

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 NO. 7
ADMINISTRATION OF CUSTOMER)	
CHOICE PROGRAMS FOR NATURAL)	
GAS SERVICE OFFERED WITHIN)	
THE STATE OF NEBRASKA)	

2024 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.

On April 25, 2023, the Commission issued its Progression Order #6 ("2023 Choice Gas Order"). Pursuant to the 2023 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 21, 2023. The Commission's Progression Order #6 requires

written comments and supporting documentation regarding the 2023 Selection Period due to the Commission on or before June 21, 2023, at 5:00 p.m. Central Time to be considered as part of the June 21, 2023, workshop.

On May 14, 2024, the Commission issued its Progression Order #7 (“2024 Choice Gas Order”). Pursuant to the 2024 Choice Gas Order, the Commission did not solicit specific 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 18, 2024. The Commission’s Progression Order #7 states that the Commission will accept written comments and supporting documentation regarding the 2024 Choice Gas Program from all interested parties submitted on or before June 11, 2024, at 5:00 p.m. Central Time.

Pursuant to the Commission’s 2024 Choice Gas Order, BH Nebraska Gas hereby submits comments 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 2026 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 withdrawn 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 implemented over the past couple of years is for Black Hills Wyoming Gas to first address existing BH Wyoming Gas Choice Gas issues. Then, Black Hills Wyoming Gas will consider whether and when expansion of a Choice Gas Program might be proposed to the Commission for other service areas of BH Wyoming Gas (e.g., Cheyenne and Cody). To that end, the participants in the Wyoming Choice Gas Program have held several workshops addressing numerous issues arising under the Choice Gas Program. The most recent Wyoming PSC Workshop was held on May 14, 2024, at the Wyoming Public Service Commission.

BH Nebraska Gas managers will continue to participate in 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 has provided 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

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).*

Choice Gas Program would be subject to prior discussion, review, and approval by the Nebraska Commission.

III. CHOICE GAS PROGRAM COMMENTS

BH Nebraska Gas provides comments related to (a) the BH Nebraska Gas **2023-2024 Choice Gas Program Year** recently completed, (b) the Annual enrollment and ongoing **2024-2025 Choice Gas Program Year**, (c) the issues and potential changes to be considered by the Suppliers, the Commission, and the Public Advocate for the Choice Gas Program contemplated for the **2025-2026 Choice Gas Program Year**, and (d) general discussion related to future Choice Gas Program in Nebraska and Wyoming.

Exhibit A of these comments is a presentation of the (a) Ag Choice Program, (b) Choice Gas Program Update including various issues and the results of a Choice Gas Program Customer Survey conducted last year, and (c) Wyoming Choice Gas Program Statue Updates.

Except for the general discussion related to the overall Choice Gas Program, the comments of BH Nebraska Gas provided in this proceeding are primarily directed to the Nebraska 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:

(a) 2023-2024 Choice Gas Program Year – Issues and Resolutions Report

BH Nebraska Gas reports that the 2023-2024 Choice Gas Program year recently completed proceeded without significant issues. The Black Hills Energy call center received approximately the same number or fewer customer calls as in prior Choice Gas Program periods. Overall, the customer experience was positive

as validated by the Survey conducted by BH Nebraska Gas.² A minimal number of customer questions/concerns were resolved immediately upon BH Nebraska Gas' awareness of an issue. The Choice Gas Program Suppliers were cooperative and responsive in resolving any customer issues.

(b) 2024-2025 Selection Period and Current Choice Gas Program Year

BH Nebraska Gas reports that the enrollment period for the 2024-2025 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. The Choice Gas Suppliers have also been cooperative and responsive in resolving any customer issues.

Customers were directed to the www.Choicegas.com website where enrollment information was available. The minor changes made by BH Nebraska Gas to the Choice Gas Program marketing, mailing, and enrollment materials were provided to eligible customers. BH Nebraska Gas did not encounter any significant customer 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. One of the changes for the Choice Gas Program implemented for the 2024-2023 year was an additional requirement for Suppliers to obtain **Cybersecurity insurance** to further protect against the unlawful breach and disclosure of confidential customer data provided to Suppliers as part of the Choice Gas Program administration. The Suppliers have accepted and complied with this new customer protection requirement. See Exhibit A for more detail of the 2024-2025 Choice Gas Program.

² BH Nebraska Gas presented the results of the survey of Nebraska Choice Gas Program customers at its NG-101 Quarterly Meeting on January 23, 2024.

(c) 2025-2026 Selection Period and Current Choice Gas Program Year

A couple of items that are contemplated for the 2025-2026 Choice Gas Program Year are as follows:

- Supplier Participation Agreement – revision to Supplier termination provision;
- Supplier Participation Agreement – potential revisions to credit requirements;
- Possible Tariff Changes – definitions for High Volume, Commercial, and Ag. Customers; and
- Other Possible Tariff Changes – housekeeping changes to conform to existing Program.

(d) Future Administration of Choice Gas Program in Nebraska

As stated above, Black Hills Corporation has no current plans to expand Choice Gas Program in NE in near future but reserves right to reassess in future years as technology or customer demand shift. For at least the next two years, the only changes to the Choice Gas Program will be to consider whether any improvements that are considered and adopted during the Wyoming Public Service Commission Choice Gas Program Workshops or other proceedings are appropriate to propose for adoption by the stakeholders in the Nebraska Choice Gas Program.

IV. CONCLUSION

WHEREFORE, for the reasons stated above, Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy respectfully submits these comments and Exhibit A provided herein.

Respectfully,

Dated: June 14, 2024

By: /s/ Douglas J. Law

Douglas J. Law, #19436
Associate General Counsel
Black Hills Nebraska Gas, LLC, d/b/a Black Hills Energy
1731 Windhoek Drive
Lincoln, NE 68512
Tel: (402) 221-2635
douglas.law@blackhillscorp.com

Its Attorney