

SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of NorthWestern)	Application No. NG-111.4
Energy, Sioux Falls, South)	
Dakota, seeking to modify its)	
tariff due to the February 2021)	ORDER APPROVING TARIFF
cold weather event and establish)	
a surcharge for commercial sales)	
customers who convert to)	
transportation service.)	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-111¹ 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 11, 2021, the Commission approved a recovery plan submitted by NorthWestern Corporation d/b/a NorthWestern Energy, of Sioux Falls, South Dakota ("NorthWestern").² NorthWestern's recovery plan set forth a proposal to recover \$25.4 million in expenses from the cold weather event through a 24-month Cold Weather Gas Cost Recovery Mechanism.

On September 3, 2021, NorthWestern filed an application to temporarily modify its tariff as set forth in its approved recovery plan. The modification to the tariff sought by NorthWestern was the addition of a surcharge that would apply to any customer who transfers from retail service to transportation service after the February cold weather event.³ 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). In Commission Order NG-111.4, the Commission entered an order granting temporary modification of the tariff. The Commission found that NorthWestern demonstrated good cause for allowing the tariff to temporarily become effective. The proposed

¹ *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 Energy, and NG-111.2, relating to NorthWestern, on March 2, 2021.

² Commission Docket No. NG-111.2, *Order Approving Recovery Plan*, entered May 11, 2021.

³ See NG-111.4, Hearing Exhibit NWE-1.

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tariff change became effective September 8, 2021, subject to modification or refund following review by the Commission and by any intervenors.⁴

Notice of the above application by NorthWestern was published in *The Daily Record* on September 10, 2021. A Petition for Formal Intervention was granted to the Nebraska Public Advocate ("Public Advocate" or "PA") on September 15, 2021. Notice of Hearing to review NorthWestern's temporary modification of the tariff was published in *The Daily Record* on October 25, 2021.

A hearing was held on November 30, 2021, at 1:30 p.m. Parties entering an appearance at the hearing included Mr. Andy Pollock appearing on behalf of NorthWestern; Mr. William Austin appearing on behalf of the Public Advocate; and Mr. Jonathan Smith and Ms. Nichole Mulcahy appearing on behalf of Commission staff. During the hearing, the following exhibits offered by NorthWestern were accepted into the record: NorthWestern Letter to Public Service Commission ("Application"), Tariff Update Redlined, and Tariff Update Clean.

E V I D E N C E

Jeff Decker, Regulatory Specialist for NorthWestern, testified on behalf of NorthWestern. Mr. Decker stated that under the original proposal, customers who transfer from retail service to transportation service would avoid paying their fair share of February cold weather event costs.⁵ As such, Mr. Decker testified that they decided to close this loophole by implementing a surcharge for any customers converting to transportation service from retail service.⁶ Mr. Decker closed his testimony by asking for the Commission's approval of the tariff change.⁷ Upon questioning, Mr. Decker confirmed that any customer transition will be seamless⁸ and the amount of surcharge paid by a customer will be the same regardless of what type of service they choose, transportation or sales.⁹ Mr. Decker further stated that as of the date of the hearing, no sales customer during the February 2021 event had elected to transition to transportation service.¹⁰ After Mr. Decker's testimony, no further witnesses were called, and the hearing was closed.

⁴ Commission Docket No. NG-111.4, *Order Opening Docket and Granting Temporary Modification of Tariff*, entered September 7, 2021.

⁵ Hearing Transcript 13:7-14:8 (November 30, 2021)

⁶ *Id.* at 14:9-24

⁷ *Id.* at 14:25-15:3

⁸ *Id.* at 19:1-10

⁹ *Id.* at 16:3-12

¹⁰ *Id.* at 14:22-24

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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 intended that the powers granted to the Commission by the Act be "liberally construed."¹¹

In the present case, NorthWestern filed the Application with the Commission on September 3, 2021. Based upon NorthWestern's testimony on the record and the evidence presented at the hearing, the Commission finds that NorthWestern's Application should be approved consistent with NorthWestern's revised tariff sheets.

Tariff sheets No. 6.1 and No. 6.6, including both redlined and clean versions, are attached to this order for review and incorporated by reference. Additionally, the Commission finds the revised tariff sheets should be approved.

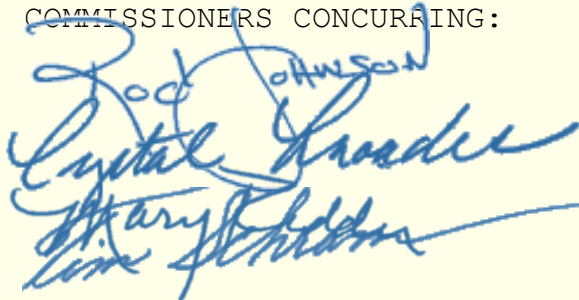
ORDER

IT IS THEREFORE ORDERED that NorthWestern Corporation d/b/a NorthWestern Energy, Nebraska Gas Tariff, Revised Sheets No. 6.1, and No. 6.6, including both redlined and clean versions attached to this order and incorporated by reference, be, and are hereby approved.

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

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:




Chair

ATTEST:


Deputy Director

¹¹ "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).

**NEBRASKA PUBLIC SERVICE COMMISSION
NATURAL GAS RATE SCHEDULE
for
NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY**

Section No. 3
2nd Revised Sheet No. 6.1
Canceling 1st Revised Sheet No. 6.1

CLASS OF SERVICE: Interruptible Transportation Service

RATE No. 97

(continued)

2. The service provided under this schedule shall be curtailed prior to any other retail customers when curtailments become necessary.
3. The customer shall be responsible for any imbalance or other charges or penalties in the event such charges are levied against the Company by pipeline transporters in connection with loads transported pursuant to this tariff schedule.
4. Failure of the customer to comply with a Company order to curtail or discontinue the use of gas shall be good and sufficient reason for the Company to shut off the natural gas supply to the customer, and the Company shall not be liable to the customer in any way, whatsoever as the result of such action.
5. If the customer takes unauthorized gas during the periods of curtailment, the customer will be charged a penalty rate which is the greater of \$3.00 per therm or the maximum penalty charge permitted to be made by the Company's upstream service providers for takes of natural gas in addition to the regular Commodity Charge for such gas. Such penalty payments shall not preclude the Company from shutting off the natural gas supply pursuant to paragraph 4 above.
6. Rates applicable to service taken pursuant to this tariff schedule are subject to change as of the effective date of the non-gas cost base changes applicable to Rate No. 94 as approved by the regulatory authority.
7. Telemetering Requirement. Customers on this rate will be required to have Company installed telemetric equipment as required in section 4 sheet 18.
8. Other than as modified in this tariff sheet, service will be furnished under the Company's General Terms and Conditions.
9. For the period September 8, 2021 through May 31, 2023, all customers transferring from retail rates 92, 94 or 95 to transport service will be required to pay a surcharge for the recovery of the Purchased Gas Costs (PGA) accumulated during the February 13-18, 2021 cold weather event. The cold weather event costs are included with each PGA filing and this surcharge rate will be updated to coincide with that filing.

Date Filed: September 3, 2021

Effective Date: September 8, 2021

Issued By: Jeffrey Decker, Regulatory Department

Phone (605) 353-8315

EXHIBIT NWE-2

NEBRASKA PUBLIC SERVICE COMMISSION
NATURAL GAS RATE SCHEDULE
for
NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY

	Section No. <u>3</u>
1st Revised	Sheet No. <u>6.6</u>
Canceling Original	Sheet No. <u>6.6</u>

CLASS OF SERVICE: Large Customer Transportation Service
(continued)

RATE No. 99

OTHER PROVISIONS

1. The customer shall sign a Transportation Service Agreement, which shall include the following:
 - a. The interruptible customer shall, as directed, curtail or discontinue the use of natural gas upon two (2) hours notice by the Company if supplier fails to deliver supply.
2. The interruptible transportation service provided under this schedule shall be curtailed prior to any other firm retail customers when curtailments become necessary.
3. The customer shall be responsible for any imbalance or other charges or penalties in the event such charges are levied against the Company by pipeline transporters in connection with loads transported pursuant to this tariff schedule.
4. Failure of the customer to comply with a Company order to curtail or discontinue the use of gas shall be good and sufficient reason for the Company to shut off the entire natural gas supply to the customer, and the Company shall not be liable to the customer in any way, whatsoever as the result of such action.
5. If the customer takes unauthorized gas during the periods of curtailment, a penalty rate which is the greater of \$3.00 per therm or the maximum penalty charges permitted to be made by the Company's upstream service providers for takes of natural gas in addition to the regular Commodity Charge for such gas. Such penalty payments shall not preclude the Company from shutting off the entire natural gas supply pursuant to paragraph 4 above.
6. Rates applicable to service taken pursuant to this tariff schedule are subject to change effective as of the effective date of non-gas cost base changes applicable to Rate No. 94 as approved by the regulatory authority.
7. Other than as modified in this tariff sheet, service will be furnished under the Company's General Terms and Conditions.
8. Tele-metering Requirement. Customers on this rate will be required to have Company installed telemetric equipment to monitor daily usage.
9. For the period September 8, 2021 through May 31, 2023, all customers transferring from retail rates 92, 94 or 95 to transport service will be required to pay a surcharge for the recovery of the Purchased Gas Costs (PGA) accumulated during the February 13-18, 2021 cold weather event. The cold weather event costs are included with each PGA filing and this surcharge rate will be updated to coincide with that filing.

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2nd Revised Sheet No. 6.1
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CLASS OF SERVICE: Interruptible Transportation Service

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EXHIBIT
NWE-3

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NATURAL GAS RATE SCHEDULE
for
NORTHWESTERN CORPORATION d/b/a NORTHWESTERN ENERGY**

	Section No. <u>3</u>
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