

# SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

---

## 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 tariff due to the February 2021 cold weather event and implement a conversion fee for commercial sales customers who convert to transportation service.	)	ORDER APPROVING MODIFICATION OF TARIFF
	)	Entered: December 14, 2021

BY THE COMMISSION:

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 30, 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. 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 Firm rate schedules to the Energy Options Program or High Volume customer transportation programs."<sup>3</sup> 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

---

<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.

<sup>3</sup> See NG-111.3, Hearing Exhibit #1 at 3.

## SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

---

Application No. NG-111.3

page 2

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). In Commission Order NG-111.3, the Commission entered an order granting temporary modification of the tariff. The Commission found that Black Hills demonstrated good cause for allowing the tariff to temporarily become effective on July 1, 2021. The proposed tariff change became effective July 1, 2021, subject to modification or refund following review by the Commission and by any intervenors.<sup>4</sup>

Notice of the above application by Black Hills was published in *The Daily Record* on July 5, 2021. A Petition for Formal Intervention was granted to the Nebraska Public Advocate ("Public Advocate" or "PA") on July 19, 2021. A Petition for Formal Intervention was granted to WoodRiver Energy, LLC ("WoodRiver") on August 5, 2021. Notice of Hearing to review Black Hills' temporary modification of the tariff was published in *The Daily Record* on August 31, 2021. A hearing was held on November 17, 2021 at 9:00 a.m. Parties entering an appearance at the hearing included Mr. Douglas J. Law on behalf of Black Hills; Mr. William Austin appearing on behalf of the Public Advocate; Mr. Brandon Dittman and Mr. Loel P. Brooks appearing on behalf of WoodRiver; and Mr. Jonathan Smith and Ms. Nichole Mulcahy appearing on behalf of Commission staff.

During the hearing, the following exhibits from Black Hills were accepted into the record: Black Hills' Application for Conversion Fee, Clean Version of Tariff Sheets, Redlined Versions of Tariff Sheets, Semi-Annual Report, Revised Semi-Annual Report, Pre-filed Testimony of Tyer E. Frost, Conversion Fee Presentation by Tyler Frost, Redlined Revised Tariff Sheet No. 136, Clean Revised Tariff Sheet No. 136, and Joint Stipulation of Black Hills, the Public Advocate, and WoodRiver ("Joint Stipulation"). The following Exhibits from the Public Advocate were accepted into the record: Report reviewing the protest of WoodRiver Energy. The following Exhibits from WoodRiver were accepted into the record: Pre-filed testimony of Don Krattenmaker, Statement of Qualifications of Don Krattenmaker, Black Hills' Response to WoodRiver Request No. WRE-1 and attachment WRE-001-001 conversion fee calculation, Black Hills' Response to Data Request WRE-8, Black Hills' Response to Data Request WRE-9, Confidentially Attachment PA001-004, Black Hills' Response to Data Request WRE-12, Black Hills' Response to Data Request WRE-

---

<sup>4</sup> Commission Docket No. NG-111.3, Order Opening Docket and Granting Temporary Modification of Tariff, entered June 30, 2021.

## SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

---

Application No. NG-111.3

page 3

13, Black Hills' Response to Data Request PA-01, Black Hills' Response to Data Request WRE-5, Black Hills' Response to Data Request WRE-6, and Objection to Application for Conversion Fee.

### E V I D E N C E

Black Hills, the Public Advocate, and WoodRiver (Collectively the "Parties") had opportunity to review the order opening the docket, filings of all Parties, and to conduct discovery. The Parties engaged in discussions seeking resolution of the disputed issues in this proceeding. The Parties corresponded, reviewed settlement offers, and met to review their respective positions. After these exchanges and discussions, the Parties reached an agreement to settle all disputed issues of fact and law. On November 16, 2021 Black Hills filed a Joint Stipulation together with both the Public Advocate and WoodRiver.

During the hearing, on November 17, 2021, Black Hills offered the Joint Stipulation into the record as BHE Exhibit 10. Tyler E. Frost, witness for Black Hills, was sworn in to testify regarding the contents of the Joint Stipulation. Mr. Frost began his testimony by clarifying the methodology used to calculate the conversion fee for when Black Hills' Commercial or Small Firm Sales customers opt to switch to the Energy Options or the Transportation Program. Mr. Frost stated that the conversion fee, as memorialized in the Joint Stipulation, is based on the converting customer's trailing 12 months of actual usage instead of a flat conversion fee. The trailing 12 months of usage will be used as a proxy to calculate all like months remaining in the 2021 polar vortex period.<sup>5</sup> Once the remaining months are calculated, Black Hills will charge a one-time conversion fee to be paid by the converting customer at the time of transfer. Mr. Frost concluded his testimony by stating Black Hills' intent to balance both accuracy and simplicity by creating a one-time conversion fee that was also customer specific.<sup>6</sup>

The Public Advocate and WoodRiver were also available to testify in support of the Joint Stipulation. For the Public Advocate, Mr. Howard Solganick provided clarifying comments regarding the Public Advocate's position. Mr. Solganick testified that the PA's desire during negotiations was to balance three factors; keeping Black Hills' costs of administration down, protecting the retail

---

<sup>5</sup> Transcript 27:2-22.

<sup>6</sup> Transcript 29:11-31:15.

## SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

---

Application No. NG-111.3

page 4

customers, and making it easy for customers to avail themselves of a transportation option if they wished to. Mr. Solganick clarified that the conversion fee, although not perfect, was a reasonable approximation based upon all of the various factors that had to be dealt with for a one-time situation.<sup>7</sup> After Mr. Solganick's testimony, Mr. Brandon Dittman provided testimony regarding WoodRiver's position. Mr. Dittman began by agreeing with the Public Advocate. He stated, the Joint Stipulation is not perfect; however, it is similar to what we've agreed to with other utilities in other states. WoodRiver's biggest issue was that the conversion fee should be based on the volume of the gas used by the customer and not a flat fee across the board.<sup>8</sup>

During questioning at the hearing, Black Hills confirmed that a per therm rate of \$0.17332 was used to calculate the one-time conversion fee which utilized its approved weighted average cost of capital ("WACC") from the NG-109 proceeding.<sup>9</sup> As ordered in the Commission's May 25, 2021 order, Black Hills provided evidence to the Commission that it would be utilizing carrying costs of 3.36% instead of the WACC, 6.71%.<sup>10</sup> Black Hills, The Public Advocate, and WoodRiver stipulated on the record, that the recovery rate per therm shall be adjusted to reflect the actual carrying costs of 3.36%.<sup>11</sup> At the close of the hearing, Black Hills was ordered to recalculate the per therm charge for the conversion fee and submit it to the Commission.<sup>12</sup> On November 19, 2021, Black Hills provided the requested information to all parties showing a per therm rate, as of December 1, 2021, of \$0.16586.

### FINDINGS AND OPINION

Pursuant to the State Natural Gas Regulation Act, *Neb. Rev. Stat.* § 66-1804(a) (2004 Cum. Supp.), the Commission has "full power, authority and jurisdiction to regulate natural gas public utilities and may do all things necessary and convenient for the exercise of such power, authority, and jurisdiction." The Legislature expressly

---

<sup>7</sup> Transcript 76:19-6.

<sup>8</sup> Transcript 78:1-12.

<sup>9</sup> Transcript 34:3-35:7

<sup>10</sup> Commission Docket No. NG-111/PI-237, Black Hills Nebraska, LLC d/b/a Black Hills Energy's Supplemental Comments in Support of Semi-Annual Report, filed with the Commission October 15, 2021.

<sup>11</sup> Transcript 84:4-86:4.

<sup>12</sup> Transcript 91:16-92:1.

## SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

---

Application No. NG-111.3

page 5

intended that the powers granted to the Commission by the Act be "liberally construed."<sup>13</sup>

Based upon the Parties' stipulation on the record and their collectively filed Joint Stipulation, the Commission finds that the proposed methodology to calculate the Conversion Fee set forth is appropriate and should be approved.

The Commission further finds that the calculations made in the Parties' Joint Stipulation did not use the actual carrying cost of 3.36%, but instead used carrying costs 6.71%. Therefore, the polar vortex recovery rate shall be revised from \$0.17332 to \$0.16586<sup>14</sup> reflecting actual carrying costs of 3.36%, effective December 1, 2021.

Finally, tariff sheets No. 82, No. 86, and No. 136, including both redlined and clean versions, are attached to this order for review and incorporated by reference. The Commission finds the revised tariff sheets should be approved.

### O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the Joint Stipulation between Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy, the Public Advocate, and WoodRiver Energy, LLC, be approved, with the modified per therm rate of \$0.16586<sup>15</sup> reflecting the actual carrying costs of 3.36%, and the application be granted consistent with the terms of this order.

IT IS FURTHER ORDERED that Black Hills Energy, Nebraska Gas Tariff, Revised Sheets No. 82, No. 86, and No. 136, including both redlined and clean versions attached to this order and incorporated by reference, be, and are hereby approved.

---

<sup>13</sup> "The State Natural Gas Regulation Act and all grants of power, authority, and jurisdiction in the act made to the commission shall be liberally construed, and all incidental powers necessary to carry into effect the provisions of the act are expressly granted to and conferred upon the commission." Neb. Rev. Stat. §66-1804(b).

<sup>14</sup> The Commission understands the per therm rate will be updated periodically based on Black Hills' ongoing collections from the February 2021 Cold Weather Event, however, any updates to the per therm rate shall continue to be calculated based on the actual carrying costs of 3.36%.

<sup>15</sup> Ibid.

# SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

---

Application No. NG-111.3

page 6

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 14<sup>th</sup> day of December, 2021.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Rob Johnson*  
*Crystal Brander*  
*Mary Kidden*  
*Tim Schram*

*Don Watson*  
Chair

ATTEST:

*Shanice Khutson*  
Deputy Director

---

**RATE SCHEDULES AND OTHER CHARGES  
COMMERCIAL SALES SERVICE**

---

**AVAILABILITY** Service under this rate schedule is available to Commercial Customers located within the municipal boundaries and surrounding rural areas of Rate Areas One, Two, Three, and Five. This rate schedule shall apply to firm natural gas service for Customers whose normal requirements do not exceed five hundred (500) Therms on a peak day.

**RATE** The Customer's monthly bill shall be the sum of the following components:

Base Rates:

1. Monthly Charge \$28.43 per meter
2. Delivery Charge \$0.50858 per Therm, First 40 Therms  
\$0.15000 per Therm, Over 40 Therms

Other Charges: This rate schedule is subject to the following other charges:

1. Gas Cost Charge
  - a) Commercial Customers in Rate Areas One, Two, & Three are subject to the Purchased Gas Cost Adjustment on Sheet No. 96
  - b) Commercial Customers in Rate Area Five are subject to:
    - i) the Gas Supply Cost Adjustment on Sheet Nos. 123 to 125, and
    - ii) the Supplier Commodity Charge agreed to by the Customer and its Supplier in the Choice Gas Program
2. System Safety and Integrity Rider (SSIR) detailed on Sheet Nos. 127 to 131
3. High Efficiency Assistance Tool (HEAT) detailed on Sheet No. 132
4. Line Locates Surcharge detailed on Sheet No 133

**MINIMUM BILL** Minimum monthly bill shall be the Basic Monthly Charge.

**DUE DATE** Bills will be due twenty (20) days after Company's Mailing Date.

**LATE PAYMENT CHARGE** One percent (1%) of the balance not paid on or before the due date.

**FRANCHISE FEE** A franchise fee will be added to the monthly bill in those communities that impose a franchise fee.

**TAXES** Regulatory assessment or other taxes, fees, or charges required by a governmental authority will be added to the monthly bill.

**CONVERSION FEE** A Sales/Energy Options Conversion Fee may be assessed per Sheet No. 136.

**TERMS AND CONDITIONS** The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

DATE OF ISSUE: ~~February 26~~June 29, 2021  
ISSUED BY: Robert J. Amdor

EFFECTIVE DATE: ~~March 1~~July 1, 2021

**RECEIVED**

By Deena Ackerman at 2:49 pm, Jun 30, 2021



---

**RATE SCHEDULES AND OTHER CHARGES**  
**ENERGY OPTIONS PROGRAM TRANSPORTATION SERVICE (EO)**

---

MINIMUM BILL	Minimum monthly bill shall be the Basic Monthly Charge.
ADJUSTMENT FOR PURCHASED GAS OR OTHER TRANSPORTATION SERVICES	Customer is billed only for the Customer Charge, Transportation Charge, L&U Factor, and Marketer's commodity charge (where applicable); Marketer is billed for all other transportation services and charges.
DUE DATE	Bills will be due twenty (20) days after Company's Mailing Date.
LATE PAYMENT CHARGE	One percent (1%) of the balance not paid on or before the due date.
FRANCHISE FEE	A franchise fee will be added to the monthly bill in those communities that impose a franchise fee.
TAXES	Regulatory assessment or other taxes, fees, or charges required by a governmental authority will be added to the monthly bill.
<u>CONVERSION FEE</u>	<u>A Sales/Energy Options Conversion Fee may be assessed per Sheet No. 136.</u>
TERMINATION	Customer or Marketer must advise Company sixty (60) days in advance, in writing, when it wishes to terminate services under the Energy Options Program. Subject to Commission approval, the EO rate schedule and program may be terminated by Company.
TERMS AND CONDITIONS	The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

---

DATE OF ISSUE: ~~February 26~~June 29, 2021  
ISSUED BY: Robert J. Amdor

EFFECTIVE DATE: ~~March 4~~July 1, 2021

**RECEIVED**

*By Deena Ackerman at 2:49 pm, Jun 30, 2021*



---

### RATE SCHEDULES AND OTHER CHARGES

### CHARGES FOR MISCELLANEOUS SERVICES

---

SUPPLIER FEE      Applicable to Choice Program Suppliers in Rate Area 5

Administration 1/	\$1.094
Bad Debt 2/	\$0.172
<b>Total Supplier Fee</b>	<b>\$1.266</b>

---

- 1/      This is a fixed fee, per month, per customer billed for each supplier in the Residential and Commercial Choice Gas Program.
- 2/      The Bad Debt cost portion of the Supplier Fee shall be determined by dividing the total Residential and Commercial Choice Gas Program supplier commodity bad debt write-offs debited to Account No. 144, Accumulated Provision for Uncollectible Accounts during the prior calendar year, by the number of customers billed. The change in this portion of the fee shall be filed with the Commission for their approval by February 15 of each year.
- 3/      This fee is charged to each Residential and Commercial Choice Gas Program participating supplier each month based on the number of customers billed for that supplier.
- 

SALES/ENERGY  
OPTIONS  
CONVERSION  
FEE

Applicable to Commercial or Small Industrial Firm Customers in Rate Areas One, Two, and Three, electing service under the Energy Options Program, or High Volume Transportation Service, during the effective dates of the Cold Weather Gas Cost Recovery Mechanism approved by the Commission. 1/

The Sales/EO Conversion Fee is a ~~flat~~ one-time fee, based on the date conversion is implemented, —based on a calculation that incorporates the following components: (a) the customer's past natural gas monthly usage over a recent 12-month period, (b) each trailing month during the 12-month period applied to correspond to the remaining number of months remaining in collection of the February 2021 Cold Weather Event costs, and (c) then applying the February 2021 Cold Weather Event surcharge, effective at date of conversion, to that anticipated gas usage. 1/ Amounts collected will be credited to the Cold Weather Gas Cost Recovery Mechanism.

~~\$13,000.00~~  
~~\$9,000.00~~  
~~\$4,300.00~~

~~Conversion Date~~  
~~July 2021—June 2022~~  
~~July 2022—June 2023~~  
~~July 2023—June 2024~~

RECEIVED

12/7/21

NAT GAS DEPT

**Black Hills Nebraska Gas, LLC**

**d/b/a Black Hills Energy**

Nebraska Natural Gas Tariff

Filed with the Nebraska Public Service Commission

February 2021 Cold Weather Event surcharge, effective 12/01/2021, \$0.16586 per therm.

Application No. NG-111/PI-237. Black Hills Nebraska Gas, LLC. Application No. NG-111.1.  
ORDER APPROVING RECOVERY PLAN. Entered May 25, 2021.

DATE OF ISSUE: December 7~~June 29~~, 2021  
ISSUED BY: Robert J. Amdor

EFFECTIVE DATE: December 15~~July 1~~, 2021

RECEIVED  
12/7/21  
NAT GAS DEPT

---

**RATE SCHEDULES AND OTHER CHARGES**  
**COMMERCIAL SALES SERVICE**

---

AVAILABILITY	Service under this rate schedule is available to Commercial Customers located within the municipal boundaries and surrounding rural areas of Rate Areas One, Two, Three, and Five. This rate schedule shall apply to firm natural gas service for Customers whose normal requirements do not exceed five hundred (500) Therms on a peak day.				
RATE	<p>The Customer's monthly bill shall be the sum of the following components:</p> <p><u>Base Rates:</u></p> <table><tr><td>1. Monthly Charge</td><td>\$28.43 per meter</td></tr><tr><td>2. Delivery Charge</td><td>\$0.50858 per Therm, First 40 Therms \$0.15000 per Therm, Over 40 Therms</td></tr></table> <p><u>Other Charges:</u> This rate schedule is subject to the following other charges:</p> <ol style="list-style-type: none"><li>1. Gas Cost Charge<ol style="list-style-type: none"><li>a) Commercial Customers in Rate Areas One, Two, &amp; Three are subject to the Purchased Gas Cost Adjustment on Sheet No. 96</li><li>b) Commercial Customers in Rate Area Five are subject to:<ol style="list-style-type: none"><li>i) the Gas Supply Cost Adjustment on Sheet Nos. 123 to 125, and</li><li>ii) the Supplier Commodity Charge agreed to by the Customer and its Supplier in the Choice Gas Program</li></ol></li></ol></li><li>2. System Safety and Integrity Rider (SSIR) detailed on Sheet Nos. 127 to 131</li><li>3. High Efficiency Assistance Tool (HEAT) detailed on Sheet No. 132</li><li>4. Line Locates Surcharge detailed on Sheet No 133</li></ol>	1. Monthly Charge	\$28.43 per meter	2. Delivery Charge	\$0.50858 per Therm, First 40 Therms \$0.15000 per Therm, Over 40 Therms
1. Monthly Charge	\$28.43 per meter				
2. Delivery Charge	\$0.50858 per Therm, First 40 Therms \$0.15000 per Therm, Over 40 Therms				
MINIMUM BILL	Minimum monthly bill shall be the Basic Monthly Charge.				
DUE DATE	Bills will be due twenty (20) days after Company's Mailing Date.				
LATE PAYMENT CHARGE	One percent (1%) of the balance not paid on or before the due date.				
FRANCHISE FEE	A franchise fee will be added to the monthly bill in those communities that impose a franchise fee.				
TAXES	Regulatory assessment or other taxes, fees, or charges required by a governmental authority will be added to the monthly bill.				
CONVERSION FEE	A Sales/Energy Options Conversion Fee may be assessed per Sheet No. 136.				
TERMS AND CONDITIONS	The General Terms and Conditions contained in this tariff shall apply to this rate schedule.				

DATE OF ISSUE: June 29, 2021  
ISSUED BY: Robert J. Amdor

EFFECTIVE DATE: July 1, 2021

**RECEIVED**

*By Deena Ackerman at 2:49 pm, Jun 30, 2021*

---

**RATE SCHEDULES AND OTHER CHARGES**  
**ENERGY OPTIONS PROGRAM TRANSPORTATION SERVICE (EO)**

---

MINIMUM BILL	Minimum monthly bill shall be the Basic Monthly Charge.
ADJUSTMENT FOR PURCHASED GAS OR OTHER TRANSPORTATION SERVICES	Customer is billed only for the Customer Charge, Transportation Charge, L&U Factor, and Marketer's commodity charge (where applicable); Marketer is billed for all other transportation services and charges.
DUE DATE	Bills will be due twenty (20) days after Company's Mailing Date.
LATE PAYMENT CHARGE	One percent (1%) of the balance not paid on or before the due date.
FRANCHISE FEE	A franchise fee will be added to the monthly bill in those communities that impose a franchise fee.
TAXES	Regulatory assessment or other taxes, fees, or charges required by a governmental authority will be added to the monthly bill.
CONVERSION FEE	A Sales/Energy Options Conversion Fee may be assessed per Sheet No. 136.
TERMINATION	Customer or Marketer must advise Company sixty (60) days in advance, in writing, when it wishes to terminate services under the Energy Options Program. Subject to Commission approval, the EO rate schedule and program may be terminated by Company.
TERMS AND CONDITIONS	The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

---

**RATE SCHEDULES AND OTHER CHARGES**  
**CHARGES FOR MISCELLANEOUS SERVICES**

---

---

**SUPPLIER FEE**      Applicable to Choice Program Suppliers in Rate Area 5

Administration 1/	\$1.094
Bad Debt 2/	\$0.172
Total Supplier Fee	\$1.266

---

- 1/      This is a fixed fee, per month, per customer billed for each supplier in the Residential and Commercial Choice Gas Program.
- 2/      The Bad Debt cost portion of the Supplier Fee shall be determined by dividing the total Residential and Commercial Choice Gas Program supplier commodity bad debt write-offs debited to Account No. 144, Accumulated Provision for Uncollectible Accounts during the prior calendar year, by the number of customers billed. The change in this portion of the fee shall be filed with the Commission for their approval by February 15 of each year.
- 3/      This fee is charged to each Residential and Commercial Choice Gas Program participating supplier each month based on the number of customers billed for that supplier.
- 

**SALES/ENERGY  
OPTIONS  
CONVERSION  
FEE**      Applicable to Commercial or Small Industrial Firm Customers in Rate Areas One, Two, and Three, electing service under the Energy Options Program, or High Volume Transportation Service, during the effective dates of the Cold Weather Gas Cost Recovery Mechanism approved by the Commission. 1/

The Sales/EO Conversion Fee is a one-time fee, based on the date conversion is implemented, based on a calculation that incorporates the following components: (a) the customer's past natural gas monthly usage over a recent 12-month period, (b) each trailing month during the 12-month period applied to correspond to the remaining number of months remaining in collection of the February 2021 Cold Weather Event costs, and (c) then applying the February 2021 Cold Weather Event surcharge, effective at date of conversion, to that anticipated gas usage. 1/ Amounts collected will be credited to the Cold Weather Gas Cost Recovery Mechanism.

---

- 1/      Energy Options Program Transportation Service (EO) detailed on Sheet Nos. 85 to 86.  
February 2021 Cold Weather Event surcharge, effective 12/01/2021, \$0.16586 per therm.
-