

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO
PROCEEDING NO. 13A-0046G

IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN NATURAL GAS LLC
FOR AN ORDER AUTHORIZING IT TO PUT INTO EFFECT A SYSTEM SAFETY AND
INTEGRITY RIDER.

PROCEEDING NO. 13AL-0067G

IN THE MATTER OF ADVICE LETTER NO. 77 FILED BY ROCKY MOUNTAIN
NATURAL GAS LLC TO RESTRUCTURE AND UNBUNDLE ITS SERVICE AND TO
REPLACE TARIFF NO. 3 IN ITS ENTIRETY TO BECOME EFFECTIVE MARCH 4, 2013.

PROCEEDING NO. 13AL-0143G

IN THE MATTER OF THE ADVICE LETTER NO. 261 OF SOURCEGAS DISTRIBUTION
LLC TO REVISE ITS COLORADO SCHEDULE OF RATES FOR NATURAL GAS
SERVICE AVAILABLE IN THE ENTIRE TERRITORY SERVED BY THE COMPANY,
WITH TARIFF SHEETS FOR PUC NO. 7, TO BECOME EFFECTIVE MAY 1, 2013.

**STIPULATION AND AGREEMENT IN RESOLUTION OF COMPLAINT
PROCEEDING**

Pursuant to Rules 1309(d), 1407 and 1408, A M Gas Transfer Corporation (“A M Gas”) and Rocky Mountain Natural Gas LLC (“RMNG” or the “Company”) (collectively, “Settling Parties”), by their undersigned counsel, and for good and valuable consideration, enter into this Stipulation and Agreement (“Agreement”) to resolve all concerns that have arisen or could have arisen between them related to the A M Gas Complaint (“Complaint”) filed in this Consolidated Proceeding¹. The Settling Parties specifically request that the Commission approve this Agreement as consistent with the public interest and A M Gas’ Motion to Withdraw its Complaint.

¹ The Complaint portion of this Consolidated Proceeding is referred to as the “Complaint Proceeding.”

CERTIFICATE OF CONFERRAL

The Complaint was brought by A M Gas against RMNG and Black Hills Gas Distribution, LLC (“BHGD”). The portion of the Complaint directed at BHGD was previously resolved² and the only remaining Complaint issues are between A M Gas and RMNG, both of whom are parties to this Agreement. A M Gas certifies it has conferred with counsel for all parties to the Consolidated Proceeding who have not withdrawn from the Complaint Proceeding and is authorized to state that Staff of the Colorado Public Utilities Commission and the Office of Consumer Counsel do not oppose the Agreement and Colorado Natural Gas takes no position on the Agreement. The Settling Parties have not heard from the counsel for American Gypsum Company LLC and Seminole Energy Services, LLC.

I. PROCEDURAL HISTORY

1. Through a settlement approved by Decision No. R14-0114 in the Consolidated Proceedings, it was agreed that RMNG would make annual compliance report filings with the Commission “no later than July 30, 2015, 2016 and 2017, to address RMNG’s operations under its new PUC No. 4 tariff, as well as provide RMNG’s management assessment of its performance under the new tariff.” The parties to the settlement, which included A M Gas, could also request a hearing within 60 days of the filing of the annual compliance report. See Decision No. R14-0114 at ¶¶91-93, 165 and Attachment A at 22-23. This process is referred to, for purposes of this Agreement, as the “Compliance Filing Process.” On July 29, 2016, in

² The only issue involving BHGD was resolved as stated in the Stipulation of the Resolution of Complaint Issue Two filed in the Complaint Proceeding on January 24, 2017.

accordance with the Compliance Filing Process, RMNG filed its second Annual Compliance Report.

2. On August 19, 2016, A M Gas filed a Request for Hearing on Implementation of New Tariffs (“Hearing Request”) in the Consolidated Proceedings, as part of the Compliance Filing Process.

3. On October 19, 2016, A M Gas made a filing (“October 19 Filing”) in which it explained and identified in the Hearing Request two principal issues (one with subparts) and stating the relief sought for each issue and subpart.

4. Based on this history, the Hearing Request, and the October 19 Filing, in Decision No. R16-1046-I, Administrative Law Judge Mana L. Jennings-Fader (“ALJ”) made three preliminary determinations: (a) the Hearing Request is similar to, and should be treated as, a formal complaint; (b) A M Gas, which requested the hearing and identified the issues, is similar to, and should be treated as, the complainant; and (c) A M Gas has the burden of going forward and the burden of proof with respect to the issues identified in the Hearing Request and explained in the October 19 Filing.

5. At the prehearing conference on December 1, 2016, no party objected to the preliminary determinations. As a result, by Decision No. R16-1104-I dated December 2, 2016, the ALJ ordered that the Hearing Request, as explained in the October 19 Filing, “will be treated as a formal complaint and that A M Gas is the complainant and has the burden of proof in this portion of the Consolidated Proceedings.” Decision No. R16-1104-I at ¶16.

6. At the prehearing conference on December 1, 2016, A M Gas advised the ALJ that Issue Two identified in the October 19 Filing had been resolved.

7. By Decision No. R16-1104-I dated December 2, 2016, a March 8 and 9, 2017 evidentiary hearing was scheduled and the following procedural schedule was established for the Complaint Proceeding:

- December 12, 2016: A M Gas direct testimony due;
- January 20, 2017: Answer testimony of each Party other than A M Gas due;
- February 9, 2017: A M Gas rebuttal testimony due;
- February 9, 2017: Cross-answer testimony each Party other than A M Gas due;
- February 24, 2017: Corrected testimony and attachments due;
- February 24, 2017: Prehearing motions due;
- February 24, 2017: Any stipulation and any settlement reached due;
- March 8 and 9, 2017: Evidentiary hearing; and
- March 23, 2017: Post-hearing statements of position due.

8. On December 12, 2016, A M Gas filed its direct testimony and attachments and on January 20, 2017, RMNG filed its Answer Testimony and attachments. No other party filed answer testimony.

9. Consistent with representations made to the Commission during the December 1, 2016 prehearing conference, on January 24, 2017, a Stipulation of the Resolution of Complaint Issue Two among RMNG, BHGD and A M Gas was filed. BHGD, RMNG and A M Gas stipulated that Issue Two identified in the October 19 Filing was resolved by the filing of BHGD's Advice Letter No. 295 on December 21, 2016, which went into effect on January 22, 2017. Issue Two was the only contested issue involving BHGD.

10. The remaining issue in the Complaint Proceeding is Issue One from the October 19 Filing, including subparts ("RMNG Complaint Issue"). This issue relates to the amount of

gas RMNG's tariff requires shippers to keep in storage during the months of December through February. This is A M Gas' only contested issue involving RMNG, and the only remaining contested issue in the Complaint Proceeding. A M Gas and RMNG entered into settlement negotiations on the RMNG Complaint Issue, which was explained in the October 19 Filing as follows:

I. ISSUE: Use of shipper gas for purposes of providing sufficient pressure in Rocky's Wolf Creek storage facility to allow Rocky to meet its delivery requirements (October 19 Filing at p. 2).

...

A. ISSUE: Requiring shippers to maintain a quantity of gas in storage of at least 76.5% of each shipper's allocated storage capacity during the winter months of December through February (October 19 Filing at p. 3).

...

B. ISSUE: During times when shipper's gas in storage has fallen below the 76.5% requirement during the winter months, Rocky has threatened shippers with the declaration of an Operational Flow Order whereby Rocky would inject sufficient gas into storage for the offending shipper's account to meet the 76.5% requirement. For taking such action, Rocky is allowed to charge the shipper not only the cost of the injected gas but also a penalty of up to \$25 per decatherm in addition to the cost of the gas so injected and possibly additional penalties for exceeding the shipper's allowable daily injection quantities (October 19 Filing at p. 3).

11. On February 8, 2017, A M Gas and RMNG filed a Joint Notice of Resolution of Outstanding Complaint Issue and Request to Stay Procedural Schedule ("February Filing"). In the February Filing, as good cause to grant the requested relief, A M Gas and RMNG stated that they reached an agreement in principle on the remaining contested issue. A M Gas and RMNG also committed to file, not later than February 17, 2017, a motion for approval of the settlement; and request that the ALJ stay the remainder of the procedural schedule.

12. By Decision No. R17-0124-I dated February 9, 2017 at ¶¶ 16-17, the ALJ vacated the remainder of the procedural schedule except for the March 8 and 9, 2017 evidentiary hearing.

In addition, A M Gas and RMNG were ordered to file, not later than February 17, 2017, “a motion for approval of the settlement, which will set forth the terms of the settlement’ (February Filing at ¶ 5), which filing should include ‘a motion to withdraw A M Gas’ complaint’ (*id.* at 1).”

13. On February 17, 2017, the Settling Parties filed the Agreement with the Commission, along with associated attachments. On that same date, the Settling Parties filed a Joint Motion of Settling Parties to Approve Stipulation and Agreement in Resolution of Complaint Proceeding, Motion of A M Gas to Withdraw Complaint, and Request for Waiver of Response Times.

14. This Agreement memorializes the negotiated settlement among and between the Settling Parties on all issues raised or that could have been raised in the Complaint portion of the Consolidated Proceedings against RMNG. As a result of these negotiations and this Agreement, the Settling Parties agree as set forth herein that the issues in dispute between them in the Complaint portion of this Consolidated Proceeding have been resolved to the satisfaction of the Settling Parties. The Settling Parties agree that this Agreement is a fair, just, and reasonable resolution of these issues and that reaching agreement as set forth herein will result in substantial savings to all concerned by establishing certainty and avoiding litigation. Each Settling Party pledges its support of this Stipulation and Agreement and states that each will defend the settlement reached.

15. The Parties respectfully request that the Commission approve this Stipulation and Agreement without modification, and that the Commission grant A M Gas’ simultaneously filed Motion to Withdraw Complaint. The Parties agree that A M Gas is precluded from raising the Complaint issues as part of the Compliance Filing Process. A M Gas is not precluded from

asking the Commission to enforce the Settlement Agreement in this proceeding. The next, and last, annual compliance report filing will be made by RMNG on or before July 30, 2017.

II. TERMS OF SETTLEMENT

This section sets forth the negotiated resolution of the RMNG Complaint Issue between the Settling Parties.

A. Shipper-Specific Operational Flow Orders for Storage Inventory

16. RMNG's current tariff requires that it issue a shipper-specific Operational Flow Order ("OFO") to a shipper when its December through February storage inventory falls below the required minimum inventory level. Non-compliance with the actions directed by a shipper-specific OFO may result in penalty charges, including a \$25 per dekatherm charge for each dekatherm that the shipper is below the minimum inventory level until such time that the storage inventory minimum is met. In addition, RMNG's tariff allows for a reduction to zero in withdrawal capability until the minimum is met.

17. A M Gas' requested relief in its Complaint stated that penalties for not meeting the minimum storage inventory level should be commensurate to actual costs to RMNG or damage to system integrity. A M Gas also offered two other alternatives in its October 19 Filing and in its direct testimony. In its October 19 Filing, A M Gas suggested RMNG could also allow shippers to cure any storage inventory deficiencies by borrowing gas from RMNG through a Market Center Services mechanism. Second, in its direct testimony, A M Gas suggested that RMNG should reduce a shipper's withdrawal capability proportionally until the minimum storage inventory level is met.

18. RMNG analyzed available peak day capacity at specific system receipt points other than the Wolf Creek Storage Field and determined that sufficient peak day capacity is available at specific alternative receipt points to eliminate the shipper-specific OFO requirement in the tariff relating to minimum storage inventory levels.

19. RMNG and A M Gas discussed and reached agreement on the specific parameters and requirements implementing an alternative approach to OFOs, as set forth below. These changes are to the benefit of all RMNG shippers, including A M Gas. This Agreement will not affect RMNG's ability to deliver gas on behalf of its customers.

19.1 **Tariff Changes**. The Settling Parties agree that RMNG will revise Section 2.4.d of its Tariff, as currently reflected on Tariff Sheet No. 48,³ to reflect the following.

- ***OFOs – Working Storage Inventory Levels.*** RMNG will no longer require issuance of a Shipper-specific OFO when a Shipper's Gas-in-Place working gas inventory falls below the required minimum, as set forth below and as reflected on Attachment 1 to this Agreement.
- ***Available Daily Withdrawal Quantities.*** Instead of issuing a Shipper-specific OFO for failure to meet the minimum storage inventory requirement for the period December 1 through the end of February, inclusive, RMNG's nomination system will automatically reduce a Shipper's Available Daily Withdrawal Quantity ("ADWQ") to levels indicated by the below schedule:

³ Due to the Tariff revisions agreed to by the Settling Parties, a new Tariff Sheet No. 48A is required.

Inventory Level % of MAC*	ADWQ Ratchet	Total Inventory Dth**
65%+	100%	689,000
52%+	85%	551,200
40%+	80%	424,000
39.9%-	0%	

* Maximum Available Storage Capacity

**The information in this column is not included in the proposed tariff changes, but reflects, for purposes of this Agreement, the mathematical calculation of application of the Inventory Level % of MAC to the Tariff's stated total MAC of 1,060,000 Dth (see First Revised Tariff Sheet No. 47).

- **Alternate Supply Sources.** RMNG may require shippers with restricted ADWQ to obtain additional supply from alternative receipt points, as designated by RMNG under the circumstances set forth in Section 30.3 of the General Terms and Conditions of RMNG's Tariff..

19.2 **Commission Approval of Proposed Tariff Changes and Compliance Filing.**

The agreed-upon tariff changes are reflected, in redline, on Attachment 1 to this Agreement. The Settling Parties request that this revised tariff sheet be approved by the Commission as part of this Agreement and, if approved, request that the Commission require RMNG to make a compliance tariff filing to become effective on no less than five (5) business days' notice.

19.3 **Acknowledgements – Not Requiring Tariff Changes.** The Settling Parties agree

and acknowledge that under RMNG's Tariff, as revised by the changes reflected in Attachment 1 to this Agreement:

- **Imbalances.** When restricted as set forth in the bullet-point in Section 19.1 entitled "Available Daily Withdrawal Quantities," a Shipper's shortfall

imbalance may be met with APAL (Interruptible Automatic Park and Loan), depending upon availability, or cash-out;

- ***Storage Injections.*** Injections into storage are not affected by the withdrawal restriction;
- ***Market Center Services.*** Injections to meet the Shipper's required minimum Gas-in-Place working gas storage inventory level may be accomplished through a negotiated Market Center Services agreement, if available; and
- ***Operational Flow Orders.*** In all other instances permitted under the Tariff, RMNG may still issue system-wide and Shipper-specific OFOs. OFO provisions of Firm Transportation Service are unaffected.

B. Notification to Shippers of System Modifications and Minimum Storage Requirements

20. RMNG discussed in its answer testimony that modifications made at its Wolf Creek Storage Field result in the ability to provide the required peak day deliverability at a minimum storage inventory level of 65% rather than the 76.5% level currently in RMNG's Tariff. RMNG stated in its testimony that it would make an advice letter filing to revise the minimum inventory level to 65%. That advice letter (Advice Letter No. 99) was filed on February 2, 2017 in Proceeding No. 17AL-0076G, to become effective on March 5, 2017. For informational purposes, a copy of this advice letter, including its attachments, is found in Attachment 2 to this Agreement. A courtesy copy of this advice letter was provided to the parties to this Complaint Proceeding on February 7, 2017.

21. In the course of settlement discussions, A M Gas and RMNG discussed appropriate methods for notifying shippers of future changes to RMNG's system which affect storage parameters, such as the minimum inventory level and available injection and withdrawal

capabilities. RMNG currently makes an informational posting on its electronic bulletin board for Shippers in the March time frame, stating the tariff parameters for storage for the upcoming contract year. This is not a tariff requirement.

22. A M Gas and RMNG agree that beginning in March, 2017, RMNG will use this annual informational posting to inform the Shippers of any changes to the storage parameters resulting from completed system modifications. A M Gas and RMNG agree that the modified informational posting in March will adequately inform Shippers of system modifications on RMNG affecting storage parameters. To the extent tariff changes are implicated as a result of the foregoing, RMNG will make an appropriate advice letter filing.

C. Testimony and Settlement Hearing

23. The Motions include a request that this Agreement be approved without hearing. However, to the extent that the ALJ requires a hearing, the Settling Parties request that the ALJ hold any hearing on this Agreement and the Motions on the second day of hearing that is currently scheduled, on March 9, 2017. Further, to the extent that the ALJ requires a hearing, all Settling Parties agree to sponsor a witness to testify in support of the Agreement.

24. The Settling Parties stipulate that all testimonies and attachments filed by either A M Gas or RMNG in the Complaint Proceeding should be admitted into evidence and made part of the record in this proceeding. The Settling Parties agree to support and defend the terms and principles of the Agreement before the Commission.

III. GENERAL TERMS AND CONDITIONS

25. Through active prehearing investigation and negotiations, the Settling Parties have negotiated agreements set forth in this Agreement, resolving the enumerated contested and

disputed issues that were or could have been raised in the Complaint Proceeding in a manner which the Settling Parties agree is just and reasonable and in the public interest. Approval by the Commission of this Agreement shall constitute a determination that the Agreement represents a just, equitable and reasonable resolution of the Complaint Proceeding. Notwithstanding the resolution of the issues set forth in this Agreement, none of the methodologies or principles herein contained shall be deemed by the Settling Parties to constitute a settled practice or precedent in any future proceeding, and nothing herein shall constitute a waiver by any party with respect to any matter not specifically addressed herein.

26. This Agreement shall not become effective until the issuance of a final Commission decision approving the Agreement which Commission decision does not contain any modification of the terms and conditions of this Agreement that is unacceptable to any of the Settling Parties. In the event the Commission modifies this Agreement in a manner unacceptable to any of the Settling Parties, that Party shall have the right to withdraw from this Agreement and proceed to hearing on the issues that may be appropriately raised by that Party in this proceeding. The withdrawing Party shall notify the Commission and the other Party to the Agreement by e-filing within three business days of the Commission-ordered modification that the Party is withdrawing from the Agreement and that the Party is ready to proceed to hearing; the e-filing shall designate the precise issue or issues upon which the Party desires to proceed to hearing.

27. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. The parties are not relying on any statement or representation not contained herein.

28. Neither anything said, admitted or acknowledged in the negotiations leading up to the execution of this Agreement or the settlement terms and conditions contained in this Agreement, nor the Agreement itself, may be used in this or any other administrative or court proceeding by any of the Parties hereto.

29. Nothing in this Agreement shall be construed as precluding RMNG from making filings requesting future changes to RMNG's tariff. Nothing in this Agreement shall be construed to prevent A M Gas, or any other party, from opposing any such requested changes in the context of those proceedings.

30. This Agreement may be executed in counterparts and by facsimile or electronic copies of signatures, all of which when taken together shall constitute the entire Agreement with respect to the matters addressed herein.

IV. CONCLUSION

31. For the reasons stated above, the Settling Parties respectfully request that the Commission approve this Stipulation and Agreement without modification, and, as A M Gas' Complaint has been satisfied, approve A M Gas' request to withdraw the Complaint in its entirety consistent with the terms and conditions set forth herein.

Date: February 17, 2017

Approved as to form:

ROCKY MOUNTAIN NATURALGAS LLC

/s/ Tana K. Simard-Pacheco

Tana K. Simard-Pacheco #17051
Associate General Counsel
Black Hills Corporation
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Telephone: (303) 566-3361
Tana.Simard-Pacheco@blackhillscorp.com

Counsel for Rocky Mountain Natural Gas
LLC

Agreed on behalf of:

ROCKY MOUNTAIN NATURALGAS LLC

/s/ John Boughner

John Boughner
Director, Gas Supply and Market Center
Services
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Telephone: (303) 243-3522
John.Boughner@blackhillscorp.com

Approved as to form:

A M GAS TRANSFER CORPORATION

/s/ Mark T. Valentine

Mark T. Valentine #29986
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Counsel for A M Gas Transfer Corporation

Agreed on behalf of:

A M GAS TRANSFER CORPORATION

/s/ Bart J. Levin

Bart J. Levin, President
A M Gas Transfer Corporation
P. O. Box 7941
Aspen, CO 81612-7941
blevin@amgasco.com

ADIQ FORMULA: Subject to the storage limitations described herein, the ADIQ shall vary as Gas in Place varies as follows:

Gas in Place (GIP) as a % of MAC	Shipper Percentage(SP)	Total ADIQ	Shipper ADIQ
0-60%	Shipper MAC/1,060,000	8480	8480*SP
60.1-70%	Shipper MAC/1,060,000	5088	5088*SP
70.1-90%	Shipper MAC/1,060,000	3816	3816*SP
90.1-100%	Shipper MAC/1,060,000	2544	2544*SP

- c. The ADIQ formula details the change in available firm injection quantity at various levels of working Gas inventory. The Shipper's ability to inject gas into storage shall be changed pursuant to the ADIQ formula detailed herein depending on the Shipper's Gas in Place.

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Colorado PUC E-Filings System

Advice Letter No.

Fredric C. Stoffel
 Issuing Officer

Issue Date:

Decision or Authority No.

Director - Regulatory
 Title

Effective Date:

d. Shipper shall not exceed the Storage Reservoir Inventory Performance Limit Plan as provided in Section 2.4.b of this Rate Schedule. If the Shipper exceeds the limits, Transporter shall seek Shipper's immediate cooperation to bring Shipper's Gas in Place working Gas storage inventory into compliance with the limit(s), if necessary. ~~Transporter shall issue Shipper specific Operational Flow Orders pursuant to Section 30, Operational Controls, of the GT&C of this Tariff to bring the Gas in Place working storage inventory level into compliance with the Limit.~~

(1) If Shipper's minimum required Gas in Place referenced in Section 2.4.b(2) is not met or maintained, the Shipper's ADWQ shall be automatically reduced by the percentage indicated in the table below until such time as the Shipper's minimum required Gas in Place meets the required inventory level.

<u>Shipper Inventory Level % of MAC</u>	<u>Shipper ADWQ Ratchet</u>
<u>Greater than or equal to 65%</u>	<u>100%</u>
<u>Greater than or equal to 52%, but less than 65%</u>	<u>85%</u>
<u>Greater than or equal to 40%, but less than 52%</u>	<u>80%</u>
<u>Less than 40%</u>	<u>0%</u>

(2) Shippers with restricted ADWQ may be required to obtain additional supply from alternate receipt points as designated by Transporter under the circumstances set forth in Section 30.3 of the General Terms and Conditions of this Tariff.-

Advice Letter No.

Fredric C. Stoffel
Issuing Officer

Issue Date:

Decision or Authority No.

Director - Regulatory
Title

Effective Date:



James M. Elliott
Manager - Regulatory
James.Elliott@blackhillscorp.com

1515 Wynkoop Street, Suite 500
Denver, Colorado 80202
P: 303.566.3535

February 2, 2017

Advice Letter No. 99

Public Utilities Commission of the State of Colorado
1560 Broadway
Suite 250
Denver, Colorado 80202

The accompanying tariff sheet issued by Rocky Mountain Natural Gas LLC ("RMNG" or the "Company"), is being filed in compliance with the requirements of the Public Utilities Law and the applicable rules of the Public Utilities Commission of the State of Colorado, including Rule 1210, 4 *Colorado Code of Regulations* 723-1. The following tariff sheet is attached:

COLORADO P.U.C. NO. 4

Colorado P.U.C. Sheet Number	Title of Sheet	Cancels Colorado P.U.C. Sheet Number
2 nd Revised Sheet No. 49	Firm No-Notice Storage Service	1st Revised Sheet No. 49

The purpose of this filing is to amend the Company's tariff for Firm No-Notice Storage Service to reduce the December through February minimum inventory requirement for Shippers' Gas In Place working Gas from 76.5% to 65.0%. This proposed change does not affect the rates or revenues of RMNG.

Since the implementation of No-Notice Storage Service on June 1, 2014, RMNG has completed facility replacement projects at its Wolf Creek Storage Facility that allows the required peak day deliverability from the storage field at the lower inventory level. Lowering the minimum inventory requirement will provide shippers who hold Firm No-Notice Storage capacity greater flexibility for their Gas In Place working gas during the winter season.

Colorado PUC E-Filings System

Advice Letter No. 99
Page 2 of 2

Attached hereto are Appendices A, B and C. Appendix A provides the applicable proposed tariff sheet. Appendix B provides a redlined version of the applicable tariff sheet. Appendix C provides the Customer Notice.

This filing will be noticed pursuant to the requirements of the Colorado Public Utilities Law.

RMNG requests that the tariff sheet accompanying this advice letter in Appendix A become effective on March 5, 2017.

Please contact me at 303.566.3535 if you have any questions regarding this filing.

Sincerely,



James M. Elliott
Manager - Regulatory

Appendix A

Clean Tariffs

- e. Between the dates of May 1 to May 15 of each year, Shipper shall reduce and maintain its Gas in Place working Gas storage Inventory to a level equal to no more than 10 percent of the Shipper's MAC ("required end of Withdrawal Period Gas in Place"). If Transporter determines, in its sole and reasonable judgment, that it is able to offer a higher end of period level for a given annual storage cycle, Transporter may post the more flexible operating condition on its EBB and may specify the higher end of Withdrawal Period Gas in Place level the Shipper may maintain at the end of said Withdrawal Period. By December 1 of each year, Shipper shall have injected sufficient Gas such that Shipper's Gas in Place working Gas storage inventory is at a level no less than 65.0% of the Shipper's MAC ("required end of Injection Period Gas in Place").

- f. Periodically, as primarily influenced by semi-annual bottom-hole shut-in tests, Transporter may evaluate its storage reservoir to determine if, in its sole and reasonable judgment, the MAC, MDIQ, MDWQ contract entitlements, and/or the Storage Reservoir Inventory Performance Limits Plan may be changed. If so required as a result of ongoing storage field operating performance, Transporter may reduce any of such contract entitlements at any one time by no greater than 10%, unless a force majeure event requires additional change in contract rights.

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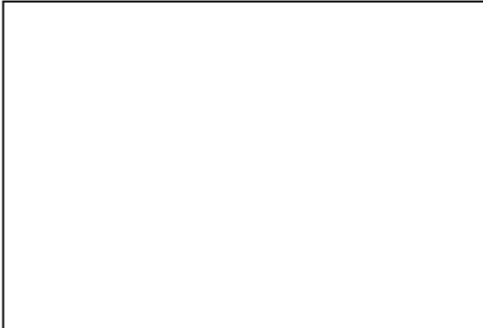
Appendix B

Redline Tariffs

- e. Between the dates of May 1 to May 15 of each year, Shipper shall reduce and maintain its Gas in Place working Gas storage Inventory to a level equal to no more than 10 percent of the Shipper's MAC ("required end of Withdrawal Period Gas in Place"). If Transporter determines, in its sole and reasonable judgment, that it is able to offer a higher end of period level for a given annual storage cycle, Transporter may post the more flexible operating condition on its EBB and may specify the higher end of Withdrawal Period Gas in Place level the Shipper may maintain at the end of said Withdrawal Period. By December 1 of each year, Shipper shall have injected sufficient Gas such that Shipper's Gas in Place working Gas storage inventory is at a level no less than ~~76.5~~65.0% of the Shipper's MAC ("required end of Injection Period Gas in Place").
- f. Periodically, as primarily influenced by semi-annual bottom-hole shut-in tests, Transporter may evaluate its storage reservoir to determine if, in its sole and reasonable judgment, the MAC, MDIQ, MDWQ contract entitlements, and/or the Storage Reservoir Inventory Performance Limits Plan may be changed. If so required as a result of ongoing storage field operating performance, Transporter may reduce any of such contract entitlements at any one time by no greater than 10%, unless a force majeure event requires additional change in contract rights.

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Appendix C

Form of Notice

**NOTICE OF FILING OF AMENDED TARIFF FOR
REDUCTION TO THE MINIMUM PERCENTAGE LEVEL REQUIRED FOR
SHIPPER'S GAS IN PLACE WORKING GAS STORAGE INVENTORY
IN THE COLORADO P.U.C. NO. 4 GAS TARIFF
of Rocky Mountain Natural Gas LLC
d/b/a Black Hills Energy**

You are hereby notified that Rocky Mountain Natural Gas LLC, d/b/a Black Hills Energy ("RMNG"), 1515 Wynkoop Street, Suite 500, Denver, Colorado 80202, has filed with the Public Utilities Commission of the State of Colorado ("Commission"), in accordance with the Public Utilities Law, an advice letter with a revised tariff to reduce Shippers' Gas In Place working Gas storage inventory minimum percentage from 76.5% to 65.0%, contained in the Company's Colorado P.U.C. No. 4 Tariff, to become effective on March 5, 2017. The revised tariff will affect shippers who hold Firm No-Notice Storage capacity, if the Commission allows the tariff to become effective.

The revised tariff will reduce the December through February minimum inventory requirement and provide greater flexibility for Shippers' Gas In Place working gas during the winter season.

If permitted to go into effect on March 5, 2017, as proposed, the tariff revision will have no effect on annual revenues of the Company.

Copies of the proposed and present tariffs as filed with the Public Utilities Commission of the State of Colorado are available for inspection at the public offices of RMNG at 1515 Wynkoop Street, Suite 500, Denver, Colorado 80202; or, at the office of the Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado 80202. Customers with questions concerning the proposed or present tariffs may call the Commission at (303) 894-2000; or, may contact RMNG by telephone at 800-232-1850. In addition, the Company's proposed and present tariffs may be viewed at <https://pipelines.blackhillsenergy.com/> and the applicable Colorado statutes and Commission rules may be viewed at www.dora.colorado.gov/puc.

Any person may file written comments or objections concerning the filing, or may request written notice of any hearing, with the Colorado Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado, 80202 or email address Dora_PUC_website@state.co.us. Requests for written notices can also be made to the Commission by telephone at (303) 894-2000 or, alternatively, by contacting the External Affairs section of the Commission at its local number (303) 894-2070 or toll free number (800) 456-0858. The Commission will consider all written comments and objections submitted prior to the evidentiary hearing on the application. Written objections (protests) must be filed at least ten (10) days before the proposed effective date of March 5, 2017. Filing a written objection (protest) by itself will not allow you to participate as a party in any proceeding established in these matters. If you wish to participate as a party in this matter, you must file written intervention documents under Commission Rule 723-1-1401, 4 *Colorado Code of Regulations* 723-1.

The rates, rules, and regulations ultimately authorized by the Commission may or may not be the same as those proposed and may include rates higher or lower than those proposed or currently in effect.

The Commission may suspend the proposed tariffs, rates, rules, or regulations. The Commission may hold a hearing to determine which rates, rules, and regulations will be authorized. If a hearing is held, any member of the public may attend the hearing and may make a statement under oath about the proposed tariffs, whether or not he or she has filed an objection or intervention. If the filing is uncontested or unopposed, the Commission may determine the matter without a hearing and without further notice.

By: James M Elliott
Manager - Regulatory