

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. NG-0046/
on its own motion, seeking to) PI-128
investigate certain customer)
service issues and plans)
relating to Source Gas LLC,) ORDER REQUIRING COMMISSION
f/k/a Kinder Morgan, Inc.,) EXAMINATION
Lakewood, Colorado.)
) Entered: March 17, 2009

BY THE COMMISSION:

The Nebraska Public Service Commission (Commission), on its own motion, opened the above-captioned docket to investigate and gather information on SourceGas Distribution, LLC's (SourceGas) customer service practices, policies and procedures in response to customer complaints received by the Commission.

On August 26, 2008, the Commission entered an Order to Show Cause why the Commission should not assess upon SourceGas administrative penalties and/or any other sanctions deemed appropriate pursuant to law, for failure to timely comply with its tariff provisions on file with the Commission and Commission rules and regulations.

On October 17, 2008, SourceGas entered an agreement to terminate its relationship with the third-party vendor that currently provides billing and customer service functions. After necessary preparations and a transition period, those functions will be performed by SourceGas. In the meantime, SourceGas will continue to work with the current vendor to make improvements.

In an effort to give SourceGas a reasonable opportunity to improve service, the Commission has not set a hearing on the Show Cause Order. The Commission has continued to monitor SourceGas' progress on billing and customer service issues through reports ordered in this docket, frequent interaction with SourceGas personnel on specific customer complaints, and regular updates from company management.

The Commission has an obligation to further evaluate the accuracy of billing and the adequacy of service levels. The Commission is granted broad authority under the State Natural Gas Regulation Act, Neb. Rev. Stat. §§ 66-1801 et seq. (2003 Reissue) (the Act). Pursuant to Neb. Rev. Stat. § 66-1804,

(1) The commission shall have full power, authority, and jurisdiction to regulate natural gas public utilities and may do all things necessary and

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convenient for the exercise of such power, authority, and jurisdiction. Except as provided in the Nebraska Natural Gas Pipeline Safety Act of 1969, and notwithstanding any other provision of law, such power, authority, and jurisdiction shall extend to, but not be limited to, all matters encompassed within the State Natural Gas Regulation Act.

(2) 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.

Furthermore, the Commission is specifically authorized to "examine and audit all accounts of jurisdictional utilities..." Neb. Rev. Stat. § 66-1818.

To that end, the Commission will perform an examination of SourceGas' billing system and customer service operations. Parameters of such examination will be further defined after consultation among the Commission's auditors, staff and SourceGas personnel. The Commission's auditors should render a report to be filed in this docket. Following the report, the Commission may consider whether further action is required.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that an examination of SourceGas' billing system and customer service operations shall be performed, and that the Commission's auditors shall render a report to be filed in this docket

MADE AND ENTERED at Lincoln, Nebraska, this 17th day of March, 2009.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



//s// Frank E. Landis


Chairman

ATTEST:


Executive Director