

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of Black Hills/ ) Application No. NG-0074.1  
Nebraska Gas Utility Company, LLC )  
d/b/a Black Hills Energy, Omaha, )  
Nebraska, seeking approval of an )  
infrastructure system replacement ) PROGRESSION ORDER NO. 1  
cost recovery charge, pursuant to )  
Sections 66-1865 and 66-1866 of the )  
State Natural Gas Regulation Act. ) Entered: August 25, 2015

BY THE COMMISSION:

On July 21, 2015, the Commission issued an order approving Black Hills/Nebraska Gas Utility Company, LLC d/b/a Black Hills Energy's (Black Hills), application seeking approval of an infrastructure system replacement (ISR) cost recovery charge (Application), pursuant to the State Natural Gas Regulation Act, §§ 66-1865 and 66-1866 (2010). The surcharge requested was in addition to the previous surcharge approved in Application No. NG-0074 on November 25, 2013.

Due to the timing of the applications in Docket Nos. NG-0074 and NG-0074.1, two different reconciliation periods were established. In Docket No. NG-0074, Black Hills is required to file on or before January 30, annually a reconciliation for the period of December 1 through November 30. However, in Docket No. NG-0074.1, the reconciliation is due on or before August 30 and covers the period of July 1 through June 30.

The differing reconciliation periods and due dates have caused confusion. Therefore, Commission staff and representatives from Black Hills, SourceGas Distribution LLC, and the Public Advocate discussed ways to establish a more efficient process for the filing of reconciliations by the two utilities pending the adoption of rules and regulations on the subject.

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

The Commission finds for the sake of efficiency, the infrastructure system replacement cost recovery charges approved pursuant to §§ 66-1865 and 66-1866 through this process to be treated as a single surcharge for certain purposes.

The initial ISR charge and any subsequent increases shall be reflected as a single surcharge on customer billing statements.

Black Hills shall, for the period of July 1 through June 30 annually, reconcile the differences between the revenue resulting from each charge and pretax revenue approved by the Commission. The reconciliation and a request for any adjustments necessary to recover or refund any differences shall be filed with the Commission within sixty (60) days of the end of each twelve-month period. To the extent that an increase to the initial ISR charge has been effective for a portion

of the July 1 through June 30 time period, the reconciliation should reflect the partial year and the approved revenue amount prorated for the partial twelve-month period. Black Hills' next revenue reconciliation and rate adjustment filing is not due until August 30, 2016 and annually thereafter, and shall cover the time period from its last reconciliation through the June, 30, 2016 period.

Any differences between the approved pretax revenue and the initial ISR and subsequent increases should be combined into a single annual adjustment.

Reconciliations should be filed in the most recent docket. Applications for additional increases will be docketed in the same general docket with the next appropriate numerical suffix.

Once a general rate filing is made and all infrastructure included in the ISRs are incorporated into the utility's rate base and the surcharge is removed, any new applications will be assigned a new general docket number.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the application process for and reconciliation of infrastructure system replacement cost recovery charges set forth herein shall be adopted.

IT IS FURTHER ORDERED that Black Hills shall file its next reconciliation on or before August 30, 2016.

IT IS FINALLY ORDERED that the process shall be incorporated into future proposed rules and regulations.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska this 25th day of August, 2015.

NEBRASKA PUBLIC SERVICE COMMISSION

Chairman

*Gerald L. Vap*

COMMISSIONERS CONCURRING:

*Tim Schram*  
*Crystal Knodes*  
*Ed Johnson*

ATTEST:

*J. M. Kelly*

Executive Director

//s//Frank E. Landis  
//s//Gerald L. Vap