

Polar Vortex – FAQ's

What exactly is the Polar Vortex?

The Polar Vortex event, also named Winter Storm Uri, occurred in February of 2021, and caused natural gas markets to experience the largest natural gas price increases in the last twenty years. The increase in prices were due to many factors. Uri brought unprecedented cold temperatures to a huge swath of the country, that lingered over multiple days, causing massive demand surges. At the same time, the severe cold caused natural gas and electric supply issues in Oklahoma and Texas, drastically curtailing supply. The result was skyrocketing prices. Utilities across the impacted areas had to buy gas in the market to keep up with customer demand and gas flowing to customers.

Why is this cost being added to my bill now?

The cost of a customer's natural gas, the commodity itself, is a direct pass through to customers, the gas utilities do not make any profit on the gas itself. In order to mitigate the enormous cost impact to customers, the Nebraska Public Service Commission asked NorthWestern Energy (NWE) and Black Hills Energy (BHE) to bring proposals to the Commission to determine the best path forward to manage the impact of Winter Storm Uri.

How long will I have to pay for this?

BHE proposed spreading the costs over a 3-year period and NWE proposed a 2-year recovery of costs, beginning in 2021. The surcharge will appear as an additional line-item on BHE customer bills. NWE will include the amount in the Purchase Gas Commodity calculation on customer bills.

Why are you spreading the cost over multiple years?

The Commission realized that Nebraska and the country was experiencing economic hardships due to the pandemic and wanted to avoid budget busting bills hitting customer's accounts. Spreading the cost out over multiple months helped make the payments more manageable.

What will be the average increase on my bill?

The amount each customer pays will depend on the amount of natural gas you use, so the amount will fluctuate month to month. BHE residential customers will see an average monthly increase of around \$10 and an average commercial customer will see an average increase of approximately \$38 each month. NWE residential customers will see an average monthly increase of around \$17 and an average small commercial customer will see an average increase of approximately \$61. The costs each month will vary seasonally. Please note: the additional recovery will not apply to transportation only customers, who purchase their gas supply from a 3rd party, such as Choice Gas program customers and Energy Option customers. BHE customers that select to participate in the Annual Price Option (APO) program will not see an impact until the expiration of the 2020-2021 annual contract in October, 2021.

Where can I see these costs on my bill?

NWE customers on June 1, 2021, will begin to have the polar event cost recovery included in the Purchase Gas Commodity on their bill. Beginning July 1, 2021, the polar vortex costs will appear as an additional line-item on BHE customer bills. APO customers will see the line-item beginning in with the new APO program year in November.

What billing management options are available for customers?

Customers worried about affording their bill are encouraged to talk to their utility about Budget Billing programs offered by the companies. A budget billing plan that averages your annual gas bill over 12 months, helping to avoid the seasonal increases in bills that result during extreme weather during high usage months.