

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) ORDER CLOSING DOCKET
relating to Source Gas LLC,)
f/k/a Kinder Morgan, Inc.,)
Lakewood, Colorado.)
) Entered: December 20, 2010

BY THE COMMISSION:

O P I N I O N A N D F I N D I N G S

On April 17, 2007, the Nebraska Public Service Commission (Commission) opened the above-captioned docket to gather information concerning certain customer service issues and plans relating to SourceGas Distribution LLC, f/k/a Kinder Morgan, Inc. ("SourceGas").

To investigate, gather information, and monitor the progress of SourceGas regarding outstanding customer service issues, the Commission held workshops in the above-captioned docket on May 22, 2007, and January 15, 2008.

To more closely monitor the progress of the proposed changes and remedies proposed by SourceGas at the January 15, 2008 workshop, on March 11, 2008, the Commission issued an order requiring SourceGas, to file monthly customer service reports with the Commission.

On August 26, 2008, the Commission entered a Show Cause Order. In an effort to give SourceGas a reasonable opportunity to improve service, the Commission did not set a hearing on the Show Cause Order. The Commission continued to monitor SourceGas progress on billing and customer service issues through the monthly reports, frequent interaction with SourceGas personnel on specific customer complaints, and regular updates from company management.

In March of 2009, the Commission ordered an examination of SourceGas' billing system and customer service operations by auditors selected by the Commission. Following the examination, the Commission determined no immediate action was necessary and continued to monitor the progress of the company.

In October 2009, SourceGas brought customer service and billing services in-house and no longer contracted for the services of outside entities to perform those functions. Further, SourceGas implemented new computer software as part of

the transition to in-house services. At a workshop held on October 26, 2010, SourceGas gave a report on the first year activities regarding customer service and billing with all services provided in-house by SourceGas. The information provided at the workshop and the monthly reports filed by SourceGas demonstrated substantial improvement in customer service and billing metrics.

The State Natural Gas Regulation Act (Act)¹ enacted by the Nebraska Legislature in 2003 and rules and regulations promulgated by the Commission give the Commission the authority to investigate terms and conditions of service of the jurisdictional utilities² and determine if a jurisdictional utility's services are inadequate and to remedy them accordingly.³ SourceGas is a jurisdictional utility pursuant to the Act.⁴

The Commission has continued to monitor SourceGas customer service issues on a formal basis, with monthly reports, workshops, audits, and informational meetings between the Commission staff and company personnel. The reports have shown marked improvements in every area of customer service by SourceGas. In light of the demonstrated improvements, the Commission finds that formal monitoring of SourceGas customer service through this docket and monthly reporting is no longer necessary. The Commission will continue to informally monitor SourceGas customer service and if events arise requiring formal monitoring, the Commission will initiate another docket at that time. Finally, the Commission finds that the above-captioned docket should be closed.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the Show Cause issued by the Commission in the above-captioned docket, be and it is hereby, dismissed.

¹ See Neb. Rev. Stat. § 66-1801 et seq.

² Neb. Rev. Stat. § 66-1809.

³ See Neb. Rev. Stat. § 66-1809.

⁴ See Neb. Rev. Stat. § 66-1802(10).

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. NG-0046/PI-128

PAGE 3

IT IS FURTHER ORDERED that the above-captioned docket, be and it is hereby, closed.

MADE AND ENTERED at Lincoln, Nebraska, this 21st day of December, 2010.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Rod Johnson

Anne Boyer

Tim Schram

//s// Frank E. Landis

//s// Gerald L. Vap

Chairman

Gerald L. Vap

ATTEST:

Shirley R. [Signature]

Executive Director