ 343,056
Year 4	\$ 344,056
Year 5	\$ 346,056
Total	\$1,378,545

These amounts will provide for incentives, program administration, and program evaluation.

EVALUATION

Evaluation, measurement and verification of the Program will be completed consistent with the requirements established by the Commission in Docket No. 08-GIMX-442-GIV,

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Steven M. Jurek Vice President, Regulatory Services