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June 17, 2022

Ret. Colonel Thomas Golden
Executive Director
Nebraska Public Service Commission
1200 N Street, Suite 300
Lincoln, NE 68508

Re: *Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy*
2022 Nebraska Choice Gas Comments
Docket NG-102/PI-225

Dear Ret. Col. Golden:

Black Hills Energy hereby transmits its 2022 Nebraska Choice Gas Comments under Docket NG-102/PI-225.

Please contact me at (402) 221-2635 if you have any questions or need additional information.

Respectfully submitted,

Douglas J. Law

Douglas J. Law #19436
Associate General Counsel

DJL:ce

Attachment

cc: Tyler Frost
Robert Amdor
Shelly Reichert
Service List
Nicole Mulcahy

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

**IN THE MATTER OF THE)
COMMISSION, ON ITS OWN MOTION,)
SEEKING TO REVIEW POLICIES AND)
PRACTICES RELATING TO THE)
ADMINISTRATION OF CUSTOMER)
CHOICE PROGRAMS FOR NATURAL)
GAS SERVICE OFFERED WITHIN)
THE STATE OF NEBRASKA)**

Application No. NG-102/PI-225

**2022 COMMENTS OF
BLACK HILLS NEBRASKA GAS, LLC
D/B/A BLACK HILLS ENERGY
(Choice Gas Administrator)**

I. INTRODUCTION

On August 6, 2019, the Nebraska Public Service Commission (“Commission”), on its own motion, issued an order (“2019 Choice Gas Order”) opening an investigation in the above-captioned docket for the purpose of gathering information regarding, and reviewing the policies and practices related to, Black Hills Nebraska Gas, LLC’s (“BH Nebraska Gas”) administration of customer choice programs for natural gas service offered within the State of Nebraska (“Choice Gas Program”). The Commission initiated its investigation in this proceeding pursuant to *Neb. Rev. Stats. §§ 66-1848, 66-1849, and 66-1855*.

Pursuant to the Commission’s 2019 Choice Gas Order, the Commission solicited written comments on a range of topics primarily related to residential customers within the Choice Gas Program administered by BH Nebraska Gas. Thereafter, the Commission held a workshop to discuss those topics. Following that workshop, in Progression Order No. 1, entered in this proceeding on October 29, 2019, the Commission set forth a series of recommendations and expectations for the Choice Gas Program. The Commission stated that the proceeding would remain open for the purpose of continuing to gather information regarding the Choice Gas Program and reviewing its administration.

On March 10, 2020, the Commission issued its Progression Order #2, “Request For Comments, and Notice of Workshop (“2020 Choice Gas Order”). Pursuant to the 2020 Choice Gas Order, the Commission requested written comments and evidence in advance of its 2020 Commission Choice Gas Programs Workshop held on Wednesday, June 17, 2020. The Commission’s 2020 Choice Gas Order set forth eight different topics wherein the Commission sought comment regarding the Choice Gas Program.

On July 14, 2020, the Commission issued its Progression Order #3. That Commission Order provided various statements of recommendations and expectations of the Commission regarding the comments on issues discussed and considered at the Commission's June 17, 2020, Workshop. The Commission further ordered that this docket shall remain open for the purpose of gathering information and reviewing the administration of the Choice Gas Program offered within the State of Nebraska.

On March 30, 2021, the Commission issued its Progression Order #4 ("2021 Choice Gas Order"). Pursuant to the 2022 Choice Gas Order, the Commission did not solicit written comments; however, parties wishing to submit comments were permitted to do so at least one week prior to the workshop held June 15, 2021. The Commission further ordered that this docket shall remain open for the purpose of gathering information and reviewing the administration of the Choice Gas Program offered within the State of Nebraska.

On April 26, 2022, the Commission issued its Progression Order #5 ("2022 Choice Gas Order"). Pursuant to the 2022 Choice Gas Order, the Commission did not solicit written comments; however, parties wishing to submit comments are permitted to do so at least one week prior to the workshop to be held June 28, 2022. The Commission's Progression Order #5 requires written comments and supporting documentation regarding the 2022 Selection Period will be due to the Commission on or before June 21, 2022, at 5:00 p.m. Central Time in order to be considered as part of the June 28, 2022, workshop.

Pursuant to the Commission's 2022 Choice Gas Order, BH Nebraska Gas hereby submits comments and evidence in response to the Commission's Choice Gas investigation in this proceeding.

II. SCOPE OF COMMENTS

The comments provided herein focus on the existing Choice Gas Program offered by BH Nebraska Gas within the State of Nebraska. BH Nebraska Gas is not proposing any significant structural or territory changes to the existing Choice Gas Program as part of this Nebraska proceeding. Any proposal by BH Nebraska Gas to significantly alter the existing BH Nebraska Gas Choice Gas Program or any transportation program offered by BH Nebraska Gas will be presented, if at all, in the future. Accordingly, the soonest any significant structural or territorial changes to the BH Nebraska Gas Choice Gas Program or to the transportation programs of BH Nebraska Gas would be presented for discussion and further consideration, if at all, is no earlier than 2024 or thereafter.

BH Nebraska Gas emphasizes that no expansion or other significant structural change to the Choice Gas Program of BH Nebraska Gas is currently contemplated by BH Nebraska Gas for Nebraska. As the Nebraska Commission may be aware, the Choice Gas Program expansion filing before the Wyoming Public Service Commission (“Wyoming PSC”) in the State of Wyoming was dismissed at the request of Black Hills Wyoming Gas (“BH Wyoming Gas”) to allow the parties in that proceeding to engage in workshop sessions to address the existing Choice Gas Program issues identified in the Wyoming PSC docket.¹

The overarching strategy in Wyoming is for Black Hills Wyoming Gas to first address existing BH Wyoming Gas Choice Gas issues, and then consider whether expansion of that revised program should be expanded to other service areas of BH Wyoming Gas (e.g., Cheyenne and

¹ *In re Application of Black Hills Wyoming Gas, LLC d/b/a Black Hills Energy for Authority to Revise Certain Tariff Provisions Related to the Choice Gas Program and Expand the Choice Gas Program to All Customers Effective June 2023, Wyoming PSC Docket No. 30026-46-GA-21 (Record No. 15803).*

Cody). To that end, the first workshop addressing the first set of existing Choice Gas Program issues (i.e., gas supplier administration, nomination, forecasting, imbalance penalty cost exposure, etc.) was held before the Wyoming PSC on May 5, 2022.

The procedural schedule established for this proceeding by the Wyoming PSC requires Choice Gas Program workshops and participant meetings quarterly thereafter.

BH Nebraska Gas managers will continue to monitor the Wyoming Choice Gas Program workshops as they progress and then consider whether any of the Choice Gas Program changes adopted and approved by the Wyoming PSC would be prudent to propose for discussion and consideration for the BH Nebraska Gas Choice Gas Program. BH Nebraska Gas will provide the Nebraska Commission with status updates regarding the progress of the BH Wyoming Gas Choice Gas proceeding at its quarterly Commission Application NG-101.1 meetings or as requested. BH Nebraska Gas fully understands that any tariff changes to the BH Nebraska Gas Choice Gas Program would be subject to prior discussion, review, and approval by the Nebraska Commission.

BH Nebraska Gas's remaining comments herein present a report on the 2022-2023 enrollment period for the BH Nebraska Gas Choice Gas Program.

III. CHOICE GAS PROGRAM COMMENTS

BH Nebraska Gas provides its comments related to the current BH Nebraska Gas 2022-2023 Choice Gas Program years. These comments are limited to the Residential and Commercial Choice Gas Program offered by BH Nebraska Gas in Rate Area Five.

The Choice Gas Program issues commented on by BH Nebraska Gas are as follows:

- 1. 2022-2023 Selection Period**
- 2. Continued Curtailment of Delegation Agreements**
- 3. Customer Education**

1. 2022-2023 Selection Period

- a. Did the 2022 selection period run smoothly? What went well? Were any issues encountered that should be addressed in coming years?**

BH Nebraska Gas reports that the enrollment period for the 2022-2023 Choice Gas Program year proceeded without significant issues. The Black Hills Energy call center received approximately the same number or fewer customer calls as last year's Choice Gas Program enrollment periods. Overall, the customer enrollment process only experienced a minimal number of customer questions/concerns, which were resolved immediately upon BH Nebraska Gas' awareness of an issue.

BH Nebraska Gas considered supplier feedback related to the five-week selection period being too long, consequently reducing the official selection period for the 2022-2023 Choice Gas Program selection to coincide with Wyoming's three-week selection period. The official enrollment period commenced on April 1, 2022 and ended on April 21, 2022. BH Nebraska Gas's elimination of the pre-annual selection period marketing and reduction of marketing to coincide with the annual selection period for the 2022-2023 Choice Gas Program year significantly reduced customer confusion and the resulting customer complaints. During the annual enrollment period, BH Nebraska Gas did field minimal supplier complaints and those concerns were addressed expeditiously and resolved. BH Nebraska Gas did follow up with the suppliers and customers involved once the situations had been researched and completed.

Customers were directed to the www.Choicegas.com website where enrollment information was available. The notification of changes made by BH Nebraska Gas to the Choice Gas Program marketing, mailing, and enrollment periods were mailed and/or emailed where email addresses were available, with no evidence of customer confusion, and may have reduced some of the confusion experienced in prior years related to when the selection period started.

In addition to providing copies of the customer enrollment package to the Nebraska Commission, BH Nebraska Gas also forwards the Marketing and Mailing materials of the participating Choice Gas Program Suppliers to the Commission for its information and review.

2. Delegation Agreements

BH Nebraska Gas is in its second year of discontinued use of Delegation Agreements for the Residential Choice Gas Program. While suppliers continue to utilize Delegation Agreements for eligible commercial customers, there has been no negative feedback or known impact to residential customers resulting from this change, as evidenced by the significant decrease of customer complaints again in 2022. The elimination of the Delegation Agreements has been a success.

In addition to the elimination of the Delegation Agreements for residential customers, the reduced marketing period that now coincides with the Choice Gas Program annual enrollment period appears to have been beneficial because the shortened marketing period has reduced customer confusion and all but eliminated pre-annual enrollment period complaints. The volume of Choice Gas customer calls into the BH Nebraska Gas call center was less than prior years and supports the conclusion of reduced customer confusion. BH Nebraska Gas will leave it to the suppliers to report if this change had any impact on their marketing and enrollment abilities.

3. Customer Education and Customer Survey

Like all Choice Gas Program stakeholders, BH Nebraska Gas is willing to consider and to implement additional cost-effective Choice Gas Program education efforts that are designed to provide Choice Gas Program Customers with a better understanding of the Choice Gas Programs.

A primary tool of customer education regarding the Choice Gas Programs is located on the BH Nebraska Gas website. BH Nebraska Gas has created and maintains a Choice Gas Program website at www.Choicegas.com designed to provide information about the BH Nebraska Gas Choice Gas Programs.

For the 2022-2023 marketing and enrollment period, BH Nebraska Gas used a number of different methods to reach eligible customers notifying them of the upcoming Choice Gas Program and the enrollment dates as well as the changes to the marketing period including bill inserts, bill messaging, customer emails and social media ads targeted to zip codes and email addresses. The objective was to remind customers of the changes in the marketing period, the opening of the enrollment period and to encourage them to participate in the program. Using bill inserts and bill messaging BH Nebraska Gas was able to ensure that every customer received marketing materials and, using social media and email, were able to monitor the higher than average open and engagement rates with those specific messages.

In an effort to understand the customer experience with the program, BH Nebraska Gas, along with BH Wyoming Gas, will send a survey to eligible Choice Gas Program Customers requesting feedback about the program. This Choice Gas Program survey is scheduled to go out to Nebraska and Wyoming customers later this summer. The desired outcome of the survey is to receive customer feedback that will allow BH Nebraska Gas and BH Wyoming Gas to improve its Choice Gas Program administrative processes and promote a positive customer experience with the program.

IV. CONCLUSION

WHEREFORE, for the reasons stated above, BH Nebraska Gas respectfully submits the comments provided herein.

Respectfully,

Dated: June 17, 2022

By: */s/ Douglas J. Law*

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