

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the application of) Application No. NG-0078.1
SourceGas Distribution LLC, Golden,)
Colorado, seeking authority to put)
into effect a System Safety and) ORDER APPROVING 2015 SSIR
Integrity Rider Tariff and Safety) CHARGE AS MODIFIED
and Integrity Rider Charge for)
recovery of 2015 Eligible Costs.) Entered: January 27, 2015

BY THE COMMISSION:

On November 10, 2014, SourceGas Distribution LLC (SourceGas), Golden, Colorado, filed an application seeking authority to put into effect a System Safety and Integrity Rider Tariff and Safety and Integrity Rider Charge (SSIR) for recovery of 2015 eligible costs (Application).

SourceGas seeks approval of projected SSIR costs for 2015 totaling \$13,983,439, resulting in an increase to the SSIR surcharge of \$.28 for residential ratepayers, \$.59 for small commercial ratepayers, and \$3.80 for large commercial ratepayers. The SSIR projects previously approved for 2014 and the additional projects for 2015 result in an SSIR project balance of \$24,024,854 and a jurisdictional revenue requirement of \$1,414,747.

Notice of the Application was published in *The Daily Record*, Omaha, on November 17, 2014. The Public Advocate's petition for formal intervention was granted on December 9, 2014. Hearing on the matter was held on January 20, 2014. Mr. Stephen Bruckner appeared on behalf of the Applicant; Messrs. William Austin and Colin Mues appeared on behalf of the Public Advocate; and Angela Melton appeared on behalf of Commission staff. A copy of the Application and Notice of Application were made part of the record. Additionally, copies of "Examination of SourceGas Distribution LLC Application for Recovery of 2015 Eligible System Safety and Integrity Costs" (Public Advocate Report); "Response of SourceGas Distribution LLC to The Report of the Nebraska Public Advocate" (Response); and the "Joint Stipulation of the Public Advocate and SourceGas Distribution LLC" (Stipulation) were also entered into the record.

E V I D E N C E

The Public Advocate Report recommended recovery for the requested SSIR costs; however, stated that the resulting revenue requirement should be reduced for property taxes on the 2015 projects that will not be in service and will not be assessed property taxes during 2015. With the recommended reduction, the resulting incremental increase to the SSIR surcharge would be \$.22 for residential ratepayers, \$.45 for small commercial ratepayers and \$2.82 for large commercial ratepayers. Additionally, The Public Advocate Report expressed reservations regarding SourceGas' choice to utilize outside contractors rather than internal resources to complete certain capital projects and whether the use of internal resources may be more cost effective.

In its Response, SourceGas agreed with the Public Advocate's proposed adjustment related to property taxes. Also, SourceGas provided an explanation regarding its use of outside contractors.

The Public Advocate and SourceGas subsequently entered into a Stipulation recommending to the Commission that an order be entered approving the adjustment to the SSIR charge for 2015 costs consistent with the findings of the Public Advocate Report.

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

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."¹ Pursuant to its broad authority, the Commission approved SourceGas' SSIR tariff and established procedures for the annual filing, reporting, and reconciliation.²

Based upon the Public Advocate's review and report and the stipulation of the parties, the Commission finds that the projected 2015 costs set forth in the Application are eligible and the incremental increase to the SSIR charge should be approved, as adjusted.

SourceGas shall comply with the requirements previously set forth in NG-0078 including the filing of quarterly surveillance filings and the filing of an annual reconciliation.

SourceGas shall file the final tariff sheet with the Commission prior to the imposition of the charge.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the stipulation be approved and the application be granted, in part consistent with the terms of the stipulation.

IT IS FURTHER ORDERED that this order is effective immediately.

¹ "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)*.

² *In the Matter of the Application of SourceGas Distribution LLC, Golden Colorado, seeking an order authorizing it to put into effect a system safety and integrity rider tariff and system safety and integrity rider charge*, Docket No. NG-0078, Order Approving Application, in part (Oct. 24, 2014); *In the Matter of the Application of SourceGas Distribution LLC, Golden Colorado, seeking an order authorizing it to put into effect a system safety and integrity rider tariff and system safety and integrity rider charge*, Docket No. NG-0078, Order Granting in Part and Denying in Part Motion for Reconsideration, (Nov. 24, 2014).

IT IS FURTHER ORDERED that this order is effective immediately.

MADE AND ENTERED at Lincoln, Nebraska, this 27th day of January, 2015.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS, CONCURRING:

Tim Schram

Dee Johnson

Cystal Knodes

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

Chairman *Gerald L. Vap*

ATTEST:

Steve Meredith
Executive Director