

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the	)	Application No. NG-102/PI-225
Commission, on its own motion,	)	
seeking to review policies and	)	
practices relating to the	)	PROGRESSION ORDER #2, REQUEST
administration of customer	)	FOR COMMENTS, AND NOTICE OF
choice programs for natural gas	)	WORKSHOP
service offered within the	)	
State of Nebraska.	)	
	)	Entered: March 10, 2020

BY THE COMMISSION:

The Nebraska Public Service Commission ("Commission"), on its own motion, opened the above-captioned investigation for the purpose of gathering information regarding, and reviewing the administration of, customer choice programs for natural gas service offered within the State of Nebraska.

Previously in this docket, the Commission solicited written comments on a range of topics primarily related to residential customers within the Choice program administered by Black Hills Nebraska Gas, LLC ("BHNG")<sup>1</sup> and held a workshop to discuss these topics. Following that workshop, in Progression Order No. 1, entered in this docket on October 29, 2019, the Commission set forth a series of recommendations and expectations for BHNG's Choice program ("Choice program"). The docket remains open for the purpose of continuing to gather information regarding the Choice program and reviewing its administration.

In the interest of continuing discussion of the Choice program and reviewing best practices, the Commission hereby schedules a workshop to be held on **Wednesday, June 17, from 9:00 a.m. to 4:00 p.m.**, with a one-hour break at approximately 12:00 p.m. If auxiliary aids or reasonable accommodations are needed for attendance at the workshop, or if any party would like to participate telephonically, please notify the Commission **at least seven days prior to the workshop**. For people with hearing/speech impairments, please call the Nebraska Relay System at (800) 833-7352 (TDD) or (800) 833-0920 (Voice). Advance notice of at least seven days is needed when requesting an interpreter.

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<sup>1</sup> Formerly Black Hills Gas Distribution, previously referred to in this docket as "BHGD"; see Commission Docket No. NG-100, Order Granting Application, entered October 29, 2019.

For the purposes of facilitating discussion, the Commission seeks written comments and evidence in advance of this workshop. Specifically, the Commission seeks to review the following issues:

**1. 2020 Selection Period.**

- a. Did the 2020 selection period run smoothly? What went well? Were any issues encountered that should be addressed for coming years?
- b. Was anything different in the 2020 selection period, as compared to past years?

**2. Customer Education.**

- a. Has your entity increased its customer outreach and education regarding the Choice program? If so, what was done, and what was the customer response?
- b. The Commission has increased the amount of customer education materials available on its website (<https://psc.nebraska.gov/natural-gas/consumer-choice-program>). Is what is currently available sufficient, or should it be added to or otherwise improved?
- c. What can individual suppliers do to increase the level of customer education regarding the Choice program?

**3. Delegation Agreements.**

- a. For the administrator only: During the previous workshop in this docket, BHNG indicated it did not intend to continue using delegation agreements ("DAs") for residential customers after the 2020 selection period. Does BHNG still plan to eliminate the use of DAs for residential customers going forward? If not, what has changed?
- b. Should DAs be available for commercial customers? If so, should small commercial customers be treated differently than large commercial customers?

4. **Selection Period.**

a. For the administrator only:

- i. After the discussion about the length of the selection period at the last workshop, does BHNG intend to change the length of the selection period in Nebraska in coming years? Is BHNG open to lengthening the selection period in Nebraska if DAs are no longer used for residential customers?
  - ii. If the selection period is extended, would the administrative burden of confirming customer selections be lessened?
- b. If any supplier has changed its opinion of the length of selection period since the previous workshop, how do you now see it and what made you change your view?

5. **Dispute resolutions.**

a. For the administrator only:

- i. What remedies and sanctions are currently available if it is determined that a supplier has violated the Code of Conduct?
  - ii. Do you have a standard policy of remedies and sanctions for response to violations of the Code of Conduct? If so, does the policy include increased penalties for repeat offenders and/or severe offenses?
- b. Is a standard policy of sanctions and remedies for violations of the Code of Conduct desirable? Why or why not?
- c. During the September 25 workshop, BHNG stated it would follow up with a CNGP who submitted a complaint after the complaint was resolved. Is that currently being done? If so, is it helpful? Is it sufficient? If not, how can it be improved?

- d. Are the sanctions or remedies currently available effective? Are there other sanctions or remedies that should be available when violations occur?

6. **Default pricing.**

a. Questions for suppliers:

- i. How do you determine the default rate for customers who do not make a selection? Does your methodology for determining the default rate vary from year to year?
  - ii. Using rates from the previous selection period, and assuming average usage based on class, what would the difference in the average monthly and annual bill be for:
    - 1. Residential customers that select the average fixed rate offered during the selection period, versus those that receive the default rate;
    - 2. Small commercial customers that select the average fixed rate offered during the selection period, versus those that receive the default rate; and
    - 3. Large commercial customers that select the average fixed rate offered during the selection period, versus those that receive the default rate?
  - iii. Does each supplier have one default rate for every customer assigned to them, or is there more than one default rate used by any single supplier? Is there more than one default rate offered within a class of customers?
- b. For all parties: Should there be a limit on what customers who do not make a selection can be charged? If so, what types of limits would you suggest? If not, why not?

7. **Energy Options.**

- a. How are transportation and capacity related costs currently allocated between customers? Is this allocation method appropriate?
- b. What are the benefits and detriments of a pro rata allocation of transportation costs?

8. **Further Information.** Are there any additional documents, articles, and/or materials related to the topics outlined above that the Commission and other interested parties should consider in their review of the issues discussed above? If so, please provide an explanation and supporting documentation.

Written comments and supporting documentation regarding the above topics will be due to the Commission on or before **May 29, 2020, at 5:00 p.m. CDT** in order to be considered as part of the June 17th workshop. These items, as well as any other filings in this docket, should be submitted electronically to [psc.naturalgas@nebraska.gov](mailto:psc.naturalgas@nebraska.gov).

O R D E R

IT IS THEREFORE ORDERED that a workshop shall be scheduled on **Wednesday, June 17, from 9:00 a.m. to 4:00 p.m.** in the Commission Hearing Room, Lincoln, Nebraska.

IT IS FURTHER ORDERED that written comments and supporting documentation will be accepted from all interested parties, and must be submitted on or before **May 29, 2020, at 5:00 p.m. CDT** in order to be considered in the course of the June 17 workshop.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 10th day of March, 2020.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Crystal Knudsen*  
*Paul Johnson*  
*David Peterson*  
*Kim Schram*

*Mary Keady*  
 Chair

ATTEST:

*Michael H. [Signature]*  
 Executive Director