

# SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

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## BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of Black Hills ) Application No. NG-111.3  
Nebraska Gas, LLC d/b/a Black )  
Hills Energy, Rapid City, South )  
Dakota, seeking to modify its ) ORDER OPENING DOCKET AND  
tariff due to the February 2021 ) GRANTING TEMPORARY  
cold weather event and ) MODIFICATION OF TARIFF  
implement a conversion fee for )  
commercial sales customers who )  
convert to transportation )  
service. ) Entered: June 30, 2021

BY THE HEARING OFFICER:

On March 2, 2021, the Nebraska Public Service Commission ("Commission"), on its own motion, opened Commission Docket No. NG-111<sup>1</sup> for the purpose of gathering information regarding and formulating a response to the effect of the February 2021 cold weather event upon the cost of gas supply purchased by Nebraska gas utilities subject to the Commission's jurisdiction under the State Natural Gas Regulation Act, Neb. Rev. Stat. §§ 66-1801 - 66-1868. In that docket, on May 25, 2021, the Commission approved a recovery plan submitted by Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy, of Rapid City, South Dakota ("Black Hills").<sup>2</sup> Black Hills' recovery plan set forth a proposal to recover \$86.5 million in expenses from the cold weather event through a 36-month Cold Weather Gas Cost Recovery Mechanism. The plan as proposed and approved did not address costs incurred by customers in Black Hills' Energy Options program at the time of the cold weather event.

On June 29, 2021, Black Hills filed an application to modify its tariff with regard to costs incurred by customers electing to convert to its Energy Options program subsequent to the February cold weather event. Black Hills seeks an effective date of the tariff change of July 1, 2021. The modification to the tariff sought by Black Hills is the addition of a conversion fee "applicable to any Commercial or Small Firm gas sales customer who elects to convert its natural gas service from Commercial or Small

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<sup>1</sup> *In the Matter of the Commission, on its own motion, seeking to investigate the effect of the February 2021 cold weather event upon the cost of gas supply purchased by Nebraska gas utilities.* The Commission also opened subdockets NG-111.1, relating to Black Hills, and NG-111.2, relating to NorthWestern Energy, on March 2, 2021.

<sup>2</sup> Commission Docket No. NG-111.1, *Order Approving Recovery Plan*, entered May 25, 2021.

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Firm rate schedules to the Energy Options Program or High Volume customer transportation programs.”<sup>3</sup> Black Hills states that this modification is necessary in order to ensure that customers who contributed to the \$86.5 million in incremental February 2021 cold weather event gas costs pay their fair share of those costs, and to avoid any prohibited cost shifting and/or cross subsidization between classes.

Neb. Rev. Stat. § 66-1808 and 291 Neb. Admin. Code § 9-008 govern the implementation of jurisdictional utility tariffs. Generally speaking, jurisdictional utility tariffs may not be made effective unless filed with the Commission at least thirty days prior to the proposed effective date. However, the Commission may, for good cause, allow a tariff to become effective on less than thirty days' notice. Neb. Rev. Stat. § 66-1808(2).

I hereby find that Black Hills has demonstrated good cause for allowing this tariff to become effective on July 1, 2021. If the proposed conversion fee does not become operative prior to the conversion of high volume customers from sales service to transportation service, it is likely that those customers would avoid their fair share of costs incurred by the February 2021 cold weather event.<sup>4</sup> This would result in an undue burden placed on other Black Hills customers to make up those costs. Black Hills' request for an accelerated effective date of the tariff change is appropriate in this instance.

I therefore find that the proposed tariff change shall be allowed to proceed as requested, effective July 1, 2021, and subject to modification or refund following review by the Commission and by any intervenors in this docket. The above-described application will be filed as Commission Docket No. NG-111.3 and published as a new docket in order to allow for the intervention of any interested parties. A copy of this order shall be distributed to the Public Advocate and to all Nebraska Certified Natural Gas Providers.

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<sup>3</sup> Application at 3.

<sup>4</sup> See 291 Neb. Admin. Code § 9-008.02 (prohibiting the collection of any rate or charge not prescribed in a jurisdictional utility's effective tariff filed with the Commission).

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O R D E R

IT IS THEREFORE ORDERED that the above-described application of Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy shall be filed as a new docket, that notice of this docket shall be published in the Daily Record, and that a copy of this order shall be distributed to the Public Advocate and to all Nebraska Certified Natural Gas Providers.

IT IS FURTHER ORDERED that the proposed Revised Tariff Sheets Nos. 82, 86, and 136 filed by Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy shall become effective on July 1, 2021, subject to further review and modification by the Commission.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 30th day of June, 2021.

BY:



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Tim Schram  
HEARING OFFICER